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

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**AGENDA**  
**June 6, 2017**

- I. RECOMMENDATION FOR APPOINTMENT OF CHIEF AUDIT EXECUTIVE (Chancellor Tydings)**
- II. INFORMATIONAL REPORTING (Tammy Birchett)**
  - a. Review of Comptroller’s Office Audit Reports**
  - b. Review of Internal Audit Reports**
  - c. Review of Federal Audit Reports**
- III. INTERNAL AUDIT TRANSITION UNDER THE FOCUS ACT (Tammy Birchett)**
- IV. REVIEW OF REVISIONS TO FISCAL YEAR 2017 INTERNAL AUDIT PLANS (Tammy Birchett)**
- V. REVIEW OF SYSTEM-WIDE INTERNAL AUDIT BUDGET FOR FISCAL YEAR 2018 (Tammy Birchett)**
- VI. NON-PUBLIC EXECUTIVE SESSION (Tammy Birchett)**

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Recommendation for Appointment of Chief Audit Executive

DATE: June 6, 2017

PRESENTER: Flora W. Tydings, Chancellor

ACTION REQUIRED: Voice Vote

STAFF'S  
RECOMMENDATION: Approved

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The Audit Committee will receive a recommendation for the position of Chief Audit Executive from Chancellor Flora W. Tydings. The position is currently held by Tammy Birchett, who will retire June 9, 2017. The Committee will be asked to act on the recommendation that will then be forwarded for the full Board's consideration.

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Comptroller’s Office Audit Reports

DATE: June 6, 2017

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF’S  
RECOMMENDATION: Accept Report

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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 community college and the system office, typically every other year. A description of the auditing standards followed by the Comptroller’s Office and the types of findings that may be reported follow this transmittal. The Comptroller’s Office also conducts performance audits of the Tennessee Board of Regents operations, as needed.

**Current Audit Activity**

- There were no audit reports of TBR institutions issued by the Comptroller of the Treasury during the quarter, but audits of the following community colleges are in progress. Some of these audits cover a one-year period to assist the colleges in meeting SACSCOC review requirements.

<b>FYE June 30, 2015 &amp; 2014</b>	<b>FYE June 30, 2016 &amp; 2015</b>	<b>FYE June 30, 2016</b>
Southwest	Chattanooga	Dyersburg
	Cleveland	Motlow
	Columbia	Nashville
	Jackson	Northeast
	Volunteer	Walters

- Sunset performance audits of the Tennessee Board of Regents system, and other state higher education entities, began in February 2017 and are expected to continue until November or December. A sunset audit is conducted by the Comptroller's Office under the Governmental Entity Review Law, Section 4-29-101 et seq. of *Tennessee Code Annotated*. The purpose of the sunset audit is to aid the Joint Government Operations Committee of the General Assembly in determining whether the Tennessee Board of Regents should be continued, restructured, or abolished. Under current law (*TCA 4-29-239(a)(38)*), the TBR [State University and Community College System] is scheduled to terminate June 30, 2018.

### **Other Informational Items**

The Comptroller of the Treasury recently shared information about revisions to statutes that affect the TBR institutions. The relevant statutes are included immediately following this transmittal and revised or new parts of the laws are italicized and shown in bold lettering. This information has been shared with the institutions and procedures established to ensure compliance with the requirements.

- Public Chapter 20 revised *Tennessee Code Annotated 8-4-109* by requiring that management submit a corrective action plan to the Comptroller within 30 days of the issuance of an audit report and requiring the submission of a written report of the actions taken to implement the audit recommendations six months after the issuance of the report.
- Public Chapter 79 revised *Tennessee Code Annotated 4-4-113* by requiring any department of state government to report federal audit matters to the Comptroller of the Treasury and the Commissioner of Finance and Administration within 5 business days of receiving notice of noncompliance or deficiencies in compliance with federal requirements that could result in the imposition by the federal agency of one of the six penalties identified in the law. It further requires other units within a department to notify the agency head or chief financial officer within five business days from receipt of such a matter.

### **Status Summary of Previously Reported Audit Findings**

A summary on the status of previously reported Comptroller's findings is included in this section. Internal Audit performs a follow-up review on the status of corrective actions to address these findings within six months of issuance. The follow-up report is prepared and submitted to the Comptroller's Office and the Legislature's Office of Fiscal Review. When a follow-up audit is completed, an executive summary of the results is included in the Audit Committee's quarterly materials.

**Title 8 Public Officers And Employees**  
**Chapter 4 Comptroller of the Treasury**  
**Part 1 General Provisions**

**8-4-109. Audits of governmental entities -- Implementation and reports by agency heads.**

**(a) (1)** The comptroller of the treasury shall keep no accounts in the department of audit, but shall conduct a continuous post audit of the accounts, books, records, and other evidences of financial transactions kept in the department of revenue, the state treasurer's office, or in the other departments, institutions, offices and agencies of the state government.

**(2)** The comptroller of the treasury is hereby authorized to audit any books and records of any governmental entity created under and by virtue of the statutes of the state which handles public funds when such audit is deemed necessary or appropriate by the comptroller of the treasury. The comptroller of the treasury shall have the full cooperation of officials of the governmental entity in the performance of such audit or audits.

**(b)** When the comptroller of the treasury conducts an audit of the accounts, books, records, and other evidences of financial transactions of any department, agency, or institution of the state, it shall be the duty of the officer who is the administrative head of such department, agency, or institution to submit a corrective action plan to the comptroller of the treasury which addresses the actions taken, or to be taken, in response to each audit finding and related recommendations of the comptroller of the treasury relative to the effective and efficient management of such accounts, books, records, or other evidences of financial transactions. ***The corrective action plan shall provide the name or names of the contact person or persons responsible for the corrective action, the corrective action taken or planned, and the anticipated completion date. If the auditee does not agree with an audit finding or a related recommendation proposed by the office of the comptroller of the treasury, or believes corrective action is not required, the corrective action plan shall state the reasons and justifications for disagreement or belief. The corrective action plan shall be filed with the comptroller of the treasury no later than thirty (30) days after the issuance of the department, agency, or institution's audit report.***

***(c) It shall be the duty of the officer who is the administrative head of such department, agency, or institution to report to the comptroller of the treasury, in writing, the action that has been taken to implement the recommendations of the comptroller of the treasury, or to state the reasons and justifications for disagreement with the recommendations proposed by the office of the comptroller of the treasury, six (6) months after the issuance of the department, agency, or institution's audit report.***

***(d) In order to avoid repeat audit findings, the comptroller of the treasury shall at any time notify the chairs of the finance, ways and means, government operations, and fiscal review committees of the general assembly of any such department, agency, or institution's failure to timely implement such recommendations, to submit the report required by subsection (c), or to comply with its corrective action plan. Those committees may direct the department, agency, or institution to provide a written statement to the requesting committee explaining why full corrective action has not been taken. If a requesting committee determines that the written statement is not sufficient, that committee may require the department, agency, or institution to appear before the committee. If the committee determines that the department, agency, or institution has failed to take full corrective action for which there is no justifiable reason or has failed to comply with the committee's request, that committee shall take such steps as they deem necessary.***

HISTORY: Acts 1937, ch. 33, § 73; 1939, ch. 11, § 41; C. Supp. 1950, § 255.73 (Williams, § 255.78); T.C.A. (orig. ed.), §§ 8-408, 8-422; impl. am. Acts 1959, ch. 9, § 14; Acts 1963, ch. 93, § 1; 1979, ch. 151, § 1; T.C.A., § 8-409; **2017, ch. 20, §§ 1, 2.**

**Title 4 State Government**  
**Chapter 4 Administration of State Departments**

**4-4-113. Federal funds -- Acceptance and use.**

(a) Any department of state government may accept and use federal financial assistance from any agency or instrumentality of the federal government for purposes of carrying on programs in which such department may be authorized to engage; provided, that such acceptance shall be with the express approval of the governor; and such department, acting through its commissioner, is authorized to enter into any and all requisite agreements with such federal agency or instrumentality for the purpose of acceptance and use of such financial assistance; provided, further, that no agreement or contract shall be made by such department involving the expenditure of funds beyond those available to such department by appropriation, gift, or otherwise.

*(b) Any department of state government receiving federal financial assistance shall notify the comptroller of the treasury and the commissioner of finance and administration within five (5) business days from the date of receipt by the department's commissioner or chief financial officer, or equivalent, of official notice in any form or type from the federal awarding agency, or designated cognizant agency, notifying the department of a determination of noncompliance with, or any deficiencies related to compliance with, federal statutes, regulations, or the terms and conditions of a federal award that could result in the following:*

- (1) Repayment of federal financial assistance;*
- (2) Reduction in future federal financial assistance by administrative offset against other requests for reimbursements or subsequent awards;*
- (3) Withholding of advance payments otherwise due to the department;*
- (4) Temporary withholding of federal financial assistance pending corrective action by the department;*
- (5) Whole or partial suspension or termination of the federal award; or*

***(6) Federal awarding agency taking any other remedies legally available to it, including not seeking recovery of a disallowance or improper payment.***

***(c) All official notices resulting in items described in subdivisions (b)(1)-(6) received by staff of any department of state government pursuant to subsection (b) shall be transmitted to the department's commissioner or chief financial officer, or equivalent, within five (5) business days of receipt.***

HISTORY: Acts 1945, ch. 120, § 1; C. Supp. 1950, § 423.3 (Williams, § 423.28); T.C.A. (orig. ed.), § 4-413; ***Acts 2017, ch. 79, § 1.***



**TBR SWIA - Status Report on State Audit Findings  
(Report sorted by Institution and then Date of Final report)**

Institution	Report Release Date	Findings	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
NeSCC	7-Sep-16	NeSCC FY 2014-15: LOU-NeSCC did not provide adequate internal controls in four specific areas Management should ensure that these conditions are remedied by the prompt development and consistent implementation of internal controls. Management should implement effective controls to ensure compliance with applicable requirements; assign staff to be responsible for ongoing monitoring of the risks and mitigating controls; and taken action if deficiencies occur.	CIO	31-Aug-17	23-Mar-17	In Progress
NeSCC	7-Sep-16	NeSCC FY 2014-15: Management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements The CFO should ensure that staff members accounting for college transactions and preparing the college statements have adequate knowledge of reporting requirements to perform their responsibilities, and that they perform their duties with appropriate care and attention. The financial statement review process should be thorough enough to detect misstatements such as the ones described above.	CFO	30-Apr-17	23-Mar-17	Action Completed
RSCC	7-Sep-16	RSCC FY 2014-15: LOU- Management did not provide adequate internal controls in three specific areas Management should ensure that these conditions are remedied by the prompt development and consistent implementation of internal controls. Management should implement effective controls to ensure compliance with applicable requirements; assign staff to be responsible for ongoing monitoring of the risks and mitigation controls; and take action if deficiencies occur.	CIO	31-May-17	1-Mar-17	In Progress

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Reports

DATE: June 6, 2017

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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The Audit Committee will review some of the internal audit reports issued during the quarter. Item A is a listing of the internal audit and investigation reports completed during the quarter, grouped by type of review. An executive summary of each report is included on the page referenced. The first group will be reviewed with the committee. The other reports will not be reviewed unless the members have questions or comments about the reports. Item B is a new section for this quarter and it notes the highlights of the audits and investigations. Item C references the chart showing the status of previously issued internal audit recommendations.

**A. Internal Audit and Investigation Reports for the Quarter**

Internal Audit and Investigation Reports for Review with the Committee

CISCC	Grants – Fiscal Year 2016	Page 16
CoSCC	Federal Grants Internal Controls	Page 17
RSCC	Student Apartments	Page 18

Internal Audit Reports for Informational Purposes

ChSCC	Sensitive Equipment	Page 20
PSCC	Technology Access Fee	Page 21
PSCC	Cash Counts	Page 22

Internal Audit Follow-Up Reports for Informational Purposes

DSCC	Follow-up to Off-Campus International Education Programs	Page 24
NeSCC	Follow-up to State Audit Report FY 2014-2015	Page 26

TCAT Focused Reviews for Informational Purposes

Covington	Focused Operational Review	Page 29
Crump	Focused Operational Review	Page 30
Elizabethton	Focused Operational Review	Page 31
Morristown	Focused Operational Review	Page 32
Newbern	Focused Operational Review	Page 33
Shelbyville	Focused Operational Review	Page 34

Internal Audit Investigations for Informational Purposes

CISCC	Abuse of Leave	Page 36
DSCC	Possible Theft of Time	Page 37
NeSCC	Fee Waiver Denials	Page 39
STCC	Staff Holiday Party	Page 40
STCC	Personal Purchases	Page 41
STCC	Employee Time Reporting	Page 42
WSCC	Misuse of Vehicle	Page 43

## **B. Highlights of Internal Audit and Investigation Reports**

### Internal Audit and Investigation Reports for Review with the Committee

Grants Audits – Two of the colleges performed audits of the institution’s grant controls and processes, both resulting in recommendations.

- Cleveland State – The audit recommended that staff perform reviews of reports and reimbursement requests for accuracy, prior to submission to the grantor.
- Columbia State – The audit recommended 1) improving training requirements and opportunities for staff, areas identified as a root cause for compliance issues; and 2) enhancing information and communication, processes identified as the root cause for reporting and compliance issues.

Investigation – An investigation regarding an athletic program identified concerns about student-athlete housing.

- Roane State – An investigation was completed regarding the handling of student-athlete housing and related matters by the college’s baseball staff. The specific complaints received were not confirmed, but other matters were noted that resulted in audit findings. The audit included three recommendations to improve procedures and ensure compliance with NJCAA rules.

### Internal Audit Reports for Informational Purposes

- Chattanooga State – An audit of sensitive equipment, those items under the accounting capitalization threshold of \$5,000 but sensitive to theft or misuse, resulted in seven recommendations to improve inventory and equipment tracking procedures.
- Pellissippi State – Cash counts of the petty cash and change funds and an audit of the use of technology access fee revenue indicated compliance with applicable procedures and requirements.

### Internal Audit Follow-up Reports for Informational Purposes

One follow-up audit to an internal audit of the international education program was issued and two follow-up audits to State Audit findings were issued.

- Dyersburg State – The results of the follow-up audit on international education programs indicated that four previous recommendations have been implemented by management, mitigating the risk of non-compliance with policies.
- Northeast State – A follow-up audit to State Audit findings indicated management has taken steps toward resolving a finding on financial statement errors, has resolved one of four limited official use findings and is making progress on the three remaining findings.
- Walters State – An updated follow-up audit to State Audit findings indicated management has taken action to resolve the remaining issues noted in one limited official use finding. The other limited official use finding was reported as resolved in January 2017.

### TCAT Focused Reviews for Informational Purposes

Audits of six of the Tennessee Colleges of Applied Technology were completed during the quarter: Covington, Crump, Elizabethton, Morristown, Newbern and Shelbyville.

- These audits covered controls and procedures for awarding certificates and diplomas, the Perkins Grant Program, and Federal Financial Aid Consumer Information activities for each college. For Elizabethton and Morristown, the reviews also covered reviews of accounts receivable and the Director's expenses. The reports indicated that controls and procedures at the colleges were adequate, except for one recommendation at Elizabethton to document the results of the biennial review of the Drug and Alcohol Prevention Program.

### Investigation Reports for Informational Purposes

Seven investigation reports were issued by five of the community colleges.

- Dyersburg State – A full-time temporary employee was found to have not been working the hours reported and the employment contract was terminated. Recommendations were included in the report to improve the supervision of the position and to have the immediate supervisor reviewing time and leave records.
- Northeast State – An investigation of denials of employee fee waiver requests was completed, which indicated the college was following the documented policies of the TBR and the college; the denied employees were full-time students, met the requirements for a student worker on the first day of class, and were not eligible for the waivers. The college had previously allowed the waivers in error to some of the employees whose waiver requests were denied during this period.
- Southwest – Three investigative reviews were completed.
  - A complaint that college funds were used to host a holiday staff party and provide gift cards, was partially substantiated. Gift cards of \$145 were purchased with college funds as door prizes for employees attending a department retreat in December 2014. The audit recommended that gift cards not be purchased for employees.
  - The physical plant was alleged to have allowed an employee to purchase boots for personal purposes. Four pairs of boots were purchased over a 20 month period for two of the four employees and were claimed to be for work purposes. The audit recommended that the college establish a policy regarding the purchase of uniforms for employees.
  - A complaint that an employee left work each morning for 45 minutes to take his children to school and did not make up the time was substantiated. The employee admitted to taking this time each day but then found help for this responsibility. The audit noted that Human Resources has reminded supervisors of the responsibility to have alternate work agreements in place for employees with alternate schedules.
- Walters State – A complaint was substantiated when an employee admitted to exceeding the speed limit in a college vehicle and remaining in the high occupancy vehicle lane on a return trip from Nashville.

### **C. 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 May 24, 2017. 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  
June 6, 2017**

*Internal Audit Reports  
For Review with the Audit Committee*

**Cleveland State Community College  
Grants Audit  
Fiscal Year End 2016  
Executive Summary**

<b>Title of Key Staff Person Vice President of Finance and Advancement</b>	<b>Auditor:</b> Alvin Bishop
<p><b>Background:</b> Internal Audit conducted an audit of grants for Fiscal Year End 2016. Cleveland State receives grants from THEC, the federal government and other government agencies. These grants were used to purchase equipment, revitalize courses, to provide tools to assist with the students' success and for the development of the area work force. Some grants also helped to promote interest in specific industries. Grant revenue totaled approximately \$1.1 million dollars for FYE 2016.</p>	
<p><b>Objectives:</b> To determine if CISCC is properly managing grants.</p>	
<p><b>Conclusion:</b> Grant procedures are in place to ensure that grant requirements are being met, regarding in kind contributions, timely reporting and requesting reimbursement from the grantor, as well as close-out requirements. While no discrepancies were noted an opportunity for improvement was, noted.</p>	
<p><b>Opportunities for Improvement:</b> Based on observations and inquiries during the audit, Internal Audit recommends that someone review reports and request for reimbursements for accuracy prior to the Grant Accountant submitting the reports to the grantor.</p> <p>Management Response: We concur and have established a procedure whereby the Grants Administrator will review the reports and requests for reimbursements for accuracy prior to the grant Accountant submitting the reports to the grantor.</p>	



**Columbia State Community College  
Federal Grant Internal Control  
2015-2016  
Executive Summary**

<p><b>Key Staff:</b> Dr. Dearl Lampley, Dean Science, Technology, &amp; Math; Dr. Glen Hudson, Tennessee Space Grant Lead Faculty; Yartiza Carlos-Harris, TRiO Director of Student Support Services; Bob Trybalski, Coordinator, Media Services; Kim Honn, Business Manager; Brett Seybert, Grants Officer</p>	<p><b>Auditor:</b> Erica V. Smith, CPA</p>
<p><b>Introduction:</b> Columbia State Community College pursues grant opportunities in order to improve the institution's progress towards its mission and strategic goals. During the 2015-2016 fiscal year, the institution had seven Federal grant awards in some stage of progress. Of the seven grants in progress, four were sub-awards totaling \$1,130,034.13, and three were direct Federal grants totaling \$582,937.00.</p> <p>Columbia State Community College (Columbia State) leadership requested internal audit conduct a review of the internal controls over Federal Awards to determine whether controls are in place to ensure compliance with the federal requirements outlined in CFR Title 2, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Tennessee Board of Regents (TBR) Policy and Guidelines, and Columbia State policies and procedures.</p>	
<p><b>Objectives:</b> The objective of the engagement was to obtain an understanding of the control environment, assess whether the control environment has internal controls in place as outlined by the <i>Internal Control Integrated Framework</i>, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and test grant expenditures to determine whether the controls are operating as expected and whether the grant expenditures are in compliance with federal regulations, terms and conditions of the Federal award, TBR policies and guidelines, and Columbia State policies and procedures.</p>	
<p><b>Scope:</b> The audit covered Columbia State's Federal Award activity between July 1, 2015 and June 30, 2016.</p>	
<p><b>Audit Conclusion:</b> The engagement outcomes reflect the existence of controls over the Federal awards that provide reasonable assurance award activity is in compliance with Federal statutes, regulations, the terms and conditions of the Federal award, and TBR and Columbia State Policy and Guidelines. Two observations were noted:</p> <ul style="list-style-type: none"> <li>• <b>Improve Training Requirements and Opportunities – Lack of training was identified as a root cause for identified compliance issues</b></li> <li>• <b>Enhance Information and Communication to Meet Institutional Objective - Lack of information and communication were determined to be the root cause of identified reporting and compliance issues</b></li> </ul>	

**Roane State Community College**  
**Student Apartments**  
**May 22, 2017**  
**Executive Summary**

**Introduction:**

From August 2015 through February 2016, Roane State Community College was contacted by Tennessee Board of Regents (TBR) officials on several occasions with concerns which had been brought to their attention about the use of scholarship funds and/or institutional money to renovate local apartments for baseball student athletes. The college responded to the first two complaints, but inadvertently the information was not communicated by TBR staff to the source of the concerns. Also in August 2015, the college was contacted directly with concerns that Roane State was requiring their student athletes to live at a certain location. Additional information was provided in February 2016 which alleged that the college's baseball coach had a financial interest in the newly renovated apartments. On February 23, 2016 the Executive Vice President for Business and Finance contacted Roane State Community College's Office of Internal Audit to look further into the matter.

**Total Questioned Costs/Losses: N/A**

**Total Recoveries: N/A**

**Findings:**

- 1) In an effort to assist the players on his team, the head baseball coach went beyond providing potential housing locations and housing contacts to the players on his team.
  
- 2) During the 2015-2016 school year 2 assistant coaches received payments from their head coach amounting to between \$2,700 and \$3,150 which was intended to supplement their wages from Roane State and help offset housing expenses. This is an appearance of violation of the TBR Conflict of Interest Policy.
  
- 3) In 2015 there was 1 instance of a coach and 2 instances of assistant coaches not completing the Financial Disclosure form as required by TBR Conflict of Interest Policy.

**Audit Conclusion:**

All of the allegations and complaints, except for the concern regarding the fire inspection, were investigated and could not be substantiated; however, other matters were noted during the review. The concern about the fire inspection was not investigated because Roane State had no control over the governance of the newly renovated apartment complex.

The National Junior College Athletic Association has specific regulations governing community college involvement in student housing. These regulations limit the level of involvement college personnel have in the selection of that housing. Roane State should consult TBR legal counsel to determine what reporting, if any, may be required regarding information noted in this report.

Roane State should address the issue of the payments made by the head coaches to their assistant coaches.

RSCC should review its procedures for collecting Financial Disclosure forms from the coaches and assistant coaches at initial hire and annually in January thereafter.

**Tennessee Board of Regents  
Audit Committee  
June 6, 2017**

*Internal Audit Reports  
For Informational Purposes*

**Chattanooga State Community College**  
**Audit of Sensitive Equipment**  
**January 2017**  
**Executive Summary**

<b>Key Staff Personnel</b>	Bettye Wells, Director of Educational Technology	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	An internal audit of the Chattanooga State Community College's (ChSCC's) Sensitive Equipment as of January 2017 was conducted by the ChSCC Internal Audit Department. Sensitive Equipment is defined as any item less than \$5,000 in value and falling into one of three categories per ChSCC policy 05:12:01. These categories include all computers, projectors, TV's, copiers, printers, cameras, and hand-held electronic devices.		
<b>Objectives</b>	<p>The objectives of the audit were:</p> <ul style="list-style-type: none"> <li>• To evaluate the effectiveness of internal controls over sensitive equipment including processes for additions and deletions.</li> <li>• To examine whether departments/divisions track sensitive equipment as required by TBR and institutional policies and procedures including but not limited to whether equipment is properly tagged.</li> <li>• To determine on a selected basis whether equipment reflected on the sensitive equipment listing physically exists and is recorded accurately.</li> </ul>		
<b>Conclusion</b>	ChSCC's sensitive equipment policies and procedures are designed to account for the sensitive equipment in accordance with these policies and procedures. However, due to various failures in execution, communication, and deployment of available inventory tools; the sensitive equipment inventory is inaccurate as of January 2017. Internal Audit has made seven recommendations to improve the accuracy of the sensitive inventory listing.		
<b>Recommendation</b>	<p>Based on audit procedures performed, Internal Audit recommends:</p> <ul style="list-style-type: none"> <li>• ChSCC Sensitive Equipment policy 05:12:01 should be updated.</li> <li>• Written procedures for Receiving Technology Hardware Purchases and Technology Hardware Surplus should be updated to accurately describe the process and identify the responsible Technology department.</li> <li>• A process should be created to facilitate the reporting of moved and/or purchased sensitive equipment.</li> <li>• The KACE data should be compared to sensitive inventory listing on a periodic basis to identify equipment location discrepancies.</li> <li>• Management should verify that all divisions have sensitive equipment tracking processes, a current inventory listing, and an assigned coordinator.</li> <li>• In-service and Surplused inventories should be maintained separately.</li> <li>• Surplus documentation procedures should be developed to ensure accurate equipment final resolution documentation and timely removal from in-service.</li> </ul>		
<b>Management Response</b>	Management has reviewed the recommendations and will take actions to improve the sensitive equipment inventory by December 31, 2017. These actions include updating policies, developing department procedures, and KACE reconciliation processes. The Technology division has completed the segregation of the inventory records and corrected the issues concerning the Receiving Technology Hardware Purchases and Technology Hardware Surplus procedures.		

**Pellissippi State Community College  
Technology Access Fee  
For the Year Ended June 30, 2016  
Executive Summary**

<b>Key Staff Personnel</b>		<b>Internal Auditor</b>	Suzanne Walker Director, Internal Audit																
<b>Background</b>	An audit of Technology Access Fee expenditures made during the fiscal year ended June 30, 2016, was conducted according to the annual audit plan. The TAF fee per TBR guidelines should be used for direct student benefit, for items such as new and improved high technology laboratories and classrooms, appropriate network and software, computer and other equipment, and technologic improvements that enhance instruction. The current fee is \$15.00 per semester hour with the total not to exceed \$225.00 per academic year excluding summer semester.																		
<b>Objectives</b>	To ascertain that all appropriate TBR and institutional policies and procedures are being followed; to ascertain that funds were spent appropriately; and to make recommendations for correcting deficiencies or improving operations.																		
<b>Summary of Expenditures</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Student Labs</td> <td style="text-align: right;">\$ 854,650</td> </tr> <tr> <td>Library Databases</td> <td style="text-align: right;">41,420</td> </tr> <tr> <td>Classroom Technology/Equipment</td> <td style="text-align: right;">84,800</td> </tr> <tr> <td>Desire 2 Learn License</td> <td style="text-align: right;">100,800</td> </tr> <tr> <td>Network and Technical Services</td> <td style="text-align: right;">177,760</td> </tr> <tr> <td>Departmental Software</td> <td style="text-align: right;">203,880</td> </tr> <tr> <td>Labor Support-Labor</td> <td style="text-align: right;"><u>420,360</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$ 1,883,670</u></b></td> </tr> </table>			Student Labs	\$ 854,650	Library Databases	41,420	Classroom Technology/Equipment	84,800	Desire 2 Learn License	100,800	Network and Technical Services	177,760	Departmental Software	203,880	Labor Support-Labor	<u>420,360</u>	<b>Total</b>	<b><u>\$ 1,883,670</u></b>
Student Labs	\$ 854,650																		
Library Databases	41,420																		
Classroom Technology/Equipment	84,800																		
Desire 2 Learn License	100,800																		
Network and Technical Services	177,760																		
Departmental Software	203,880																		
Labor Support-Labor	<u>420,360</u>																		
<b>Total</b>	<b><u>\$ 1,883,670</u></b>																		
<b>Conclusion</b>	During the course of this audit, some minor discrepancies were noted in test work, but none were considered to be material enough to warrant an audit finding. The discrepancies noted did not affect the allowability of expenses charged against the Technology Access Fee.																		

**Pellissippi State Community College**  
**Cash Counts**  
**April 2017**  
**Executive Summary**

<b>Key Staff Person:</b> Bursar	<b>Auditor:</b> Director of Internal Audit
<p><b>Background</b></p> <p>An audit of Cash Counts was performed in April 2017 and completed in May 2017 in accordance with the annual audit plan. This audit was conducted based upon a request received from the Assistant Vice President of Business and Finance. Pellissippi State maintains one petty cash fund of \$300.00 and six change funds ranging from \$30.00 to \$1,000.00.</p>	
<p><b>Objectives</b></p> <p>To ascertain that the college is properly handling petty cash and change funds and that adequate controls and safeguards are in place prevent misuse or theft of these funds.</p>	
<b>Total Questioned Costs or Losses:</b> None	<b>Total Recoveries:</b> Not Applicable
<p><b>Audit Conclusion</b></p> <p>Pellissippi State appears to be maintaining adequate control over petty cash and change funds and is properly accounting for and managing these funds. No areas of concern were noted during the current audit that would warrant inclusion in this audit report.</p>	

**Tennessee Board of Regents  
Audit Committee  
June 6, 2017**

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

**Dyersburg State Community College**  
**Follow-up to Off-Campus International Education Programs Audit Report- Page 1 of 2**  
**August 1, 2014 through July 31, 2015**  
**Executive Summary**

<p><b>Key Staff:</b> Vice President for the College  Vice President for Finance and Administrative Services</p>	<p><b>Auditor:</b> : DSCC Director of Internal Audit</p>
<p><b>Introduction:</b> The Director of Internal Audit issued an Off-Campus International Education Programs audit of Dyersburg State Community College for the period of August 1, 2014 through July 31, 2015, on February 19, 2016. The report included two findings and three observations. Recently, the Director of Internal Audit conducted a follow-up review of the status of the recommendations made in the original audit. The current status of each finding/observation and recommendation is presented in the “Results of The Current Audit” section below.</p>	
<p><b>Objectives:</b> The objectives of the follow-up review were to determine whether adequate corrective actions have been taken to address the audit findings/observations, implement the audit recommendations and mitigate the risks of non-compliance with TBR policies pertaining to off-campus international education programs, inadequacy of financial management, and lack of cost controls and internal controls.</p>	
<p><b>Scope:</b> This follow-up audit included a review of the current status of actions taken by DSCC management to correct deficiencies reported in the February 19, 2016, <i>Off-Campus International Education Programs</i>, issued by the DSCC Director of Internal Audit. Details from the Summer 2016 International Studies Programs were reviewed as part of this audit.</p>	
<p><b>Audit Conclusion:</b> Based on audit tests performed as part of this review adequate controls are now in place to ensure that Dyersburg State Community College’s Off-Campus International Education Programs are managed appropriately and used as planned to meet the college’s off-campus international education goals. Corrective actions have been taken to address the audit findings and observations and to implement the audit recommendations.</p>	
<p><b>Finding/Recommendation 1:</b> Management should develop comprehensive policies for the administration of the Off-campus International Education Programs.</p> <p><u>Current Status Finding 1</u> - Management has written a comprehensive policy for international study issues titled “DSCC International Studies Policy”, policy 03:06:06:00. This policy addressed all known issues that normally are part of an international studies program. This policy successfully addresses TBR policy 02:08:10:00 and TBR Guideline A-076. This policy was approved by the DSCC Administrative Council on 10/28/2016.</p> <p><b>Finding/Recommendation 2:</b> Management should develop procedures to ensure the maintenance and safekeeping of all records associated with international travel each year.</p>	



**Dyersburg State Community College**  
**Follow-up to Off-Campus International Education Programs Audit Report- Page 2 of 2**  
**August 1, 2014 through July 31, 2015**  
**Executive Summary**

*Current Status Finding 2* – The proper paperwork was found for the Summer 2016 International Studies Program as part of this audit. This paperwork will be maintained by the Program Coordinator and turned over to the Vice President of the College if there is future turnover in this position.

**Observation/Recommendation 3:** Dual service contracts were not used to pay the DSCC instructors who participated in the Off-campus International Education Programs during the year ending June 30, 2015. TNCIS paid the instructors directly. Dual service contracts should be used to pay faculty teaching international courses and they should be paid by their home institution.

*Current Status Observation 3* - For the 2016 Summer International Studies Program only one faculty member was approved for an international teaching assignment. A dual service contract was approved for this faculty member and the contract was found on file with the Vice President for Finance and Administration. Payment was made according to this contract after the teaching assignment was completed. No problems were noted with this dual service contract.

**Observation/Recommendation 4:** Off-campus International Education Program activity was not reconciled which resulted in an erroneous postings. Management should develop procedures for reconciling International Education Program accounts to ensure that all postings are made according to the detailed requirements for this program's activity.

*Current Status Observation 4* - A reconciliation of all the related International Study Program accounts was performed in January 2017 and all necessary balances were cleared. This reconciliation will be performed by the Finance Manager annually going forward. It has been added to the end of year financial checklist. No further posting problems were noted in this review.

**Observation/Recommendation 5:** The reserve account mentioned previously consists of the difference between the annual International Fee revenues and the expenses associated with the International Education Program. Therefore, the balance of this account fluctuates greatly from year to year. Management should develop procedures to specify the adequate level of this reserve account and to ensure that the account is maintained at this level going forward.

*Current Status Observation 5* - A new account for the contingency reserve for the International Studies Program has been created with a \$4,000 balance. This account has been created with the understanding that the balance will be a minimum of 5% of program expenses annually. The funding for this account comes from general institution revenues.

**Northeast State Community College**  
**Follow-Up to the State Audit Issued August 18, 2016**  
**For Fiscal Years Ending June 30, 2015 and June 30, 2014**  
**Executive Summary**

<b>Key Staff Person:</b> Interim Chief Financial Officer and Vice President of Administrative Services	<b>Auditor:</b> Christopher Hyder
<b>Introduction</b> Northeast State Community College’s financial statement audit for the years ended June 30, 2015 and June 30, 2014 contained two findings. As required, Internal Audit has performed a follow-up review of actions taken in response to the finding.	
<b>Objective</b> 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, 2015 and June 30, 2014.	
<b>Total Questioned Costs or Losses:</b> None	<b>Total Recoveries:</b> Not Applicable
<b>Findings</b>  <ol style="list-style-type: none"> <li>1. <b><u>As noted in the prior audit, Northeast State Community College did not provide adequate internal controls in four specific areas.</u></b></li> <li>2. <b><u>As reported in the previous two audits, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements</u></b></li> </ol>	
<b>Audit Conclusion</b> Management has developed and implemented many additional internal controls over the areas noted in Finding 1 of the audit. Management continues to develop and implement controls as resources and scheduling allow. Several new controls are in the testing phase and will go live by year’s end. Responsibility for ongoing monitoring of the risks and controls for the four specific areas is assigned to the Vice President of Administrative Services.  Key staff involved in the preparation of the financial statements attended the Tennessee Board of Regents Financial Statement Training Workshop on May 10, 2016 and will attend again in May 2017. A new checklist is used to review select items in the financial statements to help ensure accuracy. Items referenced in prior audits are specifically reviewed to lessen the likelihood of repeat errors. The Chief Financial Officer will meet collectively with key staff to review the statements prior to submission to TBR. The continued training and additional review procedures and tools appear to reduce the likelihood of errors in the financial statements.	

**Walters State Community College**  
**Follow-up to the State Audit Limited Official Use Findings – May 2017 Update**  
**For the Fiscal Year Ending June 30, 2014 and 2015**  
**Executive Summary**

<b>Key Staff:</b> IET Assistant Vice President Joe Sargent	<b>Auditor:</b> Mark A. Ortlieb, CPA
<p><b>Introduction</b>  The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Walters State Community College for the fiscal years ended June 30, 2015 and June 30, 2014, on August 23, 2016. The report included one Limited Official Use audit finding. The Limited Official Use audit finding was not identified in the audit report as a material weakness but was identified as a significant deficiency. State Audit issued one audit finding considered Limited Official Use and therefore confidential according to <i>Tennessee Code Annotated</i>, Section 10-7-504(i). As a result, this follow-up report is also considered Limited Official Use and is only for management. The current status of the Limited Official Use audit finding is presented in the Results of the Current Audit section below.</p>	
<p><b>Objectives</b>  The objectives of the review were to determine whether adequate corrective actions have been taken to address the Limited Official Use audit finding, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>	
<p><b>Results of the Current Audit</b>  <u>Current Status of State Audit Finding</u>  <b>Finding</b>  The college did not design and monitor internal controls in two specific areas. We observed two conditions in violation of college policies and/or industry-accepted best practices. Inconsistent implementation of internal controls increases the risk of fraud or error. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i>. We provided the college with detailed information regarding the specific conditions we identified, as well as our recommendations for improvement.  <b>Recommendation</b>  Management should ensure that these conditions are remedied by the prompt development and consistent implementation of internal controls. Management should implement effective controls to ensure compliance with applicable requirements; assign staff to be responsible for ongoing monitoring of the risks and mitigating controls; and take action if deficiencies occur.  <b>Management’s Response</b>  We concur. Management will take steps to implement effective controls to ensure compliance with requirements and will assign responsibility for ongoing monitoring of the risk and controls over the specified areas.</p> <p><b>Current Status</b>  Management has created, formally approved and fully implemented a new Account and Password Management Policy that includes detailed procedures for Terminations, Separations, and Removal of Access to Information Assets. The policy requires that account deactivation be coordinated between Human Resources and IET and be formally documented. All such accounts are required to be de-activated within one business day of submission of the check-out form to IET. Special provisions permit exceptions for escalated employee deactivations as well as extensions beyond one business day. Other provisions allow area managers to make exceptions for temporary part-time employees that will be returning after a break in employment. (Step-by-step Account Termination Guidelines / procedures have been created to facilitate this process for both WSCC and the Tennessee College of Applied Technology at Morristown.) HR and IET have adopted and implemented this new comprehensive, effective and efficient system / solution. As a result, adequate controls are now in place to help ensure that Account Terminations are initiated and completed in a timely manner and appropriately documented.</p> <p><u>Audit Conclusion</u>  Based on the results of tests and procedures performed, management has adequately addressed the Limited Official Use audit findings and fully implemented the audit recommendations to mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>	

**Tennessee Board of Regents  
Audit Committee  
June 6, 2017**

*TCAT Focused Reviews of Operations  
For Informational Purposes*

**Tennessee College of Applied Technology - Covington**  
**Focused Operational Review**  
**May 24, 2017**  
**Executive Summary**

<b>College Director:</b> Ms. Youlanda Jones	<b>Internal Auditor:</b> Helen Vose, CIA, CFE
<b>Report Date:</b> May 24, 2017	<b>Audit Period:</b> Fiscal Year Ending June 30, 2015 & Fiscal Year Ending June 30, 2016
<p><b>Purpose and Scope:</b>  To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. The regulations may specify how the information is disclosed or allow the school to decide. Consumer information was reviewed for ease of access by several delivery methods. 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>• <b>Awarding of Certificates and Diplomas</b></li> <li>• <b>Carl D. Perkins Grant Program</b></li> <li>• <b>P-Card controls and implementation</b></li> <li>• <b>Federal Financial Aid Consumer Information Activities:</b> <ol style="list-style-type: none"> <li>1. Drug and Alcohol Abuse and Prevention Information - Local assistance available and related programs.</li> <li>2. Federal Educational Rights and Privacy Act (FERPA) – Informing students of their rights and the completion of the required forms.</li> <li>3. Safeguarding Consumer Information - Campus security is operational physically and electronically.</li> <li>4. Gainful Employment – Reporting requirements and employability of graduates.</li> </ol> </li> </ul>	
<p><b>Current Audit Results:</b>  Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear 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 - Crump**  
**Focused Operational Review**  
**May 10, 2017**  
**Executive Summary**

<b>College Director:</b> Mr. Stephen Milligan	<b>Internal Auditor:</b> Helen Vose, CIA, CFE
<b>Report Date:</b> May 10, 2017	<b>Audit Period:</b> Fiscal Year Ending June 30, 2015
<p><b>Purpose and Scope:</b>  To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. The regulations may specify how the information is disclosed or allow the school to decide. Consumer information was reviewed for ease of access by several delivery methods. 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>• <b>Awarding of Certificates and Diplomas</b></li> <li>• <b>Carl D. Perkins Grant Program</b></li> <li>• <b>P-Card controls and implementation</b></li> <li>• <b>Federal Financial Aid Consumer Information Activities:</b> <ol style="list-style-type: none"> <li>5. Drug and Alcohol Abuse and Prevention Information - Local assistance available and related programs.</li> <li>6. Federal Educational Rights and Privacy Act (FERPA) – Informing students of their rights and the completion of the required forms.</li> <li>7. Safeguarding Consumer Information - Campus security is operational physically and electronically.</li> <li>8. Gainful Employment – Reporting requirements and employability of graduates.</li> </ol> </li> </ul>	
<p><b>Current Audit Results:</b>  Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear 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 - Elizabethton**  
**Focused Operational Review**  
**May 10, 2017**  
**Executive Summary**

<b>College Director:</b> Mr. Dean Blevins		<b>Internal Auditor:</b> Helen Vose, CIA, CFE	
<b>Report Date:</b> May 10, 2017		<b>Audit Period:</b> Fiscal Year Ending June 30, 2015 & Fiscal Year Ending June 30, 2016	
<b>Purpose and Scope:</b>	To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. The regulations may specify how the information is disclosed or allow the school to decide. Consumer information was reviewed in four of the eleven key areas identified in federal regulations. The College’s notices were reviewed for ease of access for students by several delivery methods. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:		
	Fiscal Year End June 30, 2015	<ul style="list-style-type: none"> <li>• <b>Accounts Receivable</b></li> <li>• <b>Director’s Expenses</b></li> <li>• <b>Federal Financial Aid Consumer Information Activities:</b> <ol style="list-style-type: none"> <li>1. Institutional and Financial Assistance Information - Federal financial assistance available and related eligibility procedures, cost of attendance, accrediting agencies and other areas.</li> <li>2. Students Right to Know Act - Completion, retention and placement rates.</li> <li>3. Jeanne Clery Act - Campus security, emergency notification/response and crime statistics.</li> <li>4. Misrepresentation - Educational programs, financial costs and employability of graduates.</li> </ol> </li> </ul>	
Fiscal Year End June 30, 2016	<ul style="list-style-type: none"> <li>• <b>Awarding of Certificates and Diplomas</b></li> <li>• <b>Carl D. Perkins Grant Program</b></li> <li>• <b>P-Card controls and implementation</b></li> <li>• <b>Federal Financial Aid Consumer Information Activities:</b> <ol style="list-style-type: none"> <li>5. Drug and Alcohol Abuse and Prevention Information - Local assistance available and related programs.</li> <li>6. Federal Educational Rights and Privacy Act (FERPA) – Informing students of their rights and the completion of the required forms.</li> <li>7. Safeguarding Consumer Information - Campus security is operational physically and electronically.</li> <li>8. Gainful Employment – Reporting requirements and employability of graduates.</li> </ol> </li> </ul>		
<b>Prior Audit Results:</b>	The focused review released June 7, 2010, had two observations and one best practice. Observations noted equipment locations should be documented in Banner and AR controls would be strengthened if the Financial Coordinator did not receipt monies during registration. Additionally, a best practice in that AR is reconciled weekly was noted.		
<b>Current Audit Results:</b>	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear adequate. Management monitors key controls on a regular basis. However, the audit revealed significant issues of noncompliance with regulations or TBR or institutional policies or significant deficiencies in operations.		

**Tennessee College of Applied Technology - Morristown**  
**Focused Operational Review**  
**May 24, 2017**  
**Executive Summary**

<b>College Director:</b> Mr. Jerry Young		<b>Internal Auditor:</b> Helen Vose, CIA, CFE	
<b>Report Date:</b> May 24, 2017		<b>Audit Period:</b> Fiscal Year Ending June 30, 2015 & Fiscal Year Ending June 30, 2016	
<b>Purpose and Scope:</b>	To assess the adequacy of management's system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. The regulations may specify how the information is disclosed or allow the school to decide. Consumer information was reviewed in four of the eleven key areas identified in federal regulations. The College's notices were reviewed for ease of access for students by several delivery methods. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:		
Fiscal Year End June 30, 2015	<ul style="list-style-type: none"> <li>• <b>Accounts Receivable</b></li> <li>• <b>Director's Expenses</b></li> <li>• <b>Federal Financial Aid Consumer Information Activities:</b> <ol style="list-style-type: none"> <li>9. Institutional and Financial Assistance Information - Federal financial assistance available and related eligibility procedures, cost of attendance, accrediting agencies and other areas.</li> <li>10. Students Right to Know Act - Completion, retention and placement rates.</li> <li>11. Jeanne Clery Act - Campus security, emergency notification/response and crime statistics.</li> <li>12. Misrepresentation - Educational programs, financial costs and employability of graduates.</li> </ol> </li> </ul>		
Fiscal Year End June 30, 2016	<ul style="list-style-type: none"> <li>• <b>Awarding of Certificates and Diplomas</b></li> <li>• <b>Carl D. Perkins Grant Program</b></li> <li>• <b>P-Card controls and implementation</b></li> <li>• <b>Federal Financial Aid Consumer Information Activities:</b> <ol style="list-style-type: none"> <li>13. Drug and Alcohol Abuse and Prevention Information - Local assistance available and related programs.</li> <li>14. Federal Educational Rights and Privacy Act (FERPA) - Informing students of their rights and the completion of the required forms.</li> <li>15. Safeguarding Consumer Information - Campus security is operational physically and electronically.</li> <li>16. Gainful Employment - Reporting requirements and employability of graduates.</li> </ol> </li> </ul>		
<b>Prior Audit Results:</b>	The focused review performed in July 2015, had one observation noting Management's monthly review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation. Management proactively contacted the lead institution to establish timelines and formats for a monthly reconciliation. The review will include a signature and date page to document their review as an additional control. The reconciliation will include a listing of transactions from the TCAT's ledger (CPA), a listing of transactions from Banner, and a print screen from Banner. The auditor reviewed a reconciliation signed and dated by the Assistant Director during the follow up visit.		
<b>Current Audit Results:</b>	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management's systems of internal controls appear adequate. Management monitors key controls on a regular basis. However, the audit revealed significant issues of noncompliance with regulations or TBR or institutional policies or significant deficiencies in operations.		



**Tennessee College of Applied Technology - Newbern**  
**Focused Operational Review**  
**May 10, 2017**  
**Executive Summary**

<b>College Director:</b> Ms. Donna Hastings	<b>Internal Auditor:</b> Helen Vose, CIA, CFE
<b>Report Date:</b> May 10, 2017	<b>Audit Period:</b> Fiscal Year Ending June 30, 2015

**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. The regulations may specify how the information is disclosed or allow the school to decide. Consumer information was reviewed for ease of access by several delivery methods. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:

- **Awarding of Certificates and Diplomas**
- **Carl D. Perkins Grant Program**
- **P-Card controls and implementation**
- **Federal Financial Aid Consumer Information Activities:**
  1. Drug and Alcohol Abuse and Prevention Information - Local assistance available and related programs.
  2. Federal Educational Rights and Privacy Act (FERPA) – Informing students of their rights and the completion of the required forms.
  3. Safeguarding Consumer Information - Campus security is operational physically and electronically.
  4. Gainful Employment – Reporting requirements 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.

**Tennessee College of Applied Technology - Shelbyville**  
**Focused Operational Review**  
**March 6, 2017**  
**Executive Summary**

<b>College Director:</b> Mr. Ivan Jones	<b>Internal Auditor:</b> Helen Vose, CIA, CFE
<b>Report Date:</b> March 6, 2017	<b>Audit Period:</b> Fiscal Year Ending June 30, 2016
<p><b>Purpose and Scope:</b>  To assess the adequacy of management’s system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology and requests by management. Schools that are recipients of Federal Student Aid are required to notify students of various consumer information. The regulations may specify how the information is disclosed or allow the school to decide. Consumer information was reviewed for ease of access by several delivery methods. 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>• <b>Awarding of Certificates and Diplomas</b></li> <li>• <b>Carl D. Perkins Grant Program</b></li> <li>• <b>P-Card controls and implementation</b></li> <li>• <b>Federal Financial Aid Consumer Information Activities:</b> <ol style="list-style-type: none"> <li>17. Drug and Alcohol Abuse and Prevention Information - Local assistance available and related programs.</li> <li>18. Federal Educational Rights and Privacy Act (FERPA) – Informing students of their rights and the completion of the required forms.</li> <li>19. Safeguarding Consumer Information - Campus security is operational physically and electronically.</li> <li>20. Gainful Employment – Reporting requirements and employability of graduates.</li> </ol> </li> </ul>	
<p><b>Current Audit Results:</b>  Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management’s systems of internal controls appear 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 Board of Regents  
Audit Committee  
June 6, 2017**

*Internal Audit Investigations  
For Informational Purposes*

**Cleveland State Community College**  
**Abuse of Leave**  
**May 25, 2017**  
**Executive Summary**

<p><b>Title of Key Staff Person:</b> Vice President of Finance and Advancement</p>	<p><b>Auditor:</b> Alvin Bishop, Director</p>
<p><b>Background:</b> Internal Audit received an allegation of potential leave abuse by an employee in Marketing. The initial investigation revealed that the employee was on FMLA but was currently working from home with a doctor’s note. During the review of the allegation, it became evident that annual leave taken by the employee had not been reported at various times over the past five years.</p>	
<p><b>Objectives:</b> The main objective of the audit was to determine if the alleged abuse of leave had occurred and to what extent. In addition, policy and procedures regarding alternate work schedules were evaluated for adequate internal control.</p>	
<p><b>Results of the Review:</b></p> <ol style="list-style-type: none"> <li>1. <i>Annual leave requests were not submitted to the Payroll Office; therefore, the leave was not recorded.</i></li> <li>2. <i>No authorized alternate work arrangement was in place.</i></li> </ol>	
<p><b>Conclusions and Recommendations:</b> The allegation was substantiated. The employee in Marketing failed to report over 30 days of annual leave that he had submitted leave requests for and had actually used. The supervisor approved the leave requests but did not ensure the requests were submitted to the payroll office and recorded.</p> <p>New procedures should be developed to ensure employees and their supervisors comply with leave policy. Management should ensure the leave balance for the Marketing employee is adjusted to account for the annual leave that was not recorded. In addition, management should determine appropriate disciplinary action for the employee and supervisor.</p> <p>Management should ensure employees are aware of the correct procedures for alternate work arrangements, and supervisors comply with TBR policy 5:01:01:20 when authorizing them. The College must establish an internal procedure to review and approve or deny the requests as required by the policy.</p>	
<p><b>Management’s Response:</b></p> <p>We concur and the employee is no longer employed at the institution. Additionally, the employee’s leave balances have been reconciled and adjusted. The supervisor has been reprimanded on his lack of oversight and retrained on the leave reconciliation process. Also procedures will be developed on how to reconcile leave and distributed to all supervisors by July 31, 2017</p> <p>Effective immediately Cleveland State and TBR Policy Nos. 5:01:01:20, <b><i>Alternate Work Arrangements</i></b>, will be followed in the future.</p>	

**Dyersburg State Community College**  
**Investigation 17-01: Possible Theft of Time- JNC Academic Success Center- Page 1 of 2**  
**March 22, 2017**  
**Executive Summary**

<b>Key Staff Persons:</b> Coordinator of English, Writing, and 1 <sup>st</sup> Year Experience	<b>Auditor:</b> Sandra Pruett, Director of Internal Audit
<p><b>Introduction:</b>  A DSCC employee reported to the Payroll Manager and Director of Human Resources that there was “possible theft of time” by a full-time temporary employee. This suspicion was due to multiple discrepancies in the sign in sheets and time sheets of the Assistant Coordinator of the Academic Success Center at Jimmy Naifeh Center (JNC), as noted by the Secretary for this academic area.</p>	
<p><b>Objective:</b>  To determine if an improper reporting of time worked occurred in the JNC Academic Success Center has occurred during the previous five months prior to the time of the allegation and to determine if any improper reporting of time worked resulted in “theft of time”.</p>	
<b>Total Questioned Costs: Undetermined</b>	<b>Total Recoveries: N/A</b>
<p><b>Results of Review:</b>  <u><b>Allegation:</b></u> The Secretary for the Coordinator of English, Writing, and 1<sup>st</sup> Year Experience processes the sign in sheets and time sheets for both Academic Success Centers. As part of this process she noticed several discrepancies with these documents for the ASC Assistant Coordinator at JNC from November 2016 through March 2017. These discrepancies resulted in numerous specific questions regarding the accuracy of time worked reported for this position.</p>	
<p><u><b>Conclusion:</b></u> The allegation is substantiated. It is determined that the sign in sheet information and the time sheet information were inaccurately reported on numerous occasions and that no viable explanation was provided by this employee when questioned by her supervisor. It is therefore concluded that “theft of time” has occurred, although no determination for the amount of time inaccurately reported has been made. It is further noted that insufficient supervisory time is spent with this position. Also, the process of not having the direct supervisor approve the time sheets initially, before being sent to the Secretary for processing, has created a situation where pertinent information might be missed in the processing of the monthly payroll cycle.</p>	
<p><u><b>Recommendations:</b></u>  Two recommendations for improvement to internal controls are being made as part of this investigative report.</p> <ol style="list-style-type: none"> <li>1. <u><b>Insufficient supervision of the JNC Academic Success Center Assistant Coordinator exists and should be improved.</b></u> The Academic Success Center Coordinator at Dyersburg has recently been given the role of supervising the JNC Assistant Coordinator for the ASC at that location. However, her duties have not been reorganized to provide adequate time for travel to the JNC on a regular basis. More time should be allocated for the Coordinator to provide in person supervision for the Assistant Coordinator, or other reporting arrangements should be considered.</li> <li>2. <u><b>The sign in sheets and time sheets of the Academic Success Center Assistant Coordinator at JNC should be routed to the immediate supervisor of this position for approval prior to being sent to the Secretary for this area for payroll processing.</b></u> The ASC Assistant Coordinator has been sending emails discussing her time away from the Academic Success Center with her immediate supervisor but the payroll documentation is not being reviewed by this supervisor, the Coordinator for the DSCC Academic Success Center. The supervisor should review this payroll information first and indicate her review and approval in writing prior to further review in the department.</li> </ol>	

**Dyersburg State Community College**  
**Investigation 17-01: Possible Theft of Time- JNC Academic Success Center- Page 2 of 2**  
**March 22, 2017**  
**Executive Summary**

**Management Response:**

*Note: The employee in question was a full-time temporary employee. The contract for this employee stated that the contract could be terminated at any time for any reason. As a result of this investigation, this contract was terminated on March 21, 2017.*

1. **Insufficient supervision of the JNC Academic Success Center Assistant Coordinator exists and should be improved.**

Management concurs and will develop an action plan. Supervision for this position is being reviewed. One option being considered is content supervision from the Coordinator of the Academic Success Center as well as administrative supervision from a key staff member at the JNC for a long term solution. We will have a detailed solution in place by July 1, 2017. In the short term, a staff member from the main campus Academic Success Center will run the ASC at the Jimmy Naifeh Center. Interviews are currently being held to fill this position permanently

2. **The sign in sheets and time sheets of the Academic Success Center Assistant Coordinator at JNC should be routed to the immediate supervisor of this position for approval prior to being sent to the Secretary for this area for payroll processing.**

Management concurs and has developed an action plan that will begin on the next payroll cycle in April 2017. The supervisor for the Academic Success Center on main campus will start immediately reviewing payroll documentation prior to it being sent to the secretary.

**Northeast State Community College**  
**Investigation 17-01: Fee Waiver Denials**  
**March 21, 2017**  
**Executive Summary**

<b>Key Staff Person:</b> Director of Human Resource Records)	<b>Auditor:</b> NeSCC Director or Internal Audit
<b>Introduction:</b> An anonymous complaint was received on August 30, 2016, alleging that fee waivers were denied to a select group of part-time employees based on undocumented policies and eligibility requirements created by the NeSCC human resources department in contradiction to Tennessee Board of Regents (TBR) policy.	
<b>Objectives:</b> To determine if the denial of fee waivers to part-time employees followed documented TBR policy and guidelines.	
<b>Total Questioned Costs/Losses:</b> None	<b>Total Recoveries:</b> None
<p><b>Results:</b> Effective July 1, 2014, state law (Public Chapter 951) allows regular and temporary part-time employees of the state community college system to enroll in one course per term, at the college for which they work, without paying tuition or maintenance fees.</p> <p>In August of 2014, a clarification memo from the TBR Assistant Vice Chancellor for Human Resources was issued to all human resource officers explaining that the law did not include student workers. A section of TBR Policy 5:01:01:00 that defines employment classifications was included with instructions that each institution evaluate each position to determine if they meet the definition of a student worker. Per the policy, the definition of a student worker is “All personnel whose primary purpose for being at the institution is to be enrolled in an academic program of the institution”. The memo also states that eligibility is based on the employment status of an employee on the first day of class.</p> <p>At the time of the complaint, there had been three fee waiver applications from part-time employees denied. A review of the denied applicants revealed that all were enrolled as full-time students with twelve or more credit hours and working under student contracts on the first day of class of the semester in question. Based on the applicants’ contract classifications and enrollment statuses at the time of application, the Human Resource Records Director (director) concluded they met the TBR’s definition of a student worker and were not eligible for the waiver.</p> <p>Upon review of the records of the three rejected waiver applicants, it was also discovered that two of the three had previously received the waiver in error. It appears the errors were due to a change in personnel and lost knowledge during the transition. The Director started in her position four months after the August 2014 memo was issued by TBR Office of Human Resources. She was not made aware of the memo until processing the applications for the Fall 2016 semester when an applicant asked to have their status changed from student worker to part-time temporary employee. The director then investigated and obtained the memo from TBR. The director followed the new information for awarding waivers beginning with the Fall 2016 semester.</p>	
<b>Conclusion:</b> The denial of three fee waiver applications and the current processing of fee waivers for regular and temporary part-time employees appear to follow the documented policies and guidelines set forth by TBR and NeSCC.	

**Southwest Tennessee Community College**  
**Staff Holiday Party**  
**May 9, 2017**  
**Executive Summary**

<b>Key Staff Person:</b> Executive Director of Fiscal Operations.	<b>Auditor:</b> Charlotte Johnson, Internal Auditor
<b>Introduction</b> The Internal Audit department received an allegation that the Finance and Administrative Division of Southwest Tennessee Community College held a holiday party in December 2014. The allegation stated that the college paid for the event and gift cards were given to employees.	
<b>Objective</b> The objective was to investigate the validity of the allegation received to determine the extent of any violation of college or TBR policy.	
<b>Results</b> <ul style="list-style-type: none"><li>• College funds totaling \$144.75 were used to purchase gift cards as door prizes that were then given to five employees.</li><li>• Food costs for the event should have been charged to the department, but were not because of a processing error.</li><li>• Procedures are not in place to assure that Food Services Invoices are reconciled and expensed to the proper department.</li></ul>	
<b>Recommendations</b> <ol style="list-style-type: none"><li>1. Gift cards should not be purchased for employees.</li><li>2. A procedure should be created to ensure monthly Food Services Invoices are reconciled and the expense charged to the proper department.</li></ol>	
<b>Conclusion</b> The Finance and Administrative Division held their annual retreat on December 16, 2014 and provided gift cards to employees for \$144.75. The timing of this event made the annual retreat appear to be a holiday party. New policies and procedures must be put in place to avoid the purchase of gift cards for employees and ensure that all Food Service Invoices are properly processed.	



**Southwest Tennessee Community College**  
**Review of Allegations of Personal Purchases**  
**July 1, 2013 / May 24, 2016**  
**Executive Summary**

<b>Key Staff Person:</b> Mattie Johnson, Administrative Secretary of Physical Plant Services and Shirley Oliver, Administrative Secretary of Physical Services	<b>Auditor:</b> Charlotte Johnson, Internal Auditor
<b>Introduction:</b> In May 2016, a complaint was received regarding the Department of Physical Plant Services at Southwest Tennessee Community College. The allegation stated college funds were used by an employee to purchase boots for personal use.	
<b>Objectives:</b> The primary objectives were to investigate the validity of the allegation received, to determine the extent of any violation of college or TBR policies and to recommend improvements in controls if needed.	
<b>Results of the Review:</b> The complaint could not be substantiated. Four pairs of boots were purchased but since no policy was in place to govern the purchase of uniforms for Physical Plant employees it could not be determined if a college policy was violated.	
<b>Recommendation:</b> A policy should be created to govern the purchase of uniforms for Physical Plant employees.	
<b>Management's Response:</b> We concur, a new policy will be created and implemented by June 1, 2017.	
<b>Conclusion:</b> The allegation was not substantiated; however, a new policy should be put in place to govern the purchase of uniforms for Physical Plant employees.	

**Southwest Tennessee Community College  
Review of Employee Time Reporting  
February 1, 2017 – March 31, 2017  
Executive Summary**

**Description of Incident:** Internal Audit received a complaint regarding a Southwest Tennessee Community College employee leaving the workplace each morning during regular work hours, without clocking out. It was alleged that the employee was gone for approximately 45 minutes to transport his children to school.

**Objective:** The primary object of this review was to determine if the allegation was substantiated and to recommend improvements in procedures as needed.

**Scope:**

- Time sheets and security camera footage were reviewed.
- Interview was conducted with the employee.

**Results:** Time sheets reviewed showed the employee did not clock out during the period when the children were taken to school.

Date	Employee Clocked In	Employee Clocked Out
2/13/2017	5:06 A.M.	1:54 P.M.
2/14/2017	5:09 A.M.	1:45 P.M.
2/15/2017	4:59 A.M.	1:59 P.M.
2/16/2017	5:18 A.M.	1:48 P.M.
2/17/2017	4:58 A.M.	1:33 P.M.
2/20/2017	5:12 A.M.	1:43 P.M.

The Director of Police Services reviewed security tapes to trace the movements of the employee's truck.

Date	Exit Campus	Returned to Campus
2/15/2017	7:16 A.M.	7:58 A.M.
2/17/2017	7:18 A.M.	7:51 A.M.
2/20/2017	7:22 A.M.	Truck on campus at 8:30 A.M.

On March 28, 2017, an interview was conducted with the Vice President of Finance and Administration, Director of Plant Services, Internal Auditor, and the employee. The employee confirmed bringing school age children to the office and dropping them off at their respective secondary schools each school day, without clocking out. The employee's former supervisor, who no longer works for the college, approved the employee leaving Southwest Tennessee Community College to drop his children at their secondary schools. Employees in this department are not required to clock in/out for lunch or breaks.

**Conclusion:** The allegation was substantiated. On March 31, 2017, the Director of Plant Services spoke with the employee who stated at the time, "I am aware of the importance of my duties and I no longer have the responsibility of taking my children to school." Human Resources has issued a reminder to management, concerning TBR Policy 5:01:01:20 *Alternate Work Arrangement* to ensure that supervisors who have employees working alternate schedules have documented the schedule in accordance with the policy.

**Walters State Community College  
Investigation of Misuse of Vehicle  
March 17, 2017  
Executive Summary**

<b>Key Staff Person:</b> Dean, Workforce Innovation and Opportunity Act (WIOA)	<b>Auditor:</b> Mark Ortlieb, CPA
<b>Background:</b> The TN Department of General Services received a Fraud, Waste and Abuse e-mail complaint alleging that on Tuesday, March 14, 2017, a female driving a WSCC vehicle “was observed traveling I40 east passing the airport in the left hand lane traveling 75-80 MPH and remained in the lane when it changed to HOV.” The allegation focuses on the misuse of a motor vehicle.	
<b>Objectives:</b> The primary objectives of this review were to Verify Complainant’s allegation and take appropriate corrective action.	
<b>Total Questioned Costs/Losses:</b> Not Applicable	<b>Total Recoveries:</b> None
<b>Results:</b> The allegation included the vehicle’s license plate number and WSCC vehicle number which were used to determine that the vehicle was assigned to the Dean, Workforce Innovation and Opportunity Act (WIOA) on March 14, 2017. The Dean confirmed that she was returning home from Nashville mentally exhausted and was in the midst of rush hour at 5:30 p.m. She also acknowledged that she was in the High Occupancy Vehicle (HOV) lane at that time. Unfortunately, she mistakenly believed that her high-mileage vehicle qualified as a low emission vehicle and therefore was not in violation of the lane restriction. Although the speed limit was 70 m.p.h., she admitted to driving at speeds approaching but not in excess of 79 m.p.h., simply going with the flow of traffic at that time.	
<b>Conclusion:</b> Since the Dean inappropriately used the HOV lane and was driving in excess of the posted speed limit of 70 m.p.h., the allegation of motor vehicle misuse was substantiated.	

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
ChSCC	31-Jul-14	IT Disaster Recovery Plan 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.	AVP ITS	31-Dec-17		In Progress
ChSCC	31-Jul-14	IT Disaster Recovery Plan 2 of 7: As a departmental joint project, evaluate the effect of a disaster on departmental servers and complete departmental DRP's.	AVP ITS	31-Dec-17		In Progress
ChSCC	31-Jul-14	IT Disaster Recovery Plan 3 of 7: Complete the service level agreements with ChSCC departments for each application and/or the department as a whole.	AVP ITS	31-Dec-17		In Progress
ChSCC	31-Jul-14	IT Disaster Recovery Plan 4 of 7: An equipment inventory should be included in each Department's DRP.	AVP ITS	31-Dec-17		In Progress
ChSCC	15-Feb-16	ChSCC Study Abroad 1 of 1: Multicultural Services should enhance its internal timeline to include detailed procedures to administer the off-campus international education programs operated through TnCIS.	Director of Multicultural and International Student Services	31-Dec-16	5-May-17	Action Completed
ChSCC	28-Jun-16	ChSCC Information Technology Services (ITS) NACHA 3 of 3: ITS should obtain and distribute information security training to all ChSCC employees on a periodic basis.	Assistant Vice President ITS	30-Nov-16	9-Jun-16	Action Completed
ChSCC	29-Jun-16	ChSCC Disposal Policy Education 1 of 1: Management should educate the Physical Plant employees on the college's policies/practices concerning the removal of scrap from campus.	Assistant Vice President Physical Plant/ Plant Operations	30-Sep-16	5-May-17	Action Completed
ChSCC	29-Jun-16	An internal control step should be developed to include review of the Volkswagen Academy Workforce Training Contact Hours spreadsheet by the Dean of Engineering and Information Technologies and/or the Volkswagen/Mechatronics Department Manager before the training data is submitted to the Economic and Community Development department for inclusion into the workforce training contact hour totals for the college.	Dean of Engineering & Information Technologies/ Director Continuing Education and Workforce Development	30-Jun-17		In Progress
ChSCC	31-Jan-17	Management should submit corrected FY 2015-2016 Workforce Training Contact Hours report to TBR.	Executive Director Continuing Education and Workforce Development	15-Feb-17	16-Mar-17	Action Completed
ChSCC	10-Nov-16	Security system codes should be activated and deactivated for personnel in a timely manner upon hire or dismissal from the college based on effective dates of these actions.	Security System Administrators	31-Dec-16	16-Mar-17	Action Completed
ChSCC	10-Nov-16	Security system training should be obtained for any new users either through on campus sharing of knowledge or directly from the security system provider to ensure they are capable of all system maintenance and monitoring tasks.	TCAT Director	31-Dec-16	5-May-17	Action Completed

**TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges**  
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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
ChSCC	10-Nov-16	Management should complete an analysis of the campus security systems to determine the need for system upgrades such as strategically placed cameras and centralized monitoring. Upon completion of the analysis, a plan should be developed to enhance campus security systems by implementing immediate deficiencies and scheduling additionally suggested improvements in periodic installments.	Campus Police Chief	30-Jun-17	16-Mar-17	Action Completed
ChSCC	13-Jan-17	Any forms or policies that state that final paychecks can be held for any reason are revised to conform to Tennessee State law.	Executive VP of Business and Finance and Executive Director of Physical Plant	31-Jul-17		In Progress
ChSCC	13-Jan-17	A self audit of employee keys should be completed by each campus department/division with the assistance of the Plant Operations staff. The self-audit should include the following tasks: <ul style="list-style-type: none"> <li>o Comparison of hardcopy key agreements to the Keystone software database should be completed for discrepancies noted during the department/divisional reviews.</li> <li>o An amended Key Agreement form should be obtained for all employees that have keys issued to them as necessary to update the key documentation file to match the Keystone database and the actual keys issued.</li> <li>o Any terminated employees should be removed from the Keystone database and hardcopy documentation should be filed in the terminated employee files. If outstanding keys are known, they should be collected from the terminated employee if at all possible.</li> <li>o Any temporary or adjunct employees on the Keystone employee key listing and their supervisor or department head should be contacted to get their keys issued correctly through their departmental key coordinator.</li> <li>o Sub-Master, Master, and Grand Master key assignments should be reviewed by the appropriate Vice-President or President to ensure that an employee's assigned duties still require this level of access.</li> </ul>	Executive Management and all their corresponding managers	31-Jul-17		In Progress
ChSCC	13-Jan-17	ChSCC Human Resources management should modify their notification process to provide more timely documentation of upcoming terminations to Plant Operations and other critical departments.	HR Director and Physical Plant Executive Director	31-Mar-17	5-May-17	Action Completed
ChSCC	13-Jan-17	ChSCC Keys and Locking Systems policies and procedures should be updated to provide for exceptions such as vendors noting the level of approval that must be obtained for an exception.	Executive VP Business and Finance	31-Jul-17		In Progress
CISCC	13-Feb-17	CISCC Building Access and Keys December 2016 Management should update the key listing to show the current keys outstanding.	Assistant VP of Finance	30-Jun-17		In Progress
CISCC	13-Feb-17	CISCC Building Access and Keys December 2016 Employees for whom the key request is made should sign the key request form as receiving.	Assistant VP of Finance	30-Jun-17		In Progress
CISCC	13-Feb-17	CISCC- Building Access and Keys December 2016 Management should develop a key agreement or use the one offered by Keystone (key management software) if it is acceptable.	Assistant VP of Finance	30-Jun-17		In Progress

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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
CISCC	13-Feb-17	CISCC Building Access and Keys December 2016 Key Request forms should be filed alphabetically by employee name and marked as active or inactive status. This would help with record retention as key request forms should be maintained for five years after employment has ceased per TBR rules.	Assistant VP of Finance	30-Jun-17		In Progress
CISCC	13-Feb-17	CISCC Building Access and Keys December 2016 Management should issue the correct keys and collect the Grand Master key from the employee.	Assistant VP of Finance	30-Jun-17		In Progress
CISCC	13-Feb-17	CISCC Building Access and Keys December 2016 The key request form should be modified to allow for the President's approval of Grand Master Keys. Management should also modify key request to allow for supervisory personnel to sign.	Assistant VP of Finance	28-Apr-17	5-May-17	Action Completed
CISCC	13-Feb-17	CISCC Building Access and Keys December 2016. HR should be given access to Keystone software for the purposes of removing keys from the Keystone software for terminated employees only.	Assistant VP of Finance	3-Jul-17		Not Yet Due
CoSCC	19-Feb-16	The college applied the Banner "tuition and fee waiver" without an approved or documented exception to TBR and Columbia State policies. All instances of the Banner "Tuition and Fees Waiver" should be reviewed to ensure that assessments of fees and charges occur unless an exception is approved and documented.	Business Manager	1-May-17		In Progress
CoSCC	20-May-16	Workforce Development collects data for two main reporting purposes 1) internal reports that provide course data such as number and types of courses, contact hours, and course profit/loss data, and 2) an external annual Economic and Workforce Development Contact Hours report submitted to TBR that summarizes the number and types of courses and total contact hours. The total contact hours reported through the annual Economic and Workforce Development Contact Hours report have a direct impact on the college's state funding. The test work revealed that the total contact hours reflected on the 2014-2015 Economic and Workforce Development Contact Hours report were understated by 1,124 hours. The 1,124 unreported hours equate to a loss of approximately \$6,100 in state formula funding. Discussion with the Interim Executive Director for Workforce Development identified a number of possible factors that led to the inaccuracies identified, including recent turnover of leadership and clerical support resulting in inconsistent or revised data entry standards, and a lack of or inconsistent application of independent reviews. Workforce development could improve reporting accuracy by strengthening segregation of duties, and ensuring data is independently reviewed and reconciled. Management's Action Plan: Management concurs with the recommendation, and will take actions to strengthen controls, including refresher training on database features and course data entry standards, pairing segregated data entry with independent reviews, and ensuring management conducts database reconciliations at least quarterly.	Executive Director, Workforce Development	30-Jun-17		In Progress

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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
CoSCC	20-Dec-16	<p>Columbia State's readmission policies do not address the institution's obligation to promptly readmit service members under Section 484C of the Higher Education Act of 1965, as amended in 2008 (as codified in 34 CFR 668.18), nor do the policies provide information on to whom the service member would communicate notification of military service or notification of intent to return. 34 CFR 668.18 applies to service members that are required to withdraw for more than 30 consecutive days due to service requirements. To promptly readmit a service member, an institution must readmit the service member into the next class or classes in the service member's same program beginning after the service member provides notice of his or her intent to reenroll, unless the service member requests a later date of readmission.</p> <p>Management should review institutional communication to ensure service members can locate the proper contact for communicating notification of military service or notification of intent to return. Management should also update the institution's general and program-specific readmission policies to ensure that the institution can meet its obligation to promptly readmit service members that are required to withdraw for 30 consecutive days or more.</p>	Vice President for Student Affairs	28-Apr-17	24-Mar-17	Action Completed
CoSCC	3-Mar-17	<p>Risk: Lack of progress toward institutional objectives and failure to comply with Federal or grant requirements due to poor internal communication, or lack of delegated responsibility</p> <p>Management has successfully established processes and procedures that provide effective communication between departments and that assist the institution toward objectives. These include data reviews by the Program Director and Business Services prior to submitting financial reports, and by the Grants Officer prior to submitting outcomes or program data. In addition, Business Services and Program Directors communicate frequently on budgets, special grantor requests, monthly expenditures, and contract agreements. However, a lack of information and communication were the root cause of reporting and compliance issues. The issues discovered during the engagement included late and incomplete invoicing, failure to submit the Single Audit report to grantors, insufficient budget monitoring, and</p> <p>The Grants Officer should establish stronger controls over federal grants in order to clearly assign compliance responsibility, reduce duplicate work, establish budget monitoring, and ensure timely and accurate reporting. The Vice President_Financial &amp; Administrative Services and the Grants Officer should review the current budget monitoring processes to ensure that budget information is available to project directors in a timely manner and budgets are spent at a reasonable rate.</p>	Grants Officer Vice President for Financial & Administrative Services	30-Jun-17		Not Yet Due

**TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges  
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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
CoSCC	3-Mar-17	Risk: Staff responsible for initiating or processing grant transactions lack competencies. COSO principle 4 outlines that a strong control environment is demonstrated through a commitment to attract, develop, and retain competent individuals. The Standards for Internal Control in the Federal Government (Green Book), lists training as a method for developing competencies appropriate for key roles. A lack of training were the root cause of a number of issues identified during the engagement. The Grants Officer should establish methods for educating grant paid staff on requirements imposed by the grantor and the Federal government, and requirements associated with maintaining and disposing of institution and grant-specific records. Project Directors should be required to attend grant specific training. Institution-wide training on records management would assist Columbia State with managing compliance with Federal, State, and TBR records requirements.	Grants Officer	30-Jun-17		Not Yet Due
DSCC	19-Feb-16	DSCC-Off-campus International Education Program-Finding 1 of 2 Management should develop comprehensive policies for the administration of the Off-campus International Education Program that include but are not limited to, procedures for enrolling students and awarding credit, use of financial accounts, account audit/reconciliation procedures, collection of tuition and fees, reimbursement of travel expenditures, accompanying spouses and/or children, orientation guidelines, information on legal and cultural environments, awarding of scholarships, a refund policy, a student conduct policy, etc.	Teri Maddox, Vice President of the College	30-Sep-16	11-Apr-17	Action Completed
DSCC	19-Feb-16	DSCC-Off-campus International Education Programs-Finding 2 of 2 Management should develop procedures to ensure the maintenance and safekeeping of all records associated with international travel each year. This includes all student paperwork required by DSCC and TNCIS, as well as all required faculty paperwork.	Teri Maddox, Vice President of the College	30-Sep-16	11-Apr-17	Action Completed
DSCC	19-Feb-16	DSCC-Off-campus International Education Programs-Observation 1 of 3 No dual service contracts were found for the DSCC instructors who participated in the Off-campus International Education Programs for FY2015. The DSCC instructors were paid directly by TNCIS. DSCC management would not have known that this payment arrangement was in place; however, dual service contracts should be used with TNCIS for institutional faculty teaching abroad according to the TNCIS Operational Handbook section 3.2.9. The TNCIS office should complete the dual service contract upon receipt of an approved adjunct faculty contract from the institution. DSCC management should develop procedures to ensure that these dual service contracts are in place when approving DSCC faculty international teaching assignments.	Teri Maddox, Vice President of the College	30-Sep-16	11-Apr-17	Action Completed



**TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges  
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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
DSCC	19-Feb-16	DSCC-Off-campus International Education Programs-Observation 2 of 3 Off-campus international education program activity was not reconciled which resulted in an erroneous posting of \$38,675 to the scholarship expense line item in the International Education Program budget. The posting error also affected an agency account used solely for Off-campus International Education program activity. No duplicate payments were made as a result of this posting error, but the agency account had a balance which was not cleared due to the incorrect posting. Management should develop procedures for reconciling International Education program accounts to ensure that all postings are made according to the detailed requirements for this program's activity.	Bud Hoffmann, Vice President for Finance and Administrative Services	30-Sep-16	11-Apr-17	Action Completed
DSCC	19-Feb-16	DSCC-Off-campus International Education Programs-Observation 3 of 3 The reserve account mentioned previously consists of the difference between the annual International Fee revenues and the expenses associated with the International Education Program. Therefore, the balance of this account fluctuates greatly from year to year. Management should develop procedures to specify the adequate level of this reserve account and to ensure that the account is maintained at this level going forward.	Bud Hoffman, Vice President for Finance and Administrative Services	30-Sep-16	11-Apr-17	Action Completed
DSCC	11-Jan-17	DSCC-Building Security and Key Controls-Observation 1 of 3 Key return has historically been a problem at DSCC as there is no way to force terminated employees to return keys. This problem is compounded by the fact that hard keys are used throughout the college and many "building master" (exterior access) keys are issued due to a lack 24 hour Security department personnel. Management should consider rekeying exterior building access door locks and/or purchasing a card key system for the exterior building doors.	VP for Finance and Administration Director of Physical Plant	31-Jul-17		Not Yet Due
DSCC	11-Jan-17	DSCC-Building Security and Key Controls- Observation 2 of 3 As door locks, both interior and exterior, are updated as prescribed by the current DB70 Capital Project, a review of the need for access to these areas should be performed prior to reissuing the corresponding keys. Only personnel with a definite and consistent need to these areas should be granted master key access. A review of all employees in possession of master keys is needed to determine the necessity of those issued keys.	VP for Finance and Administration Director of Physical Plant Assistant Director of Physical Plant	31-May-17		Not Yet Due
JSCC	2-Apr-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.	Director of Information Technology	31-Dec-15	29-Mar-17	Action Completed
JSCC	2-Apr-13	JSCC-Data Security Observation 2 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	31-Dec-15	29-Mar-17	Action Completed

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
JSCC	24-Oct-14	Emergency Preparedness Plan Audit - Observation 1 of 2: Employee Training The JSCC Emergency Management Plan requires training in emergency procedures and for the proper use of safety equipment. Several safety drills have been conducted and safety equipment is located campus wide in designated locations. However, further training is needed in the proper use of the chair lifts, AEDs, and fire extinguishers. Training should also include first aid procedures and building evacuation procedures.	Darron Billings, Director of Environmental Health and Safety/Chief of Police	31-Dec-17	15-May-17	Action Completed
JSCC	24-Oct-14	JSCC - Emergency Preparedness Plan Audit - Observation 2 of 2: Annual Review and Update According to TBR Guideline B-100 section III.17, the emergency preparedness plan should be reviewed and updated on an annual basis. The last revision was July 01, 2011.	Darron Billings, Director of Environmental Health and Safety/Chief of Police	31-Dec-17	15-May-17	Action Completed
JSCC	21-Feb-14	JSCC - Progression and Dual Enrollment: Institutional management and TBR System Office management should consult with THEC to determine the significance of the risk of inaccurate progression outcomes resulting from certain timing differences and whether the risk warrants mitigating actions.	Robin Marek, Director of Admissions and Records	31-Dec-15	16-May-16	Action Completed
JSCC	23-Jul-14	Completion Outcomes 1 of 2: Management should continue to keep certificate and degree categories as up to date and as accurate as possible.	Robin Marek, Director of Admissions and Records	31-Mar-16	16-May-16	Action Completed
JSCC	23-Jul-14	Completion Outcomes 2 of 2: Institutional procedures should include the review of obligations owed to the institution and holding certificates and diplomas until the obligation has been satisfied.	Robin Marek, Director of Admissions and Records	31-Mar-16	16-May-16	Action Completed
JSCC	30-Oct-15	JSCC-Access and Diversity Recommendation 1 Of 4: The institution should develop Access and Diversity goals for the overall program and ensure that funds are spent according to established goals.	Director of Human Resources	1-Apr-16		In Progress
JSCC	30-Oct-15	JSCC-Access and Diversity Recommendation 2 of 4: Scholarships awarded by the Access and Diversity Committee should be reconciled to expenditures.	Director of Human Resources	1-May-16		In Progress
JSCC	30-Oct-15	JSCC - Access and Diversity Recommendation 3 of 4: Scholarship applications should be maintained for a period of time as supporting documentation. A suggested time for retention would be 5 years.	Dean of Students/Director of Human Resources	1-May-16		In Progress
JSCC	30-Oct-15	JSCC-Access and Diversity Recommendation 4 of 4: The TBR Office of Organizational Effectiveness and Strategic Initiatives should approve scholarship criteria, salaries, and transfers.	Director of Human Resources	1-May-16		In Progress

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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
JSCC	19-Feb-16	JSCC-IAR-Off-Campus International Education Program Recommendation 1 of 2: Students should be registered for international education programs at their institution according to the TBR Guideline A-076 and the TnCIS Operational Handbook. Institutional registration should include recording appropriate student fees, student payments, and administering any financial aid and scholarships.	International Activities Coordinator	1-Jun-16		In Progress
JSCC	19-Feb-16	Off-Campus International Education programs - Management should ensure that appropriate dual service contracts are in place with TnCIS for institutional faculty teaching abroad according to the TnCIS Operational Handbook section 3.2.9. The TnCIS office should complete the dual service contract upon receipt of an approved institutional approval form from the institution.	International Activities Coordinator	1-Jun-16		In Progress
NeSCC	2-Jan-14	Data Security FY 2013 Information Technology Resources policy is not being followed as stated in Policy 1:08:00:00.	Director of Information Technology	29-Apr-16	23-Mar-17	Action Completed
STCC	2-May-15	STCC-Industrial Readiness Grants Finding 1 of 1: The first year grant projections were not achieved.	Director of Grants Management	30-Oct-15		In Progress
STCC	5-May-15	STCC-Tuition Statements 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	30-Oct-15		In Progress
STCC	31-Jul-15	STCC - Review of Motor Vehicle Procedures 4. Plant Management's monthly review of Fuelman credit card bills should be documented. The bills should be reviewed by plant management and compared to credit card receipts.	Alice Webster, Technical clerk of Physical Plant	1-Aug-15		In Progress
STCC	28-Oct-15	Access and Diversity The Special Academic department should improve internal controls and procedures over Access and Diversity reports. A. The quarterly report should be signed by the Diversity Officer, Business Officer and Financial Aid Director to validate the data reported. B. The department should have segregation of duties by requiring supervisor approval of all expenditures. Currently, the Executive Director of Special Academic Programs initiates and approves all expense for Access and Diversity funds. C. Scholarships awarded to relatives of Institutional personnel, where an actual conflict of interest or perception of a conflict of interest exists, should be subject to a higher level of authorization. D. The Special Academic Program should submit accounts payable invoices to the Finance department, for processing, in a timely manner. Three invoices were not paid within 45 days.	Executive Director, Special Academic Programs	29-Apr-16		In Progress

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STCC	28-Oct-15	<p>Access and Diversity</p> <p>The Special Academic department should improve program controls over Access and Diversity funds.</p> <p>A. The scholarship criteria and selection process should be provided to TBR OESI on an annual basis or anytime the college changes the criteria or process.</p> <p>B. Scholarships should be awarded in accordance with stated criteria submitted to TBR OESI. The 93 scholarships issued were reviewed, with 15 recipients noted as not meeting the scholarship criteria. Seven students receiving scholarships did not complete a FAFSA. Five students were not enrolled in at least six credit hours. Three student did not meet one of the additional criteria.</p> <p>C. Service hour requirements are not allowed for Access and Diversity scholarship recipients according to TBR Policy 3:04:01.00, Student Scholarship, Grants, Loans and Financial Aid. The college should eliminate the requirement.</p> <p>D. Access and Diversity scholarships are issued at the end of the semester. The scholarships should be paid using the same process the college follows for all other student financial aid.</p> <p>E. Prior written approval from TBR OESI should be obtained for personnel expenses paid each fiscal year.</p>	Executive Director, Special Academic Programs	29-Apr-16		In Progress
STCC	28-Oct-15	<p>Access and Diversity</p> <p>Diversity Funds and ensure funds are budgeted and used in accordance with the college's Access and diversity goals.</p> <p>A. Written Processes and procedures and oversight controls should be put in place to ensure that funds are properly managed, executed and used for the purposes intended.</p> <p>B. A committee should be created to review the Access and diversity process. They should establish goals for the department's expenditures; scholarship criteria, student recruitment and retention and faculty recruitment and retention. Quarterly or semester reports should be issued to the committee showing a summary of how the funds are used, the number of scholarships issued by demographics and recruitment and retention projects.</p>	Executive Director, Special Academic Programs	29-Apr-16		In Progress

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STCC	28-Oct-15	<p>Access and Diversity</p> <p>The Finance department should improve internal controls and procedures over the Access and Diversity reports.</p> <p>A. Access and Diversity funds should be recorded in three cost centers in the amount allocated to those categories by TBR OESI; Scholarships and Fellowships, Student Recruitment and Retention and Faculty/Staff Recruitment and Retention. The college has continued to use cost centers for categories of funds which are not a part of Access and Diversity.</p> <p>B. The quarterly Report should agree with Banner. The amounts reported to TBR OESI as match and carryover funds for the Fiscal Year ended June 30, 2014 and June 30, 2015 did not agree with Banner and should be corrected and resubmitted. Exhibits 1 and 2 in this report agree with the amounts recorded in Banner.</p> <p>C. Carryover funds should be recalculated and Fund Balances should be adjusted to recognize the correct amounts in Access and Diversity funds. Since the inception of Access and Diversity programs, the revenue was posted to incorrect cost centers.</p> <p>D. The Ambassador process for paying students should be reviewed with the Human Resources and Finance department to determine if payments should be processed through payroll rather than accounts payable.</p>	Executive Director, Special Academic Programs	29-Apr-16		In Progress
STCC	3-Mar-16	<p>STCC-International Education Program-Documentation</p> <p>Supporting documentation for travel expense reports should be organized and the dollar amounts should tie back to the summary page of the expense report.</p>	Director of International Education Program	31-Aug-16	18-May-17	Action Completed
STCC	3-Mar-16	<p>STCC-International Education Program-Collection Procedures.</p> <p>TBR Policy: B-010 Collection of Accounts Receivable requires each institution to establish a written systematic process and procedure for collecting receivables from all persons including students and employees. The Finance Department, follows TBR guidance, but must establish a systematic process and procedure for Southwest Tennessee Community College.</p>	Director of International Education Program	31-Aug-16		In Progress
STCC	3-Mar-16	<p>SSTC-International Education Program-Waivers</p> <p>TBR Guidelines A-76 Development and Operations of Off-Campus International Educational programs states "Institutions should not charge tuition for students enrolled in TNCIS Study Abroad program. Two students were charged tuition. A procedure should be put in place to ensure TnCIS students are not charged tuition.</p>	Director of Finance	31-Aug-16		In Progress
STCC	3-Mar-16	<p>STCC-International Education Program-Contingency</p> <p>Procedures must be put in place to establish a reserve for a contingency account and this account must be monitored annually.</p>	Director of International Education Programs	31-Aug-16	18-May-17	Action Completed
STCC	3-Mar-16	<p>STCC-International Education Program-Assessment of Programs.</p> <p>For institution sponsored programs, the International Studies Procedure manual requires that a Periodic Evaluation and assessment should be completed by the faculty to verify that estimated program costs were compared to actual costs at the completion of the program.. The faculty are required to reconcile the fiscal accounting report within two weeks of returning from the trip. The document should be available for review in the International Education Program office.</p>	Director of International Studies	31-Aug-16	18-May-17	Action Completed

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WSCC	28-Oct-15	<p>NeSCC-IA-President's Expenses FYE 2015 - 10282015</p> <p>Due to the inadvertent omission of \$21,151 of various chamber-of-commerce sponsorships requested by the president, a recommendation was suggested for the preparer of quarterly reports to solicit from the various vice presidents confirmation of includable items of which they may be uniquely aware.</p>	NeSCC preparer of quarterly reports	4-May-17	4-May-17	Action Completed

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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
Covington	3-Mar-16	Focused Review of Operations - Covington Account with collection agency should be established The procedures used for collections by the school do not comply with the TBR Guideline.	Director	1-Jul-16	10-Oct-16	In Progress
Covington	3-Mar-16	Focused Review of Operations - Covington Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Director	1-Jul-16	10-Oct-16	In Progress
Covington	3-Mar-16	Focused Review of Operations - Covington - Management has used an alternative method of sending 1 collection letter with all the required data in the past, which is allowed if collection efforts are not compromised. The current student receivable balance, \$69,904.00, is material and sending only 1 debt notification letter could be a factor.	Debra Johnson,	1-Jul-16	10-Oct-16	In Progress
McKenzie	11-Nov-14	Focused Review: Observation 1 of 3: Title IV refunds were processed between 35 and 37 days late.	Director	1-May-15	3-Feb-17	Action Completed
McKenzie	11-Nov-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-Jan-16	3-Feb-17	Action Completed
McKenzie	11-Nov-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	31-Dec-15	3-Feb-17	In Progress
Memphis	9-Jan-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	31-Aug-16	1-Nov-16	In Progress
Paris	29-Jan-15	Focused Review: Finding 1 of 1: The procedures used for collections by the school do not comply with the TBR Guideline.	Director	31-Dec-15	3-Feb-17	In Progress
Paris	29-Jan-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	31-Dec-15	3-Feb-17	Action Completed

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<b>Institution</b>	<b>Report Release Date</b>	<b>Recommendation</b>	<b>Responsible Staff</b>	<b>Date Management's Actions to be Implemented</b>	<b>Date Internal Audit Follow-Up Completed</b>	<b>Status</b>
Ripley	1-Jun-16	The procedures used for collections by the school do not comply with the TBR Guideline.	Sue McBroom, Fiscal and HR Coordinator and Robbie Camera, Account Clerk II	1-Jul-16	7-Nov-16	In Progress
Ripley	1-Jun-16	Managements review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Sue McBroom, Fiscal and HR Coordinator and Robbie Camera, Account Clerk II	1-Jul-16	7-Nov-16	In Progress
Shelbyville	6-May-15	Focused Review: Observation 1 of 1: Accounts Receivable - Collection letters should be sent at 30 day intervals.	Director	31-Dec-15	5-Dec-16	Action Completed



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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
ChSCC	12-Apr-16	ChSCC ITGCR: Procedural Deficiencies Develop and implement comprehensive information technology procedures for: a. Change Management that details how hardware, network configuration, anti-virus definitions and software patch updates will be completed, in addition to implementation of Banner software updates. b. Vendor Management that describes how the Information Technology Services 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 utilization activities that identifies what will be logged, how it will be reviewed, and how the results are handled. e. Remote Devices that includes an agreement that defines expectations of non-student users who connect their personal laptop or cell phone device to the network	AVP/CIO, Greg Jackson	31-Mar-17	31-Mar-17	Action Completed
ChSCC	12-Apr-16	ChSCC ITGCR: Linking IT Strategy to Overall College Strategy Enhance the way that ITS goals and initiatives are linked to overall ChSCC strategic plan.	AVP/CIO, Greg Jackson	4-Apr-17	16-May-17	Action Completed
ChSCC	12-Apr-16	ChSCC ITGCR: Detection of unauthorized devices on network Complete the implementation of the CISCO ISE product that will limit ability to attach an unauthorized device to the ChSCC network.	AVP/CIO, Greg Jackson	4-Apr-17	16-May-17	Action Completed
ChSCC	12-Apr-16	ChSCC ITGCR: Need for BCP Enhance the college-wide Business Continuity Plan to ensure planning for and documentation of: a. A business impact analysis that identifies the impact of disasters on the ability to educate students, so business recovery requirements and objectives, as well as assigned roles and responsibilities of a Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster can be developed. b. Amendments to 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. c. A test plan and documentation of periodic testing conducted to ensure the plan's effectiveness for recovery. This should begin with testing recoverability of data backed up using the recently implemented process	AVP/CIO, Greg Jackson	30-Dec-17		In Progress
ChSCC	12-Apr-16	ChSCC ITGCR: Improved Topology diagram Develop a better topology diagram that depicts ingress/egress points and layered security, and utilize the diagram as a key component of the Business Continuity Plan	AVP/CIO, Greg Jackson	31-Mar-17	31-Mar-17	Action Completed
ChSCC	12-Apr-16	ChSCC ITGCR: Firewall Config update Remove older and/or unused rules in the firewall configuration to eliminate the risk of these rules being in appropriately used	AVP/CIO, Greg Jackson	30-Jul-17		In Progress
ChSCC	12-Apr-16	ChSCC ITGCR: Blocking web content Block access to selected websites involving gambling, pornography, and known malicious code to comply with state laws and to reduce the risks of unauthorized use and risks of viruses and malicious programs	AVP/CIO, Greg Jackson	31-Mar-17	31-Mar-17	Action Completed

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Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
ChSCC	12-Apr-16	ChSCC ITGCR: Access to the server room Enhance physical security of the server room to better ensure no unauthorized persons can easily access the servers.	AVP/CIO, Greg Jackson	30-Jun-17		In Progress
ChSCC	12-Apr-16	ChSCC ITGCR: Logging deficiency #2 Review and update the current information security alerts from vendor products to better serve the college's needs.	AVP/CIO, Greg Jackson	30-Oct-17		In Progress
ChSCC	12-Apr-16	ChSCC ITGCR: Chain of custody procedure Establish a process to gather, store and protect information on computer hard drives when circumstances require management retrieve and retain such information.	AVP/CIO, Greg Jackson	30-Jun-17		In Progress
CISCC	6-Apr-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	9-Jan-17	27-Mar-17	Action Completed
CISCC	6-Apr-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	30-Dec-17		In Progress
CISCC	6-Apr-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	30-Dec-17		In Progress
CoSCC	24-Jul-15	CoSCC - IT GCR - Observation 6 of 16: 6. 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 assigned roles and responsibilities of the Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster or other events requiring use of the plan. b. 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.	Emily Siciensky - Associate VP for IT	30-Dec-17		In Progress
CoSCC	24-Jul-15	CoSCC - IT GCR - Observation 7 of 16: 7. 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.	Emily Siciensky - Associate VP for IT	30-Dec-17		In Progress
CoSCC	24-Jul-15	CoSCC - IT GCR - Observation 13 of 16: 13. Review the lists of accounts with administrative or non-expiring network passwords and revoke that privilege from accounts that do not require it for specific business purposes.	Emily Siciensky - Associate VP for IT	2-Jun-17		In Progress

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DSCC	14-Aug-15	DSCC - IT GCR - Observation 10 of 15: 10. 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 assigned roles and responsibilities of a Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster or other event requiring use of the plan. b. Secondary and tertiary assignments for persons in the event personnel are not available at the time of a disaster. c. 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. d. A test plan and documentation of periodic testing conducted to ensure the plan's effectiveness for recovery.	Diane Camper - VP for Technology	30-Dec-17		In Progress
JSCC	8-Sep-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	30-Dec-17		In Progress
JSCC	8-Sep-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	30-Dec-17		In Progress
MSCC	15-Apr-16	MSCC IT GCR: Need for enhanced MSCC IT Procedures Develop or enhance the following procedures: o Change Management Procedure o Vendor Management Procedure o Network Administration Process o Logging and Monitoring Procedure	Cindy Logan, CIO	6-Feb-17	16-Mar-17	Action Completed
MSCC	15-Apr-16	MSCC IT GCR: BYOD Customer agreement Enhance the existing draft mobile device agreement so any users whom utilize and attach their own device to the network for business purposes have signed an agreement to abide by MSCC criteria	Cindy Logan, CIO	6-Feb-17	17-Mar-17	Action Completed
MSCC	15-Apr-16	MSCC IT GCR: Managing Help Desk Tickets Establish means so help desk tickets can be identified and periodically reviewed which would include justifying the need for tickets over 90 days old to remain open	Cindy Logan, CIO	6-Feb-17	17-Mar-17	Action Completed

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MSCC	15-Apr-16	MSCC IT GCR: Need for Business Continuity Plan and Disaster Recovery Plan 1. Enhance and implement a comprehensive university-wide BCP that identifies business recovery strategies, business resumption processes and business recovery requirements for the entire university. Also include possible adjustments in backup assignments in the event of a pandemic sickness crisis. 2. Implement a plan to test the BCP periodically and document the results of such testing. 3. Revamp the IT Disaster Recovery section of the BCP for changes needed to meet business requirements	Cindy Logan, CIO	30-Dec-17		In Progress
MSCC	15-Apr-16	MSCC IT GCR: Logging process adjustments 1 Complete the implementation of processes regarding how computing logs will be monitored and what follow-up actions will result from those activities	Cindy Logan, CIO	6-Feb-17	16-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR Number 1 of 13 Enhance Info Security Policies Complete the implementation of the policies and procedures for the Information Security Program in coordination with a comprehensive information security program being developed by the TBR System Office that defines both business and computing information security processes and implementation of a security awareness and training program. Also, 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.	Paul Kaminsky, CIO	15-Feb-17	20-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR: 2 of 13 Develop procedures 2. Develop and implement comprehensive information technology policies and procedures for vendor management, logging and monitoring, and incident response	Paul Kaminsky, CIO	15-Feb-17	20-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR: 3 of 13 Policy review, modification and approval Implement a process to document the annual review and approval of policies.	Paul Kaminsky, CIO	15-Feb-17	20-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR: 4 of 13 Assignment and roles of ISO and BCP Coordinator Identify the responsibilities for the assigned roles of the Information Security Officer and the Business Continuity Coordinator.	Paul Kaminsky, CIO	30-Jun-17		In Progress
NaSCC	15-Aug-16	NaSCC ITGCR # 5 - Detecting unauthorized devices on the network - Complete the implementation of the SonicWALL product to allow CSD to better identify unauthorized hardware on the network.	CIO, Paul Kaminsky	30-Jun-17		In Progress
NaSCC	15-Aug-16	NaSCC ITGCR #6 - Encryption of hard drives on mobile devices - Encrypt hard drives of college owned mobile devices for better security and reduce the impact of data loss if the device is lost or stolen.	CIO, Paul Kaminsky	15-Feb-17	20-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR # 7 - Closing Help Desk tickets - Establish means so help desk tickets are re-justified for their need of tickets over 90 days old to remain open.	CIO, Paul Kaminsky	15-Feb-17	20-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR # 8 - Storage of back up tapes - Consider moving the back- up files of servers in the SE Campus server room from the server room so a disaster would not destroy the server room and the backed up media.	CIO, Paul Kaminsky	15-Feb-17	20-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR # 10 - Improved Topology Diagram - Update the current network topology diagram to better depict the college's network, its ingress/egress points and the layered security in place at each of these points	CIO, Paul Kaminsky	30-Jun-17		In Progress

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NaSCC	15-Aug-16	NaSCC ITGCR # 11 - Web filtering - Enhance web filtering to block access to web-sites with malicious code, pornography and gambling.	CIO, Paul kaminsky	15-Feb-17	20-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR # 12 - Security Awareness Training - Complete the implementation of the SANS Information Security Awareness Training Program.	CIO, Paul Kaminsky	15-Feb-17	1-Mar-17	Action Completed
NaSCC	15-Aug-16	NaSCC ITGCR #13 - Obtaining and securing hard drive evidence - Enhance and document the process to confiscation computer hard drives when such may be required for legal purposes.	CIO, Paul Kaminisky	15-Feb-17	20-Mar-17	Action Completed
NeSCC	17-Feb-17	NeSCC ITGCR # 1 - Information Security Policy - Develop the Information Security Program Policies.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #2 - IT Procedures - Develop the following procedures: o Vendor Management Procedure o Change Management Procedure o Network Administration Procedure o Change Logging and Monitoring Procedure o Incident Response Plan	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 3 Responsibilities of the ISO and BCP Coordinator assignments - Define the responsibilities for the assigned ISO and BCP Coordinator.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #4 - Need for cloud strategy - Document your strategy for moving data to a cloud environment. Include the type of cloud environment and how such data will be secured in the strategy.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #5 - Hardware Asset Management Inventory - Consider a better format to have an asset management inventory for IT management purposes.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 6 - Potential for unauthorized device connection - Implement means to better prevent the attached connectivity of devices onto the college's network.		15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 7 - Encryption of mobile devices - Encrypt hard drives of college owned mobile devices for better security and reduce the impact of data loss if the device is lost or stolen.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 2 Addendum - Mobile Device Agreement / Procedure - Implement a mobile device agreement for any user who brings their own device but uses that device to access college business information.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 8 of 18 - Admin Privileges on an assigned machine - Consider reducing the number of persons with administrative rights on their assigned devices to only those with a justified business need. Also eliminate the ability of users to download their own unauthorized software products.	Fred Lewis, CIO	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 9 - Help Desk tickets - Establish means so help desk tickets are re-justified for their need of tickets over 90 days old to remain open		15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 10 - Business Continuity - 1) Enhance and implement a comprehensive university-wide BCP that identifies business recovery strategies, business resumption processes and business recovery requirements for the entire university. Also include possible adjustments in backup assignments in the event of a pandemic sickness crisis. 2) Implement a plan to test the BCP periodically and document the results of such testing. 3) Revamp the CSD Disaster Recovery section of the BCP for changes needed to meet business requirements.	CIO, Fred Lewis	15-Aug-17		Not Yet Due

**TBR SWIA - Status Report on Internal Audit Recommendations - TBR Information Systems**  
**(Reports sorted by Institution, Date of Report)**

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
NeSCC	17-Feb-17	NeSCC ITGCR # 11 of 18 - Improved Topology Diagram - Update the current network topology diagram to better depict the college's network, its ingress/egress points and the layered security in place at each of these points.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 13 of 18 - Reviewing Anti-virus definition deployments - Ensure all college owned workstations are properly protected with the anti-virus solution.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #12 of 18 - Web filtering and outbound email scanning - Enhance web filtering to block access to web-sites with malicious code, pornography and gambling. Also, implement outbound email scanning to check for possible unauthorized dissemination of PII.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #14 of 18 - PCI rule changes - Investigate the current situation versus new PCI requirements for a need to have PCI testing performed.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR 15a of 18 - Process to set system access rights - Adjust the process used to initiate changes in user access privileges to ensure full coverage of all personnel types.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #15b of 18 - Rejustification of system access rights - Implement a process for owners to annually, or some other chosen timeframe re-justify user access to the data in their designated overview.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #15c of 18 - Password Policy Compliance - Review the current setting on the Default Domain Policy and make adjustments as need to better comply with TBR password policy.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #1 of 18 - Including awareness training in Security program - Complete the implementation of the SANS Information Security Awareness Training Program.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #16 of 18 - Server Room Security - Contact the authorized source that provides keys to the server room to identify who all has keys. If unknown parties have keys consider have the key part of the lock changed.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR #17 of 18 - Alert content - Investigate whether alerts can be changed to better serve the needs of the college.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
NeSCC	17-Feb-17	NeSCC ITGCR # 18 of 18 - Hard drive data preservation - Enhance and document the process to confiscation computer hard drives when such may be required for legal purposes.	CIO, Fred Lewis	15-Aug-17		Not Yet Due
PSCC	3-Sep-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 ... retired	30-Dec-17		In Progress

**TBR SWIA - Status Report on Internal Audit Recommendations - TBR Information Systems  
(Reports sorted by Institution, Date of Report)**

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
RSCC	17-Apr-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	30-Dec-17		In Progress
RSCC	17-Apr-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	30-Dec-17		In Progress
STCC	6-Jul-15	IT General Controls Review Recommendation 1 of 17: Develop an Information Security Program with associated policies, 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 - Michael Boyd	3-Apr-17	4/3/2017	Action Completed
STCC	6-Jul-15	IT General Controls Review Recommendation 9 of 17: 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 use of the plan. 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 - Michael Boyd	30-Dec-17		In Progress
STCC	6-Jul-15	IT General Controls Review Recommendation 10 of 17: 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 - Michael Boyd	30-Dec-17		In Progress
STCC	6-Jul-15	IT General Controls Review Recommendation 16 of 17: Establish a process to gather, store and protect information on computer hard drives when circumstances require management retrieve and retain such information.	CIO - Michael Boyd	3-Apr-17	4/3/2017	Action Completed

**TBR SWIA - Status Report on Internal Audit Recommendations - TBR Information Systems  
(Reports sorted by Institution, Date of Report)**

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
STCC	6-Jul-15	IT General Controls Review Recommendation 17 of 17: Document major unauthorized access attempts or any information breaches to ensure they are handled according to requirements set in the STCC Incident Response Procedure.	CIO - Michael Boyd	3-Apr-17	4/3/2017	Action Completed
TBR	23-May-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	5-Jul-17		In Progress
TBR	23-May-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	5-Jul-17		In Progress
TBR	23-May-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	5-Jul-17		In Progress
ROCC	2-Mar-16	ROCC IT General Controls Review: Enhance the Information Security Program with its associated policies, in coordination with the comprehensive information security program being developed by the TBR System Office, to address the business security processes of data ownership, classification, and dissemination standards.	Jim Dye, Director of Technology	15-Jun-17		In Progress
ROCC	2-Mar-16	ROCC IT GCR Develop the following procedures: o Change Management o Vendor Management o Logging and Monitoring o Incident Response		15-Jun-17		In Progress
ROCC	2-Mar-16	ROCC: Evaluate whether IT positions should require a background check before a newly hired employee begins work.	Jim Dye, Director of Technology	15-Jun-17		No Progress
ROCC	2-Mar-16	ROCC: Evaluate the need to have estimates of cost and timing for projects proposed I as a result of the ROCC Strategic Plan for use in prioritization and scheduling.	Jim Dye, Director of Technology	15-Jun-17		In Progress
ROCC	2-Mar-16	ROCC monies appear to be spent on computer devices that are possibly not being used for ROCC purposes and/or not being managed in the same manner that other computer devices are to ensure effective asset management. Consider documenting a process for how this unit will function, improve the equipment inventory to allow equipment use and life to be tracked for asset management, and consider retrieving items that are not being utilized to match the new documented program criteria.	TBD	31-Aug-17		No Progress
ROCC	2-Mar-16	Implement a comprehensive business-wide BCP that identifies business recovery strategies, business resumption processes and business recovery requirements for the entire office.	Jim Dye, Director of Technology	30-Dec-17		In Progress



**TBR SWIA - Status Report on Internal Audit Recommendations - TBR Information Systems  
(Reports sorted by Institution, Date of Report)**

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
ROCC	2-Mar-16	Revamp the IT Disaster Recovery section of the BCP for changes needed to meet business requirements	Jim Dye, Director of Technology.	30-Dec-17		In Progress
ROCC	2-Mar-16	Implement a plan to test the BCP and IT DRP periodically and document the results of such testing	Jim Dye, Director of Technology	30-Dec-17		In Progress
ROCC	2-Mar-16	ROCC IT GCR Enhance and communicate a new procedural process to better ensure requests for computer access privileges assigned to new hired, terminated, transferred/ promoted employees, adjuncts, contractors and temporary workers are completed in a timely manner.	Jim Dye, Director of Technology	7-Apr-17	5/1/2017	Action Completed
ROCC	2-Mar-16	ROCC IT GCR Include steps in add, delete, modify process where established user access privileges are re-justified in a given period of time not to exceed two years.	Jim Dye, Director of Technology	7-Apr-17	5/1/2017	Action Completed
VSCC	13-May-16	VSCC ITGCR: Enhance the Information Security Program in coordination with the comprehensive program being developed by the TBR System Office by adding policies and procedures on data ownership, data classification, and data dissemination.	Kevin Blankenship, CIO	30-Nov-16	1-Mar-17	Action Completed
VSCC	13-May-16	VSCC ITGCR: Develop comprehensive information technology procedures for vendor management, network administration, logging and monitoring, and incident response.	Kevin Blankenship, CIO	30-Jul-17		In Progress
VSCC	13-May-16	Begin documenting the annual process to review to identify and approval for updated policy changes.	Kevin Blankenship, CIO	30-Jul-17		In Progress
VSCC	13-May-16	VSCC ITGCR: Define the duties associated with the positions of an ISO and the BCP Coordinator.	Kevin Blankenship, CIO	30-Jul-17		In Progress
VSCC	13-May-16	VSCC ITGCR: Cloud strategy Document your strategy for moving data to the cloud that includes the type of cloud environment needed and data security requirements.	Kevin Blankenship, CIO	30-Jul-17		In Progress
VSCC	13-May-16	VSCC ITGCR: Review Software Reports Perform more frequent reviews of the reports that identify software implemented on workstations to ensure the products are either business justified or deleted.	Kevin Blankenship, CIO	31-Mar-17	31-Mar-17	Action Completed
VSCC	13-May-16	VSCC ITGCR: Review reports of patch and AV deployments Set a better process to ensure software patches and anti-virus definitions are being deployed in a more timely manner	Kevin Blankenship, CIO	31-Mar-17	31-Mar-17	Action Completed
VSCC	13-May-16	VSCC ITGCR: Review Open Help Desk tickets for need to stay open Establish means so help desk tickets are periodically reviewed to re-justify the need for 65 tickets over 90 days old to remain open	Kevin Blankenship, CIO	31-Mar-17	31-Mar-17	Action Completed
VSCC	13-May-16	Enhance and implement a comprehensive university-wide BCP that identifies business recovery strategies, business resumption processes and business recovery requirements for the entire university. Also include possible adjustments in backup assignments in the event of a pandemic sickness crisis.	Kevin Blankenship, CIO	30-Dec-17		In Progress
VSCC	13-May-16	VSCC ITGCR: Adjust IT DRP with BCP input Revamp the IT Disaster Recovery section of the BCP for changes needed to meet business requirements.	Kevin Blankenship, CIO	30-Dec-17		In Progress

**TBR SWIA - Status Report on Internal Audit Recommendations - TBR Information Systems**  
**(Reports sorted by Institution, Date of Report)**

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
VSCC	13-May-16	VSCC ITGCR: Test Plan for BCP/IT DRP Implement a plan to test the BCP periodically and document the results of such testing.	Kevin Blankenship, CIO	30-Dec-17		In Progress
VSCC	13-May-16	VSCC ITGCR: Web filtering and email scanning Enhance email scanning for identification of possible PII dissemination and web filtering to block access to web-sites with malicious code, pornography and gambling	Kevin Blankenship, CIO	31-Mar-17	31-Mar-17	Action Completed
VSCC	13-May-16	VSCC ITGCR: Chain of custody procedure Enhance and document the process to confiscation computer hard drives when such may be required for legal purposes	Kevin Blankenship, CIO	30-Jul-17		In Progress
WSCC	2-Mar-16	WSCC ITGCR: Enhance policies Enhance status of the information security program policies by addressing the issues not addressed (data ownership and data dissemination) and by implementing the proposed NEW policies in the attachment.	CIO Joe Sargent	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Project Documentation Standard Set a standard for documentation of IT Projects and related events.	CIO, Joe Sargent	31-Mar-17	6-May-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Vendor Management process Initiate a process, following the implementation of the new vendor management procedure, to ensure vendors with possible access to sensitive WSCC information in the conduct of their business are monitored to ensure they abide by college information security standards and other key policies that apply.	CIO, Joe Sargent	5-Jun-17		In Progress
WSCC	2-Mar-16	WSCC ITGCR: Procedure Deficiencies Develop and implement comprehensive information technology procedures for: a. Change Management that details how hardware, network configuration, anti-virus definitions and software patch updates will be completed, in addition to implementation of Banner software updates. b. Project Documentation that establishes a standard regarding how IET projects, other than the implementation of Banner program code, will be documented. c. Vendor Management that describes how the Information Technology Department will monitor and manage the delivery of goods and services from key vendors. d. Network Administration that documents the processes performed to maintain the network in the event key personnel are not available Admin e. Logging and Monitoring of computer utilization activities that identifies what will be logged, how it will be reviewed, and how the results will be handled. f. Incident Response Plan that defines how unauthorized access attempts and information breaches are documented and handled according to requirements		5-Jun-17		In Progress
WSCC	2-Mar-16	WSCC ITGCR Policy Acknowledgement 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 Joe Sargent	6-Feb-17	15-Mar-17	Action Completed

**TBR SWIA - Status Report on Internal Audit Recommendations - TBR Information Systems**  
**(Reports sorted by Institution, Date of Report)**

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
WSCC	2-Mar-16	WSCC ITGCR: Enhance BCP Enhance the college-wide Business Continuity Plan to ensure planning for and documentation of a business impact analysis that identifies the impact of disasters on the ability to educate students, so business recovery requirements and objectives, as well as assigned roles and responsibilities of a Plan Coordinator who will maintain the plan and prepare personnel in advance of a disaster can be developed.	CIO, Joe Sargent	30-Dec-17		In Progress
WSCC	2-Mar-16	WSCC ITGCR: DRP revision for BCP 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, Joe Sargent	30-Dec-17		In Progress
WSCC	2-Mar-16	WSCC ITGCR: Testing Plan for BCP A test plan and documentation of periodic testing conducted to ensure the plan's effectiveness for recovery. This should begin with testing recoverability of data backed up using the recently implemented process.	CIO, Joe Sargent	30-Dec-17		In Progress
WSCC	2-Mar-16	WSCC ITGCR Limit use of USB devices to store data Complete the process of implementing the procedure that limits use of USB data storage devices	CIO - Joe Sargent	15-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Removing administrator privileges from users on their assigned machines Remove the administrator privileges from users on their assigned devices where there is no business justification for users to retain such access privileges	CIO - Joe Sargent	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Identifying rogue software on workstations Expand the use of the Identity Finder product to more devices.	CIO, Joe Sargent	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Removing unauthorized software from workstations Implement a process to remove unauthorized software products from workstations when such are noted	CIO, Joe sergeant	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Patching and Anti-virus deployment status Revamp the processes so reports on deploying patches and anti-virus definitions are being reviewed to ensure any incidents of improper deployment are identified for investigation and corrected	CIO, Joe Sargent	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR Help Desk Tickets open > 90 days Develop a process where Help Desk tickets over 90 days old are reviewed to determine their need to remain open	CIO, Joe Sargent	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Web filtering and email scanning Implement stronger web-filtering on sites involving gambling, pornography and known malicious code sites to comply with state laws and prevent the spread of malicious code or viruses on the system. Also, consider scanning outbound emails for possible unauthorized dissemination of sensitive information.	CIO, Joe Sargent	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Periodic PCI testing Consider having an outside entity perform a PCI/DSS test to ensure risk associated without the completion of such a test are properly addressed, since the Touchnet vendor uses network links provided by the college	CIO, Joe Sargent	6-Feb-17	15-Mar-17	Action Completed

**TBR SWIA - Status Report on Internal Audit Recommendations - TBR Information Systems**  
**(Reports sorted by Institution, Date of Report)**

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
WSCC	2-Mar-16	WSCC ITGCR: Restrict Admin access privileges Review the lists of accounts with administrator or non-expiring network passwords. Make necessary adjustments to administrator accounts and remove the non-expiring password privilege from any accounts that no longer require such privilege	CIO, Joe sergeant	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Revamp process to grant, revoke, modify system access privileges Enhance and communicate a revamped procedural process to better ensure requests for computer access privileges assigned to new hired, terminated, transferred/ promoted employees, adjuncts, contractors and temporary workers are completed in a timely manner	CIO, Joe Sargent	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Adjust password setting to match policy Adjust the settings in the DDP to match the specifications in the TBR policy regarding passwords	CIO, Joe Sargent	6-Feb-17	15-Mar-17	Action Completed
WSCC	2-Mar-16	WSCC ITGCR: Need better log monitoring process Implement processes regarding how computing logs will be monitored and what follow-up actions will result from those activities	CIO, Joe sergeant	31-Mar-17	5/6/2017	Action Completed

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow-Up Completed	Status
TFLI	8-May-14	TFLI should take steps to comply with the Financial Integrity Act The TFLI Executive Director, in coordination with TBR staff, should perform an annual risk assessment to comply with the Financial Integrity Act.	TFLI Executive Director	30-Jun-16		In Progress
TFLI	8-May-14	TFLI needs to develop a Disaster Recovery and Business Continuity Plan The TFLI Executive Director should create, document, test and disseminate to all employees a business continuity plan and a disaster recovery plan for information technology infrastructure.	TFLI Executive Director	31-Dec-14		In Progress
TFLI	8-May-14	TFLI daily receipts should be reconciled to the enrollment management system The TFLI Executive Director should ensure a daily reconciliation of receipts is performed comparing the tuition revenue received to the enrollment management system as a control procedure to document that all student registered have paid and that revenue is properly recognized and recorded.	TFLI Executive Director	30-May-14		In Progress
TFLI	8-May-14	TFLI - Efforts to improve the classification of TFLI data in the Banner accounting system should continue The TFLI Executive Director should work with the TBR Business Office to routinely and timely submit credit card receipts with appropriate level of detail for proper accounting treatment.	TFLI Executive Director	8-May-14		In Progress
TFLI	8-May-14	TFLI - Business policies and procedures need to be updated The TFLI Executive Director should ensure business procedures are documented, approved by the Board and periodically reviewed to determine they are accurate and cover all business operations.	TFLI Executive Director	30-Jun-14		In Progress

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Federal Audit Reports

DATE: June 6, 2017

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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The following federal audit report was received this quarter and will be discussed with the committee. An executive summary of the results of the program review report is attached.

**Federal Audit Reports for Informational Purposes**

Cleveland State Community College:

U. S. Department of Education, Federal Student Aid, Final Program Review

**Cleveland State Community College**  
**Final Program Review Determination - Federal Student Aid**  
**Executive Summary**  
**February 22, 2017**

**Introduction:** The U.S. Department of Education (the Department) conducted an off-site program review of Cleveland State Community College's (the College) compliance with Title IV regulations the week of April 13, 2015, after College officials self-reported they had failed to identify and perform Return to Title IV calculations for students who unofficially withdrew during the 2013 – 2014 award year. The Department issued a program review report on June 9, 2015, to which the College responded with the requested documentation on September 4, 2015. College officials worked with the auditor to provide all necessary information. The Final Program Review Report was issued by the Department on February 22, 2017.

**Finding 1: Failure to Identify and Correctly Perform Return of Title IV Funds Calculations for Unofficial Withdrawals**  
 Officials from Cleveland State Community College notified the Department that the institution had failed to identify and perform Return calculations for students who unofficially withdrew during the 2013-2014 award year. Subsequent communication with the College identified a total of 420 unofficial withdrawals impacted by the oversight. Prior to contacting the Department, the College had revised its internal policies and procedures to ensure all unofficial withdrawals were correctly identified and processed in the future.

In response to this finding, the College was required to provide comprehensive information for all Title IV recipients who unofficially withdrew during the 2013-2014 award year. The College submitted the required file review spreadsheet and sample files, as instructed. During the review of the initial sample of 50 students, the Department identified several errors and expanded its request to include full Return files for all students identified on the College's spreadsheet who withdrew prior to the 60% point in the semester. The file review established that the College failed to identify and perform Return of Title IV (Return) calculations for students who unofficially withdrew during the 2013-2014 award year.

In addition, the Department identified 43 instances of inadvertent overpayments made by the College. The last date of attendance (LDA) was used as the withdrawal date for all students included in the Return file review. In 43 instances, the LDA listed on the Return calculation occurred before the disbursement date for one or more of the student's Title IV funds. As a result, the Department considered the aid as an inadvertent overpayment and should have been included as aid that "could have been disbursed" in the Return calculation. The College failed to identify the overpayments, and as a result, incorrectly listed those disbursements as aid that had disbursed on the Return calculation.

The total amount calculated as liabilities from the findings in the program review determination is as follows.

<b>Liabilities</b>	<b>Pell (Closed Award year)</b>	<b>Direct Loan (Subsidized and Unsubsidized)</b>
Finding 1 (Overpayment)	\$37,654.00	\$96,501.00
Interest	\$574.00 (\$573.74 rounded)	\$1,344.00
<b>Subtotal</b>	<b>\$38,228.00</b>	<b>\$97,845.00</b>
<hr/>		
Finding 1 (Return)	\$57,620.00	\$133,157.00
Interest	\$672.00 (\$672.40 rounded)	\$1,515.00
<b>Subtotal</b>	<b>\$58,292.00</b>	<b>\$134,672.00</b>
<hr/>		
<b>TOTAL</b>	<b>\$96,520.00</b>	<b>\$232,517.00</b>
<b>Payable To Department:</b>	<b>\$329,037.00</b>	

**Audit Conclusion:**

As a result of the final determination, the Department established a receivable from the College for \$329,037, payable within 45 days of the final determination. Also, the disbursement records for the students identified must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount identified. The College completed the student adjustments in COD and wired the funds to the Department of Education on March 30, 2017.

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Internal Audit Transition under the FOCUS Act

DATE: June 6, 2017

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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The Chief Audit Executive will provide an update regarding the transition of university audit activities under the FOCUS Act. The following is a summary of key actions. Additionally, a chart of audit activities is presented following this summary.

**Summary of Recent Activities**

- The Tennessee Board of Regents Audit Committee, in their meeting on March 14, 2017, provided input on university audit-related information needed for their review in the future, to inform the board regarding significant audit matters. The Vice Chancellor for Business and Finance revised TBR Policy 4:01:00:05, *Consideration of University Budgets*, to incorporate language requiring significant audit matters be reported to System-wide Internal Audit. The Chief Audit Executive discussed this information with the university audit directors.
- Senate Bill 994 was passed by the legislature on March 16, 2017, and signed by the Governor on March 29, 2017. Sections 2 through 9 of the bill relate to higher education internal audit. The bill resulted in revisions to existing statutes which now provide the same level of independence to locally governed university auditors as that provided to the auditors of the Tennessee Board of Regents and the University of Tennessee. The relevant statutes are included following this summary and the chart of audit activities. Revised or new parts of the laws are italicized and shown in bold lettering.



- The boards of the locally governed universities met during the spring. The first meetings of their audit committees have been held or are scheduled, as follows.

APSU	May 18, 2017
ETSU	May 8, 2017
MTSU	June 5, 2017
TSU	August 17, 2017
TTU	June 15, 2017
UOM	June 6, 2017

- The university audit directors are proceeding to work independently of TBR System-wide Internal Audit. Since the last TBR Audit Committee meeting on March 14, 2017, audit plans, audit and investigation reports, and fraud, waste or abuse complaints are being handled by their offices. The fraud, waste or abuse reporting form on the TBR website has been updated to remove the universities from the drop-down list of institutions and previous listings of their staff or links to their websites have been removed. However, any matters received related to the universities will be referred to the university auditors or to the Division of State Audit for handling.
- The Office of System-wide Internal Audit will continue to work collaboratively with the locally governed university auditors. Currently, the university auditors plan to continue to participate in quarterly meetings with TBR auditors regarding matters of mutual interest and to participate in the fall training retreat.

**Tennessee Board of Regents  
Audit Committee  
FOCUS Transition Activity  
June 6, 2017**

<b>Audit Committee or System-wide Internal Audit Activity</b>	<b>University Audit Oversight by State University Board</b>	<b>TBR Audit Committee To Review in Future</b>
Approval – Hiring / Termination of Campus Internal Audit Directors	SB0994****	
Internal Audit Charters	March 2017*	
Internal Audit Plans / Revised Plans / Year-End Status Reports	March 2017*	
Comptroller’s Office Audit Reports	FY 2017*	Yes
Comptroller’s Office Follow-up Reports (by Internal Audit)	March 2017*	Yes
Internal Audits & Investigation Reports	March 2017*	
President’s Annual Expense Audits	SB0994****	
President’s Quarterly Expense Reports	SB0994****	
Executive-level Investigations	March 2017**	
Federal Audit Reports	March 2017*	Yes
Federal Audit Notification / Certification Letters	March 2017*	
Notifications of FWA Complaints/Losses/Data Breaches – Currently reported to TBR SWIA, then to State Audit	March 2017*	
Risk Assessments – Financial Integrity Act compliance. Currently reported to TBR AC annually, then to State Audit / F&A	March 2017*	Yes
Internal Quality Assurance Review	March 2017*	
External Quality Assurance Review	March 2017*	
MKI Audit Management Software	January 2017***	
TBR SWIA hosted Internal Audit Director Meetings / Training	Ongoing	
Revise TBR website / IA Policy / Audit Manual / other documents as needed	May - July 2017	

\* The state university board convened in March 2017, except for TSU which convened April 13, 2017. The university audit directors have proceeded to work independently from System-wide Internal Audit since that time.

\*\* University will refer executive-level allegations to the Division of State Audit.

\*\*\* The university audit directors elected to discontinue using MKI software when the contract renewal occurred in January 2017.

\*\*\*\* Senate Bill 0994 was signed by the Governor on March 20, 2017.

**Title 49 Education**  
**Chapter 7 Postsecondary and Higher Education Generally**  
**Part 30 Higher Education Financial Accountability**

**49-7-3001. Risk-based internal financial audits.**

**(a)** The trustees of the University of Tennessee shall require risk-based internal financial audits for the offices of the university president and the chancellors of the campuses comprising the system; provided, that at least thirty percent (30%) of such offices shall be audited in any given year. Such audits shall be reviewed by the board of trustees and the comptroller of the treasury.

**(b)** The board of regents shall require risk-based internal financial audits of the offices of the *chancellor and the presidents and directors of the institutions governed by the board*; provided, that at least thirty percent (30%) of such offices shall be audited in any given year. The audits shall be reviewed by the board of regents and the comptroller of the treasury.

**(c)** *Each state university board shall require an annual internal financial audit of the office of the president of the institution. The audit shall be reviewed by the institution's governing board and the comptroller of the treasury.*

**(d)** The audits shall be performed for each fiscal year and shall be completed and furnished to the system's governing body and the comptroller of the treasury by December 1 following the close of each fiscal year.

HISTORY: Acts 2004, ch. 768, § 1; 2010, ch. 891, § 3; **2017, ch. 28, §§ 2, 3.**

**49-7-3002. Flight log of state-owned airplane.**

A flight log shall be maintained for each state-owned airplane used by officers or employees of the University of Tennessee system or its institutions or the state university and community college system, *including its universities*, for travel related to a system or institution. The log shall show the reason for each flight, the date and final destination of each flight, the time of departure, time of arrival, all stops made prior to reaching the final destination, the length of time of each portion of a flight and the name of any person traveling on any portion of a flight, and the

position the person holds *with the system or institution*. If a person who is not an officer or employee *of the system or institution* is a passenger on any portion of a flight, then the log shall clearly identify the person, the portion of the flight on which the person is a passenger and show the reason the person is a passenger.

HISTORY: Acts 2004, ch. 768, § 1; **2017, ch. 28, § 4.**

**49-7-3003. Restrictions on purchase of alcoholic beverages.**

*Public institutions of higher education* shall not purchase alcoholic beverages, beer, or wine with funds derived from state taxes, tuition, or student fees that are appropriated or reappropriated by the general assembly.

HISTORY: Acts 2004, ch. 768, § 1; **2017, ch. 28, § 5.**

**Title 49 Education**  
**Chapter 14 Higher Education Accountability Act of 2004**

**49-14-101. Short title.**

This chapter shall be known and may be cited as the "Higher Education Accountability Act of 2004."

HISTORY: Acts 2004, ch. 904, § 1.

**49-14-102. Creation of audit committee -- Employment of internal auditor.**

*(a)* The board of regents **and each state university board** created under chapter 8, part 2 of this title and the University of Tennessee board of trustees created under chapter 9, part 2 of this title shall each create an audit committee. Each board is authorized to select one (1) or more certified public accountants or other qualified citizens who are not members of such board to serve on the audit committee.

*(b)* Each audit committee shall employ a person qualified by training and experience to serve **as the chief internal auditor. The chief internal auditor shall** report directly to the audit committee and respective board and shall be removable only for cause by a majority vote of the respective board. The internal auditor shall file a report on the audit work with the audit committee at least annually.

*(c)* **An audit committee created pursuant to this chapter shall also be subject to the State of Tennessee Audit Committee Act of 2005, compiled in title 4, chapter 35.**

HISTORY: Acts 2004, ch. 904, § 2; 2017, ch. 28, § 6.

**49-14-103. Establishment of process for confidentially reporting misconduct.**

*(a)* The internal auditor shall establish a process by which students, employees, taxpayers or other citizens may confidentially report suspected illegal, improper, wasteful or fraudulent activity. The detailed information received pursuant to such a report of illegal, improper, wasteful or fraudulent activity or any ongoing

investigation of the activity shall be considered working papers of the internal auditor and shall be confidential under title 10, chapter 7. Each year the internal auditor shall include within the auditor's annual report a summary of all completed audit activities pursuant to this chapter.

**(b)** Section 8-50-116 shall apply to all higher education employees. In addition, no higher education employee shall suffer any of the actions specified in § 8-50-116 for reporting to or cooperating with auditors or for reporting any facts to ***the governing boards of public institutions of higher education or to the audit committees of those boards. It is a Class A misdemeanor to knowingly and willingly retaliate or take adverse action of any kind against any person for reporting alleged wrongdoing pursuant to this chapter.***

HISTORY: Acts 2004, ch. 904, § 3; **2017, ch. 28, § 7.**

#### **49-14-104. Reports -- Legislative intent.**

***The governing boards of all public institutions of higher education*** shall establish a policy requiring that annual reports detailing expenditures made by, at the direction of, or for the benefit of a system head or chief executive of an institution are to be filed with their respective boards. It is the legislative intent that the policy require the report of discretionary expenditures, which shall include, but not be limited to, unrestricted gifts, foundation funds, athletic funds, sponsorship fees, licenses and royalty funds, and other such funds that would not be included in the operating budget ***for the system head's or chief executive's office. System heads or chief executives*** shall not have the authority to grant themselves an exception to fiscal, spending, or travel policies established by their boards or by statute.

HISTORY: Acts 2004, ch. 904, § 4; 2010, ch. 891, § 2; **2017, ch. 28, § 8.**

#### **49-14-105. Removal of governing board members for neglect of duty.**

Members of any governing board of public higher education shall be subject to removal from the board for neglect of duty. The governor may petition for a board member's removal due to neglect of duty and the removal shall be effective upon a majority vote of the voting board members.

HISTORY: Acts 2004, ch. 904, § 5.

**49-14-106. Hiring of internal auditors -- Termination of employment.**

***(a) The hiring of community college internal auditors shall be done upon the recommendation of the institutional presidents with the approval of the chancellor or designee of the board of regents system. Termination of employment of community college internal auditors shall require prior approval by the chancellor of the board of regents system and the board's audit committee.***

(b) The hiring of campus internal auditors shall be done upon the recommendation of the institutional presidents with the approval of the chancellor or the University of Tennessee president or designee as applicable. Termination of employment of campus internal auditors shall require prior approval by the chancellor or University of Tennessee president as applicable and the board audit committee. Annual or other periodic audits of chief executives shall be performed by an internal auditor or auditors who do not report to the chief executive being audited.

***(c) Annual or other periodic audits of chief executives shall be performed by an internal auditor or auditors who are not employees of the institution of the chief executive being audited. Notwithstanding the foregoing, internal auditors or auditors who report to the board audit committee may perform annual or other periodic audits of the chancellor of the board of regents system or the University of Tennessee president.***

HISTORY: Acts 2004, ch. 904, § 6; **2017, ch. 28, § 9.**

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Revisions to Fiscal Year 2017 Audit Plans

DATE: June 6, 2017

PRESENTER: Tammy Birchett

ACTION REQUIRED: Voice Vote

STAFF'S  
RECOMMENDATION: Approve

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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.

A summary of significant revisions to the plans from July 2016 to April 2017 is attached, followed by the plan for each of the audit offices listed below.

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

Roane 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  
Fiscal Year 2017 Audit Plans**

**Overview of Significant Revisions:** Below are revisions to the audit plans created in July 2016, reflecting changes which occurred through April 2017. Changes in audit priorities and audit staffing over a period of time result in most revisions to audit plans. Investigations and special projects occur and sometimes replace risk-based or other planned audits. However, budgets may also be increased or decreased depending on circumstances encountered during an audit and the time needed to achieve the audit objectives. Staff resources were below normal because of vacancies in the director position for one institution through January 3, 2017, and the system-wide office through September 30, 2016.

Institution	Significant Revisions to Audit Plans Since July 1, 2016
ChSCC	The part-time auditor position became vacant on August 5, 2016. An investigation was added, replacing an audit on the original plan. One audit in process required additional hours, resulting in a decrease in hours for another scheduled audit.
CISCC	A follow-up review of state audit findings was added to the plan and hours increased for an audit in progress. As a result, hours in other planned audits were reduced.
CoSCC	Hours for unplanned audits were reduced and added to other reviews and projects.
DSCC	Two follow-up reviews and an investigation were added, and the Advising Services audit was removed.
JSCC	The director retired November 23, 2016 but returned on a part-time basis in February 2017. An interim director was appointed April 1, 2017.
MSCC	Several consulting activities were removed, and the hours for one audit reduced and added to two other audits.
NaSCC	The Director of Internal Audit position was vacant from August 2015 to January 2017 and the planned hours reflect the limited period. An investigation was added.
NeSCC	An audit was added at the request of the president, and two unplanned investigations were added, resulting in the removal of three audits.
RSCC	Additional hours were budgeted to complete the CCTA FY2016 audit and one investigation was added.
VSCC	Hours for some planned audits were reduced for the inclusion of a new project.
WSCC	Hours were increased for unplanned investigations, the NACHA Compliance Review, and the PCI-DSS audit. Three audits were removed from the plan.
TBR System-wide Internal Audit	The Director's position remained open until October 1, 2016. An investigation replaced two audits on the audit plan.
TBR TCAT Audit	Budgeted hours were reduced to process Risk Assessments because the Director's position was vacant. Audit Program Development was added.

The following institutions have not had significant revisions during this fiscal year:  
Pellissippi State Community College  
Southwest Tennessee Community College  
TBR System-wide, Information Systems  
TBR Investigations

Chattanooga State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status		
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage					
5.0	A	FM	YE Procedures FYE 2016	15.0	15.0	0.0	0%		8.0	7.0	47%	Jun 2016	Aug 2016	Completed	
5.0	A	FM	YE Procedures FYE 2017	11.3	11.3	0.0	0%			11.3	100%	Jun 2017		Scheduled	
5.0	A	IA	Volkswagon Academy	15.0	15.0	0.0	0%		6.0	9.0	60%	May 2015		In Progress	
5.0	C	IS	General Consultation	90.0	90.0	0.0	0%		52.5	37.5	42%	Jul 2016		In Progress	
5.0	F	FM	State Audit Follow-up	15.0	15.0	0.0	0%		2.5	12.5	83%	Jan 2017		In Progress	
5.0	F	IS	Follow up Reviews	75.0	75.0	0.0	0%		66.5	8.5	11%	Jul 2016		In Progress	
5.0	F	SS	FU-CCTA-Worforce Training Hours	60.0	82.5	22.5	27%	FN3	76.0	6.5	8%	Nov 2016	Feb 2017	Completed	
5.0	I	IS	Developing Investigations - Assist TB	22.5	15.0	-7.5	-50%	FN2	5.8	9.3	62%	Jul 2016		In Progress	
5.0	I	IS	INV1607	37.5	45.0	7.5	17%		45.0	0.0	0%	Jul 2016	Sept 2016	Completed	
5.0	I	IS	INV1605	37.5	49.5	12.0	24%		46.5	3.0	6%	Apr 2016	Nov 2016	Completed	
5.0	I	IS	Unscheduled Investigations	112.5	45.0	-67.5	-150%	FN2		45.0	100%	Jul 2016		Scheduled	
5.0	M	IS	Enterprise Risk Assessment 2016	37.5	7.5	-30.0	-400%	FN4		7.5	100%	May 2017		Scheduled	
5.0	P	IS	Special Projects-Audit Software	45.0	30.0	-15.0	-50%	FN2	18.5	11.5	38%	Jul 2016		In Progress	
5.0	R	FM	RSCC-President's Expense 2016	90.0	90.0	0.0	0%		74.0	16.0	18%	Aug 2016	Oct 2016	Completed	
4.0	A	IS	Human Resources	195.0	195.0	0.0	0%		4.5	190.5	98%	Feb 2017		In Progress	
3.6	A	FM	Accounts Receivable	60.0	90.0	30.0	33%		89.0	1.0	1%	May 2016	Aug 2016	Completed	
3.6	A	PP	Key Controls	0.0	105.0	105.0	100%	FN1	97.5	7.5	7%	Sep 2016	Jan 2017	Completed	
3.3	A	FM	Contract Compliance	97.5	0.0	-97.5	NA	FN1		0.0	NA	Oct 2016	N/A	Removed	
3.1	A	FM	Payroll	97.5	97.5	0.0	0%		83.5	14.0	14%	Jan 2017		In Progress	
3.0	A	FM	Sensitive Equipment Inventory	82.5	135.0	52.5	39%	FN3	124.0	11.0	8%	Dec 2016	Apr 2017	Completed	
2.2	A	SS	Enrollment Activity Fall 2015	12.8	12.8	0.0	NA		11.5	1.3	10%	Mar 2016	Aug 2016	Completed	
	A	IT	NACHA	0.0	0.0	0.0	NA		2.5	-2.5	NA		Jun 2016	Completed	
<b>Total Planned Audit Hours:</b>				<b>1209.0</b>	<b>1221.0</b>	<b>12.0</b>			<b>813.8</b>	<b>407.3</b>					

Estimated Available Audit Hours = 1228.5 (1 staff) (Part-time position vacant beginning 8/5/2016.)

**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
- O - Other

**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

FN 1 - Contract Compliance audit removed to include Key Controls Audit. Key Controls Audit added as a result of an investigation.

FN 2 - Hours reduced to account for only remaining months and to apply to actual projects.

FN 3 - Additional hours needed due to issues discovered and corrective action discussions with management.

FN 4 - Reduced hours for change in TBR reporting requirement.

Cleveland State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
5.0	A	FM	NACHA 2016	97.5	112.5	15.0	15%	108.0	4.5	4%	Jul 2016	Sep 2016	Completed
5.0	A	FM	NACHA 2017	97.5	90.0	-7.5	-8%		90.0	100%	May 2017		Scheduled
5.0	A	FM	IA Letter FMMRA 2017	15.0	15.0	0.0	0%		15.0	100%	May 2017		Scheduled
5.0	A	IS	General Consultation-2017	52.5	45.0	-7.5	-14%	38.5	6.5	14%	Jul 2016		In Progress
5.0	A	IS	Year End Work (State Audit Cash Counts)	15.0	15.0	0.0	0%	2.5	12.5	83%	Jun 2017		In Progress
5.0	F	FM	FU- Missing Computer and Money	45.0	67.5	22.5	50%	66.0	1.5	2%	Jul 2016	Sep 2016	Completed
5.0	F	IS	FU- Study Abroad	15.0	22.5	7.5	50%	19.0	3.5	16%	Aug 2016	Aug 2016	Completed
5.0	F	IS	FU - State Audit	0.0	22.5	22.5	NA	65.0	-42.5	-189%	Dec 2016	Nov 2016	Completed
5.0	F		FU-Federal Review	0.0	52.5	52.5	NA	21.0	31.5	60%	Mar 2016		In Progress
5.0	I	IS	Unscheduled Investigations 2017	37.5	15.0	-22.5	-60%		15.0	100%	Jul 2016		Scheduled
5.0	M	IS	IA Letter ISMRA 2017	15.0	15.0	0.0	0%		15.0	100%	May 2017		Scheduled
5.0	M	IS	Athens-IA Letter MRA 2017	15.0	15.0	0.0	0%	4.5	10.5	70%	Feb 2017	Feb 2017	Completed
5.0	P	IS	Special Project- Automated Workpapers 2017	30.0	30.0	0.0	0%	29.5	0.5	2%	Jul 2016		In Progress
5.0	I		INV 17-01	0.0	97.5	97.5	N/A	51.5	46.0	47%			In Progress
3.3	A	FM	Grants	112.5	90.0	-22.5	-20%	114.0	-24.0	-27%	Apr 2017	Mar 2017	Completed
3.3	A	FM	Maintenance/Tuition and Related Fees	112.5	0.0	-112.5	-100%		0.0	N/A	Oct 2017		Removed
3.3	A	PP	Emergency Preparedness	97.5	67.5	-30.0	-31%	31.0	36.5	54%	Sep 2016		In Progress
3.3	A	PP	BuildingSecurity/Key Control	112.5	157.5	45.0	40%	163.0	-5.5	-3%	Nov 2016	Feb 2017	Completed
3.3	A	SS	Enrollment Services	97.5	41.3	-56.3	-58%		41.3	100%	Mar 2017		Scheduled

**Total Planned Audit Hours:** 967.5    971.3    3.8    713.5    257.8  
Estimated Available Hours For Audits = 967.5

**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  
O - Other

**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

**Columbia State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual				Estimated Audit Start Date	Completion Date	Current Status
				Original Plan2	Revised Plan2	Change in Hours	Change in Percent	FN	Actual	Hours	Percentage			
5.0	M	AT	Review Management's Risk Assessment	7.5	0.0	-7.5	-100%	FN2		0.0	NA	Apr 2017		Removed
5.0	M	IA	Review Management's Risk Assessment	7.5	0.0	-7.5	-100%	FN2		0.0	NA	Apr 2017		Removed
5.0	M	SS	Review Management's Risk Assessment	7.5	0.0	-7.5	-100%	FN2		0.0	NA	Apr 2017		Removed
5.0	M	IS	Review Management's Risk Assessment_ TCAT Pulaski	7.5	5.3	-2.3	-30%		3.8	1.5	29%	Feb 2017	Jan 2017	Completed
5.0	M	IS	Review Management's Risk Assessment_ TCAT Hohenwald	7.5	5.3	-2.3	-30%		4.5	0.8	14%	Mar 2017	Jan 2017	Completed
4.2	A	FA	Consumer Information Disclosures	37.5	0.0	-37.5	-100%	FN3		0.0	NA	Jan 2017		Removed
4.2	C	SS	Purge Process Review	75.0	0.0	-75.0	-100%	FN1		0.0				Removed
4.0	A	SS	Federal Program Review - Controls Review (Financial Aid Phase 1)	150.0	150.0	0.0	0%	FN3	79.5	70.5	47%	Jan 2017		In Progress
3.7	A	FM	Federal Grants - Internal Control Review - THSO Grant	37.5	60.0	22.5	60%		88.5	-28.5	-48%	Jul 2016	Oct 2016	Completed
3.7	A	SS	DoD MOU Compliance	22.5	60.0	37.5	167%		60.0	0.0	0%	Dec 2016	Dec 2016	Completed
3.6	C	IA	Management Advisory Services - WFD	22.5	135.0	112.5	500%	FN4	114.8	20.3	15%	Oct 2016		In Progress
3.1	O	IS	Develop Continuous Audit_Argos Training and Data Block Development_ Data Analytics	75.0	75.0	0.0	0%		30.8	44.3	59%	Jan 2017		In Progress
3.0	I	IA	Investigation	15.0	13.1	-1.9	-13%		8.5	4.6	35%	Jun 2016	Jul 2016	Completed
3.0	R	FM	Random Cash Counts	15.0	7.5	-7.5	-50%		0.5	7.0	93%	Feb 2017		
3.0	S	FM	NaSCC_President's Expense	75.0	81.8	6.8	9%		84.8	-3.0	-4%	Aug 2016	Oct 2016	Completed
2.9	O	IS	Annual Departmental Budget Briefings	22.5	22.5	0.0	0%		23.3	-0.8	-3%	Jul 2016	Aug 2016	Completed
	A	IA	Consumer Information_ Student Right to Know	37.5	25.5	-12.0	-32%	FN3		25.5	NA	Jan 2017		Removed
			Unplanned Engagements	315.0	0.0	-315.0	-100%			0.0	100%			
	C	PP	Management Advisory Services - Physical Plant	0.0	7.5	7.5	NA		6.8	0.8	10%	Nov 2016	Nov 2016	Completed
3.7	A	FM	Federal Grants - Internal Control Review - TRiO & TCSGC grants	0.0	167.3	167.3	NA		167.3	0.0	0%	Nov 2016	Mar 2017	Completed
	F	IS	Engagement Follow-up Review	0.0	60.0	60.0	NA		33.0	27.0	45%	Oct 2016		In Progress
	C	FM	Management Advisory Services - Financial Management	0.0	6.0	6.0	NA		6.0	0.0	0%	Oct 2016	Oct 2016	Completed
	C	SS	Management Advisory Services - Student Services	0.0	3.8	3.8	NA		3.8	0.0	0%	Jan 2017	Jan 2017	Completed

**Total Planned Audit Hours: 937.5 885.4 -52.1 715.5 169.9**

Estimated Available Hours For Audits = 937.5 (1 staff)

**Audit Types:**

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

**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

FN1 - Institutional task force developed to review processes; audit hours moved to other projects.  
FN2 - State Risk Assessment format changed - Institution's Risk Assessment due date was adjusted to fall 2017  
FN3 - Combined  
FN4 - Consulting engagement expanded.

**Dyersburg State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
5.0	A	FM	Faculty Sick Leave	77.5	110.3	32.8	42%	89.0	21.3	19%	Jul 2016		In Progress
5.0	C	IS	CON - General Consultation	50.0	50.0	0.0	0%	71.5	-21.5	-43%	Jul 2016		In Progress
5.0	C	IS	CON - PII Review	120.0	120.0	0.0	0%	102.5	17.5	15%	Jul 2016		In Progress
5.0	F	FM	State Audit Follow-up 2016	40.0	28.5	-11.5	-29%	28.5	0.0	0%	Nov 2016	May 2017	Completed
5.0	I	IS	Unscheduled Investigations	65.0	33.8	-31.3	-48%		33.8	100%	Jul 2016		Scheduled
5.0	M	IS	Risk Assessment - Institutional Support 2017	65.0	37.5	-27.5	-42%		37.5	100%	Mar 2017		Scheduled
5.0	M	IT	Risk Assessment - Information Technology 2017	65.0	20.3	-44.8	-69%		20.3	100%	Mar 2017		Scheduled
5.0	R	FM	President's Expense Audit STCC 2016	180.0	170.3	-9.8	-5%	163.0	7.3	4%	Sep 2016	Nov 2016	Completed
4.3	A	SS	Advising Services	120.0	0.0	-120.0	-100%		0.0	NA	Mar 2017		Removed
4.1	A	PP	Building Security/Key Control	30.0	60.0	30.0	100%	53.8	6.2	10%	Jul 2016	Jan 2017	Completed
4.1	A	SS	Federal Work Study Program and Financial Aid	105.2	120.0	14.8	14%	84.5	35.5	30%	Jun 2016		In Progress
3.7	A	FM	Cash Counts	30.0	30.0	0.0	0%		30.0	100%	Jun 2017		Scheduled
3.7	A	IT	Disaster Recovery	110.0	110.0	0.0	0%		110.0	100%	Jun 2017		Scheduled
	F	IS	FU - Access & Diversity	0.0	27.0	27.0	NA	27.0	0.0	NA	NA	Sep 2016	Completed
3.0	A	FM	Records Management and Retention	140.0	140.0	0.0	0%	48.5	91.5	65%	Jan 2017		In Progress
	F	IA	FU - International Studies	0.0	53.3	0.0	NA	55.5	-2.3	NA	NA	Apr 2017	Completed
	I	IS	INV 17-01	0.0	30.8	30.8	NA	35.5	-4.8	-15%	Mar 2017	Mar 2017	Completed
	P	IS	QAR	0.0	5.3	5.3	NA	4.5	0.8	NA	NA	Jul 2016	Completed
<b>Total Planned Audit Hours:</b>				<b>1197.8</b>	<b>1146.8</b>	<b>-51.0</b>		<b>763.8</b>	<b>383.0</b>				

Estimated Available Hours For Audits = 1167.75

**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  
O - Other

**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

Jackson State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
5.0	A	FM	Payroll	112.5	112.5	0.0	0%	213.0	-100.5	-89%	Jul 2016	Feb 2017	Completed
5.0	A	FM	Year-end Procedures	37.5	37.5	0.0	0%		37.5	100%	Jun 2017		
5.0	C	IS	General Consultation	60.0	60.0	0.0	0%	85.0	-25.0	-42%	Jul 2016		In Progress
5.0	F	IS	Emergency Preparedness Follow up	60.0	60.0	0.0	0%	1.0	59.0	98%	Oct 2016	May 2017	Completed
5.0	F	IT	Follow-up	90.0	90.0	0.0	0%		90.0	100%	Oct 2016		
5.0	I	IS	Unscheduled Investigations	75.0	75.0	0.0	0%		75.0	100%	Jul 2016		
5.0	M	IS	TCAT Risk Assessment	97.5	97.5	0.0	0%	40.0	57.5	59%	Feb 2017	Feb 2017	Completed
5.0	F		Access and Diversity Follow-up	0.0	67.5	67.5	N/A	7.0	60.5	90%	Jun-17		In Progress
5.0	F		Study Abroad Follow-up	0.0	67.5	67.5	N/A	11.5	56.0	83%			In Progress
4.0	A	IS	Financial Aid	150.0	50.3	-99.8	-67%		50.3	100%	Dec 2016		
4.0	F	FM	State Audit Follow up-09012015	52.5	52.5	0.0	0%	17.5	35.0	67%	Sep 2016	Sep 2016	Completed
4.0	M	IA	Risk Assessment	52.5	52.5	0.0	0%		52.5	100%	May 2017		
4.0	M	IS	Risk Assessment	52.5	52.5	0.0	0%		52.5	100%	May 2017		
3.8	A	IS	Leave Time and Work Week	165.0	165.0	0.0	0%		165.0	100%	Feb 2017		
	F		Data Security Follow-up					25.0	-25.0	N/A	Mar 2017		In Progress

**Total Planned Audit Hours: 1005.0 1040.3 35.3 400.0 640.3**

Estimated Available Hours For Audits = 1005

**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  
O - Other

**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

Note: The Director retired on November 23, 2016, but returned on February 2, 2017 on a part-time basis.

**Motlow State Community College  
Internal Audit Plan  
Fiscal Year Ended June 30, 2017  
Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status	
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage				
5.0	A	FM	Payroll Audit	99.8	125.3	25.5	26%			125.3	100%	Apr 2017		Scheduled
5.0	A	FM	State Audit Assistance Year End	9.7	21.0	11.3	115%		10.3	10.7	51%	May 2017		In Progress
5.0	A	IS	Human Resources	125.3	216.0	90.7	72%		16.7	199.3	92%	Nov 2016		In Progress
5.0	A	IS	QAR Quality Assessment Review	15.0	12.8	-2.3	-15%		13.0	-0.3	-2%	Jul 2016	Jul 2016	Completed
5.0	C	AD	CO Advancement-FY 2016	6.7	0.0	-6.7	-100%	FN1		0.0	NA	Jul 2016		Removed
5.0	C	AT	CO Athletics-FY 2016	6.7	0.0	-6.7	-100%	FN1		0.0	NA	Jul 2016		Removed
5.0	C	AX	CO Auxiliary-FY 2016	6.7	0.0	-6.7	-100%	FN1		0.0	NA	Jul 2016		Removed
5.0	C	FM	CO Financial Management-FY 2016	6.7	75.0	68.3	1011%		46.0	29.0	39%	Jul 2016		In Progress
5.0	C	IA	CO Instruction/Academic Support	0.0	0.0	0.0	NA	FN1		0.0	NA	Jul 2016		Removed
5.0	C	IS	CO Institutional Support-FY 2016	6.7	90.0	83.3	1233%		29.3	60.7	67%	Jul 2016		In Progress
5.0	C	IT	CO Information Technology-FY 2016	6.7	3.8	-3.0	-44%		1.0	2.8	73%	Jul 2016		In Progress
5.0	C	PP	CO Physical Plant-FY 2016	6.7	0.0	-6.7	-100%	FN1		0.0	NA	Jul 2016		Removed
5.0	C	SS	CO Student Services-FY 2016	6.7	3.8	-3.0	-44%		4.8	-1.1	-28%	Jul 2016		In Progress
5.0	F	FM	FU State Audit	39.8	50.3	10.5	26%		47.2	3.1	6%	Oct 2016		In Progress
5.0	F	IS	FU Other Internal Audit	20.3	9.8	-10.5	-52%			9.8	100%	Jul 2016		Scheduled
5.0	F	IT	FU Information Technology	24.8	15.0	-9.8	-39%		9.2	5.8	39%	Dec 2016		In Progress
5.0	I	IS	INV 1603	5.2	5.3	0.0	0%		5.9	-0.7	-12%	Aug 2016		In Progress
5.0	I	IS	INV 1601	49.5	80.3	30.7	62%		67.5	12.8	16%	Jul 2016		In Progress
5.0	M	FM	MRA Financial Management	30.0	0.0	-30.0	-100%	FN1		0.0	NA	Apr 2017		Removed
5.0	M	IS	MRA Institutional Support	30.0	0.0	-30.0	-100%			0.0	NA	Apr 2017		Scheduled
5.0	M	IS	MRA TCAT McMinnville	24.7	9.8	-15.0	-61%		7.9	1.9	19%	Jan 2017	Mar 2017	Completed
5.0	M	IS	MRA TCAT Murfreesboro	24.7	11.3	-13.5	-55%		11.1	0.2	1%	Jan 2017	Mar 2017	Completed
5.0	M	IS	MRA TCAT Shelbyville	24.7	8.3	-16.5	-67%		10.2	-2.0	-24%	Jan 2017	Mar 2017	Completed
5.0	R	FM	President's Expense CSCC FY 2016	99.8	92.3	-7.5	-8%		92.0	0.3	0%	Aug 2016	Nov 2016	Completed
5.0	R	FM	IAR-Access and Diversity Funds	24.7	80.3	55.5	224%		35.0	45.3	56%	Jul 2016		In Progress
5.0	R	IA	Study Abroad	75.0	75.0	0.0	0%			75.0	100%	Mar 2017		Scheduled
5.0	R	SS	CCTA Funding Formula (Fall 2015)	99.8	99.8	0.0	0%		97.8	2.0	2%	Jul 2016	Oct 2016	Completed
4.7	A	AT	Athletics Audit	125.3	5.3	-120.0	-96%		4.5	0.8	14%	Mar 2017		In Progress
4.2	F	IS	FU Financial Aid	99.8	0.0	-99.8	-100%	FN1		0.0	NA	May 2017		Removed
	A	FM	Data Analytics	60.0	22.5	-37.5	-63%		16.5	6.0	27%	Aug 2016		In Progress
	F	FM	FU Petty Cash and Change Funds	9.7	5.3	-4.5	-46%			5.3	100%	Apr 2017		Scheduled
	I	AT	INV 1602	5.2	5.3	0.0	0%		0.5	4.8	90%	Aug 2016		In Progress
	I	AT	INV 1604	20.3	39.8	19.5	96%		33.7	6.1	15%	Jul 2016		In Progress
	I	IS	Unscheduled Investigations	20.3	7.5	-12.8	-63%		6.9	0.6	8%	Jul 2016		In Progress
	I	SS	Student Data Breach	20.3	67.5	47.2	233%		69.1	-1.6	-2%	Jul 2016		In Progress

**Total Planned Audit Hours: 1237.5 1237.5 0.0 636.1 601.4**

Estimated Available Hours For Audits = 1237.5

**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
- O - Other

**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

FN1 - Removed due to time constraints.

Nashville State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
Required	R	FM	Year-End Work	37.5	37.5	0.0	0%	13.0	24.5	65%	Jun 2017		In Progress
	F	FM	State Audit Follow-up	37.5	37.5	0.0	0%	0.0	37.5	100%	Apr 2017		Scheduled
	F	IS	IA Follow-Up	37.5	37.5	0.0	0%	0.0	37.5	100%	May 2017		Scheduled
	I	IS	Unscheduled Investigations	37.5	37.5	0.0	0%	17.0	20.5	55%	Mar 2017		In Progress
	I	IS	INV 17-01	0.0	112.5	112.5	NA	86.0	26.5	24%	Feb 2017		In Progress
	S	FM	Cash Counts	30.0	30.0	0.0	0%	0.0	30.0	100%	Mar 2017		Scheduled
	M	IS	Management's Risk Assessment - TCAT Dickson	22.5	22.5	0.0	0%	22.5	0.0	0%	Feb 2017	Feb 2017	Completed
	M	IS	Management's Risk Assessment - TCAT Nashville	22.5	22.5	0.0	0%	22.5	0.0	0%	Feb 2017	Feb 2017	Completed
	M	IS	Management's Risk Assessment - NaSCC	90.0	90.0	0.0	0%	0.0	90.0	100%	Mar 2017		Scheduled
	C	IS	General Consultation	52.5	52.5	0.0	0%	48.0	4.5	9%	Feb 2017		In Progress
	P	IS	Audit Software	75.0	75.0	0.0	0%	24.0	51.0	68%	Feb 2017		In Progress

**Total Planned Audit Hours: 442.50    555.00    112.50    233.00    322.00**

Estimated Available Audit Hours = 442 (1 staff, Jan - June)

**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
- O - Other

**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

Note: The Internal Audit Director was vacant from October 1, 2015 until January 17, 2017. This plan reflects the remainder of hours for FY 2017.



Northeast State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status	
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage				
5.0	A	FM	Travel Process Review	28.9	29.3	0.3	1%	18.0	11.3	38%	Jul 2015		In Progress	
5.0	A	FM	State Audit Assistance-Yr End	45.0	45.0	0.0	0%	4.0	41.0	91%	May 2017		In Progress	
5.0	C	IS	General Consultation	52.5	52.5	0.0	0%	43.0	9.5	18%	Jul 2016		In Progress	
5.0	F	FM	State Audit Follow-Up FY15FY14	150.0	75.0	-75.0	-50%	147.0	-72.0	-96%	Dec 2016	Mar 2017	Completed	
5.0	F	IS	Other Internal Audit Follow-Up	75.0	75.0	0.0	0%	2.5	72.5	97%	Jul 2016		In Progress	
5.0	M	FM	TCAT RISK Assessment	22.5	15.0	-7.5	-33%	22.5	-7.5	-50%	Jan 2017		In Progress	
5.0	M	FM	Risk Assessments	52.5	66.0	13.5	26%	1.0	65.0	98%	Mar 2017		In Progress	
5.0	P	IS	Electronic Workpapers Software	52.5	52.5	0.0	0%	19.0	33.5	64%	Jul 2016		In Progress	
5.0	A	IS	E-textbooks	0.0	255.0	255.0	NA	FN2	122.0	133.0	52%	Jan 2017		In Progress
5.0	S	IS	Special Requests and Projects	52.5	52.5	0.0	0%	175.0	-122.5	-233%	Jul 2016		In Progress	
4.1	A	IS	Human Resources	151.9	150.0	-1.9	-1%	67.0	83.0	55%	Jun 2016		In Progress	
3.7	A	FM	Purchasing	180.0	0.0	-180.0	-100%	FN1	0.0	NA	NA	NA	Removed	
3.7	A	PP	Building Security/Key Control	150.0	0.0	-150.0	-100%	FN1	0.0	NA	NA	NA	Removed	
3.6	A	IS	Equipment	105.0	0.0	-105.0	-100%	FN1	0.0	NA	NA	NA	Removed	
	I	IS	INV 17-01	0.0	150.0	150.0	NA		143.0	7.0	5%	Aug 2017	Mar 2017	Completed
3.2	I		INV 17-02	0.0	50.3	50.3	NA				Mar-17			
<b>Total Planned Audit Hours:</b>				<b>1118.3</b>	<b>1068.0</b>	<b>-50.3</b>		<b>764.0</b>	<b>253.8</b>					

Estimated Available Hours For Audits = 1110

**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  
O - Other

**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

FN1 - Audit removed due to investigation and other priorities.

FN2 - Audit was added at the request of the president.

**Pellissippi State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2017**  
**Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
5.0	S	FM	Cash Counts	45.0	45.0	0.0	0%	22.5	22.5	50%	Dec 2016	May 2017	Completed
5.0	S	FM	NACHA	75.0	75.0	0.0	0%	71.3	3.8	5%	Sep 2016	Nov 2017	Completed
5.0	P	FM	Review of RFP's, cafe prices, & other purchasing issues	60.0	45.0	-15.0	-25%	38.5	6.5	14%	Jul 2016		In Progress
5.0	S	IA	Faculty Credentials	105.0	90.0	-15.0	-14%	83.5	6.5	7%	Oct 2016	Dec 2016	Completed
5.0	P	IA	Review of Compliance Assist	52.5	30.0	-22.5	-43%	27.5	2.5	8%	Nov 2016		In Progress
5.0	P	IS	Review of French Exchange Program	37.5	52.5	15.0	40%	57.5	-5.0	-10%	Apr 2017		In Progress
5.0	P	IS	Review of Higher Ed Compliance Matrix	37.5	45.0	7.5	20%	45.0	0.0	0%	Jul 2016		In Progress
5.0	C	IT	IT Security Consulting, Etc.	30.0	37.5	7.5	25%	32.0	5.5	15%	Jul 2016		In Progress
5.0	C	IS	Consulting/Special Request	90.0	97.5	7.5	8%	92.0	5.5	6%	Jul 2016		In Progress
5.0	F	FM	Audit Follow Ups- State Audit	37.5	60.0	22.5	60%	54.0	6.0	10%	Jul 2016	Jan 2017	Completed
5.0	M	IS	TCAT Knoxville Risk Assessment	7.5	7.5	0.0	0%	6.0	1.5	20%	Jan 2017	Feb 2017	Completed
5.0	M	IS	Enterprise Wide Risk Assessment	15.0	7.5	-7.5	-50%	7.5	0.0	0%	Apr 2017	Mar 2017	Completed
5.0	P	IS	MKInsight Software	67.5	60.0	-7.5	-11%	46.5	13.5	23%	Jul 2016		In Progress
5.0	R	FM	TBR Chancellor's Expense Audit FYE 6/30/2016	112.5	120.0	7.5	7%	118.0	2.0	2%	Jul 2016	Sep 2017	Completed
3.7	A	FM	Technology Access Fee	135.0	120.0	-15.0	-11%	109.8	10.3	9%	Jan 2017	Apr 2017	Completed
3.6	A	FM	Equipment	150.0	127.5	-22.5	-15%	111.0	16.5	13%	Mar 2017	Feb 2017	Completed
3.5	A	FM	Accounts Receivable	135.0	105.0	-30.0	-22%	1.0	104.0	99%	May 2017		In Progress
	C	IS	Quality Assurance Review	7.5	7.5	0.0	0%	2.0	5.5	73%	Jul 2016	Jul 2017	In Progress

**Total Planned Audit Hours: 1200.0 1132.5 -67.5 925.5 207.0**

Estimated Available Audit Hours = 1200

**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  
 O - Other

**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

Roane State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
4.0	A	AX	Foundation Review	150.0	150.0	0.0	0%	16.75	133.3	89%	Nov 2016		In Progress
5.0	R	FM	Access & Diversity FY2016	112.5	112.5	0.0	0%		112.5	100%	Jul 2016		In Progress
5.0	A	SS	CCTA FY2016	0.0	90.0	90.0	NA	91.00	-1.0	-1%	Mar 2016	Sep 2016	Completed
5.0	A	FM	Year End Cash Counts FY2017	22.5	22.5	0.0	0%	9.50	13.0	58%	May 2017		In Progress
4.0	I	FM	Unscheduled Investigations	112.5	112.5	0.0	0%		112.5	100%	Jul 2016		In Progress
4.0	I	AT	INV 16-02	60.0	60.0	0.0	0%	97.50	-37.5	-63%	Jul 2016		In Progress
4.0	A	FM	ACA Reporting	150.0	150.0	0.0	0%	53.75	96.3	64%	Jul 2016		In Progress
5.0	M	IS	TCAT Oneida FY2017 RA	15.0	15.0	0.0	0%	14.75	0.3	2%	Jan 2017		In Progress
5.0	M	IS	TCAT Harriman FY2017 RA	15.0	15.0	0.0	0%	8.00	7.0	47%	Jul 2016		In Progress
5.0	M	IS	TCAT Crossville FY2017 RA	15.0	15.0	0.0	0%	15.00	0.0	0%	Jan 2017		In Progress
5.0	M	IS	TCAT Jacksboro FY2017 RA	15.0	15.0	0.0	0%	12.50	2.5	17%	Jan 2017		In Progress
5.0	R	IS	Quality Assurance FY2017	60.0	60.0	0.0	0%	FN1	60.0	100%	Apr 2017		Removed
5.0	M	IS	FY2017 Risk Assessment	75.0	75.0	0.0	0%	10.25	64.8	86%	Dec 2016		In Progress
5.0	C	IS	General Consultation FY2017	112.5	112.5	0.0	0%	110.75	1.8	2%	Jul 2016		In Progress
5.0	P	IS	MKI Implementation FY2017	37.5	37.5	0.0	0%	67.25	-29.8	-79%	Jul 2016		In Progress
4.0	I	PP	INV 17-01	0.0	37.5	37.5	NA	44.25	-6.8	-18%	Aug 2016		In Progress
	F	FM	Follow-up to State Audit									Feb 2017	Completed

**Total Planned Audit Hours: 952.5    1080.0    127.5    551.25    528.8**

Estimated Available Hours For Audits = 952.5

**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  
O - Other

**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

FN1- Removing Audit- Not required in FY2017

**Southwest Tennessee Community College**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2017**  
**Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
5.0	F	FM	FU-State Audit Follow Up	75.0	75.0	0.0	0%	9.0	66.0	88%	Sep 2016		In Progress
5.0	F	FM	FU-Federal Audit Follow up	37.5	37.5	0.0	0%	17.0	20.5	55%	Jul 2016		In Progress
5.0	F	IS	FU-Internal Audit Follow Up from prior year	37.5	37.5	0.0	0%	37.5	0.0	0%	Jul 2016		In Progress
5.0	M	IS	Risk Management TCAT	22.5	11.3	-11.3	-50%	1.0	10.3	91%	Sep 2016		In Progress
5.0	R	FM	President Audit-DSCC	180.0	195.0	15.0	8%	197.0	-2.0	-1%	Jul 2016	Nov 2016	Completed
5.0	R	IS	IIA Quality Assurance Self-Assessment	90.0	15.0	-75.0	-83%	12.0	3.0	20%	Jul 2016		In Progress
2.7	A	FM	Cash Count	30.0	30.0	0.0	0%		30.0	100%	Jul 2016		Scheduled
2.6	C	IS	General Consultation	97.5	97.5	0.0	0%	148.0	-50.5	-52%	Jul 2016		In Progress
2.6	I	IS	Unscheduled Investigations	97.5	75.0	-22.5	-23%	24.0	51.0	68%	Jul 2016		In Progress
	F	FM	FU-Federal Work Study	52.5	105.0	52.5	100%	92.0	13.0	12%	Jul 2016		In Progress
	F	FM	FU-Follow Up Credit Card	15.0	15.0	0.0	0%	21.0	-6.0	-40%	Jul 2016		In Progress
	F	FM	FU-Industrial Readiness	15.0	15.0	0.0	0%	10.0	5.0	33%	Jul 2016		In Progress
	F	FM	FU-Off Campus International Education	22.5	52.5	30.0	133%	61.0	-8.5	-16%	Jul 2016		In Progress
	F	FM	SSCC-FU-Follow Up Tuition Statements	15.0	15.0	0.0	0%	2.5	12.5	83%	Jul 2016		In Progress
	I	FM	INV 16-02	45.0	45.0	0.0	0%	8.0	37.0	82%	Jul 2016		In Progress
	I	IS	INV 16-03	45.0	45.0	0.0	0%	33.5	11.5	26%	Jul 2016		In Progress
	I	FM	INV 16-04	37.5	37.5	0.0	0%	26.0	11.5	31%	Jul 2016		In Progress
	I	FM	INV 16-05	15.0	15.0	0.0	0%	18.0	-3.0	-20%	Jul 2016	Nov 2016	Completed
	I	FM	INV 16-06	15.0	15.0	0.0	0%	18.0	-3.0	-20%	Jul 2016	May 2017	Completed
	I	PP	INV 16-07	15.0	15.0	0.0	0%	14.5	0.5	3%	Jul 2016		In Progress
	I	FM	INV 16-08	22.5	22.5	0.0	0%	29.0	-6.5	-29%	Jul 2016		In Progress
	I	PP	INV 16-09	15.0	15.0	0.0	0%	2.0	13.0	87%	Jul 2016	Aug 2016	Completed
	I	FM	INV 17-01	7.5	37.5	30.0	400%	12.0	25.5	68%	Jul 2016		In Progress
	I	FM	INV 17-02	15.0	15.0	0.0	0%	10.5	4.5	30%	Jul 2016	Nov 2016	Completed
	I	IS	INV 17-03	0.0	22.5	22.5	NA	51.0	-28.5	-127%	Oct 2016	Jan 2017	Completed
	I	FM	INV 17-04	0.0	22.5	22.5	NA	45.5	-23.0	-102%	Jan 2017		In Progress
	I	PP	INV 17-05	0.0	22.5	22.5	NA	21.0	1.5	7%	Jan 2017		In Progress
	I	IS	INV 17-06	0.0	11.3	11.3	NA	17.5	-6.3	-56%	Aug 2016	May 2017	Completed
	F	IS	Follow-up to Motor Vehicle Procedures									Sept 2016	Completed
	M	IS	Risk Management 2016-2017	157.5	30.0	-127.5	-81%	18.5	11.5	38%	Jul 2016		In Progress
	P	IS	ACM-Audit Software	75.0	75.0	0.0	0%	67.0	8.0	11%	Jul 2016		In Progress

**Total Planned Audit Hours: 1252.5 1222.5 -30.0 1024.0 198.5**

Estimated Available Hours For Audits = 1252.5

**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  
O - Other

**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

Volunteer State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
5.0	A	AT	Athletic Work Study Program	187.5	150.0	-37.5	-25%	51.5	98.5	66%	Nov 2016		In Progress
5.0	A	FM	State Audit Year-End Procedures	22.5	22.5	0.0	0%		22.5	100%	Jun 2017		Scheduled
5.0	A	SS	Student Campus Activities	187.5	0.0	-187.5	N/A		0.0	NA	Feb 2017		Removed
5.0	C	IS	General Consultation	112.5	150.0	37.5	25%	140.0	10.0	7%	Jul 2016		In Progress
5.0	F	IS	Follow-Up Activities	75.0	105.0	30.0	29%	90.0	15.0	14%	Jul 2016		In Progress
5.0	I	IA	INV 16-01	150.0	150.0	0.0	0%	150.0	0.0	0%	Jul 2016	Sep 2016	Completed
5.0	I	IS	Unscheduled Investigations	37.5	22.5	-15.0	-67%		22.5	100%	Jul 2016		In Progress
5.0	M	IS	Management Risk Assessment	75.0	0.0	-75.0	N/A		0.0	NA	Mar 2017		Removed
5.0	M	IS	TCAT Hartsville Management Risk Assessment	7.5	7.5	0.0	0%	11.5	-4.0	-53%	Feb 2017		In Progress
5.0	M	IS	TCAT Livingston Management Risk Assessment	7.5	7.5	0.0	0%	11.0	-3.5	-47%	Feb 2017		In Progress
5.0	P	IS	MKI Implementation	15.0	15.0	0.0	0%	12.0	3.0	20%	Jul 2016		In Progress
5.0	R	SS	CCTA Funding Formula	187.5	232.5	45.0	19%	236.0	-3.5	-2%	Aug 2016	Feb 2017	Completed
4.0	P		Sponsorship Billing	0.0	135.0	135.0	100%	78.5	56.5	42%	Mar 2017		In Progress
<b>Total Planned Audit Hours:</b>				<b>1065.0</b>	<b>997.5</b>	<b>-67.5</b>		<b>780.5</b>	<b>217.0</b>				

Estimated Available Audit Hours = 1,065 (1 staff)

**Audit Types:**

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

**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

Walters State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status	
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage				
5.0	A	FM	Accounts Receivable Audit	150.0	0.0	-150.0	-100%	F1		0.0	#DIV/0!	Apr 2017		Removed
5.0	A	FM	Contracts Audit	150.0	0.0	-150.0	-100%	F1		0.0	#DIV/0!	May 2017		Removed
5.0	A	FM	Fiscal Year-End Procedures for State Audit	37.5	37.5	0.0	0%		30.0	7.5	20%	Jul 2016	Feb 2017	Completed
5.0	A	FM	NACHA Compliance Review	150.0	217.5	67.5	45%		218.0	-0.5	0%	Oct 2016	Feb 2017	Completed
5.0	A	FM	PCI-DSS	150.0	300.0	150.0	100%		65.5	234.5	78%	Feb 2017		In Progress
5.0	A	IT	Cloud Computing Audit	225.0	0.0	-225.0	-100%	F1		0.0	#DIV/0!	Apr 2017		Removed
5.0	A	IT	IT Governance	30.0	30.0	0.0	0%			30.0	100%	Aug 2016		In Progress
5.0	C	IS	Institutional Support Consulting	165.0	270.0	105.0	64%		211.0	59.0	22%	Jul 2016		In Progress
5.0	I	IS	Unscheduled Investigations	37.5	180.0	142.5	380%		89.5	90.5	50%	Jul 2016		In Progress
5.0	M	AD	Foundation Risk Assessment	15.0	0.0	-15.0	-100%	F1		0.0	#DIV/0!	May 2017		Removed
5.0	M	IS	TCATM Enterprise-wide Risk Assessment	7.5	22.5	15.0	200%		22.5	0.0	0%	Feb 2017	Feb 2017	Completed
5.0	M	IS	Enterprise-wide Risk Assessment	7.5	7.5	0.0	0%		2.0	5.5	73%	May 2017		In Progress
5.0	M	IT	Information Technology Risk Assessment	15.0	0.0	-15.0	-100%	F1		0.0	#DIV/0!	May 2017		Removed
	F	FM	State Audit Follow-Up	75.0	165.0	90.0	120%		128.0	37.0	22%	May 2017	Jan 2017	Completed
	I	IS	Inv 17-03										Mar 2017	Completed
	M	IS	Planning, Research & Assessment Risk Assessment	15.0	0.0	-15.0	-100%	F1		0.0	#DIV/0!	May 2017		Removed
<b>Total Planned Audit Hours:</b>				<b>1230.0</b>	<b>1230.0</b>	<b>0.0</b>			<b>766.5</b>	<b>463.5</b>				

Estimated Available Hours For Audits = 1230

**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  
O - Other

**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

F1- Moved to next fiscal year.

**Tennessee Board of Regents - Systemwide Internal Audit**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2017**  
**Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status	
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage				
5.0	A	PP	SWIA Capital Projects	45.0	45.0	0.0	0%		45.0	100%	Mar 2017		In Progress	
5.0	C	FM	General Consultation	90.0	90.0	0.0	0%	46.5	43.5	48%	Oct 2016		In Progress	
5.0	F	FM	Follow-up to State Audit Findings	45.0	45.0	0.0	0%	24.5	20.5	46%	Nov 2016	Jan 2017	Completed	
5.0	F	FM	RSCC - Grant Follow Up	37.5	37.5	0.0	0%		37.5	100%	Mar 2017		Scheduled	
5.0	F	FM	TFLI Follow-Up to SWIA Recommendations	30.0	30.0	0.0	0%		30.0	100%	Dec 2016		In Progress	
5.0	M	IS	Management's Risk Assessment	30.0	0.0	-30.0	-100%	FN1	0.0	NA	NA		Removed	
5.0	P	IS	Audit Management Software	90.0	90.0	0.0	0%		29.5	60.5	67%	Oct 2016		Scheduled
5.0	R	IA	TNCIS	90.0	90.0	0.0	0%		90.0	100%	Oct 2016		In Progress	
5.0	R	IS	Internal Quality Assurance Review	30.0	30.0	0.0	0%		30.0	100%	Oct 2016		Scheduled	
5.0	R	SS	NaSCC CCTA - AY 2014-2015	75.0	0.0	-75.0	-100%	FN5	0.0	NA	Oct 2016		Removed	
4.8	A	FM	Capital Projects Financial Activity	187.5	187.5	0.0	0%	FN5	187.5	100%	Mar 2017		Removed	
4.3	A	IA	Academic Affairs Grants	112.5	0.0	-112.5	-100%	FN5	0.0	NA	Oct 2016		Removed	
3.8	A	FM	System Office Contracting Procedures	150.0	0.0	-150.0	-100%	FN5	0.0	NA	Jan 2017		Removed	
	I	IS	Investigation Assistance - INV 16-19	0.0	577.5	577.5	NA	FN2	355.5	222.0	NA	Oct 2016		In Progress
	A	IT	Workpaper Review - IT	0.0	0.0	0.0	NA	FN3	5.5	-5.5	NA	Oct 2016		In Progress
	A	IS	Workpaper Review - TCAT	0.0	0.0	0.0	NA	FN3	22.5	-22.5	NA	Oct 2016		In Progress
	A	FM	Memphis President's Expenses	0.0	0.0	0.0	NA	FN4	94.0	-94.0	NA	Oct 2016	10/12/2016	Completed
	C	AT	TSU OVC SAF	0.0	0.0	0.0	NA	FN4	36.0	-36.0	NA	Aug 2017	8/16/2016	Completed
	C	IS	TSU Consultation	0.0	0.0	0.0	NA	FN4	3.5	-3.5	NA	Jul 2016	9/30/2016	Completed
	I	IS	TSU INV 15-06	0.0	0.0	0.0	NA	FN4	17.0	-17.0	NA	Oct 2016		In Progress
	I	IS	TSU INV 16-03	0.0	0.0	0.0	NA	FN4	27.5	-27.5	NA	Jul 2016	9/17/2016	Completed
	I	IS	TSU Unplanned Investigations	0.0	0.0	0.0	NA	FN4	12.5	-12.5	NA	Jul 2016		In Progress
<b>Total Planned Audit Hours:</b>				<b>1012.5</b>	<b>1222.5</b>	<b>210.0</b>			<b>674.5</b>	<b>548.0</b>				

**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  
O - Other

**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

FN1 - Risk Assessment removed due to revision of planned completion to September 2017.

FN2 - Investigation assistance as needed.

FN3 - Workpaper review for IT and TCAT audits.

FN4 - Consultation for TSU during vacancy of director's position.

FN5 - Removed due to time constraints.

**Tennessee Board of Regents - Information Systems**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2017**  
**Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage			
5.0	F	IT	SWIA Follow-up on all SW IT Audits	90.0	97.5	7.5	8%	175.5	-78.0	-80%	Jul 2016		In Progress
5.0	P	IT	Banner XE Upgrade	56.3	60.8	4.5	8%	30.0	30.8	51%	Jul 2016		In Progress
5.0	R	IT	NaSCC IT GCR - 012016	7.5	15.0	7.5	100%	101.0	-86.0	-573%	Jul 2016	Jan 2017	Completed
5.0	R	IT	NeSCC IT GCR - 042016	18.8	31.5	12.8	68%	122.5	-91.0	-289%	Jul 2016	Jan 2017	Completed
5.0	R	IT	TCAT IT Questionnaire	15.0	18.0	3.0	20%	35.0	-17.0	-94%	Jul 2016		In Progress
4.2	C	IT	IT Consulting & Requested Projects	150.0	162.8	12.8	9%	74.5	88.3	54%	Jul 2016		In Progress
	R	IT	CISCC Information Security Audit	150.0	150.0	0.0	0%	155.0	-5.0	-3%	Sep 2016		In Progress
	R	IT	CoSCC Information Security Audit	150.0	0.0	-150.0	-100%		0.0	NA	Jul 2017		Scheduled
	R	IT	DSCC Information Security Audit	150.0	150.0	0.0	0%	38.5	111.5	74%	May 2017		In Progress
	R	IT	JSCC Information Security Audit	150.0	150.0	0.0	0%	112.5	37.5	25%	Aug 2016		In Progress
	R	IT	PSCC Information Security Audit	150.0	150.0	0.0	0%	153.5	-3.5	-2%	Oct 2016		In Progress
	R	IT	RSCC Information Security Audit	150.0	150.0	0.0	0%	64.0	86.0	57%	Feb 2017		In Progress
	R	IT	STCC Information Security Audit	150.0	150.0	0.0	0%	168.0	-18.0	-12%	Jan 2017		In Progress
	R	IT	WSCC Information Security Audit	0.0	150.0	150.0	NA		150.0	100%	May 2017		Scheduled
	R	IT	TBR SMO IT Information Security	150.0	150.0	0.0	0%		150.0	100%	Mar 2017		In Progress
<b>Total Planned Audit Hours:</b>				<b>1537.5</b>	<b>1585.5</b>	<b>48.0</b>		<b>1230.0</b>	<b>355.5</b>				

Estimated Available Hours For Audits = 1537.5

**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
- O - Other

**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



**Tennessee Board of Regents - TCATs  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Estimated Audit Start Date	Completion Date	Current Status	
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage				
4.7	A	FM	Morristown-IAR-Focused Review FY 2015	7.5	7.5	0.0	0%	0.5	7.0	93%	Jul 2015		In Progress	
4.7	A	FM	Morristown-IAR-Focused Review FY 2016	0.0	0.0	0.0	NA	35.0	-35.0	NA	Jun 2016		In Progress	
4.7	A	FM	Morristown-IAR-Focused Review FY 2017	30.0	60.0	30.0	100%		60.0	100%	Jan 2017		Scheduled	
4.0	A	FM	Ripley-IAR-Focused Review FY 2014	0.0	0.0	0.0	NA	2.5	-2.5	NA	Jun 2015	Jun 2016	Completed	
4.0	A	FM	Ripley-IAR-Focused Review FY 2016	37.5	37.5	0.0	0%	41.5	-4.0	-11%	Oct 2016		In Progress	
4.0	A	FM	Ripley-IAR-Focused Review FY 2017	15.0	15.0	0.0	0%		15.0	100%	Jun 2017		Scheduled	
3.5	A	FM	Livingston-IAR-Focused Review FY 2017	15.0	15.0	0.0	0%	1.0	14.0	93%	Jan 2017		In Progress	
3.4	A	FM	Nashville-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	Nov 2016		Scheduled	
3.2	A	FM	Knoxville-IAR-Focused Review FY 15-16	0.0	0.0	0.0	NA	0.5	-0.5	NA	Apr 2016	Aug 2016	Completed	
3.2	A	FM	Knoxville-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	Apr 2017		Scheduled	
3.2	A	FM	Jacksboro-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	Dec 2016		Scheduled	
3.2	A	FM	Harriman-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	Mar 2017		Scheduled	
3.2	A	FM	Memphis-IAR-Focused Review FY 2017	15.0	7.5	-7.5	-50%	73.0	-65.5	-873%	Nov 2016		In Progress	
3.1	A	FM	Pulaski-IAR-Focused Review FY 2016	30.0	30.0	0.0	0%	22.0	8.0	27%	Jul 2016	Aug 2016	Completed	
3.1	A	FM	Pulaski-IAR-Focused Review FY 2017	15.0	45.0	30.0	200%		45.0	100%	Jul 2016		Scheduled	
3.0	A	FM	Paris-IAR-Focused Review FY 2016	7.5	7.5	0.0	0%	89.0	-81.5	-1087%	Jan 2017		In Progress	
3.0	A	FM	Paris-IAR-Focused Review FY 2017	7.5	15.0	7.5	100%		15.0	100%	Dec 2016		Scheduled	
2.9	A	FM	Athens-IAR-Focused Review FY 2016	7.5	22.5	15.0	200%	7.5	15.0	67%	Aug 2016	Feb 2017	Completed	
2.9	A	FM	Covington-IAR-Focused Review FY 2015	0.0	0.0	0.0	NA	1.5	-1.5	NA	Jul 2015	Mar 2016	Completed	
2.9	A	FM	Covington-IAR-Focused Review FY 2016	15.0	15.0	0.0	0%	45.0	-30.0	-200%	Aug 2016		In Progress	
2.9	A	FM	Covington-IAR-Focused Review FY 2017	15.0	45.0	30.0	200%		45.0	100%	Mar 2017		Scheduled	
2.8	A	FM	Crump-IAR-Focused Review FY 14-15	0.0	15.0	15.0	NA	7.0	8.0	53%	Sep 2015	Aug 2016	Completed	
2.8	A	FM	Crump-IAR-Focused Review FY 2016	0.0	0.0	0.0	NA	3.5	-3.5	NA	Jan 2016	May 2017	Completed	
2.8	A	FM	Crump-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	Mar 2017		Scheduled	
2.8	A	FM	Jackson-IAR-Focused Review FY 2016	7.5	7.5	0.0	0%	38.5	-31.0	-413%	Aug 2016	Nov 2016	Completed	
2.8	A	FM	Jackson-IAR-Focused Review FY 2017	15.0	15.0	0.0	0%		15.0	100%	Sep 2016		Scheduled	
2.2	A	FM	Crossville-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	Feb 2017		Scheduled	
2.2	A	FM	Dickson-IAR-Focused Review FY 2016	0.0	0.0	0.0	NA	0.5	-0.5	NA	Jan 2016	Aug 2016	Completed	
2.2	A	FM	Dickson-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	May 2017		Scheduled	
2.2	A	FM	Elizabethton-IAR-Focused Review FY 2016	30.0	30.0	0.0	0%	142.0	-112.0	-373%	Sep 2017	May 2017	Completed	
2.2	A	FM	Elizabethton-IAR-Focused Review FY 2017	45.0	105.0	60.0	133%		105.0	100%	Dec 2017		Scheduled	
2.0	A	FM	McMinnville-IAR-Focused Review FY 2016	0.0	0.0	0.0	NA	0.5	-0.5	NA	Jan 2016	Aug 2016	Completed	
2.0	A	FM	McMinnville-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	Feb 2017		Scheduled	
1.9	A	FM	McKenzie-IAR-Focused Review FY 2017	7.5	15.0	7.5	100%		15.0	100%	Aug 2016		Scheduled	
	A	FM	McKenzie-IAR-Focused Review-FY 2016	0.0	0.0	0.0	NA	73.5	-73.5	NA	Jan 2017		In Progress	
1.9	A	FM	Hartsville-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	Feb 2017		Scheduled	
1.9	A	FM	Murfreesboro-IAR-Focused Review FY 15-16	0.0	0.0	0.0	NA	0.5	-0.5	NA	Apr 2016	Aug 2016	Completed	
1.9	A	FM	Murfreesboro-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%		7.5	100%	May 2017		Scheduled	
1.9	A	FM	Shelbyville-IAR-Focused FY 2016	7.5	7.5	0.0	0%	55.0	-47.5	-633%	Aug 2016	Mar 2017	Completed	
1.9	A	FM	Shelbyville-IAR-Focused Review FY 2017	15.0	15.0	0.0	0%		15.0	100%	Aug 2016		Scheduled	
1.8	A	FM	Newbern-IAR-Focused Review FY 2015	0.0	0.0	0.0	NA	4.0	-4.0	NA	Feb 2016	Aug 2016	Completed	
1.8	A	FM	Newbern-IAR-Focused Review FY 2016	0.0	0.0	0.0	NA	24.5	-24.5	NA	Jun 2016	May 2017	Completed	
1.8	A	FM	Newbern-IAR-Focused Review FY 2017	30.0	15.0	-15.0	-50%		15.0	100%	Jul 2017		Scheduled	
1.6	A	FM	Hohenwald-IAR-Focused Review FY 2016	15.0	15.0	0.0	0%	35.5	-20.5	-137%	Sep 2017	Feb 2017	Completed	
1.6	A	FM	Hohenwald-IAR-Focused Review FY 2017	30.0	60.0	30.0	100%		60.0	100%	Sep 2017		Scheduled	
1.6	A	FM	Oneida-IAR-Focused Review FY 2017	15.0	15.0	0.0	0%		15.0	100%	Nov 2016		Scheduled	
1.4	A	FM	Athens-IAR-Focused Review FY 2017	7.5	15.0	7.5	100%	39.5	-24.5	-163%	May 2017		In Progress	
1.4	A	FM	Whiteville-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%	0.5	7.0	93%	Jun 2017		In Progress	
1.0	A	FM	Chattanooga-IAR-Focused Review FY 2017	7.5	7.5	0.0	0%	1.5	6.0	80%	Apr 2017		In Progress	
	C	FM	Consultation	97.5	150.0	52.5	54%	80.5	69.5	46%	Jul 2016		In Progress	
	M	IS	Risk Assessment	698.8	267.8	-431.0	-62%	FN1	141.0	126.8	47%	Mar 2016		In Progress
	A	FM	TCAT Audit Program Development	0.0	150.0	150.0	NA	FN1	86.5	63.5	42%	Aug 2016		In Progress

**Total Planned Audit Hours: 1328.8 1310.3 -18.5 1053.5 256.8**  
Estimated Available Audit Hours = 1329

**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  
O - Other

**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

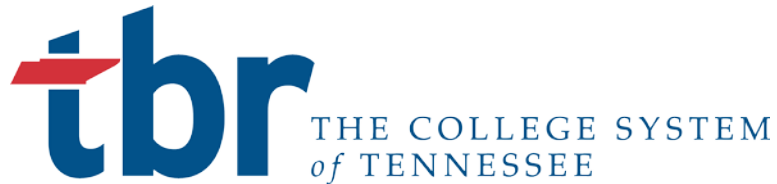
FN1 - Budgeted hours for Risk Assessment reduced, TCAT Audit Program Development added.

**Tennessee Board of Regent - Investigations  
Internal Audit Plan  
Fiscal Year Ending June 30, 2017  
Revised June 2017**

Ranking	Type	Area	Audit	Revised to Original				Planned to Actual			Completion Date	Status
				Original Plan	Revised Plan	Change in Hours	Change in Percent	Actual	Hours	Percentage		
	C	IS	Consultation with Campus Auditors	225.0	210.0	-15.0	-7%	196.5	13.5	6%		In Progress
	I	IS	Investigation Management	255.0	270.0	15.0	6%	289.5	-19.5	-7%		In Progress
	I	FM	TBR 12-04	22.5	0.0	-22.5	-100%	0.0	0.0	NA		In Progress
	I	FM	TBR 13-02	22.5	0.0	-22.5	-100%	0.0	0.0	NA		In Progress
	I	IA	TBR 14-04	7.5	0.0	-7.5	-100%	0.0	0.0	NA		In Progress
	I	FM	TBR 15-01	7.5	7.5	0.0	0%	6.0	1.5	20%		In Progress
	I	FM	TBR 15-03	22.5	0.0	-22.5	-100%	0.0	0.0	NA		In Progress
	I	FM	TBR 15-04	37.5	7.5	-30.0	-80%	2.0	5.5	73%		In Progress
	I	IS	TBR 16-01	22.5	22.5	0.0	0%	0.0	22.5	100%		In Progress
	I	IS	TBR 16-02	22.5	240.0	217.5	967%	236.0	4.0	2%		In Progress
	I	AT	TBR 16-05	15.0	15.0	0.0	0%	0.0	15.0	100%		In Progress
	I	IA	TBR 16-08	15.0	15.0	0.0	0%	5.5	9.5	63%		In Progress
	I	SS	TBR 16-10	22.5	22.5	0.0	0%	0.0	22.5	100%		In Progress
	I	AT	TBR 16-12	37.5	37.5	0.0	0%	0.0	37.5	100%		In Progress
	I	FM	TBR 16-13	30.0	30.0	0.0	0%	0.0	30.0	100%		In Progress
	I	IA	TBR 16-14	30.0	30.0	0.0	0%	20.0	10.0	33%		In Progress
	I	IS	TBR 16-15	37.5	37.5	0.0	0%	3.0	34.5	92%		In Progress
	I	FM	TBR 16-17	15.0	15.0	0.0	0%	5.0	10.0	67%		In Progress
	I	IS	TBR 16-18	0.0	22.5	22.5	NA	20.0	2.5	11%	July 2016	Completed
	I	IS	TBR 16-19	75.0	240.0	165.0	220%	234.0	6.0	3%		In Progress
	I	IA	TBR 16-20	37.5	37.5	0.0	0%	6.5	31.0	83%		In Progress
	I	FM	TBR 16-21	37.5	37.5	0.0	0%	26.0	11.5	31%		In Progress
	I	IS	TBR 17-01	0.0	37.5	37.5	NA	2.5	35.0	93%		In Progress
	I	FM	TBR 17-02	0.0	37.5	37.5	NA	1.5	36.0	96%		In Progress
	I	FM	Unscheduled Investigations	375.0	0.0	-375.0	-100%	0.0	0.0	NA		In Progress
<b>Total:</b>				<b>1372.5</b>	<b>1372.5</b>	<b>0.0</b>		<b>1054.0</b>	<b>318.5</b>			

\* Estimated Available Audit Hours = 1372.5 (1 staff)

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	
O - Other	RS - Research	
	SS - Student Services	



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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of System-wide Internal Audit Budget for Fiscal Year 2018

DATE: June 6, 2017

PRESENTER: Tammy Birchett

ACTION REQUIRED: Voice Vote

STAFF'S  
RECOMMENDATION: Approve

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The committee will review the Fiscal Year 2018 budget for the Office of System-wide Internal Audit. The Fiscal Year 2017-2018 budget is presented on the following page. Funding sources for the office have changed since the implementation of the FOCUS Act and these changes will be discussed at the meeting.

**Tennessee Board of Regents  
Office of System-wide internal Audit  
Operating Budget for Fiscal Year 2017 - 2018**

	<b>FY 2018 Budget</b>		<b>FY 2017 Budget</b>	
	<b>Amount</b>	<b>Percentage</b>	<b>Amount</b>	<b>Percentage</b>
Salaries	510,900	66%	499,000	66%
Employee Benefits	185,500	24%	189,000	25%
Total Salaries and Benefits	<u>696,400</u>	<u>90%</u>	<u>688,000</u>	<u>90%</u>
Travel and Professional Development				
In State Business Travel	21,000	3%	21,000	3%
Professional Development & Related Travel	23,000	3%	23,000	3%
Total Travel and Professional Development	<u>44,000</u>	<u>6%</u>	<u>44,000</u>	<u>6%</u>
Operating Expenses	33,000	4%	27,500	4%
Total Budget	<u><u>773,400</u></u>	<u><u>100%</u></u>	<u><u>759,500</u></u>	<u><u>100%</u></u>

Notes:

Salaries and Benefits includes 6 staff positions for System-wide Internal Audit: Chief Audit Executive, Director of Internal Audit, Investigative Auditor, Information Systems Auditor, TCAT Internal Auditor and Administrative Assistant. The increase in total salaries and benefits from 2017 to 2018 is related to the 3% increase in the salary pool.

Travel and Professional Development categories include the costs for system office audit staff to travel in state for audits and investigations, meetings and other business activities. It also includes the costs of in state and out of state professional development activities and any related out of state travel costs for the training. There are no significant projected increases from the 2017 budget.

Operating Expenses include the general operating costs for the system audit office such as copier lease, supplies, computer software, non-capitalized equipment, meeting expenses and when applicable, instructors for group training and consultants for external peer reviews. In FY 2018, a joint training retreat is planned with the audit staff of the University of Tennessee and the locally governed universities, for which TBR will share in the cost of the training. External peer review costs are not included but will be included in the FY 2019 budget. The increase in the budget for 2018 is directly related to the increased copier lease which is \$4,000 over the prior year.

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Non-Public Executive Session

DATE: June 6, 2017

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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The Committee will meet in a non-public executive session to review audit and investigation activities.