

**Meeting of the Tennessee State University Board of Trustees
Audit Committee Meeting
November 17, 2022
Tennessee State University – Hankal Hall**

MINUTES

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

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

University Staff Present: President Glenda Glover; Laurence Pendleton, General Counsel and Board Secretary; Dr. Robbie Melton, Acting 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 12:13p.m. on November 17, 2022.

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 SEPTEMBER 15, 2022, AUDIT COMMITTEE MEETING MINUTES

Trustee Cole moved to recommend to the full Board the approval of the minutes from the September 15, 2022, Audit committee meeting, as contained in the November 17, 2022, board materials. Trustee McKenzie seconded the motion, which carried.

IV. REVIEW OF THE COMPLETED INTERNAL AND EXTERNAL AUDITS

Trustee Cole introduced the next item on the agenda, the review of the completed internal and external audits. She then asked President Glover to provide pertinent information related to this agenda item. The material is included in the November 17, 2022, Board Meeting packet. This was an informational and discussion item, so no vote was required.

President Glover called on Director of Internal Audit, Ms. Adrian Davis, and VP Doug Allen to report on this agenda item. Ms. Davis stated that there were 2 internal audits and 1 external audit.

She commented that the review included an audit of the President's expenses for FY June 30, 2022. All accounts included under this review included salary and benefits, travel, meals and other expenses for both the President and the President's office. No issues were noted. A follow-up review of the adherence to the state immunization requirements was also performed. This was to determine if the university was in compliance for newly admitted students. The results showed that in current findings, 7.5% of students included in the test work did not obtain adequate proof of vaccinations, this number was down from the 11.6% found in prior findings. Details of the review are outlined in the Board materials on pages #23 to #33.

Regarding the external audit, though the university received an unmodified audit opinion from the Division of State Audit, the report included three repeat audit findings. The first finding pertained to performing timely bank reconciliations; second was regarding errors in financial reporting; and thirdly performing adequate collections for accounts receivable. Director Davis and VP Allen clarified the meaning of "unmodified or clean" audit opinion. A discussion ensued with VP Allen adding that the university went from 7 findings to 3 findings. Trustee Pinnock asked about the timing of this audit as it related to the FY ending. President Glover added that after 100% of the transactions were reviewed by the state, no mismanagement of funds was found. There were no funds missing. Trustee McKenzie commented and asked if the university was improving the communications to the marketplace as it related to Public Relations, so as to protect ourselves. He added that we needed to be proactive since the \$250 million was the biggest target. Trustee Lewis concurred. Details of the external review are outlined in the Board materials on pages #34 to #38.

Chair Cole asked VP Allen whether or not the findings were now corrected, to which he answered, "Yes". She then added that if the State auditor came in and was looking for these again, that it should be shown that these findings have been cleared. If not, we are going to receive another report stating these as 'repeat findings'. She then stated that we needed to be very strong in showing that these were corrected. A short discussion followed before moving on to the next agenda item.

V. 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.

President Glover again asked Director Davis to discuss this item as included in the Board Meeting packet. She pointed out that her office prepares a review of all outstanding audit issues which resulted from internal audits. She shared that state law requires a follow-up on any report with findings within 6 months. Following the report recently received by the university, indicates that a follow-up will be due on April 27, 2023. The detail status of the progress and follow-up are outlined on pages #41 to #42 in the Board materials. Chair Cole asked the members of the Board to review the details of this report and be prepared to discuss at the next meeting.

VI. DISCUSSION OF THE AUDIT OFFICE'S EXTERNAL QUALITY ASSESSMENT REVIEW

Trustee Cole announced the next item on the agenda, the discussion of the audit office's external quality assessment review and asked President Glover to provide pertinent information related to

this agenda item. Trustee Cole noted that the pertinent materials are included in the November 17, 2022, Board Meeting packet.

President Glover called on Director Davis to comment on this item. Ms. Davis shared that an external assessment must be completed at least every five years by an independent assessor or having a self-assessment validated by an independent assessor. The last assessment team from KraftCPAs performed the validation of the office's assessment in 2018, therefore another validation is due in 2023. The self-assessment has begun in preparation for the assessor coming in 2023.

Chair Cole asked if there were any questions. VP Allen took the opportunity to thank his staff for their hard work in making these strides. Chair Cole added her thanks from the Board. Seeing no other questions, Chair Cole thanked Director Davis for her report on this agenda item.

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

Chair 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 12:50 a.m.