



TENNESSEE BOARD OF REGENTS
Committee on Audit

May 27, 2015
AGENDA

- I. INFORMATIONAL REPORTING (Tammy Birchett)**
 - a. Review of Comptroller's Office Audit Reports**
 - b. Update of Corrective Actions on Performance Audit Findings**
 - c. Review of Internal Audit Reports**
 - d. Review of Audits of CCTA Efficiency and Other Outcomes**

- II. LEGISLATION REGARDING NOTIFICATION OF SECURITY ISSUES (Tammy Birchett)**

- III. REVIEW OF REVISIONS TO FISCAL YEAR 2015 INTERNAL AUDIT PLANS (Tammy Birchett)**

- IV. REVIEW OF PROPOSED BUDGET FOR SYSTEM-WIDE INTERNAL AUDIT (Tammy Birchett)**

- V. OVERVIEW OF RISK ASSESSMENT PROCESS (Tammy Birchett and Blayne Clements)**

- VI. NON-PUBLIC EXECUTIVE SESSION (Tammy Birchett)**

**Tennessee Board of Regents
Committee on Audit**

DATE: May 27, 2015

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

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

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 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 – FINDINGS

Middle Tennessee State University

— FYE June 30, 2014

Jackson State Community College

— FYE June 30, 2014 and June 30, 2013

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. An executive summary of each follow-up audit is included in the Audit Committee's quarterly materials.

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

Audit reports issued for TBR institutions indicate that the Division of 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 generally accepted government auditing standards. Standards generally accepted in the U.S. are generally the accounting standards issued by the Governmental Accounting Standards Board or Financial Accounting Standards Board of the American Institute of Certified Public Accountants. Generally accepted government auditing standards are those included in Government Auditing Standards, issued by the Comptroller General of the United States. The types of findings described below are based on the guidance provided in these standards.

Types of Findings

Deficiencies in Internal Control¹

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 Deficiency¹

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 Weakness¹

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 Reported²

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.

¹ 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.

² 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
May 27, 2015
Review of Comptroller's Office Audit Reports
Financial and Compliance Audits—Findings Reported

Institution	For the Year Ended	Fairness of Financial Statement Presentation	Report on Internal Control	Report on Compliance	Findings
Middle Tennessee State University	June 30, 2014	Unmodified Opinion	One finding identified as a significant deficiency, but not as a material weakness	No instances of noncompliance required to be reported	1
<p>Finding 1 – The university did not provide adequate internal controls in one specific area</p> <p>The university did not design and monitor internal controls in one specific area. The audit observed a condition in violation of industry-accepted best practices. Inconsistent implementation of internal controls increases the risk of fraud or error. The details of these findings are confidential pursuant to Section 10-7-504(i) <i>Tennessee Code Annotated</i>.</p> <p>Management's Comment – Management concurred with the finding and recommendation. Management responded that appropriate procedures have been implemented to ensure the condition has been remedied, including effective controls for ensuring compliance and assignment of personnel to monitor the processes and mitigate deficiencies should they occur.</p>					
<p><i>Internal Audit Follow-Up: An internal audit follow-up report on these findings will be presented to the Audit Committee at a subsequent meeting.</i></p>					

Tennessee Board of Regents
Audit Committee
May 27, 2015
Review of Comptroller's Office Audit Reports
Financial and Compliance Audits—Findings Reported

Institution	For the Year Ended	Fairness of Financial Statement Presentation	Report on Internal Control	Report on Compliance	Findings
Jackson State Community College	June 30, 2014 and June 30, 2013	Unmodified Opinion	One finding identified as a significant deficiency, but not as a material weakness	No instances of noncompliance required to be reported	1
<p>Finding 1 – The college did not provide adequate internal controls in one specific area</p> <p>The college did not design and monitor internal controls in one specific area. One condition was observed to be in violation of college policies and/or industry-accepted best practices. Inconsistent implementation of internal controls increases the risk of fraudulent activity. The details of these findings are confidential pursuant to Section 10-7-504(i) <i>Tennessee Code Annotated</i>.</p> <p>Management's Comment – Management concurred with the finding and recommendation. Management responded they will modify policies, procedures, and controls to ensure proper internal controls are in place for this specific area. Management also stated the risk assessment will be modified to include this area to be monitored on an on-going basis.</p>					
<p><i>Internal Audit Follow-Up: An internal audit follow-up report on these findings will be presented to the Audit Committee at a subsequent meeting.</i></p>					

**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
MTSU FY 2014	3/4/2015	Finding 1 of 1: The university did not provide adequate internal controls in one specific area.	Chief Information Officer	8/1/15		
UOM FY 2014	1/28/2015	Finding 1 of 1: Purchasing procedures at the university are inadequate.	Office of Procurement and Contract Services	6/1/15		
NaSCC FY 2013 and FY 2012	1/23/2015	Finding 1 of 1: The college needs to improve its system of internal control for the preparation of the financial statements.	Vice President of Finance and Administrative Services	7/1/15		
NeSCC FY 2013 and FY 2012	10/9/2014	Finding 1 of 2: As reported in the previous audit, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements.	Chief Financial Officer	4/1/2015	4/30/2015	Actions Completed
NeSCC FY 2013 and FY 2012	10/9/2014	Finding 2 of 2: The college did not provide adequate internal controls in five specific areas.	Chief Information Officer	4/1/2015	4/30/2015	Actions Completed
WSCC FY 2013 and FY 2012	7/31/2014	Finding 1 of 1: 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	5/1/15	5/1/15	Actions Completed
TSU FY 2013	3/21/2014	Finding 1 of 3: As noted in the prior audt, 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

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**

DATE: May 27, 2015

AGENDA ITEM: **Review of Corrective Actions on TBR
Performance Audit Findings**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

Attached is a summary of the actions taken and statuses of findings from the January 2014 Performance Audit report of the TBR system, issued by the Comptroller of the Treasury. A summary will be provided at the meeting and reviewed with the Committee.

Tennessee Board of Regents
 Report of Corrective Actions on Performance Audit Findings
 Date: May 15, 2015

Finding 1			
The Office of System-wide Internal Audit has not conducted audits of funding formula data submitted by TBR institutions.			
Responsibility		Estimated Completion Date	Status
Tammy Birchett		Orig: Dec 2014 Rev: Spring 2015	<i>Ongoing</i>
Action Steps		Completion Date	Comments
1.	Audit Progression Elements	February 28, 2014 (17) and March 10, 2014 (2).	Completed 19 audits of progression data elements.
2.	Audit Completion Elements	July 31, 2014 (18 reports) and August 13, 2014 (1).	Completed 19 audits of completion data elements.
3.	Meet with THEC and TBR Research staff to plan 3 rd Phase – Audits of Other Funding Formula Elements	October 29, 2014	Planning meeting with TBR Research and THEC staff on 10/29/14.
4.	Complete sampling plan and audit procedures for 3 rd Phase – Other Funding Formula Elements	March 30, 2015	Completed
5.	Complete audits on campuses for 3 rd Phase – Efficiency and Other Funding Formula Elements	May 15, 2014 (13 completed and estimated May 27, 2015 (1).	<i>Completed 13 of 14 audits of efficiency and other data elements. One audit was delayed.</i>
Note: Completion date of December 2014 was originally projected, but other priorities delayed start of the third phase; new estimate of completion is Spring 2015.			

Finding 2			
TBR universities need to develop monitoring systems to ensure that transfer students obtain all allowable college credit for all transferable courses.			
Responsibility		Estimated Completion Date	Status
Tristan Denley		June 2015	<i>Ongoing</i>
Action Steps		Completion Date	Comments
1.	Reverse Transfer Agreement with UT and TICUA.	Fall 2014	Completed
2.	MOU with UT Knoxville and TBR guarantees transfer admission from community colleges for those who otherwise meet admission criteria and with certain exclusions.	January 8, 2015	Completed
3.	Explore feasibility and costs of implementing mechanisms to monitor college course transfers system-wide.	<i>In Progress</i>	<i>We are exploring ways that the CDR infrastructure could solve this.</i>
4.	Common Data Repository	<i>In Progress</i>	<i>Planned testing for May 18 – June 18 at schools to be determined.</i>
5.	Develop Degree Audit script.	<i>Planned when CDR is operational</i>	<i>Future project.</i>

Tennessee Board of Regents
 Report of Corrective Actions on Performance Audit Findings
 Date: May 15, 2015

Finding 3			
Not all required Tennessee Transfer Pathways have been put in place, as required by the CCTA of 2010.			
Responsibility		Estimated Completion Date	Status
Tristan Denley		Orig: Dec 2014 Rev: April 2015	<i>Ongoing</i>
Action Steps		Completion Date	Comments
1.	Work with the General Assembly, UT and THEC to identify majors and programs not consistent with transfer pathways.	Filed January 23, 2014.	Requested General Counsel's assistance with drafting legislation (1/6/14).
2.	Draft legislation as needed.	Filed January 23, 2014.	Requested General Counsel's assistance with drafting legislation (1/6/14).
3.	Pursue passage of legislation.	April 25, 2014	SB2362/HB2246 signed into law by Governor. See Public Chapter 794.
4.	Collaborate with UT System to resolve existing TTP issues with Economics and Geography.	December 2014	Meetings have been completed; on track for completion in December. Posted to TTP website.
5.	Once degrees in the Academic Inventory that could provide pathways are identified, develop for TTP. 14 areas were originally identified; expanded to 16 pathways because of 3 rather than 1 program in Allied Health Sciences. Provide curricula for new pathways for final review/approval to Chief Academic Officers at UT and TBR.	April 2015	A review of all schools with degrees in their Academic Inventory that could provide pathways, but are not currently listed, resulted in the addition of 16 new pathways, for a total of 52.
6.	Work with Chief Academic Officer at UT to obtain final approval of new pathways.	May 2015	UT System affirmed new pathways as proposed.
7.	Work with Chief Academic Officers at TBR institutions to obtain final approval of new pathways.	<i>July 2015</i>	<i>Planned for July 2015 Academic Affairs Sub-council meeting.</i>
8.	Add new pathways to TTP website.	<i>July/August 2015</i>	<i>Planned after all approvals obtained.</i>
Note: Per 2014 PC794, Section 1, THEC shall require UT and TBR to collaborate and develop a transfer pathway for at least the fifty undergraduate majors for which the demand from students is the highest and in those fields of study for which the development of a transfer pathway is feasible based on the nature of the field of study.			

Tennessee Board of Regents
 Report of Corrective Actions on Performance Audit Findings
 Date: May 15, 2015

Finding 4			
TBR institutions need to improve how they publicize the TTPs on their websites.			
Responsibility		Estimated Completion Date	Status
Monica Greppin-Watts		July 2014	Resolved
Action Steps		Completion Date	Comments
1.	Develop written text for each campus to include and imbed information about TTPs in appropriate section of website (if they need text provided).	April 18, 2014	Discussed with UT to develop a similar approach for websites.
2.	Identify communications needed with campus stakeholders: Provosts/Academic Affairs, Admissions Officers, and Communications Officers.	April 17, 2014	Spoke with Dr. Schulte to identify stakeholders (4/17/2014).
3.	Communicate with Provosts/Academic Affairs regarding changes and communications coming to Admissions & Communications officers.	April 17, 2014	Provosts/Academic Affairs – Dr. Denley completed during quarterly mtg.
4.	Send communications via email to Admissions & Academic Affairs officers (with copy to Communications officers) to ask them to review their sites, make changes needed, and report back to System Office when TTPs are clearly represented in the appropriate places on the campus websites.	May 6, 2014	Completed - sent instructions to campuses for information to include on websites. Deadline for campuses to report back is June 2.
5.	Communicate with Presidents regarding changes and improvements requested of campuses on websites.	May 20, 2014	Chancellor Morgan and Vice Chancellor Denley reported during Presidents' Council meeting.
6.	Get agreement with UT of TTP website changes needed, including details, requirements & exclusions of transfer pathways.	April 18, 2014	Completed
7.	Make changes / updates to TnTransferPathway.org website – remove requirement to click “agree,” move restrictions and requirements to home page, add “contact us” link to allow reports of problems or questions.	May 28, 2014	Completed
8.	Compile summary of web improvements / changes made by campuses.	June 2014	Completed
9.	Conduct periodic reviews of each campus website to ensure TTP information is in appropriate location.	July 2, 2014	Completed
10.	TTP Website, under Contact Us, includes a means for students needing information or assistance regarding transferring credits; comments go to Academic Affairs.	August 8, 2014	Completed

Tennessee Board of Regents
 Report of Corrective Actions on Performance Audit Findings
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Finding 5			
Not all required dual-admission agreements are in place between universities and community colleges.			
Responsibility		Estimated Completion Date	Status
Chancellor Morgan		December 2014	Resolved (Note 2)
Action Steps		Completion Date	Comments
1.	Draft legislation to more clearly articulate that dual admission agreements should be undertaken where there is a practical benefit for students dually admitted (i.e., students in a reasonable geographical vicinity).	Filed January 23, 2014.	Requested General Counsel's assistance with drafting legislation (1/6/14).
2.	Pursue passage of legislation.	April 25, 2014	SB2362/HB2246 signed into law by Governor. See Public Chapter 794.
3.	TBR institutions have agreements with institutions within their geographic proximity.	December 2014	Completed
4.	MOU with UT Knoxville and TBR guarantees transfer admission from community colleges for those who otherwise meet admission criteria and with certain exclusions.	January 8, 2015	Completed
5.	Under new legislation (PC 794), THEC will define geographic areas for dual-admission agreements.	<i>Unknown</i>	<i>THEC working on definitions. TBR waiting for definitions.</i>
6.			
Note 1: Per PC 794, Section 2, THEC, in consultation with TBR and UT, shall develop policies under which a person who satisfies the admissions requirements of a 2-year institution governed by TBR and a 4-year institution governed by TBR or UT may be admitted to both such institutions. THEC shall identify those institutions for which such dual admission is appropriate, based on geographic or programmatic considerations.			
Note 2: TBR considers the issue of dual-admission agreements for institutions in close geographic proximity resolved pending any definitions developed by THEC.			

Tennessee Board of Regents
 Report of Corrective Actions on Performance Audit Findings
 Date: May 15, 2015

Finding 6			
TBR universities and community colleges have not included General Counsel recommended provisions in foundation agreements.			
Responsibility		Estimated Completion Date	Status
Dale Sims / Mary Moody		Orig: Spring 2015 Rev: Fall 2015	<i>Ongoing</i>
Action Steps		Completion Date	Comments
1.	Pursue revisions to TBR Policy 4:01:07:02, <i>Foundations</i> and any companion changes needed in recommended provisions of foundation agreements	<i>In Progress</i>	Planned for Fall 2015 quarterly meeting cycle.
2.	Drafted revisions to policy and circulated to institutions for comments	May 9, 2014	Completed
3.	Meeting with selected institutional representative and System staff to review comments on draft changes	June 18, 2014	Completed
4.	Draft 2 nd revision to policy and model agreement, considering institutional feedback	July 11, 2014	Completed
5.	Circulate 2 nd revision to institutions thru business officers – solicit feedback during BASC	July 29, 2014	Completed
6.	Present final version to Chief Business Officers for approval.	<i>Est. Fall Quarter</i>	<i>Assumes no significant issues with final draft</i>
7.	Present final version to Presidents/Directors for approval.	<i>Est. Fall Quarter</i>	<i>Assumes no significant issues with final draft</i>
8.	Present final version to Board for approval.	<i>Est. Fall Quarter</i>	<i>Assumes no significant issues with final draft</i>
9.	Instruct institutions to execute revised agreements; set due date for completion.	<i>Est. Fall Quarter</i>	<i>Assumes no significant issues with final draft</i>

Finding 7			
The foundations affiliated with the TBR universities and community colleges failed to disclose in-kind services provided by those institutions.			
Responsibility		Estimated Completion Date	Status
Dale Sims / Mary Moody		October 2014	Resolved
Action Steps		Completion Date	Comments
1.	Discuss finding and needed action with Business Officers during quarterly BASC meeting.	April 22, 2014 BASC meeting	Completed
2.	Provide training to campuses during annual financial statement training program.	May 21, 2014	Completed
3.	Distribute instructions to campuses on financial statement preparation, including recognition of in-kind services provided to foundations.	Week of July 4, 2014	Completed
4.	Monitor June 30, 2014 financial statements for inclusion of in-kind services provided to foundations. (Applicable to foundations using FASB, not GASB accounting standards).	October 2014	Completed. During financial audit, UOM confirmed with State Audit that disclosure was not necessary because of costs covered by foundation.
Note: Verified the UOM solution to this issue with the university and State Audit.			

Tennessee Board of Regents
 Report of Corrective Actions on Performance Audit Findings
 Date: May 15, 2015

Finding 8			
TBR institutions have emergency preparedness plans, but additional steps should be taken to ensure campus community safety.			
Responsibility		Estimated Completion Date	Status
Dale Sims		Spring 2015	Resolved
Action Steps		Completion Date	Comments
1.	Initiate the review of existing Board policies and guidelines governing emergency planning.	February 24, 2014	Requested input from TBR senior staff for February 24 meeting.
2.	Consider central point of responsibility for monitoring and guiding emergency management programs.	April 21, 2014	Discussed at senior staff meetings. Alicia Gillespie designated as system office contact.
3.	Identify campus contacts.	April 21, 2014	Chancellor requested contact information from campuses.
4.	Establish a "standing" committee under BASC charged with responsibility to recommend updates on emergency planning preparedness, advise System Office on developments in field, etc...	June 11, 2014	Completed. Committee determined Guideline needed significant revisions and will meet again.
5.	Obtain approval to revisions to TBR Guideline B-100, <i>Institutional Emergency Preparedness Plan</i> .	November 11, 2014	Approved by President's/Director's Councils on 11/11/14.
6.	Obtain approval for new TBR Policy 4:01:05:70, <i>Emergency Management Planning</i> .	December 11, 2014	Approved by President's/Director's Councils; approved by Board on 12/11/14.
Note: Key steps have been completed to create a structure and improved guidance for EP planning. EP is an ongoing process and will require monitoring and meeting with campuses on a regular basis.			

Finding 9			
The background checks for housing staff applicants conducted by the TBR universities are not based on fingerprint submissions 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 take.			
Responsibility		Estimated Completion Date	Status
Dale Sims / Mary Moody		July 2014	Resolved
Action Steps		Completion Date	Comments
1.	TBR Office of Human Resources and Office of General Counsel will work with the universities to ensure the requirements of TCA 49-7-149 are understood and complied with timely.	January 2014	General Counsel communicated with MTSU regarding compliance with fingerprinting.
2.	Provide reminders to university HR officers of background check requirements.	April 10, 2014	Memo sent from April Preston regarding requirements.
3.	MTSU will start obtaining full sets of fingerprints for all appropriate housing staff in the fall 2014 semester.	August 2014	MTSU University Counsel confirmed procedure for a full set of fingerprints in place for Fall Semester 2014.

**Tennessee Board of Regents
Committee on Audit**

DATE: May 27, 2015
AGENDA ITEM: **Review of Internal Audit Reports**
PRESENTER: Tammy Birchett
ACTION REQUIRED: Informational Report
STAFF'S RECOMMENDATION: Accept Report

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 Audit Committee

ETSU	Department of Art and Design - Procurement and Study Abroad	Page 2-3
STCC	Federal Work Study Program	Page 4
STCC	Tuition Statements	Page 5

Internal Audit Reports for Informational Purposes

TTU	Equipment	Page 7
UOM	Lambuth Campus	Page 8
ChSCC	Athletic Eligibility	Page 9
CISCC	Workforce Development - Revenue & Expenses	Page 10
CISCC	Financial Aid - Title IV Consumer Information	Page 11
PSCC	Disbursements	Page 12
STCC	Industrial Readiness Grants	Page 13

Internal Audit Follow-Up Reports for Informational Purposes

NeSCC	Follow-Up to State Audit FYE 2013-2012	Page 15
WSCC	Follow-Up to State Audit FYE 2013-2012	Page 16

TCAT Focused Reviews of Operations for Informational Purposes

Chattanooga	Focused Review of Operations	Page 18
Crossville	Focused Review of Operations	Page 19
Livingston	Focused Review of Operations	Page 20
Nashville	Focused Review of Operations	Page 21
Shelbyville	Focused Review of Operations	Page 22

Information Technology for Informational Purposes

APSU	General Controls Review	Page 24-25
ETSU	PCI DSS Compliance Readiness	Page 26
TSU	General Controls Review	Page 27-28
CISCC	General Controls Review	Page 29-30
RSCC	General Controls Review	Page 31-32
TBR	Research and Assessment's Data Reporting Processes	Page 33

Internal Audit Investigations for Informational Purposes

MTSU	Athletics – Football Office Theft	Page 35
TTU	Use of Facilities for Personal Business	Page 36
STCC	Hiring Allegation	Page 37

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 January 31, 2015. Campus auditors 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
May 27, 2015**

***Internal Audit Reports
For Review with the Audit Committee***

East Tennessee State University
 Art and Design Procurement and Study Abroad Investigation
 For the Period May 2008 to January 2015
 Executive Summary
 Page 1 of 2

Department: Art and Design	Auditor: Becky Lewis and Martha Stirling
<p>Introduction: An investigative review into possible inappropriate purchasing practices in the Department of Art and Design at East Tennessee State University (ETSU) was conducted by the Department of Internal Audit. Additional issues discovered during the course of the review included overpayments for travel expenses incurred while teaching abroad in Italy as well as some questionable and/or personal purchases. An agency account was used to account for trip expenses and related revenue associated with the study abroad course.</p>	
<p>Objective: The primary objectives were to investigate the validity of the issues identified during the review, determine the extent of any violations of University or TBR policies, and evaluate the adequacy of internal controls over the study abroad program as well as procurement card/purchasing functions.</p>	
<p>Total Questioned Costs/Losses: \$21,755.26</p>	<p>Total Recoveries: Recoveries - \$744.98 Anticipated Recoveries - \$3,663.78 Net Questioned Costs/Potential Recoveries - \$17,366.50</p>
<p>Results of the Review:</p> <p><u>Issue 1:</u> Procurement received two check requests from the Professor for professional services at his personal residence. In addition, recent purchases were shipped to the Professor's house.</p> <p><u>Conclusion 1:</u> The identified issue was verified; the Professor was interviewed and admitted to submitting two check requests to Purchasing totaling \$4,375.00 for services at his personal residence. The Professor was attempting to build a kiln at his residence using state funds. While these two check requests were not honored, kiln material and supplies totaling \$3,663.78 were paid using a procurement card (procard) and shipped to the Professor's home.</p> <p><u>Issue 2:</u> During the course of the review, possible overpayments made to the Professor for expenditures incurred while teaching a course in Italy were discovered. Travel reimbursements paid to the Professor from various state-funded accounts upon return from Italy appeared to be made for expenses previously paid from the Italy agency account rather than out of pocket expenses of the Professor.</p> <p><u>Conclusion 2:</u> The identified issue was verified; the Professor was over reimbursed while teaching abroad during the summers of 2009, 2010, 2011, and 2013. The Professor often claimed expenses on his travel reimbursements, such as airfare, hotel cost, and meals, which were previously paid from the Italy agency account and were not out of pocket expenses of the Professor. Based on the review of documentation as well as the interview with the Professor, the Professor was overpaid a total of \$5,667.04 for business related travel expenses.</p> <p><u>Issue 3:</u> During the course of the investigation, personal expenditures of the Professor, his family, and a family friend appeared to be paid using the Italy agency account procard.</p> <p><u>Conclusion 3:</u> During the Summer of 2010, the Professor used the Italy agency account to fund some of his personal expenses, including airfares for his wife, son, and son's friend, meals, hotel</p>	

East Tennessee State University
Art and Design Procurement and Study Abroad Investigation
For the Period May 2008 to January 2015
Executive Summary
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rooms, and rental car costs, while vacationing in Italy after the course was over. Other questioned costs during 2008 and 2010 included cash withdrawals to pay for lawn mowers and dog sitters and undocumented travel reimbursements. In total, there was \$9,185.04 in expenditures paid on the Italy agency account procard that were questioned.

Issue 4: While reviewing the Professor’s procard transactions, it appeared that foreign currency exchange and visa debit card expenditures while traveling abroad were not supported by proper documentation.

Conclusion 4: The identified issue was partially verified; some documentation was provided by the Professor at the request of Internal Audit for the 2013 and 2014 courses in Italy. Euros and AAA preloaded visa debit cards were purchased using the Italy agency account procard prior to travel since foreign countries don’t always accept the University procard. Documentation from the summer 2013 trip revealed \$1,120.20 in personal expenses was paid using euros/AAA debit cards. In addition, the AAA preloaded debit cards/euros were used prior to the student’s arrival while the Professor was conducting research in Italy. Expenses paid while conducting research totaled \$1,682.35 in 2013 and \$456.85 in 2014. Even though the Professor was approved to travel to Italy prior to the course for research purposes, these expenses should not have been paid using the Italy agency account.

Overall Conclusion: Based on the investigation performed, questioned costs totaled \$21,775.26, as summarized below.

Issue 1: Kiln Materials	\$3,663.78
Issue 2: Over reimbursement of travel	5,667.04
Issue 3: Personal/Vacation/Questioned Expenses	9,185.04
Issue 4: Personal and Research time expenses	3,259.40
Total Questioned Costs	\$21,775.26
Recoveries	(744.98)
Anticipated Recoveries	(3,663.78)
Net Questioned Costs/Potential Recoveries	\$17,366.50

Recommendation: Faculty-led study abroad programs should adhere to the University procard and procurement policies in order to ensure purchases are appropriate, properly authorized, and supported by adequate documentation. Adequate internal controls over study abroad agency accounts should be implemented to prevent personal purchases as well as over/double reimbursements. Adequate supporting documentation of agency fund expenditures should be obtained and maintained in accordance with record retention guidelines. All travel expenses should be reconciled and properly approved at the end of each study abroad course. Regarding the Professor, management should take appropriate action as deemed necessary.

Management’s Comments: We concur with the recommendation. As noted, student travel funds have been maintained in agency accounts which normally have less controls due to the nature of the funds. We will be working through the TBR Finance Committee to determine if this is the most appropriate accounting for these funds and to establish standards for the accounting of such funds in the future. The professor involved is no longer with the University and the University has developed a plan for restitution.

Southwest Tennessee Community College
Special Review of Federal Work Study Program
July 1, 2013 - June 30, 2014
Executive Summary

Key Staff Person: Eleveen Carson, Financial Aid Specialist	Auditor: Charlotte Johnson, Internal Auditor
<p>Introduction</p> <p>Southwest Tennessee Community College's total expenses for the Fiscal Year ended June 30, 2014 were \$584,658 for the Federal Work Study (FWS) Program. A federal financial aid audit was completed and the Final Program Review Determination issued by the U.S. Department of Education in May 2014. Internal Audit personnel completed a follow-up review for finding thirteen, regarding a student receiving pay but working during class time, as reported in the preliminary report.</p>	
<p>Objectives</p> <p>The audit objective was to determine compliance with the Federal Work Study Program and the internal controls over the program by comparing student's time sheets and class schedules.</p>	
<p>Finding</p> <p>Internal Controls for Monitoring Students' Work Time Must Be Improved to Ensure Compliance with Federal Work Study Program Regulations</p> <p>Records show that students report working during hours when they are scheduled for classes. For the FWS students tested, 25 of 28 students tested reported hours worked during a scheduled class. Supervisors signed the time reports authorizing the time. Internal controls are not being followed. Federal Work Study Program regulations, C.F.R. 675.20(d)(2)(ii), state, a student employed in an FWS job may not be paid for receiving instruction in a classroom, laboratory or academic setting.</p>	
<p>Conclusion</p> <p>Management stated that a class will be conducted for each supervisor in the Federal Work Study Program. The following procedures should be included in the session and added to the college's internal control procedures:</p> <ul style="list-style-type: none"> • Supervisors must obtain a copy of the student's class schedule. • Supervisors must compare the class schedule to the time sheets before providing approval. • A student may only clock in early or work when a class has been dismissed and the director prepares a document stating why the class was not in session as scheduled. This document must be on file and provided to auditors upon request. • The college should research a program to automatically compare hours worked to class schedules as an additional control procedure. 	

Restriction on Use of Report: *This report is intended solely for the internal use of Southwest Tennessee Community College management and the Tennessee Board of Regents. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by the Office of Internal Audit.*

Southwest Tennessee Community College
Review of Tuition Statements
January 1, 2011 - December 31, 2013
Executive Summary

Key Staff Person: Informational Technology Services	Auditor: Charlotte Johnson, Internal Auditor
<p>Introduction</p> <p>An eligible educational institution must file 1098-T, Tuition Statements for qualified tuition and related expenses. An eligible educational institution is a college, university, vocational school or other postsecondary educational institution that is described in section 481 of the Higher Education Act of 1965 and is eligible to participate in the Department of Education’s student aid programs. Qualified tuition and related expenses are tuition fees and other fees required for a student to be enrolled at or attend an eligible educational institution and the total amount of any scholarships or grants that the college administered and processed during the year for the payment of the student’s cost of attendance. A review of 1098-T, Tuition Statements filed for the calendar year ending December 31, 2011, December 2012 and December 31, 2013 was conducted at the request of management. The 1098-T, Tuition Statements, were compared to the student records.</p>	
<p>Objectives</p> <ul style="list-style-type: none"> • To review the 1098-T, Tuition Statements filed with the Internal Revenue Service for the calendar year ending December 31, 2011, December 31, 2012 and December 31, 2013. • To review individual student’s records for qualified tuition and related expenses for the calendar year ending December 31, 2011, December 31, 2012 and December 31, 2013. 	
<p>Finding</p> <p>Incorrect 1098-T, Tuition Statements were Issued for the Calendar Year Ended December 31, 2012. The difference was due to the failure to include early registration for the following spring 2013 semester on the 1098-T, Tuition Statements. The IRS could assess a penalty. If the 18% error rate determined by testing a sample is true for the population, there is potential penalty of \$86,400 (4,800 forms x 18% error rate) x \$100 each); there could be a maximum penalty of \$480,000 if all forms are found to have errors.</p>	
Possible Penalty: \$480,000.	Recoveries: N/A
<p>Conclusion</p> <p>Incorrect 1098-T, Tuition Statements were issued for the calendar year ending, December 31, 2012. Based on the results of audit work performed, Southwest Tennessee Community College should review the college’s records and submit the corrected statements to the Internal Revenue Service and individual students. Management provided a response indicating they concur with the finding.</p>	

**Tennessee Board of Regents
Audit Committee
May 27, 2015**

*Internal Audit Reports
For Informational Purposes*

TENNESSEE TECH UNIVERSITY
Equipment 2013-14
January 23, 2015
Executive Summary

Key Staff Persons: Accountant 1 (Fixed Asset Accountant); Warehouse Manager (Property Officer)

Auditors: TTU Director of Internal Audit; TTU Assistant Director of Internal Audit

Objectives:

1. To determine the effectiveness of internal control over equipment records processing.
2. To determine if equipment purchases are properly identified, recorded, tagged, and inventoried.
3. To determine if equipment records are accurate and complete.
4. To determine if equipment is properly disposed of in accordance with TBR, TTU, and other policies.
5. To determine if sensitive minor equipment is accounted for in accordance with TBR and TTU policies.

Total Questioned Losses: None

Total Recoveries: N/A

Findings:

1. Annual sensitive minor equipment inventories do not require department head approval prior to submission and often have incomplete descriptions of the items.
2. The date equipment items are retagged is not recorded.
3. Two employees share one identification number and password to the GovDeals website.
4. Equipment purchased with grant funds is not necessarily identified as such prior to being sent to surplus, allowing it to be disposed of by methods that may not be in accordance with the grant terms.
5. The value of sending Property Loan Request Forms to the Property Officer is questionable, as they have been sparsely used across campus, and they are often incomplete and out of date.

Conclusion: Except as mentioned in the findings, internal control over equipment records processing is adequate, equipment purchases were properly identified, recorded, tagged, and inventoried, equipment records are accurate and complete, equipment is disposed of in accordance with applicable policies, and sensitive minor equipment is accounted for in accordance with applicable policies. The actions proposed by management should alleviate the negative conditions cited in the findings.

This report is intended solely for the internal use of Tennessee Tech University and the Tennessee Board of Regents. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by the Office of Internal Audit and handled in accordance with institutional policies.

**University of Memphis
Lambuth Campus Audit
Executive Summary
March 18, 2015**

Title of Key Staff Person: Vice Provost Lambuth	Auditors: Senior Internal Auditor and Financial/Compliance Auditor
Background: Internal Audit has completed an audit of the Lambuth Campus. Lambuth University was founded in December 1843 as the Memphis Conference Female Institute. Created by the Memphis Annual Conference of the Methodist Church, under a charter received from the General Assembly of the State of Tennessee authorizing its founding, the school began educating the people of West Tennessee. In July 1991 the historic liberal arts “college” became a university. During the school’s 168-year lifetime, it earned an outstanding academic reputation and was recognized as one of the nation’s top colleges by U.S. News and World Report and The Washington Post. As a small institution, Lambuth fell victim to dwindling fiscal resources, and as a result, it was forced to cease independent operation in June 2011. However, recognizing the important role the school had played in higher education in West Tennessee, civic leaders and government officials worked to maintain the Lambuth campus as a part of the University of Memphis. In August 2011 the University began offering classes at the Lambuth campus in Jackson. The campus is on 57 acres within Jackson. The Lambuth campus offers 20 Bachelor degrees, 5 Master’s degrees, and 2 Doctoral degrees in a variety of areas. Lambuth has a fulltime Vice Provost which was filled on a permanent basis for the first time in July 2014. Previously the Dean of University College had responsibility for the Lambuth Campus.	
Objectives: The audit was primarily financial in scope and involved the evaluation of internal controls, verification of fixed assets and compliance with applicable TBR and University policies. The audit included review of controls over cash, deposit of receipts, Pcards, expenditures, fixed assets and other financial controls and transactions specific to the Lambuth Campus.	
Conclusion: The audit objectives were achieved. Based on the results of all audit work performed, internal controls were generally adequate. We did note other issues for consideration by management which were communicated separately.	

Chattanooga State Community College
Athletic Eligibility Audit
January 1, 2013 through December 31, 2013

Key Staff Personnel	Kim W. Smith – Athletic Director Jay Price – Basketball Coach Gail Campbell, Admissions & Enrollment Center Director	Internal Auditor	Kimberly Clingan, IA Director Jude Weidner, Audit Specialist
Introduction	<p>An Internal Audit of Athletic Eligibility for the period of January 1, 2013 through December 31, 2013 was conducted by the Chattanooga State Community College (ChSCC) Internal Audit department. This audit was performed to determine compliance of Chattanooga State Community College (ChSCC) with National Junior College Athletic Association (NJCAA) eligibility rules, Tennessee Board of Regents (TBR) policies/guidelines, and ChSCC policies.</p> <p>Chattanooga State Community College (ChSCC) is a member of the NJCAA. Compliance with NJCAA rules is the expressed responsibility of the member colleges. ChSCC participates in four intercollegiate sports. These are men’s and women’s basketball, men’s baseball and women’s softball.</p>		
Objectives	<p>The objectives of the Athletic Eligibility Audit were:</p> <ul style="list-style-type: none"> • To determine the adequacy of the existing system of internal control. • To determine if student-athletes were admitted in accordance with Chattanooga State Community College (ChSCC) and National Junior College Athletic Association (NJCAA) requirements. • To determine that student athletes met the eligibility criteria of the NJCAA. • To determine if student athletes were enrolled in courses in accordance with the ChSCC course catalog and were making appropriate academic progress in respect to ChSCC and NJCAA guidelines. 		
Conclusion	<p>ChSCC is in compliance with the NJCAA requirements, TBR policies/guidelines and ChSCC policies for the period January 1, 2013 through December 31, 2013. However, the audit identified an opportunity for improvement which produced one recommendation concerning the availability of supporting eligibility documentation.</p>		
Recommendation	<p>Based on the performed audit procedures, Internal Audit recommends that Management should maintain a centralized copy of the supporting documentation for NJCAA eligibility submissions including the roster submitted, student transcripts, and calculations of hours and GPA’s.</p>		
Management Response	<p>The Athletic Department agrees with the Internal Audit recommendation and will improve the NJCCA eligibility roster documentation by centralizing the supporting documentation. For each NJCCA submission, a copy of transcripts and calculations of hours earned used to complete the submission will be scanned and stored on the Athletic department’s portion of ChSCC system drives. These Eligibility files will be established with the January 2015 submission to the NJCAA.</p>		

Cleveland State Community College
Review of OneSource (Workforce Development) Revenue and Expenses
February 2015
Executive Summary

Key Staff Person: Rick Creasy	Auditor: Alvin Bishop
<p>Background:</p> <p>In December 2014 Internal Audit was asked to do a review of the OneSource (Workforce Development) revenues and expenses for the current year and two years prior by Dr. Seymour, President of the college. Dr. Seymour stated he wanted to make sure all revenues and expenses were properly reported to assist with the budgeting process for OneSource.</p>	
<p>Objectives:</p> <p>To determine that all revenue and expenditures for OneSource are correctly reported.</p>	
Total Questioned Costs/Losses: N/A	Total Recoveries: None
<p>Findings: N/A</p>	
<p>Audit Conclusions:</p> <p>Based on the review, the revenues and expenditures of the OneSource Center appear to be correct.</p>	

**Cleveland State Community College
 Review of Financial Aid Title IV Consumer Information
 February 2015
 Executive Summary**

Key Staff Person: Dr. Michael Stokes	Auditor: Alvin Bishop
<p>Background:</p> <p>In May of 2014 Vice President of Student Services asked the Department Of Internal Audit about possibly doing a review Of Title IV Consumer Information requirements to ensure that we were in compliance with the reporting requirements.</p>	
<p>Objectives:</p> <p>To ascertain compliance with student consumer information disclosure requirements.</p>	
Total Questioned Costs/Losses: N/A	Total Recoveries: None
<p>Findings:</p> <ol style="list-style-type: none"> 1. The Net Price Calculator link is not up to date. 2. Prospective student athletes that are offered athletically related aid are not provided the completion, graduation and transfer-out rates as required by Title IV. <p>Management gave satisfactory responses and had appropriate plans of corrective action.</p>	
<p>Audit Conclusions:</p> <p>Based on the review, Title IV Consumer Information requirements are being met except as noted in the findings listed above.</p>	

**Pellissippi State Community College
Internal Audit Executive Summary
Audit: Disbursements
Period: July 1, 2013 through June 30, 2014**

Title of Key Staff Person: Manager, Accounts Payable	Auditor: Suzanne L. Walker, Director of Internal Audit
<p>Background:</p> <p>An audit of disbursements was conducted for the period of July 1, 2013, through June 30, 2014, according to the annual audit plan.</p>	
<p>Objectives:</p> <p>To determine compliance with institutional, Tennessee Board of Regents, and State of Tennessee policies regarding the processing of disbursements.</p>	
Total Questioned Costs/Losses: None	Total Recoveries: N/A
<p>Audit Conclusions:</p> <p>The sample used to select items for test work was from PSCC-FZRACHK FY 14. This is the file provided to the Tennessee Board of Regents, as well as to State Audit at year end. The file contained expenditures of \$23,671,259.60, and test work was performed on \$2,551,703.34 (10.78%) of these expenditures.</p> <p>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 disbursements appear to be appropriate.</p>	

Southwest Tennessee Community College
Industrial Readiness Grants
October 1, 2013 - September 30, 2014
Executive Summary

Key Staff Person: John Churchill, Director of Continuing Education	Auditor: Charlotte Johnson, Internal Auditor
<p>Introduction or Background</p> <p>An audit was requested to audit the following three grants: 1) the Advanced Manufacturing Mechatronics and Quality Consortium (AMMQC) grant has a budget of \$2,993,615; 2) the Mississippi River Transportation, Distribution and Logistics Consortium (MRTDL) grant has a budget of \$2,598,299; and 3) the Southwest Solutions (SOLUTIONS) grant has a budget of \$2,661,480. These grants were issued to enhance the present Industrial Readiness Training program, to develop relationships with greater Memphis area industry and to create new certifications to help the unemployed and underemployed in the Memphis area.</p>	
<p>Objectives</p> <ul style="list-style-type: none"> • To provide the College administration with reasonable assurance that: • Payroll expenses and equipment purchases comply with Department of Labor guidelines. • Grant implementation processes align with the budgeted goals and position the College to comply with the overall projected goals for the grants. • Management’s monthly data reports are accurate and comply with reporting instructions provided by the grantor for the 2013 -2014 year. 	
<p>Finding</p> <p>The first year grant projections were not achieved. Internal Audit recommends implementing written schedules, showing a projected time line, to bring grant performance in line with budgeted goals. Management should review these goals on a going forward basis to ensure all issues are resolved promptly, should exceptions or unusual circumstances arise in the future.</p>	
<p>Conclusion</p> <p>The audit objectives were achieved, based on the results of all audit work performed. Even though first-year goals were not met, management believes that goals for the grants will be met at the end of the four-year reporting period.</p>	

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**Tennessee Board of Regents
Audit Committee
May 27, 2015**

*Internal Audit Follow-Up Reports
For Informational Purposes*

**Northeast State Community College
Follow-Up to the State Audit Report
Issued October 9, 2014
For Fiscal Years Ending June 30, 2013 and June 30, 2012
Executive Summary**

Key Staff Person: Chief Financial Officer, Chief Financial Analyst, and Vice President of Administrative Services	Auditor: Christopher Hyder
<p>Introduction Northeast State Community College’s financial statement audit for the years ended June 30, 2013 and June 30, 2012 contained two findings. As required, Internal Audit has performed a follow-up review of actions taken in response to the finding.</p>	
<p>Objective The objective of this review is to determine if management has implemented corrective actions for the finding noted in the Division of State Audit’s annual audit report for the fiscal years ended June 30, 2013 and June 30, 2012.</p>	
Total Questioned Costs or Losses: None	Total Recoveries: Not Applicable
<p>Findings</p> <ol style="list-style-type: none"> 1. <u>As reported in the previous audit, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements</u> 2. <u>Northeast State Community College did not provide adequate internal controls in five specific areas</u> 	
<p>Audit Conclusion The Chief Financial Analyst and the Accounting Services Director attended the Tennessee Board of Regents financial statement seminar on May 21, 2014. Two additional staff members, the Chief Financial Officer and the Director of Fiscal Services, are scheduled to attend the Tennessee Board of Regents financial statement seminar in May 2015.</p> <p>Various emails, spreadsheets, review points and other notations that demonstrate multiple reviews of the financial report, notes and supporting calculations were observed by the auditor. It appears that due care, through the use of these multiple reviews, has been taken to reduce the likelihood of errors.</p> <p>Management has developed and implemented many additional internal controls over the areas noted in Finding 2 of the audit. However, implementation of several controls requiring system downtime have been delayed from October 1, 2014 to October 1, 2015 due to scheduling and logistical conflicts between campus activities and the Office of Information Resources.</p>	

**Walters State Community College
Internal Audit Report on
Follow-Up to State Audit Finding
For the Years Ended June 30, 2013 and 2012
Executive Summary**

<p>Key Staff Persons: Dr. Mark Hurst, Vice President for College Advancement and WSCC Foundation Treasurer, and WSCC 's Mr. Joe Sargent, Executive Director of IET</p>	<p>Auditor: Mark A. Ortlieb, CPA</p>
<p>Background: The Division of State Audit's Report on Internal Control identified errors in the Foundation's financial statement preparation and review procedures as a significant deficiency in internal control but not a material weakness. Items not addressed in the Audit Report but discussed at the Field Exit Conference included lesser financial reporting errors as well as an internal control weakness attributable to deficiencies in the disaster recovery plan of the College's Information and Educational Technologies (IET) Department.</p>	
<p>Objectives: The overall objective is to gain assurance that the WSCC Foundation and WSCC have continued their efforts to improve their financial statement preparation-and-review procedures in order to prevent errors in their financial statements and that the WSCC Office of Information Technology in conjunction with TBR, OIR, and other TBR-hosted schools has developed comprehensive disaster recovery and continuity plans.</p>	
<p>Total Questioned Costs or Losses: None</p>	<p>Total Recoveries: Not Applicable</p>
<p>Findings: Although Foundation management had initially decided to utilize the outside expertise of a contracted external accounting firm to oversee the classification of its transactions and the preparation of its financial statements, the Foundation's Board of Directors could not justify the incremental cost. Progress has been made in financial reporting as evidenced by the fact that errors addressed in the past are not re-occurring. Since newly-identified technical errors resulted from a lack of accounting expertise, Advancement/Foundation staff will in the future consult with appropriate Business Office personnel of the College to help ensure that new-and-different transactions are properly recorded in accordance with generally accepted accounting principles. Subsequent to the issuance of the Foundation's financial statements for the year ended June 30, 2014, new spreadsheets were created to facilitate the recapitulation and summarization of all transactions shown on the monthly statements for the Foundation's investment management account and two trust investment accounts in a format that accumulates totals corresponding to the various categories of disclosures required for the statement of cash flows. Disclosures checklists were also modified to address past oversights. Advancement/Foundation staff continue to attend appropriate training courses relative to the proper recording and classification of accounting transactions. Although the College's Internal Auditor reviews year-end financial statement footnote disclosures, this review process will be expanded to include the Foundation's newly-created investment spreadsheets that facilitate the correct preparation of the statement of cash flows.</p>	
<p>Observations: The TBR system CIO and two members of the IT Sub-council are in the process of drafting an RFP for consulting related to "Emergency Preparedness/Business Continuity", focusing on identified deficiencies with the OIR hosted arrangement utilized by several TBR community colleges. Management is confident that this future consulting engagement will result in the adoption/implementation of approved recommendations for the following:</p> <ol style="list-style-type: none"> 1. Detailed guidelines for file, application, and data recovery/restoration 2. Detailed guidelines for damage assessments 3. System recovery testing plan 	
<p>Audit Conclusion: Walters State Community College personnel including Advancement/Foundation staff have continued their efforts to improve their financial statement preparation and review procedures to prevent errors in the financial statements submitted to the Tennessee Board of Regents. Walters State Community College personnel are appropriately addressing internal control weakness attributable to deficiencies in the disaster recovery plan of the College's Information and Educational Technologies (IET) Department.</p>	

**Tennessee Board of Regents
Audit Committee
May 27, 2015**

***TCAT Focused Reviews of Operations
For Informational Purposes***

Tennessee College of Applied Technology at Chattanooga
Focused Operational Review
Executive Summary

College Director: Dr. Jim Barrott	Internal Auditor: Helen Vose, CIA, CFE
Report Date: May 6, 2015	Audit Period: Fiscal Year Ending June 30, 2014
<p>Purpose and Scope:</p> <p>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 and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. Consumer information was reviewed in four of the eleven key areas identified in federal regulations. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:</p> <ul style="list-style-type: none"> • Accounts Receivable • Director’s Expenses • Federal Financial Aid Consumer Information Activities: <ol style="list-style-type: none"> 1. Institutional and Financial Assistance Information - Federal financial assistance available and related eligibility procedures, cost of attendance, accrediting agencies and other areas. 2. Students Right to Know Act - Completion, retention and placement rates. 3. Jeanne Clery Act - Campus security, emergency notification/response and crime statistics. 4. Misrepresentation - Educational programs, financial costs and employability of graduates. 	
<p>Current Audit Results:</p> <p>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 adequate. Management monitors key controls on a regular basis. The audit did not reveal significant issues of noncompliance with regulations or TBR or institutional policies or significant deficiencies in operations.</p>	

Tennessee College of Applied Technology - Crossville
Focused Review of Operations
Executive Summary

College Director: Mr. Jerry Young	Internal Auditor: Helen Vose, CIA, CFE
Report Date: April 17, 2015	Audit Period: Fiscal Year Ending June 30, 2014
<p>Purpose and Scope: 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 and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. Consumer information was reviewed in four of the eleven key areas identified in federal regulations. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:</p> <ul style="list-style-type: none"> • Accounts Receivable • Director’s Expenses • Federal Financial Aid Consumer Information Activities: <ol style="list-style-type: none"> 1. Institutional and Financial Assistance Information - Federal financial assistance available and related eligibility procedures, cost of attendance, accrediting agencies and other areas. 2. Students Right to Know Act - Completion, retention and placement rates. 3. Jeanne Clery Act - Campus security, emergency notification/response and crime statistics. 4. Misrepresentation - Educational programs, financial costs and employability of graduates. 	
<p>Current Audit Results: 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 adequate. Management monitors key controls on a regular basis. The audit did not reveal significant issues of noncompliance with regulations or TBR or institutional policies or significant deficiencies in operations. However, one opportunity for improvement was noted as described in the finding below.</p>	
<p>Finding</p> <ol style="list-style-type: none"> 1. <u>Accounts Receivable- Collection letters should be sent at 30 day intervals</u> Collection attempts for student accounts receivables were not made timely in accordance with Board guidelines. Four of 5 (80%) second collection letters were sent 18 to 110 days after the first letter was mailed, allowing 30 days for students to respond or make payment. Five of 5 (100%) third collection letters were sent 10 to 91 days after the scheduled mailing date, allowing 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 or administrative break, or were due to other work related conflicts such as registration and minimal staffing due to budget restraints. <p>Corrective Action: Management will review the process to determine if using a modification of 45 days will allow more time to facilitate consistent processing and consider printing the letters in advance and to work around scheduled events.</p> 	

Tennessee College of Applied Technology - Livingston
Focused Operational Review
Executive Summary

College Director: Dr. Myra West	Internal Auditor: Helen Vose, CIA, CFE
Report Date: May 6, 2015	Audit Period: Fiscal Year Ending June 30, 2014
<p>Purpose and Scope:</p> <p>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 and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. Consumer information was reviewed in four of the eleven key areas identified in federal regulations. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:</p> <ul style="list-style-type: none"> • Accounts Receivable • Director’s Expenses • Federal Financial Aid Consumer Information Activities: <ol style="list-style-type: none"> 1. Institutional and Financial Assistance Information - Federal financial assistance available and related eligibility procedures, cost of attendance, accrediting agencies and other areas. 2. Students Right to Know Act - Completion, retention and placement rates. 3. Jeanne Clery Act - Campus security, emergency notification/response and crime statistics. 4. Misrepresentation - Educational programs, financial costs and employability of graduates. 	
<p>Current Audit Results:</p> <p>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 adequate. Management monitors key controls on a regular basis. The audit did not reveal significant issues of noncompliance with regulations or TBR or institutional policies or significant deficiencies in operations.</p>	

Tennessee College of Applied Technology - Nashville
Focused Review of Operations
Executive Summary

College Director: Mr. Mark Lenz	Internal Auditor: Helen Vose, CIA, CFE
Report Date: April 21, 2015	Audit Period: Fiscal Year Ending June 30, 2013
<p>Purpose and Scope: 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 and requests by management. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:</p> <ul style="list-style-type: none"> <li style="display: inline-block; width: 45%;">• Cash Receipts <li style="display: inline-block; width: 45%;">• Federal Financial Aid: <li style="display: inline-block; width: 45%;">• Cash Deposits <li style="display: inline-block; width: 45%;"> Title IV Eligibility. <li style="display: inline-block; width: 45%;">• Livework Projects <li style="display: inline-block; width: 45%;"> Title IV Refunds. <li style="display: inline-block; width: 45%;">• Accounts Receivable <li style="display: inline-block; width: 45%;"> Student Award Process. <li style="display: inline-block; width: 45%;">• Pell Reconciliation to FISAP <li style="display: inline-block; width: 45%;">• Lottery reconciliation to TSAC 	
<p>Current Audit Results: 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 adequate. Management monitors key controls on a regular basis. The audit did not reveal significant issues of noncompliance with regulations or TBR or institutional policies or significant deficiencies in operations, except as noted in the findings below. However, three opportunities for improvement were noted as described in the findings and observation below.</p>	
<p>Findings</p> <ol style="list-style-type: none"> 1. <u>Accounts Receivable – The required number of collection letters should be sent</u> Two of 10 (20%) student receivables tested were not in compliance with TBR Guideline B-010, in which at least 3 collection letters should be dispersed. 2. <u>Accounts Receivable- Collection letters should be sent at 30 day intervals</u> Six of 6 (100%) second collection letters were sent 65 to 150 days after the first letter was mailed and five of 5 (100%) third collection letters were sent 48 to 145 days after the scheduled mailing date, allowing 30 days for students to respond or make payment. <p>Observation</p> <ol style="list-style-type: none"> 1. <u>Accounts Receivable – Student receivables should be aged monthly</u> The student receivables are not aged on a monthly basis at the TCAT, but are aged annually by the lead institution. Even though a monthly aging is not required it provides management information regarding outstanding balances and whether additional procedures should be put in place to reduce the risks of not collecting receivables. <p>Corrective Action Management is reviewing processes and implementing procedures to improve collection efforts and provided positive responses to the recommendations.</p>	

**Tennessee College of Applied Technology at Shelbyville
 Focused Operational Review
 Executive Summary**

College Director: Mr. Ivan Jones	Internal Auditor: Helen Vose, CIA, CFE
Report Date: May 6, 2015	Audit Period: Fiscal Year Ending June 30, 2014

Purpose and Scope:

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 and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. Consumer information was reviewed in four of the eleven key areas identified in federal regulations. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:

- **Accounts Receivable**
- **Director’s Expenses**
- **Federal Financial Aid Consumer Information Activities:**
 1. Institutional and Financial Assistance Information - Federal financial assistance available and related eligibility procedures, cost of attendance, accrediting agencies and other areas.
 2. Students Right to Know Act - Completion, retention and placement rates.
 3. Jeanne Clery Act - Campus security, emergency notification/response and crime statistics.
 4. Misrepresentation - Educational programs, financial costs and employability of graduates.

Current Audit Results:

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 adequate. Management monitors key controls on a regular basis. The audit did not reveal significant issues of noncompliance with regulations or TBR or institutional policies or significant deficiencies in operations. However, one opportunity for improvement was noted as described in the observation below.

Observation

1. **Accounts Receivable – Collection letters should be sent at 30 day intervals**

Collection attempts for student accounts receivables were not made timely. Four of 10 (40%) second collection letters were sent 3-7 days late, allowing 45 days for students to respond or make payment. One of 10 (10%) third collection letters were sent 9 days after the scheduled mailing date allowing for 45 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.

Corrective Action:

Management reviewed the process and is implementing procedures to ensure the letters are ready to mail at 30 day intervals and provided positive responses to the recommendation.

**Tennessee Board of Regents
Audit Committee
May 27, 2015**

***Information Technology-
General Controls Review
For Informational Purposes***

Austin Peay State University
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
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INTRODUCTION

A comprehensive General Controls Review was performed at Austin Peay State University. The Office of Information Technology serves the community college by providing technical services and computing solutions, with three sections, 1) Network, Systems, and Telecommunications Services, 2) ERP Application Systems Administration and 3) PC and Help Desk Services. The Office of Information Technology consists of thirty full-time employees. The Director of the Office of Information Technology (IT Director) manages the office and reports to the VP for Finance and Administration. In overseeing the Office of Information Technology, the VP for Finance and Administration meets with the IT Director every two weeks to discuss selected and future activities, which provides the governance structure for the Office of Information Technology’s functions and processes.

OBJECTIVES

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.

SCOPE

The audit focused on the following twenty functional areas within the APSU Finance and Administration – Office of Information Technology, categorized under administration, operations and security. The three organizational sections within the Office of Information Technology were in the scope of this review.

Information Technology		
Administration	Operations	Security
<i>Policies, Procedures, and Standards</i>	<i>Data Integrity/User Insight</i>	<i>Network Administration</i>
<i>Governance</i>	<i>Hardware Management</i>	<i>Logical Access Security</i>
<i>Organizational Structure</i>	<i>Software Management</i>	<i>Security Awareness Program</i>
<i>Strategic Planning</i>	<i>Change Management</i>	<i>Physical Security of IT Assets</i>
<i>Risk Assessment</i>	<i>Data and System Back-ups</i>	<i>Logging and Monitoring</i>
<i>Vendor Management</i>	<i>Business Continuity</i>	<i>Incident Response</i>
<i>Regulatory Compliance</i>		
<i>Addressing Prior Audit Issues</i>		

RECOMMENDATIONS

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.

Information Technology Administration

1. Develop an Information Security Program Policy with associated procedures, in coordination with a comprehensive information security program being developed by the TBR System Office. The policy should define both business and information security processes, including the designation of an Information Security Officer and development of a security awareness and training program.
2. Develop and implement comprehensive procedures for:
 - a. Change Management that defines hardware, network configuration, anti-virus and patch updates, in addition to those in place for Banner updates.
 - b. Vendor Management that defines how the Office of Information Technology will monitor and manage the delivery of goods and services from key vendors.
 - c. Network administration that documents the processes performed to maintain the network in the event key personnel are not available.
 - d. Logging and Monitoring of computer activities that defines what will be logged, how it will be reviewed, and how the results will be handled.
 - e. Remote Devices that includes an agreement that defines expectations of users who connect their personal laptop or cell phone device to the network.
3. Establish a process where all information technology policies and procedures are reviewed annually for needed modifications and approvals.

Austin Peay State University
Office of Information Services – General Controls Review
Executive Summary – Page 2 of 2

Information Technology Administration (continued)

4. 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 created or updated.
5. Establish criteria regarding the specific topics for discussion and documentation the IT Director will provide the VP for Finance and Administration during the bi-weekly meeting to ensure all aspects of the Office of Information Technology operations are covered for a stronger information technology governance structure.

Information Technology Operations

6. Remove the capability that users have as an administrator on their assigned machines to reduce risks of unauthorized system configuration changes and software implementations.
7. Develop a Business Continuity Plan that will ensure planning for and documentation of:
 - a. The business side of the plan, including business recovery requirements and objectives as well as the assigned roles and responsibilities of the Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster or other event requiring its use.
 - b. Possible secondary and tertiary assignments for persons in the event personnel are not available at the time of a disaster.
 - c. A test plan and documentation of periodic testing conducted to ensure the plan's effectiveness for recovery.
8. Amend the existing Disaster Recovery Plan to reflect needed changes to information technology recovery requirements for compliance with business requirements stated in the Business Continuity Plan.

Information Technology Security

9. Update the firewall configurations to reduce the risks of unauthorized access.
10. Encrypt hard drives on mobile devices to reduce risks of unauthorized access to information if the device is lost or stolen.
11. For computers linked to the college's network, block access to selected websites that do not render themselves to educational purposes to reduce the risks of unauthorized use and risks of viruses and malicious programs.
12. Implement a process to identify unauthorized disseminations of information or malicious links within inbound and outbound emails.
13. Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for all users, including full-time, temporary, transferred or promoted employees or contractors.
14. Periodically review the lists of accounts with non-expiring passwords and revoke that privilege from accounts that do not require it for specific business purposes.
15. Update password requirements in the Default Domain Policy of Active Directory to ensure the use of stronger password controls as defined in both the new password policy and industry best practices.
16. Document major unauthorized access attempts or any information breaches to ensure they are handled according to requirements set in the APSU Incident Response Procedure.

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.

East Tennessee State University
PCI DSS 3.0 Compliance Readiness Audit
For the Period October 4 to December 10, 2014
Executive Summary

<p>Title of Key Staff Person: OIT Associate Vice President and CIO</p>	<p>Auditor: Richard Scheuch, CISSP</p>
<p>Background:</p> <p>An audit of East Tennessee State University’s Office of Information Technology (OIT) network and server systems was conducted by the Office of Internal Audit. The purpose of the audit is to determine the readiness to comply with PCI 3.0 which went into effect on January 1, 2015.</p>	
<p>Objectives:</p> <p>The objectives of the audit were</p> <ol style="list-style-type: none"> 1. To identify locations, business processes, and analysis for vulnerabilities that could expose cardholder data; 2. To determine the scope of compliance validation on any system(s) or system component(s) related to authorization and settlement where cardholder data is stored, processed, or transmitted. 3. To make recommendations for correcting deficiencies or improving operations. 	
<p>Total Questioned Costs/Losses: None</p>	<p>Total Recoveries: N/A</p>
<p>Audit Results and Conclusion:</p> <p>There were four findings in this audit.</p> <ol style="list-style-type: none"> 1. The current SNMP protocol being used is considered insecure. 2. Aramark Food Services’ computer systems do not adhere to PCI requirements in several areas. 3. Penetration testing methodology needs to be developed and implemented. 4. New PCI DSS 3.0 Self-Assessment Questionnaire needs to be completed. <p>It appears that the network and system administration processes fulfill the PCI 3.0 requirements except for issues listed above. The objectives of this audit were met. Management concurs with the recommendations and has developed a plan to take corrective action.</p>	

Tennessee State University
Office of Technical Services – General Controls Review
Executive Summary – Page 1 of 2

Contact: Chief Information Officer	Auditor: IT Auditor, System-wide Internal Audit
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INTRODUCTION

A comprehensive General Controls Review was performed at Tennessee State University. The Office of Technical Services (OTS) serves the university by providing technical services and computing solutions, with five sections, 1) Application Services Support, 2) Technical Services Support, 3) Desktop Computing Services Support, 4) Help Desk Support Services and 5) Project Management. In late Spring 2014, TSU outsourced the management of its OTS to Ellucian Technical Management Services (Ellucian) of Fairfax, Virginia. The OTS has a team of 31 full-time employees (20 TSU employees and 11 Ellucian employees) that is approved by TSU’s Vice President for Administration and the President. An Ellucian employee serves as the Chief Information Officer (CIO), manages the daily information technology functions and processes and provides an information technology update in weekly meetings with TSU’s Vice President for Administration. This process and the supporting documentation of the meetings serves as the governance structure for oversight of information technology functions and processes.

OBJECTIVES

To determine the effectiveness and efficiency of information technology functions and processes on operations; test the reliability and integrity of data and information technology controls; ensure compliance with applicable policies, procedures, laws, and regulations; and to ensure adequate controls are in place to mitigate risks to acceptable levels.

SCOPE

The audit focused on the following twenty functional areas within the OTS, categorized under administration, operations and security. The five organizational sections within the OTS were in the scope of this review.

Information Technology		
Administration	Operations	Security
<i>Policies, Procedures, and Standards</i>	<i>Data Integrity/User Insight</i>	<i>Network Administration</i>
<i>Governance</i>	<i>Hardware Management</i>	<i>Logical Access Security</i>
<i>Organizational Structure</i>	<i>Software Management</i>	<i>Security Awareness Program</i>
<i>Strategic Planning</i>	<i>Change Management</i>	<i>Physical Security of IT Assets</i>
<i>Risk Assessment</i>	<i>Data and System Back-ups</i>	<i>Logging and Monitoring</i>
<i>Vendor Management</i>	<i>Business Continuity</i>	<i>Incident Response</i>
<i>Regulatory Compliance</i>		
<i>Addressing Prior Audit Issues</i>		

RECOMMENDATIONS

The results of the review indicate that adequate internal controls and practices are in effect over information technology, except as noted in the recommendations below. The review resulted in 19 recommendations designed to strengthen controls and improve compliance with industry best practices and regulations and to reduce risks to acceptable levels.

Information Technology Administration

1. Develop an Information Security Program Policy with associated procedures, in coordination with a comprehensive information security program being developed by the TBR System Office. The policy should define both business and information security processes, including the designation of an Information Security Officer and development of a security awareness and training program.
2. Develop and implement comprehensive procedures for:
 - Vendor Management that defines how OTS will monitor and manage the delivery of goods and services from key vendors.
 - Logging and Monitoring of computer activities that defines what will be logged, how it will be reviewed, and how the results will be handled.
 - Remote Devices, including an agreement with users who connect their personal laptop or cell phone device to the network.
 - Project Documentation that establishes a standard regarding how OTS projects, other than the implementation of Banner program code, will be documented.
 - Network Administration that documents the processes performed to maintain the network in the event key personnel are not available.

Tennessee State University
Office of Technical Services – General Controls Review
Executive Summary – Page 2 of 2

Information Technology Administration (continued)

- Incident Response that defines how unauthorized access attempts and information breaches are documented and handled according to requirements.
3. Establish a process where all information technology policies and procedures are reviewed annually for needed modifications and approvals.
 4. 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 created or updated.

Information Technology Operations

5. Implement a process for Human Resources to complete background checks on personnel who would have access to sensitive information before the person is hired, in accordance with TBR Guideline P-010, *Personnel Transactions and Recommended Forms*, that recommends colleges conduct background checks on potential employees.
6. Complete the development of new job descriptions for TSU OTS employees.
7. Complete the implementation of a hardware and software inventory to ensure OTS has documentation of its assets and has the means to identify unauthorized attempts to implement or remove hardware or software on the network.
8. Remove the capability users have as an administrator on their assigned machines to reduce risks associated with unauthorized system configuration changes and software implementations.
9. Amend the Help Desk process so that open tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.
10. Complete the implementation of the new patch management product that is designed to provide better management and oversight of the server and workstation software patching process.
11. Replace the current process used to back up computer files and data to ensure the files and data can be restored in an effective manner. Also, perform annual tests to ensure data can be restored from the backed up media once a new process is in place.
12. Develop a Business Continuity Plan that will ensure planning for and documentation of:
 - a. The business side of the plan, including business recovery requirements and objectives as well as the assigned roles and responsibilities of the Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster or other event requiring its use.
 - b. Possible secondary and tertiary assignments for persons in the event personnel are not available at the time of a disaster.
 - c. A test plan and documentation of periodic testing conducted to ensure the plan's effectiveness for recovery.
13. Amend the existing Disaster Recovery Plan to reflect needed changes to information technology recovery requirements for compliance with business requirements stated in the Business Continuity Plan.

Information Technology Security

14. Encrypt hard drives on mobile devices to reduce risks of unauthorized access to information if the device is lost or stolen.
15. Complete the implementation of the new anti-virus software to improve monitoring the university's anti-virus program.
16. For computers linked to the college's network, block access to selected websites that do not render themselves to educational purposes to reduce the risks of unauthorized use and risks of viruses and malicious programs.
17. Implement a process to identify unauthorized disseminations of information or malicious links within inbound and outbound emails.
18. Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users, including full-time, temporary, transferred or promoted employees and contractors.
19. Review the lists of accounts with system administrative or non-expiring privileges assigned, and revoke those that do not require such access privileges.

MANAGEMENT'S RESPONSES

Management provided positive responses to the recommendations and indicated appropriate actions would be taken to 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.

Cleveland 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
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INTRODUCTION

A comprehensive General Controls Review was performed at Cleveland State Community College (CLSCC). The Office of Information Technology office serves the community college by providing technical services and computing solutions, with two sections, Network and PC Support Services, and Systems Services. The Office of Information Technology consists of twelve full-time and one part-time employees. The Director of Information Technology manages the office and reports to the VP of Finance and Advancement. In overseeing the Office of Information Technology, the VP of Finance and Advancement uses a Technology Resource Committee, which includes the Director of Information Technology and other designated departmental leaders. The VP’s oversight, with help from this committee, provides the governance structure for the Office of Information Technology’s functions and processes.

OBJECTIVES

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.

SCOPE

The audit focused on each of the following twenty functional areas within the Cleveland State Finance and Advancement – Office of Information Technology, categorized under administration, operations and security. Both organizational sections within the Office of Information Technology were in the scope of this review.

Information Technology		
Administration	Operations	Security
<i>Policies, Procedures, and Standards</i>	<i>Data Integrity/User Insight</i>	<i>Network Administration</i>
<i>Governance</i>	<i>Hardware Management</i>	<i>Logical Access Security</i>
<i>Organizational Structure</i>	<i>Software Management</i>	<i>Security Awareness Program</i>
<i>Strategic Planning</i>	<i>Change Management</i>	<i>Physical Security of IT Assets</i>
<i>Risk Assessment</i>	<i>Data and System Back-ups</i>	<i>Logging and Monitoring</i>
<i>Vendor Management</i>	<i>Business Continuity</i>	<i>Incident Response</i>
<i>Regulatory Compliance</i>		
<i>Addressing Prior Audit Issues</i>		

RECOMMENDATIONS

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.

Information Technology Administration

1. Develop an Information Security Program Policy with associated procedures, in coordination with the comprehensive information security program being developed by the TBR System Office. The policy should document the college’s Information security Program, including business and information security processes, the designation of an Information Security Officer and development of a security awareness training program.
2. Develop and implement comprehensive written information technology procedures for:
 - a. Change management that defines all information technology changes, including implementation of Banner updates.
 - b. Logging and monitoring network and systems access that defines the activity to be logged, the review process and the resulting actions to be taken.
 - c. Incident Response procedures, so key unauthorized access attempts or any information breaches are documented and handled according to procedure requirements and as required by Federal regulations.
3. Establish a process where all information technology policies and procedures are reviewed annually for needed modifications to provide clear guidance to staff.

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

Information Technology Administration (continued)

4. 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.
5. Expand the responsibilities of the Technology Resource Committee, to include a review of other key documented results of information technology operations that are outside of those strategic projects not currently reviewed by the VP – Finance and Advancement, for a stronger information technology governance structure.
6. Implement a process for Human Resources to complete background checks on Information Technology office employees before those individuals begin work. This ensures compliance with TBR Guideline P-010, *Personnel Transactions and Recommendations* that recommends colleges conduct background checks on potential employees who would have access to sensitive information.

Information Technology Operations

7. Complete the implementation of the software product acquired to give the Information Technology office the ability to identify unauthorized software uploading on workstations.
8. Establish a process where Help Desk tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.
9. Complete the implementation of the configuration solution to ensure certain devices with the Windows 7 operating system are patched effectively.
10. 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 the 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.
11. Develop a process to test parts of the BCP periodically to ensure the plan's effectiveness for recovery.

Information Technology Security

12. Block access on computers linked to the college's network to selected websites that do not render themselves to educational or business purposes to reduce the risks of unauthorized use, as well as the risks of viruses and malicious programs.
13. Establish a timeframe to conduct periodic network penetration tests and vulnerability scans to identify and correct for exploitable areas in the network's external and internal configuration. Such tests are also required to be conducted for Payment Card Industry Data Security Standards, i.e. PCI/DSS, testing.
14. Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users, including contracted users and temporary employees.
15. Complete the process to periodically review each user's computer access privileges to determine whether assigned access privileges are still appropriate. This assessment should also determine whether users who have not logged in within the last year still need their assigned access privileges.
16. Review the lists of accounts with assigned administrator privileges or with a non-expiring password and revoke those that do not require such access authority.
17. Update password requirements in the Default Domain Policy of Active Directory to strengthen password controls, as defined in TBR Guideline G-051, *Password Management* and in industry best practices.

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.

Roane 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
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INTRODUCTION

A comprehensive General Controls Review was performed at Roane State Community College (RSCC). The Office of Information Technology serves the community college by providing technical services and computing solutions, with two sections, Administrative Systems and Supporting Services, and Network, Telecommunications and Technical Support. The Office of Information Technology consists of twenty-one full-time employees. The Assistant Vice President of Information Technology / Chief Information Officer (CIO) manages the office and reports to the EVP of Business and Finance. In overseeing the Office of Information Technology, the EVP of Business and Finance relies on the President’s Cabinet, which includes the CIO and other designated departmental. The EVP’s oversight, with help from this cabinet, provides the governance structure for the Office of Information Technology’s functions and processes.

OBJECTIVES

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.

SCOPE

The audit focused on the following twenty functional areas within the Roane State Business and Finance – Office of Information Technology, categorized under administration, operations and security. Both organizational sections within the Office of Information Technology were in the scope of this review.

Information Technology		
Administration	Operations	Security
<i>Policies, Procedures, and Standards</i>	<i>Data Integrity/User Insight</i>	<i>Network Administration</i>
<i>Governance</i>	<i>Hardware Management</i>	<i>Logical Access Security</i>
<i>Organizational Structure</i>	<i>Software Management</i>	<i>Security Awareness Program</i>
<i>Strategic Planning</i>	<i>Change Management</i>	<i>Physical Security of IT Assets</i>
<i>Risk Assessment</i>	<i>Data and System Back-ups</i>	<i>Logging and Monitoring</i>
<i>Vendor Management</i>	<i>Business Continuity</i>	<i>Incident Response</i>
<i>Regulatory Compliance</i>		
<i>Addressing Prior Audit Issues</i>		

RECOMMENDATIONS

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.

Information Technology Administration

1. Develop an Information Security Program Policy with associated procedures, in coordination with a comprehensive information security program being developed by the TBR System Office. The policy should define both business and information security processes, including the designation of an Information Security Officer and development of a security awareness and training program.
2. Develop and implement comprehensive procedures for:
 - a. Change Management that defines hardware, network configuration, anti-virus and patch updates, in addition to those in place for Banner updates.
 - b. Vendor Management that defines how the Office of Information Technology will monitor and manage the delivery of goods and services from key vendors.
 - c. Remote Devices that includes an agreement that defines expectations of users who connect their personal laptop or cell phone device to the network.
 - d. Logging and Monitoring of computer activities that defines what will be logged, how it will be reviewed, and how the results will be handled.
 - e. Incident Response that defines how unauthorized access attempts and information breaches are documented and handled according to requirements.

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

Information Technology Administration (continued)

3. Establish a process where all information technology policies and procedures are reviewed annually for needed modifications and approvals.
4. 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 created or updated.
5. Expand the responsibilities of the President’s Cabinet to review documented results of all aspects of information technology operations, in addition to documentation of strategic initiatives, for a stronger information technology governance structure.
6. Implement a process for Human Resources to complete background checks on personnel who would have access to sensitive information before the person is hired in accordance with TBR Guideline P-010, *Personnel Transactions and Recommended Forms*, that recommends colleges conduct background checks on potential employees.

Information Technology Operations

7. Remove the capability that users have as an administrator on their assigned machines to reduce risks of unauthorized system configuration changes and software implementations.
8. Establish a process where Help Desk tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.
9. Develop a Business Continuity Plan that will ensure planning for and documentation of:
 - a. The business side of the plan, including business recovery requirements and objectives as well as the assigned roles and responsibilities of the Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster or other event requiring its use.
 - b. Possible secondary and tertiary assignments for persons in the event personnel are not available at the time of a disaster.
 - c. A test plan and documentation of periodic testing conducted to ensure the plan’s effectiveness for recovery.
10. Amend the existing Disaster Recovery Plan to reflect needed changes to information technology recovery requirements for compliance with business requirements stated in the Business Continuity Plan.

Information Technology Security

11. For computers linked to the college’s network, block access to selected websites that do not render themselves to educational purposes to reduce the risks of unauthorized use and risks of viruses and malicious programs.
12. Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for all users, including full-time, temporary, transferred or promoted employees or contractors.
13. Implement a process to periodically review each user’s computer access privileges to re-justify assigned access privileges. Include in this assessment a requirement to document the need to retain active user access privileges where the user has not logged in within the last year.
14. Implement a process to periodically review the lists of accounts with system administrator privileges assigned and revoke those that do not require such access privileges.
15. Implement a process to periodically review the listing of persons who have card key access to the server room and limit such access to only persons with a true business need.

MANAGEMENT’S COMMENTS

Management provided positive responses to all but recommendation number 11 by indicating they would take appropriate actions 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. On recommendation 11, management chose to continue to utilize its controls so that websites are not blocked and referred to “Censorship, Research and Academic Freedom concerns held by an institution of Higher Education.” The auditor commented that “certain risks remain and management should monitor these areas and consider future changes to further minimize risks.”

**Tennessee Board of Regents
Review of Research and Assessment's Data Reporting Processes
Executive Summary**

Contact: Assistant Vice Chancellor for Research and Assessment	Auditor: IT Auditor, System-wide Internal Audit
<p>INTRODUCTION</p> <p>The Research and Assessment group within the Tennessee Board of Regents (TBR), Department of Academic Affairs, collects, maintains and coordinates reporting of enrollment, progression, completion and related institutional data for the TBR universities and community colleges. An important use of this data is to provide it to the Tennessee Higher Education Commission (THEC) to comply with the Complete College Tennessee Act (CCTA).</p>	
<p>OBJECTIVES</p> <p>The objective of the review of the Research and Assessment group's data reporting processes was to provide TBR management and the Board with reasonable assurance that internal controls over the collection, processing and dissemination of institutional data are sufficient to ensure the integrity of the data.</p>	
<p>SCOPE</p> <p>The review was originally conducted in February 2014 and subsequently updated in February 2015. The procedures performed during the review included, but were not limited to, interviewing key personnel, reviewing supporting documentation and performing tests to determine that established controls are sufficient and functioning as designed. The basis for evaluation of the controls is <i>COBIT 5</i> (Control Objectives for Information Technology), published by the Information Systems Audit and Control Association.</p>	
<p>RESULTS OF THE REVIEW</p> <p>The processes performed by Research and Assessment staff reflect a good level of internal controls in place to ensure the institutional data used for CCTA reporting maintains its integrity. The review resulted in three recommendations to better ensure the integrity of the data used in the funding formula under the CCTA.</p> <ol style="list-style-type: none"> 2. Require campuses to run the edit programs and make the essential corrections to the Banner system database in advance of the creation of the extraction file to reduce the volume of corrections identified by TBR Research and Assessment in each term's edit program run. A second option is to have IT request Ellucian to implement, as part of its normal updates to the Banner system, stronger required fields and validation routines, that more closely resemble routines performed in the edit program when the original data entry is performed at the campus level. 3. Implement procedures, including required steps and naming protocols to be performed by each university and community college when entering the data corrections into the Banner system from the TBR Research and Assessment edit process. The procedures should include a re-certification by the institution to ensure completion of the correction process that also links the correction entry to data in its semester of origin. These procedures are essential to ensure the Banner system's database, which is the original source of data, matches the data used in the THEC process. An alternative approach is for the Research and Assessment group to implement periodic training for those involved in the process. This training should focus on the institution's responsibility to use the edit process to ensure the accuracy of its Banner data. 4. Establish a process where all changes made to the extraction files by TBR Research and Assessment are fully identified, documented and authorized to improve the integrity of the data. This could be completed by running a program that compares and identifies changes in the updated file to the original version of the files received from the campuses and subjecting the resulting report to independent review. 	
<p>MANAGEMENT'S COMMENTS</p> <p>Management provided positive responses to the recommendations and indicated appropriate actions would be taken to implement and improve the integrity of the data and compliance with CCTA requirements.</p>	

**Tennessee Board of Regents
Audit Committee
May 27, 2015**

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

Audit and Consulting Services
Middle Tennessee State University
1301 East Main Street
Murfreesboro, Tennessee 37132
Office: 615-898-2914 Fax: 615-904-8046



CASE RESOLUTION REPORT
Athletics - Football Office (MTSU Case # 15-03)

MARCH 31, 2015

Date of the loss: March 10, 2015

Reported by: Chris Matusek, Director, Football Regular Season

Investigation unit: University Police; Diane Snodgrass, Audit & Consulting Services

Description of the loss:

An MTSU safe and office chair were stolen from the Football Office located in Murphy Center.

Total amount of loss:

The safe contained two MTSU purchasing cards, a football employee's checkbook for an account used for football travel advances and approximately \$300 in cash and checks for the Football Letterman's Golf Tournament and Coach Stockstill's football camps.

Total amount of recovery:

The unopened safe was located by university police on Friday, March 13, 2015. The office chair was located on Thursday, March 12, 2015 in the Athletic Department conference room in Murphy Center.

Was employee dishonesty discovered? No

Action taken:

University police classified the loss as Theft from Buildings Over \$500 and are investigating. The details of the theft for this report were obtained from Chris Matusek. The MTSU purchasing cards were cancelled.

Methodology used to determine loss: The contents of the safe were obtained from Chris Matusek.

Internal control weakness found:

The safe was not bolted to the floor because it was believed to be too heavy and cumbersome for someone to remove from the building.

Actions taken to resolve weaknesses:

Athletic Department personnel will review the feasibility of permanently attaching office safes to the floor.

Submitted by:

Brenda H. Burkhart

Brenda H. Burkhart
Director, Audit and Consulting Services

TENNESSEE TECH UNIVERSITY
Investigation 15-04 - Use of Facilities for Personal Business
April 10, 2015
Executive Summary

Key Staff Persons: Dean of the College of Education; Professor in the College of Education

Auditor: TTU Director of Internal Audit

Background/Allegations: On December 8, 2014, a complaint was routed to Internal Audit regarding the personal use of TTU facilities by a Professor in the College of Education. This complaint from the Professor's former tenant and employee alleged that:

1. Rent checks were sent to the Professor's office, and he used his TTU office phone number and box number on the leases for his rental properties, which numbered up to 17 properties at a time during the period of the complainant's employment from 2000 to 2010. The complainant further alleged that the Professor's supervisors were aware of this.
2. Furniture for the Professor's rental units was stored in the basement of the TTU Memorial Gymnasium. From 2001 to 2007, the complainant alleged he moved the Professor's personal rental furniture in and out of the TTU Memorial Gym four or five times.
3. The Professor repeatedly instructed the complainant to dispose of paint cans left over from painting his rental units in TTU's dumpsters, rather than disposing of them properly.

Objective: The objective of the audit was to determine if the allegations were true.

Total Questioned Costs: None

Total Recoveries: None

Results:

1. The Professor confirmed that renters openly dropped off rent checks at his TTU office from 2000 to 2010 and provided copies of his leases that contained his TTU office phone number and box number following his personal phone number as contact information. The Professor indicated that his four supervisors during that time, all of whom have since left the university, did have knowledge that renters dropped off checks and contacted him at his TTU office, and none of them voiced any concerns about it.
2. A search of the entire basement of the TTU Memorial Gym by Internal Audit did not find any rental property being stored anywhere in the basement. The Professor indicated his rentals were unfurnished, but during 2000-2007, he may have stored a desk or chair left by a former tenant in the basement for brief periods of time until he could give them to a student who needed them. However, he indicated that he did not regularly use the TTU Memorial Gym for storage of any significant items of furniture, and nothing had been stored there for many years. He further stated that his supervisors never objected to his storage of the items.
3. The Professor indicated that while an employee of his did paint rental units for him, he never directed his employee to dispose of paint cans in TTU's dumpsters. The Professor maintained that there were areas at his rental units to dispose of leftover paint.

Conclusions: A violation of TTU's Conflict of Interest Policy 35.7.3 and TBR policy 1:02:03:10 regarding the inappropriate use of State owned resources could not be confirmed. Both policies state, "Inappropriate use of State owned resources – Employees may not make significant use of State owned facilities, equipment, materials or other resources, not otherwise available to the public, in the course of activities which are not related to the institution and which are intended for personal benefit, without prior disclosure and approval." The Professor and the complainant both stated that the Professor's supervisors were aware of and never expressed any concerns about the rental activities that openly took place in the Professor's TTU office which, at a minimum, constitutes implicit approval of these activities. Whether or not the Professor made "significant use" of TTU's facilities is subject to interpretation; the Professor does not believe that he did, while the complainant believes that he did.

Even though the Professor's rental activities may not have been a violation of university policy, to avoid the appearance of a conflict of interest with the two remaining rental units that he owns, the Professor agreed to refrain from including his TTU contact information on any future leases and to continue to refrain from storing any personal property on TTU's premises.

**Southwest Tennessee Community College
Special Review of a Hiring Allegation
Executive Summary**

Key Staff Person: Ron Parr, VP, Financial and Administrative Services	Auditor: Investigative Auditor, System-wide Internal Audit
Allegation: A complaint was received alleging nepotism by a Southwest Tennessee Human Resources employee in the hiring of a relative as a temporary employee.	
Objectives: 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>Conclusion: The complaint concerned the hiring of a temporary employee which does not require the same employment procedures as a permanent full-time position. Although the temporary employee was related to an employee in the Human Resources area, there was no evidence of nepotism and the allegation is considered unsubstantiated. However, our review found a subsequent violation of the Southwest Tennessee Policy No. 5:01:00:00/44, <i>Temporary Employment</i>, when the temporary employee was hired at a later date for an internal permanent position.</p> <p style="text-align: center;"><i>Temporary employees are not eligible to apply for internal permanent job postings. Temporary employees seeking permanent employment must apply as external applicants for positions posted on the public website.</i></p> <p>Human Resources personnel should ensure that applicants for positions meet eligibility requirements of Southwest employment policies. While hiring relatives of other employees should not be precluded, reasonable care should be used in the review of applicants who have named relatives employed by the college.</p>	
<p>Management's Comments: Management concurs with the findings of the report. This error occurred in part due to incongruent College policies. At the time of the incident, Southwest Hiring Procedures, Policy No. 5:01:00:00/20 stated "Any employee of the College, except student workers, regardless of their status, may apply for a posted position during the four (4) day in-house posting period by submitting an updated application to the Office of Human Resources," while the newer Southwest Policy No. 5:01:00:00/44 stated "Temporary employees are not eligible to apply for internal permanent job postings."</p> <p>The Southwest Hiring Procedure policy was subsequently changed to remove this incongruence. Southwest Policy No. 5:01:00:00/20, effective October 1, 2013, revised August 12, 2014, states: Hiring officials wishing to fill vacant positions must submit their request via PeopleAdmin, the College's paperless applicant tracking system. In addition, all approvals and recommendations related to the request are built into the online workflow which is forwarded to various approving authorities, with the Office of Human Resources and Affirmative Action being the final review before posting.</p> <p>Position postings will fall into one of the following categories:</p> <ul style="list-style-type: none"> • Department Only: Must be actively employed as regular full-time or regular part time employee within the posting department. This category of posting will only be used to fill opportunities for promotion resulting from departmental reorganizations or position reclassifications when there are no vacant positions in the department and no additional positions being added to the department. • Internal – Must be actively employed as regular full-time or regular part-time employee at the College. • External – Open to all qualified individuals whether or not currently employed at the College. 	
Use of Report: <i>This report is intended solely for the internal use of the Southwest Tennessee Community College and the Tennessee Board of Regents. It is not intended to be, and should not be, used for any other purpose. The distribution of the report to external parties must be approved by the Office of System-wide Internal Audit, and handled in accordance with institutional policies.</i>	

Status Report on Internal Audit Recommendations

Internal audit reports may include recommendations to management for corrective action. Recommendations are scheduled for follow-up review by Internal Audit based on the time needed to implement corrective actions, as estimated by management. The following Recommendation Logs are included in these materials. Each recommendation will include a status of management's action or will be blank; if no status is indicated, the follow-up review has not yet been performed.

University Internal Audits

Community College Internal Audits

SWIA Information Systems Internal Audits

Tennessee Colleges of Applied Technology Internal Audits

Tennessee Foreign Language Institute Internal Audit

Status Legend for Management's Action	
Actions Completed	Management has implemented the actions stated in their response to this recommendation. Issue closed.
In Progress	Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled.
No Progress	Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

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	3/27/15	PCI Compliance Readiness Audit 4 of 4: New PCI DSS 3.0 Self-Assessment Questionnaire needs to be completed.	Chief Information Officer	12/31/15		In Progress
ETSU	3/27/15	PCI Compliance Readiness Audit 3 of 4: Penetration testing methodology needs to be developed and implemented.	Chief Information Officer	12/31/15		In Progress
ETSU	3/27/15	PCI Compliance Readiness Audit 2 of 4: Aramark Food Services' computer systems do not adhere to PCI requirements in several areas.	Chief Information Officer	8/1/15		In Progress
ETSU	3/27/15	PCI Compliance Readiness Audit 1 of 4: The current SNMP protocol being used is considered insecure.	Chief Information Officer	8/1/15		In Progress
ETSU	11/24/14	Office of Intercollegiate Athletics Timekeeping Investigation 1 of 1: Controls and practices over timekeeping functions need improvement. Multiple issues were discovered during the audit.	Athletic Director	4/30/15		In Progress
ETSU	11/5/14	Bluegrass, Old Time, and Country Music Investigation 1 of 1: Policies and procedures over performances involving outside and student bands (including off campus travel) need to be developed.	Chair of Appalachian Studies	2/1/15		In Progress
ETSU	10/15/14	Natural History Museum 1 of 1: Procedures for obtaining Statements of Understanding/Agreement from volunteers need improvement.	Director of Natural History Museum	12/31/14	3/26/14	Actions Completed
ETSU	6/26/14	Banner Security Audit 1 of 1: 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

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	5/17/13	Special Review of Dance Program 4 of 4: (Other 3 findings addressed) The dance program needs to improve cash receipting procedures.	MTSU Dance Program Management	1/14/14	3/30/15	Actions Completed
MTSU	3/12/14	Review of Athletic Gifts in Kind FY 2013 Finding 1 of 2: Improved Compliance is Needed with the Sports Marketing Contract	Athletic Department	3/31/15		
MTSU	3/12/14	Review of Athletic Gifts in Kind FY 2013 Finding 2 of 2: Monitoring of Trade Revenue Should be Improved	Athletic Department	3/31/15		
TTU	1/23/15	Equipment: Sensitive Minor Equipment (SME) Complete information for each item and department head approval should be required each department's annual SME list. The instructions for completing the SME list should specifically require physically locating each item.	Fixed Asset Accountant	4/17/15		
TTU	1/23/15	Equipment: Retagging Documentation. The date that equipment items are retagged should be recorded	Warehouse Manager	4/17/15		
TTU	1/23/15	Equipment: GovDeals Login. The person who posts to the GovDeals website should change his login information and refrain from sharing that with anyone else.	Warehouse Manager	4/17/15		
TTU	1/23/15	Equipment: Grant Disposal Instructions. Procedures to check for grant disposal requirements prior to the disposal of equipment should be developed and followed.	Fixed Asset Accountant & Warehouse Manager	5/8/15		

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
TTU	1/23/15	Equipment: Property Loan Request Form. The value of submitting the Property Loan Request Form to the Warehouse Manager should be reconsidered. Any changes to the procedures should be distributed to the campus.	Warehouse Manager	5/1/15		
TTU	8/6/14	Student Assistance Fund: Pell Grant Reporting. One of the student-athletes reported as receiving Pell Grant funds did not actually receive any Pell Grant Funds	Assistant Athletic Director for Business and Personnel	8/28/14	9/2/14	Actions Completed
TTU	6/26/14	Laboratory Safety: Lab Training and Inspections. 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	Laboratory Safety: Fire Drills. 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	Laboratory Safety: Safety Concerns. Reported safety concerns and their resolutions have not been documented.	Environmental Health and Safety Coordinator	6/30/15		
TTU	11/15/13	Personnel: 1 of 8: Policy Revisions. 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 7/31/15	7/23/2014 1/12/15	In Progress In Progress
TTU	11/15/13	Personnel: 2 of 8: Employment Contracts. 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

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
TTU	11/15/13	Personnel: 3 of 8: Employment Eligibility Verification (I-9's). 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	11/15/13	Personnel: 4 of 8: Telecommuting. 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 7/31/15	7/23/2014 1/12/15	In Progress In Progress
TTU	11/15/13	Personnel: 5 of 8: Application Procedures. 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	Personnel: 6 of 8: Limited English Proficiency Postings. 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	Personnel: 7 of 8: Discrimination and Harassment Complaints. 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	Personnel: 8 of 8: Non-Discrimination Notice. 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	9/23/13	Technology Access Fee: Spending Limits. More than 12% of the Part 2 current year revenue was reported for student staffing	Director of Academic and Client Technologies	8/28/14	9/8/14	Actions Completed

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
TTU	9/23/14	Technology Access Fee: Staff Salaries. Two administrative salaries whose current job descriptions did not support the premise that they were for direct student benefit were paid from TAF funds.	Director of Academic and Client Technologies	8/28/14	9/8/14	Actions Completed
TTU	6/20/12	Physical Plant 1 of 3: Key inventory. The campus key inventory is not verified/updated on an annual basis and employees are not required to present a completed Request for Transferal 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 III. 12/17/14	In Progress In Progress Actions Completed
UOM	7/23/14	Athletics Ticket Office Audit: 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	Assistant Athletic Director-Business Operations	on or before 7/31/2015. New Hire of a Assistant Athletic Director of Ticket Operations and Sales. Most have already been implemented by the newly hired Director.		In Progress
UOM	9/4/14	Athletics Travel Expenses: Recommendations made to improve internal processes for documentation and communication.	Assistant Athletic Director-Business Operations	on or before 7/31/2015. Most have already been implemented.		In Progress
UOM	1/12/15	Internal Controls Research Risk Footprint: Recommendations regarding labs safety training and inspections.	Director Environmental Health & Safety	on or before 12/31/2015. Some have already been implemented.		In Progress

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	Follow up to Travel Expenditure Audit for June, 30, 2010 3 of 3: • 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	1/21/15	In Progress
ChSCC	2/6/14	Equipment 2 of 5: Bar code technology should be considered for sensitive equipment to achieve greater inventory management efficiencies.	Chief Information Officer	12/31/14	1/27/15	In Progress
ChSCC	2/6/14	Equipment 4 of 5: 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	1/27/15	No Progress
ChSCC	2/6/14	Equipment 5 of 5: 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	1/27/15	No Progress
ChSCC	4/1/14	NACHA 1 of 2: 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	4/7/15	Actions Completed
ChSCC	4/1/14	NACHA 2 of 2: 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	1/22/15	In Progress

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	DRP 1 of 7: 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	4/7/15	In Progress
ChSCC	7/31/14	DRP 2 of 7: 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	4/7/15	In Progress
ChSCC	7/31/14	DRP 3 of 7: 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	4/7/15	In Progress
ChSCC	7/31/14	DRP 4 of 7: An equipment inventory should be included in each Department's DRP.	Assistant Vice President - ITS	9/30/14	4/7/15	In Progress
ChSCC	7/31/14	DRP 5 of 7: Information Technology Services should complete the DRP test scheduled for 2014.	Assistant Vice President - ITS	8/31/14	4/7/15	Actions Completed
ChSCC	7/31/14	DRP 7 of 7: Provide additional training to ITS staff and Department coordinators on DRP recovery procedures.	Assistant Vice President - ITS	9/30/14	4/7/15	Actions Completed
ChSCC	10/28/14	Mail Services 1 of 3: Mail personnel should be aware of the potential for confidential information within inter-office mail. Push carts should not be left out of the carrier's view at any time during the mail route.	Assistant Vice President - Plant Operations and Facility Planning	3/31/15	4/6/15	In Progress

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	12/9/14	Shipping and Receiving 1 of 3: The Shipping and Receiving department should work with Management to extend the evaluation of fabrication or purchase of items to permanently secure the mail golf cart to the shipping and receiving delivery cart.	Assistant Vice President - Plant Operations and Facility Planning	3/31/15	4/7/15	Actions Completed
ChSCC	12/9/14	Shipping and Receiving 2 of 3: The Shipping and Receiving department should develop written departmental procedures.	Assistant Vice President - Plant Operations and Facility Planning	3/31/15	4/7/15	Actions Completed
ChSCC	12/9/14	Shipping and Receiving 3 of 3: The Delivery Ticket form should be eliminated and replaced by a delivery log. These logs should be retained in the accordance with retention policies.	Assistant Vice President - Plant Operations and Facility Planning	3/31/15	4/7/15	Actions Completed
CISCC	4/13/15	Title IV Compliance Review - The Net Price Calculator is not up to date	Director of Financial Aid	4/17/15		
CISCC	4/13/15	Title IV Compliance Review - Perspectice Student Athletes that are Offered Athletically Related Aid are Not provided the Completion, Graduation and Transfer-out Rates as Required by Title IV.	Director of Athletics and Campus Recreation	9/30/15		
JSCC	4/2/13	Data Security: Observation 1 of 2: 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	9/5/14	In Progress

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
JSCC	4/2/13	Data Security: Observation 1 of 2: 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	9/5/14	In Progress
NeSCC	1/2/14	Data Security FY 2013 1 of 1: 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	Complete College of Tennessee Act: Progression and Dual Enrollment Outcomes 1 of 2: Consult with TBR/THEC to evaluate the risk level of inaccurate outcomes resulting from timing differences	Vice President for Academic Affairs	8/30/14	3/2/15	Actions Completed
NeSCC	2/19/14	Complete College of Tennessee Act: Progression and Dual Enrollment Outcomes 2 of 2: 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	2/25/15	Actions Completed
NeSCC	7/25/14	Complete College of Tennessee Act: Completion Outcomes 2 of 2: 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

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	8/28/14	Theatre Services 1 of 1: Procedures in place to handle and enforce facility usage applications for evens scheduled through the Theatre Department need to be improved.	Theatre Manager	6/1/15		In Progress
STCC	5/2/15	Industrial Readiness Grants Finding 1 of 1: The first year grant projections were not achieved.	Director of Grants Management			
STCC	5/5/15	Tuition Statement Finding 1 of 1: Incorrect IRS Form 1098-T's, tuition statements, were issued for the calendar year ended December 31, 2012, because early registration was not included in the reporting period.	Department of Finance			
VSCC	12/18/13	Audit of International Education Fee 1 of 5: Management should record the emergency reserve allocation in the International Education Fee fund.	Office of International Education and Business Office	6/30/14	5/8/15	In Progress

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
APSU	4/22/15	IT General Controls Review: Recommendation 1 of 16: Develop an Information Security Program Policy with associated procedures, in coordination with a comprehensive information security program being developed by the TBR System Office. The policy should define both business and information security processes, including the designation of an Information Security Officer and development of a security awareness and training program.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 2 of 16: Develop and implement comprehensive procedures for: a) Change Management that defines hardware, network configuration, anti-virus and patch updates, in addition to those in place for Banner updates. b) Vendor Management that defines how the Office of Information Technology will monitor and manage the delivery of goods and services from key vendors. c) Network administration that documents the processes performed to maintain the network in the event key personnel are not available. d) Logging and Monitoring of computer activities that defines what will be logged, how it will be reviewed, and how the results will be handled. e) Remote Devices that includes an agreement that defines expectations of users who connect their personal laptop or cell phone device to the network.	Interim CIO - Austin Siders - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 3 of 16: Establish a process where all information technology policies and procedures are reviewed annually for needed modifications and approvals.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 4 of 16: 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 created or updated.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 5 of 16: Establish criteria regarding the specific topics for discussion and documentation the IT Director will provide the VP for Finance and Administration during the bi-weekly meeting to ensure all aspects of the Office of Information Technology operations are covered for a stronger information technology governance structure.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 6 of 16: Remove the capability that users have as an administrator on their assigned machines to reduce risks of unauthorized system configuration changes and software implementations.	Interim CIO - Austin Siders	11/1/15		

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
APSU	4/22/15	IT General Controls Review: Recommendation 7 of 16: Develop a Business Continuity Plan that will ensure planning for and documentation of: a) The business side of the plan, including business recovery requirements and objectives as well as the assigned roles and responsibilities of the Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster or other event requiring its use. b) Possible secondary and tertiary assignments for persons in the event personnel are not available at the time of a disaster. c) A test plan and documentation of periodic testing conducted to ensure the plan's effectiveness for recovery.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 8 of 16: Amend the existing Disaster Recovery Plan to reflect needed changes to information technology recovery requirements for compliance with business requirements stated in the Business Continuity Plan.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 9 of 16: Update the firewall configurations to reduce the risks of unauthorized access.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 10 of 16: Encrypt hard drives on mobile devices to reduce risks of unauthorized access to information if the device is lost or stolen.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 11 of 16: For computers linked to the college's network, block access to selected websites that do not render themselves to educational purposes to reduce the risks of unauthorized use and risks of viruses and malicious programs.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 12 of 16: Implement a process to identify unauthorized disseminations of information or malicious links within inbound and outbound emails.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 13 of 16: Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for all users, including full-time, temporary, transferred or promoted employees or contractors.	Interim CIO - Austin Siders	11/1/15		

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APSU	4/22/15	IT General Controls Review: Recommendation 14 of 16: Periodically review the lists of accounts with non-expiring passwords and revoke that privilege from accounts that do not require it for specific business purposes.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 15 of 16: Update password requirements in the Default Domain Policy of Active Directory to ensure the use of stronger password controls as defined in both the new password policy and industry best practices.	Interim CIO - Austin Siders	11/1/15		
APSU	4/22/15	IT General Controls Review: Recommendation 16 of 16: Document major unauthorized access attempts or any information breaches to ensure they are handled according to requirements set in the APSU Incident Response Procedure.	Interim CIO - Austin Siders	11/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 1 of 19: Develop an Information Security Program Policy with associated procedures, in coordination with a comprehensive information security program being developed by the TBR System Office. The policy should define both business and information security processes, including the designation of an Information Security Officer and development of a security awareness and training program.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 2 of 19: Develop and implement comprehensive procedures for: a) Vendor Management that defines how OTS will monitor and manage the delivery of goods and services from key vendors. b) Logging and Monitoring of computer activities that defines what will be logged, how it will be reviewed, and how the results will be handled. c) Remote Devices, including an agreement with users who connect their personal laptop or cell phone device to the network. d) Project Documentation that establishes a standard regarding how OTS projects, other than the implementation of Banner program code, will be documented. e) Network Administration that documents the processes performed to maintain the network in the event key personnel are not available. f) Incident Response that defines how unauthorized access attempts and information breaches are documented and handled according to requirements.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 3 of 19: Establish a process where all information technology policies and procedures are reviewed annually for needed modifications and approvals.	CIO - Tim Warren	10/1/15		

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TSU	5/11/15	IT General Controls Review: Recommendation 4 of 19: 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 created or updated.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 5 of 19: Implement a process for Human Resources to complete background checks on personnel who would have access to sensitive information before the person is hired, in accordance with TBR Guideline P-010, Personnel Transactions and Recommended Forms, that recommends colleges conduct background checks on potential employees.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 6 of 19: Complete the development of new job descriptions for TSU OTS employees.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 7 of 19: Complete the implementation of a hardware and software inventory to ensure OTS has documentation of its assets and has the means to identify unauthorized attempts to implement or remove hardware or software on the network.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 8 of 19: Remove the capability users have as an administrator on their assigned machines to reduce risks associated with unauthorized system configuration changes and software implementations.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 9 of 19: Amend the Help Desk process so that open tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 10 of 19: Complete the implementation of the new patch management product that is designed to provide better management and oversight of the server and workstation software patching process.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 11 of 19: Replace the current process used to back up computer files and data to ensure the files and data can be restored in an effective manner. Also, perform annual tests to ensure data can be restored from the backed up media once a new process is in place.	CIO - Tim Warren	10/1/15		

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TSU	5/11/15	IT General Controls Review: Recommendation 12 of 19: Develop a Business Continuity Plan that will ensure planning for and documentation of: a) The business side of the plan, including business recovery requirements and objectives as well as the assigned roles and responsibilities of the Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster or other event requiring its use. b) Possible secondary and tertiary assignments for persons in the event personnel are not available at the time of a disaster. c) A test plan and documentation of periodic testing conducted to ensure the plan's effectiveness for recovery.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 13 of 19: Amend the existing Disaster Recovery Plan to reflect needed changes to information technology recovery requirements for compliance with business requirements stated in the Business Continuity Plan.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 14 of 19: Encrypt hard drives on mobile devices to reduce risks of unauthorized access to information if the device is lost or stolen.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 15 of 19: Complete the implementation of the new anti-virus software to improve monitoring the university's anti-virus program.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 16 of 19: For computers linked to the college's network, block access to selected websites that do not render themselves to educational purposes to reduce the risks of unauthorized use and risks of viruses and malicious programs.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 17 of 19: Implement a process to identify unauthorized disseminations of information or malicious links within inbound and outbound emails.	CIO - Tim Warren	10/1/15		
TSU	5/11/15	IT General Controls Review: Recommendation 18 of 19: Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users, including full-time, temporary, transferred or promoted employees and contractors.	CIO - Tim Warren	10/1/15		

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TSU	5/11/15	IT General Controls Review: Recommendation 19 of 19: Review the lists of accounts with system administrative or non-expiring privileges assigned, and revoke those that do not require such access privileges.	CIO - Tim Warren	10/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 1 of 17: Develop an Information Security Program Policy with associated procedures, in coordination with the comprehensive information security program being developed by the TBR System Office. The policy should document the college's Information security Program, including business and information security processes, the designation of an Information Security Officer and development of a security awareness training program.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 2 of 17: Develop and implement comprehensive written information technology procedures for: a) Change management that defines all information technology changes, including implementation of Banner updates. b) Logging and monitoring network and systems access that defines the activity to be logged, the review process and the resulting actions to be taken. c) Incident Response procedures, so key unauthorized access attempts or any information breaches are documented and handled according to procedure requirements and as required by Federal regulations.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 3 of 17: Establish a process where all information technology policies and procedures are reviewed annually for needed modifications to provide clear guidance to staff.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 4 of 17: 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.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 5 of 17: Expand the responsibilities of the Technology Resource Committee, to include a review of other key documented results of information technology operations that are outside of those strategic projects not currently reviewed by the VP – Finance and Advancement, for a stronger information technology governance structure.	CIO - Chris Mowery	12/1/15		

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CISCC	4/6/15	IT General Controls Review: Recommendation 6 of 17: Implement a process for Human Resources to complete background checks on Information Technology office employees before those individuals begin work. This ensures compliance with TBR Guideline P-010, Personnel Transactions and Recommendations that recommends colleges conduct background checks on potential employees who would have access to sensitive information.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 7 of 17: Complete the implementation of the software product acquired to give the Information Technology office the ability to identify unauthorized software uploading on workstations.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 8 of 17: Establish a process where Help Desk tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 9 of 17: Complete the implementation of the configuration solution to ensure certain devices with the Windows 7 operating system are patched effectively.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 10 of 17: 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 the 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.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 11 of 17: Develop a process to test parts of the BCP periodically to ensure the plan's effectiveness for recovery.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 12 of 17: Block access on computers linked to the college's network to selected websites that do not render themselves to educational or business purposes to reduce the risks of unauthorized use, as well as the risks of viruses and malicious programs.	CIO - Chris Mowery	12/1/15		

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CISCC	4/6/15	IT General Controls Review: Recommendation 13 of 17: Establish a timeframe to conduct periodic network penetration tests and vulnerability scans to identify and correct for exploitable areas in the network's external and internal configuration. Such tests are also required to be conducted for Payment Card Industry Data Security Standards, i.e. PCI/DSS, testing.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 14 of 17: Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users, including contracted users and temporary employees.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 15 of 17: Complete the process to periodically review each user's computer access privileges to determine whether assigned access privileges are still appropriate. This assessment should also determine whether users who have not logged in within the last year still need their assigned access privileges.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 16 of 17: Review the lists of accounts with assigned administrator privileges or with a non-expiring password and revoke those that do not require such access authority.	CIO - Chris Mowery	12/1/15		
CISCC	4/6/15	IT General Controls Review: Recommendation 17 of 17: Update password requirements in the Default Domain Policy of Active Directory to strengthen password controls, as defined in TBR Guideline G-051, Password Management and in industry best practices.	CIO - Chris Mowery	12/1/15		
JSCC	9/8/14	IT General Controls Review: Recommendation 1 of 11: 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.	CIO - Dana Nails	3/31/15 9/1/15		In Progress

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JSCC	9/8/14	IT General Controls Review: Recommendation 2 of 11: 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.	CIO - Dana Nails	3/31/15	4/7/15	Actions completed
JSCC	9/8/14	IT General Controls Review: Recommendation 3 of 11: 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.	CIO - Dana Nails	3/31/15 9/1/15		In Progress
JSCC	9/8/14	IT General Controls Review: Recommendation 4 of 11: 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.	CIO - Dana Nails	3/31/2015 9/1/15		In Progress
JSCC	9/8/14	IT General Controls Review: Recommendation 5 of 11: 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.	CIO - Dana Nails	3/31/15	1/1/15	Actions Completed
JSCC	9/8/14	IT General Controls Review: Recommendation 6 of 11: 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.	CIO - Dana Nails	3/31/15	4/7/15	Actions Completed
JSCC	9/8/14	IT General Controls Review: Recommendation 7 of 11: Develop tracking processes to alert OIT personnel when attempts to alter anti-virus program functionality or to implement unauthorized software occur.	CIO - Dana Nails	3/31/2015 9/1/15		In Progress
JSCC	9/8/14	IT General Controls Review: Recommendation 8 of 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 an event requiring use of the plan.	CIO - Dana Nails	3/31/2015 9/1/15		Awaiting TBR Guidance
JSCC	9/8/14	IT General Controls Review: Recommendation 9 of 11: Develop a process to test parts of the BCP periodically to ensure the plan's effectiveness for recovery.	CIO - Dana Nails	3/31/2015 9/1/15		Awaiting completion of number 8

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JSCC	9/8/14	IT General Controls Review: Recommendation 10 of 11: 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.	CIO - Dana Nails	3/31/15	4/7/15	Actions Completed
JSCC	9/8/14	IT General Controls Review: Recommendation 11 of 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.	CIO - Dana Nails	3/31/2015 9/1/2015		In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 1 of 20: Develop an Information Security Program Policy with associated procedures for PSCC, in coordination with a comprehensive information security program being developed by the TBR System Office that defines both business and IT security processes, including the designation of an Information Security Officer and development of a security awareness and training program.	CIO - Jerry Bryan	3/31/2015 9/1/2015		In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 2 of 20: Develop comprehensive IT procedures for change management and network administration.	CIO - Jerry Bryan	3/31/2015 9/1/15		In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 3 of 20: 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.	CIO - Jerry Bryan	3/31/15	4/3/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 4 of 20: Evaluate the existing governance structure for IT to ensure the management and activity of the Banner Oversight Committee meets the full requirements for the college, its management and business users.	CIO - Jerry Bryan	3/31/15	4/7/15	In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 5 of 20: 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.	CIO - Jerry Bryan	3/31/15	4/3/15	Actions Completed

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PSCC	9/3/14	IT General Controls Review: Recommendation 6 of 20: Implement a PSCC Incident Response Procedure, so unauthorized access attempts or any information breaches are documented and handled according to requirements.	CIO - Jerry Bryan	3/31/15	4/3/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 7 of 20: 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.	CIO - Jerry Bryan	3/31/2015 9/1/15		In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 8 of 20: 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.	CIO - Jerry Bryan	3/31/2015 9/1/15		In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 9 of 20: Establish a process where Help Desk tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.	CIO - Jerry Bryan	3/31/15	4/3/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 10 of 20: Document file restoration activities, so Information Services can demonstrate the ability for data recovery from backed up media.	CIO - Jerry Bryan	3/31/15	4/3/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 11 of 20: 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.	CIO - Jerry Bryan	3/31/2015 9/1/15		In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 12 of 20: Document in the network topology diagram the layers of security in place, which may also be used in the disaster recovery processes.	CIO - Jerry Bryan	3/31/15	4/3/15	Actions Completed

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PSCC	9/3/14	IT General Controls Review: Recommendation 13 of 20: 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.	CIO - Jerry Bryan	3/31/15	4/6/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 14 of 20: Develop a process to periodically check the configuration of computer anti-virus software to ensure workstations are updated and functioning properly.	CIO - Jerry Bryan	3/31/2015 9/1/15		In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 15 of 20: Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users.	CIO - Jerry Bryan	3/31/15	4/6/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 16 of 20: Establish a process to periodically review each user's computer access privileges to re-justify assigned access privileges.	CIO - Jerry Bryan	3/31/2015 9/1/15		In Progress
PSCC	9/3/14	IT General Controls Review: Recommendation 17 of 20: 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.	CIO - Jerry Bryan	3/31/15	4/6/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 18 of 20: 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.	CIO - Jerry Bryan	3/31/15	4/6/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 19 of 20: Determine personnel with unrestricted access to the server room and take steps to limit access to only those with a business need.	CIO - Jerry Bryan	3/31/15	4/6/15	Actions Completed
PSCC	9/3/14	IT General Controls Review: Recommendation 20 of 20: Reassess and document the process for logging and monitoring system utilization data and alerts.	CIO - Jerry Bryan	3/31/15	4/7/15	In Progress

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RSCC	4/17/15	IT General Controls Review: Recommendation 1 of 15: Develop an Information Security Program Policy with associated procedures, in coordination with a comprehensive information security program being developed by the TBR System Office. The policy should define both business and information security processes, including the designation of an Information Security Officer and development of a security awareness and training program.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 2 of 15: Develop and implement comprehensive procedures for: a) Change Management that defines hardware, network configuration, anti-virus and patch updates, in addition to those in place for Banner updates. b) Vendor Management that defines how the Office of Information Technology will monitor and manage the delivery of goods and services from key vendors. c) Remote Devices that includes an agreement that defines expectations of users who connect their personal laptop or cell phone device to the network. d) Logging and Monitoring of computer activities that defines what will be logged, how it will be reviewed, and how the results will be handled. e) Incident Response that defines how unauthorized access attempts and information breaches are documented and handled according to requirements.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 3 of 15: Establish a process where all information technology policies and procedures are reviewed annually for needed modifications and approvals.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 4 of 15: 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 created or updated.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 5 of 15: Expand the responsibilities of the President's Cabinet to review documented results of all aspects of information technology operations, in addition to documentation of strategic initiatives, for a stronger information technology governance structure.	CIO - Tim Carroll	7/31/15		

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RSCC	4/17/15	IT General Controls Review: Recommendation 6 of 15: Implement a process for Human Resources to complete background checks on personnel who would have access to sensitive information before the person is hired in accordance with TBR Guideline P-010, Personnel Transactions and Recommended Forms, that recommends colleges conduct background checks on potential employees.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 7 of 15: Remove the capability that users have as an administrator on their assigned machines to reduce risks of unauthorized system configuration changes and software implementations.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 8 of 15: Establish a process where Help Desk tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 9 of 15: Develop a Business Continuity Plan that will ensure planning for and documentation of: a) The business side of the plan, including business recovery requirements and objectives as well as the assigned roles and responsibilities of the Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster or other event requiring its use. b) Possible secondary and tertiary assignments for persons in the event personnel are not available at the time of a disaster. c) A test plan and documentation of periodic testing conducted to ensure the plan's effectiveness for recovery.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 10 of 15: Amend the existing Disaster Recovery Plan to reflect needed changes to information technology recovery requirements for compliance with business requirements stated in the Business Continuity Plan.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 11 of 15: For computers linked to the college's network, block access to selected websites that do not render themselves to educational purposes to reduce the risks of unauthorized use and risks of viruses and malicious programs.	CIO - Tim Carroll	7/31/15		

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RSCC	4/17/15	IT General Controls Review: Recommendation 12 of 15: Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for all users, including full-time, temporary, transferred or promoted employees or contractors.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 13 of 15: Implement a process to periodically review each user's computer access privileges to re-justify assigned access privileges. Include in this assessment a requirement to document the need to retain active user access privileges where the user has not logged in within the last year.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 14 of 15: Implement a process to periodically review the lists of accounts with system administrator privileges assigned and revoke those that do not require such access privileges.	CIO - Tim Carroll	7/31/15		
RSCC	4/17/15	IT General Controls Review: Recommendation 15 of 15: Implement a process to periodically review the listing of persons who have card key access to the server room and limit such access to only persons with a true business need.	CIO - Tim Carroll	7/31/15		
TBR	5/11/15	Review of Research and Data Reporting Process: Recommendation 1 of 3: Require campuses to run the edit programs and make the essential corrections to the Banner system database in advance of the creation of the extraction file to reduce the volume of corrections identified by TBR Research and Assessment in each term's edit program run. A second option is to have IT request Ellucian to implement, as part of its normal updates to the Banner system, stronger required fields and validation routines, that more closely resemble routines performed in the edit program when the original data entry is performed at the campus level.	Assistant Vice Chancellor for Research and Assessment - Chris Tingle	10/30/15		

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	5/11/15	Review of Research and Data Reporting Process: Recommendation 2 of 3: Implement procedures, including required steps and naming protocols to be performed by each university and community college when entering the data corrections into the Banner system from the TBR Research and Assessment edit process. The procedures should include a re-certification by the institution to ensure completion of the correction process that also links the correction entry to data in its semester of origin. These procedures are essential to ensure the Banner system's database, which is the original source of data, matches the data used in the THEC process. An alternative approach is for the Research and Assessment group to implement periodic training for those involved in the process. This training should focus on the institution's responsibility to use the edit process to ensure the accuracy of its Banner data.	Assistant Vice Chancellor for Research and Assessment - Chris Tingle	10/30/15		
TBR	5/11/15	Review of Research and Data Reporting Process: Recommendation 3 of 3: 3. Establish a process where all changes made to the extraction files by TBR Research and Assessment are fully identified, documented and authorized to improve the integrity of the data. This could be completed by running a program that compares and identifies changes in the updated file to the original version of the files received from the campuses and subjecting the resulting report to independent review.	Assistant Vice Chancellor for Research and Assessment - Chris Tingle	10/30/15		
TBR	5/23/14	IT General Controls Review: Recommendation 1 of 16: 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	11/30/2014 5/31/2015	5/4/15	Actions Completed
TBR	5/23/14	IT General Controls Review: Recommendation 2 of 16: 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	11/30/2014 5/31/2015 11/1/2015		In Progress
TBR	5/23/14	IT General Controls Review: Recommendation 3 of 16: Establish and coordinate a process at the system office where IT policies are reviewed, updated and approved periodically.	CIO - Tom Danford	11/30/2014 5/31/2015	5/4/15	Actions Completed
TBR	5/23/14	IT General Controls Review: Recommendation 5 of 16: 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 ADD CFO Dale Sims	11/30/2014 5/31/2015	5/4/15	Actions Completed

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	IT General Controls Review: Recommendation 8 of 16: 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	11/30/2014 5/31/2015	5/4/15	Actions Completed
TBR	5/23/14	IT General Controls Review: Recommendation 9 of 16: Implement encryption software on the TBR system office hard drives of assigned laptops.	CIO - Tom Danford	11/30/2014 5/31/2015		In Progress
TBR	5/23/14	IT General Controls Review: Recommendation 10 of 16: 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	11/30/2014 5/31/2015		Solution rolled into number 9.
TBR	5/23/14	IT General Controls Review: Recommendation 11 of 16: Improve procedures and documentation of software licenses at the system office to document compliance with license agreements.	CIO - Tom Danford	11/30/2014 5/31/2015	5/4/15	Actions Completed
TBR	5/23/14	IT General Controls Review: Recommendation 16 of 16: Reassess and document the process for logging and monitoring system utilization data and alerts.	CIO - Tom Danford	11/30/2014 5/31/2015 11/1/2015		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 -- 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	Focused Review Observation 1 of 2: Management's review of the accounts receivable reconciliations is not documented by signing and dating the reconciliation.	Director	(1)		
Crossville	4/17/15	Focused Review Finding 1 of 1: Accounts Receivable -- Collection letters should be sent at 30 day intervals.	Director	(1)		
Harriman	4/15/14	Focused Review Observation 1 of 2: 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	Focused Review Observation 2 of 2: Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Director	(1)		
Jacksboro	1/9/15	Focused Review Finding 1 of 1: Collection letters were sent 29 to 247 days late, after allowing 45 days for students to respond or make payment. The modified collection is not documented in the college's policy and procedure manual.	Director	(1)		
Jackson	9/5/14	Focused Review Finding 1 of 1: 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	Focused Review Observation 1 of 1: 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
Knoxville	8/19/14	Focused Review Finding 1 of 2: Collection letters for 4 of 10 receivable items tested were sent 20-26 days late.	Director	(1)		
Knoxville	8/19/14	Focused Review Finding 2 of 2: Title IV refunds tested were not processed within the 45 day Federal requirement for 2 of 7 items.	Director	(1)		
Knoxville	8/19/14	Focused Review Observatin 1 of 1: Collection procedures, modified from TBR Guideline B-010, requiring collection letters every 30 days, were not documented.	Director	(1)		
Livingston	4/14/14	Focused Review Finding 1 of 1: Defaulted student accounts should be referred to a collection agency, which has not been done in several years.	Director	(1)	5/6/15	Actions Completed
McKenzie	11/11/14	Focused Review Observation 1 of 3: Title IV refunds were processed between 35 and 37 days late.	Director	(1)		
McKenzie	11/11/14	Focused Review Observation 2 of 3: Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Director	(1)		
McKenzie	11/11/14	Focused Review Observation 3 of 3: TBR Guideline allowing flexibility in collection procedures of sending letters at 45 day intervals is not documented in the college's internal procedures.	Director	(1)		
McMinnville	5/19/14	Focused Review Observation 1 of 1: The Director should document the review of the student accounts receivable reconciliation.	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
Memphis	1/9/15	Focused Review Finding 1 of 1: Letters of receivable balances were sent to students from 4 to 53 days late, after allowing 30 days for students to respond or make payment.	Director	(1)		
Memphis	1/9/15	Focused Review Observation 1 of 2: Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Director	(1)		
Memphis	1/9/15	Focused Review Observation 2 of 2: Financial Aid must receive notice or have access to the report system to ensure the return of Title IV funds are made within the required 45 days.	Director	(1)		
Nashville	4/21/15	Focused Review Finding 1 of 2: The required number of collection letters for accounts receivable should be sent.	Director	(1)		
Nashville	4/21/15	Focused Review Finding 2 of 2: Collection letters for accounts receivable should be sent at 30 day intervals.	Director	(1)		
Nashville	4/21/15	Focused Review Observation 1 of 1: Student receivables for accounts receivable should be aged monthly.	Director	(1)		
Paris	1/29/15	Focused Review Finding 1 of 1: The procedures used for collections by the school do not comply with the TBR Guideline.	Director	(1)		
Paris	1/29/15	Focused Review Observation 1 of 1: Management's monthly review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	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
Pulaski	7/23/13	Operational Audit Finding 1 of 1: 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
Shelbyville	5/6/15	Focused Review Observation 1 of 1: Accounts Receivable - Collection letters should be sent at 30 day intervals.	Director	(1)		
Whiteville	4/21/14	Focused Review Observation 1 of 1: 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.

TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Foreign Language Institute (TFLI)

(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
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 1 of 17: TBR/TFLI Agreement needs to be updated.	TFLI - Executive Director	9/30/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 2 of 17: TFLI employee status should be clarified.	TFLI - Executive Director	6/1/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 3 of 17: TFLI should take steps to comply with the Financial Integrity Act.	TFLI - Executive Director	5/31/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 4 of 17: Detailed budgeting and financial reporting processes need to be established.	TFLI - Executive Director	6/30/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 5 of 17: Business policies and procedures need to be updated.	TFLI - Executive Director	6/30/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 6 of 17: Employees should be educated as to the rules and laws governing surplus property.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 7 of 17: The TFLI Board should consider adding a Senior Accountant position.	TFLI - Executive Director	7/1/15		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 8 of 17: Discounts should be defined, approved and monitored.	TFLI - Executive Director	6/30/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 9 of 17: Disaster Recovery and Business Continuity plans need to be developed.	TFLI - Executive Director	12/31/14		

TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Foreign Language Institute (TFLI)

(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
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 10 of 17: Requests for leave should be documented consistently.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 11 of 17: Cash and revenue should be properly safeguarded.	TFLI - Executive Director	6/30/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 12 of 17: Cash handling duties and recordkeeping duties should be adequately segregated.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 13 of 17: Daily receipts should be reconciled to the enrollment management system.	TFLI - Executive Director	5/30/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 14 of 17: Efforts to improve the classification of TFLI data in the Banner accounting system should continue.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 15 of 17: Deposits should be completed timely.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 16 of 17: Purchases should be properly documented and authorized in advance.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	Review of Internal Controls over Business Operations: Recommendation 17 of 17: Management should ensure a bright line exists between the TFLI and TFLI Fund Inc.	TFLI - Executive Director	5/8/14		

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.

**Tennessee Board of Regents
Committee on Audit**

DATE: May 27, 2015

AGENDA ITEM: **Review of CCTA Efficiency and Other Outcomes for Fiscal Year 2013**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

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

Most of the outcomes are tracked within the Banner system. For those outcomes, each Tennessee Board of Regents (TBR) university and community college prepares data files from the Banner system and provides them to the TBR. The TBR Office of Research and Assessment compiles the institutional files into system data files and provides them to THEC for use in the funding formula. For outcomes tracked outside the Banner system, which include Workforce Training, Job Placements, and Research and Service Expenditures, each TBR university and community college collects the necessary data and provides that data directly to THEC.

The THEC funding formula outcomes data report consists of a three year average of student information that is compiled for use in determining funding recommendations for the institutions in the TBR system.

Because of the numerous data elements used in the formula, it was determined that audits would be performed in three phases. Audits were completed in February 2014 on progression and dual-enrollment measures and in July 2014 on completion measures.

This third phase of audits covered efficiency and other outcome measures listed below from the 2012-2013 academic year, comprised of the Summer 2012, Fall 2012 and Spring 2013 terms. The objectives were to provide reasonable assurance that the data agreed with the institution's supporting records and was reported accurately and in compliance with the reporting instructions provided by TBR.

Efficiency and Other Outcome Measures	
Universities	Community Colleges
Research and Service Expenditures Degrees per 100 Full Time Enrollment	Remedial and Developmental Success Awards/Degrees per 100 Full Time Enrollment Job Placements Workforce Training Contact Hours

Four other data elements used in the funding formula are determined by THEC using data they collect from other sources, along with data from TBR institutions. The institutional data files used for these four elements were the subject of previous internal with no significant issues noted. Because data collected by THEC from other sources is outside the audit authority of TBR and prior audits did not reveal significant issues with the TBR data, the following elements were not included in this review.

1. Transfers out with 12 hours (universities and community colleges)
2. 6-year Graduation rate (universities only)
3. Low Income Completions (universities and community colleges)
4. Low Income Degrees (universities and community colleges)

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 challenges with the Remedial and Developmental Success data element that should be further evaluated by the TBR Office of Research and Assessment in consultation with THEC. The simplified definition of Remedial and Developmental Success in THEC's Data Dictionary is, "The number of students completing a remedial or developmental course and then completing a college-level course."

- THEC's expanded data definition for Remedial and Developmental Success does not state the remedial or developmental course must be passed by the student, but that the student must be enrolled in a remedial or developmental class. Upon contacting THEC for clarification on this point, their staff indicated the operational definition should be

updated to reflect the methodology in use, which is that the student was enrolled in a remedial and developmental class.

- Both the simplified and expanded Remedial and Developmental Success data definitions state the remedial or developmental course is taken and then a college course is completed. The audits found that because THEC counts success by comparing cumulative college hours to cumulative remedial and developmental hours, they in effect count success whether the college course was taken in a semester prior to, the same as or subsequent to the semester in which the remedial or developmental class was taken. Upon contacting THEC for clarification on this point, their staff indicated the operational definition should be updated to reflect the methodology in use.
- THEC measures the Remedial and Developmental Success data element by counting students whose cumulative hours exceed cumulative remedial and developmental hours. One of the 325 students tested across all the community colleges had 12 cumulative hours, but none of the hours were for college level courses, which indicates the student was counted in error. It appears that THEC's methodology allowed for "success" to be triggered when the student had a higher cumulative hour total than the enrolled remedial and developmental hours in a given semester, which assumes that some of the cumulative hours included college level courses. THEC does not have access to course level detail and cannot determine which cumulative hours are remedial courses and which are college level courses. Upon contacting THEC for clarification, their staff indicated their methodology would count such a student as a success in the Remedial and Developmental data element due to their data limitations.

In addition, the following issues were noted during the audits:

Tennessee Technological University – For the Research and Service Expenditures data reported to THEC for 2012-13, the audit noted the expenditures calculation reported related one grant was overstated by an insignificant amount. This overstatement was identified and corrected by management before the audit was performed.

Dyersburg State Community College – For the Job Placement data reported to THEC for the 2012-13 academic year, the audit noted management was reporting the job placement rates for graduates by calendar year not by academic year, as required. This error resulted in an overstatement of 34 graduates. The audit also noted better documentation related to job placement rates should be maintained.

These remarks do not reflect the results of the Walters State Community College audit, which was delayed; it is anticipated that the results will be available at the committee meeting.

The efficiency and other outcomes reported by THEC are summarized by institution on the following page. An executive summary for each TBR institution's audit is included after the summary of outcomes.

**Summary of Efficiency and Other Outcomes Reported by THEC
2012-2013 Academic Year**

TBR Universities		
Institution	Awards/Degrees Per Full Time Enrollment	Research and Service Expenditures
APSU	20.46	\$2,614,188
ETSU	21.05	22,836,711
MTSU	21.18	13,498,343
TSU	18.05	31,582,168
TTU	20.22	8,873,329
UoM	19.57	51,992,967
Average/Total	20.17	\$131,397,705

TBR Community Colleges				
	Awards/Degrees Per 100 Full Time Enrollment	Remedial and Developmental Success	Job Placement Rates	Workforce Training Hours
ChSCC	17.83	2,875	95%	149,621
CISCC	15.89	1,023	76%	7,596
CoSCC	18.71	1,553	77%	63,095
DSCC	14.70	1,198	93%*	7,114
JSCC	18.23	1,435	94%	17,853
MSCC	18.70	1,620	88%	5,493
NaSCC	11.21	3,152	92%	35,965
NeSCC	18.36	2,129	92%	6,434
PSCC	16.90	3,140	96%	45,598
RSCC	20.24	1,767	98%	116,535
STCC	11.90	4,740	90%	75,008
VSCC	16.00	2,426	93%	74,639
WSCC	19.40	1,817	92%	194,026*
Average/Total	16.78	28,875	91%	\$756,961

University of Tennessee**		
	Awards/Degrees Per Full Time Enrollment	Research and Service Expenditures
Chattanooga	17.94	\$10,409,340
Knoxville	22.77	154,378,165
Martin	18.52	2,001,804
Average/Total	19.74	\$166,789,309

Notes:

- * The counts in this table represent the original counts reported to THEC, but the audit reports for this item noted where some of the items included do not meet THEC's data definitions.
- ** 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)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary

<p>Key Staff Person: Director: Grants and Sponsored Research Director: Institutional Research & Effectiveness</p>	<p>Auditor: Beth Chancellor</p>				
<p>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.</p>					
<p>Objective: The objective of the audit was to determine whether Austin Peay State University’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>					
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For universities, the measures include Research and Service Expenditures and Degrees per 100 Full Time Enrollment. Four data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, 6-year Graduation Rate and Low-Income Completions and Degrees were not included in this review.</p>					
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Austin Peay State University for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 university’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year:</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <tr> <td style="padding: 5px;">Research and Service Expenditures</td> <td style="padding: 5px; text-align: right;">2,614,188</td> </tr> <tr> <td style="padding: 5px;">Awards/Degrees per 100 Full Time Enrollment</td> <td style="padding: 5px; text-align: right;">20.5</td> </tr> </table>		Research and Service Expenditures	2,614,188	Awards/Degrees per 100 Full Time Enrollment	20.5
Research and Service Expenditures	2,614,188				
Awards/Degrees per 100 Full Time Enrollment	20.5				

This report is intended solely for the internal use of Austin Peay State University and the Tennessee Board of Regents. It is not intended to be and should not be used for any other purpose. External distribution of this report must be approved by the Department of Internal Audit and handled in accordance with university and TBR policies; however, this report is a matter of public record

East Tennessee State University
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary

<p>Key Staff Person: Registrar, Assistant to the Provost of Institutional Research, and Manager of Grant Accounting</p>	<p>Auditor: Martha Stirling</p>
<p>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.</p>	
<p>Objective: The objective of the audit was to determine whether East Tennessee State University’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. The measures include Research and Service Expenditures and Degrees per 100 Full Time Enrollment. Four data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, 6-year Graduation Rate and Low-Income Completions and Degrees were not included in this review.</p>	
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by TBR for East Tennessee State University for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 university’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year.</p>	
<p>Research and Service Expenditures</p> <p>Awards/Degrees per 100 Full Time Enrollment</p>	<p>\$22,836,711</p> <p>21.05</p>

Middle Tennessee State University
Complete College Tennessee Act (CCTA)
Efficiency and Other 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.

Objective

The objective of the audit was to determine whether Middle Tennessee State University’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by the Tennessee Board of Regents (TBR) based on the institution’s supporting records.

Scope

This audit included efficiency and other outcome measures from the 2012-2013 academic year. For universities, the measures include Degrees per 100 Full Time Enrollment and Research and Service Expenditures. Four data elements of Transfers Out with 12 hours, 6-year Graduation Rate and Low-Income Completions and Degrees were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR. For the institutional data used in these calculations, there were no significant issues noted in the prior audits of progression and completion.

Audit Conclusion

Based on audit tests performed on a sample of data, the efficiency and other outcome measures reported to THEC for Middle Tennessee State University for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 recommendations.

The efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year for the university were as follows:

Outcome Measure	Outcome
Degrees per 100 Full Time Enrollment	21.18
Research and Service Expenditures	\$13,498,343

Tennessee State University
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary

Key Staff Person: Academic Affairs and Grants Accounting	Auditor: Mike Batson				
<p>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.</p>					
<p>Objective: The objective of the audit was to determine whether Tennessee State University's internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the university's supporting records.</p>					
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For universities, the measures include Research and Service Expenditures and Degrees per 100 Full Time Enrollment. Four data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR. For the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, 6-year Graduation Rate, and Low-Income Completions and Degrees were not included in this review.</p>					
<p>Findings or Observations: None</p>					
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Tennessee State University for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 university's efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were:</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <tr> <td style="padding: 5px;">Research and Service Expenditures</td> <td style="padding: 5px; text-align: right;">\$31,582,167</td> </tr> <tr> <td style="padding: 5px;">Awards/Degrees per 100 Full Time Enrollment</td> <td style="padding: 5px; text-align: right;">18.05</td> </tr> </table>		Research and Service Expenditures	\$31,582,167	Awards/Degrees per 100 Full Time Enrollment	18.05
Research and Service Expenditures	\$31,582,167				
Awards/Degrees per 100 Full Time Enrollment	18.05				

**Tennessee Tech University
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012-2013
May 1, 2015
Executive Summary**

Key Staff Person: Grant Accounting Manager

Auditor: Assistant Director of Internal Audit

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.

Objective: The objective of the audit was to determine whether Tennessee Tech University's internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution's supporting records.

Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For universities, the measures include Research and Service Expenditures and Degrees per 100 Full Time Enrollment. Four data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits.

Audit Conclusion: Based on audit tests performed on a sample of supporting data, the efficiency and other outcome measures reported to THEC by the TBR for Tennessee Tech University for the 2012-2013 academic year appeared accurate except for one grant in which the indirect cost calculation was overstated by an insignificant amount. This error had been detected and corrected prior to the audit. Also, the review of the system of internal controls over this 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 university's efficiency and other outcomes reported by THEC for the 2012-2013 academic year were as follows:

Research and Service Expenditures	\$8,873,329
Awards/Degrees per 100 Full Time Enrollment	20.22

University of Memphis
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary
May 7, 2015

Key Staff Person: Office of Institutional Research	Auditor: Financial and Compliance Auditor
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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.

Objective: The objective of the audit was to determine whether University of Memphis’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.

Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For universities, the measures include Research and Service Expenditures and Degrees per 100 Full Time Enrollment. Four data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. [Therefore, Transfers Out, 6-year Graduation Rate and Low-Income Completions and Degrees were not included in this review.]

Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for University of Memphis for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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. The University of Memphis efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were as follows.

Research and Service Expenditures	\$51,992,967
Awards/Degrees per 100 Full Time Enrollment	19.57

Chattanooga State Community College
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary

<p>Key Staff Person: Eva Lewis, Associate Vice President Institutional Effectiveness and Research, Sheila Albritton, Director Career Services and Counseling</p>	<p>Auditor: Kimberly Clingan, Director Internal Audit</p>
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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.

Objective: The objective of the audit was to determine whether Chattanooga State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.

Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. [For universities, the measures include Research and Service Expenditures and Degrees per 100 Full Time Enrollment. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out and Low-Income Completions and Degrees were not included in this review.

Findings or Observations: None

Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Chattanooga State Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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. However, a concern about the THEC data definition for Remedial and Development Success was identified. The college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were as follows:

Awards/Degrees per 100 Full Time Enrollment	17.83
Remedial and Developmental Success	2,875
Job Placement Rates	95%
Workforce Training Contact Hours	149,621

Cleveland State Community College
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary

Key Staff Person: Dr. Michael Stokes	Auditor: Alvin Bishop								
<p>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.</p>									
<p>Objective: The objective of the audit was to determine whether Cleveland State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>									
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, and Low-Income Completions and Degrees were not included in this review.</p>									
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Cleveland State Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year.</p>									
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Awards/Degrees per 100 Full Time Enrollment</td> <td>15.89</td> </tr> <tr> <td>Remedial and Developmental Success</td> <td>1023</td> </tr> <tr> <td>Job Placement Rates</td> <td>76%</td> </tr> <tr> <td>Workforce Training Contact Hours</td> <td>7596</td> </tr> </table>		Awards/Degrees per 100 Full Time Enrollment	15.89	Remedial and Developmental Success	1023	Job Placement Rates	76%	Workforce Training Contact Hours	7596
Awards/Degrees per 100 Full Time Enrollment	15.89								
Remedial and Developmental Success	1023								
Job Placement Rates	76%								
Workforce Training Contact Hours	7596								

Columbia State Community College
Complete College Tennessee Act (CCTA)
Efficiency and Other 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.

Objective:

The objective of the audit was to determine whether Columbia State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by the Tennessee Board of Regents (TBR) based on the institution’s supporting records.

Scope:

This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Awards/Degrees per 100 Full Time Enrollment, Job Placements, Remedial and Developmental Success, and Workforce Training Contact Hours. Three data elements of Transfers Out with 12 Hours, Low-Income Completions and Low-Income Degrees were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR. For the institutional data used in these calculations, there were no significant issues noted in the prior audits of progression and completion.

Audit Conclusion:

Based on audit tests performed on a sample of supporting data, the efficiency and other outcome measures reported to THEC for Columbia State Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 recommendations.

The college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were as follows:

Outcome Measure	Outcome
Awards/Degrees per 100 Full Time Enrollment	18.71
Job Placement Rates	77%
Remedial and Developmental Success	1,553
Workforce Training Contact Hours	63,095

Dyersburg State Community College
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary
Page 1 of 2

Key Staff Person: Vice President of Institutional Advancement, and the Director of Records	Auditor: DSCC Director of Internal Audit
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.	
Objective: The objective of the audit was to determine whether Dyersburg State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.	
Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, and Low-Income Completions and Low-Income Degrees were not included in this review.	
Observation: Institutional management should consult with THEC to evaluate the effect of certain inaccuracies previously reported resulting from inaccurate semesters used to calculate the Job Placement data. Better records of what is reported to THEC should be maintained. The audit test work did identify inaccuracies in the data submitted to THEC for the 2012 – 2013 Performance Funding year, based on the fact that inaccurate semesters were used for the compilation of the data for this time period. The employee who previously reported this information was consistently reporting based on DSCC academic years instead of calendar years, as per the THEC definition for this metric. This resulted in an over reporting of 34 graduates for the year being audited, 2012 -2013 (2011 calendar graduates). The actual number of placeable and placed graduates for the calendar year 2011 is unknown at this time. Also, incomplete documentation was kept for this reporting year. It is believed that the effect of this variance on the Performance Funding formula is not significant.	

Dyersburg State Community College
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary
Page 2 of 2

Audit Conclusion: Based on audit tests performed on a sample of data, the efficiency and other outcome measures reported to THEC for Dyersburg State Community College for the 2012 – 2013 academic year appeared accurate except as noted in the observation above. Also, the review of the system of internal controls over this data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported.

The outcomes reported by THEC for the 2012 – 2013 academic year for the college were as follows:

Dyersburg State Community College
Efficiency and Other Outcomes Reported by THEC
Academic Year 2012 – 2013

Type of Completion	Outcomes
Awards/Degrees per 100 Full Time Enrollment	14.70
Remedial and Developmental Success	1,198*
Job Placement Rates	93%
Workforce Training Contact Hours	7,114

**The amount reported by THEC did not agree with institutional data, however, the variance was insignificant.*

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

<p>Key Staff Person: Sara Cooper, Director of Institutional Research; Jack Laser, Director of Workforce Development</p>	<p>Auditor: Angie Brown, Director of Internal Audit</p>										
<p>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.</p>											
<p>Objective: The objective of the audit was to determine whether Jackson State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>											
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. The measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, Low-Income Completions and Degrees were not included in this review.</p>											
<p>Findings: The audit revealed no findings.</p>											
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Jackson State Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were as follows:</p>											
<p>Efficiency and Other Outcomes Reported by THEC Academic Year 2012-2013</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Type of Completion</th> <th style="text-align: left; padding: 5px;">Outcomes</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Awards/Degrees per 100 Full Time Enrollment</td> <td style="padding: 5px;">18.23</td> </tr> <tr> <td style="padding: 5px;">Remedial and Developmental Success</td> <td style="padding: 5px;">1,435</td> </tr> <tr> <td style="padding: 5px;">Job Placement Rates</td> <td style="padding: 5px;">94%</td> </tr> <tr> <td style="padding: 5px;">Workforce Training Contact Hours</td> <td style="padding: 5px;">17,853</td> </tr> </tbody> </table>		Type of Completion	Outcomes	Awards/Degrees per 100 Full Time Enrollment	18.23	Remedial and Developmental Success	1,435	Job Placement Rates	94%	Workforce Training Contact Hours	17,853
Type of Completion	Outcomes										
Awards/Degrees per 100 Full Time Enrollment	18.23										
Remedial and Developmental Success	1,435										
Job Placement Rates	94%										
Workforce Training Contact Hours	17,853										

Motlow State Community College
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary

	Auditor: Tammy Wiseman								
<p>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.</p>									
<p>Objective: The objective of the audit was to determine whether Motlow State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>									
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, and Low-Income Completions and Degrees were not included in this review.</p>									
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Motlow State Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were as follows.</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Awards/Degrees per 100 Full Time Enrollment</td> <td style="text-align: right;">18.7</td> </tr> <tr> <td>Remedial and Developmental Success</td> <td style="text-align: right;">1,620</td> </tr> <tr> <td>Job Placement Rates</td> <td style="text-align: right;">88%</td> </tr> <tr> <td>Workforce Training Contact Hours</td> <td style="text-align: right;">5,493</td> </tr> </table>		Awards/Degrees per 100 Full Time Enrollment	18.7	Remedial and Developmental Success	1,620	Job Placement Rates	88%	Workforce Training Contact Hours	5,493
Awards/Degrees per 100 Full Time Enrollment	18.7								
Remedial and Developmental Success	1,620								
Job Placement Rates	88%								
Workforce Training Contact Hours	5,493								

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

Key Staff Person: Dr. Ron Davis	Auditor: Patricia Feller								
<p>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.</p>									
<p>Objective: The objective of the audit was to determine whether Nashville State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>									
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, and Low-Income Completions and Degrees were not included in this review.</p>									
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Nashville State Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were as follows.</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <tr> <td style="padding: 2px 20px;">Awards/Degrees per 100 Full Time Enrollment</td> <td style="text-align: right; padding: 2px 20px;">11.21</td> </tr> <tr> <td style="padding: 2px 20px;">Remedial and Developmental Success</td> <td style="text-align: right; padding: 2px 20px;">3,152</td> </tr> <tr> <td style="padding: 2px 20px;">Job Placement Rates</td> <td style="text-align: right; padding: 2px 20px;">92%</td> </tr> <tr> <td style="padding: 2px 20px;">Workforce Training Contact Hours</td> <td style="text-align: right; padding: 2px 20px;">35,965</td> </tr> </table>		Awards/Degrees per 100 Full Time Enrollment	11.21	Remedial and Developmental Success	3,152	Job Placement Rates	92%	Workforce Training Contact Hours	35,965
Awards/Degrees per 100 Full Time Enrollment	11.21								
Remedial and Developmental Success	3,152								
Job Placement Rates	92%								
Workforce Training Contact Hours	35,965								

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

Key Staff: Registrar, Director of Workforce Solutions, Director of Career Services, Director Computing Technologies, Institutional Effectiveness Officer	Auditor: Christopher L. Hyder
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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.

Objective: The objective of the audit was to determine whether Northeast State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.

Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, Low-Income Completions, and Low-Income Degrees were not included in this review.

Audit Conclusion: Based on audit tests performed on a sample of supporting data, the efficiency and other outcome measures reported to THEC by the TBR for Northeast State Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were as follows:

Awards/Degrees per 100 Full Time Enrollment	18.36
Remedial and Developmental Success	2129
Job Placement Rates	92%
Workforce Training Contact Hours	6434

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

Key Staff Person: Registrar	Auditor: Suzanne L. Walker								
<p>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.</p>									
<p>Objective: The objective of the audit was to determine whether Pellissippi State’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>									
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, Low-Income Completions, and Low-Income Degrees were not included in this review.</p>									
<p>Observation: The College needs to adjust how it reports placement data. College employees reported data based upon their understanding of the THEC guideline. Based upon discussions with the Assistant Vice Chancellor of Academic Affairs at the Tennessee Board of Regents, it appears that their understanding was not the same interpretation that THEC had of the guideline. The Assistant Vice Chancellor stated that he would make every effort to see that the guidelines were clarified in the future.</p>									
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data, the efficiency and other outcome measures reported to THEC by the TBR for Pellissippi State for the 2012 – 2013 academic year appeared accurate except for the observation disclosed above. Also, the review of the system of internal controls over this data indicated that the College has established controls to provide reasonable assurance that the data is accurately reported. The College’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year were as follows:</p>									
<table style="width: 100%; border: none;"> <tr> <td style="padding: 2px 0 2px 20px;">Awards/Degrees per 100 Full Time Enrollment</td> <td style="text-align: right; padding: 2px 0 2px 20px;">16.90</td> </tr> <tr> <td style="padding: 2px 0 2px 20px;">Remedial and Developmental Success</td> <td style="text-align: right; padding: 2px 0 2px 20px;">3,140</td> </tr> <tr> <td style="padding: 2px 0 2px 20px;">Job Placement Rates</td> <td style="text-align: right; padding: 2px 0 2px 20px;">96%</td> </tr> <tr> <td style="padding: 2px 0 2px 20px;">Workforce Training Contact Hours</td> <td style="text-align: right; padding: 2px 0 2px 20px;">45,598</td> </tr> </table>		Awards/Degrees per 100 Full Time Enrollment	16.90	Remedial and Developmental Success	3,140	Job Placement Rates	96%	Workforce Training Contact Hours	45,598
Awards/Degrees per 100 Full Time Enrollment	16.90								
Remedial and Developmental Success	3,140								
Job Placement Rates	96%								
Workforce Training Contact Hours	45,598								

Roane State Community College
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary

Key Staff Person: Various	Auditor: Blayne Clements, CIA, CFE, CRMA								
<p>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.</p>									
<p>Objective: The objective of the audit was to determine whether Roane State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>									
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, and Low-Income Completions and Low-Income Degrees were not included in this review.</p>									
<p>Findings : None</p>									
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Roane State Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year include the following:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Awards/Degrees per 100 Full Time Enrollment</td> <td>20.24</td> </tr> <tr> <td>Remedial and Developmental Success</td> <td>1,767</td> </tr> <tr> <td>Job Placement Rates</td> <td>98%</td> </tr> <tr> <td>Workforce Training Contact Hours</td> <td>116,535</td> </tr> </table>		Awards/Degrees per 100 Full Time Enrollment	20.24	Remedial and Developmental Success	1,767	Job Placement Rates	98%	Workforce Training Contact Hours	116,535
Awards/Degrees per 100 Full Time Enrollment	20.24								
Remedial and Developmental Success	1,767								
Job Placement Rates	98%								
Workforce Training Contact Hours	116,535								

**Southwest Tennessee Community College
Complete College Tennessee Act (CCTA)
Efficiency and Other Outcomes for Academic Year 2012 – 2013
Executive Summary**

Key Staff Person: Donald C. Myers, Director	Auditor: Charlotte Johnson, Internal Auditor
<p>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.</p>	
<p>Objective: The objective of the audit was to determine whether Southwest Tennessee Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>	
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Enrollment, Job Placements and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR; for the institutional data that is also used in these calculations. Therefore, Transfers Out, and Low-Income and Degrees were not included in this review.</p>	
<p>Findings : None</p>	
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data the efficiency and other outcome measures reported to THEC by the TBR for Southwest Tennessee Community College for the 2012 – 2013 academic year appeared accurate. Also, the review of the system of internal controls over this 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 college’s efficiency and other outcomes reported by THEC for the 2012 – 2013 academic year:</p>	
Awards/Degrees per 100 Full Time Enrollment	11.90
Remedial and Developmental Success	4,740
Job Placement Rates	90%
Workforce Training Contact Hours	75,008

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

<p>Key Staff Person: Office for Institutional Effectiveness, Research, Planning, and Assessment Office for Continuing Education and Economic Development</p>	<p>Auditor: Nancy Batson</p>								
<p>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.</p>									
<p>Objective: The objective of the audit was to determine whether Volunteer State Community College’s internal controls provide reasonable assurance that efficiency and other outcome data was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>									
<p>Scope: This audit included efficiency and other outcome measures from the 2012-2013 academic year. For community colleges, the measures include Remedial and Developmental Success, Awards/Degrees per 100 Full Time Equivalent (FTE) Enrollment, Job Placements, and Workforce Training Contact Hours. Three data elements were not included in this audit because they are determined by THEC using data collected from other sources, which is outside the audit authority of TBR. For the institutional data that is also used in these calculations, there were no significant issues noted in the prior audits. Therefore, Transfers Out, Low-Income Completions, and Low-Income Degrees were not included in this review.</p>									
<p>Audit Conclusion: Based on audit tests performed on a sample of supporting data, the efficiency and other outcome measures reported to THEC by the TBR for Volunteer State Community College for the 2012-2013 academic year appeared accurate. Also, the review of the system of internal controls over this data indicated that the College has established controls to provide reasonable assurance that the data is accurately reported.</p> <p>The audit did note that the THEC operational definition for the Remedial and Developmental Success data element should be updated to reflect their methodology in use, but no matters were revealed warranting audit findings or observations.</p> <p>The College’s efficiency and other outcomes reported by THEC for the 2012-2013 academic year were as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Awards/Degrees per 100 Full Time Enrollment</td> <td style="text-align: right;">16</td> </tr> <tr> <td>Remedial and Developmental Success</td> <td style="text-align: right;">2,426</td> </tr> <tr> <td>Job Placement Rates</td> <td style="text-align: right;">448</td> </tr> <tr> <td>Workforce Training Contact Hours</td> <td style="text-align: right;">74,639</td> </tr> </table>		Awards/Degrees per 100 Full Time Enrollment	16	Remedial and Developmental Success	2,426	Job Placement Rates	448	Workforce Training Contact Hours	74,639
Awards/Degrees per 100 Full Time Enrollment	16								
Remedial and Developmental Success	2,426								
Job Placement Rates	448								
Workforce Training Contact Hours	74,639								

WSCC Executive Summary will be presented at a later date.

**Tennessee Board of Regents
Committee on Audit**

DATE: May 27, 2015

AGENDA ITEM: **Legislation Regarding Notification of Security Issues**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

The committee will discuss Public Chapter 42 passed by the legislature this year and signed into law on March 27, 2015. The statute requires that “any confirmed or suspected unauthorized acquisitions of computerized data and any confirmed or suspected breach of a computer information system or related security system established to safeguard the data and computer information system.” be reported to the Comptroller of the Treasury within 5 days.



State of Tennessee

PUBLIC CHAPTER NO. 42

SENATE BILL NO. 416

By Bowling

Substituted for: House Bill No. 193

By Wilburn

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 4, Part 1, relative to governmental computer information systems.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-4-119, is amended by inserting the following language as a new subsection (c) and redesignating the remaining subsections accordingly:

(c)(1) Any state agency shall, within a reasonable amount of time, notify the comptroller of the treasury of any confirmed or suspected unauthorized acquisition of computerized data and any confirmed or suspected breach of a computer information system or related security system established to safeguard the data and computer information system.

(2) For purposes of subdivision (c)(1):

(A) "Breach" does not include individual occurrences of malware or spyware;

(B) "Computer information system" and "related security system" mean those computer information systems and security system infrastructures operated and administered by the state agency or an entity with which the state agency contracts for such operation and administration; and

(C) "Reasonable amount of time" means any amount of time that is reasonable under the particular circumstances, but shall not under any circumstances exceed five (5) working days.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 416

PASSED: March 16, 2015



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 27th day of March 2015



BILL HASLAM, GOVERNOR

**Tennessee Board of Regents
Committee on Audit**

DATE: May 27, 2015

AGENDA ITEM: **Review of Revisions to Fiscal Year 2015
Audit Plans**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Voice Vote

STAFF'S RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The Office of Internal Audit at each campus and the system office prepares 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. The audit plans include required audits, risk-based audits, known investigations and special requests or projects. During the year, changes in audit priorities and staffing may result in alterations to the plan. Audit plans for the offices listed below have been revised for this period; each revised plan is included in this report. There is no revision for Roane State Community College because the position is currently vacant.

Austin Peay State University
East Tennessee State University
Middle Tennessee State University
Tennessee State University
Tennessee Tech University
University of Memphis
Chattanooga State Community
College
Cleveland State Community College
Columbia State Community College
Dyersburg State Community College
Jackson State Community College
Motlow State Community College

Nashville State Community College
Northeast State Community College
Pellissippi State Community College
Southwest Tennessee Community College
Volunteer State Community College
Walters State Community College
Tennessee Board of Regents --
System-wide Internal Audit
Information Systems
TCATs
Investigations

Tennessee Board of Regents
Summary of Significant Revisions to the Fiscal Year 2015 Audit Plans
From February 1, 2015 through April 30, 2015

Institution	Significant Revisions to Plan Since January 31, 2015
East Tennessee State University	<ul style="list-style-type: none"> • One investigation was added, as well as a special request by management to conduct a review of the Medical Library.
Middle Tennessee State University	<ul style="list-style-type: none"> • Three investigations were added to the plan. • Budgets for two audits were increased by a combined 430 hours because of changes in personnel and the volume of detailed records being reviewed.
Chattanooga State Community College	<ul style="list-style-type: none"> • The departure of the staff auditor resulted in fewer audit hours; therefore, two risk based audits were removed from the plan.

Institutions with No Significant Revisions for this Quarter

Austin Peay State University
Tennessee State University
Tennessee Technological University
University of Memphis
Chattanooga State Community College
Columbia State Community College
Dyersburg State Community College
Jackson State Community College
Motlow State Community College
Nashville State Community College
Northeast State Community College
Pellissippi State Community College
Volunteer State Community College
Walters State Community College
TBR SWIA – System Office
TBR System-wide Information Systems
TBR System-wide Tennessee Colleges of Applied Technology
TBR System-wide Investigations

**Austin Peay State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015**

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	OVC Spec Asst/Stud Ath Opp Fund	125	125	0	0%	120	5	4%	August 2014	Completed	
Required by State Au	F	FM	State Audit Follow-Up	100	100	0	0%	25	75	75%	June 2015	In Progress	
Required by TBR	M	IS	Risk Assessment-Institutional Support	75	75	0	0%	45	30	40%	May 2015	In Progress	
Required by TBR	M	FM	Risk Assessment-Ancillary and Auxilliary	75	75	0	0%	45	30	40%	May 2015	In Progress	
Required by TBR	M	IA	Risk Assessment-Inst & Acad Support	75	75	0	0%	45	30	40%	May 2015	In Progress	
Required by IIA	R	IS	Quality Assessment Review	25	25	0	0%		25	100%	June 2015	Scheduled	
Required by TBR	R	SS	CCTA Funding Formula-Completion	250	75	(175)	-70%	FN 1	60	15	20%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	75	(75)	-50%	FN 2	70	5	7%	May 2015	Completed
Brought forward	S	SS	Higher Education Act Compliance	250	225	(25)	-10%		185	40	18%	June 2015	In Progress
Special Request	S	IA	Study Abroad Programs	250	250	0	0%			250	100%	June 2015	Scheduled
Investigation	I	IS	Unscheduled Investigations	150	150	0	0%		60	90	60%	May 2015	In Progress
Consulting	C	FM	UBIT and Sales Tax reporting	200	200	0	0%		40	160	80%	May 2015	In Progress
Consulting	C	IS	General Consultation	200	300	100	50%		275	25	8%	June 2015	In Progress
Ongoing	P	FM	Procurement Card-Review	150	150	0	0%		175	(25)	-17%	Ongoing	In Progress
Ongoing	P	FM	Travel Claim Review-Ongoing	300	300	0	0%		325	(25)	-8%	Ongoing	In Progress
1	A	PP	Emergency Preparedness	150	150	0	0%			150	100%	June 2015	Scheduled
			Totals	2525	2350				1470				

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:

¹ Original budget hours included previous year hours

² Overestimated time to complete

East Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015

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	Completed	
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	200	0	0%	18	182	91%	May 2015	In Progress	
Required by State Audit	R	FM	Cash Counts/Inventories	40	40	0	0%		40	100%	June 2015	Scheduled	
Required by CPB	R	FM	WETS-FM	250	250	0	0%	158	92	37%	December 2014	Completed	
Required by Bank	R	IT	NACHA Web Transactions Data Security	125	125	0	0%		125	100%	May 2015	Scheduled	
	F	FM	State Audit Follow-Up	20	0	(20)	-100%	FN 8	0	100%	-	Removed	
	F	IS	Internal Audit Follow-Ups	425	425	0	0%		374	51	12%	Various	In Progress
	M	FM	Risk Assessments	40	40	0	0%		40	100%	May 2015	Scheduled	
Brought forward	I	IA	Investigation 14-02	50	100	50	100%	FN 3	122	(22)	-22%	November 2014	Completed
Brought forward	I	IA	Investigation 14-04	50	50	0	0%		3	47	94%	July 2014	Completed
Brought forward	I	AT	Investigation 14-05	150	250	100	67%	FN 10	223.5	27	11%	November 2014	Completed
	I	IA	Investigation 15-01		15	15	100%		20.5	(6)	-37%	January 2015	Completed
	I	SS	Investigation 15-02		20	20	100%		14.5	6	28%	October 2014	Completed
	I	IS	Investigation 15-03		35	35	100%	FN 6	29.5	6	16%	May 2015	In Progress
	I	PP	Investigation 15-04		40	40	100%	FN 6	32	8	20%	May 2015	In Progress
	I	IA	Investigation 15-05		350	350	100%	FN 12	302.5	48	14%	May 2015	In Progress
	I	IS	Unscheduled Investigations	100	0	(100)	-100%	FN 11		0	100%	-	Removed
	C	IS	General Consultation	75	75	0	0%		28	47	63%	Ongoing	In Progress
	C	IT	IT Consulting	75	75	0	0%		160.5	(86)	-114%	Ongoing	In Progress
	P	IT	PCI Compliance Scans	250	250	0	0%			250	100%	Ongoing	Scheduled
	P	IS	Automated Workpapers Project		75	75	100%		41.5	34	45%	Ongoing	In Progress
Special request	S	SS	Student/University Health Billing Practices	250	250	0	0%		201	49	20%	May 2015	In Progress
Special request	S	FM	University Advancement		200	200	100%	FN 2	71	129	65%	June 2015	In Progress
Special request	S	IT	PCI Compliance Readiness Audit		200	200	100%	FN 4	210.5	(11)	-5%	March 2015	Completed
Special request	S	IT	Third Party Server Audit		150	150	100%	FN 5	101	49	33%	May 2015	In Progress
Special request	S	IA	Medical Library		175	175	100%	FN 12	9	166	100%	June 2015	In Progress
Brought forward	A	FM	Travel	250	400	150	60%	FN 7	371.5	29	7%	May 2015	In Progress
Brought forward	A	IS	Natural History Museum		25	25	100%	FN 1	23	2	8%	October 2014	Completed
1T	A	AD	Professional Development	200	0	(200)	-100%	FN 6		0	100%	-	Removed
1T	A	FM	Technology Access Fee	200	200	0	0%		158	42	21%	June 2015	In Progress
1T (IT)	A	IT	Backup & Recovery of OIT Processes & Data	200	0	(200)	-100%	FN 5		0	100%	-	Removed
1T (IT)	A	IT	Incident Readiness & Response	200	200	0	0%		181	19	10%	September 2014	Completed
2	A	AT	NCAA Compliance	300	300	0	0%		106	194	65%	June 2015	In Progress
2 (IT)	A	IT	Web Application Security	150	150	0	0%			150	100%	June 2015	Scheduled
3	A	FM	Contracts & Agreements	250	250	0	0%		9	241	96%	June 2015	In Progress
3 (IT)	A	IT	OIT Policies & Procedures Review	175	175	0	0%		143.5	32	18%	June 2015	In Progress
4T	A	SS	Financial Aid Administration	300	300	0	0%		69	231	77%	June 2015	In Progress
4T	A	PP	Physical Plant	300	0	(300)	-100%	FN 9		0	100%	-	Removed
4T	A	FM	Cash Receipts/Bursar	250	0	(250)	-100%	FN 2		0	100%	-	Removed
			Totals	4975	5490				3216				

Estimate-Hours Available For Audits = 4385 (2 staff auditors and 1 IT auditor for 12 months plus one staff auditor for 9 months)

T--Tie

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 - Budget hours were exceeded due to concerns from management that arose during the audit report process resulting in numerous revisions.

FN 4 - Previous audit, named Network Security, was changed to PCI Compliance Readiness Audit to properly clarify the scope of the audit. This PCI audit was requested by IT management because of the new PCI requirements effective 1/1/15.

FN 5 - Backup & Recovery of OIT Processes removed due to a Third Party Server audit special request by the ITGC committee due to concerns that arose in the past and the high risk associated with outside vendors.

FN 6 - Professional Development audit removed due to two investigations.

FN 7 - Increased travel audit hours due to a change in audit personnel

FN 8 - Removed since there were no State Audit findings.

FN 9 - Physical Plant audit was removed due to vacant staff position for approximately 3 months

FN 10 - Original budget hours were exceeded because of multiple issues that arose during the course of the review.

FN 11 - Hours budgeted for unscheduled investigations were reallocated to the four new investigations opened in FY 2015.

FN 12 - The Medical Library special request audit and one investigation was added since the January 31, 2015 audit plan revision. No schedule audits were available to remove.

**Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 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			
Requested by Management	R	FM	Cash Counts	50	250	200	400%	(5)(6)	225	25	10%	June 2015	In Progress
Requested by Management	R	FM	Year-End Inventory Observations	200	190	(10)	-5%		190	0	0%	August 20, 2014	Completed
Brought Forward, Required by TBR	R	SS	Funding Formula-Completion 2013 Data	0	13	13	0%	(1)	13	0	0%	July 24, 2014	Completed
Brought Forward, Required by TBR	R	SS	Funding Formula-Transfers & Others	200	200	0	0%		94	106	53%	May 2015	In Progress
Required by TBR	M	IS	Risk Assessment	50	50	0	0%		7	43	86%	May 2015	In Progress
	F	FM	State Audit Follow-Up or Assistance	50	50	0	0%		7	43	86%	June 2015	In Progress
Project Added	P	IS	Project Electronic Work Papers	0	250	250	0%	(5)	139	111	44%	June 2015	In Progress
Required by NCAA	R	AT	Football Attendance Fall 2014	250	237	(13)	-5%	(9)	237	0	0%	February 9, 2015	Completed
Management	P	FM	Special Reviews (Cash Shortage Reviews)	50	50	0	0%		0	50	100%	June 2015	Scheduled
Consulting	C	FM	Assisting with President's Expense Audit	50	50	0	0%		30	20	40%	June 2015	In Progress
Consulting	C	IS	General Consultation	150	100	(50)	-33%	(5)(10)	55	45	45%	June 2015	In Progress
Consulting	C	IS	Consulting: Blue Print Solutions	0	200	200	0%	(2)	190	10	5%	June 2015	In Progress
Consulting	C	IA	Consulting: Tucker Theatre	0	220	220	0%	(5)(7)	190	30	14%	June 2015	In Progress
Follow-up	F	IS	Follow-up of Prior Recommendations	100	45	(55)	-55%		0	45	100%	June 2015	In Progress
Brought Forward, Follow-up	F	IT	Follow-up: Classroom Technology	0	7	7	0%		7	0	0%	August 6, 2014	Completed
Follow-up	F	IA	Follow-up: Dance Program	0	293	293	0%	(5)	293	0	0%	March 30, 2015	Completed
Brought forward	I	SS	Investigation 14-02	150	250	100	67%	(10)(11)	199	51	20%	June 2015	In Progress
Brought forward	I	SS	Investigation 12-04	0	60	60	0%	(1)	14	46	77%	June 2015	In Progress
Brought forward	I	IA	Investigation 13-01	0	60	60	0%	(1)	11	49	82%	June 2015	In Progress
Brought forward	I	IS	Investigation 13-03	0	48	48	0%	(1)	48	0	0%	February 27, 2015	Completed
Brought forward	I	PP	Investigation 13-04	0	60	60	0%	(1)	9	51	85%	June 2015	In Progress
Special Request	I	IS	Unscheduled Investigations	500	0	(500)	-100%	(1)	0	0	0%	n/a	Removed (1)
Investigation	I	IS	Investigation 15-01	0	150	150	0%	(1)(5)	84	66	44%	June 2015	In Progress
Investigation	I	IS	Investigation 15-02	0	150	150	0%	(1)(5)	101	49	33%	June 2015	In Progress
Investigation	I	AT	Investigation 15-03	0	30	30	0%	(9)	30	0	0%	March 31, 2015	Completed
Investigation	I	IA	Investigation 15-04	0	75	75	0%	(9)	9	66	88%	June 2015	In Progress
Investigation	I	IA	Investigation 15-05	0	32	32	0%	(9)	0	32	100%	June 2015	In Progress
Brought forward, Special Request	S	IA	Pcard Departmental Review	0	30	30	0%	(3)	16	14	47%	June 2015	In Progress
Special Request	S	IS	Assisting a Dept. with Caller Complaint	0	40	40	0%	(4)	40	0	0%	October 31, 2014	Completed
Special Request	S	RS	Confucius Institute	0	200	200	0%	(8)	80	120	60%	June 2015	In Progress
1	A	FM	Rental Property Management	250	580	330	132%	(12)	465	115	20%	June 2015	In Progress
2	A	FM	Food Service Commissions	250	0	(250)	-100%	(5)	0	0	0%	n/a	Removed (5)
3T	A	AT	Athletic Concessions Revenue	250	0	(250)	-100%	(5)	0	0	0%	n/a	Removed (5)
3T	A	FM	Blue Print Solutions	200	0	(200)	-100%	(2)	0	0	0%	n/a	Removed (2)
4T	A	RS	Research Sponsored Programs	250	0	(250)	-100%	(5)	0	0	0%	n/a	Removed (5)
4T	A	AT	Athletic Camps and Clinics	250	0	(250)	-100%	(5)	0	0	0%	n/a	Removed (5)
5T	A	AD	Foundation	250	0	(250)	-100%	(5)	0	0	0%	n/a	Removed (5)
5T	A	AD	Development	250	0	(250)	-100%	(5)	0	0	0%	n/a	Removed (5)
6T	A	AT	Athletics (Eligibility)	220	0	(220)	-100%	(5)	0	0	0%	n/a	Removed (5)
			Totals	3970	3970				2783				

Estimated Hours Available For Audits = 3,860 which excludes 1,200 contract audit hours. (4 audit staff) Don't expect to use all the 1,200 contract audit hours.

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 Assessm	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 and for new investigations started in FY2015.
- (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.
- (4) Assisted another department with complaints received from phone call. The caller kept contacting the audit department.
- (5) Planned project canceled to allocate the audit hours to another project that was requested by management or taking additional audit hours.
- (6) There were not enough hours included in the original budget to perform surprise counts at each location and for FY 2015 counts.
- (7) Assisted department with procedures for cash receipting and recording of expenses for a new computerized ticketing system.
- (8) Requested by management and the funding agency. Audit hours increased to complete planned work.
- (9) Investigation added and audit hours reallocated from time not used for completed and/or canceled projects.
- (10) Audit hours reduced to reallocated hours to investigation requiring additional time.
- (11) Project requiring more time to complete due to disorder of records.
- (12) Project requiring more time to complete due to changes in personnel and volume of detailed documentation.

Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015

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	NCAA Student Assistance Fund	125	125	0	0%	125	0	0%	September 2014	Completed
Required by State Audit	F	IT	State Audit Follow-Up 2014	175	175	0	0%	30	145	83%	July 2015	
	M	SS	Risk Assessment-Student Services	50	50	0	0%	20	30	60%	May 2015	In Progress
	M	PP	Risk Assessment-Physical Plant	50	50	0	0%	20	30	60%	May 2015	In Progress
	M	RS	Risk Assessment-Research	50	50	0	0%	20	30	60%	May 2015	In Progress
	P	IS	Quality Assessment Review	25	25	0	0%	25	0	0%	February 2015	Completed
Brought forward	I	IS	Investigation 14-02	100	100	0	0%	45	55	55%	March 2015	In Progress
	I	IS	Investigation 15-01	100	100	0	0%	85	15	15%	November 2014	Completed
	I	SS	Investigation 15-02	100	100	0	0%	90	10	10%	November 2014	Completed
	I	IA	Investigation 15-03	220	250	30	14%	245	5	2%	March 2015	In Progress
	I	IS	Investigation 15-04	20	20	0	0%	20	0	0%	January 2015	Completed
	I	IS	Investigation 15-05	0	100	100	N/A	50	50	50%	July 2015	In Progress
	I	SS	Investigation 15-06	0	400	400	N/A	280	120	30%	May 2015	In Progress
	P	FM	Cash Counts	10	10	0	0%	10	0	0%	June 2015	Completed
	I	FM	Unscheduled Investigations	50	5	(45)	-90%	5	0	0%	June 2015	
	C	FM	Consultation-Conflict of Interest	100	100	0	0%	80	20	20%	June 2015	In Progress
	C	IA	General Consultation	300	275	(25)	-8%	275	0	0%	June 2015	
Required by TBR	R	SS	CCTA Funding Formula-Completion	225	225	0	0%	215	10	4%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	250	250	0	0%	240	10	4%	May 2015	Completed
1	A	IS	Evidence Room	200	125	(75)	-38%	25	100	80%	June 2015	
2	A	IT	Disaster Recovery	225	0	(225)	N/A	0	0	N/A	June 2015	Removed
3	A	FM	Payroll	200	100	(100)	-50%	0	100	100%	May 2015	
4	A	SS	Financial Aid	0	100	100	N/A	25	75	75%	April 2015	
Brought forward	R	IS	Human Resources	75	75	0	0%	35	40	53%	June 2015	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	20	30	60%	April 2015	Completed
			Totals	2675	2885			2002				

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:

(1) Based upon two most recent State Audits, and other assessed risks, certain aspects of Financial Aid (Return to Title IV, Work-Study, and others) were increased in our risk assessment. We plan to reduce the planned scope of our Payroll procedures, if necessary.

Tennessee Tech University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 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	FM	President's Expenses	200	200	0	0%		243.5	(44)	-22%	October 2014	Completed
Required	R	SS	CCTA Funding Formula-Completion (2013 Data)	120	120	0	0%		102.5	18	15%	July 2014	Completed
Required	R	SS	CCTA Funding Formula-Transfers & Other	120	95	(25)	-21%	FN 4	62	33	35%	May 2015	In Progress
Required	F	FM	State Audit Follow-Up	60	60	0	0%	FN 4	75	(15)	-25%	December 2014	Completed
Required	M	RS	Risk Assessment-Research	25	25	0	0%		15	10	40%	May 2015	In Progress
Required	M	SS	Risk Assessment-Student Services	25	25	0	0%		30	(5)	-20%	May 2015	In Progress
Required	M	IS	Risk Assessment-Institutional Support	35	35	0	0%		15	20	57%	May 2015	In Progress
Required	M	IS	Risk Assessment-Enterprise-wide	35	35	0	0%		11	24	69%	May 2015	In Progress
Required	R	IS	Follow-Up to Internal Audits	50	50	0	0%		40	10	20%	TBD	In Progress
Required	I	IS	Unscheduled Investigations	200	65	(135)	-68%	FN 5	0	65	100%	TBD	Scheduled
Required	I	IS	Investigation 15-01	0	5	5	100%	FN 5	5	0	0%	October 2014	Completed
Required	I	IS	Investigation 15-02	0	8.5	9	100%	FN 5	8.5	0	0%	November 2014	Completed
Required	I	IS	Investigation 15-03	0	1.5	2	100%	FN 5	1.5	0	0%	December 2014	Completed
Required	I	IA	Investigation 15-04	0	45	45	100%	FN 5	45	0	0%	April 2015	Completed
Required	I	IT	Investigation 15-05 & 15-06	0	60	60	100%	FN 5	39	21	35%	June 2015	In Progress
Required	I	IT	Investigation 15-07	0	10	10	100%	FN 5	10	0	0%	April 2015	Completed
Required	I	IT	Investigation 15-08	0	5	5	100%	FN 5	5	0	0%	April 2015	Completed
Required	C	IS	General Consultation	50	25	(25)	-50%	FN 11	8	17	68%	TBD	In Progress
Mgmt Req	C	IA	Nursing Consultation	0	60	60	100%	FN 11	8	52	87%	June 2015	In Progress
Brought Forward	A	FM	Equipment	150	360	210	140%	FN 2	360	0	0%	April 2015	Completed
Brought Forward	A	IT	Payment Card Industry	100	100	0	0%	FN 4	40	60	60%	June 2015	In Progress
Required	R	FM	Inventory Observations	75	90	15	20%	FN 3	51	39	43%	August 2014	Completed
Required	R	AT	Student Assistance Funds	75	75	0	0%		73	2	3%	August 2014	Completed
Mgmt Req	P	FM	Procard Reviews	350	710	360	103%	FN 8	687	23	3%	June 2015	In Progress
Mgmt Req	P	RS	Sponsored Program Review	180	300	120	67%	FN 8	41	259	86%	June 2015	In Progress
	P	IS	Electronic Work Papers	0	120	120	100%	FN 6	103	17	14%	June 2015	In Progress
1	A	IS	Minors on Campus	0	250	250	100%	FN 1, 4	71	179	72%	July 2015	In Progress
2	A	FM	Accounts Receivable	250	440	190	76%	FN 2, 4	413	27	6%	May 2015	In Progress
3	A	FM	Receipts	250	0	(250)	-100%	FN 4, 10	0	0		No longer scheduled	Removed
3T, 10	A	FM	Procard	150	0	(150)	-100%	FN 7	0	0		No longer scheduled	Removed
Required	M	AD	Risk Assessment-Advancement	25	0	(25)	-100%	FN 9	0	0		No longer scheduled	Removed
			Totals	2525	3375				2563				

Estimate-Hours Available For Audits = 3040 (2 audit staff and part of Administrative Associate's time) - see note 8

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 Minors on Campus audit was added to the universe at the President's request and ranked #1 after the risk analysis revision.

2 The Equipment and A/R audits have required significantly more time. They are significantly more complicated than in years past, requiring much more testwork.

3 Many of the Inventory Observation hours will be spent in June 2015 working toward the Inventory Observations audit that will be published in August 2016.

4 The anticipated completion date has changed.

5 As investigations surface, the hours spent on specific investigations reducing the unscheduled investigations budgeted hours and are added to the specific investigation.

6 Served on team to evaluate automated work papers for TBR auditors group. It was an estimated budget number; the actual time spent was less due to other priorities.

7 Risk analysis revision (due to marked increase in number and depth of reviews) moved Procard Audit from #3T to #10.

8 Adm. Ass has been able to spend less time on administrative duties than anticipated, allowing more time for Procard and other needed reviews and adding to our available audit hours-up to 3040 from 2490.

9 This area's ERM was rescheduled to 2015-16 because of actual and anticipated key personnel changes.

10 This area was removed because increases in equipment, accounts receivable, and other audits' hours left us without sufficient time to complete the audit in 2014-15.

11 A general Nursing consultation has evolved into a more significant project, and it appears that general consulting overall will not consume the hours originally budgeted.

University of Memphis
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of 04/30/2015

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			
1T	A	AD	Risk Assessment-Review of Internal Controls-Risk Footprints-Advancement	350	125	(225)	-64%	FN 4	124	1	1%	October 2014	Completed
1T	A	IT	Risk Assessment-Review of Internal Controls-Risk Footprints-Information Technology	350	0	(350)	-100%	FN 10		0		May 2015	Canceled
1T	A	RS	Risk Assessment-Review of Internal Controls-Risk Footprints-Research	400	185	(215)	-54%	FN 4	182	3	2%	January 2015	Completed
2	A	AX	Hotel Conference Center-Management Contract (Holiday Inn & Conference Center)	300	300	0	0%		260	40	13%	January 2015	Completed
3T	A	FM	Data Analytics-Payroll & Accounts Payable (Continuous)	350	350	0	0%	FN 11	215	135	39%	June 2015	In Progress
3T	A	FM	Fixed Assets (Continuous)	330	330	0	0%		286	44	13%	June 2015	In Progress
3T	A	FM	Procurement Cards (Continuous)	350	350	0	0%		288	62	18%	June 2015	In Progress
4T	A	FM	International Travel	200	120	(80)	-40%	FN 4	115	5	4%	October 2014	Completed
4T	A	FM	Lambuth Campus	250	250	0	0%	FN 7	272	(22)	-9%	March 2015	Completed
5	A	IT	Information Technology-Data Security-Mobile Devices (Laptop Encryption, etc)	300	0	(300)	-100%	FN 6		0			Canceled
6	A	IT	Information Technology-PCI Compliance (Credit Card Processing)	250	0	(250)	-100%	FN 6		0			Canceled
7	A	SS	Study Abroad Program & International Area	350	350	0	0%		356	(6)	-2%	May 2015	In Progress
8	A	AT	Athletics Ticket Distribution - Compliance with TBR and UOM Policies	150	250	100	67%	FN 12	110	192	77%	June 2015	In Progress
	S	RS	Confucius Institute	0	120	120	100%	FN 9	96	24	20%	July 2015	In Progress
	C	IT	Network Security Port Controls	0	120	120	100%	FN 8	86	34	28%	January 2015	Completed
	S	FM	Government Relations	0	120	120	100%	FN 8	80	40	33%	December 2014	Completed
	F	IT	Follow-up State IT Audit	0	250	250	100%	FN 5	190	60	24%	May 2015	In Progress
	C	IS	General Consultation (includes attorney client projects)	200	400	200	100%	FN 1	241	159	40%		In Progress
	C	IT	General Consultation - IT	100	500	400	400%	FN 2	517	(17)	-3%		In Progress
	F	FM	Follow-up FY14 Audits	100	130	30	30%		115	15	12%	June 2015	In Progress
	F	FM	Follow-up State Audit Findings FY13	100	100	0	0%		108	(8)	-8%	July 2014	Completed
	M	FM	Risk Assessment-Financial Management	80	80	0	0%		55	25	31%	May 2015	In Progress
	P	FM	W2 Process-Returned Addresses (Mang Request)	80	80	0	0%		65	15	19%	June 2015	In Progress
	R	FM	Inventory Observation for State Auditors (Mang Request)	80	80	0	0%		38	42	53%	June 2015	In Progress
	R	FM	Cash Counts for State Auditors (Mang Request)	0	120	120	100%	FN 3	92	28	23%	June 2015	In Progress
	R	IT	Information Technology-ACH (Bank Contract)-NACHA	80	80	0	0%		52	28	35%	June 2015	In Progress
	R	SS	CCTA Funding Formula-Part 3	150	150	0	0%		122	28	19%	May 2015	In Progress
	I	IS	Unscheduled Investigations	400	400	0	0%		369	31	8%		
	I	PP	15-001	0	20	20	100%		16	4	20%	Sept 2014	Completed
	I	PP	15-002	0	5	5	100%		5	0	0%	Sept 2014	Referred
	I	IA	15-003	0	45	45	100%		40	5	11%	Nov 2014	Completed
	I	IS	15-004	0	5	5	100%		5	0	0%	Sept 2014	Referred
	I	IA	15-005	0	100	100	100%		86	14	14%	March 2015	Completed
	I	IA	15-006	0	5	5	100%		13	(8)	-160%	December 2014	Referred
	I	IA	15-007	0	120	120	100%		122	(2)	-2%	April 2015	Completed
	I	IS	15-008	0	35	35	100%		28	7	20%	June 2015	In Progress
	I	PP	15-009	0	60	60	100%		54	6	10%	June 2015	In Progress
			Totals	5,300	5,340				4,434				

Estimate-Hours Available For Audits = 5,320 (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 State IT audit.
- [3] Cash count process added per Management request to assist State Auditors.
- [4] Audit actual hours were lower than estimated. Hours allocated to other audits and projects requested by Management.
- [5] Additional hours per Management request for follow-up to State IT audit.
- [6] Audit canceled. Per Management request IT hours allocated to follow-up with State IT audit. These IT areas were partially covered by the state IT audit.
- [7] Scope expanded to include additional areas per Management request.
- [8] Special request from Management.
- [9] Special request from Management due to audit request from outside funding source. Moved to Legal. IA will provide assistance.
- [10] All areas on the UOM IT risk assessment were audited by the State IT Audit group. (very broad & comprehensive IT audit by State IT audit group. UOM Management agreed & hours reallocated to other audits & projects.
- [11] Hours reallocated to other audits and projects per Management request.
- [12] Scope expanded to include other ticket office areas. Change in management.

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 April 30, 2015

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	30	30	0	0%	1	29	97%	June 2015	Scheduled	
Required by TBR	R	SS	CCTA Funding Formula-Completion	40	40	0	0%	40	0	0%	July 2014	Completed	
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	125	125	0	0%	41	84	67%	May 8, 2015	Scheduled	
Required by TBR	M	SS	Risk Assessment-Student Services	40	40	0	0%	2	38	95%	May 2015	Scheduled	
Special Request	P	IS	Special Project - Electronic Workpapers	50	50	0	0%	50	0	0%	December 2014	Completed	
Special Request	P	IS	Special Project - Audit Software	100	140	40	40%	FN 1	115	25	18%	June 2015	In Progress
Special Request	S	IS	Volkswagon Academy	160	160	0	0%		36	124	78%	June 2015	In Progress
	R	FM	Year End Cash Counts and Inv FYE 2014	8	8	0	0%		7	1	13%	July 2014	Completed
	R	FM	Year End Cash Counts and Inv FYE 2015	22	22	0	0%		0	22	100%	June 2015	Scheduled
	I	IS	Unscheduled Investigations	160	160	0	0%		100	60	38%	TBD	In Progress
	C	IS	General Consultation	80	120	40	50%	FN 2	79	41	34%	June 2015	In Progress
	F	IS	Follow-up Reviews	100	100	0	0%		33	67	67%	TBD	In Progress
Management Request	S	PP	Police Department Compliant Review	80	80	0	0%		79	1	1%	December 2014	Completed
Management Request	S	IT	NACHA Security Audit	0	0	0	0%		0	0	0%	March 2015	Removed
Management Request	C	IA	Continuing Education Business Processes - Staffing, Fees, Class Development	120	120	0	0%		145	(25)	-21%	August 2014	Completed
Brought forward	A	AT	Athletic Eligibility	85	85	0	0%		85	0	0%	December 2014	Completed
Brought forward	A	AT	Athletic Financial Aid	15	15	0	0%		25	(10)	-67%	September 2014	Completed
Brought forward	A	IT	IT Disaster Recovery Plan Audit	20	20	0	0%		20	0	0%	July 2014	Completed
1	A	IS	Human Resources	0	0	0	0%		0	0	0%	June 2015	Removed
2T	A	FM	Accounts Receivable	120	0	(120)	-100%	FN 3	0	0	-100%	August 2015	Removed
2T	A	FM	Payroll	100	0	(100)	-100%	FN 3	0	0	-100%	June 2015	Removed
3T	A	PP	Mail Services	80	80	0	0%		75	5	6%	October 2014	Completed
3T	A	PP	Shipping and Receiving	60	60	0	0%		60	0	0%	December 2014	Completed
3T	A	FM	Bank Reconciliations	90	150	60	67%	FN 4	115	35	23%	Draft - May 7, 2015	In Progress
			Totals	1685	1605				1108				

Estimate-Hours Available For Audits = 1605 (1 audit staff + .5 audit staff. Staff position vacant from September 1, 2014 - January 5, 2015 and June 1 - June 30, 2015)

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) Additional hours needed to learn software.
(2) Hours added for increase in Consultation requests due to changes on campus.
(3) Project Removed due to loss of staff and other project needs..
(4) Hours added for new staff auditor.

**Cleveland State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30 2015**

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%	25	5	17%	July 2014	Completed
	M	SS	Risk Assessment-Student Services	45	45	0	0%	8	37	82%	May 2015	In Progress
	M	IS	TCAT Risk Assessment-Enterprise-wide	30	30	0	0%	20	10	33%	February 2015	Completed
	P	IS	Quality Assessment Review	25	25	0	0%		25	100%	August 2014	Scheduled
	I	IS	Unscheduled Investigations	25	25	0	0%		25	100%	TBD	Scheduled
Special Request	S	SS	Title IV Compliance	200	200	0	0%	225	(25)	-13%	November 2014	Completed
	C	IS	General Consultation	50	50	0	0%	60	(10)	-20%	June 2015	Scheduled
Required by TBR	R	SS	CCTA Funding Formula-Completion	200	200	0	0%	150	50	25%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	200	200	0	0%	50	150	75%	December 2014	In Progress
Required by 1st TN Bd	R	IS	Nacha Audit	125	125	0	0%		125	100%	May 2015	Scheduled
1T	A	FM	Cash Counts	100	0	(100)	-100%		0	0%	(1) October 2014	Removed
1T	A	FM	Maintenance/Tuition and Related Fees	175	0	(175)	-100%		0	0%	(2) September 2014	Removed
Special Request	S	IA	OneSource (Workforce Development)	0	125	125		125	0	0%	(2) February 2015	Completed
Special Project	P	IS	Special Project Audit Software	0	75			60			(3) June 2015	In Progress
			Totals	1205	1130			723				

Estimate-Hours Available For Audits = 1140(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 - 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

Footnotes:

(1) Significant increase in Administrative time because of office relocation, which resulted in a decrease in available audit time for the year.

(2) Due to Special request by President one audit added and one audit removed

(3) Automated workpapers implementation

**Columbia State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 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			
Brought Forward, Required by TBR	R	SS	CCTA Funding Formula-Completion	0	69	69	100%	(1)	69	0	0%	July 30, 2014	Completed
Required by Law	R	FM	CoSCC President Expenses FYE 6/30/14	170	218	48	28%	(2)	218	0	0%	October 28, 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Other Data	150	160	10	7%	(3)	100	60	38%	May 2015	In Progress
Brought Forward	M	IS	CoSCC Risk Assessment FY2014	0	14	14	100%	(1)	14	0	0%	July 17, 2014	Completed
	M	IS	CoSCC Risk Assessment FY2015	40	50	10	25%	(3)	0	50	100%	May 2015	Scheduled
	M	IS	Hohenwald Risk Assessment	30	18	(12)	-40%	(3)	18	0	0%	February 10, 2015	Completed
	M	IS	Pulaski Risk Assessment	30	21	(9)	-30%	(3)	21	0	0%	February 9, 2015	Completed
	C	IS	General Consultation	180	50	(130)	-72%	(1)(2)(3)	8	42	84%	June 2015	In Progress
Totals				600	600				448				

Estimate-Hours Available For Audits = 600. MTSU Audit & Consulting Services is on contract for 600 hours of audit services as needed and/or requested. On May 1, 2015, a Director of Internal Audit began work at CoSCC.

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.
- (2) Audit hours were reallocated from general consultation to president expense. Additional time needed due to connectivity issues accessing the systems at CoSCC from MTSU.
- (3) Audit hours not used for TCAT risk assessment were reallocated to projects in progress (Funding Formula-Other Data and General Consultation) or scheduled (Risk Assessment).

**Dyersburg State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015**

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	I	IA	DSCC-INV1303-FU - Nursing Donation-03052013	20	20	0	0%	19	1	5%	March 2015	Completed
Required by TBR	R	SS	DSCC-IAR-CCTA Funding Formula-Transfers & Other-04012015	150	150	0	0%	85.5	65	43%	May 2015	In Progress
Special Request	S	IA	DSCC - IAR-Faculty Sick Leave-04302015	50	50	0	0%		50	100%	May 2015	Scheduled
Required by TBR	M	PP	DSCC-RA-Risk Assessment-Physical Plant-05312015	62.5	47.75	(15)	-24%	26.5	21	45%	May 2015	In Progress
Required by TBR	M	AD	DSCC-RA-Risk Assessment-Institutional Advancement-05312015	70	53	(17)	-24%	19	34	64%	May 2015	In Progress
Required by TBR	M	IA	DSCC-RA-Risk Assessment-Instruction & Academic Support-05312015	75	58	(17)	-23%	24.5	34	58%	May 2015	In Progress
	I	IS	Unscheduled Investigations	35	35	0	0%	31	4	11%	June 2015	In Progress
	C	IS	General Consultation	35	35	0	0%	46.5	(12)	-33%	June 2015	In Progress
Special Request	S	PP	DSCC-IAR-Building Security/Key Control-06302015	50	50	0	0%		50	100%	June 2015	Scheduled
Required by TBR	R	FM	Year-end Bank Confirmations	30	30	0	0%		30	100%	June 2015	Scheduled
Totals				577.5	528.75			252				

Estimate-Hours Available For Audits = 528.75

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:

**Jackson State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015**

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	100	0	0%	FN 1	99	1	1%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula - Transfers and Other	150	150	0	0%		16	134	89%	December 2014	In Progress
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%		2	23	92%	February 2015	Completed
Required by TBR	M	IS	TCAT Risk Assessment - Crump	25	25	0	0%		2	23	92%	February 2015	Completed
Required by TBR	M	IS	TCAT Risk Assessment - Jackson	25	25	0	0%		2	23	92%	February 2015	Completed
Required by TBR	M	IS	TCAT Risk Assessment - McKenzie	25	25	0	0%		2	23	92%	February 2015	Completed
Required by TBR	M	IS	TCAT Risk Assessment - Newbern	25	25	0	0%		2	23	92%	February 2015	Completed
Required by TBR	M	IS	TCAT Risk Assessment - Paris	25	25	0	0%		2	23	92%	February 2015	Completed
Required by TBR	M	IS	TCAT Risk Assessment - Ripley	25	25	0	0%		2	23	92%	February 2015	Completed
Required by TBR	M	IS	TCAT Risk Assessment - Whiteville	25	25	0	0%		2	23	92%	February 2015	Completed
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	40	(110)	-73%	FN 2	37.5	3	6%	August 2014	Completed
Brought forward	F	IT	Follow up Review - IT Governance	30	30	0	0%		25	5	17%	March 2015	Completed
Brought forward	F	IT	Follow up Review - Data Security	30	30	0	0%		25	5	17%	March 2015	In Progress
Brought forward	F	IS	Follow up Review - Cash Receipting	30	30	0	0%		25	5	17%	March 2015	Completed
Consulting	C	IS	General Consultation	100	150	50	50%	FN 3	103	47	31%	June 2015	
1	A	SS	Financial Aid	250	250	0	0%		98.5	152	61%	June 2015	
JSCC 15-01	I	SS	Fraudulent Financial Aid Check	0	100	100			43	57	57%	March 2015	In Progress
Totals				1200	1190				488				

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 99 hours in 2014-15 for a total of 189 hours.
- (2) The Emergency Preparedness Audit began in 2013-14 and consisted of 85 hours plus 37.5 hours in 2014-15 for a total of 122.5 hours.
- (3) General consultation budget increased due to additional project review.

Motlow State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015

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	100%	52	0	0%	July 29, 2014	Completed
Required by Law	R	FM	MSCC President Expenses FYE 6/30/14	150	150	0	0%	185	(35)	-23%	October 29, 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	150	0	0%	24	126	84%	May 2015	Scheduled
	M	IS	MSCC Risk Assessment - Academic Affairs and Instruction	40	25	(15)	-38%	1	24	96%	May 2015	Scheduled
	M	SS	MSCC Risk Assessment - Student Services		25	25	100%	0	25	100%	May 2015	Scheduled
	M	PP	MSCC Risk Assessment - Physical Plant		25	25	100%	0	25	100%	May 2015	Scheduled
	M	IS	McMinnville Risk Assessment	25	25	0	0%	15	10	40%	February 2015	Completed
	M	IS	Murfreesboro Risk Assessment	25	25	0	0%	45	(20)	-80%	February 2015	Completed
	M	IS	Shelbyville Risk Assessment	25	25	0	0%	39	(14)	-56%	February 2015	Completed
Management Request	S	PP	Timekeeping Review (Facilities Dept.)	100	100	0	0%	35	65	65%	June 2015	Scheduled
	C	IS	General Consultation	85	60	(25)	-29%	20	40	67%	June 2015	Scheduled
Req by State Audit	R	FM	State Audit Assistance - Yr End		40	40	100%	0	40	100%	June 2015	Scheduled
	F	IS	Other Internal Audit Follow-Up		34	34	100%	(1)	33	97%	Various	Scheduled
	P	IS	Electronic Working Papers		50	50	100%	33	17	34%	Ongoing	Scheduled
			Totals	600	786			450				

Estimate-Hours Available For Audits has decreased from prior revised audit plan from, 827 to 786 due to Motlow hiring a full-time Internal Auditor as of 2/2/15 and MTSU Consulting Services completing outstanding audit plan items. Of the 600 hours originally budgeted for MTSU, 356 were utilized.

- | | | |
|------------------------------------|-------------------------------------|-------------|
| 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) Other Internal Audit Follow Up was decreased by 41 hours to represent the unused balance of the contract with MTSU Consulting Services. Prior revised audit plan balance was 397 hours. Actual 356

**Nashville State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015**

Rank	Type	Area	Audit	Current Year Budget				Budget to Actual		Actual Hours	Completion Date Estimated / Actual	Current Status	
				Original	Revised	Change Hours	Change Percentage	Hours	Percentage				
Required by TBR	R	SS	CCTA Funding Formula-Completion	80	80	0	0%		80	0	0%	July 2014	Completed
Required by TBR	R	FM	JSCC President's Expenses	150	150	0	0%		150	0	0%	October 2014	Completed
Risk Assessment	M	IS	Risk Assessment-Enterprise-wide-TCATD	25	30	5	20%		30	0	0%	January 2015	Completed
Risk Assessment	M	IS	Risk Assessment-Enterprise-wide-TCATN	25	30	5	20%		30	0	0%	January 2015	Completed
VP Request	S	FM	Cash Counts at TCATs & Satellite Campuses	50	60	10	20%		60	0	0%	February 2015	Completed
President Request	S	IA	Emergency Closing Review	0	40	40	100%	Fn 4	40	0	0%	March 2015	Completed
Required by TBR	M	IS	Internal Audit Risk Assessment	0	10	10	100%	Fn 4	10	0	0%	March 2015	Completed
As Assigned	C	IS	General Consultation	75	50	(25)	-33%	Fn 3	50	0	0%	June 2015	Completed
Required by TBR	R	SS	CCTA Funding Formula-Phase 3	150	150	0	0%		120	30	20%	May 2015	In Progress
Risk Assessment	M	IS	Risk Assessment-Institutional Support	30	30	0	0%		25	5	17%	May 2015	In Progress
Risk Assessment	M	IS	Risk Assessment-Information Technology	40	40	0	0%		32	8	20%	May 2015	In Progress
Required by TBR	R	IS	Access & Diversity Grant	0	75	75	100%	Fn 4	0	75	100%	June 2015	In Progress
Required by TBR	F	FM	State Audit Follow-Up	100	120	20	20%		105	15	13%	June 2015	In Progress
Required by TBR	R	FM	Year End Work	22.5	22.5	0	0%		5	18	78%	June 2015	In Progress
Investigation	I	FM	NaSCC 15-01	0	80	80	100%	Fn 2	70	10	13%	FY2016	In Progress
Required by TBR	P	IS	Audit Software	0	100	100	100%	Fn 4	75	25	25%	June 2015	In Progress
Investigation	I	FM	TBR 14-03	0	70	70	100%	Fn 2	50	20	29%	June 2015	In Progress
Investigation	I	FM	NaSCC 14-01	0	100	100	100%	Fn 2	100	0	0%	June 2015	Ongoing
Required by TBR	P	IS	Quality Assessment Review - Follow-Up	40	0	(40)	-100%	Fn 1	0	0	0%	FY2016	Removed
As Assigned	I	IS	Unscheduled Investigations	100	30	(70)	-70%	Fn 2	30	0	0%	N/A	Removed
As Assigned	F	IS	Internal Audit Follow-Up	25	0	(25)	-100%	Fn 3	0	0	0%	N/A	Removed
IT	A	FM	Disbursements	175	0	(175)	-100%	Fn 3	0	0	0%	N/A	Removed
2T	A	FM	Maintenance/Tuition and Related Fees	150	0	(150)	-100%	Fn 3	0	0	0%	N/A	Removed
Totals				1237.5	1267.5				1062	206			

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

Footnotes:

Fn 1 - The Quality Assurance Review is not a project due in 2015 and therefore removed from the audit plan.

Fn 2 - Budgeted hours were moved from Unscheduled Investigations to specific investigations.

Fn 3 - Replaced with more important audits

Fn 4 - Added by TBR or Special Request

Northeast State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015

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	0	(150)	-100%	FN 1		0	0%	(FN 1)	Removed
Required by TBR	R	SS	CCTA Funding Formula-Completion (2015 Data)	50	50	0	0%		54	(4)	-8%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	200	0	0%		80.5	120	60%	May 2015	In Progress
Req by State Audit	R	FM	State Audit Assistance-Yr End	40	40	0	0%			40	100%	June 2015	Scheduled
	F	FM	State Audit Follow-Up	75	75	0	0%		70	5	7%	April 2015	Completed
	F	IS	Other Internal Audit Follow-Up	75	75	0	0%		5	70	93%	Various	In Progress
	P	IS	Electronic Working Papers	50	50	0	0%		49	1	2%	Ongoing	In Progress
	M	FM	Risk Assessments - NeSCC	60	25	(35)	-58%		1	24	96%	May 2015	In Progress
	M	IS	TCAT Risk Assessment-Enterprise-wide	20	5	(15)	-75%		5	0	0%	February 2015	Completed
Brought forward	S	IA	Theater Services	50	50	0	0%		67.5	(18)	-35%	August 2014	Completed
Special Request	S	IS	Special Requests and Projects	50	50	0	0%		16	34	68%	Various	In Progress
Special Request	C	IS	General Consultation	50	50	0	0%		8.5	42	83%	Ongoing	In Progress
1	A	IS	Human Resources	200	0	(200)	-100%	FN 2		0	0%	April 2015	Removed
2	A	AD	Foundation/Advancement	200	0	(200)	-100%	FN 3		0	0%	June 2015	Removed
			Totals	1270	670				356.5				

Estimate-Hours Available For Audits = 1122.5 (1 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:
FN 1 - Audit designated as Removed because it will be reassigned by TBR SWIA due to internal auditor position vacancy.
FN 2 - Audit designated as Removed due to reduction of audit hours during internal auditor position vacancy.
FN 3 - Audit designated as Removed due to reduction of audit hours during internal auditor position vacancy.

**Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 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%	43	(3)	-8%	July 2014	Completed	
Required	R	SS	Funding Formula-Efficiency & Other	125	100	(25)	-20%	46	54	54%	May 2015	In Progress	
Required	F	FM	Internal Audit Follow Ups	30	15	(15)	-50%	3	12	80%	Continuous		
Required	M	SS	Risk Assessment-Student Services	30	20	(10)	-33%	13	7	35%	March 2015	Completed	
Required	M	IT	Risk Assessment - Physical Plant	20	10	(10)	-50%	0	10	100%	May 2015	Scheduled	
Required	M	FM	Risk Assessment-Financial Management	20	10	(10)	-50%	7	3	30%	December 2014	Completed	
Required	F	FM	State Audit Follow-Up	40	20	(20)	-50%	4	16	80%	Continuous		
Required	M	IS	TTC Risk Assessment-Enterprise-wide	20	20	0	0%	15	5	25%	February 2015	Completed	
Required	R	FM	Chancellor's Expenses	125	100	(25)	-20%	99	1	1%	August 2014	Completed	
Required	R	IS	Access and Diversity Grant	0	50	50	100%	2	48	96%	June 2015	Scheduled	
Presidential Request	S	IA	Faculty Credentials	100	100	0	0%	100	0	0%	December 2014	Completed	
Presidential Request	S	FM	First TN - NACHA Audit	100	80	(20)	-20%	70	10	13%	October 2014	Completed	
Presidential Request	P	IA	Review of Compliance Assist	20	40	20	100%	35	5	13%	September 2014	Completed	
Presidential Request	P	IT	Review of Security Administration Issues and other TBR IT Audit Issues	0	120	120	100%	FN 2	119	1%	Continuous		
Presidential Request	P	IS	Review of ACA Issues	0	30	30	100%	FN 3	14	16	53%	Continuous	
Presidential Request	P	FM	Review of RFP award process (banking, software etc.)	0	45	45	100%	FN 4	42	3	7%	Continuous	
Presidential Request	P	SS	Review of French Exchange Program	0	50	50	100%	FN 7	46	4	8%	February 2015	Completed
1T	A	FM	Disbursements	175	120	(55)	-31%	FN 8	110	10	8%	February 2015	Completed
1T	A	AD	Development (Foundation)	150	150	0	0%	30	120	80%	May 2015	In Progress	
3T	A	FM	Accounts Payable	0	100	100	100%	FN5	68	32	32%	June 2015	In Progress
2	A	IS	Financial Aid	200	0	(200)	-100%	FN 1	0	0	0%		Removed
Totals				1195	1220			866					

Estimate-Hours Available For Audits = 1113 (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

Footnotes:

- (1) This audit was originally sheduld to start in FYE June 30, 2015. However, because of the workload in the financial aid office during the summer this audit will be postponed until the Fall of 2015.
- (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.
- (3) This review was requested by the President after the initial audit plan was developed based upon questions from Academic Deans regarding the colleges rules related to adjunct faculty work load
- (4) This consulting project has been done by internal audit since the Board revised the RFP process but the hours required in the current fiscal year warranted a separate line item on the audit plan
- (5) This audit was added to the audit plan when the decision was made to postpone the audit of Financial Aid.
- (6) This audit was added to the audit plan at request of the TBR.
- (7) This project was added to the audit plan at the request of the President
- (8) Budget hours were reduced because audit was completed and actual hours to complete were substantially less than original budget

**Southwest Tennessee Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 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			
	S	AT	Athletic Comprehensive	165	0	(165)	-100%	Fn1		0	0%		Removed
	I	AT	Athletic-Work Study	40	40	0	0%	Fn4	108.5	(69)	-171%	June 2015	In Progress
	F	FM	State Audit Follow Up	30	30	0	0%		10	20	67%	June 2015	In Progress
	M	IA	Risk Assessment-Instruction & Academic	22.5	22.5	0	0%		31	(9)	-38%	May 2015	In Progress
	M	FM	Risk Assessment-Financial Management 1	22.5	22.5	0	0%		26	(4)	-16%	May 2015	In Progress
	M	FM	Risk Assessment-Financial Management 2	22.5	22.5	0	0%		22	1	2%	May 2015	In Progress
	S	FM	Management Request-Cash Control Gym Rental	165	165	0	0%		153	12	7%	June 2015	In Progress
	I	IS	Unscheduled Investigations	100	3	(97)	-97%	Fn2		3	100%	June 2015	In Progress
	C	IS	General Consultation	75	50	(25)	-33%	Fn2	35	15	30%	June 2015	In Progress
Required by TBR	R	SS	CCTA Funding Formula-Efficiency and Other	150	60	(90)	-60%	Fn5	16	44	73%	May 2015	In Progress
	S	FM	Cash Counts	30	30	0	0%			30	100%	June 2015	In Progress
	S	FM	Motor Vehicle Pool	0	83	83	100%	Fn1	67	16	19%	June 2015	In Progress
	S	FM	Federal Perkins Loan Program	0	82	82	100%	Fn1		82	100%	June 2015	In Progress
	S	FM	Retiring Vice President-Audit of Grants	0	97	97	100%	Fn3	139	(42)	-43%	May 2015	In Progress
	S	FM	Request for Unemployment Review	0	25	25	100%	Fn2	53	(28)	-112%	June 2015	In Progress
	S	FM	Tuition Statements	0	60	60	100%	Fn5	50	10	17%	May 2015	In Progress
	p	IS	New Software	0	30	30	100%	Fn5	24	6	20%	June 2015	In Progress
			Totals	822.5	822.5				734.5				

Estimate-Hours Available For Audits = 822.5 (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:

FN1 - Athletics was identified by the former Director of Internal Audit, but based on management's requests, it was removed and two other areas were scheduled for audits.

Fn 2 - Several audits were added and hours were reallocated from consultations and unscheduled investigations since those hours had not been used as planned. The audit areas were requested by management.

Fn 3 - A retiring Vice President will be leaving STCC on December 31, 2014. The president requested that the grants under his supervision be audited.

Fn 4 - Athletic Work Study- This audit was expanded because of problems discovered in the initial review.

Fn 5 - Hours were reallocated due to a special request from management.

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised April 30, 2015

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		
Required by TBR	R	SS	CCTA Funding Formula-Completion	150	150	150	0%	-	130	130	-13%	-20	August 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	150	300	0%	-	56	186	-63%	-94	May 2015	In Progress
Required by TCA	R	FM	President's Expenses - STCC	190	190	490	0%	-	188.5	374.5	-1%	-1.5	October 2014	Completed
Required by TBR	M	IS	Risk Assessment - Volunteer State	75	75	565	0%	-	0	374.5	0%	-75	May 2015	Scheduled
Required by TBR	M	IS	TCAT Risk Assessment	15	15	580	0%	-	2	376.5	-87%	-13	February 2015	Scheduled
Follow-up Review	F	IS	Follow-up Activities	75	75	655	0%	-	13	389.5	-83%	-62	June 2015	In Progress
Investigation	I	IS	Unscheduled Investigations	100	100	755	0%	-	0	389.5	-100%	-100	June 2015	Scheduled
Consultation	C	IS	General Consultation (1)	150	150	905	0%	-	110	499.5	-27%	-40	June 2015	In Progress
Consulting Request- TCPRA	C	IS	TCPRA Bank Account (2)	55	55	960	100%	-	53.5	553	-3%	-1.5	November 2014	Completed
Project	P	FM	Periodic Procard Review	100	100	1060	0%	-	0	553	-100%	-100	June 2015	Scheduled
Special Request	S	IA	Credentials (4)	150	250	1310	67%	100	96.5	649.5	-61%	-153.5	May 2015	In Progress
Special Request	S	FM	State Audit Year-End Procedures	15	15	1325	0%	-	12.5	662	-17%	-2.5	July 2014	Completed
Project	P	IS	Audit Software Implementation (3)	75	75	1400	100%	-	2	664	-97%	-73	June 2015	In Progress

Estimate-Hours Available For Audits = 972.5 (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	
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) The General Consultation budget has been increased by 50 hours to reflect actual hours. There has been more time spent on consulting activity this year than in previous years.
- (2) Consulting request to review the TCPRA bank account statements for which out Public Relations Director serves as Treasurer.
- (3) Audit software implementation added to the audit plan.
- (4) Audit testwork was expanded to include SACS credential requirements rather than testing only TBR rank requirements.

**Walters State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
As of April 30, 2015**

Rank	Type	Area	Audit	Current Year Budget				Budget to Actual				Completion Date Estimated / Actual	Current Status	
				Original	Revised	Change	Change	Actual Hours	Hours	Percentage				
						Hours	Percentage							
	F	FM	State Audit Follow-Up	30	100	70	233%		130	(30)	-30%		April 2015	Completed
	R	FM	Inventory Observations	0	16	16	0%		16	0	0%		August 2014	Completed
	R	FM	Cash Counts	0	8	8	0%		8	0	0%		August 2014	Completed
	R	FM	Confirmation Requests	0	4	4	0%		4	0	0%		August 2014	Completed
	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%		20	5	20%		February 2015	Completed
	P	IS	Quality Assessment Review	25	0	(25)	-100%	FN 1	0	0	0%		August 2014	Removed
	I	IS	Unscheduled Investigations	80	105	25	31%	FN 2	80	25	24%		TBD	In Progress
	C	IS	General Consultation	80	80	0	0%		80	0	0%		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 & Other	150	150	0	0%		280	(130)	-87%		May 2015	In Progress
Required	R	FM	NACHA Compliance Audit	60	60	0	0%		60	0	0%		November 2014	Completed
Required	R	IT	IT Governance Review	65	65	0	0%		60	5	8%		March 2015	In Progress
Required by TBR	P	IS	Audit Software	0	100	100	0%		80	20	20%		May 2015	In Progress
1T	A	IT	Cloud Computing	200	112	(88)	-44%		40	72	64%		March 2015	In Progress
Brought forward	A	FM	PCI-DSS	120	120	0	0%		10	110	92%		June 2015	Scheduled
Brought forward	A	FM	Contracts	120	80	(40)	-33%		0	80	100%		June 2015	Scheduled
3	A	FM	Accounts Receivable	147	77	(70)	-48%	FN 3	0	77	100%		June 2015	Scheduled
			Totals	1222	1222				918					

Estimate-Hours Available For Audits = 1222 (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. An internal audit activity must obtain an external assessment at least every five years by an independent reviewer or review team to maintain conformance with the IIA *Standards*. Since the equivalent self-assessment with independent validation (Quality Assessment Review or QAR) was last performed in 2012, the next QAR will be performed in 2017.
2. Since Unsheduled Investigations are unprecidatable, additional time was budgeted to compenste for the already completed investigation.
3. Hours budgeted for the Accounts Receivable audit were reduced in response to the previously-unanticipated hours now required for the State Audit Follow-Up.

Tennessee Board of Regents - System Office
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 2015

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 Expense (ChSCC)	150	225	75	50%	Fn 4	225	0	0%	December 15, 2014	Completed
Required	R	FM	President's Expense (CISCC)	0	150	150	100%	Fn 6	50	100	67%	February 9, 2015	Completed
Required	R	SS	DSCC-CCTA Funding Formula-Completion (2013 Data)	105	50	(55)	-52%	Fn 3	45	5	10%	July 25, 2014	Completed
Required	R	SS	STCC-CCTA Funding Formula-Completion (2013 Data)	65	25	(40)	-62%	Fn 3	20	5	20%	July 25, 2014	Completed
Required	R	SS	RSCC-CCTA Funding Formula-Transfers & Other	150	150	0	0%		33	117	78%	May 2015	In Progress
Required	F	IA	State Audit Performance Follow-Up	40	5	(35)	-88%	Fn 3	5	0	0%	July 15, 2014	Completed
Required	F	FM	State Audit Follow up FY2012 and FY2013	40	40	0	0%		46.5	(7)	-16%	January 30, 2015	Scheduled
Required	F	SS	Follow-Up Audits	160	160	0	0%	Fn1	0	160	100%	TBD	Scheduled
Required	M	SS	Risk Assessment	10	10	0	0%		0	10	100%	May 2015	Scheduled
	C	SS	General Consultation	75	140	65	87%	Fn 2	126	14	10%	June 2015	In Progress
	P	IS	Electronic Working Papers	0	150	150	100%	Fn 5	243	(93)	-62%	June 2015	In Progress
1	A	PP	Facilities	150	150	0	0%		0	150	0%	June 2015	Scheduled
			Totals	945	1255	310			793.5				

Estimate-Hours Available For Audits = 1,085 (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:

Fn 1- The follow ups to be completed in FY 2015 are related to TFLI, and Travel Claims.

Fn 2 - Consulting hours were increased based on trend of actual hours from July 2014 to January 2015.

Fn 3 - Not as many hours were necessary to finish the audit as anticipated.

Fn 4 - The Assistant Director worked 287 hours on investigations reflected in the Revised Investigations Audit Plan and 22.5 hours on TCAT audits reflected in the Revised TCAT Audit Plan.

Fn 5 - Since a significant number of hours will be allocated to the implementation of the electronic working papers software, a separate line item was created for this project.

Fn 6 - This audit was added because of an internal audit vacancy at a campus, originally assigned to this audit. Fewer hours than planned were required for the audit.

Note: The audit universe identified for the system office includes an additional 23 programs, departments, or units that are not planned for audit during the fiscal year.

**SWIA - Information Systems
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of 4/30/2015**

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:													
	A	IT	TBR Logical Access Security	72	145	73	101%	FN 1	63	82	57%	June 2015	In Process
	A	IT	CISCC General Controls Review	26	48	22	85%	FN 2	190	(142)	-296%	April 2015	Completed
	A	IT	RSCC General Controls Review	26	48	22	85%	FN 2	178	(130)	-271%	April 2015	Completed
	A	IT	APSU General Controls Review	26	48	22	85%	FN 2	160	(112)	-233%	April 2015	Completed
	A	IS	TBR Research & Assessment Reporting Processes	16	24	8	50%	FN 2	87	(63)	-263%	May 2015	Completed
	A	IT	TSU General Controls Review	26	48	22	85%	FN 2	124	(76)	-158%	May 2015	Completed
Required Audits:													
	F	IT	Follow-up on prior IT Audit recommendations	24	28	4	17%		24	4	14%	Ongoing	In Process
	M	IT	IT Risk Assessment	4	4	0	0%		4	0	0%	July 2014	Completed
General Controls Reviews:													
	A	IT	RODP	100	100	0	0%		2	98	98%	August 2015	Delayed
	A	IT	MTSU	150	150	0	0%		62	88	59%	June 2015	In Process
	A	IT	TTU	150	150	0	0%		48	102	68%	July 2015	In Process
	A	IT	CoSCC	150	150	0	0%		122	28	19%	June 2015	In Process
	A	IT	DSCC	150	150	0	0%		55	95	63%	June 2015	In Process
	A	IT	STCC	150	150	0	0%		61	89	59%	June 2015	In Process
	A	IT	WSCC	150	150	0	0%		0	150	100%	July 2015	Scheduled
IT / Business Projects:													
	C	IT	General Consulting	64	62	(2)	-3%	FN 3	53	9	15%	Ongoing	In Process
	C	IT	Brought forward Banner system "XE" up-grade and ODS data warehouse implementation	60	53	(7)	-12%	FN 4	58	(5)	-9%	Ongoing	In Process
	C	IS	Business Continuity Planning / IT Disaster Recovery	48	16	(32)	-67%		10	6	38%	Ongoing	Delayed by Team Mgr.
	S	IT	Special Request from CIO Social engineering program	32	0	(32)	-100%	FN 1	0	0	0%	February 2015	Combined
	C	IS	Business Process Management (IT impact)	24	4	(20)	-83%		4	0	0%	January 2015	Completed
Risk Based Audits:													
	S	IS	Special Request from CIO Information Dissemination Standards	80	0	(80)	-100%	FN 1	0	0	0%	February 2015	Combined
Totals				1528	1528				1305				

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, Dissemination Standards and Social Engineering audits.
- (2) Completion of and report issuance for the FY 2014 GCR Audits in new format for report and workpapers
- (3) Consulting consisted primarily of IT request regarding Security
- (4) IT suspended the XE implementation in December

TCAT
Internal Audit Plan
Fiscal Year Ended June 30, 2015
as of April 30, 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			
Brought forward	F	FM	Morristown	25	25	0	0%	0	25	100%	August 2015	In Progress	
Brought forward	F	FM	Elizabethton	37.5	37.5	0	0%	FN 2	153.5	(116)	-309%	June 2015	In Progress
Brought forward	A	FM	Focused Review (System-Wide)	10	10	0	0%		0	10	100%	June 2015	In Progress
Brought forward	A	FM	Knoxville	10	10	0	0%	FN 3	59	(49)	-490%	August 19, 2014	Completed
Brought forward	A	FM	Jackson	10	10	0	0%	FN 3	45.5	(36)	-355%	September 5, 2014	Completed
Brought forward	A	FM	McKenzie	22	22	0	0%		33.5	(12)	-52%	November 11, 2014	Completed
Brought forward	A	FM	Pulaski	5	5	0	0%	FN 3	29.5	(25)	-490%	September 5, 2014	Completed
Brought forward	A	FM	McMinnville	5	5	0	0%		7.5	(3)	-50%	May 19, 2014	Completed
Brought forward	A	FM	Ripley	50	50	0	0%		62	(12)	-24%	May 2015	In Progress
Brought forward	A	FM	Murfreesboro	5	5	0	0%		6	(1)	-20%	May 19, 2014	Completed
Brought forward	A	FM	Hartsville	37.5	37.5	0	0%		53.5	(16)	-43%	September 3, 2014	Completed
Brought forward	A	FM	Nashville	15	15	0	0%	FN 3	51	(36)	-240%	April 21, 2015	Completed
Brought forward	A	FM	Memphis	10	10	0	0%	FN 3	50	(40)	-400%	January 9, 2015	Completed
Brought forward	A	FM	Athens	37.5	37.5	0	0%		41	(4)	-9%	August 4, 2014	Completed
Brought forward	A	FM	Jacksboro	10	10	0	0%	FN 3	27.5	(18)	-175%	January 9, 2015	Completed
Brought forward	A	FM	Paris	20	20	0	0%	FN 3	48	(28)	-140%	January 29, 2015	Completed
Brought forward	A	FM	Crump	10	10	0	0%	FN 3	35.5	(26)	-255%	May 2015	In Progress
Brought forward	A	FM	Dickson	5	5	0	0%		6	(1)	-20%	May 19, 2014	Completed
			Directors Expenses-AR-Consumer Info			0		FN 1	0				
1	A	FM	Crossville	45	45	0	0%	FN 4	70.5	(26)	-57%	April 17, 2015	Completed
2	A	FM	Shelbyville	45	45	0	0%	FN 4	46.5	(2)	-3%	May 2015	In Progress
3	A	FM	Chattanooga	45	45	0	0%	FN 4	56.5	(12)	-26%	May 2015	In Progress
4	A	FM	Morristown	37.5	37.5	0	0%	FN 5	2	36	95%	June 2015	Schedulea
5	A	FM	Hohenwald	45	45	0	0%	FN 5	8	37	82%	June 2015	Schedulea
6	A	FM	Livingston	37.5	37.5	0	0%	FN 4	51	(14)	-36%	May 2015	In Progress
7	A	FM	Crump	37.5	37.5	0	0%		52	(15)	-39%	May 2015	In Progress
8	A	FM	Whiteville	37.5	37.5	0	0%	FN 4	52.5	(15)	-40%	May 2015	In Progress
9T	A	FM	Jackson	45	45	0	0%		46.5	(2)	-3%	May 2015	In Progress
9T	A	FM	Newbern	37.5	37.5	0	0%		41	(4)	-9%	May 2015	In Progress
10	A	FM	Dickson	45	45	0	0%		37.5	8	17%	May 2015	In Progress
11	A	FM	Hartsville	37.5	37.5	0	0%		28	10	25%	May 2015	In Progress
12	A	FM	Pulaski	37.5	37.5	0	0%		22.5	15	40%	May 2015	In Progress
13	A	FM	Murfreesboro	45	45	0	0%		20	25	56%	May 2015	In Progress
14	A	FM	Elizabethton	37.5	37.5	0	0%		2	36	95%	June 2015	Schedulea
15T	A	FM	Jacksboro	37.5	37.5	0	0%		20	18	47%	May 2015	In Progress
15T	A	FM	Harriman	37.5	37.5	0	0%		21.5	16	43%	May 2015	In Progress
16T	A	FM	McMinnville	37.5	37.5	0	0%		17.5	20	53%	May 2015	In Progress
16T	A	FM	Memphis	37.5	40	3	7%		21.5	19	46%	May 2015	In Progress
16T	A	FM	Paris	37.5	37.5	0	0%		2	36	95%	June 2015	Schedulea
17	A	FM	McKenzie	37.5	37.5	0	0%		2	36	95%	June 2015	Schedulea
18	A	FM	Nashville	37.5	37.5	0	0%		2	36	95%	June 2015	Schedulea
19	A	FM	Knoxville	37.5	40	3	7%		2	38	95%	June 2015	Schedulea
20T	A	FM	Athens	37.5	37.5	0	0%		3.5	34	91%	May 2015	In Progress
20T	A	FM	Oneida	37.5	37.5	0	0%		3.5	34	91%	May 2015	In Progress
21	A	FM	Ripley	37.5	37.5	0	0%		2	36	95%	June 2015	Schedulea
22	A	FM	Covington	37.5	37.5	0	0%		2	36	95%	June 2015	Schedulea
	A	FM	TCAT Administration Audit Request	100	100	0	0%		100	0	0%	June 2015	In Progress
	C	FM	TCAT Consultation	15	15	0	0%		22	(7)	47%	June 2015	In Progress
	P	IS	RFP Project	37.5	37.5	0	0%		36.5	1	-3%	October 2014	Completed
			Totals	1542	1547			Totals	1503.5				

Estimate-Hours Available For Audits = 1429.5 (1 audit staff)

T--Tie

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:

FN1: Based on discussions with the Director, it was decided to perform a desk review for 1-2 years of Directors Expenses, testing large or unusual items, follow up with AR findings and observations, and review special activities identified in the Federal Consumer Information requirements.
FN2: Audit included follow up on previous investigation and was completed by investigative auditor.
FN3: Audit findings resulted in extra time to complete the audit.
FN4: New audit steps for Consumer information required more time to review auditees website and catalog than anticipated.
FN5: Re-scheduled

**Tennessee Board of Regents - System-wide Internal Audit
Investigation Plan
Fiscal Year Ended June 30, 2015
Revised as of April 30, 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		
Investigation	P	IS	INVESTIGATION MANAGEMENT	160	160	0	0%	170	(10)	-6%	Ongoing	
Investigation	C	IS	CAMPUS CONSULTATION	160	160	0	0%	136	24	15%	Ongoing	
Investigation (1)	I	FM	TBR 10-08		40	40	100%			0%	June 2015	In Progress
Investigation (1)	I	FM	TBR 12-04		40	40	100%			0%	June 2015	In Progress
Investigation (1)	I	FM	TBR 13-02		40	40	100%			0%	June 2015	In Progress
Investigation (1)	I	IS	TBR 13-03		20	20	100%	25.5	(6)	-28%	May 2015	In Progress
Investigation (1)	I	FM	TBR 14-03		20	20	100%	1	19	95%	May 2015	In Progress
Investigation (1)	I	IA	TBR 14-04	20	20	0	0%	0	20	100%	June 2015	In Progress
Investigation (1)	I	FM	TBR 14-06		4	4	100%	8	(4)	-100%	July 17, 2014	Completed
Investigation (1)	I	FM	TBR 14-12	20	20	0	0%	11.5	9	43%	July 17, 2014	Completed
Investigation (1)	I	FM	TBR 14-15	40	40	0	0%	22	18	45%	June 2015	In Progress
Investigation (1)	I	IS	TBR 14-17		40	40	100%	1	39	98%	July 2014	Completed
Investigation (1)	I	FM	TBR 14-19	40	500	460	1150%	957.5	(458)	-92%	December 15, 2014	Completed
Investigation (1)	I	IS	TBR 14-20		40	40	100%	21	19	48%	May 2015	In Progress
Investigation (1)	I	IS	TBR 14-21		40	40	100%	22	18	45%	February 10, 2015	Completed
Investigation	I	FM	TBR 15-01		60	60	100%	27.5	33	54%	June 2015	In Progress
Investigation	I	SS	TBR 15-02		5	5	100%	1.5	4	70%	9/2/2014	Completed
Investigation	I	FM	TBR 15-03		40	40	100%	15	25	63%	June 2015	In Progress
Investigation	I	FM	TBR 15-04		40	40		23.5	17	41%	TBD	In Progress
	I	FM	Unscheduled Investigations	800	0	(800)	-100%		0		June 2015	
			Totals	1240	1329			1443	(114)	-9%		

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**

DATE: May 27, 2015

AGENDA ITEM: **Review of Proposed Budget for System-wide Internal Audit**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Roll Call Vote

STAFF'S RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The committee will review the fiscal year 2016 budget and institutional chargeback for the Office of System-wide Internal Audit. Budget information will be provided at the committee meeting.

**Tennessee Board of Regents
Committee on Audit**

DATE:	May 27, 2015
AGENDA ITEM:	Overview of Risk Assessment Process
PRESENTER:	Tammy Birchett
ACTION REQUIRED:	Informational Report
STAFF'S RECOMMENDATION:	Accept Report

BACKGROUND INFORMATION:

The Committee will be provided an overview of the system's risk assessment process. Risk assessments for the universities, community colleges and system office will be an agenda item in the committee's materials for the next quarter.

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. 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.

**Tennessee Board of Regents
Committee on Audit**

DATE: May 27, 2015

AGENDA ITEM: **Non-Public Executive Session**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

The Committee will meet in a non-public executive session to review ongoing investigations.