



**TENNESSEE BOARD OF REGENTS**  
***Committee on Audit***

**September 25, 2014**  
**AGENDA**

- I. CONSENT AGENDA (Tammy Birchett)**
  - a. Review of Risk Assessments for Universities and Community Colleges – Enterprise-wide**
  - b. Review of Risk Assessments for Universities and Community Colleges – Indicated Major Processes**
  - c. Review of Revised Internal Audit Charters**
- II. INFORMATIONAL REPORTING (Tammy Birchett)**
  - a. Review of Comptroller's Office Audit Reports**
  - b. Review of Internal Audit Reports**
  - c. Review of CCTA Completion Outcomes for Academic Year 2013**
- III. REVIEW OF INTERNAL AUDIT YEAR-END STATUS REPORTS FOR FISCAL YEAR 2014 (Tammy Birchett)**
- IV. REVIEW OF REVISIONS TO INTERNAL AUDIT PLANS FOR FISCAL YEAR 2015 (Tammy Birchett)**
- V. REVIEW OF AUDIT COMMITTEE RESPONSIBILITIES (Tammy Birchett)**
- VI. NON-PUBLIC EXECUTIVE SESSION (Tammy Birchett)**

**Tennessee Board of Regents  
Committee on Audit**

<b>DATE:</b>	September 25, 2014
<b>AGENDA ITEM:</b>	<b>Review of Risk Assessments for Universities and Community Colleges – Enterprise-wide</b>
<b>PRESENTER:</b>	Tammy Gourley
<b>ACTION REQUIRED:</b>	Voice Vote
<b>STAFF’S RECOMMENDATION:</b>	Accept Report

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**BACKGROUND INFORMATION:**

The Committee will review and consider for approval the updated enterprise-wide risk assessments for the universities, community colleges and TBR system office. The TBR risk assessment process started in 2006 and calls for management to update the enterprise risk assessments annually. The Tennessee Board of Regents and its universities and community colleges will assess the risks of all identified major processes over a three-year period, with at least one-third of the major processes assessed annually. This submission represents the first year in the current three-year cycle. A legend is included as the first page to assist with the review of the enterprise-wide risk footprints.

As part of this annual analysis, each institution’s president provided a letter to the Audit Committee acknowledging responsibility for the operations and giving their opinion that the risk assessment was sufficiently comprehensive for the areas reviewed and supports the conclusions reached during the assessment. Each institution’s internal auditor performed a limited review of the documents concluding on the adequacy of the extent of coverage, conclusions reached and level of documentation supporting the assessment.

The following descriptions explain the two levels of risk analysis currently used by TBR institutions. For each perspective, management considers identified risks for their potential impact on the institution and likelihood of occurrence, using factors of high, moderate or low, resulting in a risk factor that helps to rank the risks by significance.









**Enterprise-wide perspective**—an annual high level view of enterprise risk, organized by major activity areas, to give management a road map for performing activity-wide assessments.

**Activity-wide perspective**—a more detailed analysis of risk within a major process (activity). Major processes usually consist of several sub-processes, where risks are assessed. This step is followed by an assessment of controls in place at the sub-process level to mitigate the risks. If indicated, corrective action steps are developed by management to improve controls. After this phase, management monitors the controls periodically to ensure controls are in place. All major processes must be reviewed within a three year cycle.

The enterprise-wide risk assessments for the universities, community colleges and the system office are presented in this section.

**Tennessee Board of Regents  
Risk Assessment Footprint Legend**

Risk Ranking Characteristics			
Impact - Effect on the achievement of goals and objectives			
H	High	=	Showstopper/Cease operations for a period of time
M	Medium	=	Inefficient or extra work
L	Low	=	No effect
Probability - Likelihood of a risk occurring			
H	High	=	Will happen frequently
M	Medium	=	Will happen infrequently
L	Low	=	Will seldom happen

Risk Measurement/Outcome		
HH, HM		= Extensive Risk Management & Considerable Risk Management (all Levels of Control* plus a traditional audit)
HL, MH		= Manage and Monitor (all Levels of Control but no traditional audit)
MM, ML, LH		= Monitor (only Execution Controls & Supervisory Controls)
LM, LL		= Accept (accept the risk and have no controls)
Use for Risk Management Plan		
HH, HM		Audit work should be performed and the Division Director should perform the oversight controls to ensure that supervisory & execution controls are working.
HL, MH		The Division Director (or a designee) should perform oversight controls to ensure that the supervisory and execution controls are working.
MM, ML, LH		Unit heads reporting to the Division Director should perform oversight function to see that supervisory and execution controls are working.
LM, LL		Unit heads should ensure they are using supervisory controls to monitor the execution controls in their area.

**Austin Peay State University**  
**Enterprise Wide Risk Assessment**  
**May 2014**

		RISKS													
#	ACTIVITIES		1		2		3		4		5		6		7
1	Physical Plant	HM	Aging infrastructure	HM	Equipment failure	HL	Catastrophic disaster	HL	Fire	HL	Loss of key control	HL	Sinkholes collapse	MH	Failure to comply with Safety and Health regulations
6	Financial Management	HL	Failure to accurately and timely bill revenue sources.	HL	Improper or fraudulent significant payment (items \$5,000 or greater)	HL	Long term loss of system, building and/or records	HL	Long term loss of system, building and/or records.	HL	Non-compliance with payroll laws (fair labor standards, IRS deposits, etc.)	MH	Employee Error	MH	Purchasing Fraud
4	Institutional Support	HL	Failure to develop, implement and communicate a strategic plan that links goals and objectives to the institution's mission and assigns responsibility.	HL	Failure to establish and communicate an organizational vision and mission statement	HL	False advertising or misinformation	MH	Failure to follow federal and state employment laws	MH	Student models in poor standing	MM	Breach of information and misinformation on APSU website	MM	Breach of NCAA rules of marketing
7	Student Services	HL	Inadequate security of student records	HL	Inflated/deflated enrollment numbers	MH	Budget constraints that affect recruiting, operating and staffing	MH	Inadequate space for student activities	MH	NCAA rule violation	MM	Academic misrepresentation	MM	Access by unauthorized individuals
2	Instruction and Academic Support	MH	Failure to include academic units in resource allocation	MH	Failure to submit reports in a timely manner	MH	Inadequate or ill-defined measurement / assessment of student learning outcomes	MH	Inadequate record-keeping	MH	Inadequate training of students in technology	MH	Lack of accurate academic reporting	MH	Lack of competitive compensation structure and resources
8	Research	MH	Error in pre or post award	MH	Inattention by PI to financial obligations of grant	MM	Failure to control laboratory access	MM	Failure to meet OSHA standards	MM	Fraudulent time and effort reporting	MM	Improper storage or disposal of hazardous laboratory materials	MM	Inaccurate time and effort reporting
5	Ancillary & Auxiliary Enterprises	HL	Failure to comply to established health codes	MM	Customer Service Issues	MM	Mail Distribution Errors	MM	Repair Issues	MM	Stocking Issues	ML	Adoption Issues	ML	Customer Service Issues
3	Information Technology	MM	Data corruption	MM	Failure to license technologies/software	MM	Losing access to internet	MM	Partial network shutdown	MM	Process does not run correctly	MM	Processes run slowly	MM	Security breach

**Austin Peay State University**  
**Enterprise Wide Risk Assessment**  
**May 2014**

#	ACTIVITIES		8		9		10		11		12		13		14		15
1	Physical Plant	MH	Inaccurate mapping of infrastructure	MH	Lack of storage space	MH	Outdated infrastructure	MM	Antiquated equipment	MM	Antiquated vehicles and equipment	MM	Chemical exposure	MM	Custodial Services performing inadequately	MM	Data entry error-insurance
6	Financial Management	MM	Appropriate approvals are not documented for grant/contract purchases.	MM	Capital assets/controlled items are acquired by university departments and are improperly recorded.	MM	Data is improperly created, altered or deleted.	MM	Enrollment and registration processes do not provide appropriate tracking and processing of tuition and fees	MM	Erroneous financial transaction	MM	Failure by department to deposit cash in a timely manner	MM	Failure to follow APSU, State and TBR Policy and Procedures	MM	Improper 1099 reporting
4	Institutional Support	MM	Disseminating inaccurate information	MM	Failure of a vendor or staff to meet a deadline	MM	Failure to cultivate positive relationships with government, community, businesses and industries	MM	Failure to develop and implement routine and emergency communication protocols	MM	Failure to follow established policies and procedures	MM	Failure to maintain a safe/clean facility	MM	Failure to monitor and enforce trademark rights	MM	Failure to prevent loss or damage to University property
7	Student Services	MM	Breach of confidentiality	MM	Campus unaware of services	MM	Equipment failure/playground injuries	MM	Failure to be ADA compliant	MM	Failure to enforce policy and procedure	MM	Failure to establish restricted access to housing	MM	Failure to maintain/upgrade facilities	MM	Failure to provide accurate and timely information to students
2	Instruction and Academic Support	MH	Lack of effective schedule management	MH	Lack of ongoing faculty development for new course content and technologies	MH	Lack of oversight of faculty recruitment	MH	Lack of standardization in tenure, promotion and retention criteria	MH	Lack of standardization of learning outcomes	MH	Lack of technical support	MH	Lack of training and monitoring of adjunct faculty	MH	Poor classroom utilization
8	Research	MM	Insufficient training or lack of access to financial reporting system	ML	Attacks or vandalism of research facilities	ML	Conflict of interest	ML	Emotional or physical injury to staff, students or subjects	ML	Failure to bill all costs	ML	Failure to care for animals	ML	Failure to comply with institutional policy	ML	Failure to follow state and federal regulatory guidelines
5	Ancillary & Auxiliary Enterprises	ML	Emergency Procedures Not Followed	ML	Emergency Procedures Not Followed	ML	Equipment Failure	ML	Equipment Failure	ML	Failure in Customer Service	ML	Failure of vendors to deliver food products .	ML	Failure to analyze costs vs meal plan revenues	ML	Failure to investigate and resolve all complaints
3	Information Technology	MM	Security breach	ML	Failure to comply with university policies and state and federal regulations	ML	Full network shutdown	ML	Illegal use of campus computing resources	ML	Inability to keep up with growth and trends	ML	Inability to recover from major catastrophic events	ML	Inadequate virus protection	ML	Unable to restore data from backup

**Austin Peay State University**  
**Enterprise Wide Risk Assessment**  
**May 2014**

#	ACTIVITIES		16		17		18		19		20
1	Physical Plant	MM	Data entry error-inventory	MM	Exposure to chemicals	MM	Failure to comply with EPA regulations, federal, state and local codes	MM	Failure to follow lab safety practices	MM	Failure to follow policies and procedures
6	Financial Management	MM	Improper classification or recording in accordance with accounting standards	MM	Inadequate documentation of expenses.	MM	Lack of or inefficient transaction reporting systems.	MM	Lack of and inefficient transaction reporting systems	MM	Lack of or inefficient transaction reporting system
4	Institutional Support	MM	Failure to protect and maintain brand integrity	MM	Failure to provide adequate training for public safety staff	MM	Failure to provide required organizational wide staff training and compliance programs	MM	Failure to provide safe conditions for stakeholders while in attendance at APSU sponsored events	MM	Failure to recognize capabilities, contributions, and accomplishments
7	Student Services	MM	Fraud	MM	Inability to respond to student needs	MM	Inadequate crisis intervention policy	MM	Inadequate or insufficient staffing	MM	Inefficient admission process
2	Instruction and Academic Support	MH	Unauthorized access to online databases (restricted access due to license agreements)	MH	Violation of copyright protections	MM	Discontinuity between student instruction and preparedness for the workforce and global society	MM	Failure to meet established student support standards	MM	Failure to provide relevant information in a timely manner
8	Research	ML	Failure to obtain proper permits	ML	Failure to pursue copyrights, patents or trademarks	ML	Failure to receive IRB or ACUC approval	ML	Failure to submit through grants office	ML	Fraudulent and/or misappropriated equipment purchases
5	Ancillary & Auxiliary Enterprises	ML	Failure to maintain clean and safe facilities	ML	Inadequate cost/benefit analysis on outsourcing.	ML	Inadequate staffing to serve all students	ML	Ineffective marketing and public relations	ML	Maintain website
3	Information Technology	ML	Unable to restore data from backup	-	n/a	-	n/a	-	n/a	-	n/a

**East Tennessee State University  
Enterprise Risk Footprint  
May 2014**

		RISKS									
#	ACTIVITIES		1		2		3		4		5
1	Health Affairs/COO & Academic Support (Including Grad Studies)	HH	Lack of adequate resources	HM	Failure to maintain appropriate confidentiality	HM	Inappropriate allocation of resources	HM	Inability to recruit and/ or retain qualified faculty	HM	Improper or incorrect data entry
3	Facilities	HH	Lack of emergency preparedness planning	HH	Reduced or Inadequate funding	HH	Inappropriate allocation of resources	HM	Aging infrastructure & unhealthy environment	HM	Inadequate master planning
2	President	HH	Lack of adequate resources	HM	Failure to identify and/or report fraud, waste, and abuse	HM	Inadequate strategic planning and alignment of budgets	HM	Inadequate decision making information	HM	Inappropriate allocation of resources
4	Provost/Academic Affairs Instruction & Academic Support (Including Grad Studies)	HH	Lack of adequate resources	HM	Inadequately prepared graduates	HM	Lack of adequate safety training in labs and instructional areas	HL	Failure to deliver scheduled courses	HL	Failure to meet accreditation standards
5	Technology Support-OIT & eLearning	HH	Failure to follow Code of Ethics and acceptable user policy	HH	Inadequate disaster recovery and back system	HM	Failure to follow appropriate ETSU, fed, and state regs	HL	Inability to deliver on and off campus instruction	HL	Inappropriate allocation of resources
7	Financial Management (including COM, F&A, Auxiliaries Management and Foundation Accounting)	HH	Non-compliance with Federal/State laws, regulations, and reporting	HM	Lack of or misappropriation of resources	HL	Unavailability of payment and/or financial system	MH	Misclassification of financial information	MH	Inadequate emergency response
6	University Wide Student Services (including COM, COP, & Aux)	HH	Inadequate funding or unanticipated costs	HM	Inadequate communication with students	HL	Lack of compliance with scholarship rules and regulations	MH	Inadequate or incomplete admissions procedures	MH	Errors in data entry
9	Research	HH	Unallowable, unallocable, and/or unreasonable costs	HM	Failure to follow Federal/State laws and regulations	HM	Loss of research due to shut-down, suspension, or debarment of institution or investigator	HM	Unsecured access to biohazards/radiation by untrained individuals	HM	False statements or certifications
8	Advancement and Alumni	HM	Poor relationship & communication with donors	HL	Confidentiality violations	HL	Failure to follow donor directives	HL	Failure to maintain accurate records	HL	Lack of compliance with fed, state and ETSU policies and procedures



**East Tennessee State University  
Enterprise Risk Footprint  
May 2014**

#	ACTIVITIES		6		7		8		9		10
1	Health Affairs/COO & Academic Support (Including Grad Studies)	HM	Inadequate supervision of students (including out of state medical rotations)	HM	Inadequate preparation of graduates	HM	Infectious exposure	HM	Lack of adequate safety training in labs, instructional, and clinical areas	HL	Failure to meet accreditation standards
3	Facilities	HM	Terrorism and/or Natural Disasters	HL	Lack of or Inadequate campus facilities maintenance & security	HL	System failures	MH	Lack of quality transportation & parking planning	MH	Utility Outages
2	President	HL	Conflict of interest	HL	Inadequate departmental communications	MH	Non-compliance with established policies & procedures (ETSU, fed, state, athletic conference and NCAA etc.)	MH	Non-compliance with scholarship rules and regulations	MH	Workplace violence
4	Provost/Academic Affairs Instruction & Academic Support (Including Grad Studies)	HL	Inadequate curriculum	HL	Loss of records (security)	HL	Poor instruction	MH	Improper data entry	MH	Inability of students to graduate on time
5	Technology Support-OIT & eLearning	MH	Lack of equipment accountability & inventory control (including disposal)	MH	Failure to keep technology current systems	MM	Inappropriate balance of security and functionality	MM	Failure to respond appropriately to client needs	MM	Inadequate training for campus users
7	Financial Management (including COM, F&A, Auxiliaries Management and Foundation Accounting)	MH	Inadequate state funding	MH	Employee misconduct	MH	Late payments to vendors	MM	Breach of overall security systems	MM	Failure to monitor cash flows
6	University Wide Student Services (including COM, COP, & Aux)	MH	Failure to enforce student rules & regulations	MH	Inappropriate use of funds (student, state, fed)	MM	Failure to maintain adequate confidentiality	MM	Improper financial management	MM	Inadequate pre-enrollment counseling and academic advisement of students
9	Research	MH	Inaccurate or inflated budget	MM	Decrease in resource funding	MM	Inadequate or late reporting	MM	Breach of data security	MM	Noncompliance and/or misconduct
8	Advancement and Alumni	HL	Misappropriation of donor funds	HL	Poor investment decisions	MM	Failure to exercise due diligence upon acceptance of gift	MM	Lack of effective marketing	MM	Inadequate training for campus users

**East Tennessee State University  
Enterprise Risk Footprint  
May 2014**

#	ACTIVITIES		11		12		13		14		15
1	Health Affairs/COO & Academic Support (Including Grad Studies)	HL	Inadequate curriculum	HL	Poor instruction	MM	Failure to adhere to appropriate policies & procedures	MM	Inability of students to graduate on time	MM	Inadequate advisement
3	Facilities	HL	Lack of adequate insurance coverage	MM	Loss of or incomplete records	MM	Inadequate staff training & pay	ML	Accidents & injuries	ML	Non-communication of problems
2	President	MM	Inadequate or inappropriate benchmarking	ML	Lack of compliance with open records laws	ML	Lack of workplace civility & poor climate	-	n/a	-	n/a
4	Provost/Academic Affairs Instruction & Academic Support (Including Grad Studies)	MM	Failure to adhere to appropriate policies & procedures	MM	Failure to maintain appropriate confidentiality	MM	Inadequate job performance	MM	Inadequate supervision of faculty, staff, & students	MM	Inappropriate faculty/staff/student behavior
5	Technology Support-OIT & eLearning	MM	Inadequate or inappropriate staffing (training & resources)	MM	Inappropriate use of resources	-	n/a	-	n/a	-	n/a
7	Financial Management (including COM, F&A, Auxiliaries Management and Foundation Accounting)	MM	Failure to obtain and distribute appropriate resources	MM	Loss of or failure to maintain appropriate records	MM	Lack of workflow communication	MM	Inappropriate use of financial resources	MM	Negligent hiring
6	University Wide Student Services (including COM, COP, & Aux)	ML	Failure to address health issues or intervene in life threatening behavior	ML	Inability to meet student demands	ML	Failure to properly manage/supervise high risk student activities (on and off campus)	ML	Unscheduled closures	ML	Unethical or unprofessional behavior
9	Research	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
8	Advancement and Alumni	ML	Poorly planned events	-	n/a	-	n/a	-	n/a	-	n/a

**East Tennessee State University  
Enterprise Risk Footprint  
May 2014**

#	ACTIVITIES		16		17		18		19
1	Health Affairs/COO & Academic Support (Including Grad Studies)	MM	Inadequate job performance	MM	Inadequate supervision of faculty and staff	MM	Inappropriate faculty/staff/student behavior	ML	Grade appeals
3	Facilities	ML	Poor construction project planning and management	LH	Radiation/Bio exposure in research labs	-	n/a	-	n/a
2	President	-	n/a	-	n/a	-	n/a	-	n/a
4	Provost/Academic Affairs Instruction & Academic Support (Including Grad Studies)	MM	Misleading or erroneous advisement	ML	Inadequate disclosure & consent related to student foreign travel	ML	Physical, mental or emotional injury in off-campus educational assignments	-	n/a
5	Technology Support-OIT & eLearning	-	n/a	-	n/a	-	n/a	-	n/a
7	Financial Management (including COM, F&A, Auxiliaries Management and Foundation Accounting)	MM	Poor customer service	LM	Lack of physical security	-	n/a	-	n/a
6	University Wide Student Services (including COM, COP, & Aux)	-	n/a	-	n/a	-	n/a	-	n/a
9	Research	-	n/a	-	n/a	-	n/a	-	n/a
8	Advancement and Alumni	-	n/a	-	n/a	-	n/a	-	n/a

**Middle Tennessee State University**  
**Enterprise Risk Footprint**  
**May 2014**

		RISKS											
#	ACTIVITIES		1		2		3		4		5		6
5	Information Technology 33,34,35,36,37,38	HM	Dependency on vendor provided services.	HM	Extended Loss of connectivity	HM	Extended Power outage	HL	Compromised personal identification	HL	Failure of system back up - loss of data	HL	Inadequate disaster recovery procedures
6	President's Office 11,26,27,30,32,38,47	HL	Breach of confidentiality	HL	Catastrophic incident at an athletic event	HL	Inadequate university business continuity plan	HL	Poor tone at the top	MH	Minor Student- Athlete injury	M M	Contracts executed by unauthorized individuals or for unauthorized activities
1	Financial Management 7,8,9,12,14,13,15,16,17,18,2 0,21,22,25,27,28,29,39,40,4 1,42,43,44,45,49,57	HL	Inadequate emergency preparedness and communications.	M M	Fraud, waste and abuse	M M	Improper management of resources in support of university mission.	M M	Management practices fail to foster positive morale.	ML	Failure to address and properly respond to incidents involving the physical safety of the campus community.	ML	Failure to maintain a safe and sanitary environment and minimize risks from communicable diseases.
3	Instruction & Academic Support 1,2,3,5,6,19,30,47,57	HL	Failure to meet accreditation standards	M M	Academic Administration: Lack of appropriate instructional (learning and faculty office) space	M M	Curriculum Development: Failure to adequately prepare students for the marketplace	M M	Academic Information Technology: Loss or misuse of information technology services.	M M	Instructional Delivery: Lack of faculty preparation to deliver instruction.	M M	Research and Sponsored Programs: Failure to comply with federal and state guidelines related to sponsored research
2	Student Services & Academic Support 4,10,20,24,26,46,50,51,52,5 3,57	M M	Dissemination of incorrect or invalid information	M M	Employee error	M M	Failure to follow internal policy and procedure	M M	Inadequate employee training	ML	Extended power outage or other facilities shut-down	ML	Failure to adequately assess risks of student activities
4	Development & University Relations 7,12,15,16,17,22,23,26,34,4 8,54,55,56	HL	Compromised data integrity and/or security	HL	Failure to manage investment portfolio	HL	Misplaced or misappropriated funds	M M	Failure to adequately prepare documents for printing	M M	Failure to follow safety procedures	ML	Lost or damaged equipment

**Middle Tennessee State University**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		7		8		9		10		11		12
5	Information Technology 33,34,35,36,37,38	MH	Inability to compensate needed expertise	MH	Inadequate staffing	M M	Employee error	M M	External system intrusion	M M	Unauthorized access to data	ML	Computer hardware failure
6	President's Office 11,26,27,30,32,38,47	M M	Employees may act unethically or illegally	M M	Failure to appropriately handle volatile personalities	M M	Inadequate communication	M M	Inadequate management of high risk areas	M M	Inadequate security and safety at athletic events	M M	Inappropriate student- Athlete public behavior
1	Financial Management 7,8,9,12,14,13,15,16,17,18,2 0,21,22,25,27,28,29,39,40,4 1,42,43,44,45,49,57	ML	Improper setup and ongoing review of ERP and other related systems.	ML	Inadequate cash handling and management procedures for recording, management, custody and accounting of cash and cash equivalents.	ML	Inadequate communication and coordination between different areas of the university.	ML	Inadequate employee training	ML	Inadequate infrastructure to support the university community	ML	Inadequate processes in place to ensure proper accounting, recording and collection of university receivables and revenue recognition.
3	Instruction & Academic Support 1,2,3,5,6,19,30,47,57	M M	Institutional Reporting: Inaccurate and untimely reporting of instructional, financial, diversity, and research data	M M	Public Service: Lack of infrastructure to support faculty and student community service activities	M M	Academic Support: Failure to facilitate students' timely matriculation.	ML	Academic Personnel Management: Flawed implementation of University tenure and promotion policy	ML	Academic personnel management: Lack of preparation for non faculty personnel to support instruction.	-	n/a
2	Student Services & Academic Support 4,10,20,24,26,46,50,51,52,5 3,57	ML	Failure to collect revenue	ML	Failure to secure and maintain Personal Identifiable Information (PII)	ML	Fraud, waste or abuse	ML	Inadequate record- keeping	ML	Inadequate safety and security measures	ML	Inadequate budgeting
4	Development & University Relations 7,12,15,16,17,22,23,26,34,4 8,54,55,56	ML	Breakdown in communications of emergency preparedness	ML	Failure to manage public image	ML	Improper donor transactions	ML	Inadequate Resources	ML	Lost or damaged images	ML	Reporting errors-- Fundraising

**Middle Tennessee State University**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		13		14		15		16		17		18		19
5	Information Technology 33,34,35,36,37,38	ML	Inadequate equipment	ML	Inadequate/ outdated software	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
6	President's Office 11,26,27,30,32,38,47	M M	NCAA violations	M M	Noncompliance with federal or state statutes or regulations	M M	University policies and procedures are not current and/or accessible to employees	ML	Major Student-Athlete injury	ML	Noncompliance with TBR and university policies and guidelines	-	n/a	-	n/a
1	Financial Management 7,8,9,12,14,13,15,16,17,18,20,21,22,25,27,28,29,39,40,41,42,43,44,45,49,57	ML	Inadequate processes in place to ensure proper accounting, recording and management of university expenses.	ML	Non-compliance with federal, state, other regulatory requirements, and TBR and university policies and procedures	ML	Procedures and processes do not follow standard accounting practices set forth by the accounting standard boards, grantor requirements, or other agency requirements in order to produce accurate financial reports	-	n/a	-	n/a	-	n/a	-	n/a
3	Instruction & Academic Support 1,2,3,5,6,19,30,47,57	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
2	Student Services & Academic Support 4,10,20,24,26,46,50,51,52,53,57	ML	Insufficient administrative oversight	ML	Lack of compliance with mandated regulations/state or federal guidelines	ML	Natural disaster/fire/campus violence/criminal activity.	ML	Outbreak of communicable disease.	-	n/a	-	n/a	-	n/a
4	Development & University Relations 7,12,15,16,17,22,23,26,34,48,54,55,56	LM	Hacking of Web, Social Media Accounts	LM	Failure of server	LM	Loss of computer connectivity	LM	Loss of publication hard files	LM	Failure to balance individual budgets	LM	Failure to manage contracts and receipts	LM	Failure to project revenue losses

**Tennessee State University  
Enterprise Risk Footprint  
May 2013**

		RISKS									
#	ACTIVITIES		1		2		3		4		5
5	Institutional Support	HM	Failure to comply with SACS criteria	HM	Inadequate endowment/reserves	HM	Inadequate governmental relations	HM	Poor external relations	HM	Poor Leadership
2	Instruction & Academic Support	HM	Low producing programs	HM	Poor enrollment management	HM	Poor quality faculty	HM	Poor quality instruction	HL	Inadequately prepared graduates
3	Information Technology	HH	Inadequate data/records security	HH	Inadequate network security	HL	Inadequate disaster recovery/business continuity	HL	Natural or man-made disaster	MH	Inadequate management
6	Student Services	HM	Insufficient student housing	HM	Poor customer service	HL	Disease/pandemic outbreak	HL	Failure to maintain safe campus environment	MM	Failure to attract students
7	Research	HH	Inadequate compensation	HH	Inadequate governmental relations	MH	Inadequate staffing	MM	Inadequate faculty support for students in programs	MM	Inadequate research facilities
4	Physical Plant	HM	Inadequate resources	HL	Failure to communicate/test emergency procedures	HL	Inadequate disaster recovery/business continuity	HL	Natural or man-made disaster	MH	Aging Infrastructure
1	Financial Management	MM	Fiscal non-compliance	MM	Inaccurate financial reporting	MM	Ineffective resource management	MM	Inefficient processes	MM	Noncompetitive compensation
8	Auxiliary Enterprises	MH	Deferred Maintenance	MM	Poor customer service	MM	Poor product quality	MM	Unhealthy or unsafe environment	ML	Inadequate contract monitoring

**Tennessee State University  
Enterprise Risk Footprint  
May 2013**

#	ACTIVITIES		6		7		8		9		10
5	Institutional Support	MH	Inability to attract qualified candidates	MH	Inefficient external requirements	MH	Inefficient processes	MH	Lack of institutional branding	MH	Org goals/objectives not communicated/monitored
2	Instruction & Academic Support	HL	Poor academic integrity	MM	Inadequate compensation	MM	Inadequate faculty retention	MM	Inadequate professional development	MM	Inappropriate faculty behavior
3	Information Technology	MM	Dependency on Vendor Provided Services	MM	Failure to maintain staffing levels, skills, motivated staff	MM	Inadequate financial support	MM	Insufficient support staff	MM	Noncompetitive compensation
6	Student Services	MM	Failure to manage default rates	MM	Inadequate resources	MM	Untimely processing of student applications	ML	Confidentiality of student records	ML	Failure to follow due process
7	Research	MM	Inadequate resources	MM	Lack of data security	MM	Noncompliance with laws, rules and regulations	ML	Conflict of Interest	ML	Inadequate program/financial reporting
4	Physical Plant	MM	Failure to comply with codes	MM	Inadequate staffing	MM	Noncompetitive compensation	MM	Poor quality of service	ML	Failure to maintain safe/secure environment
1	Financial Management	MM	Poor customer service	MM	Poor training	ML	Inaccurate/untimely payments	ML	Lack of segregation of duties	ML	Waste, fraud, and abuse
8	Auxiliary Enterprises	ML	Lack of Disaster Recovery Plan	ML	Waste, fraud, and abuse	LH	Competition	LM	Decline in Enrollment	LL	Inadequate market research



**Tennessee State University**  
**Enterprise Risk Footprint**  
**May 2013**

#	ACTIVITIES		11		12		13		14
5	Institutional Support	MH	Unfunded mandates	MM	Lack of strategic planning	ML	Non-compliance with laws, rules, and regulations	ML	Unfair hiring practices
2	Instruction & Academic Support	ML	Inadequate instructional support	ML	Lack of oversight over faculty recruitment	ML	Loss of Program Accreditation	ML	Poor curriculum/curriculum development
3	Information Technology	MM	Outdated technology	MM	Poor quality of service	ML	Inadequate R/D in emerging technologies	ML	Inadequate training/professional development
6	Student Services	ML	Improper student relationships	ML	Inadequate counseling	ML	Inappropriate treatment of students	ML	Noncompliance with laws, rules and regulations
7	Research	ML	Inadequate protection of intellectual property	ML	Inadequate safety	ML	Lack of research integrity	-	n/a
4	Physical Plant	ML	Inadequate management	-	n/a	-	n/a	-	n/a
1	Financial Management	LM	Negative market forces	LL	Failure to properly assess and collect fees	-	n/a	-	n/a
8	Auxiliary Enterprises	LL	Ineffective/inefficient contract negotiations	-	n/a	-	n/a	-	n/a

**TENNESSEE TECHNOLOGICAL UNIVERSITY**  
**Enterprise Risk Footprint**  
**May 2014**

		RISKS										
#	ACTIVITIES	1	2	3	4	5	6	7	8	9		
2	Financial Management	Loss of data due to ineffective implementation of a data backup/recovery plan	Major breach/failure of electronic records system	Funds not expended consistent with available resources	Use of resources not aligned with institutional goals and objectives	Fraud, waste, or abuse of available resources	Lack of segregation of duties	Misuse of procurement card	Failure to enforce contractual obligations of vendors	Failure to pay employees accurately and in a timely manner		
6	Student Services	Inadequate business continuity plan	Failure to adequately supervise student activities	Failure to attract students (recruitment)	Failure to protect the confidentiality and security of student information	Failure to retain students/increase persistence to graduation sufficiently	Lack of timely processing of new student applications	Fraud, waste, or abuse of university resources	Improper administration of financial aid	Failure to communicate student judicial policies and procedures to affected constituents		
1	Instruction and Academic Support	Insufficient monitoring of laboratory safety	Lack of appropriately updated and equipped academic facilities	Significant shortage of faculty to meet student demands	Declining enrollment, retention	Failure to monitor unit productivity	Inadequate quality academic advising	Inappropriate/Inequitable workload	Lack of confidentiality/poor academic records management	Failure to change outdated courses/degree programs to meet changing market conditions/competition		
3	Information Technology	Failure to attract and retain employees for key roles	Failure to integrate/implement new systems in a timely manner	Inadequate control of system access	Major security breach	Fraud, waste, or abuse of computing resources	Inadequate end-user training	Inadequate physical security of data center	Lack of verifiable disaster recovery plan	Loss of system critical data		
7	Physical Plant	Natural disaster for major portion of campus	Deferred Maintenance	Failure to conduct adequate lab inspections	Failure to communicate emergency procedures/test emergency response plans	Lack of key security	Failure to conform to OSHA standards	Fraud, waste, or abuse of university resources	Inadequate hazardous waste management	Lack of ADA compliance		
9	Research	Inadequate research facilities and equipment	Insufficient number of faculty engaged in research	Failure to monitor export control	Insufficient support for graduate and postdoctoral students	Conflict of interest	Fraud, waste and abuse of research resources	Inadequate documentation to support charges to grant	Inappropriate cost share	Inappropriate disclosure of sensitive or confidential data		
5	Institutional Support	Extended closure from an unanticipated event	Failure to develop/communicate/monitor strategic plan	Failure to follow policies, procedures, and regulations	Unauthorized access to facilities and grounds	Conflict of interest	Failure to provide a safe campus	Fraud, waste, or abuse of university resources	Inconsistent application of hiring and reclassification policies	Lack of confidentiality		
8	University Advancement	Ineffective marketing	Lack of growth of endowment	Failure of support software (Raiser's Edge)	Failure to maintain accurate records	Failure to articulate and enforce conflict of interest policies	Failure to comply with donors directions/wishes	Fraud, waste, or abuse of university or foundation resources	Lack of coordination of fundraising activities	Untimely/inadequate communications with stakeholders		
4	Auxiliary Enterprises	Increasing Deferred Maintenance/Inadequate R&R	Inadequate procedures for catastrophic events	Sustained failure to meet student needs and expectations	Failure to adequately secure auxiliary facilities	Fraud, waste, or abuse	Bankruptcy of vendor	Breach of contract by vendor	Eagle Card technology failure	Equipment failure		
10	Athletics	Fraud, waste, and abuse of resources	Major accident during team travel	Disaster at athletic event	Major NCAA rules infraction	Title IX equity violation	- n/a	- n/a	- n/a	- n/a		

**TENNESSEE TECHNOLOGICAL UNIVERSITY**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES	10	11	12	13	14	15
2	Financial Management	LL Failure to pay vendors accurately and in a timely manner	LL Failure to properly assess and collect fees	LL Financials issued with material misstatements and non-GASB compliance -- fraud	LL Improper disbursement of federal aid	LL Inaccurate/untimely reports (IRS, GASB, and state)	LL Major financial commitments not included/document ed in budget process
6	Student Services	LL Inadequate adherence to immigration requirements	LL Ineffective behavioral intervention process	LL Insufficient staffing for counseling services	- n/a	- n/a	- n/a
1	Instruction and Academic Support	ML Failure to effectively assess program results	ML Fraud, waste or abuse of university resources	ML Low passing rates on licensing exams	ML Use of resources not aligned with institutional goals and objectives	LM Non-competitive salaries relative to peers	LM Salary Inversion
3	Information Technology	ML Major system failure	LH External network attack on computing resources	LH Outdated technology (not leading-edge)	LM Failure of instructional equipment	LM Failure to timely implement software upgrades	LM Lack of adequate financial resources
7	Physical Plant	LL Exposure of individuals to unhealthy contaminants	LL Failure of fire suppression systems	LL Failure to take adequate steps to prevent life safety code violations	LL Lack of timely emergency response	- n/a	- n/a
9	Research	LM Non-compliance with contract agreements	LM Overcommitment of principal investigator	LL Falsification of research data/misreporting of research results	LL Inadequate physical security for research facility	LL Infringement on intellectual property	LL Non-compliance with animal research requirements
5	Institutional Support	LM Non-competitive pay scales	LM Single incident violating federal or state law (EEO, ADA, Title IX, Clery, HIPAA, FERPA, etc.)	LL Failure to comply with SACSCOC criteria	LL Failure to protect and maintain brand integrity	LL Inappropriate focus of audit resources	- n/a
8	University Advancement	LL Confidentiality violations	LL Non-compliance with federal, state, TBR, and TTU laws and policies	- n/a	- n/a	- n/a	- n/a
4	Auxiliary Enterprises	LL Lack of communication between management and vendors	LL Lack of strategic planning	LL Poor management of auxiliary units	- n/a	- n/a	- n/a
10	Athletics	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a

**University of Memphis**  
**Enterprise**  
**Risk Footprint**  
**May 2014**

		RISKS																	
#	ACTIVITIES		1		2		3		4		5		6		7		8		9
4	Institutional Support	HH	Declining revenue stream - Inadequate funding to support basic mission	HM	Lack of positioning within the THEC/TBR system	HL	Inadequate planning for emergencies, safety and business continuity	HL	Failure to manage crisis situation - negative image/ public relations	HL	Lack of commitment from senior leadership for strategic plan	HL	Failure to maintain SACS standards - program accreditation	HL	Failure to develop a university-wide business continuity plan	HL	No code of conducts or ethics - conflict of interest	MM	Failure to protect University interests
8	Student & Enrollment Services	HM	Affordability for primary student market	HL	Failure to adequately recruit qualified students	HL	Failure to follow state and federal guidelines	HL	Failure to manage default rate on student loans	HL	Inefficient Admissions process	HL	Unexpected reduction in student financial aid	MH	Lack of enrollment growth	MH	Noncompetitive scholarships/stipends to recruit students	MH	Insufficient Staffing
5	Instruction and Academic Support	HM	Insufficient number of faculty	HL	Failure to obtain accreditation for programs	HL	Failure to recruit and retain qualified faculty	HL	Inadequate curriculum / quality instruction	HL	Poor student retention practices	HL	Unanticipated changes in enrollment patterns	MH	Lack of competitive salary structure	HL	Failure to maintain adequate records for program review/ accreditation	MM	Failure to recruit high quality graduate students
7	Research	HL	Inappropriate human subject testing/ harm to research participants	MH	Inadequate funding for research initiatives and infrastructure	MH	Inadequate security in laboratories	MH	Unallowable costs charged to grants	MM	Failure to bill sponsors timely	MM	Failure to comply with policies and procedures	MM	Failure to recover overhead costs	MM	Failure to recruit effective research faculty	MM	Lack of documentation of research
6	Physical Plant	HL	Inadequate emergency response plan	MH	Aging infrastructure	MH	Failure to perform preventive maintenance	MH	Time and budget overruns on projects	MM	Inadequate staffing	ML	Failure to align campus master plan with University goals and objectives	ML	Failure to control costs	ML	Failure to maintain building and grounds	ML	Failure to maintain equipment
3	Information Technology	HL	Breach of system/ theft of institutional data	HL	Failure of key systems	MM	Inadequate funding for current technology and to maintain research computing environment	MM	Lack of funding for the replacement and maintenance of hardware components for core institutional systems	MM	Failure to maintain adequate staffing levels and skill sets to maintain core systems	MM	Inadequate documentation for all operational processes and components	ML	Failure of the core systems to produce data and reports to follow federal and state directives or guidelines	ML	Inadequate disaster planning	ML	Failure to maintain the University's public web presence
9	Athletics	HL	Major NCAA violation	MH	Insufficient revenue to cover operating costs	MM	Lack of membership in a major conference	MM	Decreased donor support	MM	Lack of team success	MM	Low ticket sales	MM	Poor budgetary controls	ML	Poor media communications	LH	Minor NCAA violation
2	Financial Management	MM	Employee Turnover	MM	Errors in accounting systems that aren't detected in a timely manner	MM	Failure to maximize return on investment	MM	Lack of effective employee training	MM	Lack of emergency planning & training	MM	Lack of management oversight	MM	Overexpended budget	ML	Failure to follow policies and procedures	ML	Failure to follow state and federal guidelines
1	Auxiliary Enterprises	MM	Employee turnover	MM	Inadequate emergency planning and training	MM	Mishandling of hazardous materials	MM	Non-competitiveness with outside vendors	MM	Poor customer service	ML	Committed to weak or bad external partnership	ML	Declining enrollment	ML	Failure to follow state and federal guidelines	ML	Inability to hold events due to facility failures

**University of Memphis**  
**Enterprise**  
**Risk Footprint**  
**May 2014**

#	ACTIVITIES		10		11		12		13		14		15
4	Institutional Support	MM	Failure to recruit and retain qualified employees	MM	Ineffective communication	MM	Lack of effective leadership	MM	Failure to meet fund-raising goals	MM	Failure to monitor and enforce trademarks	MM	Lack of fraud awareness and appropriate response
8	Student & Enrollment Services	MM	Failure to recruit high ability students	MM	Failure to retain and graduate student athletes	MM	Perceived quality of the institution (image)	MM	Perceived or actual increase of crime/accidents on campus	ML	Declining retention rates	ML	Inappropriate disbursements of financial aid to students
5	Instruction and Academic Support	MM	Fund use not aligned with institutional goals and objectives	MM	Inadequate classroom facilities or equipment	MM	Inadequate degree offerings	MM	Ineffective interdisciplinary / interdepartmental working relations	ML	Failure to graduate qualified students	ML	Failure to comply with federal, state and board guidelines
7	Research	MM	Mishandling of intellectual property and technology transfers	MM	Misuse of funds	ML	Failure to comply with state / federal guidelines and regulations	ML	Failure to build research partnerships	ML	Inadequate effort certification process	ML	Inappropriate use of animal subjects
6	Physical Plant	ML	Failure to maintain proper building security	ML	Failure to manage projects	ML	Improper use and disposal of hazardous materials	ML	Unsafe conditions on campus	ML	Unsafe work practices	LH	Failure to plan for maintenance
3	Information Technology	ML	Failure to provide internet and voice services	ML	Inadequate training of IT employees	ML	Inadequate training of users	LM	Inadequate project planning	LM	Failure to keep abreast of emerging technology and outdated systems	LL	Failure to retain key employees
9	Athletics	LM	Inability to hire and retain good coaches	LM	Inadequate or obsolete facilities	LM	Employee theft or fraud	LM	Failure to accurately report operations	LL	Failure to comply with University policies and procedures	LL	Failure to follow state and federal rule and regulations
2	Financial Management	ML	Failure to forecast accurately	ML	Inadequate useful financial information for management decisions	ML	Failure to maintain adequate insurance for facilities	ML	Failure to make accurate and / or timely payroll payments	ML	Inadequate billing processes	ML	Inadequate reserves to cover contingencies
1	Auxiliary Enterprises	ML	Inadequate management oversight	ML	Lack of effective employee training	ML	Vendor services interrupted	LH	Failure to reconcile data from multiple IT systems	LL	Failure to follow policies and procedures	LL	Inadequate insurance

Chattanooga State Community College  
Enterprise Risk Footprint  
May 2014

#	ACTIVITIES	1	2	3	4	5	6	7	8	9	10	11
5	Instruction & Academic Support (32, 33, 34, 35, 36, 37, 38, 39, 40, 41)	Failure to Timely Intercede with At-Risk Students HH	Failure to find faculty in specific areas due to non-competitive wages HH	Inability to Hire & Retain Quality Faculty HM	Failure to Attract Students to Programs HM	Underprepared Graduates HM	Students Fail to Complete in Timely Manner as Defined by TBR HM	Failure to Design Curriculum Appropriate to Meet the Needs of the Marketplace HL	Failure to Have or Integrate Advisory Committee Input HL	Inadequate Library Training on Research & Writing Research Papers MH	Unqualified individuals in specific positions MH	Lack of Timely Review & Revision of Written Policies & Procedures MH
4	Institutional Support (23, 24, 25, 26, 27, 28, 29, 30, 31)	Insufficient coverage of topics in audit universe HH	Inadequate communication of critical or emergency information HM	Failure to assess the competitive environment and respond accordingly HM	Failure to consult with legal advisors when needed HL	Improper scholarship selection HL	Failure to maintain SACS COC accreditation HL	IA personnel not competent and not objective HL	Failure to recognize fraud, abuse, and waste and manage risks HL	Failure to deliver timely data to Integrated Postsecondary Education Data System (IPEDS) MM	Failure to make budget decisions with data and cost/benefit analysis MM	Improperly executing or missing employment eligibility to work documents MM
7	Student Services (53, 54, 55, 56, 57, 58, 59, 60, 61)	Falling Enrollment HM	Failure to monitor Enrollment reporting HM	Failure to monitor Educational Outreach Program revenues HM	Failure to Keep Abreast of and Comply w/ Federal & State Laws, Campus Crime, Safety & Security Mandates HL	Student is Denied Reasonable Accommodation for His/Her Disability HL	Inadequate security of student documents and records HL	Failure to comply with FERPA regulations and TBR policies re: confidentiality and in student life, registration and enrollment. HL	Inaccurate data collection/report generation (TBR, THEC, NSC, etc) HL	Failure to collect required documents for registration, including correct state tuition classification MM	Failure to retain records for adequate period of time MM	Inappropriate use of student funds ML
3	Information Technology (18, 19, 20, 21, 22)	Inadequate or Lack of Disaster Recovery Plan, Business Continuity Plan HM	Follow Federal, State, TBR and ChSCC Regulations & Policies and Lack of Written ChSCC MM	Unauthorized or Inappropriate Access to and/or Loss of Systems, Data, Records and Physical IT Resources MM	Inadequate Staffing Levels or Staff Skill Sets ML	Failure of External Suppliers and/or Contractors to Provide Services and/or Equipment ML	Failure to Respond Appropriately to Customer Issues and Training Needs ML	Lack of Separate Test, Acceptance, and Production Environment for Critical Systems LH	Inadequate Technology, Planning, & Oversight LM	Failure to Manage Budget Resources LL	Failure to Keep Both Hardware and Software Systems Technologically Up-to-Date LL	
6	Physical Plant (42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52)	Major Natural Disaster HL	Building & Content Values Understated HL	Failure to Properly Maintain Building Equipment MM	Failure to Properly Maintain Facilities MM	Hazardous Working Conditions MM	Equipment Damage MM	Interruption of Utilities Services MM	Failure to Perform Preventive Maintenance MM	Lack of Adequate Emergency Communication ML	Lack of Adequate Training & Testing of Systems & Drills ML	Minor Natural Disaster ML
2	Financial Management (4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17)	Awards to Ineligible Students - Federal and State Funds HM	Failure to Manage Default Rate HM	All Financial Commitments not Included and Documented in Budget Process HM	Return of Title IV Funds HM	Failure to Reconcile Fiscal and Financial Records HL	Lack of Untimely Performance of Reconciliations Between Two or More Items HL	Over or Under Spending Budget HL	Untimely Bank Reconciliations HL	Inadequate Budget Controls MM	Federal Grants That do not Adhere to Federal Regulations Specified in Circulars A-21 and A-110 MM	Complex Financial Information System MM
1	Auxiliary Enterprises (1, 2, 3)	Aging Cafeteria Equipment and Facilities MM	Insufficient Cafeteria Fund Balance MM	Aging Infrastructure ML	Food Borne Illness ML	Injury to Staff or Customers in the Dining Area ML	Theft of Food or Money ML	Lack of IT Support for the Bookstore MM	Failure to Review Bookstore Commission Reports Timely ML	Poor Customer Service LM		

Chattanooga State Community College  
Enterprise Risk Footprint  
May 2014

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**CLEVELAND STATE COMMUNITY COLLEGE  
ENTERPRISE RISK FOOTPRINT  
RISK FOOTPRINT  
MAY 2014**

		RISKS																			
#	MAJOR ACTIVITIES	1	1	2	2	3	3	4	4	5	5	6	6	7	7	8	8	9	9	10	10
2	VICE PRESIDENT - FINANCE AND ADMINISTRATION	HH	Lack of disaster recovery plan - business continuity	HH	Lack of safety management & emergency preparedness	HM	Tracking mobile devices with regulatory protected data	HL	Bad public relation/ disposition of inaccurate informaton	HL	Business disruption from external/ internal threats	HL	Equipment/ software failure	HL	Failure to safeguard records	HL	Fire/natural disaster	HL	Fraud, waste, and abuse	HL	Loss of third party services
1	PRESIDENT'S OFFICE	HM	Inadequate oversight of accreditation activites	HL	Embezzlement	HL	Fraud, waste, and abuse	HL	Lack of and/or inadequate strategic plan	HL	Misreporting /false reporting data	HL	Non-compliance and/or no monitoring of grant programs	HL	Threats to health or safety	MH	Risk of single point of knowledge in one person	MM	Failure to follow policies and procedures	MM	Poor or inadequate customer service
4	VICE PRESIDENT - STUDENT SERVICES	HM	Failure to recruit and retain students	HL	Threats to health or safety	MM	Disruptive students/ parents	MM	Failure to align goals with new outcomes funding formula criteria	MM	Financial aid overawards/ overpayments	MM	Insufficient staff	MM	Poor customer service	ML	Failure to adhere to ethical guidelines for profession	ML	Failure to comply with laws, policies, and regulations (FERPA)	ML	Failure to respond to requests for information
3	VICE PRESIDENT - ACADEMIC AFFAIRS	HL	External/ internal malicious damage/ attack	HL	Threats to health or safety	MM	Copyright violations	MM	Disruptive students	MM	Failure to align goals with new outcomes funding formula criteria	MM	Inadequate quantity or quality of faculty	MM	Loss of individual items (books, tapes, calculators, computers, projectors)	MM	Single points of knowledge in one person	ML	Failure to comply with FERPA guidelines	ML	Failure to comply with program accreditation standards



**CLEVELAND STATE COMMUNITY COLLEGE  
ENTERPRISE RISK FOOTPRINT  
RISK FOOTPRINT  
MAY 2014**

		RISKS																			
#	MAJOR ACTIVITIES	11	11	12	12	13	13	14	14	15	15	16	16	17	17	18	18	19	19	20	20
2	VICE PRESIDENT - FINANCE AND ADMINISTRATION	HL	Major equipment failure	HL	Misrepresentation of assets	HL	Risk of days/weeks without technology services	HL	Risk of loss of regulatory protected student and financial information	HL	Threats to health or safety	HL	Transmission over unprotected communications	MH	Aging facilities & infrastructure	MH	Inadequate PR disaster plan	MH	Materials and supply inventory management	MH	Poor/weak passwords by users
1	PRESIDENT'S OFFICE	ML	Abuse of power and harassment	ML	Misrepresentation of credentials	n/a		0 n/a		0 n/a		0 n/a		0 n/a		0 n/a		0 n/a		0 n/a	0
4	VICE PRESIDENT - STUDENT SERVICES	ML	Fraudulent use of resources	ML	Misreporting/ false/ failure to report data	LL	Injuries/ accidents	n/a		0 n/a		0 n/a		0 n/a		0 n/a		0 n/a		0 n/a	0
3	VICE PRESIDENT - ACADEMIC AFFAIRS	ML	Failure to comply with SACS standards	ML	Laboratory safety including control of supplies, especially chemicals and needles	ML	Lack of clinical partners	ML	Lack of patron confidentiality	ML	Mismanagement/ waste of resources	ML	Misuse or lack of service on contracted database services	ML	Student error in clinical situations	LL	Faculty or administrative mistreatment of students or co-workers	LL	Human error	n/a	0

**Columbia State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

		RISKS															
#	ACTIVITIES		1		2		3		4		5		6		7		8
4	Institutional Support (21,22,23,24,25)	HM	Inadequate, ambiguous, outdated policies	HM	Outdated processes	HM	Poor employee selection	HM	Staffing issues - Inadequate number of staff, inadequately trained	HL	Conflict of interest	HL	Excessive employee turnover	HL	Poor strategic planning	HL	Unethical, illegal, inappropriate relations with external stakeholders
7	Student Services (41,42,43,44,45,46, 47)	HM	Inadequate resources	HM	Lack of/inappropriate communication with students	HM	Poor customer service	HM	Staffing issues - Inadequate number of staff, inadequately trained, ineffective staff	HL	Failure to comply with federal and state laws and regulations	HL	Inaccurate student records	HL	Inadequate backup of student records	HL	Poor planning for and management of enrollment processes
5	Instruction & Academic Support (26,27,28,29)	HH	Poorly prepared entering students	HM	Inadequate and/or inappropriate student advising	HL	Failure to Schedule to meet student needs	HL	Fraudulent reporting of data	HL	Inaccurate reporting of data	HL	Poor management and/or communication of student information	HL	Poor strategic choices	MH	Competition from other institutions and programs
6	Physical Plant (30,31,32,33,34,36, 37,38,39,40)	HM	Inadequate emergency preparedness	HL	Failure of utilities	HL	Inadequate insurance for replacement of buildings and contents	HL	Insufficient strategic/long-term planning	HL	Natural disaster	MH	Inadequate funding	MM	Failure of external vendors	MM	Inadequate campus security
3	Information Technology (17,18,19,20)	HM	Breach of information security/confidentiality	HL	Inadequate backup	HL	Insufficient planning for business continuation	HL	Natural disasters	HL	Sabotage	HL	Utility/facility failures	MH	Inadequately trained users	ML	Abuse of technology resources
2	Financial Management (3,4,5,6,7,8,9,10,11, 12,13,14,15,16)	HH	Inadequate revenue/funding	HL	Insufficient backup of computer records	MH	Budget/financial statement errors and omissions	MM	Changes in software	MM	Staffing issues - Inadequate number of staff, inadequately trained	ML	Excessive employee turnover	ML	Failure to follow controls, policies and procedures, accounting standards	ML	Inadequate and/or inappropriate facilities
1	Auxiliary Enterprises (1,2)	MM	Poor financial performance of contractor	ML	Poor contractor performance	ML	Unhealthy or unsafe environment	LH	Competition from other textbook sources	LM	Difficulty in hiring contractor	LL	Inability of contractor to meet customer needs	LL	Poor customer service	-	n/a

**Columbia State Community College  
Enterprise Risk Footprint  
May 2014**

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**Dyersburg State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

		RISKS																	
#	ACTIVITIES		1		2		3		4		5		6		7		8		9
1	Instruction & Academic Support	HH	Inadequate resources (faculty, staff, financial, IT)	HH	Failure to meet retention/ graduation rates	HM	Failure to meet staff, faculty or program accreditation standards	HM	Lack of qualified adjunct faculty pool	HM	Failure to submit reports in a timely manner	MH	Inappropriate management of records	MH	Failure to handle a crisis situation	MH	Inappropriate faculty, staff or student behavior	MH	Failure to observe copyright and trademark laws
2	Student Affairs	HH	Failure to enroll and retain students & increase grad. rates	HH	Failure to investigate & resolve complaints in a timely manner	HH	Athletic injuries, accidents or health-related and travel incidents	HH	Failure to adequately monitor/main-tain security of tests & records	HM	Failure to provide ADA accomodations on campus and during activities	HM	Inappropriate use of PII (personally identifiable information)	HM	Inadequate assessment, evaluation and counseling services	MH	Inappropriate staff or student behavior	MH	Failure to detect fraud, waste or abuse
3	Financial Management	HH	Lack of adequate operating funds	HH	Non-compliance with DSCC, state & federal regulations	HH	Failure to provide timely service to students	HH	Improper payroll disbursements	HL	Overawarding of financial aid	HL	Lack of financial communica-tion to/from faculty/staff	HL	Failure to detect fraud, waste or abuse	MM	Lack of trained staff	MM	Failure to maximize return on investments
4	Institutional Support	HH	Failure to meet Funding Formula outcomes	HM	Non-compliance with accreditors	HM	Lack of Business Continuity / Emergency Prep. Plan	MH	Inadequate staffing or overreliance of adjunct faculty	HL	Ineffective Leadership	HL	Improper utilization of resources	MH	Mismanage-ment, PII violation, fraud, waste or abuse	HL	Ineffective communica-tion or inadequate advocacy with internal/external stakeholders	HL	Not following donor award specifications
5	Physical Plant	HM	Natural disaster and emergencies	HM	Building infrastructure failure	HL	Inappropriate behavior of staff	HL	Inadequate campus security	HL	Ineffective execution of emergency preparedness plan	HL	Loss, injury or damage to college property or community	MM	Lack of backup for key personnel	MM	Failure to follow DSCC, state and fed guidelines, procedures and codes	MM	Failure to maintain hazard free buildings & grounds
6	Institutional Advancement	HM	Publishing or disseminating incorrect information	HM	Failure to adequately and efficiently communicate in a crisis	HL	Failure to keep information current, fresh and/or social	MH	Failure to adequately communicate w/ stakehdrs in a timely manner	MH	Failure to follow policies and procedures	MH	Failure to prevent fraud, waste or abuse	MH	Failure to adhere to ethical marketing	HL	Failure to align mission and goals w/ community needs	HL	Not following donor award specifications
7	Information Technology	HH	Lack of backup for key personnel	HL	Inadequate disaster recovery plan	HL	Incorrect security levels approval	HL	Lack of network security	HL	Sabotage by employees	HL	Sabotage by outsiders	HL	Inadequate resources	ML	Breach of confidentiality	ML	Equipment failure
8	Public Service	HH	Loss of grant funding	HH	Failure to adhere to grant budget & reporting requirements	HH	Downturn in Market	HH	Enrollment of ineligible participants for services	HH	Errors in payments	HM	Inadequate Institutional matching funds	HM	Failure to meet performance measures	HM	Audit Finding	MH	Individual filing discrimination complaint

**Dyersburg State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		10		11		12		13		14		15		16		17		18
1	Instruction & Academic Support	MH	Failure to handle crisis during study abroad program	MH	Failure to meet safety standards	MM	Failure to eliminate fraud, waste or abuse	MM	Failure to observe Conflict of Interest policy	MM	Ineffective optimization of technology	MM	Security breaches	ML	Failure to deliver proper advising services	ML	Failure to meet student needs/under-prepared students	LL	Failure to meet/assess student learning outcomes
2	Student Affairs	MH	Noncompliance with DSCC, state & federal regulations	MH	Inadequate funding or staffing	MH	Failure to appropriately respond to student or family needs	MH	Lack of accurate and timely reporting	MH	Lack of or falsified student information	MH	Failure to communicate programs, degree plans and classes	MH	Lack of online student services	MH	Failure to create/maintain student engagement	MH	Failure to create/maintain student engagement
3	Financial Management	MM	Failure to correctly project or record revenue	MM	Poor record management	ML	Inaccurate financial reporting	ML	Incorrect disbursements	ML	Lack of student compliance with financial aid reqmts	ML	Failure to properly depreciate assets	ML	Inventory errors	ML	Failure to correctly charge expenses	ML	Data entry errors
4	Institutional Support	ML	Failure to observe conflict of interest policy	ML	Lack of coordination among administrative & academic leaders	LM	Failure to correctly implement/observe DSCC policies/procedures by faculty, staff & students												
5	Physical Plant	MM	Failure to maintain mechanical equipment	MM	Failure to adhere to bldg guidelines or follow bldg codes	ML	Poor record management	ML	Contractor not following contract guidelines	ML	Improper storage or disposal of hazardous materials	ML	Failure to eliminate fraud, waste or abuse	ML	Increasing utility and / or repair costs	LL	Failure to support student, faculty or staff needs	LL	Motor vehicle failures / Workers Comp claims
6	Institutional Advancement	MH	Misreporting institutional data to TBR or missed deadlines	MH	Mismanagement of funds	MM	Acceptance of grants that fail to meet DSCC's mission/goals	MM	Inadequate alumni involvement	MM	Inadequate fundraising	MM	Lack of trained staff	MM	Failure to optimally utilize resources	MM	Unprofessional behavior with stakeholders		
7	Information Technology	ML	Failure to update licenses	ML	Loss of communication channels	ML	Loss of instructional student support (D2L, etc.)	ML	Outdated equipment and software	LL	Inappropriate use of technology	LL	Mismanagement of Technology Access Fees						
8	Public Service	MH	Failure to detect fraud, waste, abuse	MH	Noncompliance with DSCC, state & federal regulations	MH	Lack of timely and accurate reporting	MH	Contractual obligation by unauthorized persons	MH	Inadequate records documentation and management	MH	Inadequate oversight of endowment	MH	Misappropriation of Donor Funds	MH	Failure to adhere to grant specs	ML	Failure to comply with donors wishes

Jackson State Community College  
Enterprise Wide Footprint  
May 2014

		RISKS 													
#	ACTIVITIES		1		2		3		4		5		6		7
5	Instruction(8, 9, 19, 25, 30, 39, 40, 41, 42,)	HH	Failure to generate, analyze, & utilize institutional data	HH	Failure to manage retention dynamics	HH	Inadequate maintenance of facilities/resources (Fin., Physical, & HR)	HM	Controversial academic freedom issues	HM	Failure of an individual to maintain expertise in field	HM	Failure to hire qualified/effective faculty/staff	HM	Failure to maximize educational partnerships
2	Institutional Support(1, 6, 12, 13, 16, 17, 18, 20, 21, 22, 26, 27, 28, 29, 32, 33, 38)	HH	Improper management/utilization of resources	HH	Insufficient resources(financial )	HM	Failure to provide and maintain information technology to support college processes	HM	Ineffective leadership	HM	Natural disaster	HL	Failure to employ appropriate staff (untrained/unqualified)	HL	Poor donor relations
3	Physical Plant(5, 10, 23, 24, 36, 43)	HH	Deferred maintenance	HH	Failure to prepare for emergency situations	HH	Failure to provide sufficient financial resources	HM	Failure to comply with ADA & applicable governing regulations	HM	Natural disaster	MH	Failure to provide sanitary environment	MH	Failure to provide timely response to work requests
4	Student Services(2, 3, 7, 14, 15, 31, 34, 35, 37, 44, 45, 52)	HH	Failure to gather & utilize data for dev of an effective enrollment & retention plan	HM	Failure to generate strong & diverse applicant pool	HM	Ineffective leadership	MH	Failure to orient student to college campus	MH	Failure to provide enriching student life experiences	MH	Failure to provide prof dev & training for staff	MH	Inadequate technical support for adm processes
1	Auxiliary Enterprises(4, 11)	HM	Property damage	MH	Lack of ability to contract w/ vendors	MM	Inadequate customer base	MM	Ineffective communications	MM	Poor customer service	MM	Risk of contracted employees being injured	ML	Bankruptcy of contractor

Jackson State Community College  
Enterprise Wide Footprint  
May 2014

#	ACTIVITIES		8		9		10		11		12		13		14
5	Instruction(8, 9, 19, 25, 30, 39, 40, 41, 42,)	HM	Inadequate faculty/staff development	HM	Inappropriate Faculty/Staff Behavior	HM	Inconsistent maintenance of appropriate pedagogical environment	HM	Inconsistent use of professional standards and best practices	HM	Ineffective classroom evaluation techniques	HM	Ineffective development of academic schedules	HM	Ineffective leadership
2	Institutional Support(1, 6, 12, 13, 16, 17, 18, 20, 21, 22, 26, 27, 28, 29, 32, 33, 38)	MH	Copyright infringement	MH	Failure to meet grant requirements	MH	Inequitable compensation	MH	Misuse of technology & equipment	MM	Breach of confidentiality	MM	Conflict of interest	MM	Dissemination of false or inaccurate information
3	Physical Plant(5, 10, 23, 24, 36, 43)	MH	Misuse of equipment & supplies	MH	Unattractive grounds and facilities	MM	Failure to employ appropriate staff (untrained/unqualified)	MM	Failure to provide routine maintenance	MM	Failure to provide safe environment	MM	Failure to receive and distribute in a safe & timely manner	MM	Ineffective leadership
4	Student Services(2, 3, 7, 14, 15, 31, 34, 35, 37, 44, 45, 52)	MM	Failure to adhere to FERPA & HIPPA	MM	Failure to adhere to governing P & Ps	MM	Failure to equitably provide due process for student complaints & discipline	MM	Failure to follow proper test administration & security guidelines	MM	Failure to properly process student documents	MM	Failure to provide accurate & timely information to students	MM	Ineffective electronic communications w/students
1	Auxiliary Enterprises(4, 11)	ML	Failure to comply w/governmental regulations	ML	Failure to meet supply & demand of customer base	ML	Failure to provide accessible services	ML	Food poisoning	ML	Inappropriate staff behavior	ML	Poor contractor performance	ML	Price inflation

Jackson State Community College  
Enterprise Wide Footprint  
May 2014

#	ACTIVITIES		15		16		17		18		19		20
5	Instruction(8, 9, 19, 25, 30, 39, 40, 41, 42,)	HL	Maintaining appropriate technologies in specific disciplines	MH	Ineffective advising systems	MM	Failure to communicate/ comply with governing P & Ps	MM	Failure to stay current with instructional technology	MM	Not being responsive to a business/general community need	-	n/a
2	Institutional Support(1, 6, 12, 13, 16, 17, 18, 20, 21, 22, 26, 27, 28, 29, 32, 33, 38)	MM	Failure to comply w/governing regulations	MM	Failure to comply with donor restrictions	MM	Improper handling of records	MM	Unethical/inappropriate behavior (affiliated external parties)	MM	Unethical/inappropriate behavior (employees)	MM	Unethical/inappropriate behavior (students)
3	Physical Plant(5, 10, 23, 24, 36, 43)	MM	Interruption of utility services	MM	Lack of supervision	MM	Major system failure(HVAC, electrical, plumbing, etc)	MM	Waste, fraud, & abuse	ML	Failure to have adequate insurance for property, plant & equipment	ML	Lack of coordination with local authorities
4	Student Services(2, 3, 7, 14, 15, 31, 34, 35, 37, 44, 45, 52)	ML	Failure to assist students in finding adequate job placement and/or college transfer	ML	Failure to follow appropriate health regulations, procedures and guidelines for both mental & physical conditions	ML	Failure to provide appropriate counseling	ML	Failure to safely transport students to college related activities	ML	Falsification of student records	ML	Injury to student during student activities
1	Auxiliary Enterprises(4, 11)	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a



**Motlow State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

		RISKS															
#	ACTIVITIES		1		2		3		4		5		6		7		8
3	Financial Management (7,8,9,15,16,17,18,22,25,27,28,29,31,39,40,42,43,44,46,49,50,53,54,59,63,71)	HM	Failure to meet Complete College Act Goals	HM	Misuse of procurement cards	HM	Non-compliance of federal and state regulations	HM	Significant loss of records	HL	Non-compliance with grant requirements	MM	Breach of security of records	MM	Changes in financial systems (ERP)	MM	Failure to reconcile in a timely manner
2	Academic Affairs & Instruction(1,2,3,4,5,6,19,22,29,31,34,39,40,42,49,63,67,69,73,74)	HM	Failure to retain students	HM	Inadequately prepare graduates or certificate recipients	HM	Non-compliance with standards	HL	Grade inflation/deflation	HL	Inadequate instructional facilities	MM	Conflict of interest	MM	Inadequate staffing and training	MM	Inequitable or improper teaching loads
1	Student Services (10,11,22,24,29,39,40,42,49,51,52,57,59,60,61,63,64,65,66,68,67,69,73)	HM	Declining Enrollment	HM	Overawards or ineligible awards of financial aid	HL	Loss of records	HL	Non-compliance with standards (EADA, FISAP, SACS, crime reporting-state & fed)	MH	Fraud, theft, waste, abuse	MM	Changes in student systems (ERP)	MM	Improper advising	MM	Inadequate staffing and training
6	Physical Plant (14,20,29,36,38,39,40,41,42,45,47,48,49,62,63)	HM	Inadequate emergency preparedness plan	HL	Inadequate/aging infrastructure	HL	Interruption of utility service	HL	Lack of safe environment	HL	Loss of facilities	MH	Rising utility cost	MM	Fraud, waste, theft, and abuse	MM	Improper storage of hazardous materials
4	Information Technology & Academic Support(22,29,37,39,40,42,49,59,70,72,73,74)	HL	Inadequate disaster recovery	HL	Inadequate library material	HL	Lack of network/internet support	HL	Loss of records or data	MH	Computer virus	MM	Fraud, waste, theft and abuse	MM	Inadequate staffing and training	MM	Loss of equipment
5	Institutional Support (22,23,26,29,30,31,32,33,35,38,39,40,42,49,53,63,69,71)	MH	Change of leadership	MH	Non-compliance with sexual harassment and discrimination policies	MM	Conflict of interest	MM	Improper training and staffing	MM	No business continuity plan	MM	Non-compliance with contract regulations	MM	Security of records	MM	Theft, fraud, waste, and abuse
7	Auxiliary Enterprises (12,13,21,49,55,56,63)	HL	Loss of services	MH	High cost of textbooks	MM	Disruptions of supply chain	MM	Improper staffing and training of employees	MM	Inadequate facilities	ML	Inadequate maintenance of equipment	LH	Poor customer service	LL	Bankruptcy of the contractor

**Motlow State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		9		10		11		12		13		14		15
3	Financial Management (7,8,9,15,16,17,18,22,25,27,28,29,31,39,40,42,43,44,46,49,50,53,54,59,63,71)	MM	Inadequate staffing and training of employees	MM	Theft, fraud, waste, and abuse	ML	Failure to pay timely	ML	Inadequate technology	LL	Improper payments to vendors or employees	LL	Poor customer service	-	n/a
2	Academic Affairs & Instruction(1,2,3,4,5,6,19,22,29,31,34,39,40,42,49,63,67,69,73,74)	MM	Poor or inadequate advising	ML	Inability to retain qualified faculty	ML	Outdated instructional technology equipment	LL	Falsification of academic records	LL	Unprofessional behavior	-	n/a	-	n/a
1	Student Services (10,11,22,24,29,39,40,42,49,51,52,57,59,60,61,63,64,65,66,68,67,69,73)	MM	Non-compliance with standards (NJCAA)	ML	Improper handling of student records	ML	Student travel accidents with fatalities	LM	Failure to maintain safe environment	LL	Poor customer service	LL	student activities	LL	Student travel accidents with minor injuries
6	Physical Plant (14,20,29,36,38,39,40,41,42,45,47,48,49,62,63)	MM	Inadequate training and staffing	ML	Failure to follow state and federal regulations	LM	Inadequate preventative maintenance	-	n/a	-	n/a	-	n/a	-	n/a
4	Information Technology & Academic Support(22,29,37,39,40,42,49,59,70,72,73,74)	MM	Security breach	ML	Outdated or inadequate technology	LL	Non-compliance with TAF guidelines	LL	Poor customer service	-	n/a	-	n/a	-	n/a
5	Institutional Support (22,23,26,29,30,31,32,33,35,38,39,40,42,49,53,63,69,71)	ML	Failure to express concerns with legislature	ML	Failure to perform background or reference checks	ML	Fund raising improprieties	ML	Improper handling of records	ML	Non-compliance with affirmative action plan	-	n/a	-	n/a
7	Auxiliary Enterprises (12,13,21,49,55,56,63)	LL	Fraud, waste, theft, and abuse	LL	Loss of contractual revenue	LL	Mishandling of food	-	n/a	-	n/a	-	n/a	-	n/a

**Nashville State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

			RISKS								
#	ACTIVITIES		1	2	3	4	5				
8	Financial Management	HL	Failure of Gateway To Transmit To Bank	HL	Failure To Collateralize Cash	HL	Fraudulent Wire Transfers	MM	Cash Theft Registration Deposit In Transit	MM	Cash Theft Through Alteration Of Checks
4	Information Technology	HL	Loss Of Data Center	HL	Malfunction Of Administrative System Software	MH	Inappropriate Use Of Computer Resources	MM	Failure To Define The It Architecture/Technological Direction	MM	Failure To Follow Accreditation, TBR, State, Federal And Campus Policies/Laws
6	Student Services	HL	Falsifying Records	MH	Inappropriate Use Of Computer Resources	MH	Violation Of Privacy Regulations	MM	Conflict Of Interests	MM	Employee Turnover
3	Instruction (Non-Credit)	MH	Inappropriate Use Of Computer Resources	MM	Conflict Of Interests	MM	Failure To Achieve Course And Program Outcomes	MM	Failure To Follow Accreditation, TBR, State, Federal And Campus Policies/Laws	MM	Failure To Keep Course Offerings Competitive
1	Instruction (Credit)	MH	Inaccurate Time Reporting	MH	Inappropriate Use Of Computer Resources	MH	Purchasing Incorrect/Unnecessary Products	MM	Conflict Of Interests	MM	Employee Turnover
7	Institutional Support	MH	Inappropriate Use Of Computer Resources	MM	Conflict Of Interests	MM	Expenditure Of Funds In Non-Allowed Areas	MM	Failure To Comply With 501C3 Requirements	MM	Failure To Follow Accreditation, TBR, State, Federal And Campus Policies/Laws
2	Academic Support	MH	Inappropriate Use Of Computer Resources	MM	Conflict Of Interests	MM	Failure To Achieve Course And Program Outcomes	MM	Failure To Prevent Identity Theft	MM	Falsifying Records
5	Physical Plant	HL	Disasters - Fire, Tornado, And Explosions	HL	Inadequate Property Insurance	MM	Emergency Call Boxes	MM	Lack Of Backup To Key Admin Positions	MM	Lack Of Cross-Training
9	Auxiliary Enterprises	HL	Risk Of Failure Of External Contract Providers	MM	Not Providing Books	MM	Poor Customer Service	-	n/a	-	n/a

**Nashville State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		6		7		8		9		10
8	Financial Management	MM	Failure To Collect Accounts Receivable	MM	Failure To Invest Cash Reserves	MM	Failure to Prevent Identity Theft	MM	Failure To Reconcile Daily Deposits	MM	Failure To Reconcile System Interfaces
4	Information Technology	MM	Failure To Install Product Upgrades In A Timely Manner	MM	Failure To Prevent Identity Theft	MM	Inaccurate Time Reporting	MM	Inadequate Access Control	MM	Inadequate Bandwidth
6	Student Services	MM	Failure To Appropriately Handle Student Grievances Or Appeals	MM	Failure To Follow Accreditation, TBR, State, Federal And Campus Policies/Laws	MM	Failure To Follow Federal Requirements	MM	Failure to Prevent Identity Theft	MM	Fraudulent Residency Classification
3	Instruction (Non-Credit)	MM	Failure To Prevent Identity Theft	MM	Falsifying Records	MM	Ineffective Recruitment And Retention	MM	Length Of Time Needed To Process Non TBR Agreements	MM	Poor Communication
1	Instruction (Credit)	MM	Failure To Prevent Identity Theft	MM	Improperly Disposing Of Surplus	MM	Inability To Lock Doors From The Inside	MM	Ineffective Academic Advising	MM	Length Of Time Needed To Process Non TBR Agreements
7	Institutional Support	MM	Failure To Follow Federal Requirements	MM	Failure To Increase Endowments	MM	Failure to Prevent Identity Theft	MM	Falsifying Records	MM	Improperly Disposing Of Surplus
2	Academic Support	MM	Improperly Disposing Of Surplus	MM	Lack Of Backup To Key Admin Positions	MM	Lack Of Cross-Training	MM	Lack Of Training	MM	Not Monitoring Budgets For Overspending
5	Physical Plant	MM	Not Monitoring Budgets For Overspending	MM	Purchasing Fraud	MM	Purchasing Incorrect/Unnecessary Products	MM	Purchasing Products That Are More Expensive Than Necessary	MM	Theft
9	Auxiliary Enterprises	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

**Nashville State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		11		12		13		14		15
8	Financial Management	MM	Failure To Transfer Cash From Investments To Bank Accounts In A Timely Manner	MM	Failure To Transmit And Settle Credit Card Batches	MM	Inaccurate Time Reporting	MM	Posting Entries Incorrectly	MM	Purchasing Fraud
4	Information Technology	MM	Inadequate Preventative Maintenance	MM	Interruption Of Utility Service	MM	Lack Of Appropriate System Back Up	MM	Lack Of Backup To Key Admin Positions	MM	Not Monitoring Budgets For Overspending
6	Student Services	MM	Improper Financial Aid Awards	MM	Improperly Disposing Of Surplus	MM	Inaccurate Information In Catalog And Schedules	MM	Incomplete Student Records	MM	Ineffective Academic Advising
3	Instruction (Non-Credit)	MM	Poor Customer Service	MM	Poor Leadership	MM	Poor Oversight	MM	Poor Risk Assessment	MM	Poor Supervision
1	Instruction (Credit)	MM	Not Monitoring Budgets For Overspending	MM	Poor Customer Service	MM	Poor Risk Assessment	MM	Poor Supervision	MM	Theft
7	Institutional Support	MM	Ineffective Monitoring Of Existing Grants	MM	Lack Of Backup To Key Admin Positions	MM	Lack Of Clear Roles And Responsibilities	MM	Not Auditing Strategic Areas	MM	Not Monitoring Budgets For Overspending
2	Academic Support	MM	Poor Leadership	MM	Poor Oversight	MM	Poor Risk Assessment	MM	Poor Supervision	MM	Purchasing Incorrect/Unnecessary Products
5	Physical Plant	MM	Waste Or Abuse	ML	Age And Condition Of Facilities	ML	Conflict Of Interests	ML	External Lighting	ML	Failure To Follow Accreditation, TBR, State, Federal And Campus Policies/Laws
9	Auxiliary Enterprises	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

**Northeast State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

		RISKS																	
#	ACTIVITIES		1		2		3		4		5		6		7		8		9
5	Institutional Support (57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73)	HM	Failure to align mission and goals with community needs	HM	Failure to follow state, federal, and local laws and regulations	HM	Mismanagement of funds	HM	Failure to plan for emergencies	HM	Insufficient financial resources	HM	SACSCOC non-compliance	HM	Failure of data systems	HM	Failure to follow purchasing procedures	HM	Failure to detect fraud, waste, and abuse
6	Information Technology (74, 75, 76, 77, 78, 79)	HM	Inadequate disaster recovery	HM	Inadequate infrastructure	HL	Inadequate technology planning/oversight	HL	Loss of data	HL	Loss of funding to support function	HL	Natural disaster	HL	Terrorism, sabotage	MM	Inability to hire appropriate employees	MM	Inadequate employee training
4	Instruction & Academic Support (45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56)	HL	Loss of community support for academic programs	HL	Loss of institutional accreditation	MH	Competition from other educational providers	MH	Loss of academic personnel	MH	Shortage of qualified adjunct faculty	MH	Student academic dishonesty	MM	Barriers to transfers to other institution for students	MM	Changes in leadership	MM	Errors in academic advising
2	Financial Management (18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34)	MH	Financial errors contributing to a qualified audit opinion	MH	Conflict of interest	MH	Excessive employee turnover	MH	Fraud, waste and abuse	MH	Inadequate security during high-volume times	MH	Insufficient data backup	MH	Purchasing irregularities	MM	Change in financial reporting systems	MM	Failure to follow Policies and Procedures
3	Physical Plant (35, 36, 37, 38, 39, 40, 41, 42, 43, 44)	HL	Airport disaster	HL	Natural disaster	HL	Outbreak of infectious disease	MH	Escalation of utility costs	MH	Inadequate capital funding	MH	Inadequate key control	MH	Inadequate security of capital assets	MH	Theft, waste, abuse of assets	MM	Equipment failure
1	Student Services (1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17)	HL	Infectious disease outbreak	HL	Loss of student data	MM	Failure to comply w/ federal, state regulations	MM	Failure to comply w/grant stipulations	MM	Failure to follow Policies & Procedures	MM	Failure to process financial aid applications timely	MM	Falling enrollment	MM	Fraud, theft, waste, abuse	MM	Improper use of student activity fees
7	Auxiliary Enterprises (80, 81, 82, 83)	HL	Bankruptcy of a contractor	HL	Fire	MH	Food poisoning	MM	Competition	MM	Disruption of supply chain	MM	Unsafe environment	MM	Unsanitary environment (negative health inspection)	-	n/a	-	n/a

**Northeast State Community College  
Enterprise Risk Footprint  
May 2014**

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**PELLISSIPPI STATE COMMUNITY COLLEGE  
ENTERPRISE RISK FOOTPRINT  
MAY 2014**

#	MAJOR ACTIVITIES	RISKS																				RISKS	
		1	1	2	2	3	3	4	4	5	5	6	6	7	7	8	8	9	9	10	10	11	11
1	INSTRUCTION & ACADEMIC SUPPORT	HM	Failure to meet funding performance requirements of the Complete College Act	HM	Failure to retain students	MH	Impact of system or statewide initiatives at the campus level	MH	Lack of adequate funding	MM	Aging faculty	MM	Competition	MM	Graduation rates	MM	Inability to hire and retain qualified faculty	MM	Increased reporting requirements (federal, state, institutional, etc.)	MM	Insufficient availability of qualified adjunct instructors	MM	Lack of facilities
2	STUDENT SERVICES	HL	Incidents of violent behavior	MM	Failure to follow disciplinary rules/ due process	MM	Failure to follow policies and procedures	MM	Failure to provide adequate support services for students with disabilities	MM	Failure to retain students	MM	Fraud, theft, waste, and abuse	MM	Inadequate supervision of student activities	MM	Inefficient admissions process	MM	Low graduation rates	MM	Poor customer service	MM	Significant changes in enrollment
6	INFORMATION TECHNOLOGY	HL	Natural disaster	MM	Breach of security / confidentiality	MM	Complications of operating and maintaining BANNER systems	MM	Copyright infringement	MM	Impact of system initiatives at the campus levels	MM	Inadequate staffing / employee turnover / unable to hire qualified staff	MM	Insufficient data/ reports for decision making	MM	Lack of adequate funding	MM	Lack of disaster recovery planning	MM	Outdated technology	MM	Poor customer service
4	PHYSICAL PLANT	HL	Natural disasters	HL	Terrorism/ sabotage/ violent behavior	MM	Aging infrastructure	MM	Improper handling of hazardous materials	MM	Inadequate emergency planning	MM	Inadequate funding	MM	Inadequate security of assets	MM	Inadequate training of staff	MM	Increasing utility costs	MM	Vandalism/ fraud/ theft/ waste/ and abuse	ML	Failure to perform routine maintenance
3	FINANCIAL MANAGEMENT (includes Auxiliaries)	MM	Difficulty related to contract administration	MM	Errors, misstatements or misclassifications of items in the financial statements	MM	Inability to access online data	MM	Inadequate staffing	MM	Inadequate training of employees	MM	Noncompliance with federal and state regulations	MM	Poor inventory management	ML	Conflict of interest	ML	Employee turnover	ML	Erroneous payroll disbursements	ML	Failure to follow policies and procedures
5	INSTITUTIONAL SUPPORT	HL	Terrorism / sabotage / violent behavior	MM	Inability to raise funds	MM	Inadequate planning and assessment	MM	Inadequate staffing / compensation	MM	Nonfunded mandates	ML	Failure of funding allocations to align with mission and objectives	ML	Fund raising improprieties	ML	Inadequate emergency responses	ML	Negative perspective from external constituencies	ML	Poor media relations	ML	Violation of federal and state laws / policies and procedures
8	BUSINESS AND COMMUNITY SERVICES	HL	Failure to ensure children are safe and secure while on campus	MH	Loss of key personnel	MM	Failure to correctly bill and invoice clients	MM	Failure to properly advise clients	MM	Fraud, theft, waste and abuse	MM	Loss of contracts (SBA, Chamber, Banks relates to TSBC)	MM	Poor Customer Service	MM	Private Competition	n/a	0 n/a	0 n/a	0 n/a	0	
7	FINANCIAL AID	HL	Excessive default rates	MM	Failure to follow federal state laws & regulations	MM	Failure to follow policies & procedures	MM	Fraud, theft, waste and abuse	MM	Poor customer services	ML	Improper financial aid counseling	ML	Mismanagement of financial aid programs	n/a	0 n/a	0 n/a	0 n/a	0 n/a	0 n/a	0	



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**ROANE STATE COMMUNITY COLLEGE  
ENTERPRISE RISK FOOTPRINT  
MAY 2014**

#	MAJOR ACTIVITIES	RISKS													
		1	2	3	4	5	6	7	8	9	10	11	12	13	
3	Institutional Support	HM Inadequate emergency preparedness planning/ response/ preparation/ awareness	MH Lack of and/or inadequate business continuity planning	MH Loss of institutional autonomy for decision making	MM Failure to adequately monitor grant funding or comply with grant requirements	MM Failure to comply and/or monitor compliance with SACS requirements	MM Failure to maintain key control/secure buildings	MM Failure to monitor institutional effectiveness	MM Failure to raise external resources to support institutional goals	MM Inability/failure to recruit and hire qualified faculty/staff that perform at an acceptable level	MM Inadequate and/or ineffective advertising	MM Inadequate/ inefficient/ inappropriate resources/ resource allocation to support mission and goals	MM Lack of and/or failure to comply with policies and procedures	MM Lack of competitive salaries/ employee turnover	
1	Instruction and Academic Support	HM Significant decline in FTE/workforce contact hours/ completion benchmarks/change s in enrollment patterns including dual studies	MH Significant reductions and/ or lack of adequate funding	MM Clinical accidents/ mistakes/ student accidents/ injuries	MM Communications network failure/ equipment/ facility systems failures	MM Competition for Health Science Programs/ clinical sites	MM Excessive reliance on adjunct faculty	MM Failure to build appropriate schedule to meet student needs	MM Failure to identify and assess program and student learning outcomes	MM Fraud, waste, and/or abuse	MM Inability/ failure to recruit and hire competent, qualified faculty/ adjunct faculty	MM Lack of professional development training	MM Momentum/D2L instructional support system failure	MM Poor or inadequate academic advisement	
2	Student Services	HM Significant decline in FTE/workforce contact hours/ completion benchmarks/ changes in enrollment patterns including dual studies	MH Competition for students	MM Awards to ineligible students	MM Communications network/ webpage failure/ interruption	MM Errors in data/ reports	MM Failure to comply with applicable laws and policies	MM Failure to maintain accurate, up-to-date student records/ archived student records	MM Failure to retain/ graduate students	MM Inadequate security/ inappropriate release of student records/ protected information	MM Inadequate/ inappropriate counseling/ career services	MM Lack of resources for/failure to provide adequate services at off-campus centers	MM Lack of student friendly enrollment process	MM Poor customer service	
7	Workforce Development	MH Failure to maintain business/industry/ government alliances/ partnerships	MM Accident or injury of participant in Continuing Education/ Workforce Development activities	MM Competition for qualified faculty/ training contracts/ partnerships, funds/grants	MM Error in reporting	MM Errors in collection/ assessment of fees	MM Failure to comply/ complete grant requirements/ benchmarks	MM Failure to monitor program effectiveness	MM Fraud and/or theft by participants/ others	MM Inaccurate reporting of workforce contact hours	MM Lack of integration within the College	MM Lack of internal funding/funding to sustain programs/ equipment	MM Lack of or inadequate business continuity planning	MM Lack of qualified faculty	
5	Financial Management	HL Failure to update building and contents value for insurance	MM Banner systems failure/network/ hosting disruption	MM Errors, mistatements, and/or untimely financial reports	MM Errors/ untimely payments to employees, vendors, or others	MM Failure to comply with applicable laws, regulations, and/or policies	MM Failure to comply with health codes/food borne illnesses, etc	MM Failure to have appropriate textbooks and supplies	MM Inability to secure and retain bookstore/food service contractor	MM Inadequate internal controls	MM Inadequate security/ inappropriate release of student/ employee records/ protected information	MM Lack of oversight of budget management consistent with mission, objectives, and availability of resources	MM Lack of timely reconciliation of accounts/ financial records	MM Poor or inadequate customer service	
6	Information Technology	HL Fire or Natural Disaster	HL Inadequate disaster recovery/ business continuity planning	MM Computer Center environmental controls/ system failure	MM Failure to attract and/ or retain qualified employees	MM Failure to integrate technology across the institution on a timely basis	MM Inadequate training/ professional development	MM Loss of control over College/ privacy data via emerging technologies and mobile storage devices	MM Network outages (campus network, hosted systems, internet)	MM Power Outages	ML Access to systems/data not adequately controlled	ML Breach of network/system security	ML Failure to adequately educate/train users	ML Failure to implement software upgrades, fix errors, perform backups on a timely basis	
4	Facility Operations/ Maintenance	HL Fire and/or natural disaster	MM Accidents/ injuries - Expo Center	MM Deferred maintenance for aging facilities and infrastructure	MM Employee/ student/ other injuries and accidents	MM Failure to comply with applicable laws, regulations, and/ or policies including hazardous waste	MM Fraud, waste and/or abuse	MM Inadequate capital maintenance funding/planning	MM Inadequate maintenance services for off-campus centers	MM Inadequately trained personnel	MM Infrastructure/ building system failures	MM Motor vehicle accidents	MM Poor contractors/ sub-contractors of facilities/ inability to secure custodial contract	MM Theft/vandalism	

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Southwest Tennessee Community College  
Enterprise Risk Footprint  
May 2014

#	ACTIVITIES	RISKS		1	2	3	4	5	6				
1	Information Technology Systems	HH	Failure to comply with federal, state, local and governing board laws, regulations and guidelines	HH	Improper /negligent hiring	HH	Poor or Insufficient mainframe backup strategy/resources	HM	Ineffective administrative computer system support	HM	Ineffective institutional disaster recovery plan	HM	Insufficient data & network security measures
2	Institutional Support	HH	Failure to comply with federal, state and local laws	HM	Failure to comply with funders expectations	HH	Failure to conduct background and reference checks for employees with access to confidential records and/or in a sensitive position	HM	Failure to follow federal, State, & other rules & regulations (IRS, TBR, EEOC, OSHA, EPA etc)	HM	Failure to maintain an appropriate cultural / ethical environment	HM	Ineffective enrollment processes
3	Instruction and Academic Support	HH	Low student retention	HH	Poor persistence to graduation	HM	Inadequate quality of instruction	HM	Inappropriate faculty behavior	HM	Inappropriate faculty credentials	HM	Poor/Outdated programs
4	Student Services	HH	Failure to comply with federal, state, local and governing board laws, regulations and guidelines	HM	Ineffective enrollment processes	HM	Ineffective strategic planning and management	HL	Failure to comply with funders expectations	HL	Failure to conduct background & reference checks for employees with access to confidential records and/or in a sensitive position	HL	Inadequate internal audit/monitoring review process
5	Physical Plant	HH	Failure to comply with federal, state, local and governing board laws, regulations and guidelines	HH	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	MH	Failure to investigate and resolve all complaints	MH	Inappropriate employee behavior	MH	Inadequate resources (staffing, supplies, equipment, facilities)	MH	Ineffective allocation of personnel or budgets
6	Financial Management	HH	Failure to comply with Federal Title IV and state guidelines for Financial Aid Administration	HH	Failure to comply with federal, state, local & governing board laws, regulations and guidelines	HM	In adequate external grant management and accounting (PELL, CWS, etc.)	MH	Inadequate resources (staffing, supplies, equipment, facilities)	HL	Abuse of power	HL	Failure to comply with Federal and State reporting guidelines
7	Enrollment Management	HM	Ineffective enrollment processes	HL	Barriers to student success - course scheduling, availability of administrative services, counseling services, ease of admissions process, etc.	HL	Inadequate or ineffective telecom management	HL	Inadequately trained/cross-trained employees	HL	Ineffective administrative computer system support	HL	Lack of security with confidential records
8	Student Services 2	HH	Failure to comply with federal, state, local and governing board laws, regulations and guidelines	HH	Improper /negligent hiring	HH	Lack of security with confidential records	HH	Poor persistence of students to graduation (low student retention)	HM	Failure to comply with professional and accrediting agency guidelines	HL	Abuse of power (position, rank or title)
9	Administrative Support	HH	Failure to comply with federal, state, local and governing board laws, regulations and guidelines	HM	Ineffective enrollment processes	HM	Ineffective strategic planning and management	HL	Failure to comply with funders expectations	HL	Failure to conduct background & reference checks for employees with access to confidential records and/or in a sensitive position	HL	Inadequately trained/cross-trained employees

Southwest Tennessee Community College  
Enterprise Risk Footprint  
May 2014

#	ACTIVITIES		7		8		9		10		11		12		13
1	Information Technology Systems	HL	Abuse of power (position, rank or title)	HL	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	HL	Inadequately trained/cross-trained employees	HL	Loss of internet access	MH	Failure to investigate and resolve all complaints	MH	Failure to keep software up to date	MH	Inappropriate employee behavior
2	Institutional Support	HM	Ineffective strategic planning and management	HM	Ineffective, inappropriate or offensive external communications	HM	Poor / Outdated academic programs	HM	Theft, fraud, waste, & abuse	MH	Failure to investigate and resolve all complaints	MH	Improper / negligent hiring	MH	Inability to attract and retain qualified faculty and/or staff
3	Instruction and Academic Support	HL	Inappropriate use 3rd party materials	MH	Inability to attract and retain faculty	MH	Inadequate tutoring/learning services	MH	Inconsistent attendance reporting	MM	Imbalance between full-time and adjunct faculty	MM	Inefficient class scheduling	MM	Inefficient use of classroom capacity/space
4	Student Services	HL	Inadequately trained/cross-trained employees	HL	Lack of security with confidential records	MH	Failure to investigate and resolve all complaints	MH	Failure to maintain an appropriate cultural/ethical environment	MH	Inadequate and/or inconsistent application of policies & procedures	MH	Inadequate resources (staffing, supplies, equipment, facilities)	MH	Inappropriate faculty, staff or volunteer behavior
5	Physical Plant	MH	Insufficient routine/preventative maintenance of Plant and equipment	MH	Theft, fraud and waste of institutional assets	HL	Abuse of power (position, rank or title)	HL	Inaccurate reporting of capital assets and physical facilities inventory for Capital Budget Requests	HL	Inaccurate valuation of plant assets for state insurance coverage	HL	Inadequately trained/cross-trained employees	HL	Insufficient resources for physical plant renewals and replacements
6	Financial Management	HL	Inaccurate reporting of capital assets and physical facilities inventory for Capital Budget Requests	HL	Inadequate internal audit/monitoring review process	HL	Inadequately trained/cross-trained employees	HL	Non-compliance with generally-accepted accounting guidelines	MH	Failure to investigate and resolve all complaints	MH	Inaccurate financial reporting	MH	Inadequate and/or inconsistent application of policies & procedures
7	Enrollment Management	HL	Loss of internet access	MH	Failure to investigate and resolve all complaints	MH	Failure to keep software up to date	MH	Failure to maintain an appropriate cultural/ethical environment	MH	Inaccurate advising	MH	Inappropriate employee behavior	MH	Inadequate resources (staffing, supplies, equipment, facilities)
8	Student Services 2	HL	Barriers to student success - course scheduling, availability of administrative services, counseling services, ease of admissions process, etc.	HL	Inadequately trained/cross-trained employees	HL	Loss of internet access	MH	Failure to investigate and resolve all complaints	MH	Failure to keep software up to date	MH	Inappropriate employee behavior	MH	Inadequate and/or inconsistent application of policies & procedures
9	Administrative Support	HL	Lack of security with confidential records	MH	Failure to investigate and resolve all complaints	MH	Inadequate resources (staffing, supplies, equipment, facilities)	MH	Ineffective allocation of personnel or budgets	MH	Theft, fraud and waste of institutional assets	MM	Abuse of power (position, rank or title)	MM	Improper / negligent hiring

Southwest Tennessee Community College  
Enterprise Risk Footprint  
May 2014

#	ACTIVITIES		14		15		16		18		19		20		
1	Information Technology Systems	MH	Inadequate and/or inconsistent application of policies & procedures	MH	Inadequate resources (staffing, supplies, equipment, facilities)	MH	Ineffective allocation of personnel or budgets	MH	Insufficient software license control and management	MH	Theft, fraud and waste of institutional assets	ML	Failure to have and follow student disciplinary policies and procedures	ML	Inadequate long-term planning/short-sighted planning
2	Institutional Support	MH	Noncompliance with FERPA/ADA	HL	Abuse of power	HL	Inadequate internal audit / monitoring review process	HL	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	HL	Lack of security with confidential records	MM	Failure to follow institutional policies and procedures	MM	Failure to take advantage of collaborative opportunities
3	Instruction and Academic Support	MM	Insufficient Professional development	MM	Noncompliance with FERPA/ADA	ML	Capricious tenure process	ML	Failure to meet community's continuing education needs	ML	Inconsistency of grading practices	LH	Inaccurate advising	-	n/a
4	Student Services	MH	Theft, fraud and waste of institutional assets	MM	Failure to follow institutional policies and procedures	MM	Failure to take advantage of collaborative opportunities	MM	Improper documentation for Expenses and Revenue	MM	Ineffective employee training/cross training	MM	Ineffective, improper or inaccurate management of records and record keeping.	MM	Insufficient Professional Development program or staff training resources
5	Physical Plant	MM	Failure to follow institutional policies and procedures	MM	Failure to properly dispose of hazardous materials	MM	Inadequate energy conservation management	MM	Ineffective employee behavior	MM	Ineffective employee training/cross training	MM	Inequitable budget allocations	MM	Insufficient Professional Development program or staff training resources
6	Financial Management	MH	Inadequate inventory control and depreciation (on sensitive items)	MM	Failure to follow institutional policies and procedures	MM	Inadequate external/internal communications	MM	Purchases inconsistent with the goals and objectives of the College	ML	Failure to perform reconciliations	ML	Improper payments	M L	Inadequate Cash Management
7	Enrollment Management	MM	Failure to follow institutional policies and procedures	MM	Inadequate external/internal communications	MM	Inadequate fact-based decision making	MM	Ineffective employee behavior	MM	Ineffective employee training/cross training	MM	Ineffective, improper or inaccurate management of records and record keeping.	MM	Inadequate collection procedures
8	Student Services 2	MH	Inadequate resources (staffing, supplies, equipment, facilities)	ML	Excessive employee turnover / inadequate planning for transfer of knowledge due to attrition	ML	Inability to maintain high placement rate - through provision of inadequate service, teaching, etc.	LH	Inaccurate advising	MM	Failure to follow institutional policies and procedures	MM	Inadequate external/internal communications	MM	Inadequate fact-based decision making
9	Administrative Support	MM	Inadequate external/internal communications	MM	Inadequate fact-based decision making	MM	Ineffective employee training/cross training	MM	Ineffective, improper or inaccurate management of records and record keeping.	MM	Insufficient Professional Development program or staff training resources	ML	Excessive employee turnover / inadequate planning for transfer of knowledge due to attrition	ML	Failure to meet community's continuing education needs

**Volunteer State Community College**  
**Enterprise-Wide Risk Footprint**  
**May 2014**

**RISKS**

#	ACTIVITIES		1		2		3		4		5		6		7
9	Instruction	HH	Aggrandized faculty credentials	HH	Failure to attract students/low enrollment	HH	Failure to meet quality standards	HH	Grade inflation	HH	Lack of adequate funding	HL	Unqualified graduates	MH	Inability to attract expertise
3	Regulatory Compliance	HH	Failure to comply with federal, state, local guidelines	HH	Failure to meet accreditation standards	HH	Improper systematic awarding of student financial aid	MH	Failure to follow policies and procedures	MH	Copyright or trademark infringement	MH	Lack of compliance with FERPA	MH	Lack of Title IX Compliance
2	Human Capital Management	HH	Failure to implement continuous improvement	HH	Failure to verify credentials and qualifications	HH	Lack of financial resources	MH	Failure to maintain appropriate faculty and staff levels	MH	Conflict of interest	MH	Failure to attract and retain qualified personnel	MH	Failure to develop and implement adequate staffing and salary plan
1	Financial Management	HH	Inappropriate use of student fees	HM	Decrease in revenue stream	HM	Failure to maintain adequate records	HL	Financial deficit or cash shortfall	MH	Fraud, theft, and abuse	MH	Misreporting or misleading information	MM	Failure to comply with GASB and other regulatory groups
4	External Partnerships	HH	Failure to maintain beneficial government and community relationships	MH	Failure to maintain adequate collaborative relationships	MH	Failure to maintain adequate TCAT relationship	MM	Inability to meet community needs	MM	Difficulty or challenges with foundation board		n/a	-	n/a
5	Crisis Management	HM	Failure to maintain appropriate system-wide emergency preparedness plan	HL	Inadequate Man-made or Natural Disaster Recovery	HL	Maintain a Comprehensive Security System	MM	Dissemination of incorrect, inaccurate, or inappropriate information	MM	Insufficient emergency funding		n/a		n/a

**Volunteer State Community College**  
**Enterprise-Wide Risk Footprint**  
**May 2014**

#	ACTIVITIES		8		9		10		11		12		13		14		15
9	Instruction	MH	Instructional Methodology Standards	MH	Unqualified students	MM	Challenges or threats to academic freedom	MM	Inappropriate behavior of faculty and staff	MM	Inequitable or improper teaching loads	MM	Lack of faculty diversification	MM	Liability related to consistent quality off-campus instruction	MM	Retention of expertise
3	Regulatory Compliance	MH	Failure to comply with NJCAA policies and procedures	MM	Failure to comply with GASB and other regulatory groups	MM	Failure to follow appropriate Hazmat procedures	MM	Lack of adherence to ADA Compliance	MM	Poor internal audit or inappropriate controls	-	n/a	-	n/a	-	n/a
2	Human Capital Management	MH	Inadequate training and professional development	MH	Inappropriate employee behavior	MM	Change in leadership	MM	Loss of historical system knowledge due to staff turnover	ML	Failure to protect employee rights	-	n/a	-	n/a	-	n/a
1	Financial Management	MM	Failure to follow prescribed business policies and procedures	MM	Incorrect budgeting	MM	Loss of records	MM	Material audit findings	MM	Purchasing irregularities	ML	Customer service problems with auxiliary services		n/a		n/a
4	External Partnerships	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
5	Crisis Management		n/a		n/a		n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a



**Volunteer State Community College**  
**Enterprise-Wide Risk Footprint**  
**May 2014**

RISKS															
#	ACTIVITIES		1		2		3		4		5		6		7
6	Retention	HH	Failure to provide instructional support	HH	Failure to retain students	MH	Inadequate advising	MH	Insufficient Counseling	MH	Lack of matriculation or articulation	MH	Lack of student engagement	MM	Campus Safety and Security
8	Capacity Management	HL	Inadequate insurance/proper valuation of buildings	HL	Lack of maintaining proper Master Plan	MH	Excessive campus access	MM	Escalation of Utility Costs	MM	Incorrect use of 15 passenger van	MM	Lack of preventative maintenance	MM	Obsolete Facilities
7	Recruitment	HH	Inability to recruit and retain students	MH	Failure to process proper enrollment applications and documents	MH	Failure to provide appropriate customer service level	MH	Misinformation or incorrect information dissemination	MH	Security of test instruments	MM	Failure to market the College	-	n/a
11	Strategic Plan	MH	Lack of comprehensive and effective communication among all employees	MH	Lack of institutional priorities, goals, and direction	MH	Lack of or inadequate planning	-	n/a	-	n/a	-	n/a	-	n/a
10	Diversity	MH	Failure to maintain and implement the diversity plan	MH	Not meeting A2S goals	MM	Lack of sensitivity to diversity	-	n/a	-	n/a	-	n/a	-	n/a
	Information Technology	MH	Data Leak	MH	Physical Infrastructure damage due to construction	MH	Virus or cyber-attacks	MM	Data Breach	MM	Lack of system (TBR) defined guidelines for ERP systems (Banner)	MM	Lack of generators or alternative power source at remote campuses (Livingston, Highland Crest)	ML	Loss of IT system(s) - email, Banner

**Volunteer State Community College**  
**Enterprise-Wide Risk Footprint**  
**May 2014**

#	ACTIVITIES		8		9		10		11		12		13		14		15
6	Retention	MM	Failure to provide appropriate customer service level	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
8	Capacity Management	MM	Failure to maintain adequate security	ML	Inadequate Parking	ML	Unsafe working conditions	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
7	Recruitment	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
11	Strategic Plan	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
10	Diversity	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
	Information Technology	ML	Loss of Telecommunications or Network	LH	Loss of data center(s)	LL	Failure to perform proper back-up		n/a		n/a		n/a		n/a		n/a

**Walters State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

		RISKS									
#	ACTIVITIES		1		2		3		4		5
11	Planning, Research & Assessment (15,36,57,60)	HM	Breach of confidential data or data security	HM	Fraud, waste, abuse and misuse of funds	HM	Lack of knowledge of performance or compliance requirements	HM	Lack of written procedures or misinterpretation of policies & procedures	HM	Lack of, or, inadequate monitoring
9	Information & Educational Technologies (32,43,50,59,69)	HM	Breach of confidential data or data security	HM	Inappropriate response to an emergency situation	HM	Lack of or inadequate monitoring	HL	Damage to buildings, equipment or facilities	HL	Data center - telecommunications failure
4	College Advancement (12,13,19,27,28)	HM	Changing market conditions (economy)	HM	Competition	HM	Unpredictable and / or declining financial resources	HL	Fraud, waste, abuse and misuse of funds	HL	Improper decisions based on inaccurate or incomplete information / data
10	Institutional Support (9,22,25,33,35,40,55,56,67)	HM	Breach of confidential data or data security	HM	Natural disaster, pandemics, terrorism	MM	Data center - telecommunications failure	MM	Fraud, waste, abuse and misuse of funds	MM	Improper decisions based on inaccurate or incomplete information / data
8	Financial Management (2,3,4,7,10,12,13,14,21,27,28,34,54,58,66)	HL	Natural disaster, pandemics, terrorism	MM	Breach of confidential data or data security	MM	Contracts are not awarded in a prompt, fair and reasonable manner in accordance with merit based criteria	MM	Data center - telecommunications failure	MM	Fraud, waste, abuse and misuse of funds
12	Student Affairs (15,20,26,38,41,42,61,62,63,64,65,68)	HL	Loss of federal financial aid programs	HL	Non-compliance with SACS, Federal, State or TBR regulations	MM	Changing market conditions (economy)	MM	Improper decisions based on inaccurate or incomplete information / data	MM	Inaccurate or incomplete documentation

**Walters State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

		RISKS				
#	ACTIVITIES	1	2	3	4	5
1	Academic Affairs (1,31,37)	HL Clinical mistakes in health related fields	HL Food preparation issues - poisoning, allergies, pathogens, spoilage, sanitation	HL Non-compliance with SACS, Federal, State or TBR regulations	MM Inadequately trained employees	MM Inappropriate use / handling of assets and supplies
3	Center for Workforce Development (5,11,16,29,45,53,74)	MM Changing Market Conditions	MM Traveling without an approved travel request or appropriate liability insurance	ML Breach of confidential data or data security	ML Competition	ML Contracts are not awarded in a prompt, fair and reasonable manner in accordance with merit based criteria
7	Facilities Management (8,17,18,23,24,44,46,47,48,49,70)	HL Natural disaster, pandemics, terrorism	MM Damage to buildings, equipment or facilities	MM Extended power outage affecting operations	ML Fraud, waste, abuse and misuse of funds	ML Inappropriate response to an emergency situation
2	Auxiliary (6,30,71)	MM Breach of confidential data or data security	ML Food preparation issues - poisoning, allergies, pathogens, spoilage, sanitation	ML Improper decisions based on inaccurate or incomplete information / data	ML Inappropriate behavior	ML Inappropriate business activities
5	Communications & Marketing (39)	MM Breach of confidential data, data security	MM Poor marketing, scandal	MM Poor public relations	ML Fraud, waste, abuse and misuse of funds	LL Inadequate staffing, employee stress, burnout or turnover
6	Community Education (51,52,72,73)	ML Breach of confidential data or data security	ML Damage to buildings, equipment or facilities	ML Inappropriate behavior	ML Natural disaster, pandemics, terrorism	LM Competition

**Walters State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES	6	7	8	9	10
11	Planning, Research & Assessment (15,36,57,60)	HM Non-compliance with SACS, Federal, State or TBR regulations	HL Lack of business continuity / disaster recovery planning	MH Improper decisions based on inaccurate or incomplete information / data	MM Inaccurate or incomplete documentation	MM Inaccurate reporting or accounting
9	Information & Educational Technologies (32,43,50,59,69)	HL Extended power outage affecting operations	HL Fraud, waste, abuse and misuse of funds	HL Inaccurate reporting or accounting	HL Lack of academic continuity - disaster recovery planning	HL Lack of business continuity - disaster recovery planning
4	College Advancement (12,13,19,27,28)	HL Inappropriate behavior	HL Inappropriate business activities	HL Inappropriate use / handling of assets and supplies	HL Loss of tax exempt status of Foundation	HL Natural disaster, pandemics, terrorism
10	Institutional Support (9,22,25,33,35,40,55,56,67)	MM Inaccurate reporting or accounting	MM Inadequate staffing, employee stress, burnout or turnover	MM Inappropriate behavior	MM Lack of business continuity - disaster recovery plan	MM Lack of written procedures or misinterpretation of policies and procedures
8	Financial Management (2,3,4,7,10,12,13,14,21,27,28,34,54,58,66)	MM Improper decisions based on inaccurate or incomplete information / data	MM Inadequate staffing, employee stress, burnout or turnover	MM Lack of written procedures or misinterpretation of policies and procedures	MM Theft, embezzlement, robbery, fraud	MM Unpredictable and / or declining financial resources
12	Student Affairs (15,20,26,38,41,42,61,62,63,64,65,68)	MM Lack of written procedures or misinterpretation of policies and procedures	ML Breach of confidential data or data security	ML Data center - telecommunications failure	ML Extended power outage affecting operations	ML Failure to meet international travel requirements

**Walters State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		6		7		8		9		10
1	Academic Affairs (1,31,37)	MM	Ineffective academic advising	ML	Breach of confidential data or data security	ML	Copyright violations - intellectual material	ML	Improper decisions based on inaccurate or incomplete information / data	ML	Inappropriate behavior
3	Center for Workforce Development (5,11,16,29,45,53,74)	ML	Damage to buildings, equipment or facilities	ML	Fraud, waste, abuse and misuse of funds	ML	Improper decisions based on inaccurate or incomplete information / data	ML	Inaccurate or incomplete documentation	ML	Inaccurate reporting or accounting
7	Facilities Management (8,17,18,23,24,44,46,47,48,49,70)	ML	Inappropriate use / handling of assets and supplies	ML	Lack of business continuity - disaster recovery planning	ML	Motor pool accidents	ML	Non-compliance with SACS, Federal, State or TBR regulations	LM	Inadequate staffing, employee stress, burnout or turnover
2	Auxiliary (6,30,71)	ML	Inappropriate use / handling of assets and supplies	ML	Non-compliance with SACS, Federal, State or TBR regulations	ML	Safety - students, employee and non-employee	ML	Theft, embezzlement, robbery, fraud	LM	Changing market conditions (economy)
5	Communications & Marketing (39)	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
6	Community Education (51,52,72,73)	LM	Inadequate staffing, employee stress, burnout or turnover	LM	Inadequately trained employees	LL	Clinical mistakes in health related programs	LL	Food Preparation Issues - poisoning, allergies, pathogens, spoilage, sanitation	LL	Fraud, waste, abuse and misuse of funds

**Walters State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		11		12		13		14		15
11	Planning, Research & Assessment (15,36,57,60)	MM	Inadequate staffing, employee stress, burnout or turnover	MM	Inadequately trained employees	MM	Theft, embezzlement, robbery, fraud	LL	Copyright violations - intellectual material	-	n/a
9	Information & Educational Technologies (32,43,50,59,69)	HL	Natural disaster, pandemics, terrorism	HL	Non-compliance with SACS, Federal, State or TBR regulations	HL	Safety - student, employee and non-employee	MM	Changing market conditions (economy)	MM	Copyright violations - intellectual material
4	College Advancement (12,13,19,27,28)	HL	Theft, embezzlement, robbery, fraud	MM	Inaccurate reporting or accounting	MM	Program / economic outcomes are not achieved	ML	Breach of confidential data or data security	ML	Lack of business continuity - disaster recovery planning
10	Institutional Support (9,22,25,33,35,40,55,56,67)	MM	Theft, embezzlement, robbery, fraud	MM	Unpredictable and/or declining financial resources	ML	Contracts are not awarded in a prompt, fair and reasonable manner in accordance with merit based criteria	ML	Copyright Violations - intellectual material	ML	Damage to buildings, equipment or facilities
8	Financial Management (2,3,4,7,10,12,13,14,21,27,28,34,54,58,66)	ML	Damage to buildings, equipment or facilities	ML	Extended power outage affecting operations	ML	Inaccurate reporting or accounting	ML	Inadequately trained employees	ML	Inappropriate behavior
12	Student Affairs (15,20,26,38,41,42,61,62,63,64,65,68)	ML	Failure to respond to significant loss in enrollment	ML	Fraud, waste, abuse and misuse of funds	ML	Inadequately trained employees	ML	Inappropriate behavior	ML	Inappropriate response to an emergency situation

**Walters State Community College**  
**Enterprise Risk Footprint**  
**May 2014**

#	ACTIVITIES		11		12		13		14		15
1	Academic Affairs (1,31,37)	ML	Lack of academic continuity - Disaster recovery plan	ML	Safety - student, employee and non- employee	ML	Traveling without approved travel request or appropriate liability insurance	ML	Unethical grading practices	ML	Unqualified faculty / staff
3	Center for Workforce Development (5,11,16,29,45,53,74)	ML	Inappropriate behavior	ML	Inappropriate business activities	ML	Inappropriate response to an emergency situation	ML	Inappropriate use / handling of assets and supplies	ML	Lack of business continuity - disaster recovery planning
7	Facilities Management (8,17,18,23,24,44,46, 47,48,49,70)	LM	Inappropriate behavior	LM	Lack of written procedures or misinterpretation of policies and procedures	LL	Inadequately trained employees	LL	Safety - student, employee and non-employee	LL	Traveling without an approved travel request or appropriate liability insurance
2	Auxiliary (6,30,71)	LM	Competition	LM	Lack of knowledge of performance or compliance requirements	LM	Lack of written procedures or misinterpretation of policies and procedures	LM	Unpredictable and / or declining financial resources	LL	Inaccurate reporting or accounting
5	Communications & Marketing (39)	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
6	Community Education (51,52,72,73)	LL	Improper decisions based on inaccurate or incomplete information / data	LL	Inaccurate reporting or accounting	LL	Inappropriate use/handling of assets and supplies	LL	Lack of written procedures or misinterpretation of policies and procedures	LL	Misclassification of accounts in financial statements



**Tennessee Board of Regents System Office**  
**Enterprise Wide Risk Assessment**  
**May 2014**

#	ACTIVITIES	RISKS											
		1	2	3	4	5	6	7	8				
5	RODP	HM Excessive down time	MM Incorrect revenue sharing data from campuses/incorrect reporting	MM Only one developer for databases	MM Change in leadership	MM Lack of proper software licensing/inability to purchase software in a timely manner	MM Lack of trained staff	- n/a					
7	Human Resources	MM Lack of coordination/com communication w/ institutions	ML Failure to review campus compensation plans	ML Failure to maintain Central Office compensation plans	ML Failure to conduct appropriate investigations	ML Failure to review campus salary increases	ML Failure to review new campus appointments	MM Employee turnover	MM Failure to analyze legislative bills				
3	General Counsel / Legal	HM Issuing incorrect legal advice to employees/camp uses/board members	ML Failure to comply with federal and state laws and regulations (EEOC, Contracts, Employment, Environmental Compliance, Student Laws, FERPA, etc)	ML Failure to inform employees/campus/board members of legal updates	HL Failure to inform employees of legal updates			- n/a	- n/a				
13	Business and Finance-Finance and Accounting	HL Financial management system change or failure	HL Insufficient backup of computer data	HL Loss of physical records	HL State appropriations not distributed to institutions accurately/timely	MM Breach of security systems/failure to secure data and information	MM Non-compliance with federal or state laws or institutional policies	MM Waste and abuse - failure to spend conservatively	ML Disbursements (checks, ACH's, LGIP transfers) not processed properly/timely				
2	Business and Finance-Payroll	HL Failure to pay employees/submit direct deposit file timely	HL Financial management system change or failure	HL Insufficient backup of computer data	MM Inaccurate/unauthorized payroll deductions	MM Insufficient/untrained staff	MM Loss of physical records	MM Payment of fictitious employee	MM Payments of payroll taxes, insurance, vendors are not timely/accurate				
11	System-wide Internal Audit	HL Ineffective audit or investigative procedures	HL Unprofessional staff conduct, including lack of independence or objectivity, breach of confidentiality, conflict of interests or unethical behavior	MM Failure to develop collaborative relationships with management	MM Inadequate funding for sufficient staffing, competitive pay, continuing education or other resources	MM Changes in leadership	MM Ineffective audit planning	ML Noncompliance with audit standards	ML Inadequate or untimely communications with campus auditors, management the Audit Committee or the Comptroller's				
8	Chancellor's Office	HH Violation of privacy issues/breach of security (FERPA)	HM Failure to achieve expectation of Complete college Act	HL Failure to resolve personnel issues in a timely manner	HL Lack of good communication channels with legislators/board members/college presidents	HL Lack of planning for catastrophic events(natural disaster, student issues, pandemics, etc)	MM Failure to update, reevaluate, and follow policies and procedures	MM Lack of qualified staff/excessive turnover					

**Tennessee Board of Regents System Office**  
**Enterprise Wide Risk Assessment**  
**May 2014**

#	ACTIVITIES	RISKS							
		1	2	3	4	5	6	7	8
6	TCAT's	HL Loss of computer records	MM Employee turnover	MM Failure to follow policies, procedures, and guidelines	MM Improper funding allocation	MM Improper grant administration	MM Inaccurate data to / from campuses	MM Ineffective communication to / from campuses	MM Lack of effective training
1	Academic Affairs	HL Failure to meet strategic plan goals and benchmarks	HL Loss of financial funding	MM Failure to update policies/procedures as needed	MM Inadequate or no data (inability to access)	MM Inappropriate approvals of personnel transactions	ML Inaccurate reporting from institutions / falsification of data from campuses	ML Incorrect implementation of policies/procedures	ML Intellectual property fraud
9	Leases/Real Property	HL Failure of follow State Building Commission regulations	HL Loss of inaccurate information in the project tracking system	MM Change in leadership	MM Change in personnel	MM Fraud, waste and abuse	MM Inadequately trained employees	MM Non-compliance with contract	MM Vendor non-compliance with contract
4	Information Technology	HL Failure to provide for Disaster Recovery	MH Inadequate training of employees	ML Loss of programming systems data	ML Loss of backup data	ML Loss of facility	ML Loss of key personnel	ML Critical patches or updates will not be applied in a timely manner	ML Theft of equipment
17	Organizational Effectiveness/Strategic Initiatives	ML Lack of expenditure tracking	ML Failure to achieve objectives of program	LL Failure to follow state and federal guidelines	LL Fraud, waste and abuse	LL Improper grant administration	- n/a	- n/a	- n/a
10	Administration	MM Failure to communicate new / amended legislation to TBR or campuses	ML Change in key leadership / turnover	LM Loss of credibility with government officials	LL Inaccurate reporting of private gifts from institutions	- n/a	- n/a	- n/a	- n/a
19	Institutional Planning	HL Failure to follow State Building Commission regulations	MM Change in leadership	MM Change in personnel	MM Failure to follow TBR policies and guidelines	MM Inaccurate data obtained from campuses	MM Inadequately trained employees	MM Non-compliance with Master Plan	ML Inadequate Master Plan
20	Capital Budgets	MM Change in leadership	MM Change in personnel	MM Failure to follow TBR policies and guidelines	MM Inaccurate data obtained from campuses	MM Inadequately trained employees	MM Project going over budget	ML Improper scoring for capital outlay projects	ML Priorities not aligned with needs

[illegible]

**Tennessee Board of Regents System Office  
Enterprise Wide Risk Assessment  
May 2014**

[illegible]

**Tennessee Board of Regents  
Committee on Audit**

<b>DATE:</b>	September 25, 2014
<b>AGENDA ITEM:</b>	<b>Review of Risk Assessments for Universities and Community Colleges – Indicated Major Processes</b>
<b>PRESENTER:</b>	Tammy Gourley
<b>ACTION REQUIRED:</b>	Voice Vote
<b>STAFF’S RECOMMENDATION:</b>	Accept Report

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**BACKGROUND INFORMATION:**

The Committee will review and consider for approval activity-level risk assessments of major processes for the universities, community colleges and TBR system office.

The following descriptions explain the two levels of risk analysis currently used by TBR institutions. For each perspective, management considers identified risks for their potential impact on the institution and likelihood of occurrence, using factors of high, moderate or low, resulting in a risk factor that helps to rank the risks by significance.

**Enterprise-wide perspective**—an annual high level view of enterprise risk, organized by major activity areas, to give management a road map for performing activity-wide assessments.

**Activity-wide perspective**—a more detailed analysis of risk within a major process (activity). Major processes usually consist of several sub-processes, where risks are assessed. This step is followed by an assessment of controls in place at the sub-process level to mitigate the risks. If indicated, corrective action steps are developed by management to improve controls. After this phase, management monitors the controls periodically to ensure controls are in place. All major processes must be reviewed within a three year cycle.

Upon completion of the major process assessments, management completes and submits the following documents for review by the campus internal auditor and subsequently to System-wide Internal Audit.

- Letter to the Audit Committee Chair
- Risk Footprint, for each major process
- Control Footprint, for each sub-process within the major process
- Corrective Action Plan, if indicated

The president's letter to the Audit Committee Chair acknowledges responsibility for the operations of the entity and provides an opinion that the risk assessment process was sufficiently comprehensive for the areas reviewed and supports the conclusions reached during the assessment. Each entity's internal auditor performs a limited review of the documentation provided, concluding on the adequacy of the coverage, conclusions reached and level of documentation supporting the assessment.

Summaries of significant risks assessed at the activity-wide perspective and reported by the universities, community colleges and system office are included on the following pages. These summaries provide a system-wide overview of the major processes assessed during 2014. Risk assessment documents submitted by each institution are available upon request.

Assessments by Major Process

Major Processes Assessed by Institution

Significant Risks Summary Charts:

Institutional Support

Information Technology

Financial Management

Instruction and Academic Support

**Tennessee Board of Regents**  
**2014 System Wide Risk Assessment Highlights**  
**Assessments by Major Process**

<b>Major Process</b>	<b># Assessed</b>	<b>% Assessed</b>
Institutional Support (1)	8	19%
Information Technology (1)	7	16%
Financial Management (1)	4	9%
Instruction and Academic Support (1)	4	9%
Physical Plant	3	7%
Student Services	3	7%
Chancellor/President's Office	3	7%
Academic Affairs	2	5%
Other	9	21%
Totals (2)	43	100%

**Notes:**

- (1) The significant risks and mitigating controls for this major process are summarized on the following pages.
- (2) Each institution performed a detailed risk assessment on at least one major process.

**Tennessee Board of Regents**  
**Major Processes Assessed by Institution**  
**May 2014**

**Universities**

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**Austin Peay State University**

1. Information Technology
2. Physical Plant

**Middle Tennessee State University**

1. Information Technology
2. President's Office

**Tennessee Tech University**

1. Athletics
2. Financial Management
3. Physical Plant

**East Tennessee State University**

1. Health Affairs
2. Facilities Management

**Tennessee State University**

1. Academic Affairs
2. Institutional Support

**University of Memphis**

1. Information Technology
2. Research

**Community Colleges**

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**Chattanooga State Community College**

1. Academic Affairs
2. Information Technology

**Motlow State Community College**

1. Financial Management
2. Institutional Support

**Southwest Tennessee Community College**

1. Enrollment Services
2. Administrative Support
3. Student Services

**Cleveland State Community College**

1. Finance and Administration
2. President's Office

**Nashville State Community College**

1. Student Services

**Volunteer State Community College**

1. Financial Management
2. Information technology
3. Diversity

**Columbia State Community College**

1. Student Services

**Northeast State Community College**

1. Institutional Support

**Pellissippi State Community College**

1. Instruction and Academic Support

**Walters State Community College**

1. Information and Educational Technology
2. Institutional Support
3. Office of Planning, research and Assessment
4. Advancement

**Dyersburg State Community College**

1. Institutional Support
2. Information Technology

**Roane State Community College**

1. Institutional Support
2. Instruction and Academic Support

**Jackson State Community College**

1. Instruction
2. Institutional Support

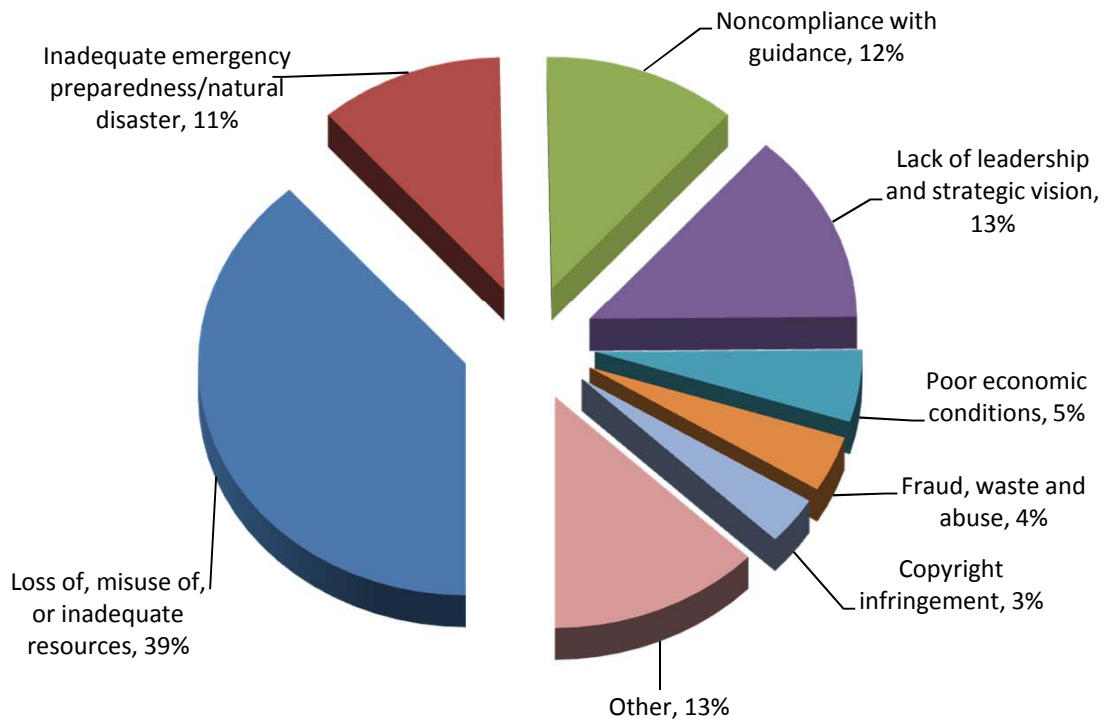
**System Office**

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1. Chancellor's Office
2. General Counsel
3. System-wide Internal Audit
4. Organizational Effectiveness



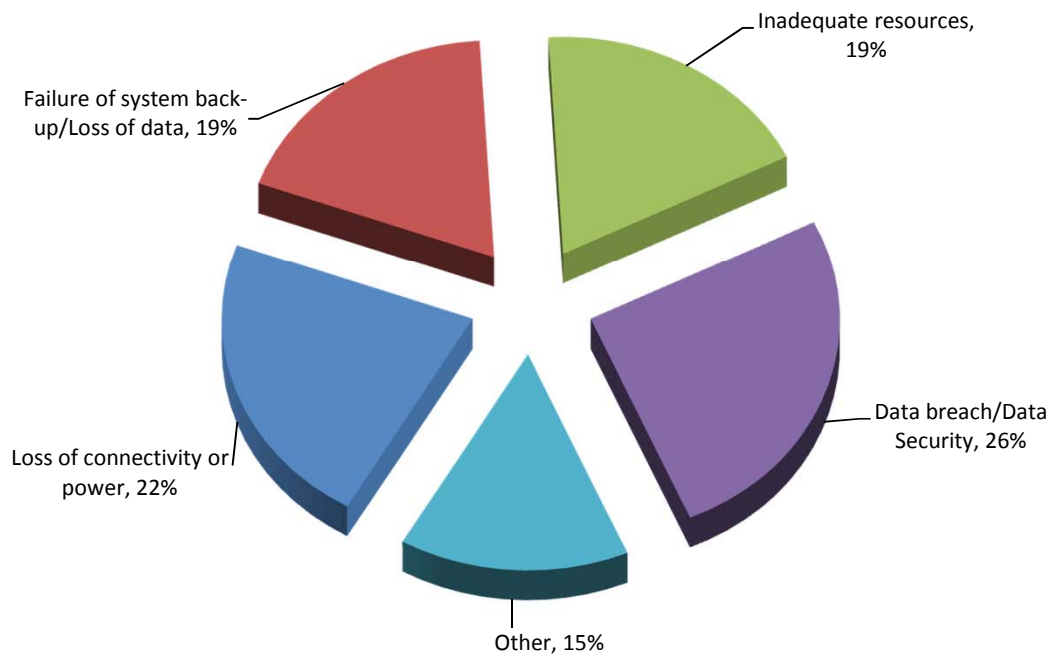
**Tennessee Board of Regents  
Significant Risks for Institutional Support  
May 2014**



**Summary**

- Six institutions (TSU, DSCC, JSCC, MSCC, NeSCC and RSCC) assessed the risks related to the major process of Institutional Support. These institutions noted some common significant risks. Significant risks are generally defined as those risks which management has assessed the highest.
- No corrective action plans were submitted, indicating management deemed adequate controls were in place to mitigate the risks noted.
- Examples of controls management stated were in place to mitigate significant risks:
  - 1 Budget process
  - 2 Donor reports
  - 3 Approval/monitoring process
  - 4 Performance evaluations
  - 5 Salary plan reviews
  - 6 Training
  - 7 Facility walkthroughs

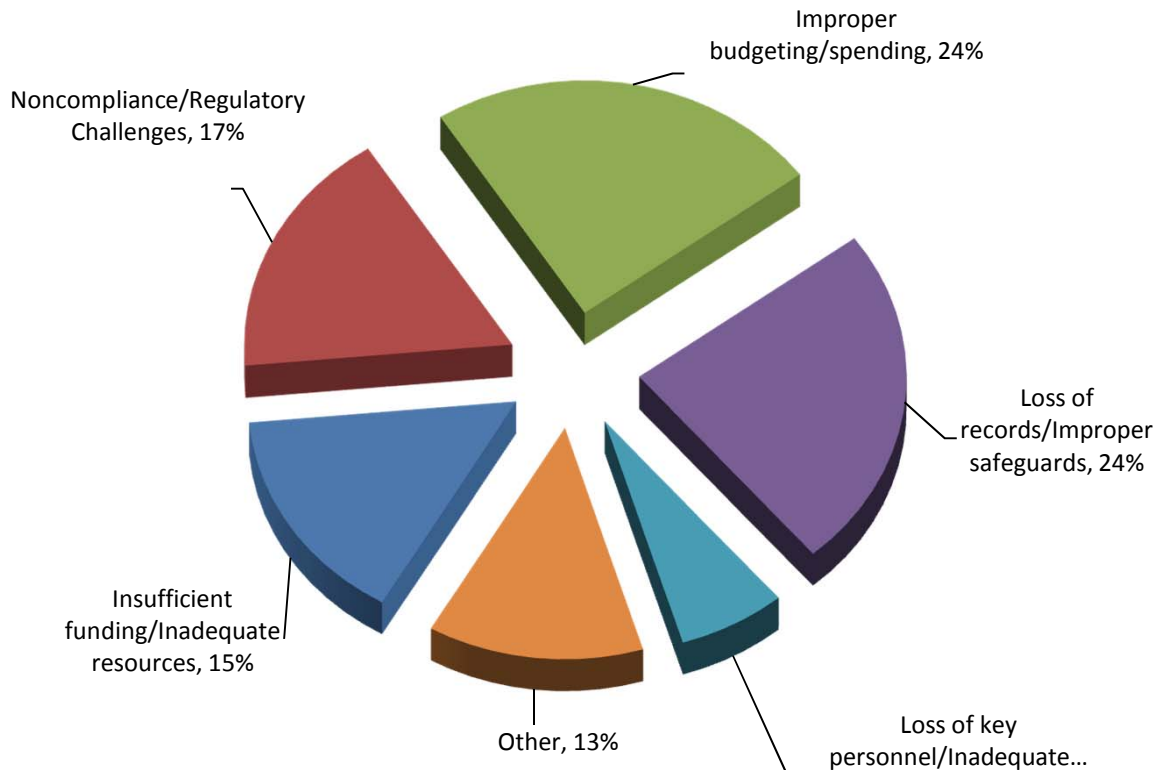
**Tennessee Board of Regents  
Significant Risks for Information Technology  
May 2014**



**Summary**

- Seven institutions (APSU, MTSU, UoM, ChSCC, DSCC, VSCC and WSCC) assessed the risks related to the major process of Information Technology. These institutions noted some common significant risks. Significant risks are generally defined as those risks which management has assessed the highest.
- No corrective action plans were submitted, indicating management deemed adequate controls were in place to mitigate the risks noted.
- Examples of controls management stated were in place to mitigate significant risks:
  - 1 Training and cross training of employees
  - 2 Policies and procedures
  - 3 Supervisory review/monitoring/approval
  - 4 Performance evaluations
  - 5 Equipment replacement plans
  - 6 Periodic test of disaster recovery/business resumption plans
  - 7 Various security/control access measures

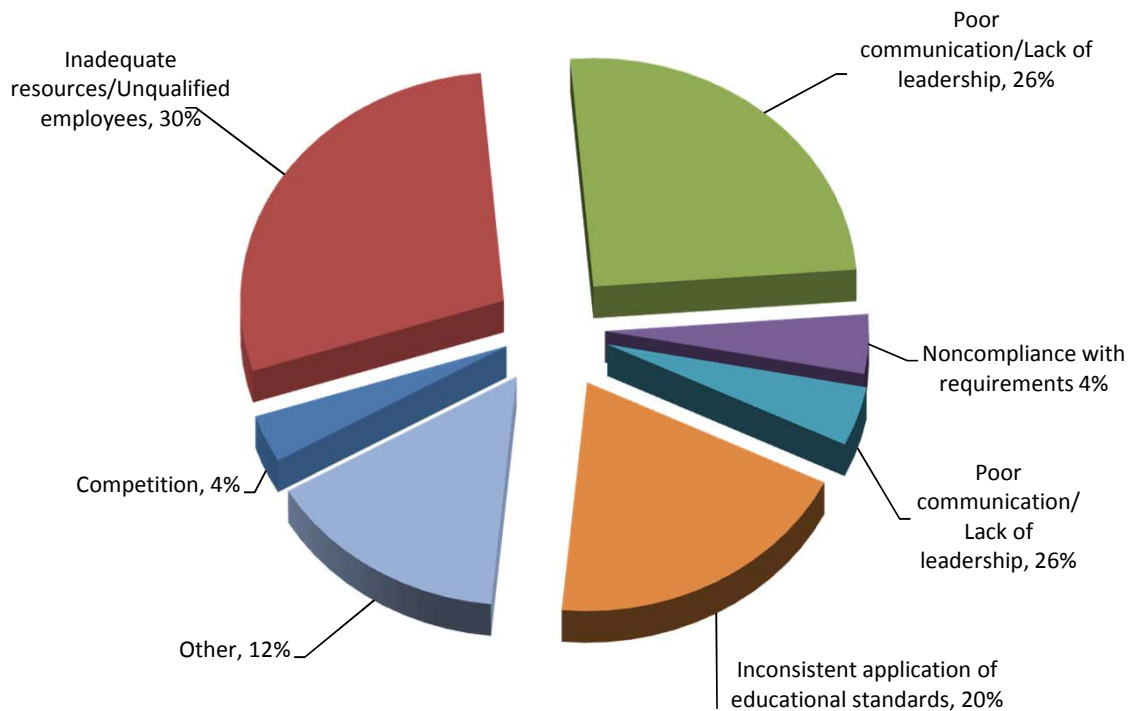
**Tennessee Board of Regents  
Significant Risks for Financial Management  
May 2014**



**Summary**

- Four institutions (TTU, CISCC, MSCC, and VSCC) assessed the risks related to the major process of Financial Management. These institutions noted some common significant risks. Significant risks are generally defined as those risks which management has assessed the highest.
- No corrective action plans were submitted, indicating management deemed adequate controls were in place to mitigate the risks noted.
- Examples of controls management stated were in place to mitigate significant risks:
  - 1 Policies and procedures
  - 2 Budget review process
  - 3 Training
  - 4 Supervisory review
  - 5 Reconciliations
  - 6 Cash monitoring
  - 7 Proper segregation of duties

**Tennessee Board of Regents  
Significant Risks for Instruction and Academic Support  
May 2014**



**Summary**

- Four institutions (JSCC, PSCC, RSCC and TBR) assessed the risks related to the major process of Instruction and Academic Support. These institutions noted some common significant risks. Significant risks are generally defined as those risks which management has assessed the highest.
- No corrective action plans were submitted, indicating management deemed adequate controls were in place to mitigate the risks noted.
- Examples of controls management stated were in place to mitigate significant risks:
  - 1 Policies and procedures
  - 2 Faculty Senate
  - 3 Faculty evaluations
  - 4 Professional development funds
  - 5 Dean's review/monitoring
  - 6 Curriculum standards
  - 7 Employer surveys

**Tennessee Board of Regents  
Committee on Audit**

<b>DATE:</b>	September 25, 2014
<b>AGENDA ITEM:</b>	<b>Review of Revised Internal Audit Charters</b>
<b>PRESENTER:</b>	Tammy Birchett
<b>ACTION REQUIRED:</b>	Voice Vote
<b>STAFF'S RECOMMENDATION:</b>	Approval

---

**BACKGROUND INFORMATION:**

The TBR system's internal audit offices have internal audit charters to define the audit activity's purpose, authority and responsibility. The charter for each audit office is signed by the campus president and internal audit director before submission to the Audit Committee for approval. An annual review of the charter template is performed by the audit directors for consideration of any revisions, particularly with regard to changes in internal audit standards.

The *International Standards for the Professional Practice of Internal Auditing* require an internal audit charter as stated below:

**1000 - Purpose, Authority, and Responsibility**

The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

The following charters have been submitted for Audit Committee approval because the institution has a new president or a new internal audit director. These charters have been reviewed by staff of System-wide Internal Audit and approval is recommended.

Austin Peay State University  
University of Memphis  
Southwest Tennessee Community College

# **Austin Peay State University**

## **Internal Audit Charter**

### **Introduction**

Austin Peay State University is an institution of the Tennessee Board of Regents (TBR) system. The system is governed by the Board of Regents, consisting of 18 members (the Board) as determined by state law. The TBR Audit Committee is a standing committee of the Board. In accordance with the “State of Tennessee Audit Committee Act of 2005,” the Director of System-wide Internal Audit reports directly to the Audit Committee and the Board and oversees the internal audit operations. Austin Peay State University employs audit staff in accordance with TBR policy.

### **Purpose**

Internal Audit is an independent objective assurance and consulting activity designed to add value and improve Austin Peay State University’s management systems. Internal Audit helps Austin Peay State University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit assists Austin Peay State University’s management in the effective discharge of their duties and responsibilities by evaluating activities, recommending improvements and providing other information designed to promote effective controls.

Austin Peay State University’s management has the primary responsibility for establishing and maintaining a sufficient system of internal controls.

### **Authority and Scope**

Internal Audit’s review of operations may include the examination and evaluation of the effectiveness of all aspects of institutional operations at Austin Peay State University. In the course of its work, Internal Audit has full and complete direct access to all Austin Peay State University books, electronic and manual records, physical properties, and personnel information relative to the performance of duties and responsibilities. All documents and information given to Internal Audit during their work will be handled in the same prudent manner that Austin Peay State University expects of the employees normally accountable for them.

Internal Audit has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews nor shall their review relieve others of their responsibilities. The internal auditors must maintain a high degree of independence and not be assigned duties or

engage in any operations or decision making in any activities that they would normally be expected to review or evaluate as part of the normal audit function.

### **Responsibility and Role**

TBR Policy 04:01:05:00, *Internal Audit*, states the role of Internal Audit is to assist members of the organization in the effective discharge of their responsibilities. Meaningful internal auditing requires cooperation among Internal Audit, Austin Peay State University's administration, and the department under audit. In fulfilling their responsibilities, Internal Audit will:

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans and programs after consultation with the President that respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information, and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.
- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.
- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.
- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.
- Review management's risk assessment process and advise management on the reasonableness and propriety of the assessment.
- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.

- Communicate activities and information among the board, internal auditors, external auditors and the administration.

### **Organizational Status/Reporting Structure**

In accordance with T.C.A. 49-14-102 and TBR Policy 4-01-05-00, *Internal Audit*, the Director of System-wide Internal Audit reports directly to the Audit Committee and the TBR. Austin Peay State University's internal auditors report to the respective President with audit reporting responsibility to the Audit Committee and the Board through the Director of System-wide Internal Audit.

The internal auditing services provided by Internal Audit are reported directly to the President/Chancellor and the TBR Audit Committee. All audit work is summarized in timely written reports distributed to management to ensure that the results are given due consideration. In addition to management, reports or summaries are distributed to all members of the Audit Committee and to the State of Tennessee, Comptroller's Office. Management is provided a discussion draft of the audit report prior to the report being issued. Internal Audit is responsible for following up timely on audit findings to ascertain the status of management's corrective actions.

### **Audit Standards and Ethics**

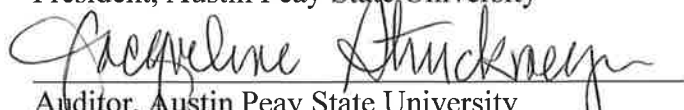
The Internal Audit function adheres to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

### **Periodic Review of Internal Audit Charter**

This charter will be periodically assessed by the chief audit executive to determine whether the purpose, authority, and responsibilities defined in this charter are adequate to enable the internal auditing activity to accomplish its objectives. The results of the periodic assessment will be communicated to senior management and the Audit Committee.

  
\_\_\_\_\_  
President, Austin Peay State University

7-11-14  
Date

  
\_\_\_\_\_  
Auditor, Austin Peay State University

7/11/14  
Date



## Internal Audit Charter

### Introduction

University of Memphis is an institution of the Tennessee Board of Regents (TBR) system. The system is governed by the Board of Regents, consisting of 18 members (the Board) as determined by state law. The TBR Audit Committee is a standing committee of the Board. In accordance with the "State of Tennessee Audit Committee Act of 2005," the Director of System-wide Internal Audit reports directly to the Audit Committee and the Board and oversees the internal audit operations. University of Memphis employs an internal auditor and audit staff in accordance with TBR policy.

### Purpose

Internal Audit is an independent objective assurance and consulting activity designed to add value and improve University of Memphis management systems. Internal Audit helps the University of Memphis accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit assists University of Memphis's management in the effective discharge of their duties and responsibilities by evaluating activities, recommending improvements and providing other information designed to promote effective controls. University management is responsible for establishing adequate internal controls (TCA-9-8-101-102-103, *Tennessee Financial Integrity Act*) within the organization.

Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system, or other subject matter. The nature and scope of the assurance engagement are determined by the internal auditor. There are generally three parties involved in assurance services: (1) the person or group directly involved with the entity, operation, function, process, system, or other subject matter - the process owner, (2) the person or group making the assessment - the internal auditor, and (3) the person or group using the assessment - the user.

Consulting services are advisory in nature, and are generally performed at the specific request of University management. The nature and scope of the consulting engagement are subject to agreement with the engagement client. Consulting services generally involve two parties: (1) the person or group offering the advice - the internal auditor, and (2) the person or group seeking and receiving the advice - the engagement client. When performing consulting services the internal auditor should maintain objectivity and not assume management responsibility.

## **Authority and Scope**

Internal Audit's review of operations may include the examination and evaluation of the effectiveness of all aspects of institutional operations at the University of Memphis and the component units in the course of its work, Internal Audit has full and complete direct access to all University of Memphis books, electronic and manual records, physical properties, and personnel information relative to the performance of duties and responsibilities. All documents and information given to Internal Audit during their work will be handled in the same prudent manner that University of Memphis expects of the employees normally accountable for them.

Internal Audit has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews nor shall their review relieve others of their responsibilities.

The internal auditors must maintain a high degree of independence and not be assigned duties or engage in any operations or decision making in any activities that they would normally be expected to review or evaluate as part of the normal audit function.

## **Responsibility and Role**

TBR Policy 04:01:05:00, *Internal Audit*, states the role of Internal Audit is to assist members of the organization in the effective discharge of their responsibilities. Meaningful internal auditing requires cooperation among Internal Audit, University of Memphis's administration, and the department under audit. In fulfilling their responsibilities, Internal Audit will:

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans and programs after consultation with the President that respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information, and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.
- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.
- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.



- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.
- Review management's risk assessment process and advise management on the reasonableness and propriety of the assessment.
- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.
- Communicate activities and information among the board, internal auditors, external auditors and the administration.

### **Organizational Status/Reporting Structure**

In accordance with T.C.A. 49-14-102 and TBR Policy 4-01-05-00, *Internal Audit*, the Director of System-wide Internal Audit reports directly to the Audit Committee and the TBR. The University of Memphis's internal auditor reports to the respective President with audit reporting responsibility to the Audit Committee and the Board through the Director of System-wide Internal Audit.

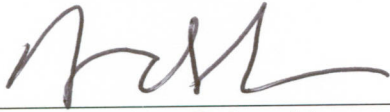
The internal auditing services provided by Internal Audit are reported directly to the President/Chancellor and the TBR Audit Committee. All audit work is summarized in timely written reports distributed to management to ensure that the results are given due consideration. In addition to management, reports or summaries are distributed to all members of the Audit Committee and to the State of Tennessee, Comptroller's Office. Management is provided a discussion draft of the audit report prior to the report being issued. Internal Audit is responsible for following up timely on audit findings to ascertain the status of management's corrective actions.

### **Audit Standards and Ethics**

The Internal Audit function adheres to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

## Periodic Review of Internal Audit Charter

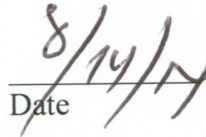
This charter will be periodically assessed by the chief audit executive to determine whether the purpose, authority, and responsibilities defined in this charter are adequate to enable the internal auditing activity to accomplish its objectives. The results of the periodic assessment will be communicated to senior management and the Audit Committee.



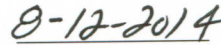
\_\_\_\_\_  
President, University of Memphis



\_\_\_\_\_  
Chief Audit Executive, University of Memphis



\_\_\_\_\_  
Date



\_\_\_\_\_  
Date

# **Southwest Tennessee Community College**

## **Internal Audit Charter**

### **Introduction**

Southwest Tennessee Community College is an institution of the Tennessee Board of Regents (TBR) system. The system is governed by the Board of Regents, consisting of 18 members (the Board) as determined by state law. The TBR Audit Committee is a standing committee of the Board. In accordance with the “State of Tennessee Audit Committee Act of 2005,” the Director of System-wide Internal Audit reports directly to the Audit Committee and the Board and oversees the internal audit operations. Southwest Tennessee Community College employs an internal auditor in accordance with TBR policy.

### **Purpose**

Internal Audit is an independent objective assurance and consulting activity designed to add value and improve Southwest Tennessee Community College management systems. Internal Audit helps Southwest Tennessee Community College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit assists Southwest Tennessee Community College’s management in the effective discharge of their duties and responsibilities by evaluating activities, recommending improvements and providing other information designed to promote effective controls.

Southwest Tennessee Community College’s management has the primary responsibility for establishing and maintaining a sufficient system of internal controls.

### **Authority and Scope**

Internal Audit’s review of operations may include the examination and evaluation of the effectiveness of all aspects of institutional operations at Southwest Tennessee Community College in the course of its work, Internal Audit has full and complete direct access to all Southwest Tennessee Community College books, electronic and manual records, physical properties, and personnel information relative to the performance of duties and responsibilities. All documents and information given to Internal Audit during their work will be handled in the same prudent manner that Southwest Tennessee Community College expects of the employees normally accountable for them.

Internal Audit has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews nor shall their review relieve others of their responsibilities. The internal auditors must maintain a high degree of independence and not be assigned duties or

engage in any operations or decision making in any activities that they would normally be expected to review or evaluate as part of the normal audit function.

### **Responsibility and Role**

TBR Policy 04:01:05:00, *Internal Audit*, states the role of Internal Audit is to assist members of the organization in the effective discharge of their responsibilities. Meaningful internal auditing requires cooperation among Internal Audit, Southwest Tennessee Community College's administration, and the department under audit. In fulfilling their responsibilities, Internal Audit will:

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans and programs after consultation with the President that respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information, and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.
- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.
- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.
- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.
- Review management's risk assessment process and advise management on the reasonableness and propriety of the assessment.
- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.



- Demonstrate and promote appropriate ethics and values within the organization.
- Communicate activities and information among the board, internal auditors, external auditors and the administration.

### **Organizational Status/Reporting Structure**

In accordance with T.C.A. 49-14-102 and TBR Policy 4-01-05-00, *Internal Audit*, the Director of System-wide Internal Audit reports directly to the Audit Committee and the TBR. Southwest Tennessee Community College's internal auditors report to the respective President with audit reporting responsibility to the Audit Committee and the Board through the Director of System-wide Internal Audit.


The internal auditing services provided by Internal Audit are reported directly to the President/Chancellor and the TBR Audit Committee. All audit work is summarized in timely written reports distributed to management to ensure that the results are given due consideration. In addition to management, reports or summaries are distributed to all members of the Audit Committee and to the State of Tennessee, Comptroller's Office. Management is provided a discussion draft of the audit report prior to the report being issued. Internal Audit is responsible for following up timely on audit findings to ascertain the status of management's corrective actions.

### **Audit Standards and Ethics**

The Internal Audit function adheres to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

### **Periodic Review of Internal Audit Charter**

This charter will be periodically assessed by the chief audit executive to determine whether the purpose, authority, and responsibilities defined in this charter are adequate to enable the internal auditing activity to accomplish its objectives. The results of the periodic assessment will be communicated to senior management and the Audit Committee.

  
\_\_\_\_\_  
President, name of institution

9-5-2014  
Date

  
\_\_\_\_\_  
Auditor, name of institution

9-5-2014  
Date

**Tennessee Board of Regents  
Committee on Audit**

**DATE:** September 25, 2014

**AGENDA ITEM:** **Review of Comptroller's Office Audit Reports**

**PRESENTER:** Tammy Birchett

**ACTION REQUIRED:** Informational Report

**STAFF'S RECOMMENDATION:** Accept Report

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**BACKGROUND INFORMATION:**

The Comptroller of the Treasury, Division of State Audit, under the authority of TCA 4-3-304, performs financial and compliance audits of each Tennessee Board of Regents university, community college and the system office. Universities are audited annually and community colleges and the system office are audited every other year. A description of the standards followed by the Comptroller's Office and the types of findings that may be reported follow this transmittal.

The Comptroller's Office also performs performance and other audits of the Tennessee Board of Regents and higher education operations, as needed.

The Committee will review audit reports received during the quarter; a summary of these reports is included.

**FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS**

Roane State Community College – FYE June 30, 2013 and June 30, 2012

Roane State Community College Foundation – FYE June 30, 2013 and June 30, 2012

**FINANCIAL AND COMPLIANCE AUDITS – FINDINGS**

Tennessee Technological University – FYE June 30, 2013

Walter State Community College – FYE June 30, 2013 and June 30, 2012

Tennessee Board of Regents - System Office – FYE June 30, 2013 and June 30, 2012

**STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS**

Following the summary of reports is a summary on the status of previously reported Comptroller's Office findings for informational purposes. Internal Audit generally performs a follow-up review of Comptroller's Office findings within six months of



issuance. A follow-up report is prepared and submitted to the Comptroller's Office and the Legislature's Office of Fiscal Review. When completed, an executive summary of each follow-up audit is included in the Internal Audit Reports section of the Audit Committee's quarterly materials.

## **Standards followed by the Comptroller of the Treasury in Relation to Audits of Tennessee Board of Regents Institutions**

The Comptroller of the Treasury, Division of State Audit, conducts financial statement audits of the Tennessee Board of Regents institutions and system office under the authority of Sections 4-3-304 and 8-4-109, *Tennessee Code Annotated*. State Audit conducts audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Auditing standards applicable to financial audits generally accepted in the U.S. are generally those issued by the Accounting Standards Board of the American Institute of Certified Public Accountants as Statements on Auditing Standards. The types of findings described below are based on the guidance provided in these standards.

### **Types of Findings**

#### **Deficiencies in Internal Control<sup>1</sup>**

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

#### **Significant Deficiency<sup>1</sup>**

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### **Material Weakness<sup>1</sup>**

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

*A finding normally results when auditors consider a deficiency in internal control to be a significant deficiency or a material weakness.*

#### **Instance of Non-Compliance Required to be Reported<sup>2</sup>**

When performing GAGAS financial audits, auditors should communicate in the report on internal control over financial reporting and compliance, based upon the work performed, (1) significant deficiencies and material weaknesses in internal control; (2) instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the audit and any other instances that warrant the attention of those charged with governance; (3) noncompliance with provisions of contracts or grant agreements that has a material effect on the audit; and (4) abuse that has a material effect on the audit.

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<sup>1</sup> Statement on Auditing Standard 115, *Communicating Internal Control Related Matters Identified in an Audit*, was effective for periods ending on or after December 15, 2009.

<sup>2</sup> The December 2011 Revision of *Government Auditing Standards*, issued by the Comptroller General of the United States, Government Accountability Office.

**Tennessee Board of Regents**  
**Audit Committee**  
**September 25, 2014**  
*Review of Comptroller's Office Audit Reports*  
*Financial and Compliance Audits—No Findings Reported*

<b>Institution</b>	<b>For the Years Ended</b>	<b>Fairness of Financial Statement Presentation</b>	<b>Report on Internal Control</b>	<b>Report on Compliance</b>	<b>Findings</b>
Roane State Community College	June 30, 2013, and, June 30, 2012	Unmodified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	0
Roane State Community College- Foundation	June 30, 2013, and, June 30, 2012	Unmodified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	0

**Tennessee Board of Regents**  
**Audit Committee**  
**September 25, 2014**  
*Review of Comptroller's Office Audit Reports*  
*Financial and Compliance Audits—Findings Reported*

<b>Institution</b>	<b>For the Year Ended</b>	<b>Fairness of Financial Statement Presentation</b>	<b>Report on Internal Control</b>	<b>Report on Compliance</b>	<b>Findings</b>
Tennessee Technological University	June 30, 2013	Unmodified Opinion	One significant deficiency was identified (Finding 1)	No instances of noncompliance required to be reported	2

**Finding 1 – As noted in the prior audit finding, the university did not provide adequate internal controls in one specific area.**

For the second consecutive year, the university did not design and monitor internal controls in a specific area of its information system. The audit determined that management corrected one of the conditions noted in the prior year finding, but observed another condition that continued to be in violation of university policy and/or industry-accepted best practices. Inconsistent implementation of internal controls increases the risk of fraud or error. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*.

**Management's Comment** – Management concurred stating corrective actions have been identified and are being implemented to remedy the deficiencies identified by the audit.

**Finding 2 – The university did not have accessible written policies and procedures regarding financial aid verification, resulting in an increased risk that the university could disburse funds to students who were not properly verified.**

According to the *Code of Federal Regulations* (CFR) Title 34, Part 668, Section 53, an institution “must establish and use written policies and procedures’ for verifying certain information on an applicant’s Free Application for Federal Student Financial Aid. The Director of Financial Aid maintained the sole copy of the institution’s *Financial Aid Office Policies and Procedures* on his computer, therefore the manual was not available to other members of the Financial Aid Office. In April 2013, the director’s computer crashed and the manual was destroyed. In May 2013, the director provided a draft copy of the manual to the auditors. In July 2013, the director provided the auditors with an updated copy, which the auditor found to be incomplete.

As a result of these problems, the Financial Aid Office was not in compliance with the Code of Federal Regulations for a minimum of three months. In addition, with the manual only accessible to the director, staff may not be able to handle issues timely or make informed decisions.

**Management's Comments** – Management concurred with the finding and recommendation, stating the current manual has been updated with all required regulatory language and detail and that it was available in printed and electronic form. The printed version is in the director office which is accessible by all staff members. The electronic version is stored on the director’s hard drive, which is backed up daily by TTU IT staff and as of August 1, 2013, it is also stored on a shared hard drive that is accessible by all financial aid staff and also backed up on a daily basis.

*Internal Audit Follow-Up: An internal audit follow-up report on these findings will be presented to the Audit Committee at a subsequent meeting.*

**Tennessee Board of Regents**  
**Audit Committee**  
**September 25, 2014**  
*Review of Comptroller's Office Audit Reports*  
*Financial and Compliance Audits—Findings Reported*

<b>Institution</b>	<b>For the Year Ended</b>	<b>Fairness of Financial Statement Presentation</b>	<b>Report on Internal Control</b>	<b>Report on Compliance</b>	<b>Findings</b>
Walters State Community College	June 30, 2013 And June 30, 2012	Unmodified Opinion	One material weaknesses identified	No instances of noncompliance required to be reported	1

**Finding – As noted in the prior three audits, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements.**

The Vice President for Advancement, misclassified certain transactions when entering them into the accounting system. These errors did not have an impact on total revenues, expenses, or net position, but affected certain lines items on the financial statements as follows:

- On the foundation's 2013 statement of revenues, expenses and changes in net position, the donation of a capital asset valued at \$1,333,333 was misclassified as a capital gift rather than as an addition to permanent endowments. The donor had specified the asset was to be sold and the proceeds used to create a permanent endowment. In addition, another \$43,875 of additions to permanent endowments was misclassified as gifts and contributions.
- On the foundation's statement of net position at June 30, 2013, \$1,486,000 of cash received as an addition to a nonexpendable endowment was misclassified as a current asset. The cash consisted of \$1,000,000 from the sale of the asset described above plus an additional \$486,000 in cash from the same donor. The cash should have been classified as noncurrent, since it could not be expended due to donor restrictions.
- On the foundation's 2013 schedule of cash flows, net cash provided by capital and related financing activities was understated by \$218,257, and net cash provided by investing activities was overstated by \$218,257.
- On the foundation's 2013 and 2012 schedules of cash flows, included as supplementary information accompanying the college 2013 and 2012 financial statements, unrealized gains on investments were misstated. The Vice President for College Advancement made errors in calculating each year's amount.

Based on discussions with the college's Vice President for College Advancement concerning the first three items, he had never encountered these situations and used his best judgment concerning how to account for these transactions. As for the last item, he misunderstood how to calculate unrealized gains on investments.

**Management's Comment** – Management concurred stating for the next two fiscal years, the foundation will contract with an external accounting firm to oversee preparation of its financial statements and the classification of its transactions. The college also plans to continue pursuing appropriate training for College Advancement/Foundation staff relative to foundation transaction classifications.

*Internal Audit Follow-Up: An internal audit follow-up report on this finding will be presented to the Audit Committee at a subsequent meeting.*

**Tennessee Board of Regents**

**Audit Committee**

**September 25, 2014**

***Review of Comptroller's Office Audit Reports***

***Financial and Compliance Audits—Findings Reported***

<b>Institution</b>	<b>For the Year Ended</b>	<b>Fairness of Financial Statement Presentation</b>	<b>Report on Internal Control</b>	<b>Report on Compliance</b>	<b>Findings</b>
Tennessee Board of Regents – System Office	June 30, 2013 and June 30, 2012	Unmodified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	1

**Finding – The Tennessee Board of Regents did not instruct its member institutions to accrue certain capital projects transactions.**

During the closing procedures for the fiscal year ended June 30, 2013, the TBR system office instructed the Tennessee Department of Finance and Administration to accrue over \$23 million in liabilities in the state's information system for financial reporting purposes. However, the Central office did not also instruct its member institutions to accrue these liabilities. As a result, accrued liabilities, capital assets and expenses at the various institutions were understated in total by the same amount. For some institutions, the amounts that should have been recorded were insignificant (less than \$100); however, for other institutions, the amounts were material (up to \$8 million at one institution).

**Management's Comment** – Management concurred with the finding and recommendation and stated that procedures have been implemented to ensure capital project transactions processed at the system office are properly communicated to the institutions for the accrual at fiscal year-end.

**Observations and Comments – The TBR system office was not compensated for services provided to the Tennessee Foreign Language Institute during fiscal year 2013.**

Although not provided for in the agreement between TBR and TFLI, dated August 23, 1990, TFLI agreed to compensate TBR for administrative services provided. The amount originally paid was \$10,000 but grew to \$50,000 in 2010. However, when TFLI began having financial difficulties during fiscal year 2013, TBR agreed to waive the fee. Also, beginning June 1, 2012, TBR provided the services of a full-time marketing and communications director to assist TFLI, but TFLI does not compensate TBR for these services. The report states that as a result, the financial statements for TFLI do not reflect the true costs of their operations and estimates the understatement to be between \$100,000 and \$140,000 and that it appears the appropriations process is being circumvented.

*Internal Audit Follow-Up: An internal audit follow-up report on this finding will be presented to the Audit Committee at a subsequent meeting.*

TBR SWIA -- State Audit Finding Status Summary (Reports sorted by Date of Final Report)						
Institution	Date of Final Report	Finding	Responsible Unit	Follow-up Review Scheduled	Follow-up Review Completed	Status of Finding
TBR Central Office FY 2013 and FY 2012	8/21/2014	<b>Finding 1 of 1</b> – The Tennessee Board of Regents did not instruct its member institutions to accrue certain capital projects transactions.	Vice Chancellor for Business and Finance	2/21/15		
TTU FY 2013	8/26/2014	<b>Finding 1 of 2</b> – As noted in the prior three audits, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements.	Chief Information Officer	2/26/15		
TTU FY 2013	8/26/2014	<b>Finding 2 of 2</b> – The university did not have accessible written policies and procedures regarding financial aid verification, resulting in an increased risk that the university could disburse funds to students who were not properly verified.	Director of Financial Aid	2/26/15		
WSCC FY2013 and FY2012	7/31/2014	<b>Finding 1 of 1:</b> As noted in the prior three audits, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements.	Vice President for Business Affairs	1/31/15		
UOM FY 2013	3/26/2014	<b>Finding 1 of 2:</b> The university's data security policies should be strengthened.	Chief Information Officer	8/1/14	7/29/14	Actions Completed
UOM FY 2013	3/26/2014	<b>Finding 2 of 2:</b> The university did not report status change dates correctly resulting in excessive grace periods for repayment of Perkins loans.	Director of Financial Aid	8/1/14	7/29/14	Actions Completed
TSU FY 2013	3/21/2014	<b>Finding 1 of 3:</b> As noted in the prior audit, the university did not provide adequate information technology controls over the Banner computer system.	Vice President for Administration	11/1/14	7/15/14	In progress
TSU FY 2013	3/21/2014	<b>Finding 2 of 3:</b> The Bursar's Office did not properly report student status changes to the contracted Perkins loan servicer, resulting in delayed conversions to repayment status for certain students.	Information Technology and the Bursar's Office	7/15/14	7/15/14	Actions Completed
TSU FY 2013	3/21/2014	<b>Finding 3 of 3:</b> The university did not always promptly return financial aid refunds caused by unofficial withdrawals.	Director of Financial Aid	7/15/14	7/15/14	Actions Completed

**Status Legend:**

**No Progress**

- Management has not implemented the actions stated in their response to this finding.

**In Progress**

- Management has implemented some, but not all, of the the actions stated in their response to this finding.

**Actions Completed**

- Management has implemented the actions stated in their response to this finding.

## **Tennessee Board of Regents Committee on Audit**

<b>DATE:</b>	September 25, 2014
<b>AGENDA ITEM:</b>	<b>Review of Internal Audit Reports</b>
<b>PRESENTER:</b>	Tammy Birchett
<b>ACTION REQUIRED:</b>	Informational Report
<b>STAFF'S RECOMMENDATION:</b>	Accept Report

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### **BACKGROUND INFORMATION:**

The following internal audit reports were completed during the quarter; an executive summary of each report is attached. The first group listed will be reviewed with the committee. The other reports will not be reviewed unless the members have questions or comments about the reports.

#### **Internal Audit Reports for Review with the Committee**

TTU	Laboratory Safety	Page 2
UOM	Athletic Ticket Office	Page 3
TBR	Follow-up to Performance Audit	Page 4 - 5

#### **Internal Audit Reports for Informational Purposes**

ETSU	Department of Biomedical Sciences	Page 7
MTSU	Inventory Observations	Page 8
TTU	Inventory Observations	Page 9
UOM	Continuous Monitoring – Cash	Page 10
UOM	Inventory Observation Procedures	Page 11
UOM	Procurement Cards	Page 12
UOM	Risk Assessment - Student Enrollment Services	Page 13
UOM	Risk Assessment - Institutional Support	Page 14
ChSCC	Foundation Gifts and Investments	Page 15
NeSCC	Theater Services	Page 16
PSCC	Maintenance and Tuition Fees	Page 17

#### **Information Technology Related Audits**

ETSU	Banner Security	Page 18
ETSU	Information Technology Incident Response	Page 19
UOM	NACHA Web Security	Page 20
UOM	Banner Security	Page 21
ChSCC	IT Disaster Recovery Plan	Page 22



**Information Technology Related Audits (continued)**

CISCC	NACHA Compliance	Page 23
JSCC	IT General Controls Review	Page 24 - 25
PSCC	IT General Controls Review	Page 26 - 27

**Athletic Related Audits**

APSU	OVC Student Assistance Fund	Page 28
TSU	OVC Student Assistance Fund	Page 29
TTU	NCAA Student Assistance Fund	Page 30
UOM	Athletic Travel	Page 31
ChSCC	Athletic Financial Aid	Page 32

**Tennessee Colleges of Applied Technology Operational Audits**

Athens	Focused Review of Operations	Page 33
Hartsville	Focused Review of Operations	Page 34
Jackson	Focused Review of Operations	Page 35 - 36
Knoxville	Focused Review of Operations	Page 37 - 38
Pulaski	Focused Review of Operations	Page 39 - 40

**Internal Audit Follow-Up Reports for Informational Purposes**

MTSU	Classroom Technology	Page 42
TSU	State Audit Fiscal Year 2013	Page 43
UOM	State Audit Fiscal Year 2013	Page 44
ChSCC	Travel	Page 45

**Internal Audit Investigations for Informational Purposes**

UOM	Misuse of Time in Physical Plant	Page 47
UOM	Foundation Expenditures	Page 48
UOM	Misuse of Time in Fogelman College	Page 49
UOM	Rental Space/Holiday Inn	Page 50
ChSCC	Testing Center Cash Receipting	Page 51
NaSCC	Allegation of Conflict of Interest	Page 52
RSCC	Employee Dishonesty on Application	Page 53
TBR	Timekeeping for Temporary Employees	Page 54
TCAT-Elizabethton	HVAC Transcripts	Page 55

**Status Summary for Previously Issued Internal Audit Reports**

Following the executive summaries of internal audit reports is a summary on the status of previously reported Internal Audit findings and observations as of August 31, 2014. Campus auditors will conduct follow up procedures to determine if management has taken adequate corrective action and include their conclusions on the summary log. A follow-up report may be issued by the campus auditor if adequate corrective action has not been taken by management.

**Tennessee Board of Regents  
Audit Committee  
September 25, 2014**

***Internal Audit Reports  
To be Reviewed with the Audit Committee***

**TENNESSEE TECH UNIVERSITY**  
**Laboratory Safety**  
**May 7, 2014**  
**Executive Summary**

**Key Staff Persons:** Director, Safety & Environmental Services  
Coordinator, Environmental Health and Safety

**Auditor:** Assistant Director of Internal Audit

**Introduction:** This audit of laboratory (lab) safety covered the fiscal year 2013-14. This audit covered labs that contained potentially harmful materials and/or equipment. This audit did not cover writing labs, math labs, computer labs, etc. This is the first internal audit that has been dedicated to lab safety.

**Objective:** The objective of the Lab Safety audit was to determine that faculty, staff, and students are adequately trained in lab safety and that labs are properly maintained and safeguarded.

**Total Questioned Costs/Losses:** None

**Total Recoveries:** NA

**Findings**

**Finding 1: Lab Training and Inspections.** There is no way to know for certain that all lab users have been adequately trained until lab inspections are completed. Currently, lab inspections are only completed upon request or as the EHS Coordinator is notified of potential issues. Only 7 of approximately 100 labs have been inspected since July 2012.

**Finding 2: Fire Drills.** TTU is not in compliance with the International Fire Code concerning fire drills for residential areas, academic buildings, or administrative buildings.

**Finding 3: Safety Concerns.** While the EHS Coordinator promptly responds to safety concerns and follows up on the resolutions, the concerns and resolutions have not been documented.

**Conclusion:** Because of the weaknesses noted in the findings, we could not determine if all faculty, staff, and students had been adequately trained or if all labs were properly maintained and safeguarded. Management has either taken or has proposed appropriate actions to correct the findings.

**University of Memphis**  
**Review of Internal Controls - Athletic Ticket Office**  
**Executive Summary**  
**July 23, 2014**

<b>Title of Key Staff Person:</b> Senior Associate Athletic Director-Finance	<b>Auditors:</b> Senior Internal Auditor and Financial/Compliance Auditor
<b>Background:</b> Internal Audit personnel have completed an audit of the internal controls in the Athletic Ticket Office. The University of Memphis athletics program is a NCAA Division I program and has teams in several sports within the American Athletics Conference. The Athletic Ticket Office at the University of Memphis currently has 2 full time employees and 12 part time employees. Also, several Athletic Business Office employees are involved in Athletic Ticket Office functions. Previously the Athletic Ticket Office was partially staffed by an outside firm that performed marketing services and telephone ticket sales, but the department recently terminated the contract and discontinued use of the firm. Fiscal year 2013 ticket sales totaled approximately \$8.3 million. Fiscal year 2013 Athletic Ticket Office expenses totaled approximately \$478,000, with an additional \$180,000 paid to the outside firm for marketing and ticket sales.	
<b>Objectives:</b> The objectives of the audit were to: <ul style="list-style-type: none"> <li>▪ Determine if the Athletics Department has current written policies and procedures regarding ticketing, cash receipts, and cash handling.</li> <li>▪ Verify compliance with applicable Tennessee Board of Regents (TBR), University of Memphis, and any applicable Athletics Department policies and procedures regarding ticketing, cash receipts, and cash handling.</li> <li>▪ Review current processes for the handling and processing of tickets, including ticket acquisition and printing, ticket sales, and the subsequent accounting for sales.</li> <li>▪ Determine the adequacy of the internal control system.</li> </ul>	
<b>Results:</b> Significant internal control weaknesses were noted in the following areas: <ul style="list-style-type: none"> <li>▪ Organizational structure and policies and procedures</li> <li>▪ Background checks</li> <li>▪ Physical security controls and cash handling controls</li> <li>▪ Control over sensitive data</li> <li>▪ Reconciliation and process controls over financial transactions</li> </ul>	
<b>Audit Conclusion:</b> The audit objectives were achieved. Internal controls for the financial operation of the Athletic Ticket Office are not adequate in our opinion and need improvement.  We have noted conditions which, when considered in the aggregate, are in our opinion significant and material internal control weaknesses regarding the management and oversight of the financial operations of the Athletics Ticket Office. Management has indicated agreement with our recommendations for improvement and steps are in-process to address the weaknesses.	

**Tennessee Board of Regents**  
**Follow-up to the Performance Audit Issued by the Comptroller of the Treasury**  
**Executive Summary – Page 1 of 2**  
**July 2014**

<b>Contact:</b> Vice Chancellor for Business and Finance	<b>Auditor:</b> Assistant Director of TBR System-wide Internal Audit
<b>Introduction</b>	<p>The performance audit of the Tennessee Board of Regents (TBR) was conducted pursuant to the Tennessee Governmental Entity Law Review, TCA Section 4-29-111 and was issued in January 2014. This statute authorizes the Comptroller of the Treasury to conduct a limited review audit of the agency and to report to the Joint Government Operations Committee of the General Assembly to aid in its review to determine whether the Board should be continued, restructured or terminated. In April 2014, Public Chapter 725 was approved extending the board to 2018.</p>
<b>Purpose and Scope</b>	<p>The objective of this follow-up review is to determine if management has taken adequate corrective action to address the issues noted within the nine findings included in the performance audit report. The audit included tests of records and other procedures considered necessary to achieve the objectives.</p> <p>The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (IIA), except for work regarding Finding 1 which involves the internal audit function. The IIA Standards require audit engagements of activities for which the chief audit executive has responsibility, to be managed by an independent party and if internal auditors have potential impairments, that disclosure be made before accepting the engagement. Since the subject of Finding 1 is related to audits conducted by internal auditors, disclosures were made to senior management and the Audit Committee.</p> <p>The nine findings are as follows:</p> <ol style="list-style-type: none"> <li>1. The Office of System-wide Internal Audit has not conducted audits of funding formula data submitted by Tennessee Board of Regents institutions.</li> <li>2. Tennessee Board of Regents universities need to develop monitoring systems to ensure that transfer students obtain all allowable college credit for all transferable courses.</li> <li>3. Not all Tennessee Transfer Pathways have been put in place, as required by the Complete College Tennessee Act of 2010.</li> <li>4. Tennessee Board of Regents institutions need to improve how they publicize the Tennessee Transfer Pathways on their websites.</li> <li>5. Not all required dual-admission agreements between universities and community colleges are in place.</li> <li>6. Tennessee Board of Regent universities and community colleges have not included General Counsel recommended provisions in foundation agreements.</li> </ol>

**Tennessee Board of Regents**  
**Follow-up to the Performance Audit issued January 2014**  
**Executive Summary – Page 2 of 2**  
**July 2014**

<b>Purpose and Scope (continued)</b>	<p>7. The foundations affiliated with Tennessee Board of Regents universities and community colleges failed to disclose in-kind services provided by those institutions.</p> <p>8. Tennessee Board of Regents institutions have emergency preparedness plans, but additional steps should be taken to ensure campus community safety.</p> <p>9. Because the background checks for housing staff conducted by Tennessee Board of Regents universities are not based on fingerprint submission and fingerprint procedures are not consistent with statute, the General Assembly may wish to consider amending the statute to clarify the type of background check and fingerprint procedures the universities should require.</p>
<b>Conclusion</b>	<p>The review of the actions taken by management to address findings in the 2014 Performance Audit report indicated that 1 of the 9 findings has been resolved and adequate steps are underway to resolve the remaining items.</p> <p>Management has taken adequate steps to fully address the issues noted in Finding 4 of the performance audit. For the remaining 8 findings, management is still in process of taking corrective action as follows:</p> <ul style="list-style-type: none"> <li>• The system's Internal Audit offices are continuing their efforts to complete the remaining audits of the CCTA funding formula data.</li> <li>• Management is developing the Common Data Repository which should provide adequate information regarding transfers for monitoring for systemic problems or trends.</li> <li>• Management is continuing to work with various stakeholders to ensure all programs, required by TCA, have established transfer pathways.</li> <li>• Once THEC has determined which institutions should have dual-admission agreements, management will ensure those agreements are in place.</li> <li>• Management will review the 2014 financial statements and ensure all required disclosures related to in-kind contributions are properly reported.</li> <li>• Management will continue their efforts to revise TBR Guideline B-100, <i>Institutional Emergency Preparedness</i>.</li> <li>• MTSU management will ensure a full set of fingerprints are made for all appropriate housing employees.</li> </ul> <p>Internal audit will follow-up on the outstanding corrective actions at a later date.</p>

**Tennessee Board of Regents  
Audit Committee  
September 25, 2014**

***Internal Audit Reports  
For Informational Purposes***

**East Tennessee State University**  
**Department of Biomedical Sciences**  
**January – December 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Cynthia Taylor	<b>Auditor:</b> Martha Stirling
<b>Introduction:</b> An audit of East Tennessee State University's (ETSU) Department of Biomedical Sciences was conducted as a special request by the new chair of the department. Biomedical Sciences was established in 2012 and is a combination of the College of Medicine's five basic science departments. A new chair was hired effective January 1, 2014.	
<b>Objectives:</b> The main objectives of the audit were to evaluate the adequacy of the internal controls and procedures of the department, to determine if the University and TBR policies and procedures related to cash disbursements, fixed assets, procard, timekeeping, and department volunteers are followed, and to make recommendations for correcting deficiencies or improving operations.	
<b>Total Questioned Costs or Losses:</b> None	<b>Total Recoveries:</b> Not Applicable
<b>Finding:</b> During the course of the audit, it was discovered that proper procedures and controls regarding timekeeping were not always followed. Failure to properly report annual/sick hours used or hours worked could result in employees receiving improper compensation and/or benefits. Management should take appropriate steps to ensure that all leave used is recorded into TRS in the correct category, for the appropriate individual, and for the correct amount. In addition, appropriate steps should be taken to ensure that all hours worked by an hourly employee are reported in TRS. Management concurred with the recommendations contained in the audit report. It appears appropriate action has been taken to improve the internal controls over timekeeping.	
<b>Audit Conclusion:</b> Based on the audit conducted, controls over cash disbursements, fixed assets, procurement cards, and departmental volunteers appear adequate and in place. The audit objectives were met.	



**Middle Tennessee State University**  
**Audit of Inventories**  
**For Fiscal Year Ended June 30, 2014**

**Background:**

Middle Tennessee State University inventories for year-end closing and financial statement valuation printing services including Blue Print Solutions, facilities services warehouse, pharmacy, fuel, and the concessions of Tennessee Livestock Center and Tennessee Miller Coliseum. All inventory counts were made during the period of June 23 - 30, 2014.

**Objectives:**

To determine if the inventory counts are accurate and performed in compliance with the inventory procedures.

**Scope:**

The audit scope included all inventory locations. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by The Institute of Internal Auditors and accordingly included test counts of inventory and such other auditing procedures considered necessary.

**Observations:**

The audit revealed compliance with the year-end inventory procedures; therefore, the report contains no findings or recommendations. The inventory values recorded as of June 30, 2014 are presented below with the June 30, 2013 values for comparative purposes.

<b><u>Inventory Area</u></b>	<b><u>June 30, 2014</u></b>	<b><u>June 30, 2013</u></b>
Warehouse	\$ 463,124	\$ 485,114
Printing Services	8,528	10,323
Fuel	113,199	114,123
Pharmacy	99,596	110,193
Tennessee Livestock Center Concessions	3,113	3,370
Tennessee Miller Coliseum Concessions	<u>3,689</u>	<u>2,689</u>
Total	<u>\$ 691,249</u>	<u>\$ 725,812</u>

**Conclusions:**

Since the audit revealed no material errors, it appears the inventory counts for printing services including Blue Print Solutions, facilities services warehouse, pharmacy, fuel, Tennessee Livestock Center concessions, and Tennessee Miller Coliseum concessions were accurate and in compliance with the inventory procedures for fiscal year ended June 30, 2014.

**TENNESSEE TECH UNIVERSITY**  
**Inventory Observations 6-30-14**  
**August 15, 2014**  
**Executive Summary**

**Key Staff Persons:** Vice President for Planning and Finance  
Associate Vice President for Facilities and Business Services  
Associate Vice President for Communications & Marketing  
Director of Printing Services  
Director of Craft Center  
Director of Fitness Center  
Interim Director of the School of Agriculture

**Auditors:** TTU Director of Internal Audit, TTU Assistant Director of Internal Audit

**Objectives**

1. To determine that the manner in which each area took inventory was proper.
2. To verify that accountability of the inventory count sheets was maintained throughout the inventory process.
3. To establish the physical existence of the inventory and to determine that all items were counted and included in the inventory value.
4. To determine that inventory values were accurate.
5. To determine that the inventory was fairly stated on a basis consistent with the preceding year and to determine that the inventory value per auditor agreed with the reported value on the general ledger.

**Total Questioned Losses:** None

**Total Recoveries:** N/A

**Findings and Observations**

No findings were made. During the observation of the Craft Center Supply Store inventory, it was discovered that both wood and fabric were on hand for resale that had not been included in the inventory for several years. The wood had a value of \$10,712.44, and the fabric had a value of \$1,194.70; these inventory amounts are properly included in the 6-30-14 Craft Center Supply Store inventory total.

**Conclusion**

All objectives were satisfied in a positive manner. All inventories were taken in a systematic manner, and all inventory count sheets were accounted for. Test counts, test extensions, and footings verified the accuracy of the final inventory. Reasonable explanations were on hand for differences in current and prior year inventory totals. The inventory value per the general ledger agreed with the inventory value per auditor and was stated in a manner consistent with the prior year.

**University of Memphis**  
**Continuous Monitoring - Cash**  
**July 22, 2014**  
**Executive Summary**

**Title of Key Staff Persons:** Bursar and  
Controller and Business Officers

**Auditors:** Financial & Compliance  
Auditor/Administrative Associate

**Background and Scope:**

This was performed by Internal Audit as a continuous monitoring audit based upon a special request from management and to provide assistance to the Comptroller of the Treasury-Department of Audit-Division of State Audit with their annual audit of the University's financial statements. This is not a risk based audit. Cash is currency on hand as recorded in the General Ledger used primarily for drawer funds by cashier's at the Bursar Office and other offices within the University that handle cash transactions.

The following is a summary of all the cash balances as maintained in the General Ledger.

DEPARTMENT/ACTIVITY	AMOUNT	
BURSAR'S OFFICE	\$23,000.00	*
PARKING PAY STATIONS	\$6,000.00	*
ATHLETICS	\$5,000.00	*
PARKING GARAGE	\$1,400.00	*
SPEECH & HEARING CTR	\$750.00	
CHUCALISSA MUSEUM	\$575.00	*
PARKING AUTHORITY (OFFICE)	\$400.00	*
SCHOOL OF MUSIC CCFA	\$300.00	
TIGER COPY & GRAPHICS	\$285.00	
COMMUNITY MUSIC SCHOOL	\$150.00	
THEATRE AND DANCE	\$150.00	
LAMBUTH	\$100.00	
HEALTH SERVICES	\$75.00	
CAMPUS RECREATION	\$60.00	
PSYCHOLOGICAL SERVICE CENTER	\$50.00	
HELMSMAN	\$25.00	
<b>TOTAL</b>	<b>\$38,320.00</b>	

\* Counted by Internal Audit During FY2014 (95%)

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The audit included tests of records and other procedures considered necessary to achieve the objectives.

**Objective:**

To determine that the University has adequate controls and procedures over cash handling. In accordance with the Tennessee Financial Integrity Act, University management is responsible for establishing adequate internal controls (TCA-9-8-101-102-103) within the organization.

**Conclusion and Audit Results:**

The audit objective was achieved. The University has adequate controls over cash and we noted no significant variances with our cash counts during FY 2014.

**University of Memphis**  
**Inventory Observation Procedures for State Auditors**  
**For the Fiscal Year Ended June 30, 2014**  
**Executive Summary**  
**July 22, 2014**

<b>Key Staff :</b> Controller and Physical Plant Management	<b>Auditor:</b> Financial & Compliance Auditor																									
<b>Background:</b>  The University of Memphis (UOM) Physical Plant Department performs a physical count of Physical Plant supplies and fuel as part of the year-end closing process for valuation in the financial statements. UOM Internal Audit performed observation procedures based upon instructions issued by the Tennessee Comptroller of the Treasury, Department of State Audit, Division of State Audit (“the State Auditors”) in connection with their annual financial statement audit for the purpose of issuing an opinion on the UOM FY 2014 financial statements.  The year-end count was conducted by UOM on June 27-28, 2014 which was observed by UOM Internal Audit.																										
<b>Objectives:</b>  To determine that UOM had adequate year-end inventory count procedures and that an accurate inventory count was obtained at year-end.																										
<b>Scope:</b>  The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> , issued by the Institute of Internal Auditors and accordingly included test counts of inventory, tests of the inventory and accounting records and such other auditing procedures considered necessary.																										
<b>Conclusion:</b>  No significant variances were noted with our test counts of inventory and UOM had adequate procedures in place over the year-end physical count process to ensure an accurate count.  The year-end inventory values recorded are provided below for comparative purposes. <table><tr><td></td><td></td><td></td><td><b>Increase</b></td><td><b>Percent</b></td></tr><tr><td></td><td><b>FY2013</b></td><td><b>FY2014</b></td><td><b>(Decrease)</b></td><td><b>Changes</b></td></tr><tr><td><b>Physical Plant</b></td><td>\$ 387,324</td><td>\$ 349,109</td><td>\$ (38,215)</td><td>-10%</td></tr><tr><td><b>Stand-by Fuel</b></td><td>\$ 129,561</td><td>\$ 128,574</td><td>\$ (986)</td><td>-1%</td></tr><tr><td><b>Total</b></td><td>\$ 516,885</td><td>\$ 477,683</td><td>\$ (39,201)</td><td>-8%</td></tr></table>					<b>Increase</b>	<b>Percent</b>		<b>FY2013</b>	<b>FY2014</b>	<b>(Decrease)</b>	<b>Changes</b>	<b>Physical Plant</b>	\$ 387,324	\$ 349,109	\$ (38,215)	-10%	<b>Stand-by Fuel</b>	\$ 129,561	\$ 128,574	\$ (986)	-1%	<b>Total</b>	\$ 516,885	\$ 477,683	\$ (39,201)	-8%
			<b>Increase</b>	<b>Percent</b>																						
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**University of Memphis**  
**Procurement Cards Audit – FY 2014**  
**Executive Summary**  
**July 21, 2014**

<b>Title of Key Staff Person:</b> Director Procurement & Contract Services	<b>Auditors:</b> Financial Compliance Auditor, Sr. Technology and Network Security Auditor, Administrative Associate								
<p><b><u>Introduction</u></b></p> <p>The University of Memphis Purchasing Card Program has been established to provide University employees with a convenient means to make legitimate business purchases and, at the same time, reduce the costs associated with initiating and paying for those purchases. Use of the Purchasing Card consolidates paperwork and helps facilitate vendor payment. The cards are issued by Regions Bank. The University has written policies and procedures for the use of the cards.</p> <p>Regions transmits purchasing card statements to cardholders via a secure Internet site. Cardholders reply with account codes to distribute within the proper expense category within the Banner Financial System. Administrators and Reviewers transmit the data for update to the Banner Financial System. Departments can review the procurement card charges on the Banner monthly financial reports and Regions Bank receives a payment from the University to settle the card charges each month.</p> <p><b><u>Summary Financial Data – FY 2014:</u></b></p> <table> <tr> <td>Total Number of Purchasing Cards Authorized for Use:</td><td>208</td></tr> <tr> <td>Number Reviewed by Internal Audit:</td><td>108 (52%)</td></tr> <tr> <td>Total Dollar Value of Purchasing Card Transactions:</td><td>\$1,135,599</td></tr> <tr> <td>Total Dollar Value of Transactions Reviewed by Internal Audit:</td><td>\$106,189 (9.35%)</td></tr> </table>		Total Number of Purchasing Cards Authorized for Use:	208	Number Reviewed by Internal Audit:	108 (52%)	Total Dollar Value of Purchasing Card Transactions:	\$1,135,599	Total Dollar Value of Transactions Reviewed by Internal Audit:	\$106,189 (9.35%)
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Number Reviewed by Internal Audit:	108 (52%)								
Total Dollar Value of Purchasing Card Transactions:	\$1,135,599								
Total Dollar Value of Transactions Reviewed by Internal Audit:	\$106,189 (9.35%)								
<p><b><u>Purpose and Scope</u></b></p> <p>To provide management with reasonable assurance that adequate internal controls are in place over the use of procurement cards. Our procedures included, but were not limited to, determining compliance with procedures by interviewing key personnel, examining procurement card purchases on a test basis throughout all departments in the University, and reviewing supporting documentation for FY 2014. This is a continuous monitoring process that we perform throughout the year across the entire University. In accordance with the Tennessee Financial Integrity Act University management is responsible for internal controls over the procurement cards (TCA-9-8-101-102-103).</p>									
<p><b><u>Conclusion</u></b></p> <p>The audit objectives were achieved. Based on the results of all audit work performed, internal controls were generally adequate and provided sufficient assurance of compliance with University policies and other applicable regulations. The current audit resulted in no significant issues. Other issues were provided to management in a separate letter.</p>									

**University of Memphis**  
**Internal Controls Risk Assessment Footprint – Student Enrollment Services**  
**FY 2014**  
**Executive Summary**  
**June 16, 2014**

<b>Title of Key Staff Person(s):</b> Vice President of Business and Finance	<b>Auditors:</b> Senior Internal Auditor and Financial/Compliance Auditor
<p><b>Background:</b></p> <p>The Internal Audit personnel have completed an audit of the Internal Controls Risk Assessment Footprint for Student Enrollment Services. The State of Tennessee Audit Committee Act of 2005 created the Tennessee Board of Regents (TBR) Audit Committee. This law states that two of the purposes of the audit committee are evaluating management's assessment of the body's system of internal controls and informing the comptroller of the treasury of the results of assessment and controls to reduce the risk of fraud. In response to the passage of this law, TBR implemented a risk assessment process in 2006 using the "Crawford Analysis Tool". Management within each TBR institution conducts a formal risk assessment of each major area on a rotating 3 year cycle to be reviewed by the TBR audit committee.</p>	
<p><b>Objectives:</b></p> <p>The objective of the audit was to evaluate whether key controls as listed in the management prepared risk assessment footprint were present and operating effectively. This audit focused on controls listed in the areas of the Registrar Office, Student Affairs, and Student Health Services within the major process of Student Enrollment Services. These areas were selected because they were identified as higher risk within the Institutional Support risk assessment. In accordance with the Tennessee Financial Integrity Act University Management is responsible for establishing adequate internal controls (TCA-9-8-101-102-103) within the organization.</p>	
<p><b>Results:</b></p> <p>One area for improvement was noted regarding the prompt changing of system security in the Banner Student System when access is no longer required by Faculty.</p>	
<p><b>Audit Conclusion:</b></p> <p>The audit objectives were achieved. Based on the results of all audit work performed, internal controls were generally adequate and functioning as reported by University management in the risk assessment footprint for the Student Enrollment Services areas of the Registrar Office, Student Affairs, and Student Health Services.</p> <p>We noted one area for improvement which is noted above. Management revised the procedure in this area to address the recommendation.</p>	

**University of Memphis**  
**Internal Controls Risk Assessment Footprint – Institutional Support**  
**FY 2014**  
**Executive Summary**  
**June 5, 2014**

<b>Title of Key Staff Person(s):</b> Vice President of Business and Finance	<b>Auditors:</b> Senior Internal Auditor and Financial/Compliance Auditor
<p><b>Background:</b></p> <p>The Internal Audit personnel have completed an audit of the Internal Controls Risk Assessment Footprint for Institutional Support. The State of Tennessee Audit Committee Act of 2005 created the Tennessee Board of Regents (TBR) Audit Committee. This law states that two of the purposes of the audit committee are evaluating management's assessment of the body's system of internal controls and informing the comptroller of the treasury of the results of assessment and controls to reduce the risk of fraud. In response to the passage of this law, TBR implemented a risk assessment process in 2006 using the "Crawford Analysis Tool". Management within each TBR institution conducts a formal risk assessment of each major area on a rotating 3 year cycle to be reviewed by the TBR audit committee.</p>	
<p><b>Objectives:</b></p> <p>The objective of the audit was to evaluate whether key controls as listed in the management prepared risk assessment footprint were present and operating effectively. This audit focused on controls listed in the areas of Human Resources, Emergency Preparedness, and International Relations within the major process of Institutional Support. These areas were selected because they were identified as higher risk within the Institutional Support risk assessment. In accordance with the Tennessee Financial Integrity Act University Management is responsible for establishing adequate internal controls (TCA-9-8-101-102-103) within the organization.</p>	
<p><b>Results:</b></p> <p>Areas for improvement were noted in the following areas which were listed in the risk control footprints:</p> <ul style="list-style-type: none"> <li>• Human Resources – Background Checks</li> <li>• Human Resources – Clearance and Separation Checklists</li> <li>• Emergency Preparedness – Fire Drills</li> <li>• Emergency Preparedness - Hazard and Vulnerability Assessment</li> <li>• Emergency Preparedness - Crisis Management Plans</li> <li>• International Relations – Advisory Council Oversight</li> </ul>	
<p><b>Audit Conclusion:</b></p> <p>The audit objectives were achieved. Based on the results of all audit work performed, internal controls were generally adequate and functioning as reported by University management in the risk assessment footprint for the Institutional Support areas of Human Resources, Emergency Preparedness, and International Relations.</p> <p>We did note some areas for improvement which are noted above. Recommendations were made to Management in each area and steps are being taken to address the recommendations.</p>	

**Chattanooga State Community College**  
**Audit of Chattanooga State Technical Community College Foundation**  
**Gifts Received July 1, 2012 through December 31, 2013 and Investments as of December 31, 2013**  
**Executive Summary**

<b>Key Staff Person</b>	Tammy Sawyers, Director of Development Luke Kilburn, Systems Accountant	<b>Internal Auditor</b>	Kimberly Clingan, Director of Internal Audit
<b>Introduction</b>	An internal audit of Chattanooga State Technical Community College Foundation Gifts Received July 1, 2012 through December 31, 2013 and Investments as of December 31, 2013 was conducted by the ChSCC Internal Audit department. The Foundation received 1,451 gifts totaling \$891,036 from July 1, 2012 through December 31, 2013. These gifts were used to supplement ChSCC programs based on donor specifications. Funds not immediately used are invested as directed by the Board. The market value of the Investment portfolio as of December 31, 2013 was \$5,457,792.		
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• To determine the adequacy of the existing system of internal control over gifts received and investments.</li> <li>• To determine compliance with policies and procedures concerning gifts received and investments.</li> <li>• To determine documentation has been retained to support gifts received and donor specifications.</li> <li>• To determine investment balances are properly recorded as of December 31, 2013.</li> <li>• To determine the investment portfolio asset allocation complies with the Foundation Investment policy 10:02:05.</li> </ul>		
<b>Questioned Costs</b>	None	<b>Recoveries</b>	N/A
<b>Findings</b>	None		
<b>Conclusion</b>	<p>Based on procedures performed, Internal Audit determined:</p> <ul style="list-style-type: none"> <li>• Management has developed policies and procedures to adequately manage and control gifts received and investment accounts.</li> <li>• Gifts received and donor specifications are accurately reported in the Designation Accounting Report for Foundation gifts received from July 1, 2012 through December 31, 2013 and supported with documentation, such as donor cards.</li> <li>• Investment portfolio balances are properly recorded as of December 31, 2013 based on monthly/quarterly investment account statements.</li> <li>• Investment portfolio asset allocations comply with Foundation Investment policy 10:02:05.</li> </ul>		



**Northeast State Community College**  
**Theatre Services**  
**Fiscal Year Ending June 30, 2014**  
**Executive Summary**

<b>Key Staff Person:</b> Theatre Manager	<b>Auditor:</b> Shane Lewis
<b>Introduction:</b> An audit of the revenue generating processes related to theatre services at Northeast State Community College was conducted according to the Annual Audit Plan. The audit focused largely on assessing the controls in place to ensure proper accountability relating to the revenue generating activities of the Theatre Department at Northeast State.	
<b>Objectives:</b> The main objective of the audit was to evaluate the adequacy and the effectiveness of the controls in place to ensure that revenue generated within the Theatre Department is accounted for properly and that the department's revenue generating processes are operating efficiently and effectively.	
<b>Total Questioned Costs or Losses:</b> None	<b>Total Recoveries:</b> Not Applicable
<b>Finding:</b> <u>Procedures in place to handle and enforce facility usage applications for events scheduled through the Theatre Department need to be improved</u> Properly completed facility usage applications for certain events which were scheduled by the Theatre Manager were not on file in the Theatre Department nor in the Office of the Vice President of Administrative Services, who typically has approval authority for the applications. It also appears that there is not a well-defined process for invoicing and ensuring accurate and timely payment for the use of facilities by parties who are assessed a fee for the usage, nor is there a formally defined process in place for remitting ticket sales revenue payment back to outside parties when Northeast State handles their ticket sales. Additionally, it appears that the college is approving facility usage applications which go beyond the four month maximum time frame allowed per TBR policy.	
<b>Observations:</b> <ol style="list-style-type: none"> <li><u>Revenue Handling Procedures</u>  The Theatre Manager has only limited access to deposit detail once revenue deposits have been made. In addition, there is no reconciliation being made to system detail at the time revenue deposits are made for credit sales in order to ensure that the respective ticket revenue sales deposits are accurate based upon sales volumes and the fee terms of the servicer agreement with Vendini, the ticket sales management system utilized by Northeast State.</li> <li><u>Complimentary Tickets</u>  Complimentary event tickets are issued to recipients without verifying proof of eligibility and without sufficient tracking to ensure that the recipient does not inappropriately request and receive additional tickets. There is no reconciliation being performed between complimentary ticket logs and system records to ensure that differences are discovered and investigated in a timely fashion.</li> </ol>	

**Pellissippi State Technical Community College**  
**Internal Audit Executive Summary**  
**Audit: Maintenance/Tuition and Related Fees**  
**Period: Spring Semester 2014**

<b>Title of Key Staff Person:</b> Bursar	<b>Auditor:</b> Suzanne L. Walker, Director of Internal Audit
<b>Background:</b>  An audit of maintenance/tuition and related fees was conducted according to the annual audit plan.	
<b>Objectives:</b>  To determine compliance with institutional, Tennessee Board of Regents, and State of Tennessee policies regarding the handling of maintenance/tuition and related fees.	
<b>Total Questioned Costs/Losses:</b> None	<b>Total Recoveries:</b> N/A
<b>Audit Conclusions:</b>  During the course of this audit, some minor discrepancies were noted in test work, but none were considered to be material enough to warrant an audit finding. The discrepancies noted appeared to be isolated incidents and the college's procedures for handling maintenance/tuition and related fee appear to be appropriate.	

**East Tennessee State University**  
**Banner Security Audit**  
**For the Period from March 3, 2014 to May 5, 2014**  
**Executive Summary**

<b>Title of Key Staff Person:</b> OIT Associate Vice President/CIO and Director of Information Systems	<b>Auditor:</b> Richard Scheuch, CISSP
<b>Background:</b> A security audit of the Banner Enterprise Resource Planning (ERP) System in use at East Tennessee State University (ETSU) was conducted by the Department of Internal Audit in accordance with the annual audit plan. The purpose of this audit is to review Banner Security terminology and to assess user access adequacy.	
<b>Objectives:</b> <ol style="list-style-type: none"><li>1. To determine if users' access is limited to what is necessary to perform the functions of their position without compromising segregation of duties and sensitive data.</li><li>2. To document the access life-cycle for both class assignments and direct access grants including establishment of user access, periodic review of <u>authorization</u> access by data owners and supervisors, and access deactivation.</li><li>3. To review user access to the database and determine if the access is necessary.</li><li>4. To determine if user access to Banner aligns with assigned duties and if monitoring procedures are in place to prevent and/or detect unauthorized actions.</li></ol>	
<b>Total Questioned Costs/Losses:</b> None	<b>Total Recoveries:</b> N/A
<b>Observation:</b>  According to ETSU's <i>Banner User Account Security Guidelines</i> , Data Owners are responsible for auditing/recertifying access assignments annually. In addition, all supervisors are responsible for auditing/recertifying access of their direct reports each year. It has been determined that user <u>authorization</u> reviews by both the data owners and the supervisors have not been performed since the guidelines were established. Management concurred with the recommendation. OIT will be producing a listing of all active Banner accounts for distribution. The accounts will be reviewed by the appropriate person and OIT will be informed of any accounts that should be inactivated.	
<b>Audit Conclusions:</b>  The audit objectives have been met.	

**East Tennessee State University**  
**Information Technology Incident Response Audit**  
**For the Period July 1 to August 15, 2014**  
**Executive Summary**

<b>Title of Key Staff Person:</b> OIT Associate Vice President and CIO	<b>Auditor:</b> Richard Scheuch, CISSP
<b>Background:</b> An audit of East Tennessee State University's Information Technology Incident Response Plan was conducted by the Office of Internal Audit in accordance with the annual audit plan.	
<b>Objectives:</b> <ul style="list-style-type: none"> <li>• To assess the adequacy of the current approach taken by the Office of Information Technology (OIT) to ensure the protection of IT systems, data and IT services from accidental or deliberate threats to confidentiality; and</li> <li>• To assess the adequacy of the current approach taken by OIT to respond to deliberate or accidental threats to confidentiality, integrity or availability of IT systems, data or IT services.</li> </ul>	
<b>Total Questioned Costs/Losses:</b> None	<b>Total Recoveries:</b> N/A
<b>Audit Results and Conclusion:</b>  There were no findings in this audit.  ETSU's Office of Information Technology appears to have implemented an incident response plan that fulfills guidelines recommended by <i>National Institute of Standards and Technology</i> (NIST), SANS Institute, and the Department of Homeland Security's United States Computer Emergency Readiness Team (US-CERT). It has been observed that the individual team members are well above normal capabilities of handling the types of incidents experienced at the University. Proactive actions appear to be taken where possible. Containment and remediation of incidents usually occur with hours, in comparison with the 2-7 days from detection to remediation reported in the SANS Incident Response 2014 survey.	

**University of Memphis**  
**NACHA - WEB Transactions Data Security Audit**  
**July 8, 2014**  
**Executive Summary**

<b>Title of Key Staff Person:</b> Bursar and Associate Bursar, ITS personnel	<b>Auditors:</b> Sr. Technology and Network Security Auditor
<p><b>Background:</b></p> <p>This audit is required due to the contract the University of Memphis (UOM) has with First Tennessee Bank.</p> <p>The National Automated Clearing House Association (NACHA) is a not-for-profit organization begun in 1974 to help administer and manage the Automated Clearing House (ACH) network, which is the backbone for the electronic movement of money and information used in the interbank clearing of electronic payments. <i>NACHA Operating Rules</i> provide the legal foundation for the use of the ACH payment system.</p> <p>Transactions entered into the ACH system are coded using defined standard entry class (SEC) codes. The WEB SEC code is used for recurring or single entry debit transactions based on authorization from the Receiver to the Originator via the internet or mobile device – excluding oral authorization through these channels. NACHA rules impose specific data security requirements for all transactions that involve the electronic exchange or transmission of banking data.</p> <p>NACHA Rules also require that Originators conduct or have conducted on their behalf, annual security audits to ensure that the financial information obtained from Receivers (i.e. students) is protected by security practices and procedures that include, at a minimum, adequate levels of physical security, personnel and access control, and network security.</p>	
<p><b>Objective:</b></p> <p>To determine whether UOM complies with NACHA Operating Rules for originating WEB entries according to the <i>2014 NACHA Operating Rules</i>.</p>	
<p><b>Conclusion and Audit Results:</b></p> <p>The audit objective was achieved. Based on our review of various University and TouchNet documents, policies, procedures, observation of practices in place, and discussions with personnel in the Bursar's Office and Information Technology Services (ITS), we conclude that the University of Memphis complies with the <i>NACHA Operating Rules</i> for processing WEB transactions. We noted no significant weaknesses or noncompliance items but did note some conditions that represent opportunities for improvement which were communicated to Management but were not included in this report.</p>	

**University of Memphis**  
**Banner Security Audit**  
**For the Period from December 2012 to May 2014**  
**Executive Summary**

<b>Title of Key Staff Person:</b> Vice Provost for Information Technology and Chief Information Officer	<b>Auditor:</b> Sr. Technology and Network Security Auditor
<p><b>Background:</b></p> <p>The Internal Audit personnel have completed an audit of the security of the University of Memphis (UOM) Enterprise Resource Planning System (ERP). The system includes modules supporting student enrollment, human resources, finance, and accounting functions.</p> <p>The University's ERP is Banner, a modular higher-education tailored software product developed by Ellucian/SunGard Higher Education. The Banner application is supported by an underlying database system to store, retrieve, and process data generated by the interactions of end users.</p>	
<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Determine the adequacy of the system configuration and security settings as they are related to the effectiveness of internal controls.</li> <li>• Determine the adequacy of the information security administration function, as it contributes to an effective system of internal controls.</li> <li>• Determine the adequacy of the information system Operational function as serves to promote an effective system of internal controls.</li> </ul>	
<p><b>Results:</b></p> <p>The current audit resulted in conditions noted regarding improvement of internal controls in certain areas which have been communicated to Management.</p>	
<p><b>Audit Conclusion:</b></p> <p>The audit objectives were achieved. Based on our review of various University ERP data, documents, policies, procedures, observation of practices in place, and discussions with personnel, we conclude that internal controls are generally effective.</p> <p>Opportunities for enhancement and improvement of internal controls were identified and the related recommendations were provided to management but were not included in this report. Management has already implemented some of the recommendations and is in-process addressing the other recommendations.</p>	

**Chattanooga State Community College**  
**Audit of ITS Disaster Recovery Plan**  
**January 2014**  
**Executive Summary**

<b>Key Staff Personnel</b>	Greg Jackson - Assistant Vice President, Information Technology Services (ITS) Jackie Stephenson - Director, Systems Development & Operations	<b>Internal Auditor</b>	Kimberly Clingan Director Internal Audit
<b>Introduction</b>	An internal audit of the Chattanooga State Community College ITS Disaster Recovery Plan (DRP) as of January 2014 was conducted by the Chattanooga State Community College (ChSCC) Internal Audit department. This audit was to assess ChSCC's ability to recover from a declared emergency or disaster using the developed Disaster Recovery Plan.		
<b>Objectives</b>	<ul style="list-style-type: none"> <li>To review internal controls over the IT Disaster Recovery Plan.</li> <li>To verify the adequacy, completeness and appropriateness of the Disaster Recovery Plan.</li> <li>To assess the availability of the processes and people to implement the Disaster Recovery Plan.</li> <li>To verify that the Disaster Recovery Plan is periodically tested and updated as necessary.</li> </ul>		
<b>Conclusion</b>	<p>The ITS DRP as of January 2014 is limited to mainly Banner, e-mail, and the website. The DRP lacks current testing of the plan as a whole or at the departmental level to ensure the plan's procedures will function as intended.</p> <p>Due to the lack of departmental understanding concerning the importance of a DRP, the plan is not an organization-wide plan that will ensure ChSCC's ability to recover from a declared emergency or disaster in a quick and timely manner.</p>		
<b>Recommendations</b>	<p>Based on the performed audit procedures, Internal Audit recommends:</p> <ul style="list-style-type: none"> <li>All non-Banner applications, including applications and servers housed in various ChSCC Departments, should be reviewed to determine if any are "mission critical" and should be include in the DRP.</li> <li>As a departmental joint project, evaluate the effect of a disaster on departmental servers and complete departmental DRP's.</li> <li>Complete the service level agreements with ChSCC departments for each application and/or the department as a whole.</li> <li>An equipment inventory should be included in each Department's DRP.</li> <li>Information Technology Services should complete the DRP test scheduled for 2014.</li> <li>The shared facilities agreement with Cleveland State Community College should be updated.</li> <li>Provide additional training to ITS staff and Department coordinators on DRP recovery procedures.</li> </ul>		
<b>Management Response</b>	<p>Information Technology Services agrees with the auditor's recommendations and will take the following actions to improve ChSCC's preparedness for a disaster.</p> <ul style="list-style-type: none"> <li>Compile a list of all applications in the data center as well as hosted by third parties and determine mission critical status by September 30, 2014.</li> <li>Work with other departments to ensure departments have a DR plan, department equipment inventory listing, and an evaluation of recovery time objectives.</li> <li>Complete a DRP test by August 31, 2014</li> <li>Obtain an updated shared facility agreement with Cleveland State Community College by August 31, 2014</li> <li>ITS will seek out training opportunities for staff members including meetings for department coordinator preparation for the DRP testing event.</li> </ul>		

**Cleveland State Community College**  
**NACHA WEB Audit**  
**June 2014**  
**Executive Summary**

<b>Title of Key Staff Person:</b> Chris Mowery	<b>Auditor:</b> Alvin Bishop
<b>Background:</b> Cleveland State has online registration and also permits students to pay fees. Cleveland State was informed by First Tennessee Bank that since we receive ACH web payments, NACHA required that CLSCC conduct an audit of the IT department data security yearly. This audit is to help ensure that individual financial information is secure.	
<b>Objectives:</b> To determine that Cleveland State Community College is in compliance with NACHA Operating Rules relative to Web entries.	
<b>Total Questioned Costs/Losses:</b> N/a	<b>Total Recoveries:</b> None
<b>Observations/Opportunities for Improvement:</b> N/A	
<b>Audit Conclusions:</b> Based on the review Cleveland State Community College is compliance with NACHA Operating Rules relative web entries.	



**Jackson State Community College**  
**Office of Information Technology – General Controls Review**  
**Executive Summary – Page 1 of 2**

Contact: Director of Information Technology	Auditor: IT Auditor, System-wide Internal Audit																														
<b>INTRODUCTION</b> A comprehensive Information Technology (IT) General Controls Review (GCR) was performed at Jackson State Community College (JSCC). The JSCC Office of Information Technology (OIT) serves the community college by providing technical services and computing solutions. The unit has four sections, Technical Services, Systems Administration, Database Administration and System Analysis.  The organizational structure and staffing level for OIT is approved by the President and the Vice President of Financial and Administrative Affairs (VP). The Director of Information Technology oversees the office and reports to the VP. OIT has positions for 13 full-time employees. OIT is responsible for hosting the college’s processing for Banner and other key application systems and implementing and maintaining the network, the computing hardware and software infrastructure used by the faculty, staff and students.  JSCC uses a Banner Oversight and an Information Security committees made up of the Director and other designated departmental leaders as its governance structure to provide oversight for IT functions and processes.																															
<b>OBJECTIVES</b> To determine the effectiveness and efficiency of IT functions and processes on operations; test the reliability and integrity of data and IT controls; and ensure compliance with applicable policies, procedures, laws, and regulations and to ensure adequate controls are in place to mitigate risks to acceptable levels.																															
<b>SCOPE</b> The audit focused on each of the following twenty functional areas within the JSCC Office of Information Technology categorized under administration, operations and security.																															
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<b>RECOMMENDATIONS</b> The review resulted in the following recommendations to strengthen controls and improve compliance with industry best practices and regulations and to reduce risk to acceptable levels.																															
<b>Information Technology Administration</b> 1. In coordination with an information security program being developed by the TBR System Office, enhance the JSCC Information Security Program Policy, being developed, with its associated procedures, to include: a) disclosure that the JSCC Information Security Committee is responsible for maintenance of this Policy; b) designation of an Information Security Officer and development of a security awareness and training program; and c) identification of JSCC’s existing Information Classification Policy, Acceptable Use Policy, Mobile Device Policy and OIT Security Procedures in the OIT General Standards as supporting policies and procedures.																															

**Jackson State Community College**  
**Office of Information Services – General Controls Review**  
**Executive Summary – Page 2 of 2**

**Information Technology Administration (continued)**

2. Ensure all employees and others with computer access privileges sign a statement affirming agreement with the acceptable usage of computing assets and the new information security program policies, when these policies are updated or completed.
3. Evaluate the existing governance structure for IT to ensure the management and activity of the Banner Oversight and IT Security Committees meet the full requirements for the college, its management and business users.
4. Develop a comprehensive IT procedure for logging and monitoring computer activity that defines the criteria for activity to be logged, the timing and responsibility for monitoring the logs and the processes for handling identified exceptions.
5. Implement an Incident Response Procedure, so that unauthorized access attempts or information breaches are documented and handled according to notification and documentation requirements of regulations, such as FERPA.

**Information Technology Operations**

6. Remove administrative privileges of users on their assigned workstations to reduce the risks of unauthorized changes to established system configurations and the uploading of unauthorized software.
7. Develop tracking processes to alert OIT personnel when attempts to alter anti-virus program functionality or to implement unauthorized software occur.
8. Document the business-side of the Business Continuity Plan (BCP) to ensure business recovery requirements and objectives are established and planned; assign the role and responsibilities of BCP Coordinator to the person who will maintain the plan and will prepare personnel in advance of an event requiring use of the plan.
9. Develop a process to test parts of the BCP periodically to ensure the plan's effectiveness for recovery.

**Information Technology Security**

10. Document, in the network topology diagram, the location of network access points and the layers of security in place at each point, which may also be used in the disaster recovery processes.
11. Develop information security processes to: a) distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users; b) review and delete active access privileges of terminated employees and suspend the Banner access privileges of users who have not logged in within the last 120 days; and c) complete the process of periodically reviewing each user's computer access privileges to re-justify the assigned access privileges as appropriate.

**MANAGEMENT'S COMMENTS**

Management provided positive responses to the recommendations and indicated appropriate actions would be taken to implement and improve policies and procedures, evaluate the governance structure of information technology, better manage the technical assets, improve documentation and testing for business continuity and improve the security procedures.

**Pellissippi State Community College**  
**Information Services**  
**Information Technology General Controls Review**  
**Executive Summary – Page 1 of 2**

Contact: Vice President of Information Services	Auditor: IT Auditor, System-wide Internal Audit																												
<b>INTRODUCTION</b>																													
A comprehensive Information Technology (IT) General Controls Review (GCR) was performed at Pellissippi State Community College (PSCC). The PSCC Information Services division serves the community college by providing technical services and computing solutions. The division has five sections, Network and Technical Services, Applications Program Support, Data Analytics, Education Technology Services and Library Services.																													
The organizational structure and staffing level for Information Services is approved by the President. The Vice President of Information Services oversees the division and reports to the President. Information Services has positions for up to 62 full-time employees. This division is responsible for hosting the college’s processing for Banner and other key application systems and implementing and maintaining the network, the computing hardware and software infrastructure and audio/visual equipment used by the faculty, staff and students.																													
PSCC uses a Banner Oversight Group made up of the Vice President and other designated departmental leaders as its governance structure to provide oversight for IT functions and processes.																													
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<div><div>5.</div><div>Implement a process to manage the relationships of IT specific vendors and document the results of steps performed to manage these vendors; especially those with access to sensitive or confidential information.</div></div>																													
<div><div>6.</div><div>Implement a PSCC Incident Response Procedure, so unauthorized access attempts or any information breaches are documented and handled according to requirements.</div></div>																													

**Pellissippi State Community College**  
**Information Services**  
**Information Technology General Controls Review**  
**Executive Summary – Page 2 of 2**

**Information Technology Operations**

7. Develop inventory and tracking processes for all IT computing equipment and software to ensure proper management of computing assets, including hardware maintenance, software patching, anti-virus program updates and other aspects of hardware and software management.
8. Implement a process that alerts designated Information Services personnel when attempts occur to connect unauthorized equipment to the network or to copy or upload unauthorized software.
9. Establish a process where Help Desk tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.
10. Document file restoration activities, so Information Services can demonstrate the ability for data recovery from backed up media.
11. Document the business-side of the Business Continuity Plan (BCP) to ensure business recovery requirements and objectives are established and planned; assign the role and responsibilities of BCP Coordinator to the person who will maintain the plan and will prepare personnel in advance of a disaster or other event requiring use of the plan; and develop a process to test parts of the BCP periodically to ensure the plan's effectiveness for recovery.

**Information Technology Security**

12. Document in the network topology diagram the layers of security in place, which may also be used in the disaster recovery processes.
13. Block access to selected websites that do not render themselves to educational purposes on computers linked to the college's network to reduce the risks of unauthorized use, as well as the risks of viruses and malicious programs.
14. Develop a process to periodically check the configuration of computer anti-virus software to ensure workstations are updated and functioning properly.
15. Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users.
16. Establish a process to periodically review each user's computer access privileges to re-justify assigned access privileges.
17. Update password requirements in the Default Domain Policy of Active Directory to ensure the use of stronger password controls as defined in TBR Guideline G-051 and industry best practices.
18. Evaluate the existing access privileges to the Oracle database, which allow modifications to the production environment. If this access level is required to meet the needs of the institution, establish a review process to ensure appropriate approval of changes performed.
19. Determine personnel with unrestricted access to the server room and take steps to limit access to only those with a business need.
20. Reassess and document the process for logging and monitoring system utilization data and alerts.

**MANAGEMENT'S COMMENTS**

Management provided positive responses to the recommendations and indicated appropriate actions would be taken to implement and improve policies and procedures, evaluate the governance structure of information technology, better manage the technical assets, improve documentation and testing for business continuity and improve the security of information.

**Austin Peay State University**  
**Student Assistance Fund Review**  
**For the Period from July 1, 2013 to June 30, 2014**  
**Executive Summary**

<b>Title of Key Staff Person:</b> Tara Pfeifler, Compliance Coordinator	<b>Auditor:</b> Beth Chancellor, Internal Auditor
<b>Background:</b> The review of the expenditures generated by the Student Assistance Fund for the year ended June 30, 2014 was performed at the request of the Ohio Valley Conference (OVC).	
<b>Objectives:</b> To determine whether disbursements from the 2013-2014 Student Assistance Fund were in compliance with established National Collegiate Athletic Association (NCAA) guidelines. To verify that expenditures agreed with invoices on file and approvals were obtained by appropriate administrators.	
<b>Total Questioned Costs/Losses:</b> N/A	<b>Total Recoveries:</b> N/A
<b>Findings:</b> There were no findings noted for the year ended June 30, 2014.	
<b>Observations/Opportunities for Improvement:</b> Internal Audit noted that adjustments need to be made to the FY 2013-2014 Report of Student Assistance Fund Financial Activity. Funds received from the OVC Office should be \$127,579. The expenditures should have been \$172,404.94 and the balance of funds on hand at June 30, 2014 should be \$117,359.82 which includes \$1,164.04 in total gift card balances. Again this year, it is the recommendation of Internal Audit that the remaining balances on gift cards be cashed in and deposited into the Student Assistance Fund account before the end of each fiscal year.	
<b>Audit Conclusions:</b> The results of the review indicate that the Athletic Office has a process in place to ensure that student-athletes are eligible to receive the funds and that expenditures from the funds were in compliance with NCAA guidelines.	

**INTERNAL AUDIT REPORT  
TENNESSEE STATE UNIVERSITY  
STUDENT ASSISTANCE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
EXECUTIVE SUMMARY**

<b>Key Staff Person:</b> Tess Hickerson Assistant Compliance Director	<b>Auditor:</b> Mike Batson
<b>Objectives:</b> <ol style="list-style-type: none"> <li>1. To determine if the NCAA Student Assistance Fund program expenditures for fiscal year 2014 were in compliance with NCAA guidelines.</li> <li>2. To determine if account balances and expenditures were accurately reported to the Ohio Valley Conference.</li> </ol>	
<b>Total Questioned Costs/Losses:</b> N/A	<b>Total Recoveries:</b> N/A
<b>Findings:</b> <p style="margin-top: 10px;">No findings were noted for the year ended June 30, 2014.</p>	
<b>Summary:</b> <p style="margin-top: 10px;">Our review did not note any material weaknesses with regard to the NCAA Student Assistance Fund for the fiscal year ended June 30, 2014.</p>	
<b>Audit Conclusions:</b> <p style="margin-top: 10px;">The results of our review indicate that the Athletic Department has controls in place to ensure that students who receive the funds are eligible for the funds, that expenditures of the funds were in compliance with NCAA guidelines, and that the expenditures were accurately reported for the fiscal year ended June 30, 2014.</p>	

**TENNESSEE TECH UNIVERSITY**  
**NCAA Student Assistance Fund**  
**August 4, 2014**  
**Executive Summary**

**Key Staff Person:** Assistant Athletic Director for Business and Personnel

**Auditor:** TTU Director of Internal Audit

**Objectives**

The objectives of this audit were to verify the accuracy and timeliness of the annual reports of Student Assistance Fund expenditures and determine if those funds were spent according to the NCAA Student Assistance Fund Guidelines. The Student Assistance Fund consists of the Special Assistance Fund (SAF) and Student Athlete Opportunity Fund (SAOF).

**Total Questioned Losses:** None

**Total Recoveries:** None

**Observations**

TTU Athletics spent \$175,252.37 in Student Assistance Funds to benefit 89 student athletes during 2013-14. All funds were spent for summer scholarships, medical/dental expenses, or insurance for individual athletes.

**Finding**

The number of student-athletes receiving Pell reported to the NCAA was overstated by one.

**Conclusions**

All students who received Student Assistance Fund benefits were eligible to do so, and expenditures from the Student Assistance Fund were only for the type of items allowable in the NCAA Student Assistance Fund Guidelines. Adequate documentation was on hand for all expenditures.

Totals by sport, GIA status, and type of expenditure as reported to the NCAA on July 7, 2014, were accurate. The information on the NCAA SAOF/SAF Pell Grant Information report submitted on July 7, 2014, was accurate with one exception noted in the finding. The information on the Report of Student Assistance Fund Activity submitted to the OVC on July 7, 2014, was accurate. Reports to the NCAA and OVC were submitted by their respective deadlines.

Management has proposed actions that should ensure the number of Pell student-athletes reported to the NCAA is correctly reported for fiscal year 2014-15.

**University of Memphis**  
**Athletics - Travel Expenses**  
**Executive Summary**  
**September 4, 2014**

<b>Title of Key Staff Person:</b> Senior Associate Athletic Director-Finance	<b>Auditors:</b> Senior Internal Auditor and Financial/Compliance Auditor
<b>Background:</b>  Internal Audit personnel have completed an audit of Athletics Department travel expenses, which included both individual and team travel. The University of Memphis athletics program is a NCAA Division I program and has teams in several sports within the American Athletics Conference. Fiscal year 2013 Athletic Department travel expenditures totaled approximately \$4.5 million, which is about 44% of total University travel expenditures of \$10.2 million for fiscal year 2013.	
<b>Objectives:</b>  The objectives of the audit were to determine: <ul style="list-style-type: none"> <li>• That travel by Athletics Department employees (non-coach travel) is carried out in accordance with TBR and University policies governing such practices.</li> <li>• That travel for athletic recruiting (coach travel) is carried out in accordance with TBR and University policies governing such practices.</li> <li>• That travel by Athletic teams (students-athletes, employees, and guests) is carried out in accordance with TBR and University policies governing such practices.</li> <li>• Whether the internal controls in place to govern and monitor both employee and team travel and subsequent submission of reimbursement claims provide reasonable assurance that travel and reimbursement claims are carried out accurately and efficiently.</li> </ul>	
<b>Results:</b> <ul style="list-style-type: none"> <li>• Athletic team travel claims were not consistently submitted within the specified time frame under the travel policy. This was not noted as a significant issue but was noted as an area for review and improvement by Management.</li> <li>• In some cases, large cash advances were obtained for team travel. Athletics is considering other options to possibly reduce the amount of cash needed.</li> <li>• We noted documentation issues related to compiling and organizing team travel records that resulted from the lack of centralized travel administration. This caused issues with travel expenditure processing and retention of complete team trip documentation.</li> </ul>	
<b>Audit Conclusion:</b>  The audit objectives were achieved. Based on the results of all audit work performed, internal controls were generally adequate. However, we identified conditions where controls and processes could be improved. Management has indicated agreement and changes are in process to address the recommendations.	



**Chattanooga State Community College**  
**Athletic - Financial Aid Audit**  
**January 1, 2013 through December 31, 2013**  
**Executive Summary**

<b>Key Staff Personnel</b>	Jeanne Hinchee, Director – Financial	<b>Internal Auditor</b>	W. Jude Weidner Audit Specialist
<b>Introduction</b>	<p>An internal audit was performed to determine Chattanooga State Community College's Grants-In-Aid compliance with NJCAA (National Junior College Athletic Association), TBR guidelines and Chattanooga State Community College (ChSCC) policies for the period January 1, 2013 through December 31, 2013.</p> <p>Grants-In-Aid are awarded to any student athlete in recognition of his/her athletic ability provided the student athlete is admitted to the institution as a regular student. Financial Aid is limited to a maximum of:</p> <ol style="list-style-type: none"> <li>1. Tuition and Fees.</li> <li>2. Room and Board.</li> <li>3. Required course-related books.</li> <li>4. Transportation costs.</li> </ol> <p>Administration of financial assistance awarded to a student athlete is officially recorded and disbursed by ChSCC through the Financial Aid Office.</p>		
<b>Objectives</b>	<p>To determine if scholarship student athletes, who also received a Pell grant, were limited to the amount of cash they received in accordance with NJCAA regulations, TBR guidelines and ChSCC policies.</p> <ul style="list-style-type: none"> <li>• Combined total of athletic scholarship, Pell grant, and other countable aid awarded did not exceed the amount allowable under the NJCAA regulations.</li> <li>• Total athletic scholarship did not exceed the amount allowable under TBR guidelines.</li> <li>• Total athletic awards by sport did not exceed NJCAA regulations, TBR guidelines and ChSCC policies.</li> <li>• Grant in aid awards were given within the time period specific by NJCAA regulations.</li> </ul>		
<b>Findings/ Recommendations</b>	None		
<b>Conclusion</b>	ChSCC is in compliance with the rules of the National Junior College Athletic Association, Institution and TBR guidelines in regard to Financial Aid awarded to student athletes.		

**Tennessee College of Applied Technology at Athens**  
**Focused Operational Review**

<b>College Director:</b> Mr. Stewart Smith		<b>Internal Auditor:</b> Helen Vose, CIA, CFE	
<b>Report Date:</b> August 4, 2014		<b>Audit Period:</b> Fiscal Year Ending June 30, 2013	
<b>Purpose and Scope:</b>	To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas: <ul style="list-style-type: none"><li>• Cash Receipts</li><li>• Cash Deposits</li><li>• Livework Projects</li><li>• Accounts Receivable</li><li>• Federal Financial Aid<ul style="list-style-type: none"><li>– Title IV Eligibility</li><li>– Title IV Refunds</li><li>– Student Award Process</li></ul></li><li>• Pell reconciliation to FISAP</li><li>• Lottery reconciliation to TSAC</li></ul>		
<b>Prior Audit Results:</b>	The TCAT Athens had two observations during the operational audit released September 21, 2010. Duties were not adequately segregated for one individual involved in preparing and reviewing the bank reconciliation, petty cash disbursement, deposit preparation, and cash receipting. The duties have been adequately segregated. The college also had a Skills USA bank account which was a potential liability to the school. The account was closed May 2010 and the funds are processed through an agency fund at the lead institution.		
<b>Current Audit Results:</b>	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear generally adequate except as noted in the observation below. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted. However, one opportunity for improvement was noted.		

**Observation**

1. Accounts Receivable

Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.

**Corrective Action:** The Director will sign and date the accounts receivable reconciliation to document their review as an additional control.

**Audit Results**

1. Cash Receipts and Deposits

Cash receipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the general ledger, reviewed by management and deposits were made timely, within TBR Policy 4:01:01:10.

2. Livework

Livework forms were properly approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable

Students who owe monies to the college were notified in the required time period. If necessary, more than one collection letter was sent. The accounts receivable account maintained by the college was reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation is reviewed but the review is not documented management. See observation above.

4. Financial Aid - Federal Title IV and Lottery

Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The processes to award and notify students of financial aid eligibility and awards were adequate. The fiscal year 2013 Federal Fiscal Operations Report and Application to Participate (FISAP) was reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

**Tennessee College of Applied Technology at Hartsville**  
**Focused Operational Review**

<b>College Director:</b> Mrs. Mae Perry		<b>Internal Auditor:</b> Helen Vose, CIA, CFE	
<b>Report Date:</b> September 5, 2014		<b>Audit Period:</b> Fiscal Year Ending June 30, 2013	
<b>Purpose and Scope:</b>	To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas: <ul style="list-style-type: none"><li>• Cash Receipts</li><li>• Cash Deposits</li><li>• Livework Projects</li><li>• Accounts Receivable</li><li>• Federal Financial Aid<ul style="list-style-type: none"><li>– Title IV Eligibility</li><li>– Title IV Refunds</li><li>– Student Award Process</li></ul></li><li>• Pell reconciliation to FISAP</li><li>• Lottery reconciliation to TSAC</li></ul>		
<b>Prior Audit Results:</b>	The TCAT-Hartsville had no findings or observations in the operational audit released June 7, 2010, but 2 best practices were noted. The best practices included a key audit of the campus and annual conflict of interest forms completed by senior administrative staff.		
<b>Current Audit Results:</b>	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear generally adequate. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted.		

**Audit Results**

1. Cash Receipts and Deposits

Cash receipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the general ledger and reviewed by management. Deposits were made timely, within TBR Policy 4:01:01:10.

2. Livework

Livework forms were properly approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable

Students who owe monies to the college were notified in a timely manner. If necessary, more than one collection letter was sent. The accounts receivable accounts maintained by the college were reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation was reviewed and the review is documented monthly by management.

4. Financial Aid - Federal Title IV and Lottery

Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The processes to award and notify students of financial aid eligibility and awards were adequate. The fiscal year 2013 Federal Fiscal Operations Report and Application to Participate (FISAP) was reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

**Tennessee College of Applied Technology at Jackson**  
**Focused Operational Review**  
**Page 1 of 2**

<b>College Director:</b> Mr. Jeff Sisk		<b>Internal Auditor:</b> Helen Vose, CIA, CFE	
<b>Report Date:</b> September 5, 2014		<b>Audit Period:</b> Fiscal Year Ending June 30, 2013 & Accounts Receivable Fiscal Year Ending June 30, 2014	
<b>Purpose and Scope:</b>	To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas: <ul style="list-style-type: none"><li>• Cash Receipts</li><li>• Cash Deposits</li><li>• Livework Projects</li><li>• Accounts Receivable</li><li>• Federal Financial Aid<ul style="list-style-type: none"><li>– Title IV Eligibility</li><li>– Title IV Refunds</li><li>– Student Award Process</li></ul></li><li>• Pell reconciliation to FISAP</li><li>• Lottery reconciliation to TSAC</li></ul>		
<b>Prior Audit Results:</b>	The operational audit released in November 2012 included findings regarding financial aid and accounts receivable. The findings noted that state and federal student receivables were not balanced with the lead institution, Tennessee Student Assistance Corporation (TSAC) or the Department of Education and collection procedures for student accounts receivable were not adequate.  The Director reviewed the processes for financial aid and accounts receivable and re-aligned staff placement in these areas. The state and federal aid accounts have been balanced to the lead institution, TSAC and the Department of Education. The duties for notifying and sending the delinquent notifications to students are scheduled at a specified time each month, but the procedure was not consistently followed as noted in finding 1 in this report.		
<b>Current Audit Results:</b>	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear generally adequate. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted. However, two opportunities for improvement were noted.		

**Finding**

1. Accounts Receivable

Twelve of 15 (75%) second collection letters were sent 1-55 days after the first letter was mailed, allowing 45 days for students to respond or make payment, and 5 of 15 (30%) third collection letters were sent 2 days after the scheduled mailing date allowing for 30 days for students to respond or make payment. TCAT staff stated the delays were due to the scheduled mailing date falling on a weekend, administrative break, or work related conflicts such as registration.

TBR Guideline B-010, *Collection of Accounts Receivable*, section II.C., states, "A minimum of three billings or letters of contact shall be sent by the institution at thirty day intervals once an account becomes delinquent."

**Corrective Action:** Management will review the process to ensure letters scheduled to be sent during breaks are sent before the break or immediately upon return to ensure the lapse in correspondence is minimal.

**Tennessee College of Applied Technology at Jackson**  
**Focused Operational Review**  
**Page 2 of 2**

2. Accounts Receivable

TCAT-Jackson uses a modification of the TBR Guideline B-010, *Collection of Accounts Receivable*. The Guideline requires collection letters be sent every 30 days but does allow flexibility in the process if collections efforts are not hindered. TCAT Jackson has decided to allow 45 days for a response or payment after the first letter and 30 days after the second. However, the modification to the Guideline was not documented.

TBR Guideline B-010, *Collection of Accounts Receivable*, section II.C., states, "A minimum of three billings or letters of contact shall be sent by the institution at thirty day intervals once an account becomes delinquent."

**Corrective Action:** Management has documented the current collections process to be included in the policy and procedure manual.

**Audit Results**

1. Cash Receipts and Deposits

Cash receipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the general ledger and reviewed by management. Deposits were made timely, within TBR Policy 4:01:01:10.

2. Livework

Livework forms were properly logged, approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable

Students who owe monies to the college were not always billed in the required time period established by the college as noted in the finding above. The procedures established by the college were not documented as indicated in the observation above. If necessary, more than one collection letter was sent. The accounts receivable account maintained by the college is reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation is reviewed and the review documented each month by management.

4. Financial Aid - Federal Title IV and Lottery

Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The process to award and notify the student of financial aid eligibility and award was adequate. The fiscal year 2013 Federal Fiscal Operations Report and Application to Participate (FISAP) was reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

**Tennessee College of Applied Technology at Knoxville**  
**Focused Operational Review**  
**Page 1 of 2**

<b>College Director:</b> Mr. Dwight Murphy		<b>Internal Auditor:</b> Helen Vose, CIA, CFE	
<b>Report Date:</b> August 19, 2014		<b>Audit Period:</b> Fiscal Year Ending June 30, 2013	
<b>Purpose and Scope:</b>	To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas: <ul style="list-style-type: none"><li>• Cash Receipts</li><li>• Cash Deposits</li><li>• Livework Projects</li><li>• Accounts Receivable</li><li>• Federal Financial Aid<ul style="list-style-type: none"><li>– Title IV Eligibility</li><li>– Title IV Refunds</li><li>– Student Award Process</li></ul></li><li>• Pell reconciliation to FISAP</li><li>• Lottery reconciliation to TSAC</li></ul>		
<b>Prior Audit Results:</b>	The TCAT Knoxville had one observation during the operational audit released April 16, 2010. Duties were not adequately segregated since the Administrative secretary had responsibilities to prepare petty cash checks and was also a signatory. The duties between preparer and signatories have been reassigned.		
<b>Current Audit Results:</b>	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear generally adequate except as noted in the observation below. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted. However, three opportunities for improvement were noted.		

**Findings**

1. Accounts Receivable

For four of 10 (40%) student receivables tested, collection letters were sent 20 to 26 days late, after allowing 45 days for students to respond or make payment.

Management stated letters were sent late because of an employee's absence due to illness. TBR Guideline B-010, *Collection of Accounts Receivable*, section II.C., states, "A minimum of three billings or letters of contact shall be sent by the institution at thirty day intervals once an account becomes delinquent."

**Corrective Action:** Management will review duties for the Financial Coordinator to ensure all duties are covered in case of absence.

2. Financial Aid

Two of 7 (29%) Title IV refunds tested were not processed within the 45 day Federal requirement, which delayed staff in sending the debt notification letters to students. Management stated one staff member was performing a majority of the financial aid duties, which delayed processing and paperwork may have been misplaced. Additionally, faculty were reminded there are deadlines for termination forms.

The Federal Student Financial Aid Handbook, Volume 5, Chapter 2, page 31 states, "A school must always return any unearned Title IV funds it is responsible for returning within 45 days of the date the school determines the student withdrew." Title IV refunds tested were processed between 30 and 94 days late.

**Tennessee College of Applied Technology at Knoxville**  
**Focused Operational Review**  
**Page 2 of 2**

**Corrective Action:** Management has reviewed and realigned the financial aid office duties and increased staff to address the issue of having one staff member performing a majority of the functions and reminded the faculty of the importance of submitting termination forms in a timely manner.

**Observation**

1. Accounts Receivable

TCAT-Knoxville uses a modification of the TBR Guideline B-010, *Collection of Accounts Receivable*. The Guideline does allow flexibility in the process and TCAT Knoxville has decided to send the letters at 45 day intervals. However, the modification to the Guideline was not documented.

TBR Guideline B-010, *Collection of Accounts Receivable*, section II.A.1. states, "Each institution shall establish a systematic process for collecting receivables from all persons including students and employees. The provisions included in this guideline may be modified by an institution based on sound and responsible management practices."

**Corrective Action:** Management has documented the current collections process to be included in the policy and procedure manual.

**Audit Results**

1. Cash Receipts and Deposits

Cash receipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the general ledger, reviewed by management and deposits were made timely, within TBR Policy 4:01:01:10.

2. Livework

Livework forms were properly approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable

Students who owe monies to the college were not always notified in the required time period, as noted in finding 1 above. The procedures established by the college were not documented. See observation above. If necessary, more than one collection letter was sent. The accounts receivable account maintained by the college was reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation was reviewed and the review is documented periodically if not monthly by management.

4. Financial Aid - Federal Title IV and Lottery

Students were determined by the college to be eligible for financial aid prior to requesting funds. Title IV and Lottery refunds were not always returned to the grantors within the required time frame, as noted in finding 2 above. The processes to award and notify students of financial aid eligibility and awards were adequate. The fiscal year 2013 Pell disbursements were reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

**Tennessee College of Applied Technology at Pulaski**  
**Focused Operational Review**  
**Page 1 of 2**

<b>College Director:</b> Mr. Tony Creecy		<b>Internal Auditor:</b> Helen Vose, CIA, CFE	
<b>Report Date:</b> September 5, 2014		<b>Audit Period:</b> Fiscal Year Ending June 30, 2013	
<b>Purpose and Scope:</b>	To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas: <ul style="list-style-type: none"><li>• Cash Receipts</li><li>• Cash Deposits</li><li>• Livework Projects</li><li>• Accounts Receivable</li><li>• Federal Financial Aid<ul style="list-style-type: none"><li>– Title IV Eligibility</li><li>– Title IV Refunds</li><li>– Student Award Process</li></ul></li><li>• Pell reconciliation to FISAP</li><li>• Lottery reconciliation to TSAC</li></ul>		
<b>Prior Audit Results:</b>	The TCAT Pulaski had one finding and one observation during the operational audit released July 8, 2013. The finding noted that Financial Aid had not received termination forms in a timely manner from instructors, which delayed staff in sending debt notification letters to students. Management informed the instructors of the federal deadlines to process and return Title IV funds, but the finding is repeated in this report. The observation noted the TCAT was not in compliance with the Payment Card Industry-Data Security Standards. The certification of compliance was obtained in April 2013.		
<b>Current Audit Results:</b>	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear generally adequate except as noted in the findings and observation below. Management monitors key controls on a regular basis. The audit revealed significant issues of noncompliance with federal and TBR requirements, but a significant deficiency in operations was not noted. However, the findings and observation note opportunities for improvement.		

**Finding**

1. Financial Aid

As noted in the prior operational audit, Title IV refunds were processed late; during the current audit period, 3 of 7 (43%) Title IV refunds were processed between 7 and 50 days late. Refunds were not processed within the 45 day Federal requirement. It appeared the termination forms were not submitted by faculty to Financial Aid in a timely manner. The Federal Student Financial Aid Handbook, Volume 5, Chapter 2, page 31 states, "A school must always return any unearned Title IV funds it is responsible for returning within 45 days of the date the school determines the student withdrew."

**Corrective Action:**

Management has informed the instructors of the importance of submitting the termination forms immediately because of federal requirements. Also, TCAT-Pulaski has employed a Financial Aid Clerk to assist in the timely processing of Title IV refunds. In addition, the Administrative Assistant who handles student records has been reminded of the importance of processing student terminations and forwarding them to the financial office for refund calculations within the timeframe prescribed by the U.S. Department of Education.

2. Accounts Receivable

Collection letters for student accounts receivables tested were sent from 5 to 195 days late. At least one of the three collection letters required by TBR guidance was sent late to each of the 7 students tested. The initial debt notification letter was not sent within 30 days of incurring the debt for 1 of the 7 students. The second collection letter was not sent timely for 6 of the students and the third letter was not sent timely for 1 student. TBR Guideline B-010, *Collection of Accounts Receivable*, section II.C., states, "A minimum of three billings or letters of contact shall be sent by the institution at thirty day intervals once an account becomes delinquent."

**Corrective Action:**

1. Management has informed the instructors of the importance of submitting the termination forms immediately because of federal requirements.
2. Management reviewed the process for sending the notification letters and found it more efficient for the business office to perform this function after the first letter is sent by Financial Aid to ensure the letters are sent at 30 day intervals.



**Tennessee College of Applied Technology at Pulaski**  
**Focused Operational Review**  
**Page 2 of 2**

**Observation**

1. Financial Aid

For one of 5 (20%) students' tested for Title IV eligibility, the college had not completed the verification process. The students file did not contain the required verification items. Federal financial aid regulations require that institutions perform verification procedures for certain eligibility elements. Chapter 4 of the Application and Verification Guide, p. 75, requires that the school have written policies and procedures regarding, "Deadlines for students' to submit documentation and consequences of the failure to meet those deadlines." Additionally, p. 89 of the Federal Register for the applicable period states, "Verification documents must be submitted and received no later than the earlier of 120 days after the student's last date of enrollment or September 19, 2013."

The verification items for this student were not obtained before or after the student's enrollment, causing the student to be ineligible for financial aid. Also, the financial aid provided to the student has not been returned to the grantor.

**Corrective Action:**

1. Verification items are now collected for new students prior to enrollment during orientation. If the items are not supplied during orientation, the student will be asked to submit the paperwork prior to their start date so the information can be verified.
2. Continuing students must submit the requested information by the end of the current term or the financial aid check will be withheld.
3. Failure to submit the required verification documents in a timely manner will result in the financial aid office rendering the student not eligible to utilize Title IV funds.
4. The financial aid funds in question must be returned to the grantor since failing to return the verification items caused the student to be ineligible.

**Audit Results**

1. Cash Receipts and Deposits

Cash receipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the general ledger and reviewed by management. Deposits were made timely, within TBR Policy 4:01:01:10.

2. Livework

Livework forms were properly approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable

Students who owe monies to the college were not always notified in the required time period as noted in finding 2 above. If necessary, more than one collection letter was sent at the required intervals except as noted in finding 2 above. The accounts receivable account maintained by the college is reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation is reviewed and the review is documented periodically, if not monthly, by management.

4. Financial Aid - Federal Title IV and Lottery

Students were determined by the college to be eligible for financial aid prior to requesting funds except as noted in observation 1 above. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame, except as noted in finding 1 above. The processes to award and notify students of financial aid eligibility and awards were adequate except as noted in observation 1 above. The fiscal year 2013 Pell disbursements were reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

**Tennessee Board of Regents  
Audit Committee  
September 25, 2014**

***Internal Audit Follow-Up Reports  
For Informational Purposes***

**Middle Tennessee State University**  
**Follow-up for Special Review of Classroom Technology Department**  
**For the Period July 1, 2010 through June 30, 2012**  
**Executive Summary**

**Introduction:**

A follow-up review of the Middle Tennessee State University (MTSU) classroom technology department was performed to determine whether management had implemented the corrective action proposed to the three audit recommendations noted in the audit report issued March 13, 2013.

**Objectives:**

To determine if management has implemented the corrective action proposed to the audit recommendations and to make recommendations for correcting deficiencies or improving operations.

**Estimated Loss: \$2,494.05**

**Total Recoveries: \$0.00**

**Previous Audit Recommendations and Management's Response:**

The management of the Information Technology Division (ITD) should:

- Establish an inventory system for computer monitors and other peripheral supply items.
- Ensure employees are knowledgeable of work time requirements and leave policies & procedures.
- Consider appropriate disciplinary action for the manager who used the university vehicles for personal use.

*Management concurred with the report and the manager's employment with MTSU was terminated on August 16, 2012 for gross misconduct. The university is seeking reimbursement for the apparent personal use of the vehicle. A parts inventory maintenance process was implemented and applicable university leave policies and divisional procedures were reviewed with managers and employees.*

**Conclusion:**

Based on the review performed, it appears management has implemented the corrective action proposed to the audit recommendations. The university billed the prior manager for the loss amount of \$2,494.05 but no payments have been received.

**Tennessee State University  
Follow Up to the State Audit Report  
For The Fiscal Year Ended June 30, 2013  
Executive Summary**

<b>Key Staff Person:</b> Various	<b>Auditor:</b> Mike Batson
<b>Objective:</b> The objective of this review was to determine if management has implemented corrective actions for the findings noted in the Division of State Audit's audit report for the fiscal year ended June 30, 2013.	
<b>Total Questioned Costs/Losses:</b> N/A	<b>Total Recoveries:</b> N/A
<b>Findings:</b> 1. Tennessee State University did not provide adequate information technology controls over the Banner computer system.  Note: The published State Audit report did not identify either the two specific conditions noted in this finding, or the university's planned corrective actions, in order to mitigate potential security risks that could result from publicly identifying those vulnerabilities  <b>Status:</b> The university is making progress with corrective actions for one of the two conditions identified in the finding, and expects them to be completely implemented by November 1, 2014. The university has implemented several corrective measures regarding the second condition, and plans to complete the remaining measures by September 1, 2014. Note: Neither the published State Audit report nor this report identify the two specific conditions that State Audit noted, in order to mitigate potential security risks.  2. The Bursar's Office did not properly report student status changes to the contracted Perkins loan servicer, resulting in delayed conversions to repayment status for certain students.  <b>Status:</b> The university has implemented a process of reviewing and reconciling the Banner and UAS reports in order to identify and report Perkins loan students who either withdraw or cease to be enrolled on at least a half-time basis. These procedures should address the risks identified in the finding.  3. Tennessee State University staff did not always promptly return financial aid refunds caused by unofficial withdrawals.  <b>Status:</b> The university has revised and implemented policies and procedures that should mitigate the risks identified in the findings.	
<b>Audit Conclusions:</b> The university has revised and implemented policies and procedures that should mitigate the risks identified in the findings. With regard to the two issues noted in the finding concerning information technology controls, the university is still working to implement some of the corrective measures planned to address the finding.	

**University of Memphis**  
**Follow Up to the State Audit Report – FY 2013**  
**Executive Summary**  
**July 29, 2014**

<b>Key Offices:</b> Business and Finance, Information Technology Services, Bursar, Financial Aid	<b>Auditors:</b> Sr. IT and Network Security Auditor, Sr. Internal Auditor, and Financial/Compliance Auditor
<b>Background:</b> Internal Audit personnel recently completed a follow-up review of the findings reported by the State of Tennessee Division of State Audit for the fiscal year 2013 audit. The prior audit report was issued January 6, 2014 and contained two findings.	
<b>Objectives:</b> The objective of this review was to determine if management has implemented corrective actions for the findings noted in the Division of State Audit’s report for the fiscal year ended June 30, 2013.	
<b>Total Questioned Costs/Losses: None</b>	<b>Total Recoveries: None</b>
<b>Findings:</b> <b>1. <u>University of Memphis data security policies contained weaker controls than industry based best practices require.</u></b>  <b>Status:</b> Based on our follow-up, UOM ITS management has implemented changes to the password policy which comply with the recommendations made by State Audit to improve controls in this area.  <b>2. <u>The University of Memphis did not report student status change dates correctly, resulting in excessive grace periods for repayment of Perkins Loans.</u></b>  <b>Status:</b> Our follow-up indicated that Management has implemented changes to address the recommendation from State Audit. The Bursar and Financial Aid Offices have jointly identified staff and written procedures to address the Perkins Loan Exit Process to ensure compliance. The internal control procedures include several new steps that provide double-checking of information between both offices to ensure the correct status is updated with the loan services vendor for the University. The Financial Aid Office has reviewed exit dates of every law school graduate for the past two fiscal years to ensure that the correct status is indicated. In addition, Management has indicated that the Financial Aid , Bursar, Finance and Enrollment Services Offices will perform out of cycle risk assessments on a going forward basis to ensure any issues are resolved promptly should exceptions or unusual circumstances arise in the future with Perkins Loans.	
<b>Audit Conclusion:</b> The follow-up audit objectives were achieved. Based on our follow-up work, management has taken corrective actions that address the issues identified in the audit findings. Our follow-up review resulted in no new significant or material issues. Additional details were provided for Management regarding our follow-up regarding the Information Technology area in a “Limited Use” report due to the confidential nature of that information.	

**Chattanooga State Community College**  
**Follow up to Travel Expenditure Audit for Fiscal Year ended June 30, 2010**  
**July 1, 2013 through March 31, 2014**

<b>Key Staff Personnel</b>	Terri Cotter – Account Clerk Supervisor - Business Office	<b>Internal Auditor</b>	W. Jude Weidner Audit Specialist
<b>Introduction</b>	<p>Chattanooga State Community College (ChSCC) Internal Audit conducted audit of travel expenditures for the fiscal year ended June 30, 2010 that was completed in February 2011. Internal Audit reviewed travel expenditure documentation to determine if the College was complying with TBR and Institutional policies and procedures that govern institutional travel. This audit revealed that policies and procedures for team and group travel were not being followed consistently.</p> <p>A follow up audit examining travel expenditures for the period July 1, 2012 through December 31, 2012 was completed in May 2013 and determined that some, but not all of the corrective actions had been implemented.</p>		
<b>Objectives</b>	<p>The objective of this follow up review was to determine if management had implemented corrective actions for the findings noted in the Travel Expenditures Follow up Audit Report dated May 29, 2013. The review specifically targeted travel expenditures for Athletics by:</p> <ul style="list-style-type: none"> <li>• Selecting a sample of the travel expenditures for Athletics during the period July 1, 2013 through March 31, 2014.</li> <li>• Examining travel documentation for compliance with TBR Policy 4:03:03:50 Athletic and Other Group Travel, ChSCC Purchasing Procedures and ChSCC Athletic Travel Guidelines.</li> </ul>		
<b>Conclusion</b>	<p>Follow up audit procedures indicated that some of the audit recommendations or management's corrective actions from the prior audits have been implemented and others have not been achieved. In order to achieve policy compliance, improvements are needed in the area of timely documentation of lodging cost alternatives.</p>		
<b>Recommendation</b>	<ul style="list-style-type: none"> <li>• The Athletic Department should investigate and maintain written documentation of cost alternatives for lodging as required by TBR policy 04:03:03:50. This policy states that "Documentation must be maintained in the athletic department or other appropriate department or office indicating that various cost alternatives have been explored before making all arrangements and reservations."</li> </ul>		
<b>Management Action Plan</b>	<p>Management concurs with the audit recommendation and will document cost alternative procedures for lodging establishments with the purchase order for each occurrence of Athletic overnight travel. The documentation changes will be effective for all Athletic travel beginning July 1, 2014.</p>		

**Tennessee Board of Regents  
Audit Committee  
September 25, 2014**

***Internal Audit Investigations  
For Informational Purposes***

**University of Memphis**  
**CASE RESOLUTION REPORT**  
**Physical Plant – Case # 14-012**  
**July 8, 2014**

**Date Reported:** June 16, 2014

**Reported by:** Physical Plant Management

**Investigation conducted by:** Internal Audit & Legal & Human Resources

**Description of Incident:**

Reported as custodial employees leaving their work station during 3<sup>rd</sup> shift and not clocking out.

**Total amount of loss:** None

**Was employee dishonesty discovered?** No

**Action taken:**

Internal Audit reviewed documentation, interviewed employees and discussed with Management.

**Methodology used to determine loss:** N/A

**Internal control weaknesses found:** No

**Actions taken by Management:**

The investigation indicated that some custodial service employees were absent from their work stations during the 3<sup>rd</sup> shift and did not follow Physical Plant policy when absent based upon information provided during the investigation. Based upon this policy violation and other performance issues that were discovered during the investigation disciplinary action was initiated with three Physical Plant employees. The disciplinary actions were initiated by Management with assistance from Human Resources and Legal.



**University of Memphis**  
**CASE RESOLUTION REPORT**  
**Foundation – Case # 14-009**  
**June 6, 2014**

**Date of incident:** January 24, 2014  
**Reported by:** Letter to UOM Executive Management and TBR Chancellor  
**Investigation conducted by:** Internal Audit

**Description of Incident:**

A letter was sent to UOM Executive Management and the TBR Chancellor expressing an opinion as to how some University Foundation funds should be expended. The letter did not list any specific fraud, waste or abuse issues but requested that University management consider how Foundation funds are used for non-scholarship expenditures such as employee morale, supplies and other expenses which do not directly go to students but are within the “University Support” category. There was one issue noted in the letter alleging potential violation of income tax laws regarding a deferred compensation plan within the Foundation for a former employee. The TBR System-Wide Audit office requested that the letter be entered into the investigation log and the points mentioned in the letter reviewed for any potential noncompliance issues with TBR, University Policy, laws or regulations.

A similar letter was sent to TBR in January 2012 during a consulting project in the UOM Athletics Department. The issues in that letter were reviewed by UOM Legal Counsel and UOM Legal Counsel was of the opinion that the expenses listed in this letter were appropriate expenses of the Foundation for University support and were in accordance with the fund agreements on file in the Foundation.

**Background:**

The Foundation is a separate nonprofit legal entity formed under 501c3 of the Internal Revenue Service (IRS) code. This is the IRS code section for charitable and educational organizations. The Foundation is audited each year by an external CPA firm and listed in the University’s annual financial statements (audited by the State Auditors) as a component unit. Internal Audit reviewed the past 3 years of audit reports for the Foundation by the external CPA firm and each year the Foundation received an unqualified opinion and no material findings or internal control weaknesses were noted in the reports. Total Foundation assets were listed as \$130 Million and total revenue listed as \$27 million in FY 2013. The following is the expenditure breakdown from the report:

**Foundation Expenses - FY 2013**

University Support	\$15,243,285	59%
Awards and Scholarships	\$10,151,170	39%
Investment Fees and Expenses	\$184,962	1%
Bad Debt Expense	\$319,147	1%
<b>Total Expenses</b>	<b>\$25,898,564</b>	<b>100%</b>

**Total amount of loss:** None

**Internal control weaknesses found:** No

**Conclusion:**

The review by Internal Audit indicated that the expenses noted in the letter had appropriate supporting documentation, were properly approved and no exceptions were noted as to the purpose of the expenses as compared to the Foundation fund agreements. There were no exceptions noted regarding compliance with University or TBR policies.

There was specific mention in the letter of the “Herff Funds”. This is a Foundation fund established in 1965 from a donor transfer from a family trust. This fund is an unrestricted fund to be used for University support and the fund documents indicate the allocation and expenditures from this fund are at the discretion of the University President. Every year funds are budgeted by the President’s Office and allocated to the President’s direct reports and are used for employee morale and other expenses related to University activities. The amounts allocated by the President’s Office from this fund were \$56,000 in FY 2013 and \$52,500 in FY 2014. (.04% of total assets)

The Foundation and the University separately obtained outside advice from tax professionals regarding the handling of the deferred compensation with the former employee to ensure compliance with applicable IRS tax code.

**University of Memphis**  
**CASE RESOLUTION REPORT**  
**Fogelman College of Business & Economics – Case # 14-011**  
**June 10, 2014**

**Date of incident:** May 8, 2014  
**Reported to:** TBR Hotline

<b>Description</b>	<b>of</b>	<b>Incident:</b>
Allegation regarding a graduate student in the Fogelman College of Business & Economics (Department of Marketing and Supply Chain Management). Report as submitted: <i>“A teaching assistant working in the Fogelman College Department of Marketing and Supply Chain Management Office was gone out of the country for five weeks during the semester. It is quite possible that this person was paid for the period of time despite the fact they did not work.”</i>		

**Total amount of loss:** None

**Was employee dishonesty discovered?** No

**Action taken:** Internal Audit reviewed documentation, interviewed employees and discussed with Management.

**Methodology used to determine loss:** N/A

**Internal control weaknesses found:** No

**Conclusion:**

No evidence was discovered to substantiate the allegation. It was noted that a graduate student was out of the Country during Spring Semester 2014 within this Department. The student had no teaching duties and the Department confirmed that the absence was approved and all academic and research work for the semester was satisfactorily completed.

**The University of Memphis**  
**Review of Rental Space in the University Holiday Inn**  
**Executive Summary**

<b>Key Staff Person:</b> Vice President, Business and Finance	<b>Auditor:</b> Investigative Auditor, System-wide Internal Audit
<b>Background:</b> An anonymous complaint that a nonprofit entity was given office space within the University Holiday Inn at no charge was received.	
<b>Objectives:</b> The primary objectives of this review were to determine if the allegation is substantiated and the extent of any violation of university or TBR policy.	
<b>Allegation:</b> University management is allowing a nonprofit foundation office space in the university hotel at no charge.	
<b>Conclusion:</b> The allegation was substantiated and resolved. University management has signed a lease with the foundation, invoiced the agreed-upon rent which is comparative to local market rates, retroactive to February 1, 2013, and received payment through June 30, 2014. To minimize the risk of similar issues occurring in the future, management should ensure that adequate communication and business procedures are in place between university administration and hotel management.	
<b>Management's Comments:</b> The entity in question vacated the premises on March 31, 2014. The hotel management company was educated on the TBR Lease Procedures and Guidelines: B-026 and informed that any such arrangements for space usage by external parties must be administered by the appropriate University personnel, specifically the Assistant Vice President for Business Services.	

**Chattanooga State Community College**  
**CASE RESOLUTION REPORT**  
**2014-02: Testing Center Cash Receipting**  
**June 23, 2014**

**Date of Incident:** April 30, 2014  
**Reported by:** Bursar's Office  
**Investigation conducted by:** Kimberly Clingan, Director Internal Audit

**Description of Incident:** Reported a concern that all testing department cashiers were receipting transactions under the same Touchnet cashiering session instead of each cashier initiating their own Touchnet session throughout the day's transactions.

**Total Amount of Loss:** None

**Was employee dishonesty discovered?** No

**Action Taken:** Internal Audit reviewed cash report/batch sheets for the department from 4/24/2014 through 5/9/2014, observed testing center operations including cash receipting functions, counted cash base, and interviewed department management and employees.

**Conclusion:** The cash report/batch sheets revealed that the department had been using one Touchnet cashiering session for all transactions through 5/8/2014. The cashiers were placing their initials in the Ancillary data section of the Touchnet transaction forms in order to document which cashier had completed a particular transaction.

At the time of the auditor's visit to the department on 5/12/14, Department Management had developed new departmental procedures so that each workday had a designated cashier.

**Internal Control Weaknesses Found:** Based on audit procedures, the following weaknesses were noted:

- All reception counter drawers and cabinets were keyed the same and all employees had access to the drawers and cabinets.
- New procedures designating a daily cashier did not include procedures during breaks and lunch by the daily designated cashier.

**Management Action:**

Testing Center Management has rekeyed the 2 counter drawers and the cabinets so that they are opened by different keys from the items to be accessed by all Testing Center employees. The change in the locks allows for only the cashiers to have a key to the cash drawers. Also, with 2 lockable drawers, 2 cashiers are able to properly accept cash during the day as needed so as to cover breaks and lunch of the daily designated cashier.

**Nashville State Community College**  
**Review of Allegation of Conflict of Interest**  
**Executive Summary**

<b>Key Staff Person:</b> Instructor	<b>Auditor:</b> Investigative Auditor, System-wide Internal Audit
<b>Background:</b> An anonymous complaint of possible non-compliance with Tennessee Board of Regents (TBR) policy was received by System-wide Internal Audit.	
<b>Objectives:</b> The primary objectives of this review were to determine if the allegation is substantiated and the extent of any violation of college or TBR policy.	
<b>Allegation:</b> An instructor hired one of his current students to remodel a portion of his house.	
<p><b>Conclusion:</b> The allegation was substantiated. The instructor stated he had hired the student to remodel a room in his house and provided evidence of payments for the work.</p> <p>There was no evidence of exploitation by the instructor. However, college management should ensure that faculty and staff are aware of TBR Policy, 1:02:03:10, <i>Conflict of Interest</i>, and their responsibility in disclosing and gaining approval for such activities involving students.</p> <p>The policy states that “Members of the Tennessee Board of Regents and all employees of the TBR and its constituent Institutions all serve the interests of the State of Tennessee and its citizens, and have a duty to avoid activities and situations which, either actually or potentially, put personal interests before the professional obligations which they owe to the State and its citizens.”</p> <p>Section VI of the policy identifies activities where there is at least the appearance and possibly the actuality of a conflict, stating:</p> <ol style="list-style-type: none"> <li>2. Inappropriate use of students or support staff <ol style="list-style-type: none"> <li>a. Employees shall ensure that the activities of students or support staff are not exploited for the benefit of any external activity of the faculty member.</li> <li>b. Prior to assigning any such non-Institutionally related task (which is more than incidental or de minimus in nature) to a student or member of the support staff, an employee shall disclose such proposed activities and obtain approval.</li> </ol> </li> </ol>	
<b>Management’s Comments:</b> Management concurs. Matter will be highlighted in future orientations and in-services.	

**Roane State Community College**  
**Executive Summary**  
**FWAH 14-314 – Fraud, Waste and Abuse Complaint: RSCC Exposition Center Employee**

**Introduction:** This report concerns an anonymous complaint referred by the State of Tennessee Comptroller's Office to the Tennessee Board of Regents Office of System-Wide Internal Audit. These complaints were forwarded to the Roane State Community College (College) Office of Internal Audit on May 5, 2014.

1. FWAH 14-314: the complaint stated that a Roane State Community College Exposition Center Employee had failed to disclose a prior arrest record on his employment application and did not properly report time used while absent from his job.

**Objectives:** To determine the propriety of the following allegations:

1. The Employee did not disclose a prior arrest record on the application of employment.
2. The Employee does not properly report time used while absent from job.

**Questioned Costs/Losses:** None

**Conclusion:** The allegation that the Employee did not disclose his prior arrest record was confirmed. The Employee's application was reviewed. The question concerning prior misdemeanor offences was checked no. The College background check for this Employee turned up prior offences. The Employee provided a statement explaining the issues and apologizing for his failure to reveal the charges. The College decided to hire him upon his written explanation.

The allegation that the Employee does not properly report time used while absent from his job was not confirmed. The investigation determined that the Employee takes his children to school no more than two times per week and that the round trip approximately takes 40 minutes. The complaint alleges that the Employee does not work enough additional time to make up for being away from his duties.

Although the anonymous complaint does not provide any detail on when the Employee is allegedly away from campus and does not accurately report his time, timesheets for the Employee were reviewed. Nothing unusual was noted. These timesheets show the Employee working a full 7.5 hour day and were signed by the Employee and the Exposition Center Director. Additionally, the Exposition Center Director stated that he authorized the Employee to work an adjusted schedule on days he needed to take his children to school. He stated that he has no knowledge of the Employee not working a full day or abusing the adjusted work schedule.

**Recommendation:** No internal control weaknesses were determined in this case.

**Tennessee Board of Regents**  
**Special Review of Timekeeping for ROCC Temporary Employees**  
**Executive Summary**

<b>Key Staff Person:</b> Vice Chancellor for Academic Affairs	<b>Auditor:</b> Assistant Director of System-wide Internal Audit
<p><b>Introduction:</b> The TBR, Office of System-wide Internal Audit received an allegation on July 24, 2012, regarding the timekeeping practices of two part-time temporary employees. Other personnel complaints were referred to the TBR, Office of Human Resources. ROCC hired a part-time temporary employee in July 2007, after he retired from TBR; in October 2008, they hired a second temporary employee who was not a retiree. The contracts for both employees were written to limit the number of hours they could work during a year. The first employee, who receives benefits from the Tennessee Consolidated Retirement System (TCRS), is statutorily limited to 900 hours in a calendar year, but the second employee is not a TCRS retiree and not subject to those limits. Both temporary employees started working for TBR ROCC under a former Associate Vice Chancellor. The contracts were renewed and the timekeeping procedures were continued under a second and now a third Associate Vice Chancellor.</p>	
<p><b>Objective:</b> To determine if hours worked by the part-time temporary ROCC employees are in agreement with their respective timesheets.</p>	
<b>Total Losses:</b> None	<b>Total Recoveries:</b> N/A
<p><b>Allegation:</b> Two part-time temporary ROCC employees are reporting hours on their time sheets that do not reflect the actual hours worked.</p>	
<p><b>Conclusion:</b> The temporary employees and supervisors agreed the timesheets submitted by the two part-time temporary employees do not reflect the actual time worked. There is no tracking mechanism in place to determine when or where the employees are actually working. Emails and interviews indicate they do at least some work every day, including some weekends. Supervisors and the employees state the employees actually work more total hours than reported, but there is no process in place to prove or disprove this assertion.</p> <p>An additional matter identified during the review is that both employees received significant hourly pay increases over the course of their part-time temporary employment. One employee's hourly rate increased 100% in 7 years and the second increased 50% in 6 years; both now make the same hourly rate. A former ROCC Associate Vice Chancellor stated the raises were for the extra work the employees were doing because it was not possible to increase their hours because of the contractual limits. The written and verbal support for these increases suggest that hours in excess of the contract maximums and those reported on the timesheets are being worked.</p> <p>Without a record of the actual hours the employees are working, it is impossible to determine the validity of the claim of working the time reported or any extra work. However, it is apparent that the time reported by the two employees and approved by the supervisors is not the actual time worked and that these actions create risks to TBR and to the employees involved.</p>	
<p><b>Recommendation:</b> Management should develop an appropriate system for the part-time temporary employees to report actual time worked. Additionally, management should monitor the time worked so that the supervisor responsible for approving the timesheets has the necessary information to do so.</p>	
<p><b>Management's Response:</b> We concur. Management will review the hours submitted on the timesheet to ensure reasonable correlation with the work product achieved during the relevant pay period. We expect the agreements and revised process to be in place no later than June 30, 2014.</p>	

**Tennessee College of Applied Technology Elizabethton**  
**Review of HVAC Transcripts**

<p><b>Key Staff Person:</b> Michael Cole, Student Services Coordinator</p>	<p><b>Auditor:</b> Investigative Auditor, System-wide Internal Audit</p>
<p><b>Background:</b> An allegation was received by the Office of System-wide Internal Audit that Heating, Ventilation, and Air Conditioning (HVAC) students are not receiving the correct diplomas for the program they have completed. The Commercial HVAC/Refrigeration program requires 20 months, or five trimesters. The HVAC Technician program is a 16-month, or four trimester program.</p>	
<p><b>Objectives:</b> The primary objectives of this review were to determine if the allegation is substantiated and the extent of any violation of college or TBR policy.</p>	
<p><b>Allegation:</b> Students completing requirements in the 20-month Commercial HVAC/Refrigeration program receive diplomas for the 16-month HVAC Technician.</p>	
<p><b>Conclusion:</b> The allegation is substantiated and resolved. Three of the four 2013 graduates who met the commercial designation received the HVAC Technician diploma rather than the Commercial HVAC/Refrigeration diploma. Types of diplomas awarded were left to the discretion of the HVAC instructor, an employee no longer with the college. Transcripts were not reviewed and compared to graduation requirements for the programs students had selected.</p> <p>The Student Services Coordinator has reviewed the transcripts of the program graduates and is issuing new diplomas to the three students who completed the 20-month program degree requirements in 2013 but received the 16-month diploma. Management should subject graduate transcripts in all programs to additional review by the Student Services Coordinator or another member of management to ensure program integrity.</p>	
<p><b>Management's Comments:</b> We concur. We will have in place a person such as a registrar that will review course work and hours completed to verify that the appropriate credential recommended by the program instructor is in fact correct based on course completion and hours completed as well as any and all other published requirements for a particular award. We anticipate having this process in place by the end of the current trimester (August 22, 2013 timeframe).</p>	



**TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
ETSU	6/26/14	<b>Banner Security Audit</b> <b>1 of 1:</b> Data Owners and supervisors should audit and recertify Banner access annually.	OIT Associate Vice President/CIO and Director of Information Systems	3/31/15		In Progress
ETSU	6/3/14	<b>Department of Biomedical Sciences</b> <b>1 of 1:</b> Department controls over timekeeping need improvement.	Chair of Biomedical Sciences	6/30/14		In Progress
ETSU	3/20/14	<b>Curriculum and Instruction Procurement Investigation</b> <b>1 of 2:</b> Controls over purchasing practices (including procurement cards) need to be improved.	Dean of College of Education	4/30/14		In Progress
ETSU	3/20/14	<b>Curriculum and Instruction Procurement Investigation</b> <b>2 of 2:</b> Inventory records over personal computing devices and other electronics need to be properly maintained.	Dean of College of Education	12/31/14		In Progress
ETSU	3/5/14	<b>George L. Carter Railroad Museum Investigation</b> <b>1 of 2:</b> Annual Statement of Understanding/Agreement need to be completed and up to date for all volunteers.	Museum Director	8/30/14		In Progress
ETSU	3/5/14	<b>George L. Carter Railroad Museum Investigation</b> <b>2 of 2:</b> Controls over volunteer parking passes should be improved.	Museum Director	8/30/14		In Progress
ETSU	2/21/14	<b>Complete College of Tennessee Act Progression Outcomes</b> 1 of 1: Institutional management should consult with THEC via TBR System Office management to determine the significance of the risk of inaccurate progression outcomes resulting from certain timing differences and whether the risk warrant mitigating actions.	Registrar	Ongoing		In Progress
ETSU	12/17/13	<b>Procurement Card Program</b> <b>1 of 1:</b> Several charges violated procurement card policies and/or ETSU financial procedures.	Director of Procurement & Contract Services	8/30/14		In Progress

**TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
ETSU	8/12/13	<b>Buccaneer Athletic Scholarship Association Gift-In-Kind 1 of 3:</b> Policies and procedures over BASA's Gift-In-Kind process need improvement.	Associate Athletic Director for Development/ Executive Director of BASA	4/30/14		In Progress
ETSU	8/12/13	<b>Buccaneer Athletic Scholarship Association Gift-In-Kind 2 of 3:</b> The basis for gift-in-kind medical services credit is unknown.	Associate Athletic Director for Development/ Executive Director of BASA	4/30/14		In Progress
ETSU	8/12/13	<b>Buccaneer Athletic Scholarship Association Gift-In-Kind 3 of 3:</b> Gift-in-kind donations need to be entered into NeuLion in a more timely fashion.	Associate Athletic Director for Development/ Executive Director of BASA	4/30/14		In Progress
ETSU	7/15/13	<b>University School Student Activity Funds 1 of 3:</b> Record disposal policies and guidelines were not followed by University School.	Dean of College of Education	12/31/13	6/19/14	Actions Completed
ETSU	7/15/13	<b>University School Student Activity Funds 2 of 3:</b> Cash receipting procedures need improvement.	Dean of College of Education	12/31/13	6/19/14	Actions Completed
ETSU	7/15/13	<b>University School Student Activity Funds 3 of 3:</b> Accountability over student activity funds needs improvement.	Dean of College of Education	12/31/13	6/19/14	Actions Completed
ETSU	5/29/13	<b>Advancement Services and Buccaneer Athletic Scholarship Association Cash Receipts Process 1 of 1:</b> Cash receipting procedures need improvement.	Director of Advanc. Services & Associated Athletic Director	9/30/13		In Progress

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

**In Progress** - Management has implemented some of the the actions stated in their response to this recommendation. Additional review scheduled.

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed.

**TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
MTSU	3/13/13	<b>Special Review of Classroom Technology July 1, 2010 - June 30, 2012 Recommendation 1 of 3:</b> Establish an inventory system for computer monitors and peripheral supply items.	ITD Classroom Technology	9/30/2013		
MTSU	3/13/13	<b>Special Review of Classroom Technology July 1, 2010 - June 30, 2012 Recommendation 2 of 3:</b> Ensure employees are knowledgeable of work time requirements and leave policies & procedures.	ITD Classroom Technology	9/30/2013		
MTSU	3/13/13	<b>Special Review of Classroom Technology July 1, 2010 - June 30, 2012 Recommendations 3 of 3:</b> ITD is seeking reimbursement for former employee's personal use of the department vehicle and establishing a process for monthly reviewing and reporting of vehicle mileage.	ITD Classroom Technology	9/30/2013		
MTSU	5/17/13	<b>Special Review of Dance Program 4 of 4: (Other 3 findings addressed)</b> The dance program needs to improve cash receipting procedures.	MTSU Dance Program Management	1/14/14		
MTSU	3/12/14	<b>Review of Athletic Gifts in Kind FY 2013 Finding 1 of 2:</b> Improved Compliance is Needed with the Sports Marketing Contract	Athletic Department	3/31/15		
MTSU	3/12/14	<b>Review of Athletic Gifts in Kind FY 2013 Finding 2 of 2:</b> Monitoring of Trade Revenue Should be Improved	Athletic Department	3/31/15		

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled

**In Progress** - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed

**TTU -- Status Report on Internal Audit Recommendations -- Universities**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TTU	6/26/14	<b>Laboratory Safety:</b> <b>Lab Training and Inspections.</b> Lab inspections, the only way to verify training and the safety of labs, are not done on a routine basis. They are only done upon request or when a problem is identified	Environmental Health and Safety Coordinator	6/30/15		
TTU	6/26/14	<b>Laboratory Safety:</b> <b>Fire Drills.</b> TTU is not in compliance with the International Fire Code concerning fire drills for residential areas, academic building, or administrative buildings.	Director of Safety & Environmental Services Director of Residential Life Director of Child Development Lab	8/31/14		
TTU	6/26/14	<b>Laboratory Safety:</b> <b>Safety Concerns.</b> Reported safety concerns and their resolutions have not been documented.	Environmental Health and Safety Coordinator	6/30/15		
TTU	11/15/13	<b>Personnel:</b> <b>1 of 8: Policy Revisions.</b> Several sections of the TTU Human Resources written policies and procedures need to be updated.	Interim Co-Directors of Human Resources	7/31/2014 1/31/15	7/23/14	In Progress
TTU	11/15/13	<b>Personnel:</b> <b>2 of 8: Employment Contracts.</b> Of 33 new hires reviewed, 8 had signed the employment contract after their employment date.	Interim Co-Directors of Human Resources	7/31/14	7/23/14	Actions Completed
TTU	11/15/13	<b>Personnel:</b> <b>3 of 8: Employment Eligibility Verification (I-9's).</b> Of 33 new hires reviewed, 4 of the I-9's were signed after the hire date.	Interim Co-Directors of Human Resources	7/31/14	7/23/14	Actions Completed

**TTU -- Status Report on Internal Audit Recommendations -- Universities**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TTU	11/15/13	<b>Personnel:</b> <b>4 of 8: Telecommuting.</b> Four of five employees who were telecommuting did not have an approved telecommuting agreement on file.	Interim Co-Directors of Human Resources	7/31/2014 1/31/15	7/23/14	In Progress
TTU	11/15/13	<b>Personnel:</b> <b>5 of 8: Application Procedures.</b> The successful candidate for a faculty position had not completed the application procedure as required.	Interim Co-Directors of Human Resources	7/31/14	7/23/14	Actions Completed
TTU	11/15/13	<b>Personnel:</b> <b>6 of 8: Limited English Proficiency Postings.</b> The Limited English Proficiency postings had not been distributed and displayed as required.	Interim Co-Directors of Human Resources	7/31/14	7/23/14	Actions Completed
TTU	11/15/13	<b>Personnel:</b> <b>7 of 8: Discrimination and Harassment Complaints.</b> Notice of delays in completion of investigation reports is not always made in writing as required.	Interim Co-Directors of Human Resources	7/31/14	7/23/14	Actions Completed
TTU	11/15/13	<b>Personnel:</b> <b>8 of 8: Non-Discrimination Notice.</b> The non-discrimination policy has not been included in all TTU publications as required.	Interim Co-Directors of Human Resources	7/31/14	7/23/14	Actions Completed
TTU	6/20/12	<b>Physical Plant</b> <b>1 of 3: Key inventory.</b> The campus key inventory is not verified/updated on an annual basis and employees are not required to present a completed Request for Transfer of Form for keys during the exit interview as required in the TTU Key Control Regulations.	Facilities and Business Services	I. 6/30/13 II. 5/31/14 III. 12/1/14	I. 5/28/2013 II. 5/12/14	In Progress In Progress

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled

**In Progress** - Management has implemented some of the the actions stated in their response to this recommendation. Additional review scheduled

TTU -- Status Report on Internal Audit Recommendations -- Universities

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
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**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed

**TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities**

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
UOM	4/18/14	<b>School of Nursing Audit:</b> <b>1 of 3</b> - School of Nursing staff should complete the required annual physical inventory confirmation of all tagged assets that is currently in progress and ensure that all items are accounted for and all location information is accurate. <b>2 of 3</b> - University Accounting management should: A- Incorporate guidance for the assignment of account codes into the Inventory and Control Program for Equipment Policy as it is being revised. B - Provide training on the revised policy and the use of account codes to educate staff concerning this issue. C - Set a procedure to periodically review transactions in various supplies expense accounts for items that may need to be tagged as capital assets or sensitive items. School of Nursing staff should continue the effort to identify untagged capital assets and sensitive equipment items during the annual inventory confirmation. <b>3 of 3</b> - Both the UOM Office of Legal Counsel and School of Nursing management should take steps to ensure that all financial managers and designees complete the COI acknowledgment as required by the UOM policy.	University Management (School Management and University Accounting Management ) and Legal Counsel	on or before 3/15/2015. Some have already been implemented.		In Progress
UOM	6/5/14	<b>Risk Assessment Controls-Institutional Support Audit:</b> Recommendations made in the following areas to improve controls: • Human Resources – Background Checks • Human Resources – Clearance and Separation Checklists • Emergency Preparedness – Fire Drills • Emergency Preparedness - Hazard and Vulnerability Assessment • Emergency Preparedness - Crisis Management Plans • International Relations – Advisory Council Oversight	Vice-President Business and Finance	on or before 5/31/2015. Some have already been implemented.		In Progress
UOM	6/18/14	<b>Banner Security IT Audit:</b> Conditions noted to improve controls in specific areas. Details provided to Management in a "Limited Use" report due to confidential and sensitive nature of various IT issues. (To comply with Section 10-7 -504(i), Tennessee Code Annotated.)	Chief Information Officer	on or before 5/31/2015. Some have already been implemented.		In Progress
UOM	7/23/14	<b>Athletics Ticket Office Audit:</b> Recommendations made to improve internal control weaknesses in the following areas: - Organizational structure and policies and procedures - Background checks - Physical security controls and cash handling controls - Control over sensitive data - Reconciliation and process controls over financial transactions	Senior Associate Athletic Director-Finance	on or before 7/31/2015. Recent Reorganization and New Hire of a Assistant Athletic Director of Ticket Operations and Sales. Implementation in-Process by Management.		In Progress

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

**In Progress** - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled.

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed.

TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges (Reports sorted by Institution, Date of Report)						
Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
ChSCC	5/29/13	<b>Follow up to Travel Expenditure Audit for June, 30, 2010</b> <b>3 of 3:</b> • The Athletic Department or Group Advisor should investigate and maintain documentation of cost alternatives for lodging as required by TBR policy 04:03:03:50.	Business Office and Athletic Director	12/31/13	6/17/14	In Progress
ChSCC	2/6/14	<b>Equipment</b> <b>1 of 5:</b> Business Office Management should modify the program script which generates Banner Inventory List to achieve a more accurate and efficient reconciliation of equipment to the general ledger.	System Accountant	12/31/14		
ChSCC	2/6/14	<b>Equipment</b> <b>2 of 5:</b> Bar code technology should be considered for sensitive equipment to achieve greater inventory management efficiencies.	Chief Information Officer	12/31/14		
ChSCC	2/6/14	<b>Equipment</b> <b>3 of 5:</b> Instances of stolen property reported by Campus Police should be reported to Internal Audit in accordance with TBR Guideline P-080.	Business Office management	12/31/14		
ChSCC	2/6/14	<b>Equipment</b> <b>4 of 5:</b> Written loan agreements with the artist(s) or owner(s) for the Art Work on Loan to the College should be executed.	Business Office management	12/31/14		
ChSCC	2/6/14	<b>Equipment</b> <b>5 of 5:</b> A listing of Art Work on Loan should be submitted to the State of Tennessee's Department of Risk Management to properly insure these items.	Business Office management	12/31/14		
ChSCC	4/1/14	<b>NACHA</b> <b>1 of 2:</b> Information Technology Services should be vigilant in their effort to complete the off-site Disaster Recovery test as scheduled for August 2014.	Assistant Vice President - ITS	9/30/14		
ChSCC	4/1/14	<b>NACHA</b> <b>2 of 2:</b> ITS policy drafts 08:21:00 – Information Technology Services IT Service Desk Support and 08:25:00 – Information Technology Projects should be finalized and approved.	Director Systems Development & Operations	9/30/14		



TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges (Reports sorted by Institution, Date of Report)						
Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
ChSCC	7/31/14	<b>DRP 1 of 7:</b> All non-Banner applications, including applications and servers housed in various ChSCC Departments, should be reviewed to determine if any are "mission critical" and should be include in the DRP.	Assistant Vice President - ITS	9/30/14		
ChSCC	7/31/14	<b>DRP 2 of 7:</b> As a departmental joint project, evaluate the effect of a disaster on departmental servers and complete departmental DRP's.	Assistant Vice President - ITS	3/31/15		
ChSCC	7/31/14	<b>DRP 3 of 7:</b> Complete the service level agreements with ChSCC departments for each application and/or the department as a whole.	Assistant Vice President - ITS	3/31/15		
ChSCC	7/31/14	<b>DRP 4 of 7:</b> An equipment inventory should be included in each Department's DRP.	Assistant Vice President - ITS	9/30/14		
ChSCC	7/31/14	<b>DRP 5 of 7:</b> Information Technology Services should complete the DRP test scheduled for 2014.	Assistant Vice President - ITS	8/31/14		
ChSCC	7/31/14	<b>DRP 6 of 7:</b> The shared facilities agreement with Cleveland State Community College should be updated.	Assistant Vice President - ITS	8/31/14		
ChSCC	7/31/14	<b>DRP 7 of 7:</b> Provide additional training to ITS staff and Department coordinators on DRP recovery procedures.	Assistant Vice President - ITS	9/30/14		

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

**In Progress** - Management has implemented some of the the actions stated in their response to this recommendation. Additional review scheduled.

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed.

**TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Title and Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
JSCC	10/11/12	<b>IT Governance:</b> <b>Observation 1 of 1:</b> The process for technology purchases, maintenance agreements, and the equipment location and design that cross over both departments may need to be reviewed to ensure that resources are effectively managed for the benefit of the institution.	Dana Nails, Director of Information Technology	6/30/13		
JSCC	4/2/13	<b>Data Security:</b> <b>Observation 1 of 2:</b> The data security policy may need to be reviewed and updated to provide more complete guidance regarding the collection, access, transmission, storage, and disposal of personally identifiable information.	Dana Nails, Director of Information Technology	10/31/13		
JSCC	4/2/13	<b>Data Security:</b> <b>Observation 1 of 2:</b> Training should be provided for employees to ensure compliance with the data security policy and other regulations including Family Educational Rights and Privacy Acts, Federal Trade Commission Red Flags Rule, and Gramm-Leach-Bliley Act. Representatives from each area of data security responsibility should be included in the development of training.	Dana Nails, Director of Information Technology	10/31/13		

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled

**In Progress** - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed

TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges (Reports sorted by Institution, Date of Report)						
Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
NeSCC	1/2/14	<b>Data Security FY 2013</b> <b>1 of 1:</b> Information Technology Resources policy is not being followed as stated in Policy 1:08:00:00.	Director of Information Technology	9/30/14		In Progress
NeSCC	2/19/14	<b>Complete College of Tennessee Act: Progression and Dual Enrollment Outcomes</b> <b>1 of 2:</b> Consult with TBR/THEC to evaluate the risk level of inaccurate outcomes resulting from timing differences	Vice President for Academic Affairs	8/30/14		In Progress
NeSCC	2/19/14	<b>Complete College of Tennessee Act: Progression and Dual Enrollment Outcomes</b> <b>2 of 2:</b> Management to consult with TBR if special reporting circumstances occur and review assigned course numbers to ensure proper credit recognition for formula funding purposes	Vice President for Academic Affairs	8/30/14		In Progress
NeSCC	7/25/14	<b>Complete College of Tennessee Act: Completion Outcomes</b> <b>1 of 2:</b> Monitor and make appropriate changes/updates in Banner as needed in order to keep certificate and degree categories and reported information as up to date and as accurate as possible	Registrar	7/25/14	7/29/14	Actions Completed
NeSCC	7/25/14	<b>Complete College of Tennessee Act: Completion Outcomes</b> <b>2 of 2:</b> Management to research documentation deficiencies identified during the review and identify/correct the deficiencies and their causes so that Banner Document Management System (BDMS) can be better relied upon to house complete graduation source documentation	Registrar	5/1/15		In Progress

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled

**In Progress** - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed.

TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges  
(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
VSCC	4/19/13	<b>Audit of Key Controls</b> <b>2 of 2:</b> The Keystone software system is not utilizing internal control best practices.	Campus Police and Locksmith	4/30/14	5/27/14	Actions Completed
VSCC	12/18/13	<b>Audit of International Education Fee</b> <b>1 of 5:</b> Management should record the emergency reserve allocation in the International Education Fee fund.	Office of International Education and Business Office	6/30/14	8/8/14	In Progress
VSCC	12/18/13	<b>Audit of International Education Fee</b> <b>2 of 5:</b> Management should consider adding the Director of International Education and the Coordinator of International Education as Ex-Officio members of the International Education Committee.	Office of International Education and Business Office	6/30/14	8/8/14	Actions Completed
VSCC	12/18/13	<b>Audit of International Education Fee</b> <b>3 of 5:</b> Management should ensure that student payments for travel are applied to the international education expenses.	Office of International Education and Business Office	6/30/14	8/8/14	Actions Completed
VSCC	12/18/13	<b>Audit of International Education Fee</b> <b>4 of 5:</b> Management should consider addressing the attendance of a spouse or personal guest at a business meal and whether they contribute to the guest entertainment in the Purchase of Business Meals and Events policy. Management should also consider how this information should be disclosed on the Meal Reimbursement Request Form and whether any additional approvals are needed beyond the applicable Vice President.	Office of International Education and Business Office	6/30/14	8/8/14	Actions Completed
VSCC	12/18/13	<b>Audit of International Education Fee</b> <b>5 of 5:</b> Management should reconcile the expenses in the Banner accounting system to ensure the accuracy of the fund.	Office of International Education and Business Office	6/30/14	8/8/14	Actions Completed

**Status Legend for Management's Action:**

- No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.
- In Progress** - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled.
- Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed.

**TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TBR	6/16/14	<b>Special Review of Timekeeping for ROCC Temporary Employees</b> <b>Recommendation 1 of 1:</b> Management should develop an appropriate system for the part-time temporary employees to report actual time worked. Additionally, management should monitor the time worked so that the supervisor responsible for approving the timesheets has the necessary information to do so.	Vice Chancellor of Academic Affairs	1/31/15		
TBR	6/5/13	<b>Travel Expenses July 1, 2012 - December 9, 2012</b> <b>Finding 1 of 1:</b> Business Office review of travel expenses should be improved.	Vice Chancellor of Business and Finance and Director of Fiscal Services	12/31/14		

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

**In Progress** - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled.

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed.

**TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 1 of 16:</b> For system-wide use, develop a comprehensive Board policy regarding an information security program that defines both business and security processes, including the designation of an Information Security Officer and development of a security awareness and training program.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 2 of 16:</b> Develop a change management procedure, for use by the system office, which identifies how management maintains and documents the maintenance of hardware, software and the network through patching, anti-virus, help desk and general maintenance functions.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 3 of 16:</b> Establish and coordinate a process at the system office where IT policies are reviewed, updated and approved periodically.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 4 of 16:</b> Ensure system office personnel sign an acknowledgement of the TBR policy, <i>Information Technology Resources</i> , regarding acceptable usage and a new Information Security Policy when policies are updated.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 5 of 16:</b> Evaluate and reconsider the existing governance structure for IT and the IT Sub-Council to ensure that it meets the expectations of the Board, campuses and management.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 6 of 16:</b> Improve and expand the existing vendor management process at the system office to all key IT vendors with access to sensitive TBR information.	CIO - Tom Danford	11/30/14		

**TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 7 of 16:</b> Implement an Incident Response Procedure at the TBR system office so that unauthorized access attempts or any information breaches are documented and handled according to requirements.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 8 of 16:</b> Distribute instructions to key system office staff regarding establishing, modifying and deleting access privileges for users and consider additional training on system applications.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 9 of 16:</b> Implement encryption software on the TBR system office hard drives of assigned laptops.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 10 of 16:</b> Consider implementing at the TBR system office, a mobile device service agreement for users assigned a mobile device and with access to personally identifiable information.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 11 of 16:</b> Improve procedures and documentation of software licenses at the system office to document compliance with license agreements.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 12 of 16:</b> Document file restoration activities at the TBR system office to demonstrate the success of data recovery from backed up media.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 13 of 16:</b> Eliminate administrative access for TBR system office users' assigned workstations to prevent users from turning off key control features on the devices.	CIO - Tom Danford	11/30/14		

**TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 14 of 16:</b> Consider periodic network penetration testing and vulnerability scans to identify possible areas for configuration adjustment and to reduce unauthorized network intrusions and exploitation of vulnerabilities.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 15 of 16:</b> Maintain the documentation regarding network maintenance activities, reports on anti-virus definition deployment, and intrusion detection reports from Net TN.	CIO - Tom Danford	11/30/14		
TBR	5/23/14	<b>IT General Controls Review:</b> <b>Recommendation 16 of 16:</b> Reassess and document the process for logging and monitoring system utilization data and alerts.	CIO - Tom Danford	11/30/14		

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

**In Progress** - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled.

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed.



**TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Colleges of Applied Technology**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
Athens	8/8/14	<b>Focused Review</b> <b>Observation 1 of 2:</b> Management's review of the accounts receivable reconciliations is not documented by signing and dating the reconciliation.	Director	(1)		
Harriman	4/15/14	<b>Focused Review</b> <b>Observation 1 of 2:</b> Collection letters for 4 of 5 receivable items tested did not include notice that the account would be referred to a collection agency if not paid.	Director	(1)		
Harriman	4/15/14	<b>Focused Review</b> <b>Observation 2 of 2:</b> Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Director	(1)		
Jackson	9/5/14	<b>Focused Review</b> <b>Finding 1 of 1:</b> Second collection letters for 12 of 15 receivable items tested were sent 1- 55 days late and third collection letters for 5 of 15 items tested were sent 2 days late.	Director	(1)		
Jackson	9/5/14	<b>Focused Review</b> <b>Observation 1 of 1:</b> Collection procedures, modified from TBR Guideline B-010, requiring collection letters every 30 days, were not documented.	Director	(1)		
Knoxville	8/19/14	<b>Focused Review</b> <b>Finding 1 of 2:</b> Collection letters for 4 of 10 receivable items tested were sent 20-26 days late.	Director	(1)		
Knoxville	8/19/14	<b>Focused Review</b> <b>Finding 2 of 2:</b> Title IV refunds tested were not processed within the 45 day Federal requirement for 2 of 7 items.	Director	(1)		
Knoxville	8/19/14	<b>Focused Review</b> <b>Observation 1 of 1:</b> Collection procedures, modified from TBR Guideline B-010, requiring collection letters every 30 days, were not documented.	Director	(1)		

**TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Colleges of Applied Technology**

(Reports sorted by Institution, Date of Report)

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
Livingston	4/14/14	<b>Focused Review</b> <b>Finding 1 of 1:</b> Defaulted student accounts should be referred to a collection agency, which has not been done in several years.	Director	(1)		
McMinnville	5/19/14	<b>Focused Review</b> <b>Observation 1 of 1:</b> The Director should document the review of the student accounts receivable reconciliation.	Director	(1)		
Pulaski	7/23/13	<b>Operational Audit</b> <b>Finding 1 of 1:</b> Financial Aid Refunds and Financial Aid Student Accounts Receivable were not initiated within the required time frames.	Director	(1)	9/5/14	Repeat Finding -In Progress
Whiteville	4/21/14	<b>Focused Review</b> <b>Observation 1 of 1:</b> The Director should document the monthly review of the accounts receivable reconciliation.	Director	(1)		

**Status Legend for Management's Action:**

**No Progress** - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

**In Progress** - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled.

**Actions Completed** - Management has implemented the actions stated in their response to this recommendation. Issue closed.

**Footnotes:**

(1) Typically TCAT reviews are performed annually. At the time of the next review, management's actions implemented to correct this matter will be evaluated.

**Tennessee Board of Regents  
Committee on Audit**

**DATE:** September 25, 2014

**AGENDA ITEM:** Review of CCTA Completion Outcomes for Fiscal Year 2013

**PRESENTER:** Tammy Birchett

**ACTION REQUIRED:** Informational Report

**STAFF'S RECOMMENDATION:** Accept Report

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**BACKGROUND INFORMATION:**

The Complete College Tennessee Act of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state's public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.

Universities	Community Colleges
Students accumulating 24, 48 and 72 credit hours (Progression)	Students accumulating 12, 24 and 36 credit hours (Progression)
Research and Service Expenditures	Dual Enrollment Students
Bachelor and Associate Degrees	Associate Degrees and Certificates
Master and Ed Specialist Degrees	Workforce Training
Doctoral and Law Degrees	Job Placements
Degrees per 100 FTE	Awards per 100 FTE
Transfers Out with at least 12 Credit Hours	Transfers Out with 12 Credit Hours
Six-Year Graduation Rate	Remedial and Developmental Success

Each university and community college prepares data files from the Banner system and provides them to the TBR Office of Research and Assessment where they files are compiled into files for THEC. At THEC, the data is combined for a three year average of student information for use in determining funding recommendations.

Because of the numerous data elements used in the formula, it was determined that audits would be performed in three phases.

<u>Data Elements</u>	<u>Scheduled Completion</u>
Progression and Dual-Enrollment	February 2014
Completions	July 2014
Other (Transfers, Remedial & Developmental Success)	December 2014

The audits of completion data covered the 2012 – 2013 academic year. The objectives were to provide reasonable assurance that the student completion data, specifically degrees and certificates earned, agreed with the institution's supporting records and was reported accurately and in compliance with the reporting instructions provided by TBR.

### **Summary of Results of Audits:**

The audits found that institutional internal controls were generally adequate and that data submitted was substantially accurate. However, the community college audits did identify several matters that should be further evaluated by the TBR Office of Research and Assessment in consultation with the Tennessee Higher Education Commission. Based on the results of tests, these issues do not appear to cause significant differences in the formula data, but TBR should consider whether procedures should be revised to further minimize the risk of data errors or whether the risk from these matters is at an acceptable level.

- Prior to the audit, management discovered certain short-term certificate programs were incorrectly coded as long-term certificates in the Banner system. Once corrected retroactively in Banner, this caused some certificates to be counted as short-term certificates by THEC, but to appear as long-term certificates in Banner. (Jackson State Community College, Northeast State Community College and Volunteer Community College)
- TBR Guideline B-010 states that certificates and diplomas should not be issued to students who owe an obligation to the institution. The institution's procedure included notifying the student that they had an obligation to the institution, but certificates and diplomas were not withheld. (Jackson State Community College)
- The institution uses the Banner Document Management System (BDMS) to maintain student graduation documentation. The audit discovered several students appeared to be missing this documentation in BDMS. (Northeast State Community College)

The completion outcomes reported by THEC are summarized by institution and type of degree or certificate on the following page. An executive summary for each TBR institution's audit is included after the summary.

**Summary of Completion Outcomes Reported by THEC  
2012-2013 Academic Year**

<b>TBR Universities</b>					
<b>Institution</b>	<b>Bachelor's *</b>	<b>Associate's *</b>	<b>Master's and Education Specialist</b>	<b>Doctoral/Law</b>	<b>1 – 2 Year Certificate</b>
APSU	1,413	312	304	0	0
ETSU	2,314	0	574	86	0
MTSU	4,159	0	1,010	23	0
TSU	938	128	417	66	45
TTU	1,830	0	376	12	0
UoM	2,887	0	1,064**	259	0
<b>Totals</b>	<b>13,541</b>	<b>440</b>	<b>3,728</b>	<b>446</b>	<b>45</b>

<b>TBR Community Colleges</b>			
<b>Institution</b>	<b>Associate's</b>	<b>1 – 2 Year Certificate</b>	<b>Less Than 1 Year Certificate</b>
ChSCC	1,002	229	194
CISCC	372**	20**	153**
CoSCC	599	52	3
DSCC	300	26	17
JSCC	509	34	41
MSCC	568	1	21
NaSCC	624	99	233
NeSCC	720	104	25
PSCC	1,258	0	1,152
RSCC	787	77	9
STCC	897	63	344
VSCC	787	73	399
WSCC	838	14	226
<b>Totals</b>	<b>9,259</b>	<b>956</b>	<b>3,211</b>

<b>University of Tennessee ***</b>			
<b>Institution</b>	<b>Bachelor's and Associate's</b>	<b>Master's and Education Specialist</b>	<b>Doctoral/Law</b>
Chattanooga	1,638	446	68
Knoxville	4,407	1,607	565
Martin	1,247	122	0
<b>Totals</b>	<b>7,292</b>	<b>2,175</b>	<b>633</b>

**Notes:**

- \* THEC reports Bachelor's and Associates as a combined total, but counts are shown separately for TBR in this presentation.
- \*\* The counts in this table represent awards counted by THEC, but the audit reports for these items include counts of awards issued by the institution. Some awards issued do not meet THEC's data definitions and are not counted in the formula.
- \*\*\* The University of Tennessee counts are presented for information purposes only and were not part of the TBR audits conducted.

**Austin Peay State University**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Interim Provost and Vice President of Academic Affairs	<b>Auditor:</b> Jacqueline Struckmeyer
<b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.	
<b>Scope:</b> This audit reviewed degree and certificate completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.	
<b>Objective:</b> The objective of the audit was to determine whether Austin Peay State University’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.	
<b>Findings (or Observations):</b> None noted.	
<b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees reported to the TBR and subsequently to THEC by the TBR for Austin Peay State University for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the university has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.  The completion outcomes reported by THEC for the 2012 – 2013 academic year for the university by degree type for all students were 312 Associate Degrees, 1413 Bachelor Degrees, and 304 Master and Education Specialist Degrees.	

**East Tennessee State University  
Complete College Tennessee Act  
Completion Outcomes for Academic Year 2012 – 2013  
Executive Summary**

<b>Key Staff Person:</b> Registrar and Director of Institutional Research	<b>Auditor:</b> Martha Stirling
<b>Introduction:</b> The Complete College of Tennessee Act of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.	
<b>Scope:</b> This audit reviewed completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.	
<b>Objectives:</b> The objective of the audit was to determine whether East Tennessee State University’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.	
<b>Findings or Observations:</b> The audit did not reveal matters warranting audit findings or observations.	
<b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for East Tennessee State University for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the university has established controls to provide reasonable assurance that the data is accurately reported.  The completion outcomes reported by THEC for the 2012 – 2013 academic year for the university by type of completion included 2,314 Bachelor Degrees, 574 Master and Educational Specialist Degrees, and 86 Doctoral Degrees.	

**Middle Tennessee State University  
Complete College Tennessee Act (CCTA)  
Completion Outcomes for Academic Year 2012 – 2013  
Executive Summary**

**Introduction**

The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state's public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.

**Scope**

This audit reviewed degree completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.

**Objective**

The objective of the audit was to determine whether Middle Tennessee State University's internal controls provide reasonable assurance that the student completion data, specifically degrees earned, reported to the Tennessee Board of Regents (TBR) and subsequently to THEC by the TBR was accurate and in compliance with the reporting instructions provided by TBR based on the institution's supporting documentation.

**Audit Conclusion**

Based on audit tests performed on a sample of students, the degrees reported to the TBR and subsequently to THEC by the TBR for Middle Tennessee State University for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the university has established controls to provide reasonable assurance that data is accurately reported. The audit did not reveal matters warranting audit findings or observations.

The completion outcomes reported by THEC for the 2012 – 2013 academic year for the university by degree type for all students were 4,159 Bachelor Degrees, 1,010 Master and Education Specialist Degrees and 23 Doctoral Degrees.



**Tennessee State University**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Assoc VP, Academic Affairs	<b>Auditor:</b> Mike Batson
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures, and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed degree and certificate completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether Tennessee State University's internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by the TBR based on the university’s supporting records.</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for the university for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over student data indicated that the university has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting either audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2012 – 2013 academic year for the university by degree or certificate type for all students were: 128 Associate Degrees, 938 Bachelor Degrees, 417 Master and Education Specialist Degrees, 66 Doctoral Degrees, and 45 one to two Year Certificates.</p>	

**Tennessee Tech University**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**July 1, 2014**  
**Executive Summary**

<b>Key Staff Persons:</b> Enrollment Management Administrative Associate 4; Graduate Studies Academic Support Associate 4	<b>Auditor:</b> Assistant Director of Internal Audit
<b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.	
<b>Scope:</b> This audit reviewed degree completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.	
<b>Objective:</b> The objective of the audit was to determine whether Tennessee Tech University’s internal controls provide reasonable assurance that the student completion data, specifically degrees earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.	
<b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees reported to the TBR and subsequently to THEC by the TBR for Tennessee Tech University for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that Tennessee Tech University has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.  The completion outcomes reported by THEC for the 2012 – 2013 academic year for Tennessee Tech University by degree type for all students were 1830 Bachelor Degrees, 376 Master and Education Specialist Degrees and 12 Doctoral and Law Degrees.	

**University of Memphis**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**  
**July 17, 2014**

<b>Key Staff :</b> Office of Institutional Research	<b>Auditor:</b> Financial & Compliance Auditor
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed degree and certificate completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether University of Memphis’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students and the degrees and reported to the TBR and subsequently to THEC by the TBR for University of Memphis for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the University of Memphis has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations for the University of Memphis.</p> <p>The completion outcomes reported by THEC for the 2012 – 2013 academic year for the University of Memphis by degree or certificate type for all students were 2,887 Bachelor Degrees, 1,047 Master Degrees, and 259 Doctoral and Law Degrees.</p>	

**Chattanooga State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Eva Lewis, Associate Vice President Institutional Effectiveness and Research Tiffany Scruggs, Graduation Analyst	<b>Auditor:</b> Kimberly Clingan, Director Internal Audit
<b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.	
<b>Scope:</b> This audit reviewed degree and certificate completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.	
<b>Objective:</b> The objective of the audit was to determine whether Chattanooga State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.	
<b>Findings (or Observations):</b> None	
<b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Chattanooga State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.  The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college/university by degree or certificate type for all students were 1,002 Associate Degrees, 229 – 2 Year Certificates and 194 < 1 Year Certificates.	

**Cleveland State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Michael Stokes	<b>Auditor:</b> Alvin Bishop
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed completion data used in the 2012 – 2013 funding formula. This included degrees and long term certificates awarded in the Summer 2012, Fall 2012 and Spring 2013 terms, as well as short term certificates earned in the 2009-2010, 2010-2011 and 2011-2012 academic years as defined in Tennessee Higher Education Commission data definitions. Future audits will focus on the other outcome measures used in the funding formula.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether Cleveland State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p><b>Findings (or Observations):</b> N/A</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Cleveland State Community for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college/university by degree or certificate type for all students were 370 Associate Degrees, 184 1 – 2 Year Certificates and 468 &lt; 1 Year Certificates.</p>	

**Columbia State Community College  
Complete College Tennessee Act (CCTA)  
Completion Outcomes for Academic Year 2012 – 2013**

**Executive Summary**

**Introduction:**

The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state's public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.

**Scope:**

This audit reviewed completion data used in the 2012 – 2013 funding formula. This included degrees and long term certificates awarded in the Summer 2012, Fall 2012 and Spring 2013 terms, as well as short term certificates earned in the 2009-2010, 2010-2011 and 2011-2012 academic years as defined in Tennessee Higher Education Commission data definitions. Future audits will focus on the other outcome measures used in the funding formula.

**Objective:**

The objective of the audit was to determine whether the Columbia State Community College's internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to the Tennessee Board of Regents (TBR) and subsequently to THEC by the TBR was accurate and in compliance with the reporting instructions provided by TBR based on the institution's supporting records.

**Audit Conclusion:**

Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Columbia State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that student data is accurately reported. The audit did not reveal matters warranting audit findings.

The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college by degree or certificate type for all students were 599 Associate Degrees; fifty-two 1-2 year Certificates; and three < 1 year certificates.

**Dyersburg State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Vice President for Finance and Administrative Services	<b>Auditor:</b> Assistant Director of System-wide Internal Audit
<b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.	
<b>Scope:</b> This audit reviewed completion data used in the 2012 – 2013 funding formula. This included degrees and long term certificates awarded in the Summer 2012, Fall 2012 and Spring 2013 terms, as well as short term certificates earned in the 2009-2010, 2010-2011 and 2011-2012 academic years as defined in Tennessee Higher Education Commission data definitions. Future audits will focus on the other outcome measures used in the funding formula.	
<b>Objective:</b> The objective of the audit was to determine whether Dyersburg State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.	
<b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Dyersburg State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.  The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college by degree or certificate type for all students were 300 Associate Degrees, 26 Certificates for 1 – 2 Year programs and 17 Certificates for programs less than 1 Year.	

**Jackson State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Robin Marek, Registrar	<b>Auditor:</b> Angie Brown, Director of Internal Audit
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed degree and certificate completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether Jackson State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p><b>Observations:</b></p> <p>Several short term &lt;1 year certificates were re-categorized by the Registrar in Banner as long term certificates at the direction of a July 2013 request from TBR. This caused some of the short term certificates in the sample from academic years 2010 through 2012 to appear as short term certificates in the sample, but to appear in Banner as long term certificates as a result of the 2013 update in the system.</p> <p>TBR Guideline B-010 states that certificates and diplomas should not be issued to students who owe an obligation to the institution. The institution’s procedure included notifying the student that they had an obligation to the institution but certificates and diplomas were not withheld.</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Jackson State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate except for an observation on reporting codes for certificates. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported except for an observation for diplomas and certificates not being withheld when an obligation is due to the college. The audit revealed two observations.</p> <p>The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college by degree or certificate type for all students were 509 Associate Degrees, 34 1 – 2 Year Certificates and 41 &lt; 1 Year Certificates.</p>	



**Motlow State Community  
CollegeComplete College Tennessee Act (CCTA)  
Completion Outcomes for Academic Year 2012 – 2013  
Executive Summary**

**Introduction:**

The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state's public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.

**Scope:**

This audit reviewed completion data used in the 2012 – 2013 funding formula. This included degrees and long term certificates awarded in the Summer 2012, Fall 2012 and Spring 2013 terms, as well as short term certificates awarded in the 2009-2010, 2010-2011 and 2011-2012 academic years as defined in Tennessee Higher Education Commission data definitions. Future audits will focus on the other outcome measures used in the funding formula.

**Objective:**

The objective of the audit was to determine whether Motlow State Community College's internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to the Tennessee Board of Regents (TBR) and subsequently to THEC by the TBR was accurate and in compliance with the reporting instructions provided by TBR based on the institution's supporting records.

**Audit Conclusion:**

Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Motlow State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.

The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college by degree or certificate type for all students were 568 Associate Degrees, one 1 – 2 Year Certificates and twenty-two < 1 Year Certificates.

**Nashville State Community College  
Complete College Tennessee Act (CCTA)  
Completion Outcomes for Academic Year 2012 – 2013  
Executive Summary**

<b>Key Staff Person:</b> Lance Woodard	<b>Auditor:</b> Patricia Feller
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed degree and certificate completion data used in the 2012 – 2013 funding formula. Future audits will focus on the other outcome measures used in the funding formula.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether Nashville State’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Nashville State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college by degree or certificate type for all students were 624 Associate Degrees, 99 1 – 2 Year Certificates and 233 &lt; 1 Year Certificates.</p>	

**Northeast State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Registrar, Director of Computing Technologies	<b>Auditor:</b> Shane Lewis
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed degree and certificate completion data used in the 2012 – 2013 funding formula. Future audits will focus on the other outcome measures used in the funding formula.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether Northeast State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p><b>Observations:</b></p> <p><b>1. Re-categorization of short-term certificate award categories</b></p> <p>In July 2013, TBR recommended that the college re-categorize several of its short-term certificates to long term certificates. The changes were made in Banner by the Registrar and were reflected in the 2013 data submitted to TBR/THEC. The short-term certificates awarded in years prior to the update in 2013 are still reflected in the TBR/THEC data as short-term certificates, as this is how they were originally reported. In May 2014 a similar change was made to another short-term certificate represented in the sample resulting in similar effects.</p> <p><b>2. Graduation source documentation maintained in the Banner Document Management System (BDMS)</b></p> <p>The institution relies upon BDMS to maintain supporting documentation related to a student’s graduation. When testing for this documentation in BDMS, several of the students in the sample appeared to be missing documentation in BDMS related to their graduation. The exceptions were discussed with the Registrar, who agreed to research the exceptions by looking at both BDMS and hard copy files, etc. and address/correct any issues that might be occurring with how the documents are being archived into the system.</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Northeast State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college/university has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings and noted only the two observations mentioned above. The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college by degree or certificate type for all students were 720 Associate Degrees, 104 1 – 2 Year Certificates and 25 &lt; 1 Year Certificates.</p>	

**Pellissippi State Community College  
Complete College Tennessee Act (CCTA)  
Completion Outcomes for Academic Year 2012 – 2013  
Executive Summary**

<b>Key Staff Person:</b> Melanie Paradise, Registrar	<b>Auditor:</b> Suzanne L. Walker
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed degree and certificate completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether Pellissippi State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Pellissippi State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college/university by degree or certificate type for all students were 1,258 Associate Degrees, zero 1 – 2 Year Certificates and 1,152 &lt; 1 Year Certificates.</p>	

**Roane State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Sheila Eason, Graduation Analyst, Brenda Rector, Registrar	<b>Auditor:</b> Andrew Benson
<b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.	
<b>Scope:</b> This audit reviewed degree and long-term certificate completion data from the 2012 – 2013 academic year and short-term certificate data from the 2009 – 2010, 2010 – 2011 and 2011 – 2012 academic years. Future audits will focus on the other outcome measures used in the funding formula.	
<b>Objective:</b> The objective of the audit was to determine whether Roane State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.	
<b>Findings / Observations:</b> None	
<b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported by Roane State Community College (College) to the TBR and subsequently to THEC by the TBR for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the College has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.  The completion outcomes reported by THEC for the 2012 – 2013 academic year for the College by degree or certificate type for all students were 787 Associate Degrees, 77 1 – 2 Year Certificates and 9 less than 1 Year Certificates.	

**Southwest Tennessee Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**  
*Revised September 10, 2014*

<b>Key Staff Person:</b> Executive Director for Institutional Effectiveness	<b>Auditor:</b> Assistant Director of System-wide Internal Audit
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed completion data used in the 2012 – 2013 funding formula. This included degrees and long term certificates awarded in the Summer 2012, Fall 2012 and Spring 2013 terms, as well as short term certificates earned in the 2009-2010, 2010-2011 and 2011-2012 academic years as defined in Tennessee Higher Education Commission data definitions. Future audits will focus on the other outcome measures used in the funding formula.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether Southwest Tennessee Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Southwest Tennessee Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations in the report, but one observation was discussed with management during the review.</p> <p>The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college by degree or certificate type for all students were 897 Associate Degrees, 63 Certificates for 1-2 Year programs and 344 Certificates for programs less than 1 Year.</p>	

**Volunteer State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Office for Institutional Research and Office of Records and Registration	<b>Auditor:</b> Nancy Batson
<b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.	
<b>Scope:</b> This audit reviewed degree and certificate completion data from the 2012 – 2013 academic year. Future audits will focus on the other outcome measures used in the funding formula.	
<b>Objective:</b> The objective of the audit was to determine whether Volunteer State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.	
<b>Observations:</b>  Observation 1: Two long-term certificate programs were incorrectly classified as short-term, and one short-term certificate program was incorrectly classified as long-term in the Banner system.  <i>Recommendation: Management should ensure all certificate programs are properly classified as long-term or short-term as defined in the THEC Data Dictionary.</i>  Observation 2: Audit work of the funding formula calculations revealed that short-term certificates may be either uncounted, counted in more than one data year, or counted even when a higher award is earned with no stop-out term between the awards.  <i>Recommendation: Management should consider consulting with TBR and THEC to determine the significance of uncounted and double-counted short-term certificates and whether this warrants mitigating action.</i>	
<b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Volunteer State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. There were two Observations resulting from this audit.  The completion outcomes for the college reported by THEC for the 2012–2013 academic year by degree or certificate type for all students were 787 Associate Degrees, 73 1–2 Year Certificates, and 399 Less Than 1 Year Certificates.	

**Walters State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2012 – 2013**  
**Executive Summary**

<b>Key Staff Person:</b> Linda Mason, Dean of Student Records & Veterans Affairs Officer	<b>Auditor:</b> Mark Ortlieb, CPA
<p><b>Introduction:</b> The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>	
<p><b>Scope:</b> This audit reviewed completion data used in the 2012 – 2013 funding formula. This included degrees and long term certificates awarded in the Summer 2012, Fall 2012 and Spring 2013 terms, as well as short term certificates earned in the 2009-2010, 2010-2011 and 2011-2012 academic years as defined in Tennessee Higher Education Commission data definitions. Future audits will focus on the other outcome measures used in the funding formula.</p> <p>The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors. The audit included tests of records and other procedures considered necessary to achieve the objectives.</p>	
<p><b>Objective:</b> The objective of the audit was to determine whether Walters State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p><b>Findings (or Observations):</b> None</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Walters State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college/university has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2012 – 2013 academic year for the college by degree or certificate type for all students were 838 Associate Degrees, 14 1 – 2 Year Certificates and 226 &lt; 1 Year Certificates.</p>	



**Tennessee Board of Regents  
Committee on Audit**

**DATE:** September 25, 2014

**AGENDA ITEM:** **Review of Internal Audit Year-End  
Status Reports for FY 2014**

**PRESENTER:** Tammy Birchett

**ACTION REQUIRED:** Informational Item

**STAFF'S RECOMMENDATION:** Accept Report

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**BACKGROUND INFORMATION:**

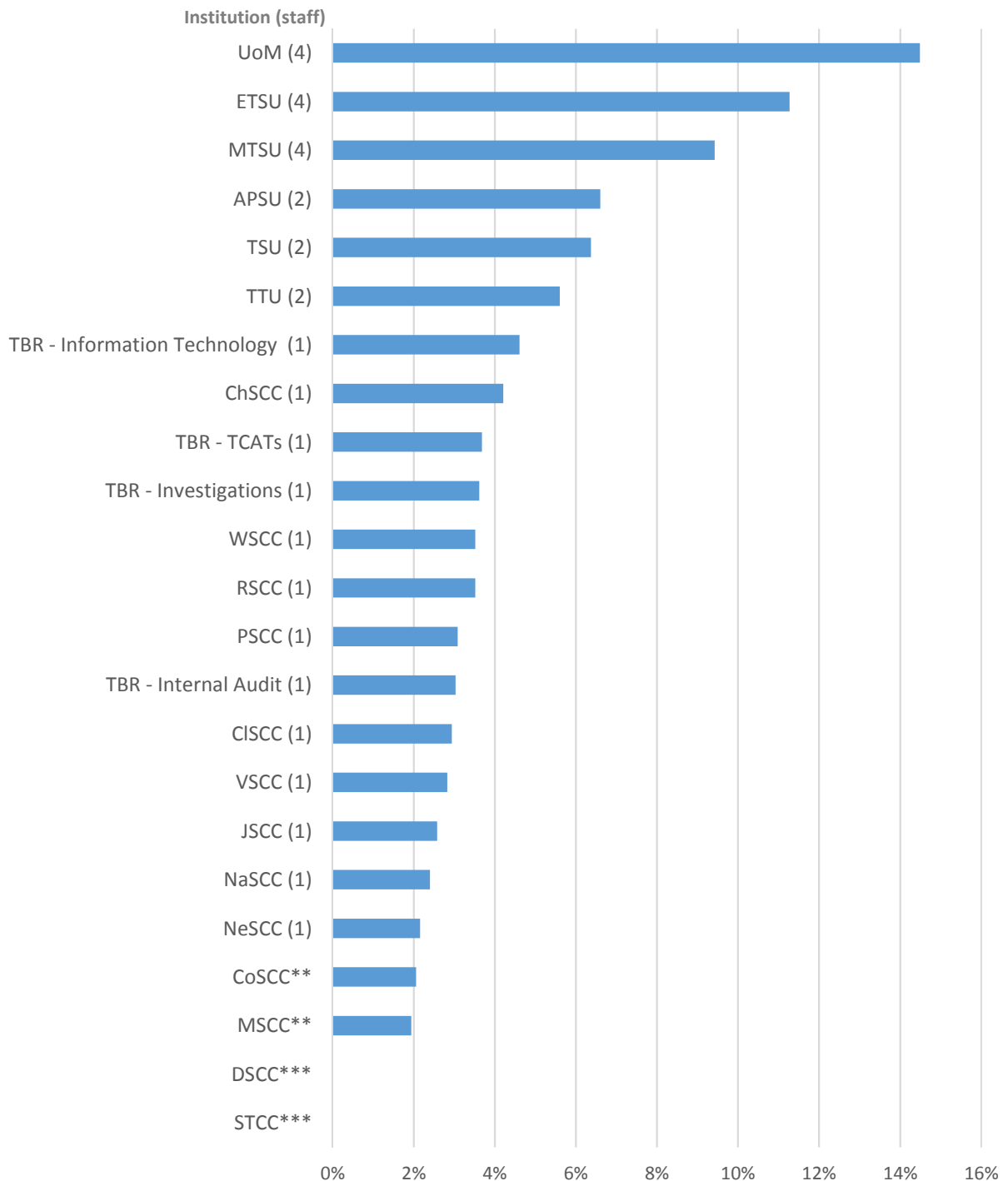
The committee will review the year-end status reports on the internal audit plans for the system institutions for Fiscal Year 2014.

This item includes the following summary information on system audit activities for the year.

- Percentage of Audit Effort by Campus
- Percentage of the Audit Plan Completed by Institution
- Planned Hours Compared to Actual Hours
- Three-year Trend Analysis of Actual Audit Hours for Completed Audits
- Completed Internal Audits
- Summary of Investigation Activity

The summary schedules are followed by a Year-end Status Report for each institution.

**Tennessee Board of Regents  
Percentage of Audit Effort by Campus - Total Hours\*  
Fiscal Year 2014**



**Notes:**

\* Actual audit hours for all campuses totaled 34,727.

\*\* This institution does not have a full time auditor but contracts with MTSU for audit services.

\*\*\*This position was vacant the entire year, therefore, no data was available.

**Tennessee Board of Regents**  
**Percentage of the Audit Plan Completed by Institution**  
**Fiscal Year 2014**

<b>Institution</b>	<b>Planned Audits</b>	<b>Completed Audits</b>	<b>Percentage Completed</b>
APSU	17	10	59%
ETSU	36	25	69%
MTSU	23	12	52%
TSU	21	15	71%
TTU	25	20	80%
UOM	27	27	100%
ChSCC	22	16	73%
CISCC	16	14	88%
CoSCC	7	5	71%
DSCC (1)	0	0	0%
JSCC	20	15	75%
MSCC	8	7	88%
NaSCC	13	10	77%
NeSCC	12	9	75%
PSCC	21	21	100%
RSCC (2)	18	24	133%
STCC ( 1)	0	0	0
VSCC	12	10	83%
WSCC	22	17	77%
TBR - Internal Audit	15	11	73%
TBR - TCATs	32	15	47%
TBR - Information Technology	14	6	43%
TBR - Investigations	31	18	58%
<b>Total</b>	<b>412</b>	<b>307</b>	<b>75%</b>

**Notes:**

(1) This position was vacant for the entire year, therefore, no data was available.

(2) This campus completed several reviews during fiscal year 2014, that were unplanned, including 2 investigations, 5 special requests, and 3 consultations.

**Tennessee Board of Regents**  
**Planned Hours Versus Actual Hours**  
**Fiscal Year 2014**

Institution	Planned Audit Hours	Actual Audit Hours	% of Planned Hours Achieved
APSU	2,825	2,295	81%
ETSU (3)	5,195	3,915	75%
MTSU	3,830	3,274	85%
TSU	2,585	2,215	86%
TTU	2,255	1,947	86%
UoM	4,870	5,032	103%

ChSCC	1,735	1,462	84%
CISCC	1,070	1,022	96%
CoSCC (1)	600	716	119%
DSCC (2)	-	-	0%
JSCC	1,170	897	77%
MSCC (1)	600	675	113%
NaSCC	834	834	0%
NeSCC (3)	1,160	751	65%
PSCC	1,240	1,072	86%
RSCC	1,250	1,222	98%
STCC (2)	-	-	0%
VSCC	1,220	984	81%
WSCC	1,222	1,222	100%

TBR - TCATs	1,608	1,279	80%
TBR - Internal Audit	1,400	1,053	75%
TBR - Information Technology	1,516	1,603	106%
TBR - Investigations	1,415	1,258	89%
Totals	39,600	34,727	88%

**Notes:**

Variances occur because of many factors. The largest factors are typically unplanned absences, changes in staff or vacancies.

(1) This institution does not have a full time auditor but contracts with MTSU for audit services.

(2) This position was vacant during the entire year, therefore, no data was available.

(3) The planned audit hours were not adjusted for an auditor on extended leave.

**Tennessee Board of Regents**  
**Three-year Trend Analysis of Actual Audit Hours for Completed Audits**

<b>By Type of Audit</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Required	19%	15%	25%
Risk-Based	13%	18%	16%
Special Request	10%	9%	11%
Investigation	20%	22%	13%
Project	12%	12%	9%
Management's Risk Assessment	8%	8%	6%
Consultation	12%	12%	13%
Follow-up Audit	7%	4%	8%
Total	100%	100%	100%

<b>By Functional Area</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Advancement	-	-	-
Athletics	6%	5%	10%
Auxiliary	4%	3%	1%
Financial Management	45%	32%	29%
Instruction and Academic Support	6%	18%	9%
Institutional Support	22%	22%	25%
Information Technology	8%	9%	10%
Physical Plant	2%	2%	0%
Research	2%	3%	2%
Student Services	4%	6%	13%

**Tennessee Board of Regents  
Completed Internal Audits  
Fiscal Year 2014**

**Risk-Based Audits**

*Risk-based audits are selected based on the internal auditor's annual risk analysis.*

ETSU	Handheld Devices
ETSU	IT Governance
TTU	Research Procedures - Labs, Safety
UoM	Internal Controls and Risk Assessment - Institutional Support
UoM	Internal Controls and Risk Assessment - Student Enrollment Services
UoM	Accounts Payable Operations and Compliance
UoM	School of Nursing
UoM	PCI Compliance - Limited Scope
UoM	Athletics- Financial Aid Student Athletes - Books
UoM	Athletics-Travel Expenses (Team & Employees)
UoM	Data Security - Laptop Encryption and Mobile Devices
UoM	Banner Security
UoM	Athletic Ticket Office - Internal Controls
UoM	ACH-NACHA
ChSCC	Equipment
ChSCC	Food Services
ChSCC	Foundation Investments and Gifts Received
NeSCC	Data Security
NeSCC	Academic Advising
PSCC	Maintenance, Tuition and Related Fees
TBR	Information Technology General Controls Review
TCAT	Chattanooga - Focused Review of Operations
TCAT	Covington - Focused Review of Operations
TCAT	Crossville - Focused Review of Operations
TCAT	Harriman - Focused Review of Operations
TCAT	Hohenwald - Focused Review of Operations
TCAT	McMinnville - Focused Review of Operations
TCAT	Murfreesboro - Focused Review of Operations
TCAT	Newbern - Focused Review of Operations
TCAT	Pulaski - Focused Review of Operations
TCAT	Shelbyville - Focused Review of Operations

**Special Requests**

*Special request audits are performed upon the board's or management's request when circumstances indicate an audit is needed.*

APSU	Athletics Gifts in Kind (Audit Committee request based on previous UOM audit.)
ETSU	Athletics Gifts in Kind (Audit Committee request based on previous UOM audit.)
MTSU	Athletics Gifts in Kind (Audit Committee request based on previous UOM audit.)
TSU	Athletics Gifts in Kind (Audit Committee request based on previous UOM audit.)
TTU	Athletics Gifts in Kind (Audit Committee request based on previous UOM audit.)
APSU	Equity Calculation
ETSU	NCAA Compliance

**Special Requests (continued)**

**Tennessee Board of Regents  
Completed Internal Audits  
Fiscal Year 2014**

ETSU	Procard
ETSU	University School Student Activity Acct
ETSU	Biomedical Sciences
ETSU	Banner Security
TTU	Technology Access Fee
TTU	Personnel
ChSCC	NACHA Security
CLSCC	NACHA Security 2013
CLSCC	NACHA Security 2014
PSCC	Faculty Credentials
PSCC	NACHA Security
RSCC	PCI/DSS Contract Review
RSCC	OSHA Standards Compliance
RSCC	New Employee Orientation
VSCC	International Education Fee

**Follow-up Reviews**

*Internal Auditors perform follow-up audits as needed on findings and recommendations in audit reports issued by the Comptroller of the Treasury (Division of State Audit) and Internal Audit offices.*

**State Audit Follow-up Reports**

APSU	State Audit
APSU	State Audit (performed by TBR SWIA)
MTSU	State Audit
TSU	State Audit
TTU	State Audit
CoSCC	State Audit
MSCC	State Audit
RSCC	State Audit
RSCC	State Audit (RSCC Foundation)
VSCC	State Audit
WSCC	State Audit
TBR	State Audit - Energy

**Internal Audit Follow-up Reports**

ETSU	University School Student Accounts
ETSU	Center for Physical Activity
ETSU	Internal Medicine
MTSU	Procurement Card Review
TTU	Athletics Gifts in Kind
UoM	Athletics-Tiger Fund Donations (Courtesy Cars and others)
UoM	Research-Grants Accounting - Admin Costs (DS2 Policies)
UoM	Payroll - Extra Compensation
ChSCC	Travel
CLSCC	Grant

**Internal Audit Follow-up Reports (continued)**

CLSCC	Investigation 13-01
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**Tennessee Board of Regents  
Completed Internal Audits  
Fiscal Year 2014**

CLSCC	Investigation 13-02
NeSCC	TCAT Missing Equipment Report
TBR	Travel Expenses
TCAT Morristown	TBR 13-04 (performed by TBR SWIA)

**Consulting Engagements**

*Internal auditors provide general consultation to management on various issues throughout the year and provide consultation in certain areas when requested and needed. Below are a list of specific consultation*

MTSU	Assisting with President's Expense Audit
MTSU	Research and Fraud Presentation
UoM	Athletics - Booster Club Process
UoM	Research - Grants Accounting - Effort Reporting
ChSCC	THEC Data Submissions
ChSCC	Continuing Education Control Change
PSCC	Review of Compliance Assist
PSCC	Assistance to TBR IT Audit
PSCC	Lab Safety Reviews
PSCC	Consumer Information Requirements (Financial Aid)
PSCC	French Exchange Program
PSCC	Review of Electrical Permitting Issue
PSCC	Banner/IT Project Issues
PSCC	RFP Process
RSCC	Online Auction Fund Raising Process
RSCC	Crossville Campus Police - Timekeeping Procedures
TBR - TFLI	Tennessee Foreign Language Institute (performed by TBR SWIA)
TBR	Banner XE and ODS Data Warehouse Implementation
TBR	Business Continuity Planning and IT Disaster Recovery

**Projects**

*Each internal audit office performed a quality self-assessment review and participated in an external quality assurance review under this category. In addition, other projects were undertaken at some campuses.*

APSU	Quality Assessment Review
ETSU	Quality Assessment Review
MTSU	Quality Assessment Review
TSU	Quality Assessment Review
TTU	Quality Assessment Review
UoM	Quality Assessment Review
ChSCC	Quality Assessment Review
CLSCC	Quality Assessment Review
JSCC	Quality Assessment Review
NeSCC	Quality Assessment Review
PSCC	Quality Assessment Review

**Projects (continued)**

RSCC	Quality Assessment Review
VSCC	Quality Assessment Review



**Tennessee Board of Regents  
Completed Internal Audits  
Fiscal Year 2014**

WSCC	Quality Assessment Review
TBR IA	Quality Assessment Review
WSCC	Quality Assessment Review
TTU	Procurement Card Reviews
TTU	SACSCOC Reaccreditation
UoM	Procurement Card
UoM	Payroll-W2 Control of Returned Addresses by Internal Audit
ChSCC	TBR Training Committee
ChSCC	IT Governance Assessment
RSCC	Auto Audit Implementation

**Required Audits**

*Required audits include those of president's or Chancellor's expenses, certain athletic affiliates and cash and inventory counts to assist the Comptroller's auditors and National Automated Clearinghouse Association (NACHA) standards required by some banking agreements. Also included in this section, for the first time, are audits of data used by the Tennessee Higher Education Commission in the State's higher education funding formula.*

**Chief Executives' Expenses**

MTSU	President's Expenses (performed by ETSU)
TSU	President's Expenses (performed by UoM)
UOM	President's Expenses (performed by TSU)
DSCC	President's Expenses (performed by TBR SWIA)
NaSCC	President's Expenses (performed by JSCC)
NeSCC	President's Expenses (performed by WSCC)
RSCC	President's Expenses (performed by ChSCC)

**Athletic Affiliate**

APSU	OVC Special Assistance and Student Athlete Opportunity Funds
MTSU	Football Attendance
TSU	NCAA Special Assistance Fund
TTU	Student Assistance Fund

**Comptroller's Audit Assistance at Year-End**

APSU	Cash Counts and Inventories
ETSU	Cash Counts
MTSU	Cash Counts
MTSU	Year-End Inventories
TSU	Cash Counts
TTU	Inventory Observations
UoM	Cash Counts and Inventory Observation
ChSCC	Year-End Cash Counts and Inventory
CLSCC	Cash Counts

**Comptroller's Audit Assistance at Year-End (continued)**

JSCC	Year-End Procedures
NaSCC	Year-End Cash Counts and Inventories

**Tennessee Board of Regents  
Completed Internal Audits  
Fiscal Year 2014**

NeSCC	State Audit Assistance at YearEnd
PSCC	Year End Inventory and Cash Counts
RSCC	Year End Cash Counts and Inventories
VSCC	Cash Counts
WSCC	Inventory Observations
WSCC	Cash Counts
WSCC	Confirmation Requests
TBR IA	Cash Counts

**Complete College Tennessee Act - Funding Formula Data**

APSU	Funding Formula-Progression
ETSU	Funding Formula-Progression
MTSU	Funding Formula-Progression
TSU	Funding Formula-Progression
TTU	Funding Formula-Progression
UoM	Funding Formula-Progression
ChSCC	Funding Formula-Progression
CLSCC	Funding Formula-Progression
CoSCC	Funding Formula-Progression
DSCC	Funding Formula-Progression (performed by TBR SWIA)
JSCC	Funding Formula-Progression
MSCC	Funding Formula-Progression
NaSCC	Funding Formula Progression
NeSCC	Funding Formula-Progression
PSCC	Funding Formula-Progression
RSCC	Funding Formula-Progression
STCC	Funding Formula-Progression (performed by TBR SWIA)
VSCC	Funding Formula-Progression
WSCC	Funding Formula-Progression
UoM	Funding Formula-Completion

**NACHA Compliance**

ETSU	NACHA Web Transactions Data Security
WSCC	NACHA Compliance

**Other**

ETSU	WETS-FM
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Tennessee Board of Regents  
Investigation Activity  
Fiscal Year 2014

	Beginning	Opened	Closed	Ending
<b>Universities</b>	16	25	31	10
<b>(SWIA)</b>	5	3	3	5
<b>Community Colleges</b>	3	9	10	2
<b>(SWIA)</b>	6	9	9	6
<b>System Office</b>	1	0	1	0
<b>TCATs (SWIA)</b>	3	9	8	4
<b>Fiscal Year Totals</b>	<b>34</b>	<b>55</b>	<b>62</b>	<b>27</b>

**Institution**

**Reports on Completed Investigations**

APSU	Theft of Gun
APSU	Theft of Equipment
ETSU	Inappropriate Use of State Funds/Conflict of Interest
ETSU	Abuse of Annual Leave
ETSU	Inappropriate Treatment of Scholarship Students
ETSU	Misuse of Procurement Card
ETSU	Undeposited Athletic Checks
MTSU	Unauthorized Removal of Top Soil
TSU	Unauthorized Bank Accounts and Misappropriation
TSU	Falsification of a Travel Receipt
UOM	Procurement Card Policy Violations
UOM	Employee Bookstore Theft
UOM	Alteration of Meal Reimbursement Documentation
UOM	Time Reporting Violations
UOM	Misuse of Time with Personal Business
ChSCC	Employee Overriding Holds, Admitting without Payments
ChSCC	Improper Cash Receipting in the Test Center
CISCC	Misuse of State Funds in Maintenance Department
CISCC	Misappropriation of State Property
PSCC	Missing Student Club Funds
PSCC	Employee on FMLA while Employed Elsewhere
RSCC	Falsification of Employment Application
TBR – CISCC	Waste of Public Resources in Disposal of Assets
TBR – NaSCC	Allegation of Conflict of Interest
TBR – ROCC	Time Reporting Violations
TBR – TCAT Elizabethton	Misuse of School Resources
TBR – TCAT Elizabethton	Review of HVAC Transcripts
TBR – TCAT Morristown	Cash Shortage/Destruction of Leave Records

**Note:** During fiscal year 2014, 77 fraud, waste, or abuse allegations and issues were addressed by System-wide Internal Audit and the campus auditors. Ten were received from the Tennessee Comptroller's office, 27 from the campuses, and 40 were received through the SWIA web site reporting form, email, or phone line, and other TBR offices. Twenty-six allegations were ultimately referred to other TBR offices or campuses for administrative handling. Auditors administratively closed unsubstantiated cases, for which reports were not issued.

**Austin Peay State University**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	SS	Data)	325	330	(5)	-2%	March 2014	C
Required by Athletic Affiliate	R	AT	OVC Special Asst/Stud Athlete Opp Funds	125	105	20	16%	August 2013	C
Required by State Audit	R	FM	Cash Counts & Inventories	75	10	65	87%	June 2014	C
Required by State Audit	F	FM	State Audit Follow-Up	100	100	0	0%	February 2014	C
Required by TBR	M	SS	Risk Assessment	150	125	25	17%	May 2014	C
Required by IIA	P	IS	Quality Assessment Review	50	65	(15)	-30%	August 2013	C
Investigation	I	IA	Investigation 14-01	80	40	40	50%	July 2013	C
	I	IA	Investigation 14-02	120	75	45	38%	April 2014	C
Carryforward	S	AT	Review of Athletic GIK	50	110	(60)	-120%	August 2013	C
Carryforward	S	FM	Review of Equity Calculation	50	75	(25)	-50%	August 2013	C
Consulting	C	IS	General Consultation	250	360	(110)	-44%	June 2014	I
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	200	140	60	30%	August 2014	I
Special Request	S	AX	Higher Education Act Compliance	300	120	180	60%	February 2015	I
Special Request	S	FM	UBIT and Sales Tax reporting	200	45	155	78%	October 2014	I
Ongoing	P	FM	Procurement Card-Review	300	335	(35)	-12%	Ongoing	I
Ongoing	P	FM	Travel Claim Review-Ongoing	300	260	40	13%	Ongoing	I
1	A	PP	Emergency Preparedness <sup>1</sup>	150	0	150	100%	Cancelled	X
			<b>Totals</b>	<b>2825</b>	<b>2295</b>	<b>530</b>	<b>19%</b>		

Estimate-Hours Available For Audits = 2485 (2 audit staff)

T--Tie

Audit Types:

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

Functional Areas:

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

Status

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

Footnotes:

<sup>1</sup> This audit was cancelled due to priority given to other projects.

**East Tennessee State University**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by State Law	R	FM	President's Expenses (MTSU)	175	131	44	25%	October 2013	C
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	200	144	56	28%	February 2014	C
Required by State Audit	R	FM	Cash Counts	40	25	15	38%	June 2014	C
Required by CPB	R	FM	WETS-FM	250	149	101	40%	December 2013	C
Required by Bank	R	IT	NACHA Web Transactions Data Security (FN 6)	125	158	(33)	-26%	May 2014	C
	F	IA	Follow-Up University School Student Accounts	100	48	52	52%	June 2014	C
	F	AX	Follow-Up Center for Physical Activity	100	27	73	73%	August 2013	C
	F	IA	Follow-Up Internal Medicine (FN 6)	75	106	(31)	-41%	May 2014	C
	M	FM	Risk Assessment	40	15	25	63%	May 2014	C
	P	IS	Quality Assessment Review	100	44	56	56%	August 2013	C
Brought forward	I	IA	Investigation 12-04	20	31	(11)	-55%	May 2014	C
Brought forward	I	IA	Investigation 12-06	100	124	(24)	-24%	March 2014	C
Brought forward	I	IA	Investigation 13-01	40	29	11	28%	August 2013	C
Brought forward	I	IA	Investigation 13-02	100	14	86	86%	August 2013	C
Brought forward	I	IA	Investigation 13-03	120	141	(21)	-18%	November 2013	C
Added - Investigation	I	FM	Investigation 14-01 (FN 5)	300	483	(183)	-61%	March 2014	C
Added - Investigation	I	AT	Investigation 14-03	50	27	23	46%	April 2014	C
Brought forward	S	AT	Athletics Gift-In-Kind	200	203	(3)	-2%	August 2013	C
Brought forward	S	AT	NCAA Compliance	75	30	45	60%	April 2014	C
Brought forward	S	FM	Procard	250	271	(21)	-8%	December 2013	C
Brought forward	S	FM	University School Student Activity Acct	10	8	2	20%	July 2013	C
Added - Special Request	S	IA	Biomedical Sciences	175	169	6	3%	June 2014	C
Added - Special Request	S	IT	Banner Security Audit	0	86	(86)	0%	June 2014	C
1T (IT)	A	IT	Handheld Devices	225	96	129	57%	February 2014	C
1T (IT)	A	IT	IT Governance	300	138	162	54%	November 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	200	92	108	54%	After June 2014	I
	F	AD	Follow-Up Advancement Services/BASA	100	34	66	66%	After June 2014	I
Added - Investigation	I	IA	Investigation 14-02	325	338	(13)	-4%	After June 2014	I
Added - Investigation	I	IA	Investigation 14-04	50	16	34	68%	After June 2014	I
Added - Investigation	I	AT	Investigation 14-05	150	29	121	81%	After June 2014	I
	P	IA	Assistance with TBR Auditors	100	120	(20)	-20%	Ongoing	I
	P	IT	PCI Compliance	125	119	6	5%	Ongoing	I
	P	IT	Security Awareness	200	125	75	38%	Ongoing	I
	C	IS	General Consultation	150	73	77	51%	Ongoing	I
1T	A	IS	Natural History Museum	250	118	132	53%	After June 2014	I
1T	A	FM	Travel	150	108	42	28%	After June 2014	I
2 (IT)	A	IT	Disaster Recovery Plan	225	46	179	80%	Ongoing	I
Required by State Audit	F	FM	State Audit Follow-Up (FN 3)	0	0	0	0%	(3)	R
Added - Special Request	S	AT	Athletics - Deposit Controls (FN 4)	0	0	0	0%	(4)	R
2T	A	SS	Financial Aid Administration (FN 2)	0	0	0	0%	(2)	X
2T	A	FM	Payroll (FN 1)	0	0	0	0%	(1)	X
			<b>Totals</b>	<b>5195</b>	<b>3915</b>	<b>1280</b>	<b>-33%</b>		

Estimate-Hours Available For Audits = 4835 (4 audit staff). - (FN 7)

T--Tie

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status**

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

**Footnotes:**

FN 1 - This risk based audit was removed from the audit plan due to the addition of an unexpected investigation (14-01.)  
FN 2 - This risk based audit was removed from the audit plan due to the addition of an unexpected investigation (14-02) and special request.  
FN 3 - This required audit was removed from the audit plan since no findings were contained in the State Audit Report.  
FN 4 - This special request was reclassified as Investigation 14-03.  
FN 5 - Hours spent on this investigation was significantly over budget due to the multiple issues discovered.  
FN 6 - Time spent on audits went over budget more than 25 hours and/or 25%. More resources were needed than anticipated.  
FN 7 - Available audit hours were not adjusted for one auditor on FMLA during FY 2014.

**Middle Tennessee State University**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by State Audit	R	FM	Cash Counts	100	124	(24)	-24%	June 2014	C
Required by State Audit	R	FM	Year-End Inventories	290	285	5	2%	October 2013	C
Brought Forward/Required by TBR	R	SS	Funding Formula-Progression 2012 Data	200	205	(5)	-3%	February 2014	C
Brought forward	P	IS	Quality Assessment Review	80	71	9	11%	October 2013	C
Required by TBR	M	IS	Risk Assessment	50	53	(3)	-6%	May 2014	C
	F	FM	State Audit Follow-Up or Assistance	50	5	45	90%	June 2014	C
Required by NCAA	R	AT	Football Attendance Fall 2013	240	235	5	2%	February 2014	C
Brought forward	S	AT	Athletic Gift-in-Kind	650	647	3	0%	March 2014	C
New Investigation	I	FM	Investigation L14-01	70	69	1	1%	January 2014	C
Follow-up	F	FM	Follow-up: Procurement Card Review	10	8	2	20%	April 2014	C
Consulting	C	FM	Assisting with President's Expense Audit	50	44	6	12%	June 2014	C
Consulting	C	IS	Research, Fraud Presentation, Etc.	100	134	(34)	-34%	June 2014	C
Management Request	P	FM	Special Reviews (Cash Shortage Reviews)	50	0	50	0%	Cancelled (1)	X
Required by TBR	R	SS	Funding Formula-Completion 2013 Data	240	161	79	33%	In Progress (2)	I
New Consulting Project	C	IS	Blue Print Copy Shop	200	101	99	50%	In Progress (3)	I
Brought forward	I	SS	Investigation L12-04	150	134	16	11%	In Progress (4)	I
Brought forward	I	IA	Investigation L13-01	50	0	50	100%	In Progress (4)	I
Brought forward	I	IA	Investigation L13-02	400	370	30	8%	In Progress (4)	I
Brought forward	I	IS	Investigation L13-03	120	2	118	98%	In Progress (4)	I
Brought forward	I	PP	Investigation L13-04	150	43	107	71%	In Progress (4)	I
New Investigation	I	FM	Investigation L14-02	400	331	69	17%	In Progress (4)	I
Follow-up	F	IT	Follow-up: Classroom Technology	120	207	(87)	-73%	In Progress (5)	I
Follow-up	F	IA	Follow-up: Dance Program Review	60	2	58	97%	In Progress (4)	I
Management Request	S	IA	Pcard Departmental Review	0	43	(43)	0%	In Progress (6)	I
			<b>Totals</b>	<b>3830</b>	<b>3274</b>	<b>556</b>	<b>15%</b>		

Estimate-Hours Available For Audits = 3828 (4 audit staff). Planned audit hours not achieved due to additional time used for contract audits and administrative duties including T--Tie

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status**

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

**Footnotes:**

- (1) This audit was cancelled due to no request for cash shortage reviews.  
(2) This audit is in progress and should be completed in July 2014.  
(3) This is an on-going consulting project assisting the department with cash receipting which will be continue in FY2015.  
(4) This audit is in progress and should be completed by September 2014.  
(5) This follow-up should be completed in July 2014. Additional audit time was used reviewing the new inventory process.  
(6) The request to assist with a Pcard Review was received in May 2014 and is expected to be completed by August 2014.

**Tennessee State University**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by State Law	R	FM	President's Expenses	120	125	(5)	-4%	October 2013	C
Required by TBR	R	SS	Funding Formula-Progression (2012	125	130	(5)	-4%	December 2013	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	125	100	25	20%	July 2014	I
Required by Athletic Affiliate	R	AT	NCAA Special Assistance Fund	125	125	0	0%	September 2013	C
Required by State Audit	R	FM	Cash Counts	25	10	15	60%	June 2014	C
Required by State Audit	F	IT	State Audit Follow-Up	200	200	0	0%	July 2014	C
	M	SS	Risk Assessment-Institutional Support	30	30	0	0%	May 2014	C
	M	FM	Risk Assessment- Instruction	30	25	5	17%	May 2014	C
	M	IT	Risk Assessment- Information Technology	30	25	5	17%	August 2014	I
Required by TBR	S	AT	Athletic Gift-in-kind	150	75	75	50%	October 2013	C
Carry Forward	I	IA	Investigation 13-1008	175	185	(10)	-6%	July 2013	C
Carry Forward	I	IS	Investigation 12-1010	20	17	3	15%	September 2013	C
Carry Forward	I	AX	Investigation 13-1003	20	20	0	0%	March 2014	C
Carry Forward	I	IS	Investigation 13-1006	20	20	0	0%	March 2014	C
	I	IA	Investigation 14-1001	150	150	0	0%	January 2014	C
	I	IS	Investigation 14-1002	100	95	5	5%	September 2014	I
	P	IS	Quality Assessment Review	40	40	0	0%	August 2013	C
Follow-up	A	IA	Follow-up Investigation 13-1008	75	73	2	3%	August 2014	I
Consultation	C	IS	General Consultation	375	365	10	3%	June 2014	C
1	A	IS	Human Resources	275	325	(50)	-18%	September 2014	I
2	A	IS	Evidence Room (1)	150	20	130	87%	April 2015	S
3	A	IT	Information Technology (1)	225	60	165	73%	April 2014	R
			<b>Totals</b>	<b>2585</b>	<b>2215</b>	<b>370</b>	<b>14%</b>		

Estimate-Hours Available For Audits = 2720 (2 audit staff)

T--Tie

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status**

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

**Footnotes:**

(1) This audit was cancelled due to priority given to other audits.

**Tennessee Tech University**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by State Audit	R	FM	Inventory Observations (1) (18)	100	174	(74)	-74%	August 2013	C
Required by TBR	R	SS	Funding Formula-Progression(2012 Data)(2)	200	210.1	(10)	-5%	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	120	92.5	28	23%	July 2014	I
Required by OVC	R	AT	Student Assistance Fund (3)	80	44	36	45%	August 2013	C
Required by TBR	P	IS	Quality Assessment Review (15)	40	31.5	9	21%	August 2013	C
Required by TBR	F	FM	State Audit Follow-Up (5)	65	73.4	(8)	-13%	February 2014	C
Required by TBR	S	AT	Athletic Gift in Kind	100	97.9	2	2%	October 2013	C
Required by TBR	M	FM	Risk Assessment-Financial Management	35	27.5	8	21%	May 2014	C
Required by TBR	M	PP	Risk Assessment-Physical Plant	25	26	(1)	-4%	May 2014	C
Required by TBR	M	IS	Risk Assessment-Enterprise-wide	40	28	12	30%	May 2014	C
Required by TBR	M	AT	Risk Assessment-Athletics	25	15	10	40%	May 2014	C
	I	AD	Investigation 13-15 (4)	100	96	4	4%	February 2014	C
	I	PP	Investigation 13-17 (6)	20	6.5	14	68%	October 2013	C
	I	IS	Unscheduled Investigations (13)	50	7.5	43	85%	June 2014	C
	C	IS	General Consultation	50	33	17	34%	June 2014	C
	P	FM	Procurement Card Reviews (4)(7)	190	156.2	34	18%	June 2014	C
	P	RS	Sponsored Program Review	90	9	81	90%	October 2014	I
	S	IT	Technology Access Fee (8)	150	116.5	34	22%	October 2013	C
	S	Personnel	(9)	90	81.4	9	10%	November 2013	C
	A	FM	PCI-DSS (14)	150	80.9	69	46%	September 2014	I
1	A	RS	Research Procedures - labs, safety (10)	330	361.3	(31)	-9%	June 2014	C
	F	AT	Athletic Gift in Kind Follow-Up (11)	15	16.9	(2)	-13%	February 2014	C
	P	IA	SACSCOC Reaccreditation Duties (12)	120	102.5	18	15%	June 2014	C
Required by TBR	R	FM	APSU President's Audit (16)	20	13.7	6	32%	October 2014	I
2	A	FM	Equipment (17)	50	30	20	40%	October 2014	I
	S	FM	Procad Review following Terminations		15.5	(16)		July 2014	I
			<b>Totals</b>	<b>2255</b>	<b>1946.8</b>	<b>308.2</b>	<b>14%</b>		

Estimate-Hours Available For Audits = 2013 (2 full-time audit staff and one staff member with part-time audit/review responsibilities)

T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	X - Cancelled
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

**Footnotes:**

- (1) Budget includes hours to be spent in May and June of 2014 for the 6-30-14 Inventory Observations audit. So even though the audit is completed, budgeted hours are used in the Plan Summary.
- (2) Budget has been increased by 50 hours because preliminary took more hours than anticipated - est. completion changed to Feb. first from Aug. (Aug was a mistake) and then from Dec. because samples were delayed.
- (3) SAF funds were not spent in the areas that normally take the most time to audit.
- (4) Changes necessary and/or variance because audit/review/project/investigation has begun but will not be completed until later in the fiscal year.
- (5) Est. completion changed because the state audit report was issued later than anticipated. The level of follow-up was more complex than anticipated requiring more hours.
- (6) Investigation was administratively closed, so an audit report was not necessary; therefore less time was needed to complete.
- (7) Original estimated completion date was a mistake.
- (8) Department replied quickly reducing number of required hours; this audit put before funding formula because of sample delay causing est. completion to go from Dec. to Oct.
- (9) It has been difficult to get and coordinate responses from various departments because of their workloads causing many more hours, increased budget, and delayed est. completion.
- (10) Preliminary and continuing work indicates that the lab safety review may be somewhat decentralized, which will likely require a greater number of audit hours to complete.
- (11) Follow-up could not be scheduled until audit was complete and showed that one would be necessary. It was left off last revision.
- (12) Audit personnel were assigned to 2 committees for SACSCOC reaccreditation. This project will continue until September 2015.
- (13) Since significant hours for unscheduled investigations have not yet been expended because of fewer reports in 2013-14, the budgeted hours have been reduced proportionate with the time left in the fiscal year.
- (14) Extensive administrative hours have been spent physically moving Internal Audit's office twice this fiscal year, which has delayed the estimated completion date for this audit.
- (15) The majority of the work on this project fell to TBR staff and it appears that our campus will not be required to perform significant, additional work on this project this year.
- (16) The scheduled President's audits were released in April 2014; while fieldwork will not begin in earnest until July 2014, some preliminary work was necessary because the APSU president is leaving in May 2014.
- (17) Because of scheduling issues with other audits, preliminary work on this audit was initiated.
- (18) Took significantly longer - new personnel in two major areas, new inventory computer system in one area, and two new sections of inventory taken with Craft Center inventory.



**University of Memphis**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**  
**As Revised June 30, 2014**

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget		Actual Hours	Cumulative Actual Hours	Actual Vs. Budget		Estimated/Actual Completion Date	Current Status
							Percentage	Hours			Percentage	Hours		
1	A	FM	Review of Internal Controls - Risk Assessment Footprint - Institutional Support	300	300	300	0%	-	292	292	97%	(8)	May 2014	C
1	A	FM	Review of Internal Controls - Risk Assessment Footprint - Student Enrollment Services [4]	300	250	550	20%	(50)	246	538	82%	(4)	May 2014	C
1 - Carryover from FY13	A	FM	Accounts Payable Operations/Compliance	160	160	710	0%	-	114	652	71%	(46)	August 2013	C
2	A	IA	School of Nursing	400	400	1110	0%	-	392	1044	98%	(8)	April 2014	C
3	A	IT	PCI Compliance - Limited Scope [7]	300	300	1410	0%	-	0	1044	0%		[7]	S
15	A	AT	Athletics- Financial Aid Student Athletes - Books [1]	200	0	1410		(200)	0	1044	0%			R
4T	C	AT	Athletics- Booster Club Process [1]	0	200	1610		200	185	1229	93%	(15)	July 2014	C
4T	A	AT	Athletics-Travel Expenses (Team & Employees)	200	200	1810	0%	-	225	1454	113%	25	July 2014	C
4T	A	IT	Data Security - Laptop Encryption and Mobile Devices - Limited Scope [7]	200	200	2010	0%	-	0	1454	0%		[7]	S
5 - Carryover from FY13	A	IT	Information Technology-Banner Security	210	210	2220	0%	-	261	1715	124%	51	June 2014	C
6	A	AT	Athletics - Review of Internal Controls - Ticket Office [6]	200	200	2420	0%	-	287	2002	144%	87	July 2014	C
8	C	RS	Research-Grants Accounting - Effort Reporting (Process Review)	120	120	2540	0%	-	116	2118	97%	(4)	May 2014	C
Follow-up	F	AT	Athletics-Tiger Fund Donations (Courtesy Cars, etc.)	100	100	2640	0%	-	92	2210	92%	(8)	December 2013	C
Follow-up	F	RS	Research-Grants Accounting - Admin Costs (DS2 Policies)	100	100	2740	0%	-	93	2303	93%	(7)	December 2013	C
Follow-up	F	FM	Payroll - Extra Compensation	100	100	2840	0%	-	93	2396	93%	(7)	March 2014	C
Ongoing	P	FM	Procurement Card [2]	350	500	3340	-30%	150	410	2806	117%	(90)	July 2014	C
Ongoing	P	FM	Payroll-W2 Control of Returned Addresses by Internal Audit [5]	120	90	3430	33%	(30)	85	2891	71%	(5)	June 2014	C
Required Bank Contract	A	IT	Information Technology-ACH (Electronic Banking Transactions)-NACHA	120	120	3550	0%	-	97	2988	81%	(23)	July 2014	C
Required State Audit	R	FM	Cash Counts and Inventory Observation- State Audit for YE FY13	150	150	3700	0%	-	162	3150	108%	12	August 2013	C
Required State Statute	R	FM	President's Expenses	120	120	3820	0%	-	112	3262	93%	(8)	November 2013	C
Required TBR	R	SS	Funding Formula-Progression (2012 Data)	140	140	3960	0%	-	122	3384	87%	(18)	February 2014	C
Required TBR	R	SS	Funding Formula-Completion (2013 Data)	120	120	4080	0%	-	111	3495	93%	(9)	July 2014	C
Required IIA Standards	P	IS	Quality Assessment-Financial Management	40	40	4120	0%	-	30	3525	75%	(10)	August 2013	C
	M	FM	Risk Assessment-Financial Management	100	100	4220	0%	-	56	3581	56%	(44)	June 2014	C
	I	IS	Unscheduled Investigations[9]	400	400	4620	0%	-	892	4473	223%	492	June 2014	C
	I	IS	Investigation Case # 001					-	38				September 2013	C
	I	IS	Investigation Case # 002					-	79				September 2013	C
	I	IS	Investigation Case # 003					-	153				September 2013	C
	I	IS	Investigation Case # 004					-	60				January 2014	C
	I	IS	Investigation Case # 005					-	76				January 2014	C
	I	IS	Investigation Case # 006					-	26				January 2014	C
	I	IS	Investigation Case # 007					-	196				January 2014	C
	I	IS	Investigation Case # 008					-	81				May 2014	C
	I	IS	Investigation Case # 009					-	78				June 2014	C
	I	IS	Investigation Case # 010					-	8				June 2014	C
	I	IS	Investigation Case # 011					-	46				June 2014	C
	I	IS	Investigation Case # 012					-	51				July 2014	C
	C	IS	General Consultation [3]	150	150	4770	0%	-	332	4805	221%	182	June 2014	C
	C	IT	General Consultation - Information Technology [8]	100	100	4870	0%	-	227	5032	227%	127	June 2014	C
							1%	70						

Estimate-Hours Available For Audits = 4,800 (4 audit staff)(2 positions vacant at beginning of fiscal year-both filled as of 10-31-2013)  
T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

**Footnotes:**

- [1] Athletics - Audit replaced with another audit per risk assessment feedback from Athletics Manage  
[2] Scope and hours expanded per Management request. Procurement Cards.  
[3] General Consultation Includes assistance to Legal with Attorney Client Projects.  
Additional hours due to additional requests from Management and Legal during FY14.  
[4] Was able to obtain efficiency in time by combining review of internal controls jointly with the other RA audit.  
[5] UOM converted to electronic W2s and online capability for 2013. Anticipate less returned W2s.  
[6] Additional time due to changes in personnel and change with use of outside company.  
Also, extra time due to numerous issues noted during the audit and reorganization of Athletics and dealing with new employees.  
[7] Moved to FY15 Audit Plan.  
[8] Additional time due to assistance to Management with State IT Audit.  
[9] Additional hours due to unforeseen increase with hotline reports and assistance to HR and Legal.

**Chattanooga State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by State Law	R	FM	President's Expenses	130	105	25	19%	October 2013	C
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	135	122	13	10%	February 2014	C
	M	IS	Risk Assessment - Review	50	40	10	20%	May 2014	C
Management Request	S	IT	NACHA Security Audit	100	100	0	0%	March 2014	C
	P	IA	TBR Training Committee	40	7	33	83%	June 2014	C
Consulting	C	IS	General Consultation	20	23	(3)	-15%	TBD	C
	R	FM	Year End Cash Counts and Inv 2013	20	18	2	10%	August 2013	C
	I	IS	Unscheduled Investigations (2 cases)	90	97	(7)	-8%	June 2014	
IIA Standards	P	IS	Quality Assessment Review	30	25	5	17%	August 2013	C
IIA Standards	P	IT	IT Governance Assessment	30	28	2	7%	August 2013	C
3	A	IS	Equipment	220	269	(49)	-22%	February 2014	C
Follow-Up	F	FM	Follow-up to Travel Audit	50	55			June 2014	C
4T	A	AX	Food Services	140	121	19	14%	January 2014	C
4T	C	IS	THEC Submissions	40	13	27	68%	June 2014	C
4T	A	FM	Foundation Investments& Gifts Received	100	94	6	6%	June 2014	C
	F	FM	State Audit Follow-Up	0	0	0	0%	(1)	R
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	150	82	68	45%		I
1	A	IT	IT Disaster Recovery Plan Audit	100	86	14	14%		I
2; Carryforward - In Progress	A	AT	Athletic Eligibility and Financial Aid	240	158	82	34%		I
	R	FM	Year End Cash Counts and Inv 2014	20	12	8	40%		I
	I	IS	Unscheduled Investigations (1 case)	0	3	(3)	100%		I
Management Request	C	SS	Continuing Education Control Change	30	4	26	87%	(2)	X
			<b>Totals</b>	<b>1735</b>	<b>1462</b>	<b>278</b>	<b>16%</b>		

Estimate-Hours Available For Audits = 1735 (1.5 audit staff)(Part-time staff vacant until October 1, 2013)  
T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	X - Cancelled
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

**Footnotes:**

- (1) Eliminated due to no state follow up needed in FYE 2014.  
(2) Type of consultation was changed based on initial conversations with management. The new engagement has been deferred to FYE 2015.

**Cleveland State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	SS	Data)	200	230	(30)	-15%	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	200	120	80	40%	Inprogress	I
Required by State Audit	R	FM	Cash Counts	50	40	10	20%	June 2014	C
Brought Forward	F	FM	Grant Audit Follow-Up	25	30	(5)	-20%	October 2013	C
Brought Forward	F	FM	Investigation 13-01 Follow-up	75	80	(5)	-7%	May 2014	C
	M	FM	Risk Assessment-Information Technology	0	0	0	0%	May 2014 footnote 1	R
	M	FM	Risk Assessment-Plant Operations	0	0	0	0%	May 2014 footnote 1	R
	M	FM	Risk Assessment-Finance and Administration	50	50	0	0%	May 2014	C
	M	FM	Risk Assessment - Financial Management	0	0	0	0%	May 2014 footnote1	R
	M	IS	Risk Assessment - Institutional Support	30	35	(5)	-17%	May 2014 footnote1	C
	M	IS	TTC Risk Assessment-Enterprise-wide	25	25			February 2014	C
IIA Standards	P	IS	Quality Assessment Review	25	30	(5)	-20%	August 2013	C
Brought forward	S	IT	Nacha Web Audit 2013	100	95	5	5%	December 2013	C
	S	IT	Nacha Web Audit 2014	100	90	10	10%	June 2014	C
Brought Forward	I	IA	Investigation 13-02	20	35	(15)	-75%	October 2013	C
Brought Forward	I	IA	Investigation 13-03	20	22	(2)	-10%	October 2013	C
	F	FM	Investigation 13-02 Follow-up	50	60	(10)	-20%	May 2014	C
	I	IS	Unscheduled Investigations	50	50	0	100%	TBD	X
	C	IS	General Consultation	50	80	(30)	-60%	June 2014	C
1T	A	IT	Technology Access Fee	0	0	0	0%	Removed	R
			<b>Totals</b>	<b>1070</b>	<b>1022</b>	<b>48</b>	<b>4%</b>		

Estimate-Hours Available For Audits = 1042 (1 audit staff)

T--Tie

Audit Types:

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

Functional Areas:

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

Status

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

Footnotes:

1. Management completed three year Risk Assessment plan. Finance and administration includes Financial Management, Information Technology and Plant Operations

**Columbia State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	SS	Funding Formula-Progression 2012 Data	170	249	(79)	-46%	February 2014	C
Required by TBR	F	FM	State Audit Follow-Up FY 2012 & 2011	140	142	(2)	-1%	November 2013	C
	M	IS	Hohenwald Risk Assessment	30	36	(6)	-20%	February 2014	C
	M	IS	Pulaski Risk Assessment	30	39	(9)	-30%	February 2014	C
	C	IS	General Consultation	30	4	26	87%	June 2014	C
Required by TBR	R	SS	Funding Formula-Completion 2013 Data	170	243	(73)	-43%	<i>In Progress (1)</i>	I
	M	IS	CoSCC Risk Assessment	30	3	27	90%	<i>In Progress (2)</i>	I
			<b>Totals</b>	<b>600</b>	<b>716</b>	<b>-116</b>	<b>-19%</b>		

Audits are performed by MTSU Office of Audit and Consulting Services through an audit services contract for a maximum of 600 hours.

"Actual Hours" exceeded the maximum contract hours. Additional audit time was needed to complete required audit work.

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status**

C - Completed

I - In Progress

S - Scheduled, not Started

R - Removed

X - Cancelled

**Footnotes:**

(1) This audit is in progress and should be completed in July 2014. Additional audit time needed due to sampling issues and new samples being provided by the TBR

(2) This review is in progress and should be completed in July 2014.

**Jackson State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required	R	SS	Data)	150	165	(15)	-10%	February 2014	C
Required	R	SS	Funding Formula - Completion (2013 Data)	150	90	60	40%	July 2014	I
Required	R	IS	President's Expense Audt - NaSCC	150	180	(30)	-20%	October 2013	C
Required	R	FM	Year-end Procedures	40	20	20	50%	June 2014	C
Required	M	IA	JSCC Risk Assessment-Instruction	25	40	(15)	-60%	May 2014	C
Required	M	IS	JSCC Risk Assessment-Institutional Support	25	40	(15)	-60%	May 2014	C
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Covington	20	15	5	25%	January 2014	C
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Crump	20	15	5	25%	January 2014	C
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Jackson	20	15	5	25%	January 2014	C
Required	M	IS	TTC Risk Assessment-Enterprise-wide-McKenzie	20	15	5	25%	January 2014	C
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Newbern	20	15	5	25%	February 2014	C
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Paris	20	15	5	25%	January 2014	C
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Ripley	20	15	5	25%	January 2014	C
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Whiteville	20	15	5	25%	January 2014	C
IIA Standards	P	IS	Quality Assessment Review	40	40	0	0%	August 2013	C
Follow-up Review	F	IT	Follow-up Review - IT Governance	30	0	30	100%	June 2014	S
Follow-up Review	F	IT	Follow-up Review - Data Security	50	0	50	100%	June 2014	S
Follow-up Review	F	IS	Follow-up Review - Cash Receipting Procedures	50	0	50	100%	June 2014	S
Consulting	C	IS	General Consultation	150	220	(70)	-47%	Ongoing	I
In Progress	A	PP	Emergency Preparedness	150	85	65	43%	June 2014	I
			<b>Totals</b>	<b>1170</b>	<b>1000</b>	<b>170</b>	<b>15%</b>		

Estimate-Hours Available For Audits = 1160 (1 audit staff)

T--Tie

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status**

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

Footnotes:

**Motlow State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	SS	Funding Formula-Progression 2012 Data	180	188	(8)	-4%	February 2014	C
Required by TBR	F	FM	State Audit Follow-Up FY 2012 & 2011	165	165	0	0%	January 2014	C
	M	IS	MSCC Risk Assessment	40	45	(5)	-13%	May 2014	C
	M	IS	McMinnville Risk Assessment	20	31	(11)	-55%	February 2014	C
	M	IS	Murfreesboro Risk Assessment	20	23	(3)	-15%	February 2014	C
	M	IS	Shelbyville Risk Assessment	20	33	(13)	-65%	February 2014	C
	C	IS	General Consultation	5	4	1	20%	June 2014	C
Required by TBR	R	SS	Funding Formula-Completion 2013 Data	150	186	(36)	-24%	<i>In Progress (1)</i>	I
			<b>Totals</b>	<b>600</b>	<b>675</b>	<b>-75</b>	<b>-13%</b>		

Audits are performed by MTSU Office of Audit and Consulting Services through an audit services contract for a maximum of 600 hours.  
 "Actual Hours" exceeded the maximum contract hours. Additional audit time was needed to complete required audit work.

**Audit Types:**

R - Required  
 A - Risk-Based (Assessed)  
 S - Special Request  
 I - Investigation  
 P - Project (Ongoing or Recurring)  
 M - Management's Risk Assessment  
 C - Consultation  
 F - Follow-up Review

**Functional Areas:**

AD - Advancement  
 AT - Athletics  
 AX - Auxiliary  
 FM - Financial Management  
 IA - Instruction & Academic Support  
 IS - Institutional Support  
 IT - Information Technology  
 PP - Physical Plant  
 RS - Research  
 SS - Student Services

**Status**

C - Completed  
 I - In Progress  
 S - Scheduled, not Started  
 R - Removed  
 X - Cancelled

**Footnotes:**

(1) This audit is in progress and should be completed in July 2014. Additional audit time needed due to sampling issues and new samples being provided by the TBR

**Nashville State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	SS	Funding Formula Progression (2012 Data)	150	180	(30)	-20%	February 2014	C
Required by TBR	R	SS	Funding Formula Completion (2013 Data)	120	150	(30)	-25%	July 2014	I
Required by TBR	R	FM	Year-End Cash Counts and Inventories	0	20	(20)	n/a	June 2014	C
Required by TBR	M	IS	TCAT Risk Assessment - Nashville	40	40	0	0%	February 2014	C
Required by TBR	M	IS	TCAT Risk Assessment - Dickson	40	40	0	0%	February 2014	C
Required by TBR	M	IS	Risk Assessment - Enterprise	40	40	0	0%	May 2014	C
Required by TBR	M	IS	Risk Assessment - Student Services	45	45	0	0%	May 2014	C
Required by TBR	M	IS	Risk Assessment - Institutional Support	45	45	0	0%	May 2014	C
4	A	FM	Bank Reconciliations	120	30	90	75%	May 2015	I
IIA Standards	P	IS	Quality Assessment Review - Follow-Up	50	20	30	60%	TBD by S-wIA	I
As Assigned	I	IS	Unscheduled Investigations/Special Requests	72	92	(20)	-28%	June 2014	C
As Assigned	C	IS	General Consultation	87	87	0	0%	June 2014	C
As Assigned	F	IS	Internal Audit Follow-Up	25	45	(20)	-80%	June 2014	C
				<b>834</b>	<b>834</b>	<b>0</b>	<b>0%</b>		

Estimate-Hours Available For Audits = 834 (1 audit staff)

T--Tie

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status**

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

**Northeast State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	200	188	12	6%	February 2014	C
Required by State Audit	R	FM	State Audit Assistance-YearEnd	40	29.5	11	26%	June 2014	C
	M	FM	Risk Assessments-NeSCC	60	51.5	9	14%	May 2014	C
	P	IS	Quality Assessment Review	75	64	11	15%	August 2013	C
Special Request	S	IS	Special Requests and Projects	100	48.5	52	52%	Various	C
Special Request	F	IA	Follow-up TCAT Missing Equip Report (ETSL	10	12.5	(3)	-25%	July 2013	C
	C	IS	General Consultation	100	27.5	73	73%	June 2014	C
Brought Forward	A	IT	Data Security	75	91.5	(17)	-22%	January 2014	C
Brought Forward	A	IA	Academic Advising	50	72	(22)	-44%	November 2013	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	150	59.5	91	60%		I
Special Request	S	IA	Theater Services (FN2)	150	106.5	44	29%		I
	M	IS	TCAT Risk Assessmt-Enterprise-wide (FN 1)	0	0	0	0%	February 2014	R
1	A	IS	Human Resources	150	0	150	100%	(FN 4)	X
			<b>Totals</b>	<b>1160</b>	<b>751</b>	<b>409</b>	<b>35%</b>		

Estimate-Hours Available For Audits = 1102.5 (1 audit staff) (FN3)  
T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	X - Cancelled
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

**Footnotes:**

FN 1 - TCAT Risk Assessment budgeted hours were changed to 0 because it was performed by TBR SWIA while the NeSCC auditor was out of the office on FML.

FN 2 - Expanded scope to include facility usage agreements and additional types of systems and revenue testing.

FN 3 - The Director has been on Intermittent FML since January 2014, and has been out of the office approximately 480 hours through the end of June 2014 relating to adoption of

FN 4 - Insufficient audit resource hours available to perform this audit (see also FN 3 above).



**Pellissippi State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	FM	Year end inventory & Cash Counts	30	29	1	3%	June 2014	C
Required by TBR	R	SS	Data)	100	99	1	1%	February 2014	C
Required by TBR	F	FM	Internal Audit Follow Ups	30	22	8	27%	Continuous	
Required by TBR	M	IA	Risk Assessment-Instruction & Academic Support	40	39	1	3%	December 2013	C
Required by TBR	M	PP	Risk Assessment-Physical Plant	20	21	(1)	-5%	October 2013	C
Required by TBR	M	IS	Risk Assessment - Enterprise Wide	20	9	11	55%	May 2014 (5)	I
Required by TBR	M	IS	TTC Risk Assessment-Enterprise-wide	20	27	(7)	-35%	February 2014	C
Required by TBR	I	IA	Investigation 2014-01 (Nursing)	100	99	1	1%	April 2014 (6)	C
Presidential Request	S	IA	Faculty Credentials	100	87	13	13%	January 2014	C
Presidential Request	S	FM	First TN - NACHA Audit	100	91	9	9%	October 2013	C
Required by Law	I	PP	Investigation 2012-01 (Plant)	10	11	(1)	-10%	October 2013	C
Required by TBR/ Presidential Request	P	IS	Quality Assessment Review	120	160	(40)	-33%	September 2013 (2)	C
Presidential Request	C	IA	Review of Compliance Assist	40	22	18	45%	Continuous	
Presidential Request	C	IT	Providing Assistance related to TBR IT Audit	40	37	3	8%	December 2013	C
Presidential Request	C	IS	Lab Safety Reviews	20	25	(5)	-25%	March 2014	C
Management Request	C	SS	Review of Consumer Information	25	31	(6)	-24%	February 2014	C
Management Request	C	IA	Requirements (Financial Aid)	50	48	2	4%	May 2014 (4)	C
Management Request	C	PP	French Exchange Program	25	22	3	12%	March 2014 (4)	C
Management Request	C	IT	Review of Electrical Permitting Issue	25	31	(6)	-24%	Continuous (4)	
Management Request	C	FM	Banner/IT Project Issues	0	24	(24)	100%	Continuous (4)	
Management Request	C	FM	Review of RFP Process	0	24	(24)	100%	Continuous (4)	
2T	A	FM	Maintenance/Tuition and Related Fees	150	72	78	52%	June 2014 (3)	S
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	175	66	109	62%		I
			<b>Totals</b>	<b>1240</b>	<b>1072</b>	<b>168</b>	<b>14%</b>		

Estimated Hours Available for Audits = 1162.5 (1 Staff)

T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	X - Cancelled
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

Footnotes:

(1) Not used.

(2) These hours relate to the quality assesment review performed on Pellissippi State as well as hours spent by the Pellissippi State audit director working on reviews of 3 schools in North Carolina. Variance between budget & actual was due to TBR QAR process requiring approximately 20 more hours than estimated and the fact that I took the lead on the QAR for UNC Asheville and that required more time than just being a participant on the review team.

(3) This audit difference between budgeted hours and actual hours was partially due to the fact that this audit had always been completed in conjunction with the enrollment audit so the total hours for just this portion of the audit were unknown. Additionally during the course of the audit the scope was reduced because work specific to daily cash reports had recently been performed as part of another audit.

(4) All consultation projects were added to the audit plan during FY14 were added because of management request. Prior to adding to the audit plan the risk related to these were evaluated as well as the estimated time requirement and determined to justify immediate action on the part of the internal audit office. .

(5) Items was inadvertently omitted from original audit plan.

(6) Investigation was not originally planned but was performed as a result of the President asking me to look into some issues related to the nursing program.

**Note:** Even though the disaster recovery audit was ranked as the top risk based audit it will not be done in FY 14. The college is in the process of moving part of its computer operations to the state level and when this is done a significant part of disaster recovery will fall on the state instead of the college.

**Roane State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	FM	Year End Cash Counts and inventories - 6-30-14	37.5	15.0	22.5	60%	6/27/2014	C
Required by IIA	P	IS	QAR self-assessment and external validation	53.5	53.5	-	0%	7/31/2013	C
Required by TBR	M	IS	RSCC Risk Assessment - Institutional Support	15.0	12.5	2.5	17%	5/29/2014	C
Required by TBR	M	IA	RSCC Risk Assessment - Instruction and	15.0	7.0	8.0	53%	5/29/2014	C
Required by TBR	M	IS	RSCC Risk Assessment-ERM update	7.5	7.0	0.5	7%	5/29/2014	C
Required by TBR	M	IS	TCAT OniedaRisk Assessment-Enterprise-wide/Control assessment	8.0	8.0	-	0%	2/1/2014	C
Required by TBR	M	IS	TCAT Crossville Risk Assessment-Enterprise-wide/Control assessment	8.5	8.5	-	0%	2/1/2014	C
Required by TBR	M	IS	TCAT Harriman Risk Assessment-Enterprise-wide/Control assessment	8.5	8.5	-	0%	2/1/2014	C
Required by TBR	M	IS	TCAT Jacksboro Risk Assessment-Enterprise-wide/Control assessment	8.5	8.5	-	0%	2/1/2014	C
Required by TBR	R	IS	Funding Formula - Progression data review	218.3	218.3			2/5/2014	C
Required by TBR	R	IS	Funding Formula - Completion data review	151.8	132.0	19.8	13%	Incomplete at 6/30/14	X
Required by TBR	F	FM	RSCC - Follow up on State Audit findings	44.3	44.3	-	0%	10/23/2013	C
Required by TBR	F	FM	RSCC Foundation - Follow up on State Audit findings	58.3	58.3	-	0%	10/23/2013	C
As needed	I	IS	Unscheduled Investigations	30.0		4.5	15%		
As needed	I	IS	FWAH 14-314: Complaint against RSCC Exposition Center employee		14.0			6-24-14	C
As needed	I	IS	TBR Report Fraud notification: Complaint against Oak Ridge Campus employees waste of resources.		11.5			7-31-13	C
As needed	S	IS	Special requests	60.0		(11.8)	-20%		
As needed	S	IS	Special requests < 10 hours		10.5			Various	C
As needed	S	IS	PCI/DSS contract review		17.0			8-20-13	C
As needed	S	IS	OSHA Standards compliance		20.5			8-30-13	C
As needed	S	IS	New Employee Orientation		13.8			8-23-13	C
As needed	S	IS	TBR IT Audit Assistance		10.0			3-20-14	C
Ongoing projects	P	IS	Projects	40.0		(12.5)	-31%		
Ongoing projects	P	IS	Auto Audit implementation		40.0			6-30-14	C
Ongoing projects	P	IS	TBR Audit Program committee		12.5				Continuing
As needed	C	IS	General consultation	110.0		(4.0)	-4%		
As needed	C	IS	Consultation activities < 10 hours		8.5			Various	C
As needed	C	FM	Review of Online auction fund raising process		29.5			2-17-14	C
As needed	C	IS	Review of RSCC Crossville Campus Police timekeeping procedures		76.0			9-20-13	C
1	A	FM	Grants	375.0	377.0	(2.0)	-1%	Incomplete at 6/30/14	X
<b>Totals</b>				<b>1,249.5</b>	<b>1,222.0</b>	<b>27.5</b>	<b>2%</b>		

Estimate-Hours Available For Audits = 2720 (2 audit staff)

T--Tie

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status**

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

**Cancelled audit footnote:**

Grants This audit was cancelled due to priority given to other projects. This audit is anticipated to be completed during August, 2014.  
Funding Formula - Completion data This audit was cancelled due to priority given to other projects. This audit is anticipated to be completed during July, 2014.

**Volunteer State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by TBR	R	SS	(1)	205	204	1	0%	March 2014	C
Required by TBR	R	FM	State Audit Follow-Up	65	61	4	6%	December 2013	C
IIA Standards	P	IS	Quality Assurance and Improvement	80	85	(5)	-6%	September 2013	C
Required by State Audit	R	FM	Cash Counts	25	25	0	0%	June 2014	C
Required by TBR	M	IS	Risk Assessment- Volunteer State	75	60	15	20%	May 2014	C
Required by TBR	M	IS	TCAT Risk Assessment- Livingston	10	6	4	40%	February 2014	C
Required by TBR	M	IS	TCAT Risk Assessment- Hartsville	10	6	4	40%	February 2014	C
Consulting	C	IS	General Consultation	100	90	10	10%	June 2014	C
	I	IS	Unscheduled Investigations and Requests	100	65	35	35%	June 2014	C
Carryforward Request	S	IA	International Education Fee	250	259	(9)	-4%	November 2013	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	150	111	39	26%	July 2014	I
Carryforward Request	S	IA	Faculty Credentials	150	12	138	92%	September 2014	I
			<b>Totals</b>	<b>1220</b>	<b>984</b>	<b>236</b>	<b>19%</b>		

Estimate-Hours Available For Audits = 967.5 (1 audit staff)

T--Tie

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status**

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

**Footnotes:**

(1) This audit was cancelled due to priority given to other audits.

**Walters State Community College**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by State Law	R	FM	President's Expenses (FN 2)	120	120	0	0%	November 2013	C
Required by TBR	R	SS	Funding Formula-Progression Audit (2012 Data)	165	165	0	0%	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion Audit (2013 Data)	200	240	(40)	-20%	July 2014	I
Required	R	FM	Inventory Observations	25	25	0	0%	June 2014	C
Required	R	FM	Cash Counts	15	15	0	0%	June 2014	C
Required	R	FM	Confirmation Requests	15	15	0	0%	June 2014	C
Required	F	FM	State Audit Follow-Up	80	80	0	0%	September 2013	C
Required	M	IT	WSCC Risk Assessment-Information Technology	20	20	0	0%	May 2014	C
Required	M	IT	WSCC Risk Assessment-Institutional Support	20	15	5	25%	May 2014	C
Required	M	IT	WSCC Risk Assessment-Office of Research, Planning and Assessment	20	15	5	25%	May 2014	C
Required	M	IT	WSCC Risk Assessment-College Advancement	20	15	5	25%	May 2014	C
Required	M	IS	WSCC Risk Assessment-Enterprise-wide	25	15	10	40%	May 2014	C
Required	M	IS	TCATM Risk Assessment-Enterprise-wide	25	25	0	0%	February 2014	C
Required	P	IS	Quality Assessment Review	20	20	0	0%	July 2013	C
Required	P	IS	Interim Self-Assessment	10	0	10	100%	June 2014	S
Required	I	IS	Unscheduled Investigations	0	0	0	100%	TBD	S
Required	C	IS	General Consultation (FN 1)	142	222	(80)	-56%	June 2014	C
Required	R	FM	NACHA Compliance Audit	60	75	(15)	-25%	November 2013	C
Required	R	IT	IT Governance Review	65	80	(15)	-23%	May 2014	I
1T	A	PP	Emergency Systems & Procedures	75	20	55	73%	June 2014	I
1T	A	FM	PCI-DSS	100	40	60	60%	June 2014	I
2	A	FM	Contracts	0	0	0	100%	July 2014	X
			<b>Totals</b>	<b>1222</b>	<b>1222</b>	<b>0</b>	<b>0%</b>		

Estimate-Hours Available For Audits = 1222 (1 audit staff)

T--Tie

<b>Audit Types:</b>	<b>Functional Areas:</b>	<b>Status</b>
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	X - Cancelled
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

Footnotes:

FN 1 - General Consultation increased due to, but not limited to, reviewing numerous documents related to an upcoming SACS review, various meetings regarding U.S.

Department of Education's off-site Program Review of Title IV funding for WSCC's Basic Law Enforcement Officer Program.

1. Reviewed voluminous amount of materials to be submitted to SACSOC regarding Fifth-Year Interim Review of WSCC

2. Attended and participated in various meetings and conference calls regarding U.S. Department of Education's Offsite Program Review of Title IV funding for WSCC's Basic Law Enforcement Officer (BLEO) Academy's BPRS (Basic Police Recruit Axhool a/k/a Basic Law Enforcement (Officer) Education) Program

3. Completed cash-receipts testing of TTCM (n/k/a TCATM) at request of TCAT Internal Auditor

4. Provided/reviewed WSCC documentation/responses requested as part of State's performance audit of TBR System

FN 2 - The audit of NeSCC President's Expenses was the first such audit performed by me and, as a result, involved a much greater learning curve than originally anticipated (e.g. set up and access to NeSCC's Virtual Private Network, learning and performing numerous Banner queries, reconciling NeSCC's fourth-quarter report submitted to TBR with general ledger accounts, identifying and resolving discrepancies, etc.)

**Tennessee Board of Regents - System Office**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by State Law	R	FM	President's Expenses (DSCC)	100	94.5	6	6%	November 2013	C
Required by TBR	R	SS	Funding Formula-Progression (STCC)	150	86.5	64	42%	February 2014	C
Required by TBR	R	SS	Funding Formula-Progression (DSCC)	150	73	77	51%	February 2014	C
Required by State Audit	R	FM	Cash Counts	5	1	4	80%	July 2013	C
Required by TBR	F	FM	State Audit Follow-Up - Energy	25	13	12	48%	July 2013	C
Required by State Law	M	IS	Management's Risk Assessment	50	7	43	86%	May 2014	C
Required by TBR	F	FM	Internal Audit Follow-up, Travel Expenses	50	53.5	(4)	-7%	April 2014	C
	C	FM	Tennessee Foreign Language Institute	150	157.5	(8)	-5%	May 2014	C
Required by TBR	P	IS	Quality Assessment Review	260	264.5	(5)	-2%	June 2014	C
Required by TBR	F	FM	Follow-up on Procurement Card	10	0	10	100%	na	I
	C	IS	General Consultation	100	111	(11)	-11%	na	na
Special Request	F	FM	APSU State Audit Follow-up	50	53.5	(4)	-7%	March 2014	C
Required by TBR	R	SS	Funding Formula - Completion (STCC)	150	53.5	97	64%	July 2014	I
Required by TBR	R	SS	Funding Formula - Completion (DSCC)	150	44.5	106	70%	July 2014	I
Required by TBR	F	IS	State Audit Follow-up - Performance Audit	0	40	(40)	0%	July 2014	I
			<b>Totals</b>	<b>1400</b>	<b>1053</b>	<b>347</b>	<b>25%</b>		

Estimate-Hours Available For Audits = 1070 (1 audit staff, FN 1)  
T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	X - Cancelled
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

**Footnotes:**

(1) This staff member also spent 70.0 hours on investigations and 76.0 hours on TCAT audits. These hours are reflected on Investigations and TCAT year-end status reports.

**Tennessee College's of Applied Technology**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Carryforward	A	FM	Morristown	50	82.5	(33)	-65%	November 2013	I
Carryforward	A	FM	Chattanooga (2011)	200	49	151	76%	November 11, 2013	C
Carryforward	A	FM	Pulaski	200	11.5	189	94%	July 23, 2013	C
Carryforward	P	SS	Federal Financial Aid Updates (1)	100	42.5	58	58%	September 2013	C
Carryforward	A	FM	Financial Aid/Accounts Receivable Focused Review (System-wide) (2)	0	5	(5)	#DIV/0!	July 2014	I
1	A	FM	Morristown (4)	37.5	2	36	95%	NA	R
2	A	FM	Elizabethton (3)	37.5	93	(56)	-148%	July 2014	I
3	A	FM	Knoxville	37.5	50	(13)	-33%	July 2014	I
4T	A	FM	Crossville	37.5	39	(2)	-4%	January 17, 2014	C
4T	A	FM	Hohenwald	22.5	49	(27)	-118%	November 26, 2013	C
5T	A	FM	Newbern	37.5	61	(24)	-63%	November 11, 2013	C
5T	A	FM	Jackson	37.5	53	(16)	-41%	July 2014	I
5T	A	FM	McKenzie	22.5	24	(2)	-7%	July 2014	I
6T	A	FM	Pulaski	37.5	49.5	(12)	-32%	July 2014	I
6T	A	FM	Shelbyville	37.5	32.5	5	13%	February 27, 2014	C
6T	A	FM	McMinnville	50	58	(8)	-16%	May 19, 2014	C
7T	A	FM	Ripley (3)	37.5	40.5	(3)	-8%	July 2014	I
7T	A	FM	Murfreesboro	50	34.5	16	31%	May 19, 2014	C
8	A	FM	Oneida	37.5	36.5	1	3%	February 27, 2014	C
9T	A	FM	Hartsville	37.5	39.5	(2)	-5%	July 2014	I
9T	A	FM	Nashville	75	47	28	37%	July 2014	I
10T	A	FM	Memphis	50	46.5	4	7%	July 2014	I
10T	A	FM	Athens	37.5	36	2	4%	July 2014	I
10T	A	FM	Livingston	37.5	50.5	(13)	-35%	April 14, 2014	C
10T	A	FM	Dickson	37.5	47.5	(10)	-27%	May 8, 2014	C
11	A	FM	Harriman	37.5	60	(23)	-60%	April 15, 2014	C
12T	A	FM	Jacksboro	37.5	58.5	(21)	-56%	July 2014	I
12T	A	FM	Paris	37.5	24.5	13	35%	July 2014	I
13T	A	FM	Chattanooga (5)	37.5	2	36	95%	NA	R
13T	A	FM	Covington	37.5	58	(21)	-55%	November 26, 2013	C
14T	A	FM	Crump	37.5	35.5	2	5%	July 2014	I
14T	A	FM	Whiteville	37.5	51	(14)	-36%	April 21, 2014	C
			<b>Totals</b>	<b>1607.5</b>	<b>1369.5</b>	<b>238</b>	<b>15%</b>		

Estimate-Hours Available For Audits = 1485 (1 audit staff)

T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	X - Cancelled
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

**Footnotes:**

- (1) This review was delayed due to financial aid issues at a TTC and implementation of a new financial aid payment process.
- (2) This focused review will include the problem areas identified during the operational audits: Financial Aid, AR, Cash Receipts, Livework, audit was postponed and and revised from the prior audit period.
- (3) These audits were scheduled for later in the year due to extenuating circumstances, a request from the Director or schedule conflict.
- (4) This audit and follow up were combined due to the majority of transactions being processed by the lead institution.
- (5) This school is highly integrated within the lead institution and will be included if a request is made.

**SWIA - IT Audit**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Required by State Law			None						
Required by TBR	F	IT	Follow-up on IT Audit Issues	16	8	8	50%	June 2014	C
Required by Athletic Affiliate			None						
Required by State Audit	M	IT	RisK Assessment - IT	24	28	(4)	-17%	August 2013	C
Brought forward			None						
Special Request	C	IT	Participation in Banner XE and ODS Data Warehouse Implementation (1)	80	100	(20)	-25%	June 2014	C
	C	IT	General Consultation	96	102	(6)	-6%	June 2014	C
Risk-based 1	C	IT	Business Continuity Planning and IT Disaster Recovery (1)	80	32	48	60%	June 2014	C
Risk based 5	A	IT	TBR - IT General Controls Review (GCR)	180	224	(44)	-24%	May 2014	C
Special Request	S	IS	CCTA Process	40	68	(28)	-70%		I
Risk-based 3	A	IT	Logical Access Security (2)	40	24	16	40%		I
University 1	A	IT	Austin Peay - IT GCR	160	160	0	0%		I
University 2	A	IT	Tennessee State - IT GCR	160	140	20	13%		I
Community College 2T	A	IT	Pellissippi State - IT GCR	160	212	(52)	-33%		I
Community College 2T	A	IT	Jackson State - IT GCR	160	188	(28)	-18%		I
Community College 3T	A	IT	Cleveland State - IT GCR	160	165	(5)	-3%		I
Community College 3T	A	IT	Roane State - IT GCR	160	152	8	5%		I
			<b>Totals</b>	<b>1516</b>	<b>1603</b>	<b>-87</b>	<b>-6%</b>		

Estimate-Hours Available For Audits = 1516 (1 audit staff).

Extra hours worked from not using sick leave.

T--Tie

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status**

C - Completed  
I - In Progress  
S - Scheduled, not Started  
R - Removed  
X - Cancelled

**Footnotes:**

(1) Request participation in TBR project. The Project will continue in the next fiscal year.

(2) Project requested to be delayed with the implementation of improved security controls from IT GCR and State audits.

**Tennessee Board of Regents - System-wide Internal Audit**  
**Internal Audit Investigations**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2014**

Rank	Type	Area	Audit	Planned Hours	Actual Hours	Planned vs. Actual		Date Completed	Status
						Hours	Percentage		
Investigation	P	IS	INVESTIGATION MANAGEMENT	250	264	(14)	-6%	6/30/2014	C
Investigation	C	IS	CONSULTATION/EVALUATION	125	114.5	11	8%	6/30/2014	C
Investigation (1)	I	FM	TBR 08-06	25	2	23	92%	8/30/2013	C
Investigation (1)	I	FM	TBR 09-04	20	2	18	90%	3/31/2014	C
Investigation (1)	I	FM	TBR 10-07	15	3	12	80%	8/30/2013	C
Investigation (1)	I	FM	TBR 10-08	40	0	40	100%	TBD	I
Investigation (1)	I	FM	TBR 10-09	15	2	13	87%	3/31/2014	C
Investigation (1)	I	FM	TBR 12-02	15	5	10	67%	6/30/2014	C
Investigation (1)	I	FM	TBR 12-04	40	0	40	100%	TBD	I
Investigation (1)	I	FM	TBR 13-01*	40	44	(4)	-10%	6/17/2014	C
Investigation (1)	I	FM	TBR 13-02*	50	0	50	100%	TBD	I
Investigation (1)	I	IS	TBR 13-03	10	3	7	70%	TBD	I
Investigation (1)	F	FM	TBR 13-04*	158	158	0	0%	5/7/2014	C
Investigation (1)	I	FM	TBR 13-05*	0	50	(50)		8/16/2013	C
Investigation (1)	I	FM	TBR 13-06	30	30	0	0%	4/21/2014	C
Investigation (1)	I	FM	TBR 13-08	60	20	40	67%	6/23/2014	C
Investigation	I	FM	TBR 14-01	160	160	0	0%	4/30/2014	C
Investigation	I	FM	TBR 14-02	20	9.5	11	53%	6/17/2014	C
Investigation	I	FM	TBR 14-03	40	35	5	13%	TBD	I
Investigation	I	FM	TBR 14-04	40	4	36	90%	TBD	I
Investigation	I	FM	TBR 14-05	29	28.5	0	0%	4/21/2014	C
Investigation	I	FM	TBR 14-06	120	115	5	4%	TBD	I
Investigation	I	FM	TBR 14-07	29	28.5	0	0%	4/21/2014	C
Investigation	I	FM	TBR 14-08	60	90	(30)	-50%	6/30/2014	C
Investigation	I	FM	TBR 14-12	25	30	(5)	-20%	TBD	I
Investigation	I	FM	TBR 14-15*	0	30	(30)		TBD	I
Investigation	I	IS	TBR 14-17	0	0	0		TBD	I
Investigation	I	FM	TBR 14-18*	0	30	(30)		5/13/2014	C
Investigation	I	FM	TBR 14-19*	0	0	0		TBD	S
Investigation	I	IS	TBR 14-20	0	0	0		TBD	S
Investigation	I	IS	TBR 14-21*	0	0	0		TBD	S
			Unscheduled Investigations	0					
			<b>Totals</b>	<b>1415</b>	<b>1258</b>	<b>157</b>	<b>11%</b>		

\*Includes investigation hours from other auditors

<b>Audit Types:</b>	<b>Functional Areas:</b>	<b>Status</b>
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

Footnotes:

(1) Brought forward from prior year.



**Tennessee Board of Regents  
Committee on Audit**

**DATE:** September 25, 2014

**AGENDA ITEM:** **Review of Revisions to Internal Audit  
Plans for Fiscal Year 2015**

**PRESENTER:** Tammy Gourley

**ACTION REQUIRED:** Voice Vote

**STAFF'S RECOMMENDATION:** Approval

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**BACKGROUND INFORMATION:**

The committee will review and consider approval of revised internal audit plans for Fiscal Year 2015 as required by the Audit Committee Charter, TBR Policy 4:01:05:00, *Internal Audit*, and the Institute of Internal Auditors *International Professional Practices Framework*.

The Internal Audit offices at each campus and the system office prepare an annual audit plan at the beginning of each fiscal year. Each plan is based upon the staffing and hours available to perform audits and is prepared in conjunction with an annual risk analysis of the audit universe. During the year, changes in audit priorities and staffing may result in alterations to the plan. Revised audit plans are submitted each quarter to provide the Audit Committee with updated information on any changes and progress achieved on the plans. The audit plans include required audits, risk-based audits, known investigations and special requests or projects. See the Audit Planning Process section below for additional details on the types of audits and planning process.

Plans for the offices or units listed below are included in this report. The plans represent revisions to the original plan, except for Southwest Tennessee Community College. Southwest filled the Internal Audit Director position on July 7, 2014 and the plan included is the initial audit plan for that office.

Universities

Austin Peay State University

East Tennessee State University

Middle Tennessee State University

Tennessee State University

Tennessee Tech University  
University of Memphis

Community Colleges

Chattanooga State Community College  
Cleveland State Community College  
Columbia State Community College  
Jackson State Community College  
Motlow State Community College  
Nashville State Community College  
Northeast State Community College  
Pellissippi State Community College  
Roane State Community College  
Southwest Tennessee Community College  
Volunteer State Community College  
Walters State Community College

Tennessee Board of Regents

System-wide Internal Audit  
Tennessee Colleges of Applied Technology  
Information Systems  
Investigations

**Audit Planning Process**

Audit plans prepared by the auditors at each institution may include audits or projects of the following types:

- Required (by law, policy or other authority)
- Management's Risk Assessment (review of process and conclusions)
- Follow-up Review (of State Audit or Internal Audit findings)
- Special Request (audit requested by Board or management)
- Project (such as periodic review of purchasing card activity)
- Consultation (research, analysis, review and/or recommendations)
- Investigation
- Risk-Based

Risk-based audits are determined through a risk analysis process of the major areas in the audit universe, which is determined by the institution's operations. Risk analysis is a planning tool to help determine the areas with the most risk within the institution for auditing. Each auditable area's key risk factors are quantified and

weighted to develop a risk ranking. Areas with the highest risk ranking are given priority within the hours available for audits.

The following risk factors were considered during the risk analysis:

- Audit History – Time since last audit, results of last audit, and external audit or monitoring coverage and results.
- Internal Controls – Quality of internal control system, level of decentralization for operations, management's tone and interest in controls, extent of reliance on technology and complexity of operations.
- Change – Key personnel or unusual turnover, organizational changes, accounting and other critical operating systems changes, rapid growth and change in mission or in programs.
- Size – Revenues/Expenses/Net Assets and volume of transactions.
- Sensitivity – Extent of government or external influence, political exposure, adverse publicity, potential liability, and inherent risk of loss of resources.
- Management's Assessment of Risk – Whether the audit area has been included in management's risk assessment process, results of that assessment, results of management's control assessment, and time since last assessment of the audit area.
- Other – Significant issues not covered in above risk factors.

**Austin Peay State University**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
Required by Athletic Affiliate	R	AT	OVC Spec Asst/Stud Ath Opp Fund	125	125	0	0%		60	65	52%	August 2014	/
Required by State Audit	F	FM	State Audit Follow-Up	100	100	0	0%			100	100%	March 2015	S
Required by TBR	M	SS	Risk Assessment-Institutional Support	75	75	0	0%			75	100%	May 2015	S
Required by TBR	M	FM	Risk Assessment-Ancillary and Auxilliary	75	75	0	0%			75	100%	May 2015	S
Required by TBR	M	IA	Risk Assessment-Instr & Acad Support	75	75	0	0%			75	100%	May 2015	S
Required by IIA	R	IS	Quality Assessment Review	25	25	0	0%			25	100%	January 2015	S
Required by TBR	R	SS	CCTA Funding Formula-Completion	250	75	(175)	-70%	FN 1	60	15	20%	July 2014	C
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	150	150	0	0%			150	100%	December 2014	S
Brought forward	S	SS	Higher Education Act Compliance	250	200	(50)	-20%		30	170	85%	February 2015	/
Special Request	S	IA	Study Abroad Programs	250	250	0	0%			250	100%	March 2015	S
Investigation	I	IS	Unscheduled Investigations	150	150	0	0%			150	100%	TBD	S
Consulting	C	FM	UBIT and Sales Tax reporting	200	200	0	0%			200	100%	November 2014	/
Consulting	C	IS	General Consultation	200	200	0	0%		30	170	85%	June 2015	/
Ongoing	P	FM	Procurement Card-Review	150	150	0	0%			150	100%	Ongoing	/
Ongoing	P	FM	Travel Claim Review-Ongoing	300	300	0	0%			300	100%	Ongoing	/
1	A	PP	Emergency Preparedness	150	150	0	0%			150	100%	September 2014	S
			Totals	2525	2300				180				

Estimate-Hours Available For Audits = 2335 (2 audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

<sup>1</sup> Original budget hours included previous year hours

**East Tennessee State University**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
Required by TBR	R	SS	CCTA Funding Formula-Completion (2013 Data)	100	100	0	0%		35	65	65%	July 2014	C
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	200	0	0%			200	100%	December 2014	S
Required by State Audit	R	FM	Cash Counts/Inventories	40	40	0	0%			40	100%	June 2015	S
Required by CPB	R	FM	WETS-FM	250	250	0	0%		1.5	249	99%	December 2014	I
Required by Bank	R	IT	NACHA Web Transactions Data Security	125	125	0	0%			125	100%	May 2015	S
	F	FM	State Audit Follow-Up	20	20	0	0%			20	100%	April 2015	S
	F	IS	Internal Audit Follow-Ups	425	425	0	0%		68	357	84%	Various	I
	M	FM	Risk Assessments	40	40	0	0%			40	100%	May 2015	S
Brought forward	I	IA	Investigation 14-02	50	50	0	0%		37	13	26%	July 2014	I
Brought forward	I	IA	Investigation 14-04	50	50	0	0%		3	47	94%	July 2014	C
Brought forward	I	AT	Investigation 14-05	150	250	100	67%	FN 3	54	196	78%	August 2014	I
	I	IS	Unscheduled Investigations	100	100	0	0%			100	100%	Various	S
	C	IS	General Consultation	75	75	0	0%		2.5	73	97%	Ongoing	I
	C	IT	IT Consulting	75	75	0	0%		9	66	88%	Ongoing	I
	P	IT	PCI Compliance Scans	250	250	0	0%			250	100%	Ongoing	S
Special request	S	SS	Student/University Health Billing Practices	250	250	0	0%		28	222	89%	October 2014	I
Brought forward	A	FM	Travel	250	250	0	0%			250	100%	December 2014	I
Brought forward	A	IS	Natural History Museum		25	25	100%	FN 1	9.5	16	62%	September 2014	I
Special request	S	FM	University Advancement		200	200	100%	FN 2	11.5	189	94%	March 2015	I
1T	A	AD	Professional Development	200	200	0	0%			200	100%	May 2015	S
1T	A	FM	Technology Access Fee	200	200	0	0%			200	100%	January 2015	S
1T (IT)	A	IT	Backup & Recovery of OIT Processes & Data	200	200	0	0%			200	100%	December 2014	S
1T (IT)	A	IT	Incident Readiness & Response	200	200	0	0%		90	110	55%	February 2015	I
2	A	AT	NCAA Compliance	300	300	0	0%			300	100%	April 2015	S
2 (IT)	A	IT	Web Application Security	150	150	0	0%			150	100%	January 2015	S
3	A	FM	Contracts & Agreements	250	250	0	0%			250	100%	June 2015	S
3 (IT)	A	IT	OIT Policies & Procedures Review	175	175	0	0%			175	100%	September 2014	S
4T	A	SS	Financial Aid Administration	300	300	0	0%			300	100%	After June 2015	S
4T	A	PP	Physical Plant	300	300	0	0%			300	100%	After June 2015	S
4T	A	FM	Cash Receipts/Bursar	250	0	(250)	-100%	FN 2		0	100%	-	R
			Totals	4975	5050				349				

Estimate-Hours Available For Audits = 4835 (3 staff auditors and 1 IT auditor)

T--Tie

TBD-To Be Determined

Audit Types:	Functional Areas:	Status:
R - Required	AD - Advancement	Scheduled
A - Risk-Based (Assessed)	AT - Athletics	In Progress
S - Special Request	AX - Auxiliary	Completed
I - Investigation	FM - Financial Management	Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

Footnotes:

FN 1 - Audit plan due prior to end of fiscal year. Audit not completed by 6/30/14 as anticipated.

FN 2 - Cash Receipts Audit was removed from the plan due to a University Advancement special request.

FN 3 - Insufficient hours originally budgeted. More resources needed than anticipated.

**Middle Tennessee State University**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Current Year Budget														Budget to Actual			Completion Date Estimated / Actual	Current Status
Rank	Type	Area	Audit	Original	Revised	Change Hours	Change Percentage	Actual Hours	Hours	Percentage								
Requested by Management	R	FM	Cash Counts	50	50	0	0%		42	8	16%		June 2015	In Progress				
Requested by Management	R	FM	Year-End Inventory Observations	200	200	0	0%		133	67	34%		September 2014	In Progress				
Brought Forward, Required by TBR	R	SS	Funding Formula-Completion 2013 Data	0	13	13	100%	(1)	13	0	0%		July 24, 2014	Completed				
Brought Forward, Required by TBR	R	SS	Funding Formula-Transfers & Others	200	200	0	0%		0	200	100%		December 2014					
Required by TBR	M	IS	Risk Assessment	50	50	0	0%		0	50	100%		May 2015					
	F	FM	State Audit Follow-Up or Assistance	50	50	0	0%		2	48	96%		June 2015	In Progress				
Required by NCAA	R	AT	Football Attendance Fall 2014	250	250	0	0%		8	242	97%		February 2015	In Progress				
Management Request	P	FM	Special Reviews (Cash Shortage)	50	50	0	0%		0	50	100%		June 2015					
Consulting	C	FM	Assisting with President's Expense Audit	50	50	0	0%		5	45	90%		June 2015	In Progress				
Consulting	C	IS	General Consultation	150	150	0	0%		75	75	50%		June 2015	In Progress				
Consulting	C	FM	Consulting: Blue Print Solutions	0	200	200	100%	(2)	0	200	100%		June 2015	In Progress				
Follow-up	F	IS	Follow-up of Prior Recommendations	100	85	(15)	-15%		0	85	100%		June 2015					
Brought Forward, Follow-up	F	IT	Follow-up: Classroom Technology	0	15	15	100%		3	12	80%		August 2014	In Progress				
Brought forward	I	SS	Investigation 14-02	150	150	0	0%		0	150	100%		September 2014					
Brought forward	I	SS	Investigation 12-04	0	50	50	100%	(1)	0	50	100%		September 2014					
Brought forward	I	SS	Investigation 13-01	0	50	50	100%	(1)	0	50	100%		September 2014					
Brought forward	I	SS	Investigation 13-03	0	50	50	100%	(1)	0	50	100%		September 2014					
Brought forward	I	SS	Investigation 13-04	0	50	50	100%	(1)	0	50	100%		September 2014					
Special Request	I	IS	Unscheduled Investigations	500	257	(243)	-49%	(1)	0	257	100%		TBD					
Brought forward, Special Request	S	IA	Pcard Departmental Review	0	30	30	100%	(3)		30	100%		August 2014					
1	A	FM	Rental Property Management	250	250	0	0%		0	250	100%		December 2014					
2	A	FM	Food Service Commissions	250	250	0	0%		0	250	100%		December 2014					
3T	A	AT	Athletic Concessions Revenue	250	250	0	0%		0	250	100%		January 2015					
3T	A	FM	Blue Print Solutions	200	0	(200)	-100%	(2)	0				n/a	Removed (2)				
4T	A	RS	Research Sponsored Programs	250	250	0	0%		0	250	100%		March 2015					
4T	A	AT	Athletic Camps and Clinics	250	250	0	0%		0	250	100%		March 2015					
5T	A	AD	Foundation	250	250	0	0%		0	250	100%		May 2015					
5T	A	AD	Development	250	250	0	0%		0	250	100%		May 2015					
6T	A	AT	Athletics (Eligibility)	220	220	0	0%		0	220	100%		June 2015					
			Totals	3970	3970				281									
Estimated Hours Available For Audits = 3,860 which excludes 1,200 contract audit hours. (4 audit staff)																		
T--Tie																		
TBD-To Be Determined																		
Audit Types:			Functional Areas:			Status:												
R - Required			AD - Advancement			Scheduled												
A - Risk-Based (Assessed)			AT - Athletics			In Progress												
S - Special Request			AX - Auxiliary			Completed												
I - Investigation			FM - Financial Management			Removed												
P - Project (Ongoing or Recurring)			IA - Instruction & Academic Support															
M - Management's Risk Assessment			IS - Institutional Support															
C - Consultation			IT - Information Technology															
F - Follow-up Review			PP - Physical Plant															
			RS - Research															
			SS - Student Services															
Footnotes:																		
(1) Audit hours were reallocated from unscheduled investigations to the 5 audit projects that were brought forward from FY2014.																		
(2) Audit project canceled since providing consulting for new cash receipting system the department is implementing. Project brought forward from FY 2014.																		
(3) Special request from management to assist with Pcard Departmental Review that was brought forward from FY 2014.																		

**Tennessee State University**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of August 15, 2014**

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required by Athletic Aff	R	AT	NCAA Student Assistance Fund	125	125	0	0%	15	110	88%	September 2014	In Progress
Required by State Au	F	IT	State Audit Follow-Up	175	175	0	0%		175	100%	July 2015	
	M	SS	Risk Assessment-Student Services	50	50	0	0%		50	100%	May 2015	
	M	PP	Risk Assessment-Physical Plant	50	50	0	0%		50	100%	May 2015	
	M	RS	Risk Assessment-Research	50	50	0	0%		50	100%	May 2015	
	P	IS	Quality Assessment Review	25	25	0	0%		25	100%	January 2015	
Brought forward	I	IS	Investigation 14-1002	100	100	0	0%	5	95	95%	August 2014	In Progress
	P	FM	Cash Counts	50	50	0	0%		50	100%	June 2015	
	I	FM	Unscheduled Investigations	300	300	0	0%		300	100%	TBD	
	C	FM	Consultation-Conflict of Interest	100	100	0	0%		100	100%	June 2015	In Progress
	C	IA	General Consultation	350	300	(50)	-14%		300	100%	June 2015	
Required by TBR	R	SS	CCTA Funding Formula-Completion	225	225	0	0%	132	93	41%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	250	250	0	0%		250	100%	December 2014	
1	A	IS	Evidence Room	200	200	0	0%		200	100%	November 2014	
2	A	IT	Disaster Recovery	225	225	0	0%		225	100%	February 2015	
3	A	FM	Payroll	200	200	0	0%		200	100%	April 2015	
Brought forward	R	IS	Human Resources	75	75	0	0%	25	50	67%	September 2014	In Progress
Brought forward	F	IT	State Audit Follow-Up FY 2013	25	25	0	0%	17	8	32%	July 2014	Completed
	C	RS	Consultation - Research	0	50	50	N/A	7	43	86%	June 2015	In Progress
			Totals	2575	2575			201				

Estimate-Hours Available For Audits = 2720 (2 audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

Footnotes:

**Tennessee Tech University**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
Required	R	FM	President's Expenses	200	200	0	0%		46	154	77%	October 2014	/
Required	R	SS	CCTA Funding Formula-Completion (2013 Data)	120	120	0	0%		102.5	18	15%	July 2014	C
Required	R	SS	CCTA Funding Formula-Transfers &	120	120	0	0%		0	120	100%	December 2014	S
Required	F	FM	State Audit Follow-Up	60	60	0	0%		17.5	43	71%	March 2015	S
Required	M	RS	Risk Assessment-Research	25	25	0	0%		0	25	100%	May 2015	S
Required	M	SS	Risk Assessment-Student Services	25	25	0	0%		0.5	25	98%	May 2015	/
Required	M	IS	Risk Assessment-Institutional Support	35	35	0	0%		4.5	31	87%	May 2015	/
Required	M	IS	Risk Assessment-Enterprise-wide	35	35	0	0%		0	35	100%	May 2015	S
Required	M	AD	Risk Assessment-Advancement	25	25	0	0%		0	25	100%	May 2015	S
Required	R	IS	Follow-Up to Internal Audits	50	50	0	0%		29.5	21	41%	TBD	/
Required	I	IS	Unscheduled Investigations	200	200	0	0%		0	200	100%	TBD	S
Required	C	IS	General Consultation	50	50	0	0%		1.2	49	98%	TBD	/
In Progress	A	FM	Equipment	150	150	0	0%		9.5	141	94%	September 2014	/
In Progress	A	IT	Payment Card Industry	100	100	0	0%		13.5	87	87%	August 2014	/
Required	R	FM	Inventory Observations	75	75	0	0%		28	47	63%	August 2014	/
Required	R	AT	Student Assistance Funds	75	75	0	0%		60.5	15	19%	August 2014	/
Mgmt Req	P	FM	Procard Reviews	350	350	0	0%		26.5	324	92%	June 2015	/
Mgmt Req	P	RS	Sponsored Program Review	180	180	0	0%		0	180	100%	June 2015	S
1	A	IS	Minors on Campus	0	250	250	100%	FN 1	0	250	100%	January 2015	S
2	A	FM	Accounts Receivable	250	250	0	0%		0	250	100%	January 2015	S
3T	A	FM	Receipts	250	250	0	0%		0	250	100%	April 2015	S
3T	A	FM	Procard	150	0	(150)	0%	FN 1	0			No longer scheduled	R
			Totals	2525	2625				339.7				

Estimate-Hours Available For Audits = 2490 (2 audit staff and part of Administrative Associate's time)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

1 Revised risk analysis bumped formal Procard Audit from schedule. Minors on Campus audit was added to the universe at the President's request. It ranked number 1 when the risk analysis was revised.



**University of Memphis**  
**Year-End Status Report of the Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015 (as of 7/31/2014)**

Current				Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget		Actual Hours	Cumulative Actual Hours	Actual Vs. Budget		Estimated/Actual Completion Date	Current Status
Rank	Type	Area	Audit				Percentage	Hours			Percentage	Hours		
1T	A	AD	Risk Assessment-Review of Internal Controls-Risk Footprints-Advancement	350	350	350	0%	-	44	44	-87%	-306	December 2014	I
1T	A	IT	Risk Assessment-Review of Internal Controls-Risk Footprints-Information Technology	350	350	700	0%	-		44	-100%	-350	March 2015	S
1T	A	RS	Risk Assessment-Review of Internal Controls-Risk Footprints-Research	400	400	1100	0%	-	35	79	-91%	-365	January 2015	I
2	A	AX	Hotel Conference Center-Management Contract (Holiday Inn & Fogelman)	300	300	1400	0%	-		79	-100%	-300	April 2015	S
3T	A	FM	Data Analytics-Payroll & Accounts Payable (Continuous)	350	350	1750	0%	-	4	83	-99%	-346	June 2015	I
3T	A	FM	Fixed Assets (Continuous)	330	330	2080	0%	-	11	94	-97%	-319	June 2015	I
3T	A	FM	Procurement Cards (Continuous)	350	350	2430	0%	-	46	140	-87%	-304	June 2015	I
4T	A	FM	International Travel	200	200	2630	0%	-		140	-100%	-200	March 2015	S
4T	A	FM	Lambuth Campus	250	250	2880	0%	-		140	-100%	-250	February 2015	S
5	A	IT	Information Technology-Data Security-Mobile Devices (Laptop Encryption, etc)	300	300	3180	0%	-		140	-100%	-300	April 2015	S
6	A	IT	Information Technology-PCI Compliance (Credit Card Processing)	250	250	3430	0%	-		140	-100%	-250	February 2015	S
7	A	SS	Study Abroad Program & International Area	350	350	3780	0%	-		140	-100%	-350	March 2015	S
8	A	AT	Athletics Ticket Distribution - Compliance with TBR and UOM Policies	150	150	3930	0%	-		140	-100%	-150	February 2015	S
	C	IS	General Consultation (includes attorney client projects) [1]	200	300	4230	50%	100		140	-100%	-300		I
	C	IT	General Consultation - IT [2]	100	400	4630	300%	300	4	144	-99%	-396		I
	F	FM	Follow-up FY14 Audits	100	100	4730	0%	-	85	229	-15%	-15	May 2015	S
	F	FM	Follow-up State Audit Findings FY13	100	100	4830	0%	-	108	337	8%	8	July 2014	C
	M	FM	Risk Assessment-Financial Management	80	80	4910	0%	-		337	-100%	-80	May 2015	S
	P	FM	W2 Process-Returned Addresses (Mang Request)	80	80	4990	0%	-		337	-100%	-80	June 2015	S
	R	FM	Inventory Observation for State Auditors (Mang Request)	80	80	5070	0%	-		337	-100%	-80	June 2015	S
	R	FM	Cash Counts for State Auditors (Mang Request) [3]	0	120	5190	100%	120	46	383	-62%	-74	June 2015	I
	R	IT	Information Technology-ACH (Bank Contract)-NACHA	80	80	5270	0%	-		383	-100%	-80	May 2015	S
	R	SS	CCTA Funding Formula-Part 3	150	150	5420	0%	-		383	-100%	-150	December 2014	S
	I	IS	Unscheduled Investigations	400	400	5820	0%	-		383	-100%	-400		

Estimate-Hours Available For Audits = 5,820 (4 audit staff)(The Audit Plan is being evaluated by Management and adjustments will be made later in the fiscal year)

T--Tie

NOTE: UOM was transitioning to a new President when the FY2015 audit plan was prepared - Subject to Revision During the Fiscal Year

**Footnotes:**

[1] Additional hours added to consultation per Management request.

[2] Additional hours added to IT consultation per Management request to provide assistance with current State IT audit.

[3] Cash count process added per Management request to assist State Auditors.

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status:**

Scheduled  
In Progress  
Completed  
Removed  
Cancelled

**Chattanooga State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of August 31, 2014**

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status		
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage				
Required by TBR	F	FM	State Audit Follow-Up	40	30	(10)	-25%	FN 1	0	30	100%	June 2015	S	
Required by TBR	R	SS	CCTA Funding Formula-Completion	40	40	0	0%		40	0	0%	July 2014	C	
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	125	(25)	-17%	FN2	0	125	100%	December 2014	S	
Required by TBR	M	SS	Risk Assessment-Student Services	40	40	0	0%		0	40	100%	May 2015	S	
	R	FM	Year End Cash Counts and Inv FYE 2014	0	8	8	100%		7	1	13%	July 2014	C	
	R	FM	Year End Cash Counts and Inv FYE 2015	30	22	(8)	-27%		0	22	100%	June 2015	S	
	I	IS	Unscheduled Investigations	80	80	0	0%		23	57	71%	TBD	I	
	C	IS	General Consultation	50	50	0	0%		3	47	94%	June 2015	I	
	F	IS	Follow-up Reviews	100	100	0	0%		0	100	100%	TBD	S	
Management Request	S	IT	NACHA Security Audit	85	85	0	0%		0	85	100%	March 2015	S	
			Continuing Education Business Processes											
Management Request	C	IA	- Staffing, Fees, Class Development	100	120	20	20%	FN 3	76	44	37%	August 2014	I	
Brought forward	A	AT	Athletic Eligibility	50	50	0	0%	FN 4	0	50	100%	October 2014	I	
Brought forward	A	AT	Athletic Financial Aid	0	15	15	100%	FN 4	0	15	100%	September 2014	I	
Brought forward	A	IT	IT Disaster Recovery Plan Audit	0	20	20	100%	FN 5	20	0	0%	July 2014	C	
	1	A	IS	Human Resources	150	150	0	0%		0	150	100%	June 2015	S
	2T	A	FM	Accounts Receivable	120	120	0	0%		0	120	100%	December 2014	S
	2T	A	FM	Payroll	100	100	0	0%		0	100	100%	February 2015	S
	3T	A	IS	Mail Services	80	80	0	0%		9	71	89%	October 2014	I
	3T	A	FM	Shipping and Receiving	80	80	0	0%		0	80	100%	January 2015	S
	4T	A	AT	Athletic Camps and Clinics	80	0	(80)	-100%	FN 6	0	0	-	N/A	R
	4T	A	FM	GrantS	150	0	(150)	-100%	FN 6	0	0	-	N/A	R
	5T	A	SS	Admissions & Registration	150	0	(150)	-100%	FN 6	0	0	-	N/A	R
	5T	A	FM	Bank Reconciliations	80	0	(80)	-100%	FN 6	0	0	-	N/A	R
	5T	A	FM	Maintenance/Tuition and Related Fees	125	0	(125)	-100%	FN 6	0	0	-	N/A	R
			Totals	1880	1315				178					

Estimate-Hours Available For Audits = 1315 (1 audit staff + .5 audit staff until August 31)

T--Tie

TBD-To Be Determined

Audit Types:

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

Functional Areas:

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

Status:

Scheduled

In Progress

Completed

Removed

Footnotes:

(1) Reduced as ChSCC generally does not have many items for State Audit Follow-up.

(2) Reduced based on time used for other CCTA Funding Formula Audits.

(3) Increased hours due to the complexity of issues.

(4) Audit split into 2 pieces and hours increased to cover availability of athletic staff issues.

(5) Audit was not completed by 6/30/14. Hours added to complete audit.

(6) Audits removed due to loss of part-time audit staff as of August 31, 2014.

**Cleveland State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31 2014**

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
	F	SS	Audit Follow-Up	30	30	0	0%	0	30	100%	September 2014	<i>In progress</i>
	M	SS	Risk Assessment-Student Services	45	45	0	0%	0	45	100%	May 2015	
	M	IS	TCAT Risk Assessment-Enterprise-wide	30	30	0	0%	0	30	100%	February 2015	
	P	IS	Quality Assessment Review	25	25	0	0%	0	25	100%	August 2014	
	I	IS	Unscheduled Investigations	25	25	0	0%	0	25	100%	TBD	
Special Request	S	SS	Title IV Compliance	200	200	0	0%	0	200	100%	November 2014	
	C	IS	General Consultation	50	50	0	0%	0	50	100%	June 2015	
Required by TBR	R	SS	CCTA Funding Formula-Completion	200	200	0	0%	150	50	25%	July 2014	<i>Completed</i>
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	200	200	0	0%	0	200	100%	December 2014	
quired by 1st TN Bd	R	IS	Nacha Audit	125	125	0	0%	0	125	100%	May 2015	
1T	A	FM	Cash Counts	100	100	0	0%	0	100	100%	October 2014	
1T	A	FM	Maintenance/Tuition and Related Fees	175	175	0	0%	0	175	100%	September 2014	
			Totals	1205	1205			150				

Estimate-Hours Available For Audits = 2720 (2 audit staff)

T--Tie

TBD-To Be Determined

Audit Types:

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

Functional Areas:

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

Status:

Scheduled

In Progress

Completed

Removed

Footnotes:

**Columbia State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
Brought Forward, Required by TBR	R	SS	CCTA Funding Formula-Completion	0	69	69	#DIV/0!	(1)	69	0	0%	July 30, 2014	Completed
Required by Law	R	FM	CoSCC President Expenses FYE 6/30/14	170	170	0	0%		1	169	99%	October 2014	Scheduled
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	150	150	0	0%		0	150	100%	December 2014	
Brought Forward	M	IS	CoSCC Risk Assessment FY2014	0	14	14	#DIV/0!	(1)	14	0	0%	July 17, 2014	Completed
	M	IS	CoSCC Risk Assessment FY2015	40	40	0	0%		0	40	100%	May 2015	
	M	IS	Hohenwald Risk Assessment	30	30	0	0%		0	30	100%	February 2015	
	M	IS	Pulaski Risk Assessment	30	30	0	0%		0	30	100%	February 2015	
	C	IS	General Consultation	180	97	(83)	-46%	(1)	2	95	98%	June 2015	
			Totals	600	600				86				

Estimate-Hours Available For Audits = 600. MTSU Audit & Consulting Services is on contract for 600 hours of audit services as needed and/or requested.

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

(1) Audit hours were reallocated from general consultation to the 2 audit projects that were brought forward from FY2014.

**Jackson State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
Required by TBR	R	SS	CCTA Funding Formula - Completion (2013 Data)	150	150	0	0%	FN 1	95	55	37%	July 2014	C
Required by TBR	R	SS	CCTA Funding Formula - Transfers and Other	150	150	0	0%			150	100%	December 2014	
Required by TBR	M	PP	JSCC Risk Assessment - Physical Plant	80	80	0	0%			80	100%	May 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Covington	25	25	0	0%			25	100%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Crump	25	25	0	0%			25	100%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Jackson	25	25	0	0%			25	100%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - McKenzie	25	25	0	0%			25	100%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Newbern	25	25	0	0%			25	100%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Paris	25	25	0	0%			25	100%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Ripley	25	25	0	0%			25	100%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Whiteville	25	25	0	0%			25	100%	February 2015	
Required by State Audit	R	FM	Year-end Bank Confirmations	30	30	0	0%			30	100%	May 2015	
Brought forward	A	PP	Emergency Preparedness	150	150	0	0%			150	100%	August 2014	
Brought forward	F	IT	Follow up Review - IT Governance	30	30	0	0%			30	100%	March 2015	
Brought forward	F	IT	Follow up Review - Data Security	30	30	0	0%			30	100%	March 2015	
Brought forward	F	IS	Follow up Review - Cash Receipting	30	30	0	0%			30	100%	March 2015	
Consulting	C	IS	General Consultation	100	100	0	0%			100	100%	June 2015	
1	A	SS	Financial Aid	250	250	0	0%			250	100%	June 2015	
			Totals	1200	1200				95				

Estimate-Hours Available For Audits = 1200 (1 audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

1 - The CCTA Completion Audit began in 2013-14 and consisted of 90 hours plus 95 hours in 2014-15 for a total of 185 hours.

**Motlow State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual			Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage			
Brought Forward, Required by TBR	R	SS	CCTA Funding Formula-Completion	0	52	52	#DIV/0!	(1)	52	0	0%		July 29, 2014	Completed
Required by Law	R	FM	MSCC President Expenses FYE 6/30/14	150	150	0	0%		2	148	99%		October 2014	Scheduled
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	150	150	0	0%		0	150	100%		December 2014	
	M	IS	MSCC Risk Assessment	40	40	0	0%		0	40	100%		May 2015	
	M	IS	McMinnville Risk Assessment	25	25	0	0%		0	25	100%		February 2015	
	M	IS	Murfreesboro Risk Assessment	25	25	0	0%		0	25	100%		February 2015	
	M	IS	Shelbyville Risk Assessment	25	25	0	0%		0	25	100%		February 2015	
Management Request	S	PP	Timekeeping Review (Facilities Dept.)	100	100	0	0%		0	100	100%		June 2015	
	C	IS	General Consultation	85	33	(52)	-61%	(1)	2	31	94%		June 2015	
			Totals	600	600				56					

Estimate-Hours Available For Audits = 600. MTSU Audit & Consulting Services is on contract for 600 hours of audit services as needed and/or requested.

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

(1) Audit hours were reallocated from general consultation to the audit project that was brought forward from FY2014.

**Nashville State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget				Budget to Actual				Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage	Actual Hours	Hours	Percentage			
Required by TBR	R	FM	President's Expenses	150	150	0	0%	15	135	90%		October 2014	<i>In Progress</i>
Required by TBR	F	FM	State Audit Follow-Up	100	100	0	0%	40	60	60%		September 2014	<i>In Progress</i>
Required by TBR	R	SS	CCTA Funding Formula-Completion	80	80	0	0%	80	0	0%		July 2014	<i>Completed</i>
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	150	150	0	0%	0	150	100%		December 2014	<i>Scheduled</i>
Required by TBR	R	FM	Year End Work	22.5	22.5	0	0%	0	23	100%		June 2015	<i>Scheduled</i>
Required by TBR	P	IS	Quality Assessment Review - Follow-Up	40	40	0	0%	0	40	100%		February 2015	<i>Scheduled</i>
Risk Assessment	M	IS	Risk Assessment-Institutional Support	30	30	0	0%	0	30	100%		May 2015	<i>Scheduled</i>
Risk Assessment	M	IS	Risk Assessment-Information Technology	40	40	0	0%	0	40	100%		May 2015	<i>Scheduled</i>
Risk Assessment	M	IS	Risk Assessment-Enterprise-wide-TCATD	25	25	0	0%	0	25	100%		February 2015	<i>Scheduled</i>
Risk Assessment	M	IS	Risk Assessment-Enterprise-wide-TCATN	25	25	0	0%		25	100%		February 2015	<i>Scheduled</i>
VP Request	A	FM	Cash Counts at TCATs & Satellite Campuses	50	50	0	0%	0	50	100%		February 2015	<i>Scheduled</i>
IT	A	FM	Disbursements	175	175	0	0%	0	175	100%		April 2015	<i>Scheduled</i>
2T	A	FM	Maintenance/Tuition and Related Fees	150	150	0	0%	0	150	100%		May 2015	<i>Scheduled</i>
As Assigned	I	IS	Unscheduled Investigations	100	100	0	0%	30	70	70%		TBD	<i>In Progress</i>
As Assigned	C	IS	General Consultation	75	75	0	0%	0	75	100%		TBD	<i>Scheduled</i>
As Assigned	F	IS	Internal Audit Follow-Up	25	25	0	0%	0	25	100%		June 2015	<i>Scheduled</i>
			Totals	1237.5	1237.5			165	1073				

Estimate-Hours Available For Audits = 1237.5 (1 audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Northeast State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required by TBR	R	FM	President's Expenses Audit-CISCC	150	150	0	0%		150	100%	October 2014	S
Required by TBR	R	SS	CCTA Funding Formula-Completion (2013 Data)	50	50	0	0%	54	(4)	-8%	July 2014	C
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	200	200	0	0%		200	100%	December 2014	S
Req by State Audit	R	FM	State Audit Assistance-Yr End	40	40	0	0%		40	100%	June 2015	S
	F	FM	State Audit Follow-Up	75	75	0	0%		75	100%	January 2015	S
	F	IS	Other Internal Audit Follow-Up	75	75	0	0%	2	73	97%	Various	I
	M	FM	Risk Assessments - NeSCC	60	60	0	0%		60	100%	May 2015	S
	M	IS	TCAT Risk Assessment-Enterprise-wide	20	20	0	0%		20	100%	January 2015	S
Brought forward	S	IA	Theater Services	50	50	0	0%	17.5	33	65%	August 2014	I
Special Request	S	IS	Special Requests and Projects	50	50	0	0%		50	100%	Various	S
Special Request	C	IS	General Consultation	50	50	0	0%		50	100%	Ongoing	S
1	A	IS	Human Resources	200	200	0	0%		200	100%	April 2015	S
2	A	AD	Foundation/Advancement	200	200	0	0%		200	100%	June 2015	S
			Totals	1220	1220			73.5				

Estimate-Hours Available For Audits = 1122.5 (1 audit staff)

T--Tie

TBD-To Be Determined

Audit Types:

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

Functional Areas:

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

Status:

Scheduled

In Progress

Completed

Removed



**Pellissippi State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2015**

Rank	Type	Area	Audit	Current Year Budget				Budget to Actual				Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage	Actual Hours	Hours	Percentage			
Required	R	SS	Funding Formula-Completion (2013 Data)	40	40	0	0%	42	(2)	-5%		July 2014	C
Required	R	SS	Funding Formula-Transfers & Other	125	125	0	0%	0	125	100%		December 2014	S
Required	F	FM	Internal Audit Follow Ups	30	30	0	0%	0	30	100%		Continuous	
Required	M	SS	Risk Assessment-Student Services	30	30	0	0%	0	30	100%		October 2014	S
Required	M	IT	Risk Assessment - Information Technology	20	20	0	0%	0	20	100%		October 2014	S
Required	M	FM	Risk Assessment-Financial Management	20	20	0	0%	0	20	100%		May 2015	S
Required	F	FM	State Audit Follow-Up	40	20	(20)	-50%	0	20	100%		December 2014	S
Required	M	IS	TTC Risk Assessment-Enterprise-wide	20	20	0	0%	0	20	100%		February 2015	S
Required	R	FM	Chancellor's Expenses	125	100	(25)	-20%	45	55	55%		August 2014	I
Presidential Request	S	IA	Faculty Credentials	100	100	0	0%	0	100	100%		February 2015	S
Presidential Request	S	FM	First TN - NACHA Audit	100	100	0	0%	0	100	100%		September 2014	S
Presidential Request	C	IA	Review of Compliance Assist	20	20	0	0%	0	20	100%		September 2014	S
Presidential Request	C	IT	Review of Security Administration Issues and other TBR Audit Issues	0	100	100	100%	FN 2	25	75	75%	Continuous	
1T	A	FM	Disbursements	175	175	0	0%	0	175	100%		December 2014	S
1T	A	AD	Development (Foundation)	150	150	0	0%	0	150	100%		April 2015	S
2	A	IS	Financial Aid	200	200	0	0%	FN 1	0	200	100%		S
			Totals	1195	1250			112					

Estimate-Hours Available For Audits = 1132 (a audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

S - Scheduled

I - In Progress

C - Completed

R - Removed

**Footnotes:**

(1) This audit is scheduled to start in FYE June 30, 2015, but will not be scheduled to be completed until the following fiscal year.

(2) This area was added to the audit plan after the college received the TBR IT audit. The college has asked me to be heavily involved in helping the college create an information security officer. Currently the CIO is designated as that individual but if funding is available the college would like to create a position that would have some reporting responsibility to internal audit. For this reason they have asked me to become involved in the process and I have been communicating with the chief information security officer at the University of Tennessee as well as consulting with Sword and Shield regarding this matter.

**Roane State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of 7-31-14**

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
Required by TBR	M	SS	RSCC Risk Assessment - Student Services	15.00	15.00	0	0%		0.25	15	98%	May 2015	Scheduled
Required by TBR	M	PP	RSCC Risk Assessment - Facility and Operations/Maintenance	15.00	15.00	0	0%		0.25	15	98%	May 2015	Scheduled
Required by TBR	M	IA	RSCC Risk Assessment - Workforce Development	15.00	15.00	0	0%		0.25	15	98%	May 2015	Scheduled
Required by TBR	M	IS	RSCC Risk Assessment-ERM update	7.50	7.50	0	0%		0.25	7	97%	May 2015	Scheduled
Required by TBR	M	IS	TCAT OniedaRisk Assessment-Enterprise-wide/Control assessment	7.50	7.50	0	0%		0.25	7	97%	February 2015	Scheduled
Required by TBR	M	IS	TCAT Crossville Risk Assessment-Enterprise-wide/Control assessment	7.50	7.50	0	0%		0.25	7	97%	February 2015	Scheduled
Required by TBR	M	IS	TCAT Harriman Risk Assessment-Enterprise-wide/Control assessment	7.50	7.50	0	0%		0.25	7	97%	February 2015	Scheduled
Required by TBR	M	IS	TCAT Jacksboro Risk Assessment-Enterprise-wide/Control assessment	7.50	7.50	0	0%		0.25	7	97%	February 2015	Scheduled
Required by TBR	R	IS	Funding Formula - Other data review	200.00	200.00	0	0%		0.25	200	100%	December 2014	Scheduled
Required by TBR	R	FM	Year End Cash Counts and inventories - 630-15	37.50	37.50	0	0%		0.25	37	99%	June 2015	Scheduled
Required by TBR	F	FM	RSCC - Follow up on State Audit findings					FN 1				September 2014	Scheduled
Required by TBR	F	FM	RSCC Foundation - Follow up on State Audit findings					FN 1				September 2014	Scheduled
As needed	I	IS	Unscheduled Investigations	120.00	120.00	0	0%		-	120	100%		
As needed	S	IS	Special requests	40.00	40.00	0	0%		1.50	39	96%		
Ongoing projects	P	IS	Projects	40.00	40.00	0	0%		-	40	100%		
As needed	C	IS	General consultation	40.00	40.00	0	0%		2.50	38	94%		
	A	FM	Purchasing(includes contracts)	215.00	-	(215)	-100%	FN 2		0	0%	October 2014	Removed *
1	A	FM	RSCC - Technology Access Fee	215.00	180.00	(35)	-16%		0.25	180	100%	January 2015	Scheduled
2	A	SS	Financial Aid	215.00	180.00	(35)	-16%		0.25	180	100%	May 2015	Scheduled
3	A	FM	RSCC - Foundation		180.25	180	0%	FN 2	0.25	180	100%	October 2014	Added *
Required by TBR	R	IS	Funding Formula - Completion Data		27.25	27	0%		27.25	0	0%	July, 2014	In Progress
	A	FM	Grants and Sponsored programs		77.50	78	0%		77.50	0	0%	August, 2014	Completed
			Totals	1,205.00	1,205.00				112.00				

Estimate-Hours Available For Audits = 1205 (Audit Director ONLY)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

1 - State audit report not completed. Left Budget hours blank at present, in anticipation of audit findings and related follow-up review.

2 - Management requested the addition of the RSCC - Foundation audit and the removal of the Purchasing audit for this cycle.

**Southwest Tennessee Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**

Rank	Type	Area	Audit	Budget	Estimated Completion Date
	S	AT	Athletic Comprehensive	165	November 2014
	I	AT	Athletic-Work Study	40	October 2014
	F	FM	State Audit Follow-Up	30	June 2015
	M	IA	Risk Assessment-Instruction & Academic	22.5	June 2015
	M	FM	Risk Assessment-Financial Management	22.5	June 2015
	M	FM	Risk Assessment-Financial Management	22.5	June 2015
	S	FM	Management Request-Cash Control	165	June 215
	I	IS	Unscheduled Investigations	100	June 2015
	C	IS	General Consultation	75	June 2015
Required by TBR	R	SS	CCTA Funding Formula-Progression	150	March 2015
	S	FM	Cash Counts	30	February 2015
			Total	822.5	

Estimate-Hours Available For Audits = 822 (1 audit staff)

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Volunteer State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised July 31, 2014**

Current				Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget		Actual Hours	Cumulative Actual Hours	Actual Vs. Budget		Estimated/Actual Completion Date	Current Status
Rank	Type	Area	Audit				Percentage	Hours			Percentage	Hours		
Required by TBR	R	SS	CCTA Funding Formula-Completion	150	150	150	0%	-	93	93	-38%	-57	July 2014	I
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	150	300	0%	-	0	93	-100%	-150	December 2014	S
Required by TCA	R	FM	President's Expenses - STCC	150	150	450	0%	-	0	93	-100%	-150	October 2014	S
Required by TBR	M	IS	Risk Assessment - Volunteer State	75	75	525	0%	-	0	93	0%	-75	May 2015	S
Required by TBR	M	IS	TCAT Risk Assessment	15	15	540	0%	-	0	93	-100%	-15	February 2015	S
Follow-up Review	F	IS	Follow-up Activities	75	75	615	0%	-	0	93	-100%	-75	June 2015	S
Investigation	I	IS	Unscheduled Investigations	100	100	715	0%	-	0	93	-100%	-100	June 2015	S
Consultation	C	IS	General Consultation	100	100	815	0%	-	10	103	-90%	-90	June 2015	I
Project	P	FM	Periodic Procard Review	100	100	915	0%	-	0	103	-100%	-100	June 2015	S
Special Request	S	IA	Credentials	150	150	1065	0%	-	0	103	-100%	-150	February 2015	I
Special Request	S	FM	State Audit Year-End Procedures	15	15	1080	0%	-	5	108	-67%	-10	July 2014	C

Estimate-Hours Available For Audits = 972.5 (1 audit staff)

T--Tie

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status**

C - Completed

I - In Progress

S - Scheduled, not Started

R - Removed

Footnotes: N/A

**Walters State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
	F	FM	State Audit Follow-Up	30	30	0	0%	0	30	100%	September 2014	Scheduled
	M	FM	Risk Assessment-Financial Management	20	20	0	0%	0	20	100%	May 2015	Scheduled
	M	SS	Risk Assessment-Student Affairs	20	20	0	0%	0	20	100%	May 2015	Scheduled
	M	IA	Risk Assessment-Academic Affairs	20	20	0	0%	0	20	100%	May 2015	Scheduled
	M	IS	Risk Assessment-Center for Workforce Development	20	20	0	0%	0	20	100%	May 2015	Scheduled
	M	IS	TCAT Risk Assessment-Enterprise-wide	25	25	0	0%	0	25	100%	February 2015	Scheduled
	P	IS	Quality Assessment Review	25	0	(25)	-100%	0	0	0%	August 2014	Removed
	I	IS	Unscheduled Investigations	80	105	25	31%	0	105	100%	TBD	In Progress
	C	IS	General Consultation	80	80	0	0%	10	70	88%	June 2015	In Progress
Required by TBR	R	SS	CCTA Funding Formula-Completion	40	40	0	0%	50	(10)	-25%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	150	150	0	0%	0	150	100%	December 2014	Scheduled
Required	R	FM	NACHA Compliance Audit	60	60	0	0%	0	60	100%	November 2014	Scheduled
Required	R	IT	IT Governance Review	65	65	0	0%	20	45	69%	September 2014	In Progress
1T	A	IT	Cloud Computing	200	200	0	0%	20	180	90%	March 2015	In Progress
Brought forward	A	FM	PCI-DSS	120	120	0	0%	0	120	100%	June 2015	Scheduled
Brought forward	A	FM	Contracts	120	120	0	0%	0	120	100%	June 2015	Scheduled
3	A	FM	Accounts Receivable	147	147	0	0%	0	147	100%	June 2015	Scheduled
			Totals	1222	1222			100				

Estimate-Hours Available For Audits = 2720 (2 audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxilliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Tennessee Board of Regents - System-wide Internal Audit**  
**System Office Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of July 31, 2014**

Rank	Type	Area	Audit	Current Year Budget		Change Hours	Change Percentage		Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised					Hours	Percentage		
Required	R	FM	President's Expenses (TSU)	150	150	0	0%		0	150	100%	October 2014	<i>Scheduled</i>
Required	R	FM	President's Expenses (ChSCC)	0	225	225	100%	FN 1					
Required	R	SS	DSCC-CCTA Funding Formula-Completion (2013 Data)	105	50	(55)	-52%	FN 3	50	0	0%	July 2014	<i>Completed</i>
Required	R	SS	STCC-CCTA Funding Formula-Completion (2013 Data)	65	60	(5)	-8%	FN 3	60	0	0%	July 2014	<i>Completed</i>
Required	R	SS	DSCC-CCTA Funding Formula-Transfers & Other	150	150	0	0%		0	150	100%	December 2014	<i>Scheduled</i>
Required	R	SS	STCC-CCTA Funding Formula-Transfers & Other	150	0	(150)	-100%	FN 2	0	0	0%	N/A	<i>Removed</i>
Required	F	IA	State Audit Performance Follow-Up	40	40	0	0%		5	35	88%	July 2014	<i>Completed</i>
Required	F	FM	State Audit Follow up FY2012 and FY2013	40	40	0	0%		0	40	100%	February 2015	<i>Scheduled</i>
Required	F	FM	Follow up	160	160	0	0%		0	160	100%	Various	<i>Scheduled</i>
Required	M	SS	Risk Assessment-System Office	10	10	0	0%		0	10	100%	TBD	<i>Scheduled</i>
	S	PP	Facilities - Builders Risk Insurance	0	100	100	100%	FN 5	0	100	100%	September 2014	<i>Scheduled</i>
	C	IS	General Consultation	75	125	50	67%	FN 4	57	68	54%	Various	<i>In Progress</i>
1T	A	PP	Facilities	150	150	0	0%		0	150	100%	June 2015	<i>Scheduled</i>
			Totals	1095	1260				172				

Estimate-Hours Available For Audits = 1085 (1 audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

1 - The ChSCC audit was added after the initial plan was submitted.

2 - In July 2014, STCC hired an audit director, who will complete this audit; therefore, it was removed.

3 - The original audit plan included budgeted hours for this entire project, not just the hours spent in FY2015. The revised budget reflects hours spent in FY2015.

4 - General consultation hours were increased due to increased time spent assisting campus auditors with CCTA audits.

5 - Management made this request since the creation of the original audit plan.

**Tennessee Board of Regents - System-wide Internal Audit**  
**Tennessee Colleges of Applied Technology**  
**Internal Audit Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of August 31, 2014**

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Brought forward	F	FM	Morristown	25	25	0	0%	0	25	100%	September 2014	/
Brought forward	A	FM	Focused Review - FY 2014	10	10	0	0%	0	10	100%	September 2014	/
Brought forward	A	FM	Knoxville	10	10	0	0%	52.5	(43)	-425%	August 20, 2014	C
Brought forward	A	FM	Jackson	10	10	0	0%	28.5	(19)	-185%	September 2014	/
Brought forward	A	FM	McKenzie	22	22	0	0%	15.5	7	30%	September 2014	/
Brought forward	A	FM	Pulaski	5	5	0	0%	18	(13)	-260%	September 2014	/
Brought forward	A	FM	McMinnville	5	5	0	0%	7.5	(3)	-50%	May 19, 2014	C
Brought forward	A	FM	Ripley	50	50	0	0%	41	9	18%	September 2014	/
Brought forward	A	FM	Murfreesboro	5	5	0	0%	6	(1)	-20%	May 19, 2014	C
Brought forward	A	FM	Hartsville	37.5	37.5	0	0%	36.5	1	3%	September 2014	/
Brought forward	A	FM	Nashville	15	15	0	0%	28	(13)	-87%	September 2014	/
Brought forward	A	FM	Memphis	10	10	0	0%	28	(18)	-180%	September 2014	/
Brought forward	A	FM	Athens	37.5	37.5	0	0%	36.5	1	3%	August 8, 2014	C
Brought forward	A	FM	Jacksboro	10	10	0	0%	15.5	(6)	-55%	September 2014	/
Brought forward	A	FM	Paris	20	20	0	0%	7.5	13	63%	September 2014	/
Brought forward	A	FM	Crump	10	10	0	0%	5.5	5	45%	September 2014	/
Brought forward	A	FM	Dickson	5	5	0	0%	6	(1)	-20%	May 19, 2014	C
			Focused Reviews - FY 2015			0		FN 1	0			
1	A	FM	Morristown	45	45	0	0%	0	45	100%	September 2014	
2	A	FM	Ripley	45	45	0	0%	0	45	100%	September 2014	
3	A	FM	Memphis	45	45	0	0%	0	45	100%	October 2015	
4	A	FM	Livingston	37.5	37.5	0	0%	0	38	100%	October 2015	
5	A	FM	Nashville	45	45	0	0%	0	45	100%	November 2014	
6	A	FM	Harriman	37.5	37.5	0	0%	0	38	100%	November 2014	
7	A	FM	Pulaski	37.5	37.5	0	0%	0	38	100%	November 2014	
8	A	FM	Paris	37.5	37.5	0	0%	0	38	100%	December 2014	
9T	A	FM	Jackson	45	45	0	0%	0	45	100%	December 2014	
9T	A	FM	Crump	37.5	37.5	0	0%	0	38	100%	December 2014	
10	A	FM	Knoxville	45	45	0	0%	0	45	100%	January 2015	
11	A	FM	Oneida	37.5	37.5	0	0%	0	38	100%	January 2015	
12	A	FM	Murfreesboro	37.5	37.5	0	0%	0	38	100%	January 2015	
13	A	FM	Elizabethton	45	45	0	0%	0	45	100%	February 2015	
14	A	FM	Covington	37.5	37.5	0	0%	0	38	100%	February 2015	
15T	A	FM	McMinnville	37.5	37.5	0	0%	0	38	100%	February 2015	
15T	A	FM	Dickson	37.5	37.5	0	0%	0	38	100%	March 2015	
16T	A	FM	McKenzie	37.5	37.5	0	0%	0	38	100%	March 2015	
16T	A	FM	Hartsville	37.5	37.5	0	0%	0	38	100%	March 2015	
16T	A	FM	Shelbyville	37.5	37.5	0	0%	0	38	100%	April 2015	
17	A	FM	Newbern	37.5	37.5	0	0%	0	38	100%	April 2015	
18	A	FM	Crossville	37.5	37.5	0	0%	0	38	100%	April 2015	
19	A	FM	Hohenwald	37.5	37.5	0	0%	0	38	100%	May 2015	
20T	A	FM	Athens	37.5	37.5	0	0%	0	38	100%	May 2015	
20T	A	FM	Whiteville	37.5	37.5	0	0%	0	38	100%	June 2015	
21	A	FM	Jacksboro	37.5	37.5	0	0%	0	38	100%	June 2015	
22	A	FM	Chattanooga	0	0	0	0%	0	0		June 2015	
	A	FM	TCAT Administration Audit Request	100	100	0	0%	18.5	82	82%	June 2015	/
	C	FM	TCAT Consultation	15	15	0	0%	1.5	39	-90%	June 2015	/
			Totals	1429.5	1429.5			352.5				

Estimate-Hours Available For Audits = 1429.5 (1 audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

1 - FY 2015 focused reviews include TAF, Director's expenses, Equipment and selected Federal Student Aid consumer information reviews.

**Tennessee Board of Regents - System-wide Internal Audit  
Information Systems  
Internal Audit Plan  
Fiscal Year Ended June 30, 2015  
Revised as of 7/31/2014**

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status	
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage			
<b>Required Assignments:</b>													
Brought forward	A	IT	Carryover from FY '14 - Logical Access Security	72	152	80	111%	FN 1	3	149	98%	December 2014	Planning / combined
Brought forward	A	IT	Carryover from FY '14 - Research & Assessment - CCTA	0	20	20	100%		0	20	100%	September 2014	In Progress
	C	IT	Consulting w/ IT personnel	64	64	0	0%		13	51	80%	Ongoing	
Required by TBR	F	IT	Follow-up on prior IT Audit recommendations	24	24	0	0%		0	24	100%	Ongoing	
Required by TBR	M	IT	IT Risk Assessment	4	4	0	0%		4	0	0%	July 2014	Completed
<b>General Control Reviews:</b>													
FY 2014	A	IT	Pellissippi State - IT GCR	20	35	(15)	-75%	FN 2	25	10	29%	September 2014	In Progress
	A	IT	Jackson State - IT GCR	20	35	(15)	-75%	FN 2	25	10	29%	September 2014	In Progress
	A	IT	Cleveland State - IT GCR	20	35	(15)	-75%	FN 2	20	15	43%	September 2014	In Progress
	A	IT	Roane State - IT GCR	20	30	(10)	-50%	FN 2	15	15	50%	September 2014	In Progress
	A	IT	Austin Peay - IT GCR	20	30	(10)	-50%	FN 2	15	15	50%	October 2014	In Progress
	A	IT	Tennessee State - IT GCR	20	30	(10)	-50%	FN 2	15	15	50%	October 2014	In Progress
<b>General Control Reviews:</b>													
FY 2015	A	IT	CoSCC	150	150	0	0%	FN 3	0	150	100%	September 2014	Scheduled
	A	IT	STCC	150	150	0	0%	FN 3	0	150	100%	October 2014	Scheduled
	A	IT	MTSU	150	150	0	0%	FN 3	0	150	100%	November 2014	Scheduled
	A	IT	RODP	100	100	0	0%	FN 3	0	100	100%	January 2015	Scheduled
	A	IT	DSCC	150	150	0	0%	FN 3	0	150	100%	March 2015	Scheduled
	A	IT	TTU	150	150	0	0%	FN 3	0	150	100%	April 2015	Scheduled
	A	IT	WSCC	150	150	0	0%	FN 3	0	150	100%	May 2015	Scheduled
<b>IT / Business Projects:</b>													
Brought forward	C	IT	Banner system "XE" up-grade and ODS data warehouse implementation	60	60	0	0%		4	56	93%	Ongoing	
	C	IS	Business Continuity Planning / IT Disaster Recovery	48	48	0	0%		1	47	98%	Ongoing	
Special Request from CIO	S	IT	Social engineering program	32	32	0	0%		0	32	100%	February 2015	Scheduled
	C	IS	Business Process Management (IT impact)	24	24	0	0%		1	23	96%	June 2015	In Process
<b>Risk Based Audits:</b>													
Special Request from CIO	S	IS	Information Dissemination Standards	80	0	(80)	-100%	FN 1	0	0	0%	December 2014	

Estimate-Hours Available For Audits = 1521

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required  
A - Risk-Based (Assessed)  
S - Special Request  
I - Investigation  
P - Project (Ongoing or Recurring)  
M - Management's Risk Assessment  
C - Consultation  
F - Follow-up Review

**Functional Areas:**

AD - Advancement  
AT - Athletics  
AX - Auxiliary  
FM - Financial Management  
IA - Instruction & Academic Support  
IS - Institutional Support  
IT - Information Technology  
PP - Physical Plant  
RS - Research  
SS - Student Services

**Status:**

Scheduled  
In Progress  
Completed  
Removed

**Footnotes:**

- (1) Combined the Logical access and Dissemination Standards audits.
- (2) Completion of FY 2014 GCR Audits in new format for report and workpapers; budgeted hours were not sufficient.
- (3) Second year of 3-year plan to complete IT GCR at TBR system office and each university and community college campus.



**Tennessee Board of Regents - System-wide Internal Audit**  
**Investigation Plan**  
**Fiscal Year Ended June 30, 2015**  
**Revised as of August 31, 2014**

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Investigation	P	IS	INVESTIGATION MANAGEMENT	160	160	0	0%	25	135	84%	Ongoing	
Investigation	C	IS	CAMPUS CONSULTATION	160	160	0	0%	19.5	141	88%	Ongoing	
Investigation	I	FM	TBR 10-08		40	40	100%			0%	November 2014	/
Investigation	I	FM	TBR 12-04		40	40	100%			0%	November 2014	/
Investigation	I	FM	TBR 13-02		40	40	100%			0%	November 2014	/
Investigation (1)	I	IS	TBR 13-03		20	20	100%	17.5	3	13%	TBD	/
Investigation (1)	I	FM	TBR 14-03		20	20	100%	0	20	100%	TBD	/
Investigation (1)	I	IA	TBR 14-04	20	20	0	0%	0	20	100%	TBD	/
Investigation (1)	I	FM	TBR 14-06		4	4	100%	4	0	0%	7/17/2014	C
Investigation (1)	I	FM	TBR 14-12	20	20	0	0%	7.5	13	63%	7/17/2014	C
Investigation (1)	I	FM	TBR 14-15	40	40	0	0%	0	40	100%	TBD	/
Investigation (1)	I	IS	TBR 14-17		40	40	100%	0	40	100%	TBD	/
Investigation (1)	I	FM	TBR 14-19	40	40	0	0%	0	40	100%	TBD	/
Investigation (1)	I	IS	TBR 14-20		40	40	100%	0	40	100%	TBD	/
Investigation (1)	I	IS	TBR 14-21		40	40	100%	0	40	100%	TBD	/
Investigation	I	FM	TBR 15-01		40	40	100%	1.5	39	96%	TBD	/
Investigation	I	SS	TBR 15-02		5	5	100%	1.5	4	70%	September 2014	/
	I	FM	Unscheduled Investigations	800	471	(329)	-41%		471	100%	June 2015	
			Totals	1240	1240			76.5				

Estimate-Hours Available For Audits = 1240 (1 audit staff)

T--Tie

TBD-To Be Determined

**Audit Types:**

R - Required

A - Risk-Based (Assessed)

S - Special Request

I - Investigation

P - Project (Ongoing or Recurring)

M - Management's Risk Assessment

C - Consultation

F - Follow-up Review

**Functional Areas:**

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

PP - Physical Plant

RS - Research

SS - Student Services

**Status:**

Scheduled

In Progress

Completed

Removed

**Footnotes:**

(1) Brought forward from prior year.

**Tennessee Board of Regents  
Committee on Audit**

<b>DATE:</b>	September 25, 2014
<b>AGENDA ITEM:</b>	<b>Review of Audit Committee Responsibilities</b>
<b>PRESENTER:</b>	Tammy Birchett
<b>ACTION REQUIRED:</b>	Discussion Item
<b>STAFF'S RECOMMENDATION:</b>	Accept Report

---

**BACKGROUND INFORMATION:**

The Committee will discuss some of the key audit activities and responsibilities of the Audit Committee members. The attached summary is provided to facilitate the discussion.

**Tennessee Board of Regents – Summary of Audit Committee Responsibilities**

<b>Responsibilities for Internal Audit Activities</b>	<b>Performed</b>	<b>Required By</b>
Review and approve the charter for the System-wide Internal Audit (SWIA) function and the campus internal audit offices.	Annually	C
Review and approve the annual audit plans of the campuses and System-wide Internal Audit.	Annually	C/P
Review changes to the audit plans, including management requests for unplanned assignments.	Quarterly	C
The internal auditor shall file a report on the audit work with the audit committee at least annually.	Quarterly	A
Review significant results of internal audits performed.	Quarterly	C
Facilitate any audits or investigations, including advising auditors of information received pertinent to such matters.	As Needed	A
Review any other work prepared by the Director of System-wide Internal Auditing.	As Needed	C
<b>Responsibilities for External Audit Activities</b>		
Review results of the Comptroller's audits of financial statements and other matters.	Quarterly	C
Meet with the State auditors on any matters that the Audit Committee or auditors deem appropriate.	As Needed	C
Promptly notify the Comptroller of the Treasury of any indications of fraud (SWIA).	As Needed	A
<b>Responsibilities for Management's Control Activities</b>		
Review and evaluate management's assessment of internal controls (risk assessment process) of the Board and its institutions.	As Needed	A/C/G
Formally reiterate, on a regular basis to the governing board or management and staff their responsibility for preventing, detecting, and reporting fraud, waste, and abuse.	Annually	A
Review with management and general counsel any legal matters (including pending litigation) that may have a material impact on the financial statements, and any material reports or inquiries from regulatory or governmental agencies.	As Needed	C
Review the Board's policies regarding employee conduct to ensure they are readily available to all employees, easy to understand and implemented, enforced and provide a confidential means of reporting violations.	As Needed	C
Review the Board's policy regarding conflict of interest to ensure that "conflict of interest" is clearly defined, guidelines are comprehensive and potential conflicts are adequately resolved and documented.	As Needed	C
<b>Responsibilities for Internal Audit Personnel and Other Resources</b>		
Employ a qualified person to serve as an internal auditor who shall report directly to the audit committee and respective board and shall be removable only for cause by a majority vote of the respective board.	As Needed	A/C/P
Review the SWIA Director's administrative reporting relationship to assure that independence is fostered and that adequate resources in terms of staff and budget are provided to enable the department to effectively perform its responsibilities.	Annually	C
Review and approve the appointment, compensation, reassignment or dismissal of the SWIA Director.	As Needed	A/C/P
Review and approve the compensation or termination of system office internal auditors.	As Needed	C/P
Review the compensation of campus internal auditors. Review and approve the termination of campus internal auditors.	As Needed	A/C/P
<b>Other Responsibilities</b>		
Meet as necessary, but at least annually.	Quarterly	C
Review and assess the adequacy of the Audit Committee's charter annually; request Board approval.	Annually	C
<b>Legend:</b> <b>A</b> Tennessee Higher Education Accountability Act <b>P</b> TBR Internal Audit Policy 4-01-05-00 <b>C</b> TBR Audit Committee Charter <b>G</b> Comptroller's Guidance on Management's Risk Assessment		

**Tennessee Board of Regents  
Committee on Audit**

<b>DATE:</b>	September 25, 2014
<b>AGENDA ITEM:</b>	<b>Non-Public Executive Session</b>
<b>PRESENTER:</b>	Tammy Birchett
<b>ACTION REQUIRED:</b>	Informational Report
<b>STAFF'S RECOMMENDATION:</b>	Accept Report

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**BACKGROUND INFORMATION:**

The Committee will meet in a non-public executive session to review ongoing investigations.