

**Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting
June 16, 2022
Tennessee State University – Electronic**

MINUTES

Committee Members Present: Trustee Deborah Cole, Obie McKenzie and Van Pinnock.

Other Board Members Present: Pam Martin, Andre Johnson, Richard Lewis, and Bill Johnson.

University Staff Present: President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary; Dr. Michael Harris, Interim Provost & Vice President for Academic Affairs; Douglas Allen, Vice President of Finance and Budget; Dr. Curtis Johnson, Chief of Staff; Dean Frank Stevenson, Assoc. Vice President of Student Affairs; Dr. Quincy Quick, Assoc. Vice President of Research & Sponsored Programs; Terrence Izzard, Assoc. Vice President of Enrollment Management; Adrian Davis, Auditor and Dr. Arlene Nicholas-Phillips, Liaison to the Board of Trustees.

I. CALL TO ORDER

Trustee Cole called the meeting to order at 10:12 a.m. CDT on June 16, 2022. Trustee Cole moved to make certain findings on the record regarding the necessity for conducting the meeting electronically without a physical quorum present due to the coronavirus pandemic. The Committee found that there were various important matters that required immediate action by the Committee. Participation by electronic means was necessitated by the COVID-19 pandemic and accompanying guidance from the Center for Disease Control (“CDC”) and the State of Tennessee to enforce social distancing guidelines, including limiting face-to-face contact whenever possible. Electronic participation for the Committee meeting was necessary for the safety of Board members, staff, and guests. Trustee McKenzie seconded and the motion carried unanimously by roll call vote.

II. ROLL CALL/DECLARATION OF A QUORUM

Trustee Cole asked the Secretary to the Board to call the roll. Board Secretary Pendleton called the roll. Present: Trustees Deborah Cole, McKenzie and Van Pinnock. A quorum was established.

III. APPROVAL OF THE MARCH 17 2022, AUDIT COMMITTEE MEETING MINUTES

Trustee Cole moved to recommend to the full Board the approval of the minutes from the March 17, 2022, Audit committee meeting, as contained in the June 16, 2022, Board materials. Trustee McKenzie seconded the motion, which carried unanimously by roll call vote.

IV. ANNUAL REPORT ON THE AUDIT OFFICE’S AUDIT ACTIVITIES

Trustee Cole introduced the next item on the agenda, the Annual Report on the Audit Office’s Audit Activities. She then asked President Glover and Director of Internal Audit, Ms. Adrian Davis, to provide pertinent information related to this agenda item. The material is included in the

June 16, 2022, Board meeting packet. This was an informational and discussion item, so no vote was required.

President Glover asked Director Davis to report on this agenda item, to which Ms. Davis explained that she would report on two completed audits while others were in progress. She commenced to discuss the findings and recommendations for the audit on grants management and financial reports. Regarding the grants, her sample size was 19 grants, and the audit found that 18 of the 19 grants were submitted timely, while one was submitted late. Financial reports were due for 16 of the grants included in the sample size. Three of the sixteen reports were submitted timely, eleven were not submitted timely and two were not provided.

Director Davis explained that in order to ensure timely reporting, management has taken steps to replace the Director of Grants Accounting and recently hired an Assistant Director of Grants Accounting. There had also been an increase in interaction with University departments and Principle Investigators for the grants in an effort to ensure timely reporting deadlines were met. Details of the review are outlined in the Board materials on pages #38 to #49.

VP Doug Allen commented on these findings and confirmed that measures had been taken to ensure compliance in this area. He mentioned that in addition to engaging a consultant, the university had also hired a Chief Data Officer who had extensive banner expertise. Dr. Damian Clarke will be holding Banner training sessions in the upcoming months so as to assist staff in becoming more proficient and to enable automation of most processes. Chair Cole commented on Dr. Clarke's credentials.

Next area of findings and recommendations made by Director Davis was with the timely completion of Form I-9 by new hires and conducted by the Human Resources department. Five of the thirty employees included in the sample were found to have been late in completing this form. Management did confirm that going forward steps have been taken to ensure timely completion of these forms. Regarding employee evaluations, Director Davis stated that she and her team will continue to perform follow-up procedures to determine the level of compliance and university policies in this area.

V. DISCUSSION OF THE AUDIT OFFICE'S INTERNAL QUALITY ASSESSMENT

Trustee Cole introduced the next item on the agenda, the discussion of the Audit Office's Internal Quality Assessment. She then asked President Glover and Director of Internal Audit, Ms. Adrian Davis, to provide pertinent information related to this agenda item. The material is included in the June 16, 2022, Board meeting packet. This was an informational and discussion item, so no vote was required.

President Glover again called on Ms. Davis to report on this agenda item. Ms. Davis stated that the TSU Department of Internal Audit conducted a quality self-assessment of the internal audit activity during fiscal year 2022. This was to determine the conformity to the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing. Director Davis explained that this assessment is conducted annually. In May 2022, the assessment was done and pertaining to the three areas of evaluation: Attribute Standards, Performance Standards and Code of Ethics, the department was found to be in General Conformity. Details of the evaluated areas are outlined on pages #63 to #65 in the Board materials.

VI. REVIEW OF OUTSTANDING AUDIT ISSUES

Trustee Cole announced the next item on the agenda, the review of outstanding audit issues and asked President Glover to provide pertinent information related to this agenda item. The material is included in the June 16, 2022, Board meeting packet. This was an informational and discussion item, so no vote was required.

Since all of the outstanding items were already discussed when asked by Chair Cole, Director Davis stated that there was not need to reiterate. All the outstanding items are detailed on pages #68 to #70 in the Board materials.

VP Doug Allen commented on the corrective actions taken on several of the outstanding external audit findings which were listed in the Board materials.

VII. APPROVAL OF THE FISCAL YEAR 2022-2023 AUDIT PLAN

Trustee Cole announced that the next item on the agenda was the approval of the Fiscal Year 2022-2023 Audit Plan and asked President Glover to provide pertinent information related to this agenda item. President Glover called on Director Davis to present on this item. The material is included in the June 16, 2022, Board meeting packet.

Director Davis shared that the annual audit plan for the Department of Internal Audit was prepared using a risk-based approach as required by the International Standards for the Professional Practice of Internal Auditing, as issued by the IIA. The audit plan covers the annual audit period ending June 30, 2023. All relevant risk factors were considered when determining the items to be included in the audit plan. The plan is outlined on page #73 of the Board materials.

In addition, Chair Cole and President Glover commented that there may be times when Director Davis is called upon to do an investigation relevant to TSU that is outside of this stated Audit Plan.

Chair Cole moved to recommend to the full Board the approval of the Fiscal Year 2022-2023 Audit Plan, as contained in the Board materials for the June 16, 2022, Board meeting. The motion was seconded by Trustee Pinnock and was carried unanimously by roll call vote.

VIII. EXECUTIVE SESSION FOR DISCUSSION OF ITEMS DEEMED CONFIDENTIAL UNDER STATE LAW

Trustee Cole moved for the Audit committee to go into Executive Session to discuss items deemed confidential under State law. Trustee Pinnock seconded the motion, which carried unanimously by roll call vote. The committee then transitioned into the Executive Session.

VIII. ADJOURNMENT

There was no further discussion. Trustee Cole moved to adjourn the meeting and the motion was seconded by Trustee Pinnock. The motion carried unanimously by roll call vote. The meeting was adjourned at 10:54 a.m. CDT.