



TENNESSEE BOARD OF REGENTS
Committee on Audit

AGENDA
March 13, 2018

- I. INFORMATIONAL REPORTING (Mike Batson)**
 - a. Highlights of Audit Findings and Recommendations**
 - b. Comptroller's Office and Internal Audit Reports**
- II. CONSENT AGENDA (Mike Batson)**
 - a. Review of Revisions to Fiscal Year 2018 Internal Audit Plans**
- III. REVIEW OF PLAN FOR EXTERNAL QUALITY ASSESSMENT REVIEW (QAR) (Mike Batson)**
- IV. NON-PUBLIC EXECUTIVE SESSION (Mike Batson)**

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: March 13, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The following items will be discussed with the Audit Committee:

State of Tennessee Comptroller of the Treasury –
Performance Audit Report- December 2017

State of Tennessee Comptroller of the Treasury –
STCC Investigative Report – March 2018

Federal Work-Study Program

STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS

Comptroller's Audit Reports - Following is a summary on the status of previously reported Comptroller's Office findings for informational purposes. Internal Audit generally performs a follow-up review of Comptroller's Office findings within six months of issuance. A follow-up report is prepared and submitted to the Comptroller's Office and the Legislature's Office of Fiscal Review. An executive summary of each follow-up audit is included in the Audit Committee's quarterly materials.

Internal Audit Reports - Following is a summary on the status of previously reported findings and observations as of December 31, 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.

TBR SWIA - Status Report on State Audit Findings (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
DSCC	22-Aug-17	DSCC- FY 2016: Foundation bank reconciliations should be performed timely and completely. Bank reconciliations should be prepared and reviewed on a monthly basis soon after the receipt of the monthly bank statements, no later than 30 days after the end of each reporting period. Foundation reconciliation policies should be updated to reflect best practices. The reconciliations should also be documented in a way that ensures accountability for both the preparer of reconciliation and the reviewer.	VP for Finance and Administrative Services	1-Jun-17	1-Jun-17	1	22-Jan-18		Action Completed
STCC	29-Jun-17	STCC FY 2014-15: - The college did not enroll new employees in the defined benefit portion of the state's retirement plan.		1-Dec-17		0	19-Jan-18		Action Completed
STCC	29-Jun-17	STCC FY 2014-15: The college did not perform reconciliations between the Raiser's Edge, Banner Advancement, and Banner Finance systems.		1-Dec-17		0	19-Jan-18		Action Completed
ChSCC	18-Sep-17	ChSCC FY 15-16- Timesheets of Federal Work-Study Students Were Not Properly Monitored. During the year ended June 30, 2016, supervisors of Federal Work-Study Program students did not properly monitor student hours to ensure that students were not paid for working during class time. In addition, inadequate monitoring led to other errors, including duplicate payments for reported time.	Financial Aid Office	31-Dec-17		0			In Progress
CISCC	17-Oct-17	CISCC FY 2015-2016: The timesheets of federal work-study students were not properly monitored. During the year ended June 30, 2016, supervisors of Federal Work-Study Program students did not properly monitor student hours to ensure that students were not paid during class time or scheduled athletic events or practices.		1-Jul-17		0		29-Jan-18	In Progress
CISCC	17-Oct-17	CISCC FY 2015-2016: As noted in the prior audit, the College did not provide adequate internal controls in one area. The college did not design and monitor internal controls in one specific area. The details of this finding are confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated.		2-Jan-17		0		6-Dec-17	In Progress
CoSCC	21-Dec-17	CoSCC FY 15-16: CoSCC does not have controls in place to ensure compliance with the requirements of the Federal Work Study program.	Director, Financial Aid	31-Dec-17		0	19-Jan-18		In Progress
CoSCC	21-Dec-17	CoSCC FY 2015-16: The college made errors in calculating and reporting funds to be returned to Title IV.	Director, Financial Aid	31-Oct-17		0	19-Jan-18		In Progress
CoSCC	21-Dec-17	CoSCC FY 2015-16: The college did not perform required Direct Loan reconciliations.	Director, Financial Aid	31-Dec-17		0	19-Jan-18		In Progress
CoSCC	21-Dec-17	CoSCC FY 2015-2016 LOU: CoSCC did not provide adequate internal controls in four areas.	Associate Vice President, Information Technology	31-Dec-17		0	19-Jan-18		In Progress

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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	15-Jan-17	31-May-18	4	23-Mar-17	13-Oct-17	In Progress
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	15-Jan-17	31-May-17	3	1-Mar-17	19-Jan-18	In Progress
STCC	29-Jun-17	STCC-FY 2014-15: Management needs to improve procedures for preparing and reviewing financial statements to prevent errors.		1-Dec-17		0	19-Jan-18		In Progress
STCC	29-Jun-17	STCC FY 2014-15: - The college has not properly reported the costs associated with construction projects.		1-Dec-17		0	19-Jan-18		In Progress
STCC	29-Jun-17	STCC FY 2014-15: - Management did not approve employee timesheets prior to payroll preparation.		1-Dec-17	1-Jun-18	1	19-Jan-18		In Progress
STCC	29-Jun-17	STCC FY 2014-15: - The college does not have controls in place to ensure compliance with the requirements of the Federal Work Study program.		1-Dec-17		0	19-Jan-18		In Progress
STCC	29-Jun-17	STCC FY 2014-15: - The college did not prepare proper bank reconciliations.		1-Dec-17	28-Feb-18	0	19-Jan-18		In Progress
STCC	29-Jun-17	STCC FY 2014-15: The college did not have adequate controls over credit cards.		1-Dec-17		0	19-Jan-18		In Progress
STCC	29-Jun-17	STCC FY 2014-15: As noted in the prior audit, the college did not provide adequate internal controls in five specific areas.	CIO	1-Dec-17		0	22-Jan-18		In Progress
VSCC	6-Dec-17	VSCC FY 2015-16: As noted in the prior audit, Volunteer State Community College did not provide adequate internal controls in two areas.	Chief Information Officer	31-Mar-18		0			In Progress
VSCC	6-Dec-17	VSCC FY 2015-16: The college used incorrect term start date to calculate Title IV funds earned by students who withdrew in the spring 2016 semester, resulting in some unearned funds not being returned to the federal government.	Director of Financial Aid	30-Sep-18		0			Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges (Reports sorted by Status, Institution, Report Release Date)									
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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-Mar-17	31-Dec-17	2	5-May-17	30-Jan-18	Action Completed
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: o Comparison of hardcopy key agreements to the Keystone software database should be completed for discrepancies noted during the department/divisional reviews. 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. 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. 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. 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.	Executive Management and all their corresponding managers	31-Mar-17	31-Dec-17	2	11-May-17	30-Jan-18	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-Mar-17	31-Dec-17	2	5-May-17	30-Jan-18	Action Completed
ChSCC	21-Apr-17	ChSCC Sensitive Equipment 3 of 7: Surplus should be updated to accurately describe the process and identify the responsible Technology department. Finalization of the document should include documenting review and approval by appropriate Technology management.	VP of Technology/ Director of Educational Technology	31-Dec-17		0	12-Jan-18		Action Completed
ChSCC	21-Apr-17	ChSCC Sensitive Equipment 2 of 7: 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. Finalization of the document should include documenting review and approval by appropriate Technology management	VP of Technology/ Director of Educational Technology	31-Dec-17		0	12-Jan-18		Action Completed
ChSCC	21-Apr-17	ChSCC Sensitive Equipment 4 of 7: The KACE system should be used as an inventory tool. The KACE data should be compared to sensitive inventory listing on a periodic basis to identify equipment location discrepancies.	VP of Technology/Director of Educational Technology	31-Dec-17		0	12-Jan-18		Action Completed

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ChSCC	21-Apr-17	ChSCC Sensitive Equipment 7 of 7: Surplus documentation procedures should be developed to ensure accurate equipment final resolution documentation and timely removal from in-service. Documentation should include the date of surplus and final resolution such as reason for being destroyed or released to warehouse for auction consideration by the Business Office. Documentation of this process should include a time-frame requirements, completion sign-offs, and timely management review to ensure the process is completed in a timely manner.	VP of Technology/Director of Educational Technology	31-Dec-17		0	12-Jan-18		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	31-Dec-17	2	26-Jul-17	4-Dec-17	Action Completed
DSCC	30-Jun-17	An IT Disaster Recovery policy that shows the purpose, objectives, an outline of the development and approval process of the IT Disaster Recovery Plan, and any other pertinent issues relating to IT Disaster Recovery should be developed. The most current IT Disaster Recovery Plan should be an attachment to this policy.	Vice President for Technology	30-Nov-17		0	30-Nov-17		Action Completed
DSCC	30-Jun-17	The current IT Disaster Recovery Plan developed in January 2017 needs to be reviewed, updated, approved and reissued. This plan was last approved by the DSCC President in October of 2014. A newer version of the plan was updated and passed by the IT Committee in January 2017 but this version had no final approval of the DSCC President. Since the last update to this plan, the Vice President for Technology resigned and a new Vice President is now in place for this area. A subsequent review of the IT Disaster Recovery Plan by IT Management and the Director of Internal Audit has shown the need for it to be updated once again and approved by both the IT Committee and the DSCC President.	Vice President for Technology	31-Aug-17	30-Nov-17	1	30-Nov-17		Action Completed
DSCC	30-Jun-17	Critical points of failure should be further identified and addressed more clearly in the IT Disaster Recovery Plan. More network diagrams, inventories, calling trees, etc. could be used to specifically identify how systems are supposed to be organized and the exact procedures needed in various situations. The plan does identify key applications and discusses the general priorities for restoring IT systems in the event of outages, but more detail is needed in this area of the plan.	Vice President for Technology	31-Aug-17	30-Nov-17	1	30-Nov-17		Action Completed
DSCC	30-Jun-17	A test plan and schedule is needed for the continuous review of the IT Disaster Recovery Plan and its various components. Various system recovery tests should be performed on a rotating basis and documented. Personnel cross training is also advised in key areas.	Vice President for Technology	30-Nov-17	30-Nov-17	1			Action Completed
NeSCC	21-Jun-17	The department should implement policy 05:08:01 Compensatory Time for all non-exempt employees and develop procedures to ensure the policy is followed. Management should work with Human Resources to ensure their procedures comply with policy.	Chief of Police	21-Dec-17		0	14-Dec-17		Action Completed

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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	30-Sep-14	30-Jun-18	5	4-Dec-14	2-Nov-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-Mar-15	30-Jun-18	5	4-Dec-14	2-Nov-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-Mar-15	30-Jun-18	5	4-Dec-14	2-Nov-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	30-Sep-14	30-Jun-18	4	4-Dec-14	2-Nov-17	In Progress
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	31-Aug-16	30-Jun-17	1	31-Jan-17	14-Dec-17	In Progress
ChSCC	21-Apr-17	ChSCC Sensitive Equipment 1 of 7: ChSCC Sensitive Equipment policy 05:12:01 should be updated to note the current responsible area for the Sensitive Equipment inventory and the process for the coordination of efforts between Technology and the Business Office especially in relation to donated equipment.	VP of Technology	31-Dec-17	30-Jun-18	1	12-Jan-18		In Progress
ChSCC	21-Apr-17	ChSCC Sensitive Equipment 5 of 7: Management should verify that all divisions have sensitive equipment tracking processes, a current inventory listing, and an assigned coordinator. This coordinator will work with Educational Technology when any adjustments are made to the division's sensitive equipment inventory.	VP of Technology/ Director of Educational Technology	31-Dec-17	30-Jun-18	2	12-Jan-18		In Progress
ChSCC	21-Apr-17	ChSCC Sensitive Equipment 6 of 7: In-service and Surplused sensitive equipment inventories should be maintained separately. Additionally, Tennessee College of Applied Technology - Chattanooga items should be listed separately from the remainder of college.	VP of Technology/ Director of Educational Technology	31-Dec-17	30-Jun-18	1	12-Jan-18		In Progress
ChSCC	9-Aug-17	Human Resources 1 of 10: Written procedures detailing each department staff member's job duties and to outline guidance of how the college will comply with ChSCC and TBR policies should be completed.	Executive Director Human Resources	31-Dec-17	30-Jun-18	1	29-Jan-18		In Progress
ChSCC	9-Aug-17	Human Resources 4 of 10: Human Resources, Payroll, Academic Affairs, and Technology should form a task force to develop centralized document storage for shared employment documents in the Banner Document Management System (BDMS) to eliminate duplication of documents and electronic storage locations while maintaining security of documents unique to each department's functions.	Management of each area	31-Dec-17	30-Jun-18	1	29-Jan-18		In Progress

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ChSCC	9-Aug-17	Human Resources 5 of 10: The Search Committee and Hiring Handbook should be followed for every hiring transaction. Approval of the handbook should be documented and the handbook should be reviewed annually to update the process for any changes to laws, rules and other ChSCC and TBR policies.	Executive Director Human Resource	31-Aug-17	30-Jun-18	1	29-Jan-18		In Progress
ChSCC	9-Aug-17	Human Resources 8 of 10: Human Resources should consider developing supervisor training to increase communication concerning certain common management duties or issues.	Executive Director Human Resources	31-Oct-17	30-Jun-18	1	29-Jan-18		In Progress
ChSCC	9-Aug-17	Human Resources 9 of 10: Human Resources should provide hiring managers with the Search Committee and Hiring Handbook to guide them through the hiring process and maintain consistency of information concerning the hiring process.	Executive Director Human Resources	30-Sep-17	30-Jun-18	1	29-Jan-18		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	28-Feb-18	3	26-Jul-17	11-Jan-18	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	28-Feb-18	3	26-Jul-17	11-Jan-18	In Progress
CISCC	21-Jun-17	The Emergency Management Team review the plan and make the necessary changes to as required by TBR Guideline B-100.		31-Dec-17	28-Feb-18	1	18-Aug-17	29-Jan-18	In Progress
CoSCC	19-Feb-16	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.	Associate Vice President, Business Services	1-Apr-16	1-May-17	2	9-Sep-16	30-Nov-17	In Progress
CoSCC	20-May-16	Workforce development could improve reporting accuracy by strengthening segregation of duties, and ensuring data is independently reviewed and reconciled.	Executive Director, Workforce Development	1-Jul-16	30-Jun-17	2	30-Aug-16	14-Nov-17	In Progress
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	5-Feb-18	2	22-Dec-17		In Progress
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	24-May-17	1	22-Dec-17		In Progress

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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	8-May-15	31-Dec-17	1	30-Mar-17	18-May-17	In Progress
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	24-Oct-14	31-Dec-17	2	30-Mar-17	18-May-17	In Progress
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	1-Aug-18	3	24-Apr-17	4-Jan-18	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	1-Aug-18	1	24-Apr-17	4-Jan-18	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	1-Aug-18	1	24-Apr-17	4-Jan-18	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	1-Aug-18	1	24-Apr-17	4-Jan-18	In Progress
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	1-Jun-18	0	24-Apr-17	14-Feb-18	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	1-Jun-18	0	24-Apr-17	14-Feb-18	In Progress
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	31-Aug-17	1	30-Jun-17		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		0	30-Jun-17		In Progress

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STCC	28-Oct-15	Access and Diversity The Finance department should improve internal controls and procedures over the Access and Diversity reports. 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. 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. 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. 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.	Executive Director, Special Academic Programs	29-Apr-16	30-Aug-17	1	30-Jun-17		In Progress
STCC	3-Mar-16	STCC-International Education Program-Collection Procedures. 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.	Director of International Education Program	31-Aug-16	31-Aug-17	1	30-Jun-17		In Progress
STCC	3-Mar-16	SSTC-International Education Program-Waivers 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.	Director of Finance	31-Aug-16	31-Aug-17	1	30-Jun-17		In Progress
MSCC	25-Aug-17	1. Training of coaching staff should occur at least annually.	Vice President of Marketing and Campus Activities	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	2. Athletic policies, procedures, handbooks, and forms should be approved.	Vice President of Marketing and Campus Activities and Athletic Director	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	3. Student-athletes and parents should receive clear communications.	Vice President of Marketing and Campus Activities and Athletic Director	23-Feb-18		0			Not Yet Due

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MSCC	25-Aug-17	4. Scholarships should be earmarked for specified purpose.	Vice President of Marketing and Campus Activities and Athletic Director	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	5. Student-athlete injuries should be reported immediately following appropriate policies and procedures.	Vice President of Marketing and Campus Activities and Athletic Director	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	6. All coaching staff should follow appropriate protocols regarding student-athlete injuries and medical restrictions.	Vice President of Marketing and Campus Activities and Athletic Director	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	7. Completion Coach duties should be clear and involve regular and ongoing review of each student-athlete's academic performance.	Vice President of Marketing and Campus Activities and Athletic Director	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	8. A current memorandum of understanding should be in place regarding the auto dealership provided courtesy vehicle.	Vice President of Marketing and Campus Activities and Athletic Director and Director of the Foundation	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	9. Usage of the courtesy car provided by an auto dealership should be tracked and managed.	Vice President of Marketing and Campus Activities and Athletic Director	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	10. A procedure or policy should be developed for management of gas charge cards.	Vice President of Marketing and Campus Activities, Athletic Director, and Vice President of Business and Finance	23-Feb-18		0			Not Yet Due
MSCC	25-Aug-17	11. Records for personal versus business use of an employer-provided vehicle should be maintained and tax implications for personal use be reported annually.	Vice President of Marketing and Campus Activities, Athletic Director, and Vice President for Business and Finance	23-Feb-18		0			Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- TCAT (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	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	29-Dec-17	1	10-Oct-16	27-Oct-17	Action Completed
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 Camara, Account Clerk II	30-Jun-16	1-Jul-16	1	7-Nov-16		Action Completed
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	29-Dec-17	1	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,	30-Jun-16	29-Dec-17	2	10-Oct-16		In Progress
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	29-Dec-17	1	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	30-Jun-15	29-Dec-17	2	1-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 Camara, Account Clerk II	30-Jun-16	1-Jul-16	1	7-Nov-16		In Progress
Ripley	26-May-17	Three of 10 (30%) student files tested for compliance with consumer information, including FERPA, the orientation checklists were missing or not signed by the students to document agreement in accordance with federal regulations.	Financial Aid	1-Dec-16		0	30-Jun-17		Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
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	3-Oct-16	30-Oct-17	4	28-Jun-17		Action Completed
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	1-Dec-15	30-Dec-17	3	14-Jul-17	29-Jan-18	Action Completed
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 ft IT	31-Jan-16	30-Dec-17	3	14-Jul-17	29-Jan-18	Action Completed
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	31-Mar-15	30-Dec-17	3	14-Jul-17	29-Jan-18	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	15-Feb-17	27-Oct-17	3	25-Aug-17	24-Jan-18	Action Completed
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	3-Nov-17	1	18-Sep-17	19-Jan-18	Action Completed
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	3-Nov-17	1	18-Sep-17	19-Jan-18	Action Completed
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	3-Nov-17	1	18-Sep-17	19-Jan-18	Action Completed
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	31-Jul-15	30-Dec-17	4	14-Jul-17	29-Jan-18	Action Completed
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	4-Jan-16	30-Dec-17	3	14-Jul-17	29-Jan-18	Action Completed
TBR	2-Mar-16	Revamp the IT Disaster Recovery section of the BCP for changes needed to meet business requirements	Jim Dye, Director of Technology.	7-Oct-16	30-Dec-17	2	14-Jul-17	29-Jan-18	Action Completed
TBR	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-Sep-16	30-Dec-17	2	14-Jul-17	29-Jan-18	Action Completed

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
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-Nov-16	30-Dec-17	2	14-Jul-17	29-Jan-18	Action Completed
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-Nov-16	30-Dec-17	3	14-Jul-17	29-Jan-18	Action Completed
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-Sep-16	30-Dec-17	2	14-Jul-17	29-Jan-18	Action Completed
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-Sep-16	30-Dec-17	2	14-Jul-17	29-Jan-18	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	3-Oct-16	31-Dec-18	3	14-Jul-17		In Progress
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	1-Dec-15	31-Dec-18	4	14-Jul-17		In Progress

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
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	31-Jan-16	31-Dec-18	4	14-Jul-17		In Progress
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	1-Apr-16	31-Dec-18	4	14-Jul-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	31-Mar-15	31-Dec-18	4	14-Jul-17		In Progress

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
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	14-Oct-16	31-Dec-18	3	14-Jul-17		In Progress
NaSCC	15-Aug-16	NaSCC ITGCR #9 - Need for BCP - 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, Paul Kaminsky	28-Apr-17	31-Dec-18	2	14-Jul-17		In Progress
NeSCC	17-Feb-17	NeSCC ITGCR # 1 - Information Security Policy - Develop the Information Security Program Policies.	CIO, Fred Lewis	15-Aug-17	30-Mar-18	2	18-Sep-17		In Progress
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	30-Mar-18	2	18-Sep-17		In Progress
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	30-Mar-18	2	18-Sep-17		In Progress
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	30-Mar-18	2	18-Sep-17		In Progress

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
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	1-May-17	31-Dec-18	3	14-Jul-17		In Progress
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	30-Mar-18	2	18-Sep-17		In Progress
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	30-Mar-18	2	18-Sep-17		In Progress
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	31-Mar-15	31-Dec-18	5	14-Jul-17		In Progress
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	31-Jul-15	31-Dec-18	5	14-Jul-17		In Progress

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
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	4-Jan-16	31-Dec-18	4	14-Jul-17		In Progress
TBR	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	7-Oct-16	31-Dec-18	3	14-Jul-17		In Progress
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-Nov-16	15-Jun-18	5	19-Sep-17		In Progress
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-Nov-16	31-Dec-18	3	14-Jul-17		In Progress
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-Sep-16	31-Dec-18	3	14-Jul-17		In Progress
TBR	20-Dec-17	TBR SMO Info Secure 1a of 9 - New IT Policies and procedures Establish new information security policies and procedures to include: o Data classification being set by users o Management of vendor accessibility to TBR information o Physical security of network and server devices	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
TBR	20-Dec-17	Complete the implementation of corrective actions for the following recommendations from the prior Internal IT audit: o A change management process that covers IT functions and processes other than updating application systems o A mobile device policy with a user acknowledgment of steps require to protect data stored on mobile devices. o A logging and monitoring procedural process that is an information security requirement suggested by FERPA.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR SMO Info Security 2 Of 9 - Appointment of an ISO Designate an Information Security Officer and document the duties of this position.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR SMO Info Security - 3 of 9 - Scanning outbound data Consider scanning outbound data transmissions for possible PII leaks.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR SMO Info Security # 4 of 9 - Regular Network Scans - Identify how penetration testing and network vulnerability scans will occur with our pending departure from the STS data center.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR SMO Info Security # 5b of 9 - Limiting accounts with special access privileges - Complete the current effort to pare down the number of Active Directory accounts with administrator and non-expiring password privilege assigned.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR IT SMO Info Security # 5c of 9 - Password compliance with written policy - Adjust the settings in the password control file to ensure compliance with written password policy and be prepared to make addition adjustments as TBR revamps its policy structure.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR IT / SMO Info Security 5A1 of 9 - Active Directory Account review Review the listing of 370 open Active Directory accounts and consider adjusting the active status on accounts that either: 1) have not been used within the last 45 days, 2) have never been used, 3) belong to contractors and other persons that are not paid by TBR and 4) assigned to terminated employees.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR IT / SMO Info Security 5A2 -- Review of active Banner accounts Ensure more timely information is made available so non-employee Banner accounts are expired and locked in a timelier manner.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR IT / SMO Info Security 5A3 - Improve process to remove terms Investigate and update the process used to add, delete and / or modify computer system access privileges for new hired, terminated, transferred or promoted personnel. This solution could also address the security awareness point below.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR IT / SMO Info Security # 6 of 9 - Test for effectiveness of awareness program Ensure all personnel complete the SANS Institute Awareness Training program at the earliest possible date. Also, consider performing social engineering tests following the completion of the training to measure the success of the training received.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
TBR	20-Dec-17	TBR IT / SMO #7 of 9 - BYOD section of the Mobile Device Procedure Enhance the procedural process to protect sensitive data that is stored on a non-TBR owned device. This may be incorporated into the Mobile Device procedure, above.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR IT / SMO Info Security # 8 of 9 - Documenting log review activity Complete the implementation of means to better capture activity log data followed by the creation of the Logging and Monitoring Procedure to direct how the processes will be conducted. This process is one of the information security requirements suggested by FERPA.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR IT SMO #9 of 9 - Documenting possible breeches Consider documenting investigations of possible information breaches following steps defined in the Cyber Incident Response Plan.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due
TBR	20-Dec-17	TBR IT / SMO Info Security # 1b of 9 - Completion of prior audit recommendations Complete the implementation of corrective actions for the following recommendations from the prior Internal IT audit: o A change management process that covers IT functions and processes other than updating application systems o A mobile device policy with a user acknowledgment of steps require to protect data stored on mobile devices. o A logging and monitoring procedural process that is an information security requirement suggested by FERPA.	CIO, Steve Vieira	20-Jun-18		0			Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- TFLI (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	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	31-May-14	31-Jul-17	2	1-Jun-16	22-Sep-17	Action Completed
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	1-Dec-17	1	5-Jan-16	22-Sep-17	Action Completed
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	30-Sep-17	1	31-Aug-15	22-Sep-17	Action Completed

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Comptroller's Office and Internal Audit Reports

DATE: March 13, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

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. State Audit is currently auditing fiscal year 2016 and 2017. 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 sunset audits of the Tennessee Board of Regents operations, as required based on the state statute. The next sunset date for the Tennessee Board of Regents is 2022.

The Committee will review audit reports received during the quarter; a summary of these reports is included beginning on page 25.

FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS

— None

FINANCIAL AND COMPLIANCE AUDITS – FINDINGS

Cleveland State Community College

— FYE June 30, 2016 and June 30, 2015

Columbia State Community College

— FYE June 30, 2016, and June 30, 2015

Volunteer State Community College

— FYE June 30, 2016, and June 30, 2015

COMPTROLLER'S INVESTIGATIVE REPORT – FINDINGS

Southwest Tennessee Community College

— November 30, 2017

PERFORMANCE AUDIT – FINDINGS

Tennessee Board of Regents

— December 6, 2017

The Audit Committee will receive executive summaries for the internal audit reports issued from October 1, 2017 to December 31, 2017. Below is a listing of the internal audit and investigation reports completed during the reporting period, grouped by type of review. Highlights from these reports were reviewed in agenda item I.a.

Internal Audit and Investigation Reports for the Reporting Period*

Internal Audit Reports for Informational Purposes- Financial Management

CISCC	National Automated Clearing House Association	Page 35
PSCC	Bank Reconciliations	Page 36
PSCC	National Automated Clearing House Association	Page 37

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

DSCC	Follow-up to the IT Disaster Recovery Audit Report	Page 39
JSCC	Follow-up Report Access & Diversity Funds Audit	Page 40
STCC	Follow-up to the State Audit Report for FY 14 and 15	Page 42
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*A Limited Official Use Only report on the Office of Information Technology at the Tennessee Board of Regents System Office was completed on December 20, 2017. A Limited Official Use Only report on Southwest Tennessee Community College – Follow-up to the State Audit LOU Report for FY 14 and 15 was completed on January 22, 2018. These reports will be shared in the Audit Committee Executive Session.

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

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

Types of Findings

Deficiencies in Internal Control¹

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

Significant Deficiency¹

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

Material Weakness¹

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

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

Instance of Non-Compliance Required to be Reported²

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

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

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

Tennessee Board of Regents
Audit Committee
March 13, 2018
Review of Comptroller's Office Audit Reports

Financial and Compliance Audits—Findings Reported

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Cleveland State Community College	June 30, 2016 and June 30, 2015	Unmodified Opinion	One internal control findings identified as a significant deficiency	No instances of noncompliance required to be reported	2

Finding 1 – As noted in the prior audit, the college did not provide adequate internal controls in one area
Cleveland State Community College (CISCC) did not design and monitor internal controls in one specific area. We observed one condition 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), *Tennessee Code Annotated*. We provided the college with detailed information regarding the specific condition we identified, as well as our recommendations for improvement. The audit recommended management ensure that this condition is 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.

Management's Comment – Management concurs. The college is reviewing internal controls over the specific areas noted during the audit to ensure compliance with audit recommendations.

Finding 2 – The timesheets of Federal Work-Study students were not properly monitored

During the year ended June 30, 2016, supervisors of Federal Work Study Program students did not properly monitor student hours to ensure that students were not paid for working during class time or scheduled athletic events or practices. We tested all Federal Work-Study wages for the year ended June 30, 2016. Our test of \$63,993 of Federal Work-Study wages resulted in total questioned costs of \$4,265.33. The audit recommended management institute training and written policies to ensure that supervisors of Federal Work-Study employees properly monitor student's hours and that they are aware of applicable federal requirements. Unless a valid exception is documented, students should not be paid for hours worked during scheduled class hours or scheduled athletic events or practices. Students should not be paid without a supporting timesheet approved by their supervisor.

Management's Comment – Management concurs. Corrective actions have been implemented by the Financial Aid Office in an effort to ensure that Cleveland State Community College is in federal compliance. Effective July 1, 2017, all Federal Work-Study supervisors are required to attend a mandatory training session prior to a student worker assignment. Also, effective July 1, 2017, revisions were made to the Federal Work-Study contract, which requires both supervisor and student signatures that stipulate if any unauthorized hours were submitted and approved for payment, these hours will be paid out of the supervisor's departmental budget. Federal Work-Study timesheets will be reviewed by financial aid staff monthly. If unauthorized hours are identified, the responsible department will be charged for these hours; federal funds will not be utilized. In addition to the contract revision, effective July 1, 2017, Federal Work-Study students are required to attend a mandatory training session that includes detailed information regarding authorized vs. unauthorized work hours, prior to employment.

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

Tennessee Board of Regents
Audit Committee
March 13, 2018
Review of Comptroller's Office Audit Reports

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Columbia State Community College	June 30, 2016 and June 30, 2015	Unmodified Opinion	Four internal control findings identified as significant deficiencies	No instances of noncompliance required to be reported	4

Finding 1 – Columbia State Community College does not have controls in place to ensure compliance with the requirements of the Federal Work-Study program

We reviewed the timesheets for all 37 Federal Work-Study (FWS) students for the year ended June 30, 2016, which revealed the following instances of noncompliance and federal questioned costs of \$3,410:

- Fifteen of 37 FWS students tested (41%) reported working during class times. The students were paid a total of \$564 during class times, which represents federal questioned costs.
- Two of three athletic FWS students tested (67%) reported working during scheduled games, resulting in federal questioned costs of \$78.
- Six of 37 FWS students tested (16%) reported hours exceeding the maximum on the signed contract. The hours exceeding the maximum contract hours totaled \$2,768, which represents federal questioned costs.

The audit recommended the college develop procedures to ensure that Federal Work-Study students are not paid for hours while scheduled for class or while participating in sports activities. The college should also develop procedures to ensure that students do not work more than the maximum hours in the contract.

Management's Comment – We concur with this audit finding. Corrective actions have been implemented to ensure that FWS students are not paid while scheduled for class or while participating in sports-related activities and to ensure that students do not work more than the maximum hours in their contract.

Finding 2 – The college made errors in calculating and reporting funds to be returned to Title IV

Columbia State Community College personnel made errors in calculating and reporting returns to the Title IV Student Financial Assistance Program for students who withdrew from classes before the end of the period in which they were enrolled. We reviewed a sample of 41 students who received Title IV Student Financial Assistance during the 2015-2016 award year. Errors were noted for 3 of 41 students tested (7%). The audit recommended financial aid personnel ensure that adequate policies and procedures are developed and implemented to ensure that all students receiving financial aid who withdraw during the term are identified and that timely return calculations are made for each of these students. Staff should also be trained on how to properly perform return calculations, and calculations should be reviewed to ensure their accuracy.

Management's Comment – We concur with this audit finding. Corrective actions have been implemented to ensure that students who receive financial aid and withdraw during the semester are identified. These corrective actions will ensure a timely return calculation is completed. Steps have also been implemented to provide continuous staff development and training.

Finding 3 – The college did not perform required Direct Loan reconciliations

Columbia State Community College did not always reconcile the college's Federal Direct Loan financial records with the federal Direct Loan Servicing System. The college did not complete 8 of 12 Direct Loan

reconciliations (67%) during the year ended June 30, 2016. The only months completed were December 2015, March 2016, May 2016, and June 2016. The audit recommended management ensures procedures specify individuals or positions responsible for monthly reconciliation of institution records relating to Federal Direct Loan receipts and disbursements to the records submitted to and accepted by the U.S. Department of Education. Procedures should also specify positions responsible for reviewing the reconciliations to ensure they were performed timely and accurately.

Management's Comment – We concur with this audit finding. Corrective actions have been implemented to ensure that Federal Direct Loan reconciliations are completed monthly, as federally required.

Finding 4 – Columbia State Community College did not provide adequate internal controls in four areas

Columbia State Community College did not design and monitor effective internal controls in four areas. For all four of these areas, we found internal controls deficiencies related to one of the college's systems because management either did not implement controls or implemented controls that were not sufficient. In one area, management explained that they were in the process of implementing a corrective action plan. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. We provided the college with detailed information regarding the specific conditions we identified, as well as the related criteria, causes, and our specific recommendations for improvement. The audit recommended management ensure that these conditions are remedied by promptly developing and consistently implementing internal controls in these areas. 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.

Management's Comment – We concur with this audit finding. Management has already begun developing procedures to address the specific areas noted in the finding. The additional controls will be in place no later than December 31, 2017, and staff have been assigned responsibility for ongoing monitoring of the risks and controls for these areas.

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

Tennessee Board of Regents
Audit Committee
March 13, 2018
Review of Comptroller's Office Audit Reports

Financial and Compliance Audits—Findings Reported

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Volunteer State Community College	June 30, 2016 and June 30, 2015	Unmodified Opinion	Two internal control findings identified as significant deficiencies	No instances of noncompliance required to be reported	2

Finding 1 – The college used an incorrect term start date to calculate Title IV funds earned by students who withdrew in the spring 2016 semester, resulting in some unearned funds not being returned to the federal government

For 5 of 13 students (38%) selected who withdrew from the college, we determined that the college did not calculate the correct amount of funds that should be returned to the federal government. For the 5 students, the school returned \$437 less than the amount required. The \$437 is federal questioned costs. The audit recommended when processing returns in the future, the Director of Financial Aid should review staff's work to ensure that the correct parameters are used in calculating the return of funds.

Management's Comment – Management concurs. Management agrees that it is necessary for the Director of Financial Aid to establish procedures for review of the calculation of funds to be returned to the federal government for students who received Title IV funds and have officially or unofficially withdrawn. Quality control measures will establish a review by a member of Financial Aid management prior to the beginning of the award year, as well as subsequent monthly reviews. These actions will be implemented by November 30, 2017.

Finding 2 – As noted in the prior audit, Volunteer State Community College did not provide adequate internal controls in two areas

Volunteer State Community College did not design and monitor effective internal controls in two areas. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. We provided the college with detailed information regarding the specific conditions we identified, as well as the related criteria, causes, and our specific recommendations for improvement.

Management's Comment – Management concurs. Management will review and establish additional controls to address the identified findings.

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

Tennessee Board of Regents
Audit Committee
March 13, 2018
Review of Comptroller's Office Investigative Reports
Comptroller's Investigative Report—Findings Reported

Southwest Tennessee Community College – November 30, 2017

The Office of the Comptroller of the Treasury, conducted an investigation of pertinent records of the Southwest Tennessee Community College's Student Nursing Government Association and the findings and recommendations have been reviewed with management. Also, these findings and recommendations have been reviewed with the district attorney general for the Thirtieth Judicial District.

Finding 1 – A former assistant professor used student association funds for personal purposes resulting in a cash shortage of at least \$10,480.82

A former nursing assistant professor and faculty advisor (the advisor) for the Student Nursing Government Association (the association) admitted to school officials that she used funds from the association for personal purposes. Subsequently, the advisor resigned her position in February 2016. We performed an investigation of the relevant transactions of the association's accounts and those transactions specifically identified by the advisor. We identified a cash shortage of at least \$10,480.82 resulting from the advisor using the association's funds for personal use. The cash shortage amount could be greater due to the condition of the accounting records and missing receipt books. We noted the use of cash, check card purchases, and ATM withdrawals by the advisor, an unaccounted check drawn on the account, and banking fees. Our investigation revealed the advisor repaid the association \$5,300 resulting in a remaining cash shortage balance owed to the association of \$5,180.82 (\$10,480.82 less \$5,300). On September 9, 2017, we interviewed the former advisor, and she stated that she had taken funds from the account during a period of personal financial hardship and was not able to return the funds. On October 9, 2017, the former advisor, Nadia Wilson, was indicted by the Shelby County Grand Jury for Theft of Property over \$10,000. The audit recommended officials should take immediate action to collect the remaining cash shortage of \$5,180.82.

Finding 2 – The association had inadequate separation of duties and a lack of internal controls

Our investigation revealed the following operating deficiencies, which can be attributed to a lack of management oversight that directly enabled the actions of the former advisor to remove funds of the Student Nursing Government Association for personal purposes:

- During the period of our examination, the former faculty member of the Southwest Tennessee Community College had complete control over the funds of the association including bank deposits and withdrawals. In addition, the statements for bank accounts were mailed to the home address of the former faculty member.
- Financial transactions reported to the association were not periodically compared with bank account records and receipt books. All receipt books for the period of our investigation could not be located. Summaries of financial transactions reported to the association by the former faculty advisor were significantly different from transactions as recorded in the bank account of the association. The audit recommended officials should segregate duties to the extent possible using available resources, compare bank records with accounting records, and have all records on file for audit inspection. Officials should perform an analysis of internal controls to mitigate any weaknesses.

Management's Response – In February 2016, the college's human resources department and internal auditor immediately commenced an internal investigation when they became aware of a possible embezzlement of funds from the Student Nursing Government Association (SNGA) by the club's advisor. However, prior to the completion of the investigation and before any disciplinary action could be taken

against the club advisor, she resigned. Notwithstanding, the college took immediate and appropriate steps to protect the students and to put internal controls in place to minimize the risk of possible theft in the future.

- The college notified the Tennessee Board of Regents (TBR) of the initial results of its internal investigation and the college encouraged TBR's input and guidance.
- The college president called a mandatory meeting with all club advisors informing them that effective immediately, student organizations and clubs will no longer be allowed to have external banking relationships.
- The college halted all SNGA fundraising activity until firm procedures were established.
- The college paid all past due and outstanding invoices incurred by SNGA.
- The college assumed all expenses for SNGA's annual pinning ceremony, including but not limited to, catering, event rentals, awards, etc.
- The college developed procedures consistent with Section 10 of TBR Policy 3:01:01:00 "Student Organizations".
- The college set up internal accounts for student clubs and organizations. The accounts were established as agency funds; hence, deposits and withdrawals are not reflected on the college's Statement of Revenues and Expenses.
- The college prepared and distributed documents and information to club advisors which provided access to their respective internal accounts.
- The college developed several forms to ensure efficiency and consistency in the club advisor's management of club funds. These include a payment request form; deposit form; petty cash approval form/request for reimbursement of college-related expenditures; and petty cash change fund.
- The college holds student clubs and organizations funds in trust, therefore, the college's policies and procedures are applicable when depositing and disbursing funds. There are required signature approvals dependent upon the dollar amount of the purchase. Purchases exceeding \$1,000 require a purchase order.
- The college held mandatory training sessions with all club advisors regarding access to the club account; how to deposit funds into the club account; petty cash procedures; travel procedures; payment request procedures; and how to view the club's budget.

Since the full implementation of these protocols in August 2016, no other infractions have emerged and more robust checks and balances have been realized.

Tennessee Board of Regents
Audit Committee
March 13, 2018
Review of Comptroller's Office Performance Audit

Comptroller's Performance Audit—Findings Reported

Performance Audit – December 6, 2017

Introduction-

The Comptroller's Office conducted a performance audit of the Tennessee Board of Regents under Section 4-29-111 of *Tennessee Code Annotated*, the Governmental Entity Review Law, to aid the Joint Government Operations Committee of the General Assembly in determining whether the Tennessee Board of Regents should be continued, restructured, or terminated. The board was scheduled to terminate June 30, 2018. (Legislation has since been proposed to extend the system for four years, to June 30, 2022.) No current findings were reported for Tennessee Board of Regents. Tennessee Foreign Language Institute had four findings.

Prior Audit Findings-

The Tennessee Board of Regents (TBR) filed a follow-up report with the Department of Audit in July 2014, following the January 2014 audit report. We conducted a follow-up of all prior audit findings as part of the current audit. The current audit disclosed that TBR corrected their previous audit findings.

Background on Tennessee Foreign Language Institute -

The Tennessee Foreign Language Institute (TFLI) was created by statute in 1986. TFLI did not have its own termination date but fell under the Tennessee Board of Regents' (TBR) termination statute. TFLI is administratively attached to TBR, which provides fiscal services to TFLI through a memorandum of understanding (memorandum). The memorandum specifies that TFLI and its executive director will administer and govern in areas such as personnel, budget planning and approval, and "any and all matters related to the management and mission of the Institute." For example, the memorandum calls for TBR to provide general accounting, but not assume responsibility for financial statement preparation or other financial reporting except for accounting reports and summary information provided to TFLI's management. (Legislation has been proposed to set a separate sunset date for TFLI of June 30, 2020.)

Finding 1 – The Tennessee Foreign Language Institute has weak internal controls over cash receipting and accounting

We reviewed internal controls over the Tennessee Foreign Language Institutes (TFLI)'s cash and check receipting and accounting process and found that TFLI does not follow its own internal guidelines. TFLI's Executive Director described an expected process to auditors which provides for at least some separation of duties. However, while we don't note any instances of theft, we observed that the expected practices were not always followed. Additionally, TFLI staff described the process consistent with the auditor's observations. In contrast, online credit card payments are processed by the Tennessee Board of Regents (TBR). TFLI has sufficient staff to separate cash and check handling duties. Allowing one individual to have control over these duties increases the risk of theft or misappropriation of funds.

We also noted that TFLI's financial information is maintained in two separate systems, TFLI staff record all transactions in the institute's own accounting system, then send the information to TBR, which records the information in Banner. The two systems do not interface; therefore, any financial information must be shared and manually entered twice. Having two sets of accounting records increases the risk that transactions will be entered incorrectly and either party relying on improper financial information. This practice also increases the risk that misappropriations will go unnoticed. In addition, TFLI and TBR do not account for certain transactions, such as receivables, in the same manner, which can create confusion regarding the amount of

funds that TFLI has available at any given time. In fact, TFLI has found itself in financial difficulties due to this confusion in the recent past.

Management's Response – The TFLI concurs in part with this finding. The part which we do not concur is the characterization that TFLI does not follow its own internal guidelines. We are willing to further segregate the duties to address the potential for fraud in the preparation of the actual deposit slip and in the post-deposit verification stage.

With regard to the finding on the two separate systems, the internal systems used are strictly for generation of client invoices and posting of payments received. All data reported in financial reports are gleaned from the systems maintained by the TBR, to which our fiscal director has reporting access. We feel that the redundancy can actually serve to double-check the financial records maintained by TBR. Still we are very much open to discussions with Fiscal Services at TBR about any system changes that will improve accuracy and reporting.

Finding 2 – The Tennessee Foreign Language Institute should ensure that it is distinct from the nonprofit TFLI Fund

The TBR Office of System-wide Internal Audit completed a review of the TFLI in May 2014. One of the several items TBR noted was a lack of distinction between TFLI (a state agency) and its fundraising arm, the nonprofit TFLI Fund, Inc. The auditors noted that agreements with entities for grants gave descriptions of TFLI's activities but directed that grants be paid to the TFLI Fund.

The lack of distinction between the institute and the fund in the agreements creates confusion about which entity is truly receiving the grants and has the potential for legal issues because the institute and the funds are separate legal entities.

Management's Response – The TFLI concurs with the above finding. The TFLI Fund, Inc. (the Fund) is a 501c3 that serves as a fundraising arm for TFLI (the Institution) and is responsible for compliance with the IRS regulations guiding 501c3 entities. It has a CPA partner from Kraft CPAs as its treasurer. The relationship between the two entities (the Fund and the Institution) is modeled upon the TBR Foundation Policy. TFLI will address the issue with the leadership of the Fund, requesting that they incorporate best-practices from the TBR Foundation Policy into their member guidelines and operations. TFLI staff will be vigilant to note any incorrect designation of entities in any paperwork and make necessary corrections or alert the Fund to do so as appropriate.

Finding 3 – The Tennessee Foreign Language Institute relies on a small number of contracts for revenue and has no oversight of these contracts

The TFLI is dependent on a small number of contracts and does not effectively monitor those contracts. For fiscal year 2017, TFLI received 58% of its revenue from contracts under its Interpretation and Translation Services area. Of that 58%, on vendor was responsible for 20% of the revenue, and over half of the revenue from Interpretation and Translation Services came from five vendors. The loss of any one of these vendors could have a significant impact on TFLI's ability to continue operating as a going concern, as has happened in the recent past. Furthermore, due to contractor's payment practices, TFLI's cash flow dwindles when contractors pay after increasingly lengthy periods of time. There is also no central oversight of TFLI's contracting function. While the institute is administratively attached to the TBR, TBR provides no oversight of review of the institute's contracts and agreements with other entities.

Management's Response – The TFLI concurs in part with the above finding. To be noted is the distinction that if one of the larger clients were lost, we would also then lose the associated expense of paying contractors for the work. Thus, the loss would be offset to some degree by a decrease in expenditures proportionate to the revenue.

With regard to the commentary regarding contracts, we concur that increased monitoring of the contracts is appropriate.

The TFLI will continue to explore additional revenue streams and work to lower its dependence on a small number of contracts. TFLI will review and revise procedures to provide for increased monitoring of the contracts to ensure both continuity of the contracts and timely collections.

Finding 4 – The Tennessee Foreign Language Institute should continue to expand its efforts to provide services outside of Middle Tennessee

According to Section 49-50-1302, *Tennessee Code Annotated*, one of the purposes of the Tennessee Foreign Language Institute (TFLI) is the “coordination and provision of foreign language instruction to the citizens of this state.” Currently, TFLI offers services to the Nashville metro area, with limited service in the rest of the state. TFLI officials indicated that they want to expand the institute’s reach to other parts of the state, and they currently offer limited distance learning opportunities for one-on-one instruction and small groups. Further expansion of distance learning would ensure TFLI’s ability to provide foreign language instruction to the citizens of Tennessee.

Management’s Response – The TFLI concurs in part with the above finding. We are fulfilling our mandate to provide foreign language instruction to the citizens of Tennessee; however, an admitted challenge is how to serve the state more fully, widely and consistently, given that our appropriation is only 16% of our operating budget, and requests for additional funding have not been considered in the budgetary discussions. It is geographic reality that the majority of our students are citizens who reside in the greater middle Tennessee region, including counties to the north, south, east and west. Still, we have successfully offered classes on the ground in the three grand divisions over the years of the Executive Director’s employment (1999-present) for individuals and businesses, as well as classes for state government employees in Knoxville, Chattanooga and Memphis.

In the area of distance learning, we have successfully conducted online classes for individuals throughout the state and have recently upgraded our network infrastructure to a fiber connection with greater bandwidth, which will further allow us to create and pilot additional distance learning opportunities.

It is the opinion of TFLI that this is not a finding, but an observation and an opportunity for growth, which have been pursuing and will continue to pursue. We would like to leverage existing state resources to further our expansion throughout the state.

TFLI will continue to expand its distance-learning program and will reach out to the TFLI Governing board members of the locally governed institutions, the TBR, and the University of Tennessee to explore potential partnerships and sharing of resources to continue in the fulfillment of our legislative mandate.

**Tennessee Board of Regents
Audit Committee
March 13, 2018**

***Internal Audit Reports
Financial Management***

Cleveland State Community College
NACHA Web Audit
September 2017
Executive Summary

Title of Key Staff Person: Director Of Information Technology and Bursar	Auditor: Alvin Bishop
<p>Background:</p> <p>NACHA (National Clearing House Association) is a not-for-profit association that oversees the Automated Clearing House (ACH) Network, an electronic payment network. NACHA provides the legal foundation for the ACH Network through the development and enforcement of the <i>NACHA Operating Rules & Guidelines</i> which establish a set of requirements in order to provide a minimum amount of protection for WEB entries. WEB entries are internet initiated entries that NACHA defines as “a debit entry to a Consumer Account initiated by an Originator pursuant to an authorization that is obtained from the Receiver via internet.”</p> <p><i>NACHA Operating Rules & Guidelines</i> obligate Originators to:</p> <ul style="list-style-type: none">• Obtain the consumers written authorization prior to initiating a debit entry• Mitigate risks associated with internet-based payments by;<ul style="list-style-type: none">○ Authenticating the identity of the Receiver○ Employing a fraudulent transaction detection system○ Establishing secure internet sessions○ Verify the Receiving Depository Financial Institution’s routing number○ Reviewing security control procedures	
<p>Objectives:</p> <p>The objectives were to determine CISC’s compliance with <i>NACHA Operating Rules & Guidelines</i> for WEB entries related to:</p> <ul style="list-style-type: none">• Authorization of payments• Formatting requirements• Risk management requirements to adequately protect Consumer financial information	
<p>Audit Conclusions:</p> <p>Cleveland State Community College is in compliance with NACHA Operating Rules requirements for authorization, formatting, and risk management.</p>	

Pellissippi State Community College
Audit of Bank Reconciliations
July 1, 2016 – June 30, 2017
Executive Summary

Key Staff Personnel	Renee Moore Assistant Vice President Business and Finance	Internal Auditor	Suzanne L. Walker Director of Internal Audit
Introduction	An audit of the procedures and the process related to bank reconciliations was conducted according to the annual audit plan based upon the audit risk assessment.		
Objectives	<p>The objectives of the audit were as follows:</p> <ol style="list-style-type: none"> 1. To ascertain that all appropriate TBR and institutional policies and procedures are being followed; 2. To establish the validity of the amount of funds recorded as “Cash in Banks”; 3. To ascertain that idle funds are appropriately invested; 4. To make recommendations for correcting deficiencies or improving operations. 		
Conclusion	College personnel are to be commended for their accuracy and thoroughness in completing bank reconciliations in a timely manner. No areas of concern were noted for this audit. It was noted that management was keeping a larger balance in their operating account than in past years. This is occurring because the current bank contract waives certain fees based upon the average daily balance. Management evaluated this and the waiver of fees is greater than any additional interest the college might achieve by investing these funds in the Local Government Investment Pool.		

**Pellissippi State Community College
National Automated Clearing House Association (NACHA)
November 2017
Executive Summary**

Background:

An audit of NACHA compliance was completed in accordance with the annual audit plan. This audit was conducted at the request of Vice President of Business and Finance.

Objectives:

To determine compliance with *NACHA Operating Rules* WEB entry requirements related to authorization, formatting and risk management.

Total Questioned Costs/Losses: N/A

Total Recoveries: N/A

Audit Conclusions:

Pellissippi State is substantially in compliance with the authorization, formatting and risk management requirements of the *NACHA Operating Rules*. Three areas of concern were noted during the current audit that were discussed with both Information Services and Business Office personnel. None of these areas were considered significant enough to warrant an audit observation or finding. However, if these areas continue to persist they could result in observations or findings in future audits.

**Tennessee Board of Regents
Audit Committee
March 13, 2018**

***Internal Audit Reports
Follow-up Audit Reports***

Dyersburg State Community College
Follow-Up to the Information Technology Disaster Recovery Audit Report
November 2017
Executive Summary

Key Staff Persons: Vice President for Technology	Auditor: DSCC Director of Internal Audit
<p><u>Introduction</u></p> <p>The DSCC Director of Internal Audit issued an IT Disaster Recovery audit report On June 30th, 2017. No previous audit of this type had been performed at DSCC. The report included four audit observations and recommendations and one verbal discussion item that involved the Finance department. This audit is a follow-up review of those observations and recommendations as performed in November 2017. The current status of each observation/recommendation is presented in the Results of the Current Audit section below.</p>	
<p><u>Objectives</u></p> <p>The objectives of the follow-up review were to determine whether adequate corrective actions have been taken to address the audit observations, implement the audit recommendations and mitigate the risks that the IT Disaster Recovery Plan would not be properly developed and maintained.</p>	
<p><u>Results of the Current Audit</u></p> <p><u>Current Status of IT Disaster Recovery Audit Observations/Recommendations</u></p> <ol style="list-style-type: none"> <u>1. There is currently no DSCC policy for IT Disaster Recovery.</u> An IT Disaster Recovery Plan policy was developed and approved by the Administrative Council on November 28, 2017, Policy 11.04.11.00. <u>2. The current IT Disaster Recovery Plan developed in January 2017 needs to be reviewed, updated, approved and reissued.</u> The IT Disaster Recovery Plan has been reviewed and updated and approved as of November 27, 2017. <u>3. Critical points of failure should be further identified and addressed more clearly.</u> Critical communication services have been further identified along with crucial technology services such as the Banner ERP system, Brightspace/Desire2Learn Learning Management System, Microsoft Active Directory services and Domain Name System services. <u>4. A test plan and schedule is needed for the continuous review of the IT Disaster Recovery Plan and its various components.</u> A test schedule has been developed for the 2018 calendar year. <p><u>Verbal Mention: More detail should be developed regarding the timing and recovery point objectives in the IT Disaster Recovery Plan. A Business Continuity Plan is being developed by the Vice President for Finance and Administration, which should help to identify guidelines and expectations regarding the priorities of an IT Disaster Recovery scenario.</u></p> <p>A draft of the Business Continuity Plan has been developed and is scheduled to be finalized in the first quarter of 2018. Once this document is complete, the IT Disaster Recovery Plan will need to be revised in order to comply with the timelines established in the Business Continuity Plan.</p>	
<p><u>Audit Conclusion:</u></p> <p>Based on the results of the follow-up review, management has taken adequate actions to address the audit observations, implement the audit recommendations and mitigate the risks that the IT Disaster Recovery Plan would not be properly developed and maintained.</p>	

Jackson State Community College
Follow-up to Access and Diversity Audit Issued October 2015 – Page 1 of 2
For Fiscal Year Ending June 30, 2014 and June 30, 2015
December 2017
Executive Summary

Key Staff Personnel: Director of Human Resources	Internal Auditor: Chrystal Pittman
Introduction: The Director of Internal Audit issued a report evaluating Access and Diversity (A&D) Funds for fiscal years 2014 and 2015 on October 30, 2015. The report included four recommendations. Internal audit has performed a follow-up review of the corrective actions taken in response to the recommendations.	
Objectives: The objective of the review was to determine if management implemented adequate corrective action to address recommendations noted in the October 2015 internal audit of A&D funds. The Follow-up included a review of A&D funding for the period of January 1, 2016 – June 30, 2016 and July 1, 2016 - June 30, 2017.	
<p>Recommendation 1: The institution should develop Access and Diversity goals for the overall program and ensure that funds are spent according to established goals. <i>The institution has a Diversity Strategic Plan and Access and Diversity Scholarship Policy. However, there is no institutional plan for Student Recruitment and Retention and Faculty/Staff Recruitment and Retention. Therefore, expenditures for recruitment and retention may include expenditures that are not clearly related to Access and Diversity.</i></p> <p>Follow-Up Results: Management elected to use the college strategic plan for A&D as a guide for determining appropriate use of A&D faculty/staff recruitment and retention funding. Approval for expending the funds was primarily directed by the President and or the HR Director. Associated purchase orders and check requisitions were processed according to JSCC’s signature approval requirements.</p> <p>In the Fall of 2017, management reviewed the process for disbursement of all A&D funding. Management elected to continue use of the JSCC Strategic Plan for Access and Diversity goals as a guideline for allocation of A&D funds for faculty/staff recruitment and retention. Additionally, management has established a committee to review and approve expenditures for A&D Faculty/Staff recruitment and retention.</p> <p>Recommendation 2: Scholarships awarded by the Access and Diversity Committee should be reconciled to expenditures. <i>The Access and Diversity Committee awards scholarships and submits the awardee listing to financial aid and the expenditures are not reconciled.</i></p> <p>Follow-Up Results: Management did not complete reconciliations as recommended in the October 2015 audit, however during the follow-up review process, management made significant progress towards the reconciliations.</p>	

Jackson State Community College
Follow-up to Access and Diversity Audit Issued October 2015 – Page 2 of 2
For Fiscal Year Ending June 30, 2014 and June 30, 2015
December 2017
Executive Summary

Recommendation 3:

Scholarship applications should be maintained for a period of time as supporting documentation. A suggested time for retention would be five years. *Scholarship applications for the fiscal year July 1, 2013 – June 30, 2014 were not available for review because applications are retained for only one year.*

Follow-Up Results:

Scholarship applications were not available for the timeframe immediately following the October 2015 audit, however management provided applications for the summer 2016 through summer 2017.

Management noted that beginning summer 2016, applications will be maintained for the recommended five-year period in the Human Resource office.

Recommendation 4:

The TBR Office of Organizational Effectiveness and Strategic Initiatives should approve scholarship criteria, salaries, and transfers. *The Access and Diversity Scholarship Requirements and Policies contained detailed information regarding scholarship criteria and the selection process but was not submitted for approval to the TBR Office of Organizational Effectiveness and Strategic Initiatives. Scholarship criteria should be approved when changes occur. Salaries and benefits should be approved. Transfers between categories of Access and Diversity funds should be approved.*

Follow-Up Results:

Management did not consistently comply with the TBR Office of Organizational Effectiveness and Strategic Initiatives (OESI) requirement of obtaining prior approval for changes to Access and Diversity (A&D) Scholarship criteria, salaries and transfers between categories.

During the period under review, management noted they received conflicting information from OESI regarding the prior approval requirement. OESI confirmed the prior approval reporting requirement and management has agreed to comply moving forward.

Conclusion: Based on tests performed for the period under review, management has taken partial corrective actions.

During the follow-up review, management made significant progress towards recommendations 1 and 2. A second follow up will be conducted following summer 2018.

Southwest Tennessee Community College
Follow-up to the State Audit Report
For the Fiscal Year Ending June 30, 2015 and June 30, 2014
Executive Summary

Key Staff: Executive Director, Information Systems and Vice President of Financial and Administrative Services	Auditor: Charlotte Johnson, Internal Auditor
Introduction The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Southwest Tennessee Community College for the fiscal years ended June 30, 2015 and June 30, 2014, on June 28, 2017. The report included nine audit findings. The current status of each finding is presented in the Results of the Current Audit section below.	
Objectives The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit findings, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.	
Results of the Current Audit <u>Current Status of State Audit Findings</u> <ol style="list-style-type: none"> Management needs to improve procedures for preparing and reviewing financial statements to prevent errors. The Finance Department has placed new procedures in place for some areas and will implement new policies at a later date for the additional areas. The College has not properly reported the costs associated with Construction projects. The Finance Department has developed steps to improve the process for reviewing capital expenditures and a new written procedure was put in place December 11, 2017. The College did not enroll new employees in the defined benefit portion of the state's retirement plan. A Payroll/HR procedure has been created for the retirement plan. A report is issued which is reviewed by both the Payroll Department and Human Resources to ensure compliance with this program. Management did not approve employee timesheets prior to payroll preparation. Training has been provided and an exception report created. A new timekeeping policy is in draft form. The final copy should be completed March 31, 2018. The college does not have controls in place to ensure compliance with the requirements of the Federal Work Study program. A review was conducted by internal audit on the Federal Work Study program. Eleven students reported hours worked during a scheduled class. The College did not prepare proper bank reconciliations. Staff shortage has resulted in the implementation of the bank reconciliation process being moved to February 2018. The college did not have adequate controls over credit cards. The Credit Card Procedure Policy was updated December 2017. Adequate internal controls are in place to oversee the credit card procedure. The college did not perform reconciliations between the Raiser's Edge, Banner Advancement, and Banner Financial systems. The reconciliations are current and a new written procedure has been put in place. As noted in the prior audit, Southwest Tennessee Community College did not provide adequate internal controls in five Specific Areas. Management has taken or will take adequate corrections in the next month to complete the audit findings. 	

Southwest Tennessee Community College
Additional Follow-up to the Special Review of Federal Work Study Program – Page 1 of 2
January 3, 2018
Executive Summary

Key Staff Personnel: Financial Aid Specialist	Internal Auditor: Charlotte Johnson
<p>Introduction: Internal Audit for Southwest Tennessee Community College (STCC), issued a Special Review of Federal Work Study Program report for the period July 1, 2013 through June 30, 2014, on May 13, 2015. The report included one finding regarding Federal Work Study (FWS) students working during class times. A follow-up review by Internal Audit was issued May 30, 2017, for academic year 2016. The follow-up disclosed a continued deficiency in the payroll records of the audit sample. Twelve of 40 student records reviewed reported hours worked during a scheduled class. In addition, the State Comptroller's audit of fiscal years 2014 and 2015, released June 28, 2017, also found a lack of controls in place at STCC to ensure compliance with the requirements of the Federal Work Study Program (FWS).</p>	
<p>Objective: The objective of this review was to determine whether adequate corrective actions have since been taken to address the finding.</p>	
<p>Scope: The audit included a review of the payroll records for the spring 2017 semester regarding FWS student employees. The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors, and included tests of the records and other procedures considered necessary to achieve the audit objectives.</p>	
<p>Result of the Prior Audit: Following is the finding reported by Internal Audit on the Special Review of Work Study Program dated May 13, 2015. This section includes the published recommendations and response from management.</p>	
<p>Finding: Internal Controls for Monitoring Students' Work Time Must Be Improved to Ensure Compliance with Federal Work Study Program Regulations.</p> <p>Records show that students report working during hours when they are scheduled for classes or when they are in athletic competitions. For the FWS payroll records tested, 25 of 28 reflected hours worked during scheduled classes. Supervisors signed the time reports authorizing the time. Internal controls are not being followed. Federal Work Study Program regulation C.F.R. 675.20(d)(2)(ii), states that, a student employed in an FSW job may not be paid for receiving instruction in a classroom, laboratory or academic setting.</p>	
<p>Recommendations: Management stated that a class will be conducted for each supervisor in the Federal Work Study Program. The following procedures should be included in the sessions and added to the college's internal control procedures:</p> <p>Supervisors must obtain a copy of the student's class schedule.</p> <p>Supervisors must compare the class schedule to the time sheets before providing approval.</p>	

Southwest Tennessee Community College
Additional Follow-up to the Special Review of Federal Work Study Program – Page 2 of 2
January 3, 2018
Executive Summary

A student may only clock in early or work when a class has been dismissed and the director prepares a document stating why the class was not in session as scheduled. This document must be on file and provided to auditors, upon request.

Management's Response: Management concurs with the recommendations listed above. We have updated our processes and procedures. The Financial Aid Specialist responsible for the FWS Program will provide updates and notify FWS Supervisors of any infractions or changes in procedures.

Result of the Current Review: For this audit follow-up, Internal Audit sampled the spring 2017 semester payroll records for 42 FWS students. Eleven students reported hours worked during a scheduled class. The instances ranged from one to eleven per student, for a total of 34 instances. Corrective actions put in place previously do not appear to be adhered to, or are not effective.

Management should ensure supervisors are following procedures put in place to increase internal control in the Federal Work Study program.

Management's Response: Management concurs with the findings and recommendations of the Audit report rendered during an additional follow-up to the special review of the Federal Work Study Program conducted by the Department of Internal Audit for Spring 2017, conducted on September 30, 2017. In seeking response and justification of the policy violations by work study supervisors, consistent patterns of departmental violations emerged, despite mandatory training having been instituted previously, and distribution of the work study policy manual to all supervisors on each semester basis. With this review and considering the pervasiveness of some violators, Management has proposed the institution of progressive discipline, up to loss of the ability to participate in the Federal Work Study Program, as a supervisor, student and/or department, when violations persist. With the first violation, supervisors and/or departments will receive a written warning. With a second violation, supervisors and/or departments will receive a 1-semester probation of work study privilege. With a third violation, supervisors and/or departments can be suspended or permanently revoked of privileges to participate in the Federal Work Study program, dependent upon the severity and pervasiveness of the violations. Additionally, Management request that this follow-up is conducted in one year to ensure adherence to the policies by all supervisors. The Financial Aid Specialist responsible for the FWS Program will continue to provide training, updates, and notification to FWS Supervisors of any infractions or changes in procedures.

**Tennessee Board of Regents
Audit Committee
March 13, 2018**

***Internal Audit Reports
Security***

Pellissippi State Community College
Clery Act
October 25, 2017
Executive Summary

Key Staff Personnel	Fred Breiner, Chief of Police	Internal Auditor	Suzanne Walker, Director of Internal Audit
Introduction	<p>The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) requires all Colleges to publicly report Clery Act defined crimes if federal Title IV financial assistance programs are in place. The U.S. Department of Education is responsible for oversight of the Clery Act; requirements of the Act include (but are not limited to) annual reporting requirements (i.e. the College's Annual Security Report, issued September 27, 2016). Civil fines of \$54,789 (effective date April 20, 2017) per violation may be issued for significant violations. This amount was increased on April 20, 2017. The audit focused primarily on the required policy statements and statistics published in the 2016 Annual Security Report (ASR). The 2016 report contained statistics for 2013, 2014, and 2015 calendar years. This is the first internal audit of the Clery Act.</p>		
Objectives	<ol style="list-style-type: none"> 1. To determine the effectiveness of internal controls over information related to the Clery Act. 2. To determine that adequate processes are in place to promote and monitor compliance with Clery Act Regulations. 3. To determine the accuracy of reported Clery Act statistics. 4. To determine that Campus Security Authorities are being trained on an annual basis and that an appropriate mechanism exists for them to report information. 5. To make recommendations to correct deficiencies or to improve operations 		
Conclusion	<p>Two issues were noted that warranted inclusion in the audit report. The first related to Campus Security Authorities (CSAs). Several issues were noted related to identification, training and the actual reporting of incidents to the college's police department. The second issue related to information contained in the annual security report. The college was using a format that complied with the old regulations of what should be included in the report instead of the revised regulations. The major difference related to how sexual offense incidents should be labeled in the crime statistics provided.</p>		
Recommendations	<p>The college's Chief of Police or the Assistant Chief should review all individuals who are classified as CSA's to ensure that all required individuals are identified. Additionally, the Human Resources Office of the college should become involved in the training process to ensure that all individuals complete required training. Lastly, a standardized method for CSA's to report incidents should be developed. For the second issue both the Chief of Police and the Assistant Chief should review all newly issued regulations. Also, they both should review the Annual Security Report prior to it being completed to ensure accuracy.</p>		

**Tennessee Board of Regents
Audit Committee
March 13, 2018**

***Internal Audit Reports
TCAT Reviews***

Tennessee College of Applied Technology - Crump
Fixed Asset/Security Review
October 3, 2017
Executive Summary

Key Staff Personnel	Mr. Stephen Milligan, President	Internal Auditor	Helen Vose, CIA, CFE
Introduction	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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. President Expenses were reviewed for compliance with TBR and state laws. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location 2. Keys distributed to faculty and staff are documented 3. Security cameras are maintained and operating • Fixed Assets: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. • President's Expenses 		
Conclusion	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.		
Recommendations	NA		

**TCAT-Dickson
Equipment/Security Review
January 3, 2018
Executive Summary**

Key Staff Personnel	Dr. Arrita Summers, President	Internal Auditor	Helen Vose, CIA, CFE
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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Equipment: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location. 2. Keys distributed to faculty and staff are documented. 3. Security cameras are maintained and operating. 		
Conclusion	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.		
Recommendations	NA		

Tennessee College of Applied Technology - Elizabethton
Fixed Asset/Security Review
October 3, 2017
Executive Summary

Key Staff Personnel	Mr. Dean Blevins, President	Internal Auditor	Helen Vose, CIA, CFE
Introduction	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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location 2. Keys distributed to faculty and staff are documented 3. Security cameras are maintained and operating • Fixed Assets: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. 		
Conclusion	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.		
Recommendations	NA		

Tennessee College of Applied Technology - Hohenwald
Fixed Asset/Security Review
October 3, 2017
Executive Summary

Key Staff Personnel	Mrs. Kelli Kea-Carroll, President	Internal Auditor	Helen Vose, CIA, CFE
Introduction	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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. President Expenses were reviewed for compliance with TBR and state laws. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location 2. Keys distributed to faculty and staff are documented 3. Security cameras are maintained and operating • Fixed Assets: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. • President's Expenses 		
Conclusion	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.		
Recommendations	NA		

TCAT-Jackson
Equipment/Security/President's Expense Review
January 2, 2018
Executive Summary

Key Staff Personnel	Dr. Jeff Sisk, President	Internal Auditor	Helen Vose, CIA, CFE
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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. President Expenses were reviewed for compliance with TBR and state laws. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Equipment: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. • President's Expenses • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location. 2. Keys distributed to faculty and staff are documented. 3. Security cameras are maintained and operating. 		
Conclusion	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.		
Recommendations	NA		

TCAT-Knoxville
Equipment/Security/President's Expense Review
January 2, 2018
Executive Summary

Key Staff Personnel	Mr. Dwight Murphy, President	Internal Auditor	Helen Vose, CIA, CFE
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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. President Expenses were reviewed for compliance with TBR and state laws. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Fixed Assets: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. • President's Expenses • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location. 2. Keys distributed to faculty and staff are documented. 3. Security cameras are maintained and operating. 		
Conclusion	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.		
Recommendations	NA		

TCAT-Livingston
Equipment/Security Review
January 2, 2018
Executive Summary

Key Staff Personnel	Dr. Myra West, President	Internal Auditor	Helen Vose, CIA, CFE
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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. President Expenses were reviewed for compliance with TBR and state laws. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Equipment: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location. 2. Keys distributed to faculty and staff are documented. 3. Security cameras are maintained and operating. 		
Conclusion	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. One Best Practice was noted.		
Recommendations	NA		

Tennessee College of Applied Technology - Newbern
Fixed Asset/Security Review
November 20, 2017
Executive Summary

Key Staff Personnel	Ms. Donna Hastings, President	Internal Auditor	Helen Vose, CIA, CFE
Introduction	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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location 2. Keys distributed to faculty and staff are documented 3. Security cameras are maintained and operating • Fixed Assets: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. 		
Conclusion	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.		
Recommendations	NA		

Tennessee College of Applied Technology - Pulaski
Fixed Asset/Security Review
November 20, 2017
Executive Summary

Key Staff Personnel	Mr. Tony Creecy, President	Internal Auditor	Helen Vose, CIA, CFE
Introduction	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. Controls over acquisitions, disposals, and surplus equipment, proper recording and deletions in the financial statements, proper tagging, was reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing. The process to issue, retrieve and store keys was reviewed and determine if the security cameras are maintained and operating in all areas of the campus. Other audit procedures were performed on controls in the following areas:		
Objectives	<ul style="list-style-type: none"> • Security: <ol style="list-style-type: none"> 1. Keys are stored in a secure location 2. Keys distributed to faculty and staff are documented 3. Security cameras are maintained and operating • Fixed Assets: <ol style="list-style-type: none"> 1. Capital Asset purchases are properly authorized. 2. Subsidiary records are maintained. 3. Equipment is properly tagged. 4. Property disposals are authorized. 5. Periodic physical inventory is taken. 6. Purchasing duties are properly segregated. 		
Conclusion	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.		
Recommendations	NA		

**Tennessee Board of Regents
Audit Committee
March 13, 2018**

Internal Audit Investigations

Southwest Tennessee Community College
Review of Employee Requested to Work “Off the Clock”
July 1, 2017 – July 21, 2017
Executive Summary

Key Staff Person: Director of Admissions and Enrollment Specialist	Auditor: Charlotte Johnson, Internal Auditor
Description of Incident Internal Audit received an allegation regarding a Southwest Tennessee Community College supervisor requesting that employees clock out at the end of their regular scheduled time and continue to work off of the clock.	
Objective The primary objective of this review was to determine the veracity of the allegation and to recommend improvements in procedures as needed.	
Scope <ul style="list-style-type: none">• Time sheets were reviewed• Interview was conducted with the Director of Admissions• Interviews were conducted with the Enrollment Specialist	
Review and Results <p>Enrollment Specialist are new positions created by the college in July 2016. They are the primary point of contact for students in processing admission and registration. The positions started out as exempt positions and were later changed to non-exempt positions due to changes in the Fair Labor Standards Act. Nine of the thirteen Enrollment Specialist were interviewed. Four employees stated they had either worked off the clock or had knowledge of other employees in the department who had worked off the clock. They stated there was pressure placed on the staff to not work past the end of their work schedule.</p> <p>The Director of Admission for Student Affairs was interviewed. She stated she never required an employee to clock out and continue to work off the clock.</p> <p>Payroll records were reviewed for the employee on which the allegation was made. According to the supervisor adjustments were made to the employee’s payroll records because of the employee’s inability to login into the KRONOS time keeping system on the date in question. The employee stated she had made the adjustments, but payroll records contradicted the assertion. Since the employee would not confirm the incident, the allegation could not be confirmed.</p>	
Recommendations <p>Employees may not be asked, required, or permitted to work “off-the-clock.” It is a best practice to have a written policy that requires employees to records all time spent working and to specifically prohibit working when the employee is not punched in. If non-exempt employees do perform work outside of their normal schedule, it is critical to have a means for the employee to promptly record and document such time. Training sessions should be set up for Enrollment Specialist covering training on the KRONOS time keeping system and the procedure for obtaining pre-approval for comp time. Training should also be provided for the Director of Admissions making her aware of wage and hours laws and the fact that employees cannot be requested to work off the clock.</p>	
Conclusion <p>The allegation could not be substantiated. It is recommended that training be provided for the Enrollment Specialist and the Director of Admissions.</p>	

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Revisions to Fiscal Year 2018 Audit Plans

DATE: March 13, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S
RECOMMENDATION: Approve

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 2017 to December 2017 is attached, followed by the revised plan for each of the audit offices listed below.

Chattanooga State Community College
Dyersburg State Community College
Motlow State Community College
Northeast State Community College
Pellissippi State Community College

Southwest Tennessee Community College
Volunteer State Community College
Walters State Community College
Tennessee Board of Regents --
Investigations

**Tennessee Board of Regents
Summary of Significant Revisions
Fiscal Year 2018 Audit Plans**

Overview of Significant Revisions: Below are revisions to the audit plans created in July 2017, reflecting changes which occurred through December 2017. Changes in audit priorities result in most revisions to audit plans. Investigations and special projects occur and sometimes replace risk-based or other planned audits. However, time budgets may also be increased or decreased depending on circumstances encountered during an audit and the time needed to achieve the audit objectives.

Institution	Significant Revisions to Audit Plans Since July 1, 2017
ChSCC	Investigations 18-01 and 18-02, added in July 2017, caused a significant increase in audit hours. The Software License Compliance audit was removed. Assisting TBR with developing investigations, CCTA Workforce Training Hours Follow-up, and the addition of the QAR project led to a significant increase in audit hours. HR Grievance Process, TN Financial Aid Dollars and Grant Development have been removed.
CISCC	A requested audit, Marketing & Communication Equipment Review, caused a significant increase in audit hours. (This revision is from Q1 and was presented in the November 2017 materials.)
DSCC	Two added investigations, 18-01 and 18-02. The addition of the QAR project, IT Disaster Recovery Follow-up Audit, and Building Security and Key Controls Follow-up caused the removal of Advising Services Audit and Human Resources Audit.
MSCC	Four added investigations, 18-01/18-02/18-03/18-04. The addition of the QAR project and an increase in Student Financial Data Audit caused a significant increase in audit hours. This required the removal of the Financial Aid Follow-up, Human Resources Audit, and Athletic Audit.
NeSCC	The addition of the QAR project and the IRB Review project caused a significant increase in audit hours. The Foundation/Advancement Review was removed.
PSCC	The Clery Act Review audit hours were significantly increased, the QAR project was added, the Enterprise Risk Assessment, Bank Reconciliations Audit, and Accounts Receivable Audit hours were significantly decreased.
STCC	Investigation 18-01, added in July 2017, caused a significant increase in audit hours. Audit hours for Follow-up Credit Card, State Audit Follow-up, and Technology Access Fee Audit increased significantly. The QAR project was added and some completed investigations (16-04/17-01/17-05) took less hours than estimated.
VSCC	The Athletic Work Study Program Audit, Student Campus Activities Audit and Work Study Program Audit were removed due to the addition of the QAIP Self-Assessment, State Audit Follow-up and a special review of Business Division Grants.
WSCC	The FY 18 CCTA FF-Workforce Training audit hours were significantly increased due to an underestimate of hours needed. The Accounts Receivable Audit hours estimated was reduced significantly.
TBR Investigations	The investigations auditor was assigned the MSCC President's Expense Audit due to the loss of the Director of Internal Audit position at TBR. This required a significant addition in audit hours. Four investigations were added, 18-01/18-03/18-04/18-06.

The following institutions have not had significant revisions during this fiscal year:

Columbia State Community College
Jackson State Community College
Nashville State Community College
Roane State Community College
TBR-Information Systems
TBR-TCAT

Chattanooga State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2018
Revised January 2018

							Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	S	ChSCC YE Procedures FYE 2017	5.0	Jun 2017	11.3	11.3	0.0	0%		8.0	3.3	Oct-17	Complete
FM	F	ChSCC State Audit Follow-up	5.0	Jul 2017	15.0	15.0	0.0	0%		3.3	11.8		In Progress
IS	I	Developing Investigations - Assist TBR	5.0	Jul 2017	15.0	105.0	90.0	600%	1	49.5	55.5		In Progress
IS	I	ChSCC Unscheduled Investigations	5.0	Jul 2017	60.0	60.0	0.0	0%		0.0	60.0		Scheduled
IS	I	ChSCC-INV 18-01	5.0	Jul 2017	45.0	45.0	0.0	0%		39.0	6.0	January-18	Complete
IS	I	ChSCC-INV 18-02	5.0	Jul-17	0.0	90.0	90.0	100%	1	73.0	17.0		In Progress
IS	C	General Consultation	5.0	Jul 2017	90.0	90.0	0.0	0%		56.5	33.5		In Progress
IS	F	ChSCC Follow up Reviews	5.0	Jul 2017	90.0	90.0	0.0	0%		34.0	56.0		In Progress
IS	P	ChSCC-Special Projects-Audit Software	5.0	Jul 2017	7.5	7.5	0.0	0%		4.5	3.0		In Progress
FM	R	CISCC-IAR-President's Expense 2017	5.0	Aug 2017	90.0	90.0	0.0	0%		81.0	9.0		In Progress
FM	R	ChSCC-FU-State Audit-Work Study Program	5.0	Jan 2017	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
SS	F	ChSCC-IAR-FU-CCTA-Workforce Training Hours	5.0	Oct 2017	67.5	82.5	15.0	22%	2	54.5	28.0		In Progress
IT	S	ChSCC-IAR-NACHA-2017	5.0	Nov 2017	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
IS	M	ChSCC Enterprise Risk Assessment	5.0	May 2017	60.0	60.0	0.0	0%		38.0	22.0	Oct-17	Complete
FM	S	ChSCC YE Procedures FYE 2018	5.0	Jun 2018	15.0	15.0	0.0	0%		0.0	15.0		Scheduled
IS	A	ChSCC-IAR-Human Resources	4.0	Apr 2017	48.8	48.8	0.0	0%		34.0	14.8	Aug-17	Complete
IS	A	ChSCC-IAR-HR Grievance Process	4.0	Jan 2018	90.0	0.0	-90.0	-100%	1	0.0	0.0		Removed
FM	S	ChSCC-IAR-TN Financial Aid Dollars	3.7	Apr 2018	90.0	0.0	-90.0	-100%	1	0.0	0.0		Removed
IS	A	ChSCC-IAR-Grant Development	3.3	Feb 2018	90.0	0.0	-90.0	-100%	1	0.0	0.0		Removed
IT	A	ChSCC-IAR- Software License Compliance	3.3	May 2017	75.0	75.0	0.0	0%	1	0.0	75.0		Scheduled
IS	R	ChSCC-QAR-Self & External	5.0	Apr 2018	0.0	75.0	75.0	100%	1	0.0	75.0		Scheduled

Total Planned Audit Hours: 1110.0 1110.0 0.0 475.3 634.8

Estimated Available Audit Hours = 1,100

Functional Areas:

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

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

Status:

Scheduled
In Progress
Completed
Removed

FN1- Included Investigation 2018-02, added time needed for TBR investigation assistance, added Quality Assurance Review projects and removed audits for time needed for these projects.

FN2 - Added additional time for additional reporting issues noted during the audit follow-up engagement.

Dyersburg State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2018
Revised January 2018

							Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	I	Unscheduled Investigations	5	Jul-17	65.0	30.0	-35.0	-54%			30.0		Scheduled
IS	C	CON - General Consultation	5	Jul-17	50.0	50.0	0.0	0%		47.5	2.5		In Progress
IS	C	CON - PII Review	5	Jul-17	120.0	105.0	-15.0	-13%		61.0	44.0		In Progress
FM	F	IAR-FU to State Audit 2017	5	Jan-18	25.0	25.0	0.0	0%		11.0	14.0	Jan-18	Completed
IS	I	INV 18-01	5	Sep-17	0.0	15.0	15.0	N/A		12.0	3.0	Sep-17	Completed
IS	I	INV 18-02	5	Sep-17	0.0	15.0	15.0	N/A		23.5	-8.5	Oct-17	Completed
IS	M	RA-Resourcefulness & Efficiency	5	Oct-17	130.5	130.5	0.0	0%		156.5	-26.0	Oct-17	Completed
IA	R	IAR Enrollment/Retention/Graduation Rates	4.3	Apr-18	180.0	180.0	0.0	0%			180.0		Scheduled
FM	R	Year End Bank Confirmations - Cash Counts	3.7	Jun-18	30.0	30.0	0.0	0%		13.0	17.0		Scheduled
FM	A	Records Management and Retention 2017	3	Dec-17	90.0	90.0	0.0	0%			90.0		Scheduled
AT	A	IAR-Athletics Eligibility	3.9	Jan-18	72.0	72.0	0.0	0%			72.0		Scheduled
AT	A	IAR-Athletics Camps, Clinics, Fundraising	4	Mar-18	75.0	75.0	0.0	0%			75.0		Scheduled
SS	A	IAR-Advising Services	4.3	May-18	65.0	0.0	-65.0	-100%	FN 1		0.0		Removed
IS	A	IAR-Human Resources	3.5	Feb-18	120.0	0.0	-120.0	-100%	FN 1		0.0		Removed
FM	S	IAR - Faculty Sick Leave	5	Jul-17	20.0	20.0	0.0	0%		41.0	-21.0		In Progress
FM	S	IAR-Cash Handling Procedures	3.7	Nov-17	120.0	120.0	0.0	0%		26.0	94.0		In Progress
SS	S	Federal Work Study Program	4.1	Jul-17	30.0	30.0	0.0	0%		53.0	-23.0		In Progress
IS	P	QAR Subcommittee Project	5	Oct-17	0.0	40.0	40.0	N/A		25.0	15.0		In Progress
IS	R	IAR-QAR 2018 External Review	5	Nov-17	0.0	130.0	130.0	N/A		52.0	78.0		In Progress
IT	F	IAR -FU IT Disaster Recovery	5	Nov-17	0.0	18.8	18.8	N/A		19.0	-0.3	Nov-17	Completed
PP	F	IAR- FU Building Security & Key Control	5	Feb-18	0.0	20.0	20.0	N/A			20.0		Scheduled

Total Planned Audit Hours: 1192.6 1196.3 3.7 540.5 655.8

Estimated Available Audit Hours = 1192.50

Functional Areas:

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

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

Status:

Scheduled
In Progress
Completed
Removed

FN 1 - Removed due to the addition of the QAR Subcommittee Project work, the QAR 2018 External Review, the IT Disaster Recovery Follow-up Audit, and the Building Security and Key Controls Follow-up Audit.

Motlow State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2018
Revised January 2018

							Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	S	MSCC-IAR-Access and Diversity	5.0	Jul 17	45	45.0	0.0	0%			45.0		Scheduled
FM	R	MSCC-State Audit Assistance Year	5.0	Jul 17	20.3	15.0	-5.3	-26%		6.0	9.0		In Progress
IA	S	MSCC-IAR Study Abroad	5.0	Apr 18	75	60.0	-15.0	-20%			60.0		Scheduled
IT	I	MSCC-INV 1601	5.0	Jul 17	20.3	20.0	-0.3	-1%		4.5	15.5		In Progress
AT	I	MSCC-INV 1602	5.0	Jul 17	5.2	5.0	-0.2	-4%		6.0	-1.0	Sep 17	Completed
IA	I	MSCC-INV 1603	5.0	Sep 17	20.3	10.0	-10.3	-51%			10.0		In Progress
AT	I	MSCC-INV 1604	5.0	Jul 17	20.3	20.0	-0.3	-1%		24.4	-4.4	Aug 17	Completed
SS	I	MSCC-INV 1801	5.0	Aug 17		100.0	100.0	N/A		77.9	22.1		In Progress
IA	I	MSCC-INV 1802	5.0	Oct 17		80.0	80.0	N/A		58.8	21.2		In Progress
IA	I	MSCC-INV 1803	5.0	Oct 17		40.0	40.0	N/A		28.0	12.0		In Progress
IA	I	MSCC-INV 1804	5.0	Jan 18		40.0	40.0	N/A			40.0		In Progress
IS	I	Assist SWIA	5.0	Jul 17		50.0	50.0	N/A		47.9	2.1		In Progress
IS	I	MSCC-INV	5.0	Jul 17	50.3	50.0	-0.3	-1%		35.5	14.5		In Progress
IS	P	External Quality Assessment	5.0	Nov 17		80.0	80.0	N/A		32.6	47.4		In Progress
FM	P	MSCC-Data Analytics	5.0	Jul 17	50.3	30.0	-20.3	-40%			30.0		Scheduled
FM	M	MSCC-MRA Financial Manageme	5.0	Sep 17	39	20.0	-19.0	-49%		33.1	-13.1	Oct 17	Completed
SS	M	MSCC-MRA Student Financial D	5.0	Sep 17		40.0	40.0	N/A		17.0	23.0		Scheduled
IS	M	MSCC-MRA TCAT Shelbyville	5.0	May 18	19.5	20.0	0.5	3%			20.0		Scheduled
IS	M	MSCC-MRA TCAT Murfreesboro	5.0	May 18	19.5	20.0	0.5	3%			20.0		Scheduled
IS	M	MSCC-MRA TCAT McMinnville	5.0	May 18	19.5	20.0	0.5	3%			20.0		Scheduled
FM	C	MSCC-CO Financial Management	5.0	Jul 17	78.8	80.0	1.2	2%		45.6	34.4		In Progress
IT	F	MSCC-FU INV 1601	5.0	Jan 18	19.5	20.0	0.5	3%			20.0		Scheduled
IS	F	MSCC-FU Other Internal Audit	5.0	Jul 17	9.7	5.0	-4.7	-48%			5.0		Scheduled
AT	F	MSCC-FU INV 1604	5.0	Jan 18	19.5	20.0	0.5	3%			20.0		In Progress
IT	F	MSCC-FU Information Technolog	5.0	Jul 17	20.3	15.0	-5.3	-26%		10.7	4.3		In Progress
IS	F	MSCC-FU Financial Aid	5.0		124.5	0.0	-124.5	-100%	1		0.0		Removed
IS	A	MSCC-IAR Human Resources	5.0		124.5	0.0	-124.5	-100%	1	2.0	-2.0		Removed
SS	A	MSCC-IAR Admissions and Recor	4.8	Mar 18	124.5	125.0	0.5	0%		4.5	120.5		Scheduled
AT	A	MSCC-IAR Athletics Audit	4.7		99.8	0.0	-99.8	-100%	1	2.0	-2.0		Removed
MC	A	MSCC-IAR Workforce Developm	4.5	Apr 18	39.8	40.0	0.2	1%		0.3	39.7		Scheduled
Total Planned Audit Hours:					1065.4	1070.0	4.6			436.8	633.2		

Estimated Available Audit Hours =

Functional Areas:

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

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

Status:

Scheduled
In Progress
Completed
Removed

FN 1 - Some planned audits were removed due to time budget adjustments for an increase in investigations.

Northeast Tennessee State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2018
Revised January 2018

							Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	NeSCC-State Audit Assistance-Yr End	5	17-Jul	45.0	45.0	0.0	0%		6.5	38.5		In Progress
IS	P	NeSCC-Electronic Workpapers Software	5	17-Jul	52.5	52.5	0.0	0%		37.5	15.0		In Progress
IS	F	NeSCC-Other Internal Audit Follow-Up	5	17-Jul	37.5	37.5	0.0	0%		12.0	25.5		In Progress
FM	M	NeSCC-Risk Assessments-NeSCC	5	17-Jul	75.0	75.0	0.0	0%		74.5	0.5		In Progress
FM	M	NeSCC-TCAT RISK Assessment	5	17-Jul	15.0	15.0	0.0	0%		0.0	15.0		In Progress
IS	S	NeSCC-Special Requests and Projects	5	17-Jul	52.5	52.5	0.0	0%		35.5	17.0		In Progress
IS	C	NeSCC-General Consultation	5	17-Jul	105.0	105.0	0.0	0%		49.5	55.5		In Progress
AX	S	NeSCC Etextbooks	5	17-Jul	150.0	150.0	0.0	0%		123.5	26.5		In Progress
FM	A	NeSCC Accounts Receivable Review	4.7	17-Jul	150.0	150.0	0.0	0%		88.0	62.0		In Progress
FM	A	NeSCC Grants And Contracts Review	4	17-Jul	135.0	112.5	-22.5	-17%		0.0	112.5		In Progress
FM	A	NeSCC Bank Reconciliations Review	3.8	17-Jul	75.0	75.0	0.0	0%		0.0	75.0		In Progress
RS	P	NeSCC-IRB Review	5	18-Jan	0.0	105.0	105.0	100%	1	0.0	105.0		Scheduled
IS	P	NeSCC-QAR 2018	5	17-Jul	0.0	112.5	112.5	100%	1	0.0	112.5		Scheduled
AD	A	NeSCC-Foundation/Advancement Review	4	17-Jul	135.0	0.0	-135.0	-100%	1	0.0	0.0		Removed
Total Planned Audit Hours:					1027.5	1087.5	60.0			427.0	660.5		
Estimated Available Audit Hours = 1100													
Functional Areas:			Audit Types:						Status:				
AD - Advancement			R - Required						Scheduled				
AT - Athletics			A - Risk-Based (Assessed)						In Progress				
AX - Auxiliary			S - Special Request						Completed				
FM - Financial Management			I - Investigation						Removed				
IA - Instruction & Academic Support			P - Project (Ongoing or Recurring)										
IS - Institutional Support			M - Management's Risk Assessment										
IT - Information Technology			C - Consultation										
MC - Marketing and Campus Activities			F - Follow-up Review										
PP - Physical Plant			O - Other										
RS - Research													
SS - Student Services													
1. NeSCC Foundation/Advancement removed to make room for IRB Review Project and QAR 2018 Project													

**Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2018
Revised January 2018**

							Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	S	PSCC - NACHA	5.0	Feb-18	75.0	82.5	7.5	10%		84.0	-1.5	12/8/2017	Completed
IS	P	PSCC - Review of Higher Ed Compliance Matrix	5.0	Feb-18	45.0	45.0	0.0	0%		5.5	39.5		In Progress
IT	C	PSCC - IT Security Consulting, Etc.	5.0	Jul-18	37.5	37.5	0.0	0%		12.5	25.0		In Progress
FM	P	PSCC - MKInsight Software	5.0	Jul-18	60.0	60.0	0.0	0%		22.8	37.3		In Progress
IS	C	PSCC - Consulting/Special Request	5.0	Jul-18	97.5	97.5	0.0	0%		27.5	70.0		In Progress
IS	M	PSCC - TCAT Knoxville Risk Assessment	5.0	Jan-18	7.5	7.5	0.0	0%		0.0	7.5		Scheduled
IS	M	PSCC - Enterprise Wide Risk Assessment	5.0	Sep-18	37.5	22.5	-15.0	-40%	FN3	18.5	4.0	10/30/2017	Completed
FM	F	PSCC - Audit Follow Ups	5.0	Jul-18	60.0	60.0	0.0	0%		16.5	43.5		In Progress
FM	P	PSCC - Review of RFP's, café prices, & other purchasing issues	5.0	Jul-18	45.0	37.5	-7.5	-17%		1.5	36.0		In Progress
IS	P	PSCC - Quality Assurance Review	5.0	Apr-18	0.0	150.0	150.0	100%	FN2	0.0	150.0		Scheduled
IS	P	PSCC - Review of French Exchange Program	5.0	Apr-18	52.5	52.5	0.0	0%		0.0	52.5		Scheduled
IA	C	PSCC - Review of Compliance Assist	5.0	Dec-18	30.0	30.0	0.0	0%		0.0	30.0		Scheduled
IA	S	PSCC-Faculty Credentials	5.0	Nov-18	105.0	105.0	0.0	0%		13.5	91.5		In Progress
AD	C	PSCC - Consulting/Special Request	5.0	Jul-18	37.5	37.5	0.0	0%		17.5	20.0		In Progress
IS	A	PSCC - Clery Act Review	3.8	Aug-18	75.0	165.0	90.0	120%	FN1	163.5	1.5	12/15/2017	Completed
FM	A	PSCC - Bank Reconciliations	3.5	Sep-18	90.0	75.0	-15.0	-17%		67.0	8.0	10/27/2017	Completed
SS	A	PSCC-CCTA (Funding Formula)	3.4	May-18	97.5	97.5	0.0	0%		0.0	97.5		Scheduled
FM	A	PSCC - Accounts Receivable	2.7	Jul-18	52.5	45.0	-7.5	-14%	FN4	41.0	4.0	7/17/2017	Completed
Total Planned Audit Hours:					1005.0	1207.5	202.5			491.3	716.3		
Estimated Available Audit Hours =					1050								
Functional Areas:			Audit Types:					Status:					
AD - Advancement			R - Required					Scheduled					
AT - Athletics			A - Risk-Based (Assessed)					In Progress					
AX - Auxiliary			S - Special Request					Completed					
FM - Financial Management			I - Investigation					Removed					
IA - Instruction & Academic Support			P - Project (Ongoing or Recurring)										
IS - Institutional Support			M - Management's Risk Assessment										
IT - Information Technology			C - Consultation										
MC - Marketing and Campus Activities			F - Follow-up Review										
PP - Physical Plant			O - Other										
RS - Research													
SS - Student Services													
FN1 - Audit hours for Clery Audit were increased based upon actual time spent on this audit. This audit required extensive research of federal regulations which increased audit hours.													
FN2 - A Quality Assurance Review Self Assessment was not included in the original plan. Additionally the hours recorded here include hours for me to be the team lead on QAR Review of a 4 year university.													
FN3 - Decrease in hours is due to the fact that even though the risk assessment process was revised for the current fiscal year the amount of time due to the revision was not as great as I had originally estimated.													
FN4 - Audit was started in prior fiscal year and completed in current fiscal year.													

Southwest Tennessee State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2018
Revised January 2018

							Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	P	Audit Software	4.0	Jul 2017	90.0	90.0	0.0	0%		35.0	55.0		In Progress
FM	F	FU-Access and Diversity Fund	4.0	Oct 2017	30.0	30.0	0.0	0%		2.0	28.0		In Progress
FM	F	FU-Federal Audit Follow up	5.0	Oct 2017	22.5	15.0	-7.5	-33%			15.0		Scheduled
FM	F	FU-Federal Work Study	4.0	Jan 2018	105.0	105.0	0.0	0%		71.0	34.0	Jan 2018	Completed
FM	F	FU-Follow Up Credit Card	4.0	Aug 2017	15.0	22.5	7.5	50%		6.5	16.0		In Progress
FM	F	FU-Follow Up Tuition Statements	4.0	Aug 2017	15.0	15.0	0.0	0%			15.0		Scheduled
FM	F	FU-Industrial Readiness	4.0	Aug 2017	22.5	22.5	0.0	0%		16.5	6.0		In Progress
IS	F	FU-Internal Audit Follow Up	5.0	Jul 2017	37.5	22.5	-15.0	-40%			22.5		Scheduled
FM	F	FU-Off Campus International Education	4.0	Aug 2017	22.5	22.5	0.0	0%			22.5		Scheduled
FM	F	FU-State Audit Follow UP	5.0	Nov 2017	105.0	127.5	22.5	21%		93.0	34.5	Dec 2017	Completed
FM	S	IAR-Cash Count	2.7	Jul 2017	30.0	30.0	0.0	0%		5.0	25.0	Jul 2017	Completed
IS	C	IAR-General Consultation	2.6	Jul 2017	105.0	105.0	0.0	0%		77.5	27.5		In Progress
SS	S	IAR-Out of State Tuition	4.0	Mar 2018	60.0	60.0	0.0	0%			60.0		Scheduled
IS	A	IAR-Risk Management 2016-2017		Jan 2018	30.0	30.0	0.0	0%		32.5	-2.5		In Progress
IS	A	IAR-Risk Management TCAT	5.0	Sep 2017	22.5	22.5	0.0	0%			22.5		Scheduled
FM	A	IAR-Technology Access Fee	4.0	Apr 2018	60.0	120.0	60.0	100%		126.5	-6.5		In Progress
SS	I	INV 18-01	4.0	Jul 2017	0.0	75.0	75.0	N/A		45.0	30.0	Jan 2018	Completed
SS	I	INV 16-02	4.0	Aug 2017	30.0	30.0	0.0	0%		1.5	28.5		In Progress
FM	I	INV 16-04	4.0	Jan 2018	37.5	15.0	-22.5	-60%		6.5	8.5	Nov 2017	Completed
FM	I	INV 16-08	4.0	Aug 2017	22.5	22.5	0.0	0%		28.5	-6.0		In Progress
FM	I	INV 17-01	4.0	Aug 2017	30.0	15.0	-15.0	-50%		14.5	0.5	Aug 2017	Completed
FM	I	INV 17-04	4.0	Jul 2017	22.5	22.5	0.0	0%		20.5	2.0		In Progress
PP	I	INV 17-05	4.0	Jul 2017	30.0	7.5	-22.5	-75%		2.0	5.5	Jul 2017	Completed
SS	I	INV 17-07	4.0	Aug 2017	37.5	37.5	0.0	0%		42.5	-5.0	Jan 2017	Completed
IS	P	QAR	5.0	Mar 2018	0.0	37.5	37.5	N/A			37.5		Scheduled
IS	A	Review of Security	4.0	Feb 2018	45.0	45.0	0.0	0%		4.0	41.0		In Progress
IS	I	Unscheduled Investigations	2.6	Jul 2017	82.5	45.0	-37.5	-45%			45.0		Scheduled

1110.0 1192.5 82.5 630.5 435.5

Estimated Available Hours For Audits = 1185

Functional Areas:

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

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

Status:

Scheduled
In Progress
Completed
Removed

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2018
Revised January 2018

							Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	M	VSCC Mgmt Risk Assessment	10.0	Aug 2017	75.0	75.0	0.0	0%		78.5	-3.5	Nov 2017	Completed
IS	M	TCAT Hartsville Mgmt Risk Assmt	5.0	Jan 2018	37.5	37.5	0.0	0%			37.5		Scheduled
IS	M	TCAT Livingston Mgmt Risk Assmt	5.0	Jan 2018	37.5	37.5	0.0	0%			37.5		Scheduled
IS	P	QAIP Self Assessment		Jan 2018	0.0	75.0	75.0	N/A			75.0		Scheduled
IS	C	General Consultation	5.0	Jul 2017	112.5	112.5	0.0	0%		28.0	84.5		In Progress
IS	F	Follow-Up Activities	5.0	Jul 2017	75.0	75.0	0.0	0%		19.5	55.5		In Progress
IS	I	Unscheduled Investigations	5.0	Jul 2017	37.5	37.5	0.0	0%			37.5		Scheduled
FM	S	State Audit Year-End Procedures	5.0	May 2018	37.5	37.5	0.0	0%			37.5		Scheduled
FM	R	President's Expense Audit	5.0	Aug 2017	150.0	172.5	22.5	15%		171.0	1.5	Nov 2017	Completed
IS	S	Business Division Grants	3.0	Aug 2017	0.0	225.0	225.0	N/A		102.0	123.0		In Progress
FM	F	State Audit Follow-Up FY15 and FY16		Nov 2017	0.0	225.0	225.0	N/A		60.0	165.0		In Progress
AT	S	Athletic Work Study Program		Jul 2017	187.5	0.0	-187.5	-100%	FN 1		0.0		Removed
SS	S	Student Campus Activities		Dec 2017	187.5	0.0	-187.5	-100%	FN 1		0.0		Removed
SS	A	Work Study Program		Mar 2018	150.0	0.0	-150.0	-100%	FN 1		0.0		Removed
Total Planned Audit Hours:					1087.5	1110.0	22.5			459.0	651.0		

Estimated Available Audit Hours = 1,100

Functional Areas:

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

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

Status:

Scheduled
In Progress
Completed
Removed

FN 1 - Removed due to addition of QAIP project, special review of Business Division grants, and state audit follow-up.

Walters State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2018
Revised January 2018

							Revised to Original		FN	Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage		Actual Hours	Variance	Completion Date	Current Status
SS	R	FY 18 WSCC CCTA FF - Wrkfree Trng	4	Sep-17	37.5	75.0	37.5	100%		45.0	30.0		In Progress
IS	M	FY 18 WSCC Resourcefulness RA	4	Aug-17	75.0	75.0	0.0	0%		120.0	-45.0		Completed
IT	A	FY16 WSCC IT Governance	5	Jul-17	30.0	30.0	0.0	0%			30.0		In Progress
FM	R	FY17 WSCC Procedures - State Audit	5	Jul-17	30.0	30.0	0.0	0%		22.5	7.5	Jul-17	Completed
IS	C	FY17 WSCC IS Consulting	5	Jul-17	52.5	52.5	0.0	0%		31.0	21.5		In Progress
FM	R	FY17 WSCC PCI-DSS	5	Jan-17	225.0	225.0	0.0	0%		37.5	187.5		In Progress
IS	I	FY17 WSCC Unshed Investigations	5	Jul-17	60.0	60.0	0.0	0%		7.5	52.5		In Progress
IS	M	FY18 TCATM Enterprise-wide RA	4	Feb-17	15.0	15.0	0.0	0%			15.0		Scheduled
FM	A	FY18 WSCC Accts Receivable Audit	5	Mar-17	187.5	150.0	-37.5	-20%			150.0		Scheduled
IT	A	FY18 WSCC Cloud Computing Audit	5	Jul-17	30.0	30.0	0.0	0%			30.0		Scheduled
FM	A	FY18 WSCC Contracts Audit	5	Nov-17	75.0	75.0	0.0	0%			75.0		Scheduled
FM	R	FY18 WSCC Procedures - State Audit	4	Jun-17	52.5	52.5	0.0	0%			52.5		Scheduled
IS	C	FY18 WSCC IS Consultation	4	Sep-17	112.5	112.5	0.0	0%		37.5	75.0		In Progress
FM	S	FY18 WSCC NACHA Compliance	4	Oct-17	150.0	150.0	0.0	0%		58.0	92.0		In Progress
FM	S	FY18 WSCC President's Exp Audit	4	Aug-17	30.0	30.0	0.0	0%		37.5	-7.5	Sep-17	Completed
IS	I	FY18 WSCC Unshed Investigations	4	Jul-17	60.0	60.0	0.0	0%			60.0		Scheduled
Total Planned Audit Hours:					1222.5	1222.5	0.0			396.5	826.0		

Estimated Available Audit Hours = 1,222

Functional Areas:

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

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

Status:

Scheduled
In Progress
Completed
Removed

Tennessee Board of Regents - Investigations Internal Audit Plan Fiscal Year Ending June 30, 2018 Revised January 2018													
							Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	C	Consultation with Campus Auditors	5.0	Jul 2017	337.5	337.5	0.0	0%		237.5	100.0		In Progress
IS	P	Investigation Management	5.0	Jul 2017	337.5	337.5	0.0	0%		217.0	120.5		In Progress
FM	R	MSCC President's Expenses FY 2017	4.0	Jul 2017	0.0	105.0	105.0	N/A	FN1	110.0	-5.0	Oct 2017	Completed
FM	I	TBR 15-04	4.0	Jul 2017	15.0	0.0	-15.0	-100%			0.0	Jul 2017	Completed
IS	I	TBR 16-02	4.0	Jul 2017	90.0	90.0	0.0	0%		90.0	0.0	Sep 2017	Completed
IA	I	TBR 16-08	4.0	Jul 2017	15.0	0.0	-15.0	-100%			0.0	Jul 2017	Completed
SS	I	TBR 16-10	4.0	Jul 2017	15.0	15.0	0.0	0%		2.0	13.0	Nov 2017	Completed
FM	I	TBR 16-13	4.0	Jul 2017	22.5	22.5	0.0	0%		2.0	20.5	Nov 2017	Completed
FM	I	TBR 16-17	4.0	Jul 2017	15.0	15.0	0.0	0%		2.0	13.0	Sep 2017	Completed
IS	I	TBR 17-01	4.0	Jul 2017	30.0	30.0	0.0	0%			30.0		Scheduled
FM	I	TBR 17-02	4.0	Jul 2017	37.5	37.5	0.0	0%		5.0	32.5		In Progress
IS	I	TBR 18-01	4.0	Nov 2017	0.0	3.8	3.8	N/A		4.0	-0.3	Nov 2017	Completed
IA	I	TBR 18-03	4.0	Nov 2017	0.0	37.5	37.5	N/A		5.0	32.5		In Progress
IA	I	TBR 18-04	4.0	Nov 2017	0.0	37.5	37.5	N/A		1.0	36.5		In Progress
IS	I	TBR 18-06	4.0	Jan 2018	0.0	150.0	150.0	N/A			150.0		In Progress
FM	I	Unscheduled Investigations	4.0	Jul 2017	375.0	300.0	-75.0	-20%			300.0		In Progress
Total Planned Audit Hours:					1290.0	1518.8	228.8			675.5	843.3		
Estimated Available Audit Hours = 1290													
Functional Areas:				Audit Types:					Status:				
AD - Advancement				R - Required					Scheduled				
AT - Athletics				A - Risk-Based (Assessed)					In Progress				
AX - Auxiliary				S - Special Request					Completed				
FM - Financial Management				I - Investigation					Removed				
IA - Instruction & Academic Support				P - Project (Ongoing or Recurring)									
IS - Institutional Support				M - Management's Risk Assessment									
IT - Information Technology				C - Consultation									
MC - Marketing and Campus Activities				F - Follow-up Review									
PP - Physical Plant				O - Other									
RS - Research													
SS - Student Services													
FN1 - Audit added to Investigative Auditor schedule due to unavailable Director's position.													

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Plan for Quality Assessment Review

DATE: March 13, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S
RECOMMENDATION: Approval

The Committee will discuss the planning process underway in preparation for an external Quality Assessment Review (QAR), which is required by the Institute of Internal Auditors, *International Standards of the Professional Practice of Internal Auditing*. The attached summary provides a brief summary of TBR's Quality Assessment and Improvement Program and recommendation for the upcoming QAR.

Quality Assurance and Improvement Program (QAIP)

A Quality Assurance and Improvement Program (QAIP) is designed to enable an evaluation of the internal audit activity's conformance to the Institute of Internal Auditors (IIA) *International Standards of the Professional Practice of Internal Auditing* (the *Standards*), the IIA *Definition of Internal Auditing* and the IIA *Code of Ethics* (mandatory guidance). The objectives of a QAIP are to evaluate the internal audit function for:

- Conformance with the IIA *Standards*, *Definition of Internal Auditing* and *Code of Ethics*;
- Adequacy of the audit charter, goals, objectives, policies and procedures;
- Contribution to the organization's governance, risk management, and control processes; and
- Effectiveness of continuous improvement activities and adoption of best practices.

Components of a QAIP

Internal Assessments are performed regularly or periodically by internal audit staff and may include:

- Ongoing monitoring of the internal audit activity's day to day activities, such as engagement supervision and review of working papers and reports;
- Quality or compliance checklists;
- Performance evaluations and client surveys; and
- Periodic internal self-assessment of conformance with the IIA *Standards*, *Definition of Internal Auditing* and *Code of Ethics*.

External Assessments, referred to as a Quality Assurance Review (QAR) are performed by a qualified, independent reviewer or team and must include either:

- An external review of the audit function to determine conformance with the IIA *Standards*, *Definition of Internal Auditing* and *Code of Ethics*, or
- An external validation of a self-assessment, which would include sufficient reviews by the external reviewer to validate the self-assessment or propose an alternative report.

External assessments are required every five years; TBR's last external assessment was completed in August 2013 and the next external assessment is due by August 2018.

System-wide Internal Audit's Recommendation for the External Assessment

System-wide Internal Audit recommends the self-assessment with independent validation. The system-wide self-assessment will be developed as a composite from self-assessments performed by each internal audit office in the system and will include:

- an overall opinion of the internal audit activity's conformance with the IIA's mandatory guidance;
- opportunities for improvement; and
- Corrective action plans, as needed, to take advantage of those opportunities.

The self-assessment report will be validated by a qualified, independent review team consisting of a volunteer project coordinator and volunteers with higher education internal audit experience. The review team will review relevant documents, working papers and reports and interview key institutional staff to gain knowledge and a basis for determining the level of conformance with the IIA mandatory guidance.

The QAR Sub-Committee received three volunteers after issuing several requests. All three volunteers are highly qualified to perform the independent validation and have agreed to participate on the assessment team. All three are independent of the TBR system and its college and have participated in Quality Assessments for higher education institutions. All three are available during the Fall 2018 timeframe for our assessment. The three volunteers are listed in the subcommittee's attached recommendation.

TBR SWIA

IIA STANDARDS AND QAR SUBCOMMITTEE

Mike Batson, CAE
TBR SWIA
Nashville, TN

February 1, 2018

The IIA Standards and QAR subcommittee has completed the solicitation and review of candidates that submitted interest in participating in the external validation of the System-wide self-assessment.

The external validation is an IIA (Institute of Internal Auditors) approved approach for meeting the International Professional Practices Framework (IPPF) Standard 1300, *Quality Assurance and Improvement Program*.

The committee received three candidate submissions and reviewed the candidates for external assessor qualifications including the practice of internal audit, internal audit management experience, and external assessment experience.

The subcommittee's external assessor recommendation is as follows:

- Lead Reviewer - Monica Moyer, Saint Leo University
- Reviewer - Mark Rupert, Northern Arizona University
- Reviewer - Jana Clark, Kansas State University

Should the external team need additional reviewer support, it is the subcommittee's recommendation that the lead reviewer hold responsibility for identifying a competent addition to the external validation team.

Should you support the recommendation, IPPF Standard 1320, *Reporting on the Quality Assurance and Improvement Program* requires the CAE to disclose to senior management and the board the "qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest".

The subcommittee requests a response regarding or verification of the candidate recommendations by February 19 in order to communicate the selection outcome with the candidates. If the timeline is not feasible, please provide an estimated date that can be communicated with the candidates.

Thank you for your time and assistance with the QAR External Assessment team process.

Sincerely,
Chair, Erica Smith, Columbia State Community College
Sandra Pruett, Dyersburg State Community College
Tammy Wiseman, Motlow State Community College
Chris Hyder, Northeast State Community College