MEMORANDUM

TO: Presidents and Directors

FROM: Bob Adams

SUBJECT: Risk Assessment Project

DATE: January 4, 2006

Last year the General Assembly passed legislation known as the “State of Tennessee Audit Committee Act of 2005.” One specific responsibility of the Audit Committee is an evaluation of management’s assessment of the body’s system of internal controls. Each institution must complete a risk assessment and document the results of the assessment. An evaluation of the assessment will be made by the Board’s Audit Committee at the June 2006 Board meeting. State auditors will review the documentation and will take audit findings if the assessment is deemed in their opinion to be inadequate.

A copy of correspondence from the Comptroller of the Treasury related to this requirement is attached. You are encouraged to read and review the entire correspondence. We have secured the services of a trainer who has special expertise in risk assessment programs. We will have a full day of training at the central office on March 15, 2006. Universities should plan to send a minimum of two staff members and community colleges should send at least one person to the training. Additionally, all directors of internal audit are expected to attend in addition to the other staff from your campus.

Each university and college must appoint a project coordinator for this project. It may be the chief business officer or someone else that you deem appropriate. It cannot be the internal auditor, as the auditor will be reviewing the documentation of the assessment. Please forward to Pat Massey in my office by January 18th the name, phone number and e-mail address of your campus coordinator. Lead institutions should also plan on assisting the TTCs with their assessment. It is expected that the assessment and analysis will be completed and filed with Tammy Gourley by May 15, 2006. She will review and consolidate for presentation to the Board’s Audit Committee at the June Board meeting.

Although training will not be available until March, you are encouraged to begin identifying areas that have the greatest risks of fraud, waste, and abuse. We will forward more specific information about the day of training at a later date.

Attachment

cc: Business Officers
Internal Auditors
Senior Staff

Austin Peay State University • East Tennessee State University • Middle Tennessee State University • Tennessee State University
Tennessee Tech University • University of Memphis • Chattanooga State Technical Community College
Cleveland State Community College • Columbia State Community College • Dyersburg State Community College
Jackson State Community College • Madison State Community College • Pellissippi State Technical Community College
Roane State Community College • Southwest Tennessee Community College • Volunteer State Community College
Walters State Community College • Nashville State Technical Community College • Northeast State Technical Community College
The Tennessee Technology Centers

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