



**Jason E. Mumpower, Comptroller of the Treasury**

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## **Multiple Audits Reveal Continued Management Shortcomings at TSU**

*Forensic and Financial audits highlight numerous problems*

A new forensic audit of Tennessee State University includes 57 observations and 60 recommendations related to how TSU handles a variety of core responsibilities including budget monitoring, collecting tuition, awarding scholarships, and many more.

While the audit clearly notes a number of deficient processes, auditors from CliftonLarsonAllen LLP did not identify evidence indicative of fraud or malfeasance by executive leadership, the University, or the TSU Foundation.



Some of the report's observations include:

- The University president received \$32,640 above her contracted base salary that was not approved until after the money had been paid.
- Student scholarships increased from approximately \$22.1 million in fiscal year 2020 to approximately \$55.5 million in fiscal year 2023, an increase of approximately 250%. This level of spending is not sustainable.
- The University lacked supporting documentation and criteria for awarding scholarships.
- Seven transactions totaling \$3,952.92 paid by the University that could not be substantiated as University business.
- Students with unpaid account balances were allowed to enroll.
- The University failed to charge a minimum of \$1.46 million in tuition or fees for students registered in graduate classes relating to dissertation, thesis, or project writing continuation.

The Tennessee Comptroller's Office has also released two other audit reports which contain findings related to TSU.

The Tennessee State University Financial & Compliance Audit for the fiscal year ended June 30, 2022 contains nine findings. Several of the findings document management's lack of adequate oversight over its financial reporting, bank reconciliations, capital asset records, collecting procedures, and more. At least three of the findings have been reported in the prior five annual audits of TSU.

The State of Tennessee's Single Audit for the fiscal year ended June 30, 2023 includes six findings related to TSU. These findings note several breakdowns in how the university handles its federal grant awards to provide students with financial aid. Many of these findings coincide with similar errors reported by the Tennessee Student Assistance Corporation (TSAC) in its October 2023 review of TSU's administration of

state financial aid programs, which resulted in TSAC's withholding of grant and scholarship payments from TSU.

To view the full TSU forensic audit, [click here](#). To view the FY 2022 TSU Financial & Compliance audit, [click here](#). To view the FY 2023 Tennessee Single Audit, [click here](#).

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