TENNESSEE BOARD OF REGENTS
Committee on Audit

AGENDA
September 11, 2018

I.   INFORMATIONAL REPORTING (Mike Batson)
   a. **Highlights of Audit Findings and Recommendations**
   b. **Comptroller's Office, Federal, and Internal Audit Reports**
   c. **Review of Corrective Actions on Performance Audit Findings**
   d. **System-Wide Internal Audit Update**

II. CONSENT AGENDA (Mike Batson)
   a. **Review of Revised Internal Audit Charters**
   b. **Review of Fiscal Year 2019 Internal Audit Plans**

III. REVIEW OF INTERNAL AUDIT YEAR-END STATUS REPORTS FOR FISCAL YEAR 2018 (Mike Batson)

IV. PROPOSED REVISIONS TO INTERNAL AUDIT POLICY 4:01:05:00, INTERNAL AUDIT (Mike Batson)

V.   NON-PUBLIC EXECUTIVE SESSION (Mike Batson)

THE COLLEGE SYSTEM
of TENNESSEE

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: September 11, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The following items will be discussed with the Audit Committee:

- New Employee Orientations
- Title IV Processes and Procedures
- Reconciliation Processes and Procedures
- Coaching Staff Training
- Employer-Provided Vehicles
- Reporting Fraud, Waste, or Abuse

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 June 30, 2018. 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
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	30-Apr-18	Action Completed
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	1-Feb-18	19-Apr-18	Action Completed
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 consistenet 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	18-May-18	Action Completed
RSCC	7-Sep-16	RSCC FY 2014-15: LOU- Management did not provide adequate internal controls in three specific areas Management should ensure that these conditions are remedied by the prompt development and consistent implementation of internal controls. Management should implement effective controls to ensure compliance with applicable requirements; assign staff to be responsible for ongoing monitoring of the risks and mitigation controls; and take action if deficiencies occur.	CIO	15-Jan-17	30-Nov-17	3	1-Mar-17	15-May-18	Action Completed
STCC	29-Jun-17	STCC FY 2014-15: - The college did not prepare proper bank reconciliations.		1-Dec-17		0	29-Jun-18		Action Completed
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	4-May-18		Action Completed
JSCC	6-Jun-18	JSCC- The college has not properly reported the costs associated with construction projects. JSCC does not have procedures for recording costs related to construction projects in accordance with generally accepted accounting principles. The college did not transfer capitalized expenditures from projects in progress to depreciable capital asset categories when the assets were placed in service. The college also omitted capitalizable expenditures from projects in progress.				0			Not Yet Due
JSCC	6-Jun-18	JSCC- JSCC did not provide adequate internal controls in one area. We found multiple internal control deficiencies in this area related to three of the college's systems because management did not implement sufficient controls. The details of this finding are confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated.				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	28-Jun-16	NACHA 2 of 3: ITS should finalize, approve, and publish its updated policies and procedures relating to information security, including the disaster recovery plan.	Assistant Vice President ITS	31-Aug-16	31-Dec-17	1	12-May-17	11-Oct-17	Action Completed
ChSCC	21-Apr-17	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	8-Aug-18	Action Completed
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	13-Jul-18	Action Completed
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	13-Jul-18	Action Completed
ChSCC	28-Mar-18	INV-2018-02 4 of 6: Management should review the auditor's leave sheet discrepancies, adjust the affected employee's leave balances for unrecorded time, and determine appropriate disciplinary actions in accordance with ChSCC policies.	Executive Director-Plant Operations	30-Apr-18		0	12-Apr-18	8-Aug-18	Action Completed
ChSCC	28-Mar-18	INV-2018-02 2 of 6: The Police Department personnel and all other parties on campus responsible for web-time entry approvals should be retrained concerning the appropriate process including the leave request procedures and how to properly make corrections.	Executive Vice President - Business and Finance	30-Jun-18		0	12-Apr-18	7-Aug-18	Action Completed
ClSCC	13-Feb-17	ClSCC 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	30-Apr-18	4	26-Jul-17	25-Jun-18	Action Completed
ClSCC	13-Feb-17	ClSCC Building Access and Keys December 2016 Management should issue the correct keys and collect the Grand Master key from the employee.	Assistant VP f Finance	30-Jun-17	30-Apr-18	4	26-Jul-17	25-Jun-18	Action Completed
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	4-Jun-18	Action Completed
MSCC	27-Apr-16	1. It is recommended that Human Resources strengthen internal controls in documenting the separation process of all employee classes.	Laura Jent, Lisa Lee			0			Action Completed
MSCC	27-Apr-16	2. It is recommended that Human Resources record the "Last Work Date" in Banner as the actual last day worked by a separating employee and to immediately communicate this date to Administrative Computing Services to ensure Internet Native Banner access is locked and removed timely.	Laura Jent, Lisa Lee	28-Feb-17		0			Action Completed
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	31-Dec-18	6	4-Dec-14	8-Aug-18	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	31-Dec-18	6	4-Dec-14	8-Aug-18	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	31-Dec-18	6	4-Dec-14	8-Aug-18	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	31-Dec-18	5	4-Dec-14	8-Aug-18	In Progress

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		TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges **(Reports sorted by Status, Institution, Report Release Date)**							
ChSCC	29-Jun-16	CCTA Follow-up: Workforce Contact Hours 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	31-Dec-18	2	31-Jan-17	8-Aug-18	In Progress
ChSCC	21-Apr-17	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	31-Dec-18	2	12-Jan-18	8-Aug-18	In Progress
ChSCC	21-Apr-17	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	31-Dec-18	3	12-Jan-18	8-Aug-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	Executive Director Human Resources	31-Dec-17	31-Dec-18	2	29-Jan-18	13-Jul-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	31-Dec-18	2	29-Jan-18	13-Jul-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	31-Dec-18	2	29-Jan-18	13-Jul-18	In Progress
ChSCC	10-Jan-18	INV 2018-01: It is recommended that ChSCC management remind all employees at least annually that the acceptance of anything of value from any current or potential vendor is prohibited according to the TBR policy regardless of the monetary amount of the item.	All ChSCC Executive Management	31-Mar-18	30-Sep-18	2	13-Apr-18	8-Aug-18	In Progress
ChSCC	28-Mar-18	CCTA Follow-up: Staff Training Management should continue to be develop internal control steps to ensure the accuracy of the workforce training contact hours reported. Furthermore, all staff should be properly trained as to the type of data to report, how to calculate contact hours, and the format in which the workforce training hours are to be presented.	Bo Drake, VP Economic and Community Development	31-Aug-18		0	7-Aug-18	7-Aug-18	In Progress
ChSCC	11-Jun-18	NACHA The Background Check Policy revisions should be updated and approved by the Policy Review Board.	Brian Evans, Executive Director Human Resources	31-Dec-18		0			In Progress
CoSCC	12-Mar-18	As cited throughout Federal Regulations, an organization's third party's actions on the organization's behalf are, to a significant extent the organization's responsibility. The college should establish a third party risk management program, designate who will coordinate the program, and review processes for selecting, training, and managing third party servicers in order to ensure the GLBA safeguards are established, and the college's third party servicers' risks are identified and managed.	Associate Vice President for Business Services Vice President for Information Technology	29-Jun-18		0	14-Aug-18		In Progress
CoSCC	12-Mar-18	Enrollment Services management should ensure new employees are properly oriented and understand the importance of policy compliance.	Chief Enrollment Services Officer, Enrollment Services Vice President, Financial and Administrative Affairs	30-Mar-18		0			In Progress

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CoSCC	12-Mar-18	Financial aid management should ensure reconciliation, setup, and Return to Title IV process and procedures are written, clearly designate responsibility, and establish an independent review. Additionally, processes and procedures should be reviewed to determine the feasibility of validating financial aid setups through Banner Test prior to initiating changes in Banner Production. Business Services management should ensure reconciliation processes and procedures are written, clearly designate responsibility, and establish an independent review.	Interim Financial Aid Director Associate Vice President of Business Services	30-Mar-18		0	14-Aug-18		In Progress
CoSCC	12-Mar-18	Financial aid and Business Services management should review the purchase and contract process to ensure the processes in place are sufficient to ensure timely, accurate, and complete ECAR's filed with the Department of Education.	Interim Financial Aid Director Associate Vice President of Business Services	29-Jun-18		0			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	31-Oct-18	2	29-Mar-18	29-Mar-18	In Progress
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	27-Jul-18	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	27-Jul-18	In Progress
JSCC	30-Oct-15	JSCC-Access and Diversity Recommendation 1 0f 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		2	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		0	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		0	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		0	24-Apr-17	4-Jan-18	In Progress
JSCC	19-Feb-16	JSCC-IAR-Off-Camus 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	1	24-Apr-17		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	1	24-Apr-17		In Progress

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MSCC	25-Aug-17	1. Training of coaching staff should occur at least annually.	Vice President of Marketing and Campus Activities 7/1/18 Vice President of Student Affairs	23-Feb-18	30-Jun-18	1	1-Aug-18		In Progress
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 7/1/18 - Vice President of Student Affairs and Athletic Director	23-Feb-18	30-Jun-18	1	1-Aug-18		In Progress
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 7/1/18 - Vice President of Student Affairs, Athletic Director, and Vice President of Business and Finance	23-Feb-18	30-Jun-18	1	1-Aug-18		In Progress
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 7/1/18 - Vice President of Student Affairs, Athletic Director, and Vice President for Business and Finance	23-Feb-18	30-Jun-18	1	1-Aug-18		In Progress
MSCC	29-Jun-18	It is recommended that the quarterly reports represent actual funds received and expended instead of listing the amount of the award. This results in the reports submitted to the Office of Organizational Effectiveness and Strategic Initiatives not matching what is recorded in the accounting system. A carryforward balance in the amount of $27,283.35 from fiscal year 2013 was not presented in the fiscal year 2014 report.	Vice President of Finance and Administration	24-Dec-18		0			In Progress
MSCC	25-Aug-17	3. Student-athletes and parents should receive clear communications.	Vice President of Marketing and Campus Activities and Athletic Director 7/1/18 Vice President of Student Affairs and Athletic Director	23-Feb-18	2-Jun-18	1	1-Aug-18		No Progress
MSCC	25-Aug-17	4. Scholarships should be earmarked for specified purpose.	Vice President of Marketing and Campus Activities and Athletic Director 7/1/18 - Vice President for Student Affairs and Athletic Director	23-Feb-18	30-Jun-18	2	1-Aug-18		No Progress
MSCC	30-Mar-18	A completed Travel Authorization should be approved prior to registration fees being paid, reimbursed, or charged to an institution issued charge card.	Vice President of Finance and Administration and Director of Fiscal Services	30-Sep-18		0			Not Yet Due
MSCC	30-Mar-18	All estimated travel expenses should be reflected in the total cost of the Travel Authorization to include applicable: mileage, airfare, meals and incidentals, lodging, registration, and any other expenses.	Vice President of Finance and Administration and Comptroller	30-Sep-18		0			Not Yet Due
MSCC	30-Mar-18	Forms TR-1, Travel Authorization, and TR-1F, Faculty/Staff Travel Authorization, should be referenced in policy as to appropriate use and properly define what personnel should use each form and under what circumstances.	Vice President for Finance and Administration and Comptroller	30-Sep-18		0			Not Yet Due
MSCC	30-Mar-18	Per MSCC policy Travel Approval, 4:10:08:00, "Out-of-state travel must have the applicable vice president and President's approval." However, there is no signature line and date for the President on the TR-1F, Faculty/Staff Travel Authorization. A signature line and date for the President should be added to the TR-1F.	Vice President for Finance and Administration and Comptroller	30-Sep-18		0			Not Yet Due
MSCC	30-Mar-18	Procedures should be developed outlining the usage of the restricted funds provided from the Motlow Foundation and institutional funds designated for faculty/staff development.	Vice President for Academic Affairs	30-Sep-18		0			Not Yet Due
MSCC	4-May-18	The "Outside Employment and Extra Compensation Request" form should be included in MSCC policy. MSCC references TBR Policy 5:01:05:00, Outside Employment and Extra Compensation, but no MSCC policy references the form or the process where the employee obtains prior approval before engaging in outside employment.	Vice President for Academic Affairs	4-Nov-18		0			Not Yet Due

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MSCC	4-May-18	All supervisory staff should receive training regarding State of Tennessee, TBR, and MSCC policies regarding the approval and processing of outside employment for all institutional staff.	Executive Director of Human Resources	4-Nov-18		0			Not Yet Due
MSCC	4-May-18	MSCC Policy 5:10:00:00, Faculty Class Assignment, Teaching Load & Summer School should be reviewed to determine if the intended purpose of the policy applies to limiting faculty load for outside employment.	Vice President for Academic Affairs	4-Nov-18		0			Not Yet Due
MSCC	4-May-18	MSCC Policy 5:10:00:00, Faculty Class Assignment, Teaching Load & Summer School should be reviewed for revisions to consistently refer to equated load versus credit hours.	Vice President for Academic Affairs	4-Nov-18		0			Not Yet Due
MSCC	4-May-18	MSCC should maintain documentation of TBR approval, when required, for changes in MSCC policy.	Vice President for Academic Affairs	4-Nov-18		0			Not Yet Due
MSCC	21-May-18	The Admissions and Records Office should strengthen internal controls to ensure compliance with all federal, state, and institutional policies and procedures before processing admission of applicants.	Vice President for Student Affairs Cheryl Hyland and Director of Admissions and Records Mae Sanders	21-Nov-18		0			Not Yet Due
MSCC	21-May-18	All Admissions and Records staff should be trained on a regular basis, at least annually, and as changes in requirements occur.	Vice President of Student Affairs Cheryl Hyland and Director of Admissions and Records Mae Sanders	21-Nov-18		0			Not Yet Due
MSCC	21-May-18	Human Resources should ensure that the reason recorded for termination of an employee is accurate and matches the appropriate termination definition.	Executive Director of Human Resources Laura Jent	21-Nov-18		0			Not Yet Due
MSCC	21-May-18	The Admissions policy should be updated and revised to match current practice.	Vice President of Student Affairs Cheryl Hyland and Director of Admissions and Records Mae Sanders	21-Nov-18		0			Not Yet Due
MSCC	18-Jun-18	MSCC Management should provide additional oversight of purchases and usage of technology purchases through the Center of Academic Technologies.	Vice President for Academic Affairs	18-Dec-18		0			Not Yet Due
MSCC	18-Jun-18	Management should develop inventory procedures for the Center for Academic Technologies to track all items purchased, including the business reason for these items, sign outs, and record of return as well as documenting the results from usage of the item in instructional technology.	Dean of Digital First Learning	18-Dec-18		0			Not Yet Due
MSCC	18-Jun-18	Management should ensure that reimbursements for conference travel costs do not exceed approved amounts.	Director of Fiscal Services	18-Dec-18		0			Not Yet Due
MSCC	18-Jun-18	Supervisors should verify accuracy of annual and sick leave reported by employees.	Executive Director of Human Resources	18-Dec-18		0			Not Yet Due
MSCC	18-Jun-18	Human Resources should be consistent in the classification of termination of an employee on all documentation related to the employee and should apply the requirement to withhold annual leave per TBR policy in cases of gross misconduct.	Executive Director of Human Resources	18-Dec-18		0			Not Yet Due
MSCC	18-Jun-18	Allegations or suspicion of fraud, waste, or abuse must be reported immediately via the following reporting lines: MSCC Internal Audit: Phone (931) 393-1754 and by email reportfraud@mscc.edu Tennessee Board of Regents (615) 366-4441, by email ReportFraud@tbr.edu, or by website http://www.tbr.edu/reportfraud Tennessee Comptroller's Hotline for Fraud, Waste and Abuse (800) 232-5454 or by website http://www.comptroller.tn.gov/hotline	Vice President of Finance and Administration	18-Dec-18		0			Not Yet Due

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MSCC	29-Jun-18	Access and diversity scholarships should only be awarded to individuals that meet the stated criteria developed by Motlow State Community College and approved by the Tennessee Board of Regents Office of Organizational Effectiveness and Strategic Initiatives. Written procedures should be developed regarding the process of selecting access and diversity scholarship awardees, and sufficient documentation must be maintained to support the selection of the awardees by the committee based on the	Dean of Students	24-Dec-18		0			Not Yet Due
MSCC	29-Jun-18	Scholarships should be reconciled to expenditures on a timely basis, monthly is suggested, so the funds available can be utilized, tracked, and managed per the grant criteria and goals for use of the access and diversity funds. Copies of the approved reconciliations should be maintained with the supporting documentation noted above.	Dean of Students	24-Dec-18		0			Not Yet Due
MSCC	29-Jun-18	It is recommended that Motlow State Community College develop procedures requiring documentation and approval of Faculty/Staff Recruitment and Retention expenditures by the Access and Diversity Committee. At the time of issuance of the report, the Access and Diversity Committee has developed and is in the process of finalizing procedures for awarding funds for Faculty/Staff Recruitment and Retention.	Executive Director of Human Resources, Laura Jent	24-Dec-18		0			Not Yet Due
NeSCC	27-Mar-18	Due to the complexity and possible confusion related to the iOPTiN ebooks program, management should consider appropriate methods to refund affected students for overcharges related to multiple copies of identical ebooks.	CFO	27-Mar-19		0			Not Yet Due
PSCC	15-Dec-17	To address this issue, Internal Audit recommends that the Chief of Police and the Assistant Chief of Police both review newly issued regulations annually to ensure that any changes from the prior year are noted and implemented in a timely fashion. Additionally, once the report is prepared, it would be recommended that the report be reviewed by someone with Clery knowledge who was not involved in its preparation.	Chief of Police	1-Oct-18		0			Not Yet Due
PSCC	15-Dec-17	To address this issue, Internal Audit recommends that the Chief of Police or the Assistant Chief of Police perform the following: Ø Review all of the college's current organizational structure to determine that all individuals who should be assigned the CSA role have been assigned and to determine if individuals who already have been assigned that role should continue in their role. Ø Establish a deadline for when CSA training must be completed, and, if training is not completed by that deadline, notify the appropriate supervisors and/or senior management as necessary, for those CSAs who do not complete the training. Ø If training is still not completed, provide Human Resources with a list of individuals who have not completed the training and have them to request that the training be completed. Request that Human Resources periodically provides a list of individuals who have not completed the training to the President. Ø Consider offering CSA training in person to individuals at in-service. Individuals who complete the in-person training would be exempt from the online training. Ø A standard form should be designed for use by all CSAs. Additionally, on at least an annual basis, the police department should send an email to all CSAs for them to verify crimes that they have reported or the fact that they had no incidents to report. This should probably be done in January or February to cover the prior calendar year.	Chief of Police	1-Oct-18		0			Not Yet Due

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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.	President, Fiscal Coordinator	1-Jul-16	29-Dec-17	3	10-Oct-16	26-Jun-18	Action Completed
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, Administrative Assistant, Youlanda Jones, President	30-Jun-16	29-Dec-17	2	10-Oct-16	26-Jun-18	Action Completed
McKenzie	11-Nov-14	Focused Review: Observation 3 of 3: TBR Guideline allowing flexibility in collection procedures of sending letters at 45 day intervals is not documented in the college's internal procedures.	Dean Lemons, Account Clerk, Brad White, President	31-Dec-15	28-Feb-18	2	3-Feb-17	28-Jun-18	Action Completed
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.	Gwen Sutton, Assistant Director; Roland Raynor, President	30-Jun-15	28-Feb-18	3	1-Nov-16	25-Jun-18	Action Completed
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-Aug-18	2	7-Nov-16	26-Jun-18	Action Completed
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.	Raven Arnold, Financial Aid Coordinator, Youlanda Jones, President	1-Dec-16		0	30-Jun-17	26-Jun-18	Action Completed
McMinnville	20-Feb-18	TCAT management has not maintained a consistent listing of sensitive items for inventory purposes. TBR Policy B-110, requires sensitive items be identified and inventoried as of FY 11, even if on a sample basis.	Marvin Lusk, Assistant Director Faculty & Staff	31-Dec-18		0			Not Yet Due
McMinnville	20-Feb-18	Three of 10 (30%) equipment items tested were not removed from the fixed asset listing after being surplused in a prior year.	Marvin Lusk, Assistant Director	31-Dec-18		0			Not Yet Due
Memphis	22-Jan-18	Three of 17 (18%) equipment items tested were missing tags. The tags were apparently removed by students in industrial electronics program. The TCAT should implement an alternative tagging system such as engraving.	Marc Davis, Fiscal Affairs Coordinator	29-Jun-18		0			Not Yet Due

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CoSCC	15-Feb-18	CoSCC Info Security VERBAL - Cloud computing strategy - Consider the development of a cloud computing strategy for use when the college is ready to embrace cloud computing.	Emily Siciensky, CIO	15-Feb-18		0	15-Feb-18		Action Completed
JSCC	29-Jun-18	JSCC Info Security #1 of 8 - Policy Change Acknowledgement - Complete the process began last week for all users to electronically acknowledge key information security policies.	CIO, Dana Nails	6-Jul-18		0	6-Jul-18		Action Completed
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	17-May-18	Action Completed
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	17-May-18	Action Completed
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	18-Jul-18	18-Jul-18	Action Completed
TBR	20-Dec-17	TBR SMO Info Security 2 0f 9 - Appointment of an ISO Designate an Information Security Officer and document the duties of this position.	CIO, Steve Vieira	20-Jun-18		0	18-Jul-18	18-Jul-18	Action Completed
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	18-Jul-18	18-Jul-18	Action Completed
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	18-Jul-18	18-Jul-18	Action Completed
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	18-Jul-18	18-Jul-18	Action Completed
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.		20-Jun-18	18-Jul-18	1	18-Jul-18	18-Jul-18	Action Completed

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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
ClSCC	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
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
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

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MSCC	15-Apr-16	MSCC IT GCR: Need for Business Continuity Plan and Disaster Recovery Plan 1. Enhance and implement a comprehensive university-wide BCP that identifies business recovery strategies, business resumption processes and business recovery requirements for the entire university. Also include possible adjustments in backup assignments in the event of a pandemic sickness crisis. 2. Implement a plan to test the BCP periodically and document the results of such testing. 3. Revamp the IT Disaster Recovery section of the BCP for changes needed to meet business requirements	Cindy Logan, CIO	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	16-Jul-18	3	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	16-Jul-18	3	18-Sep-17		In Progress
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	16-Jul-18	3	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	16-Jul-18	3	18-Sep-17		In Progress

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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
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	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	30-Nov-18	1			In Progress
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	30-Nov-18	1	18-Jul-18		In Progress
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	30-Nov-18	1	18-Jul-18		In Progress

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TBR	20-Dec-17	TBR IT SMO #9 of 9 - Documenting possible breaches Consider documenting investigations of possible information breaches following steps defined in the Cyber Incident Response Plan.	CIO, Steve Vieira	20-Jun-18	30-Nov-18	1	18-Jul-18		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	31-Aug-18	6	19-Sep-17	9-Jul-18	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
ChSCC	26-Apr-18	ChSCC Info Security #1 of 8 - Needed policy and procedures - Establish or enhance new information security policies and procedures to include: o Data classification to be set by users o Management of vendor accessibility to TBR information 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.	Gardner Long, CIO	26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Security #2 of 8 - Appointment of CISO - Designate the official Information Security Officer and document the duties of this position	Gardner Long, CIO	26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Security #3a of 8 - Process to add, delete, modify system accesses - Find a way to ensure the process used to add, delete and / or modify computer system access privileges for new hired, terminated, transferred or promoted personnel is continually effective. This should also include means to ensure HR reports are available to use for these processes.	CIO, Gardner Long	26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Security # 3b - Ensuring on required accounts are active - Review the listing of the 64 printed pages of 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, Gardner Long	26-Oct-18		0			Not Yet Due

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ChSCC	26-Apr-18	ChSCC Info Security #3a of 8 - Process to add, delete , modify system access privileges - Find a way to ensure the process used to add, delete and / or modify computer system access privileges for new hired, terminated, transferred or promoted personnel is continually effective. This should also include means to ensure HR reports are available to use for these processes.	CIO, Gardner Long	26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Security #7 of 8 - Investigating possible breaches - Document investigations of possible information breaches following steps defined in the Cyber Incident Response Plan.		26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Security #8 of 8 - Completing Corrective Actions - Complete the implementation of corrective actions for the development of an IT Disaster Recovery Plan	Gardner Long, CIO	26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Secure #4b - Employee Acknowledgement of PPS - Ensure employees sign off to acknowledge they have read and understand policies as they are updated.	CIO, Gardner Long	26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Security #4a - A fully functional 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, Gardner Long	26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Security 5 of 8 - Mobile device BYOD acknowledgement - 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, in Risk 1, above.	CIO, Gardner Long	26-Oct-18		0			Not Yet Due
ChSCC	26-Apr-18	ChSCC Info Security #6 of 8 - Logging and Monitoring procedure / Process - Implement 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, Gardner Long	26-Oct-18		0			Not Yet Due
ClSCC	29-Jun-18	ClSCC Info Security #1 of 7 - Enhancement to Information Security Policies - Enhance the existing Information Security Program policies and procedures to address data ownership and data classification. Although there have been actions taken since the last audit. This recommendation is a part of a recommendation from the last audit.	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due
ClSCC	29-Jun-18	ClSCC Info Security #2 of 7 - ISO Direction - Develop in either security policies or in the person's job description the specific responsibilities of the assigned Information Security Officer(ISO)	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due
ClSCC	29-Jun-18	ClSCC Info Security #4 of 7 - Password Compliance - Complete the updates to the DDP that controls password compliance to ensure better compliance with written password policy.	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due
ClSCC	29-Jun-18	ClSCC Info Security # 3a of 7 - Inactivity setting for auto account suspension - Adjust the system setting to suspend inactive accounts from 180 to 120 days and include new accounts that have never been used in the last 120 days into the process.	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due
ClSCC	29-Jun-18	ClSCC Info Security #3b of 7 - Error correction of access privilege records - Investigate and determine what steps need to be taken to eliminate the likelihood of personnel records being incorrectly labeled with a person's status for system access purposes	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due

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ClSCC	29-Jun-18	ClSCC Info Security #3c of 7 - Access Re-justification - Complete the process to re-initiate the data owner / custodian re-justification of persons with access to the data in the custodian's area.	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due
ClSCC	29-Jun-18	ClSCC Info Security #5 of 7 - Server closet security - Request a listing from Facilities regarding who has a key to the network closet rooms and take necessary action if key access is not restricted to designated IT personnel.	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due
ClSCC	29-Jun-18	ClSCC Info security # 6 of 7 - Procedure on college data on a non-college owned device - Take the necessary steps to have users acknowledge that the college reserves the right to protect its data when the user must use his / her own device to access the college's sensitive data.	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due
ClSCC	29-Jun-18	ClSCC Info Security # 7 of 7 - Logging procedure and practice - Complete the implementation of means to better capture activity log data and document a Logging and Monitoring Procedure to direct how the processes will be conducted.	CIO, Chris Mowery	30-Nov-18		0			Not Yet Due
DSCC	17-Apr-18	DSCC Info Security 1 of 5 - Policy / Procedure updates - Enhance existing Information Security policies to address data ownership and data classification.	CIO, Josh Duggin	19-Oct-18		0			Not Yet Due
DSCC	17-Apr-18	DSCC Info Security # 2A of 5 - Improve Process to manage individual computer access privileges - Complete the enhancement of the process to add, delete or modify system access privileges to better ensure only authorized access is granted.	CIO, Josh Duggin	19-Oct-18		0			Not Yet Due
DSCC	17-Apr-18	DSCC Info Security 3 of 5 - Cloud computing strategy - Consider developing and implementing a strategy for migration to cloud computing before initiating any movement to cloud vendors.	CIO, Josh Duggin	19-Oct-18		0			Not Yet Due
DSCC	17-Apr-18	DSCC Info Security 2B of 5 - Account Usage Maintenance - Review the listings of active accounts for both Active Directory and Banner to de-activate / remove accounts that are no longer needed at the college. This would involve accounts linked to persons that have never been used or have not been used within the last six month.	CIO, Josh Duggin	19-Oct-18		0			Not Yet Due
DSCC	17-Apr-18	DSCC Info Security # 4 of 5 - Access to data with remote devices - Implement a process within the mobile device policies that protects the college's sensitive data that is stored on a mobile device or a BYOD.	CIO, Josh Duggin	19-Oct-18		0			Not Yet Due
DSCC	17-Apr-18	DSCC Info Security # 5 of 5 - Comprehensive log review - Complete the implementation of means to better capture activity log data followed by the updating of the Logging and Monitoring Procedure to direct how the processes will be conducted.	CIO, Josh Duggin	19-Oct-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security #1 of 8 - Policy Change Acknowledgement - Complete the process began November 2016 for all users to electronically acknowledge key information security policies.	CIO, Dana Nails	30-Nov-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security #2 of 8 - Responsibilities of the Info Security Officer - Develop in either security policies or in the person's job description the specific responsibilities of the assigned Information Security Officer.	CIO, Dana Nails	30-Oct-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security #3 of 8 - Adjustments from Penetration Testing - Complete the implementation of corrective actions being taken from the May 2016 Penetration Test. This will include a possible reassessment of servers being linked to the JSCC network but not under full directional control of IT for full asset management	CIO, Dana Nails	30-Nov-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security #4b of 8 - Vendor management procedure enhancement - Incorporate into information security procedures the current practices in place to control and monitor vendor access to JSCC data.	CIO,, Dana Nails	30-Nov-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 SWIA - Status Report on Internal Audit Recommendations- Information Systems **(Reports sorted by Status, Institution, Report Release Date)**							
JSCC	29-Jun-18	JSCC Info Security #5 of 8 - Backup ISP - Consider obtaining services for a backup network service provider vendor since the primary vendor has had multiple down periods in the last 18 months.	CIO, Dana Nails	30-Nov-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security # 4a of 8 - Add, delete, modify system access process - Implement means to ensure compliance with the revamped process used to initiate changes in user access privileges to ensure full coverage of all personnel types.	CIO, Dana Nails	30-Nov-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security #6a of 8 - Security Awareness training - Complete the implementation of the SANS Information Security Awareness Training Program.	CIO, Dana Nails	30-Nov-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security #6b of 8 - Social engineering test - Re-perform social engineering tests based on the results of the prior test, but after some educational emails have been sent to instruct users regarding expected behavior for the security of information and expected behavior regarding phishing emails.	CIO, Dana Nails	30-Nov-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security #7 of 8 - Network Room Security - Complete the implementation of a new key-lock for all necessary network closets that house servers and network control devices.		30-Nov-18		0			Not Yet Due
JSCC	29-Jun-18	JSCC Info Security Audit #8 of 8 - Logging and monitoring procedure - Enhance the Logging and Monitoring Procedure following the implementation of the Banner Auditing module to direct how application logging and monitoring processes will be conducted.	CIO, Dana Nails	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 1 of 10 - Information Security policies and procedures - Enhance the existing information security policies and procedure to address data classification and data ownership.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security Audit 2 of 10 - Role of ISO - Complete the assignment of duties for an Information Security Officer by developing in either security policies or in the person's job description specific responsibilities of the assignment	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 3 of 10 - Network administration procedures - Complete the process to cross train staff and consider developing a procedural document of network maintenance tasks that are not done on a daily basis.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 4b of 10 - Limiting accounts with non-expiring passwords - Review the list of accounts with non-expiring passwords and complete the project to remove this attribute from accounts used for group email sharing.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 5 of 10 - Compliance with Password Policy - Update the DDP that controls password compliance to better ensure the security of information .	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 4a of 10 - Need for access review - Review the listings of Active Directory and Banner accounts to de-activate / remove accounts that are no longer needed at the college.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 7 of 10 - Network closet access - Request a listing from Facilities regarding who has been issued a key that will open any network closet and take necessary action if key access is not restricted as designated by IT personnel.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 8 of 10 - BYOD Procedure - Complete the implementation of the policy to protect the college's sensitive data when stored on a BYOD.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due

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PSCC	29-Jun-18	PSCC Info Security 9 of 10 - Need to monitor logs in compliance with new procedure to be developed - Implement means to better capture activity log data following the documenting of a Logging and Monitoring Procedure to direct how the processes will be conducted.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 10 of 10 - Chain of custody procedure - Implement a fully detailed procedural process, in coordination with all other applicable parties, for obtaining and retaining documented legally accepted evidence from a hard drive.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
PSCC	29-Jun-18	PSCC Info Security 6 of 10 - Cloud Computing Strategy - Develop and implement a strategy for use when considering a migration to cloud computing.	CIO, Audrey Williams	30-Nov-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security 1 of 8 - Implementation of new firewall - Complete the necessary steps for the full implementation of the firewall.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security 2a of 8 - Procedure to add, delete, modify system access privileges - Complete the enhancement of the process to add, delete or modify system access privileges to better ensure only authorized access is granted. This will include adjustments to accounts of transfers and ensuring sufficient documentation is in place to accurately measure the situation for ongoing management review.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security # 3 of 7 - Cloud Computing Strategy - Develop and implement a strategy for migration to cloud computing before initiating any movement to cloud vendors.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security # 2D of 7 - Limiting use of the Non-expiring Password privilege - Review and remove the non-expiring password attribute from accounts that no longer need such.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security # 2B of 7 - Review and adjustment of active accounts - Review the listings of active accounts for both Active Directory and Banner to de-activate / remove accounts that are no longer needed at the college. This would involve accounts linked to persons who have never been used or have not been used within the last six month.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security # 2C of 7 - Rejustification of Banner Access - Complete the process to require data owners to respond to semi-annual re-justification request.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC info Security # 4 of 7 - Completion of Awareness Training - Consider modifying the Security Awareness training program to ensure all persons complete the program.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security 5 of 7 - Protection of info on BYOD - Implement a process within the mobile device policy that protects the college's sensitive data that is stored on a user's BYOD.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security 6 of 7 - Logging Process with Procedure - Implement means to better capture activity log data following the documenting of a Logging and Monitoring Procedure to direct how the processes will be conducted.		12-Oct-18		0			Not Yet Due
RSCC	13-Apr-18	RSCC Info Security 7 of 7 - Hard drive evidence - Enhance the detailed procedural process for obtaining and retaining documented legally accepted evidence from a hard drive.	CIO, Tim Carroll	12-Oct-18		0			Not Yet Due

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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
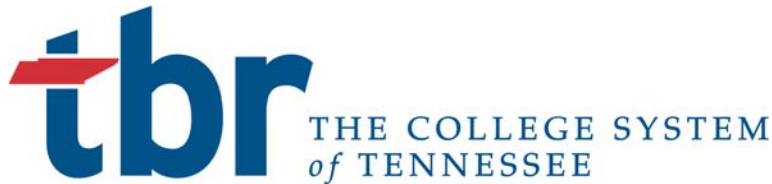
BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Comptroller's Office, Federal, and Internal Audit Reports

DATE: September 11, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Comptroller's Office
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. The Comptroller's Office also conducts performance audits of the Tennessee Board of Regents operations, as needed.

FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS
— None

FINANCIAL AND COMPLIANCE AUDITS – FINDINGS
Jackson State Community College
— FYE June 30, 2016 and June 30, 2015

Federal Audits
The Audit Committee will review executive summaries for the federal audit reports issued from April 1, 2018 to June 30, 2018.

Chattanooga State Community College - Small Business Development Centers
Jackson State Community College - Veterans Affairs
Jackson State Community College - Small Business Administration Office
TCAT- Whiteville - Veterans Administration

<u>Internal Audit</u>

The Audit Committee will receive executive summaries for the internal audit reports issued from April 1, 2018 to June 30, 2018 as well as reports issued after June 30, 2018, which contain information considered to be time-sensitive for the Audit Committee's consideration. 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.

<u>Internal Audit and Investigation Reports for the Reporting Period*</u>

*Limited Official Use Only reports for Columbia State Community College: Follow-up to the State Audit LOU Report FY 15 and 16 was completed on June 1, 2018; Volunteer State Community College: Follow-up to the State Audit LOU Report FY 15 and 16 was completed on May 4, 2018; and Information Security Audits for Cleveland State Community College completed June 29, 2018, Jackson State Community College completed June 29, 2018, Pellissippi State Community College completed June 29, 2018, and Southwest Tennessee Community College completed on July 31, 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 (GAGAS) 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 Control[1]
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Significant Deficiency[1]
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Material Weakness[1]
A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

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[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.

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
Jackson State Community College	June 30, 2016 and June 30, 2015	Unmodified Opinion	One internal control finding identified as a significant deficiency and one internal control identified as a material weakness	No instances of noncompliance required to be reported	2

Finding 1 – The college has not properly reported the costs associated with construction projects
Jackson State Community College does not have procedures for recording costs related to construction projects in accordance with generally accepted accounting principles. The college did not transfer capitalized expenditures from projects in progress to depreciable capital asset categories when the assets were placed in service. The college also omitted capitalizable expenditures from projects in progress.

Management's Comment – Management concurs. The college has changed procedures and implemented a new process on June 22, 2017. The new procedures require the Director of Physical Plant to notify accounting when projects have been either placed in service or a certificate of occupancy has been obtained. Accounting will then move the projects out of the in-progress status and begin depreciation. Projects in progress will be reviewed prior to year-end by accounting and the director of business services to ensure appropriate categorization.

Finding 2 – Jackson State Community College did not provide adequate internal controls in one area
Jackson State Community College did not design and monitor effective internal controls in one area. We found multiple internal control deficiencies in this area related to three of the college's systems because management did not implement controls that were sufficient. Management stated that they have either corrected these internal control deficiencies or have implemented a corrective action plan to address them.

Ineffective implementation of internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. 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 is developing procedures to assure effective internal Controls are in place.

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

Tennessee Board of Regents
Audit Committee
September 11, 2018

Federal Audit Reports

Chattanooga State Community College
Small Business Development Center – Monitoring Review
Period Coverage: Fiscal Year 2018
March 2018
Executive Summary

Introduction	The purpose of this review is to assist in accomplishing the management oversight function of the Tennessee Small Business Development Lead Center under the Small Business Administration (SBA) Office of Small Business Development Cooperative Agreement. The review was conducted in March 2018 by Mr. Merritt, Small Business Administration Officer.
Objective	The findings and opinions noted in this report pertain solely to the center and sample selected. This review does not constitute an audit in accordance with Generally Accepted Accounting Principles. This report is not intended as a basis for reliance or action by any other users.
Conclusion	**Successes/Best Practices** • Detailed workshop schedule formulated at the conclusion of one year for the upcoming year. • Workshops and narratives are detailed with dates for each for the entirety of the year. • The Small Business Orientation is offered regularly during the day and the evenings, so anyone seeking to attend may have the opportunity. • Leadership also keeps his fingers on the pulse of the community and yields workshops to meet an evolving community. **Challenges** • Director and small business specialists keeping the pace to yield such high numbers.

Introduction	A routine U.S. Department of Veterans Affairs (VA) Education Compliance Survey for Jackson State Community College (JSCC) was conducted on December 11 through December 12, 2017.
Conclusion	Fifteen VA students' records were reviewed during this routine compliance survey. Of those fifteen records, two records were found to contain discrepancies. Those discrepancies are noted below. JSCC certified a VA student for a term beginning August 25, 2014 and ending on December 10, 2014. During this term the school certified the student as being charged $2,099.50 in Tuition and Fees. However, the review of records indicated the school did not report mandatory $11.05 EMT Insurance Fee. Therefore, the correct Tuition and Fees should have been reported as $2,110.55. On December 18, 2017, an Amended Certification to the St. Louis Regional Processing Office was submitted to correct the aforementioned error. That office will contact JSCC regarding any overpayments or underpayments. Additionally, JSCC certified a VA student for a term beginning August 24, 2015 and ending on December 9, 2015. During this term the school certified the student as being charged $1,589.00 in Tuition and Fees. However, the review of the records indicated the correct Tuition and Fees should have been reported as $1,559.00. This appears to have been the result of an incorrect data entry. On December 12, 2017, the school submitted an Amended Certification correcting the aforementioned error. Though the above discrepancies were limited to only two student's files, the errors could have been prevented. Although there are almost 100 VA students enrolled, there is only one active VA School Certifying Official (SCO) who certifies, tracks, and mentors VA students on a daily basis. When coupled with additional duties, it is difficult to accurately accomplish these important tasks. Ideally, one fulltime SCO would not be responsible for more than 100 VA students.
Recommendations	1. Additional staffing is needed in the Office of Veterans Affairs. 2. Continuous evaluation and updating of JSCC's procedures for certifying and tracking the progress of VA students is needed. 3. An annual internal VA students' records audit would be beneficial for the school.

Introduction	The purpose of this review is to assist in accomplishing the management oversight function of the Tennessee Small Business Development Lead Center under the Small Business Administration (SBA) Office of Small Business Development Cooperative Agreement. The review was conducted on November 7, 2017 by Mike Bacon, Financial Reporting and Accounting Manager.
Objectives	The findings and opinions noted in this report pertain solely to the center and sample selected. This review does not constitute an audit in accordance with Generally Accepted Accounting Principles. This report is not intended as a basis for reliance or action by any other users.
Results	**Cash Disbursements (Federal and Matching)** The Lead Center examines all federal and cash match expenditures incurred by the service center on a monthly basis. The service center's expenditures for 2016 appeared to be reasonable, allowable, and allocable to the program. **Reporting Requirements** It is evident that the Center Director reviews invoice requests for reimbursement. An examination of invoices for Travel, Supplies, and Other categories on Federal Funding, Match Funding, and Program Income Funding found that the invoices contained information of goods/services, description of cost, index number, account code, amount, vendor name and address, date, and signature of authorized persons. **Indirect Costs** A review of the indirect cost rate agreement between the Department of Health and Human Services and Jackson State Community College (dated August 20, 2013) determined that the service center correctly used the Off-Campus indirect cost rate of 20.00%, applicable to All Programs, on a Modified Total Direct Cost basis. Therefore, the service center's total indirect cost of $24,196.37 for the 2016 program year is correctly reported.

	In 2017, the service center began using the new Off-Campus indirect cost rate of 21.42%, applicable to All Programs, on a Modified Total Direct Cost basis. This new rate was confirmed by reviewing the new indirect cost rate agreement between the Department of Health and Human Services and Jackson State Community College (dated May 17, 2016). **In-kind Costs** In-kind contributions for the 2016 program year were slightly over-valued at $25,392.00. The Jackson Area Chamber of Commerce provides donated office space and shared services for an in-kind value of $25,004.00. **Program Income Receipts and Disbursements** The service center reported no Program Income receipts or related disbursements in 2016, leaving an accumulative year-end balance of $0.00. **Review of Equipment Inventory Listing** A Certified Equipment Inventory Listing was received at date of review.
Recommendations	1. Ensure that the In-kind amounts claimed for any program year are equal to the total values described in the In-kind letters received from the Jackson Chamber.
Conclusions	Based upon our limited testing of the data available, we have determined that the center: 1. is adequately **monitoring** the financial aspects of their operations; 2. is in compliance with **cash disbursement** requirements; 3. is in compliance with **indirect cost** requirements; 4. is in compliance with **in-kind cost** requirements; and 5. is in compliance with **program income** requirements.

Tennessee College of Applied Technology - Whiteville
U.S. Department of Veterans Affairs Education Compliance Survey
January 19, 2018
Executive Summary

Introduction	A routine U.S. Department of Veterans Affairs (VA) Education Compliance Survey for Tennessee College of Applied Technology-Whiteville (TCAT-Whiteville) was conducted on January 8, 2018.
Conclusion	Three VA students' records were reviewed during this routine compliance survey. Of those three records, one record was found to contain a discrepancy. That discrepancy is noted below. TCAT-Whiteville did not accurately report fees for a Practical Nursing program student. Specifically, the school certified the student as being enrolled in the school's Practical Nursing program for the term beginning May 2, 2016 and ending August 29, 2016. The school reported Tuition and Fees to VA. However, the school failed to include a mandatory $20.00 medical insurance malpractice fee. In accordance with Procedural Advisory: Compliance Survey Corrections, dated February 17, 2017, TCAT-Whiteville informed VA of the underpayment January 8, 2017. The VA Regional Processing Office will send the school a separate letter concerning any school underpayment of Post-9/11 GI Bill educational assistance benefits.
Recommendations	N/A

**Tennessee Board of Regents
Audit Committee
September 11, 2018**

*Internal Audit Reports
Financial Management*

Chattanooga State Community College
NACHA Security Audit
March 2018
Executive Summary

Key Staff Personnel	Jackie Stephenson, Executive Director, Information Management; Lisa Hancock, Bursar	Internal Auditor	Kimberly Clingan, Director Internal Audit
Introduction	NACHA (National Automated 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 *NACHA Operating Rules & Guidelines,* 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 the Internet." *NACHA Operating Rules & Guidelines* obligate Originators to: - Obtain the consumer's written authorization prior to initiating a debit entry - Mitigate risks associated with Internet-based payments by: - Authenticating the identity of the Receiver - Employing a fraudulent transaction detection system - Establishing secure Internet sessions - Verifying the Receiving Depository Financial Institution's routing number - Reviewing security control procedures		
Objectives	The objectives of the audit were to determine ChSCC's compliance with *NACHA Operating Rules & Guidelines* for WEB entries related to: - Authorization requirements - Formatting requirements - Risk management requirements to adequately protect consumer financial information		
Conclusion	ChSCC is in compliance with the authorization, formatting, and risk management requirements of the *NACHA Operating Rules & Guidelines*. However, Internal Audit suggests one recommendation concerning revision of the Background Check Policy to ensure continued compliance with the *NACHA Operating Rules & Guidelines*.		
Recommendation	Based on the performed audit procedures, Internal Audit recommends that the revision of the Background Check Policy be completed to align with current processes and be properly approved by the Policy Review Board.		
Management Response	Management concurs with the recommendation and is taking action to address the Background Check Policy concern. The Background Check Policy revision will be completed by Human Resources and presented to the Policy Review Committee/Board during Fall Semester 2018.		

Key Staff: Dean of Students	**Auditor:** Tammy Wiseman, Internal Auditor

Introduction: The Tennessee Board of Regents (TBR) system receives an annual appropriation of state funds for access and diversity initiatives, which are designed to improve the success rate for targeted populations. The funds have been provided as recurring funds since Fiscal Year 2007-2008, after dismissal of the *Geier* lawsuit, a case filed in 1968 against the State alleging unlawful segregation in higher education. TBR allocates certain amounts directly to the campuses based on historical allocations. Other amounts are awarded to the campuses as grants, determined and awarded based on grant applications. The appropriated funds are to be used for access and diversity initiatives within three categories: 1) Student Scholarships and Fellowships; 2) Student Recruitment and Retention; and 3) Faculty Recruitment and Retention. In addition, certain amounts are allocated to the TBR system office and Tennessee State University for administration.

At Motlow State Community College, the access and diversity funds are administered by the Office of the Dean of Students. Scholarships under this program are awarded to students who are state of Tennessee residents who meet additional criteria of being non-traditional, have documented financial need, underrepresented in the student population, documented disability, first generation college students, and/or member of an underrepresented population based on student populations by program of study. In addition, Motlow received other funds during the audit period for Student Recruitment and Retention, Faculty Recruitment and Retention, and Grants for the Motlow Participant Partnership Program (MP3) and Summer Academy.

Objectives: To determine that adequate internal controls exist to ensure access and diversity funds allocated or awarded by the Tennessee Board of Regents system office are managed appropriately and used as planned to meet Motlow State Community College's access and diversity goals.

Scope: This audit included the access and diversity funds allocated or awarded to Motlow State Community College for the two fiscal years from July 1, 2013 through June 30, 2014, and July 1, 2014 through June 30, 2015.

Recommendations:
Recommendation 1: Access and diversity scholarships should only be awarded to individuals that meet the stated criteria developed by Motlow State Community College and approved by the Tennessee Board of Regents Office of Organizational Effectiveness and Strategic Initiatives. The review found that 34 of 86 (40%) awardees selected for scholarships did not meet all the grant criteria. Total costs of scholarships awarded that did not meet the criteria was $36,075.45. Written procedures should be developed regarding the process of selecting access and diversity scholarship awardees, and sufficient documentation must be maintained to support the selection of the awardees by the committee based on the approved criteria.

Recommendation 2: Scholarships should be reconciled to expenditures on a timely basis, monthly is suggested, so the funds available can be utilized, tracked, and managed per the grant criteria and goals for use of the access and diversity funds. Copies of the approved reconciliations should be maintained with the supporting documentation noted above.

Recommendation 3: It is recommended that quarterly reports be reconciled to the accounting system prior to submission. The amount of the awards was reported instead of amounts received creating differences. In addition, a carryforward balance in the amount of $27,283.35 from fiscal year 2013 was not presented in the fiscal year 2014 report.

Recommendation 4:

It is recommended that Motlow State Community College develop procedures requiring documentation and approval of Faculty/Staff Recruitment and Retention expenditures by the Access and Diversity Committee. Supporting source documentation for non-scholarship expenditures did not always include sufficient descriptions or justifications of how the funds were being used to further the access and diversity goals of the institution.

> At the time of issuance of the report, the Access and Diversity Committee has developed and is in the process of finalizing procedures for awarding funds for Faculty/Staff Recruitment and Retention.

Audit Conclusion: Based on audit tests performed for the period July 1, 2013 through June 30, 2015, adequate controls are in place to ensure that access and diversity funds allocated or awarded by TBR to Motlow State Community College are managed appropriately and used as planned to meet the institution's access and diversity goals, except as noted in the recommendations above. The table below is a summary of Motlow State Community College's financial activity for access and diversity funds.

Summary of Access & Diversity Activity	Scholarships & Fellowships	Student Recruitment & Retention	Faculty/Staff Recruitment & Retention	Grants
FY 2013 Carryover	$1,300.00	$0.00	$1,137.72	$13,483.30
FY 2014 Funds Received	56,919.88	12,250.00	12,250.00	58,750.00
FY 2014 Expenditures	(49,320.60)	(12,169.53)	(12,879.52)	(52,045.32)
FY 2014 Carryover	8,899.28	80.47	508.20	20,187.98
FY 2015 Funds Received	56,919.88	12,250.00	12,250.00	58,782.29
FY 2015 Expenditures	(65,537.00)	(12,330.47)	(11,656.86)	(78,970.27)
FY 2015 Carryover	282.16	0.00	1,101.34	0.00

Motlow State Community College was not required to provide institutional matching funds, but did provide matching of $12,879.52 for FY 2014 and $11,656.86 for FY 2015 for Faculty/Staff Recruitment and Retention.

Key Staff Person: Executive Director of Information Systems	**Auditor:** Charlotte Johnson, Internal Auditor

Introduction

Internal Audit for Southwest Tennessee Community College conducted an audit of expenditures derived from Technology Access Fee (TAF) revenue for the period July 1, 2016 through June 30, 2017, on March 30, 2018. The audit resulted in five findings and corresponding recommendations.

Objectives
- To review the system of internal control.
- To determine that TAF expenditures were in compliance with TBR established guidelines.
- To determine that revenue and expenditures were accurately stated in management's report.
- To ensure that TAF expenditures were consistent with Southwest Tennessee Community College's spending plan.

Finding 1

The carry forward balance for fiscal year June 2017 was incorrect. The Finance Department has made a correcting entry and the carry forward balance on the general ledger is now correct.

Finding 2

Payroll expenses for community colleges are limited to a 25% maximum of the Pool 2 current year TAF revenue. Southwest Tennessee Community College overspent the maximum by $12,162 for the 2017 fiscal year.

Recommendations
A. Employee salaries paid with TAF funds should be reviewed to ensure compliance with TAF guidelines.
B. Payroll expenses should be budgeted so the college is in compliance with TAF limitations on payroll expenditures

Finding 3

A TAF project to purchase Student Simulators was submitted for $8,050.00. A deposit was made to Campgroup Medical for $3,588.50. The equipment was not delivered, the final payment was not made, and there was no follow up on this project. No one was aware the project had not been completed and the deposit had not been returned.

Recommendation

The TAF committee should meet quarterly to review the college's expenditures to ensure compliance with TAF guidelines.

Finding 4

Tests conducted by Internal Audit showed four computers purchased with TAF funds that had not been entered into the KACE data base. Physical inventory of sensitive minor equipment was not inventoried annually.

Recommendation

A system should be created to record all sensitive minor equipment purchased by the college. Finance should conduct a physical inventory on sensitive minor equipment annually.

Finding 5

TAF revenue listed on the actual spending plan did not agree with the general ledger. There was no documentation for the revenue amount listed on the final report.

Recommendation

Management should retain back up records to document the amounts listed on the actual spending plan.

Audit Conclusion

Except for the findings and recommendations above, Southwest's TAF expenditures were in compliance with the guidelines of the Tennessee Board of Regents.

Management's Response

Information Systems Management and the Finance and Administrative Services Departments concur with the findings and will take appropriate actions to resolve all issues.

Walters State Community College
Compliance with NACHA Operating Rules
April 30, 2018
Executive Summary

Key Staff Personnel	IET Director of Infrastructure and Chief Information Security Officer; Business Office Director of Financial Services; Cashier Office Director of Student Accounts and Revenue	Internal Auditor	Mark A. Ortlieb, CPA
Background	The National Automated Clearing House Association (NACHA) has recommended methods to address unique risk issues inherent to the Internet payment environment through requirements for added security. An annual audit is required to help ensure protection by security practices including adequate levels of: 1) physical security to protect against theft, tampering, or damage, 2) personnel and access controls to protect against unauthorized access and use, and 3) network security to ensure secure capture, transmission, storage, distribution, and destruction. This audit fulfills those requirements.		
Objectives	1. To evaluate the College's compliance with the NACHA authorization requirements. 2. To determine if security practices and procedures comply with NACHA's risk management requirements and adequate to protect consumer financial information. 3. To determine if risk management practices and procedures are in compliance with NACHA requirements and are adequate to protect consumer financial information. 4. To make recommendations for correcting deficiencies or improving operations.		
Findings	There were no findings in this audit.		
Audit Conclusion	WSCC complies with the *NACHA Operating Rules and Guidelines.*		

Tennessee Board of Regents
Audit Committee
September 11, 2018

Internal Audit Reports
Quality Self-Assessment Review

<center>
Pellissippi State Community College
Report on Quality Self-Assessment Review
June 20, 2018
Executive Summary
</center>

The Pellissippi State-Office of Internal Audit conducted a quality self-assessment of the internal audit activity during March – June 2018. The principal objective of the quality self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* (*Standards*), the *Definition of Internal Auditing* and the *Code of Ethics*.

The overall opinion is that the Pellissippi State's internal audit activity generally conforms to The IIA's *Standards, Definition of Internal Auditing* and *Code of Ethics*. The internal audit activity is well-structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and a sample of working papers and reports.

OPPORTUNITY FOR CONTINUOUS IMPROVEMENT

The concept of general conformance to the *IIA Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement, and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains an opportunity and recommendation that should not be taken collectively to undermine the overall conclusion that the PSCC internal audit office generally conforms to the *Standards*. The opportunity noted in this report relates to use of data analytics and has the highest potential to improve the internal audit program at Pellissippi State. The recommendation is that the internal audit director should attend training related to the use of data analytics by internal audit departments.

Tennessee Board of Regents
Audit Committee
September 11, 2018

Internal Audit Reports
Follow-up

Columbia State Community College
Follow-up to State Audit Report
For the Fiscal Years Ending June 30, 2015 and June 30, 2016
May 14, 2018
Executive Summary

Key Staff Personnel	Associate Vice President, Information Technology Director, Financial Aid	**Internal Auditor**	Erica Smith, CPA
Introduction	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Columbia State Community College for the fiscal years ended June 30, 2016 and June 30, 2015, on December 1, 2017, that included four audit findings identified as a significant deficiency in internal control.		
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.		
Summary of State Audit Findings	1. Columbia State does not have controls in place to ensure compliance with the requirements of the Federal Work-Study program 2. The college made errors in calculating and reporting funds to be returned to Title IV 3. The college did not perform required Direct Loan reconciliations 4. Columbia State Community College did not provide adequate internal controls in four areas		
Conclusion	Based on the results of tests and procedures performed, management has taken adequate actions 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.		

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Jackson State Community College
Follow-up to the Off-Campus International Education Programs Audit
August 1, 2014 – July 31, 2015
April 5, 2018
Executive Summary

</div>

Key Staff: Dr. Mechel Camp, International Activities Coordinator; Mr. Tim Dellinger, Director of Business Services	**Auditor:** Angie Brown, Internal Auditor

Introduction:
The Tennessee Board of Regents System (TBR) supports off-campus international educational programs or courses as a valid and valuable part of undergraduate and graduate education. The TBR encourages all TBR institutions to engage in international opportunities that meet the legitimate academic needs of their students and in cooperation with consortia both internal to the TBR system in which TBR institutions hold membership and those external to the system. The TBR recognizes that such programs or courses take a variety of forms in length and focus.

At Jackson State Community College, off-campus international education programs support the institution's strategic goal of providing innovative instruction and increasing student involvement in high impact practices.

Objectives:
The objectives of the follow-up of the Off-Campus International Education Program audit for the period August 1, 2014 through July 31, 2015 dated February 19, 2016 was to review management's response to recommendations, perform tests to determine whether management's responses were implemented and that observations noted in the audit report are resolved.

Scope:
The follow-up included the Off-Campus International Education Programs undertaken by the college for the summer 2016 and 2017.

Recommendations:
Observation 1: 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.

Management has implemented a process to record the student's course fees and payments on the student account as of summer 2018.

Observation 2: 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.

Beginning summer 2018, faculty participating in the TnCIS program should provide the International Program Office a copy of the executed TnCIS dual service contract prior to summer travel.

Conclusion:
Based upon observations, discussions with management, and the tests performed, improvements have been partially implemented. As a result of the review, further improvements are to be implemented during the summer 2018 registration. A follow-up will be conducted at the conclusion of the summer 2018 term.

Volunteer State Community College
Follow-up to State Audit Report
For the Fiscal Years Ending June 30, 2016 and June 30, 2015
May 4, 2018
Executive Summary

Responsible Departments: Financial Aid Office and Information Technology	**Auditor:** Nancy Batson

Introduction: The Internal Audit office performed a follow-up of the state audit findings and recommendations contained in the audit report for the fiscal years ended June 30, 2016, and June 30, 2015. The follow-up was conducted under the authority delegated in the Tennessee Board of Regents policy 4:01:05:00, Internal Audit.

Objectives: To determine whether adequate corrective actions have been implemented to comply with the audit recommendations.

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.

Current Status
The Financial Aid Office converted the Title IV refunding process from the Department of Education software to the Banner system. This allows the refund calculation to use term information within Banner instead of manually entering information into outside software.

The Financial Aid Office established a pre-term checklist for the Spring 2018 semester that reviews the accuracy of Banner information used in the Title IV refunds. This checklist is completed by the Director of Financial Aid and will be completed prior to processing Title IV refund calculations each semester.

The Financial Aid Associate uses a Banner report to identify Title IV students that have officially withdrawn from the college and require Title IV refund calculations. The report is run weekly in a cumulative format. Each week, the Financial Aid Associate reviews the report in order to calculate Title IV refunds for recently withdrawn students and to ensure that the Title IV refund was calculated for previously withdrawn students. This continuous review of withdrawn students is to ensure no student is overlooked.

Additionally, a second Banner report was developed by the Financial Aid Office that identifies Title IV students that are withdrawn from the term. The results of the two reports are compared to ensure all students have been identified that require a Title IV refund calculation.

Unofficially withdrawn students are identified after grades are finalized for the semester. The Title IV refund is calculated in the Banner system the same way as officially withdrawn students.

Beginning in the Fall 2017 semester, a sample of the officially withdrawn students and a sample of the unofficially withdrawn students are reviewed by the Assistant Director of Financial Aid. A checklist was developed for the review to ensure consistency and to document the review.

During the auditor's review of the Title IV refunds, it was noted that the Thanksgiving holiday was not identified in Banner as a term break of five days or more for the Fall 2017 semester. The Financial Aid Office will recalculate the Title IV refunds for that term and make adjustments as needed.

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

Current Status
Management is implementing corrective actions to comply with the audit recommendations.

Conclusion: It appears that management has taken corrective action to implement the audit recommendations.

Volunteer State Community College
Follow-up to State Single Audit Report
For the Fiscal Years Ending June 30, 2017
May 4, 2018
Executive Summary

Responsible Department: Financial Aid Office	**Auditor:** Nancy Batson

Introduction

The Internal Audit office performed a follow-up of the Single Audit finding and recommendation contained in the report for the fiscal year ended June 30, 2017. The follow-up was conducted under the authority delegated in the Tennessee Board of Regents policy 4:01:05:00, Internal Audit.

Objective

To determine whether adequate corrective actions have been implemented to comply with the audit recommendations.

Finding

The college did not return unearned funds timely to the U.S. Department of Education for students who withdrew from class.

Current Status:

The Financial Aid Office converted the Title IV return of unearned funds process from the Department of Education software to the Banner system. This allows the return calculation to use term information within Banner instead of manually entering information into outside software. Additionally, written procedures were established in the Financial Aid Office for processing R2T4 calculations.

The Financial Aid Associate uses a Banner report to identify Title IV students that have officially withdrawn from the college and require Title IV refund calculations. The report is run weekly in a cumulative format. Each week, the Financial Aid Associate reviews the report in order to calculate for previously withdrawn students. This continuous review of withdrawals is to ensure no student is overlooked.

Additionally, a second Banner report was developed by the Financial Aid Office that identifies Title IV students that are withdrawn from the term. The results of the two reports are compared to ensure all students have been identified that require a Title IV refund calculation.

Unofficial withdrawn students are identified after grades are finalized for the semester. The Title IV return is calculated in the Banner system the same way as officially withdrawn students.
Beginning in the Fall 2017 semester, a sample of the officially withdrawn students and a sample of the unofficially withdrawn students are reviewed by the Assistant Director of Financial Aid. A checklist was developed for the review to ensure consistency and to document the review.

Conclusion

It appears that management has taken corrective action to implement the audit recommendation.

Tennessee Board of Regents
Audit Committee
September 11, 2018

Internal Audit Reports
TCAT

Key Staff Personnel	Mrs. Mae Perry, 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, surplus equipment, proper recording and deletions in the financial statements and proper tagging, were reviewed. Transactions were tested on a sample basis and segregation of duties for purchasing were reviewed. The process to issue, retrieve, and store keys was reviewed. The security systems were reviewed for maintenance and operating status across the campus. Other audit procedures were performed on controls in the following areas:		
Objectives	**Equipment**: - Capital Asset purchases are properly authorized. - Subsidiary records are maintained. - Equipment is properly tagged. - Property disposals are authorized. - Periodic physical inventory is taken. - Purchasing duties are properly segregated. **Security:** - Keys are stored in a secure location. - Keys distributed to faculty and staff are documented. - 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, TBR or institutional policies, or any significant deficiencies in operations.		
Recommendations	NA		

TCAT-Shelbyville
Equipment/Security/President's Expense Review
For the Fiscal Years Ending June 30, 2016 and June 30, 2017
May 9, 2018
Executive Summary

Key Staff Personnel	Ms. Laura Monks, 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, and proper tagging were 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's Expenses were reviewed for compliance with TBR and state laws. Other audit procedures were performed on controls in the following areas:		
Objectives	• **Fixed Assets**: 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:** 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 Board of Regents
Audit Committee
September 11, 2018

Internal Audit Reports
Investigations

Key Staff Persons: DSCC President, DSCC Dean of Student Services	**Auditor:** Sandra Pruett, Director of Internal Audit

Introduction: A parent of one of the men's basketball players recently contacted the DSCC President to complain about the housing conditions and other issues where her son lived during the FY2017 year. The parent indicated that the property belonged to the Athletic Director/Men's Basketball Coach. She stated that other basketball players lived at this address as well. She said that there were numerous problems at the property, inadequate living conditions, and an unsafe atmosphere and that they were paying rent to the Athletic Director. She also stated that another property was used to house some of the men's basketball players and that there were similar problems at that property.

Objectives: The objectives of this investigation were to investigate the validity of the issues expressed by the parents and student-athletes, and faculty and staff members, and to determine the extent of any violations of DSCC, the Tennessee Board of Regents (TBR), the Tennessee Community College Athletic Association (TCCAA), and/or the National Junior College Athletic Association (NJCAA) policies.

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

Results of Review:

Allegations: The allegations made were that the DSCC Athletic Director was providing housing and/or directly making housing arrangements for some of the DSCC men's basketball players, that the housing being provided was extremely dirty, inadequate and unsecure, that he was financially profiting from these housing arrangements, and that he provided small financial payments to one of the basketball players to offset local transportation costs.

Conclusion: The allegations were substantiated. The Athletic Director/Men's Basketball Coach did own a rental house in Dyersburg, TN. and he did rent this property to student-athletes during the time period investigated. He also arranged for student-athletes to live in another property in Dyersburg. Both properties were reported to have very poor living conditions and small cash payments were made to one student to transport other student-athletes to and from the college.

Recommendations:

Seven recommendations for improvement to internal controls are being made as part of this investigative report.

1. **<u>Recommendation: More DSCC athletic policies and procedures should be developed and approved.</u>**
2. **<u>Recommendation: Training of coaching staff should occur at least annually and should be documented.</u>**
3. **<u>Recommendation: Student-athletes and parents should receive clear communications regarding housing options.</u>**
4. **<u>Recommendation: Scholarships should be awarded by the coach in consultation with the Dean of Student Services.</u>**
5. **<u>Recommendation: A liaison between the athletic department or academic staff and the student-athletes should be developed for reporting of any housing or other issues.</u>**
6. **<u>Recommendation: The Director of Human Resources should ensure that all Conflict of Interest forms are returned each year from the required staff.</u>**
7. **<u>Recommendation: The violations of the NJCAA and TCCAA rules outlined in this report should be reported to those organizations and disciplinary action taken as needed.</u>**

<u>Management Response:</u>

1. Management concurs. DSCC staff will use TBR Guideline B-041 on Community College Athletics as a reference.
2. Management concurs. DSCC athletic staff and coaches will be required to attend NJCAA online training each year in advance of their respective seasons.
3. Management concurs. The Dean of Student Services will prepare a list of housing used by athletes and other students in the past. This list will be available on the DSCC Website for student-athletes and other interested parties.
4. Management concurs. Each coach will consult with the Athletic Director as Letters of Intent and scholarship amounts are being determined.
5. Management concurs. Student-athletes who are having problems with housing and/or other issues will be encouraged to file an official complaint which will be handled by the appropriate staff or faculty members.
6. Management concurs. The Director of Human Resources will require that the Conflict of Interest Statement be completed by the DSCC staff who are required by TBR Policy to file this statement. Follow-up by the Director of Human Resources will be done if the statements are not received by the deadline set.
7. Management concurs. The Dean of Student Services will contact Dr. Foster Chason, Commissioner of the TN Community College Athletic Association, for his assistance in drafting correspondence to the National Junior College Athletic Association. This correspondence will notify appropriate officials of the violations noted in this report by no later than June 30, 2018. Disciplinary action is being considered for the DSCC employee involved.

Department: Print Shop	**Internal Auditor:** Chrystal Pittman

Introduction: The Interim Director of Internal Audit received allegations that a part-time print shop employee made multiple personal long-distance calls during work hours and processed personal printing without payment.

Objectives: The objective of the review was to determine the validity of the allegations and take appropriate corrective action.

Results: Internal Audit began its review following the report of the allegations. The initial review included, but was not limited to, notification to TBR SWIA, documentation of interview of those who made allegations, review of printing policies and print shop phone logs for all print shop employees, and discussion of logs with SWIA.

On April 3, 2018 Internal Audit's attendance was requested at a meeting with the VP of Finance and Administration and Director of Human Resources. During the meeting, Internal Audit learned that the part-time employee was to be terminated the following day due to an unrelated issue. On April 4th, the part-time employee was terminated due to allegations that she supplied a former student worker (but current student) with a nursing test provided to the print shop to be printed for exams. Management then addressed the ancillary issues with the VP of Academics, Dean of Nursing, and the Dean of Student Services.

Internal audit contacted SWIA to discuss the status of the investigation; however, the investigation was ceased due to the employee's termination.

During management's review of the submission of the exams for printing at the Print Shop, they found when a request to print test was submitted, the link included in the request was available for future access even after the print job was complete. Management has subsequently modified its process to include the following steps:

- A work order will be submitted by user to the work order system with an attachment.
- An email will be sent to Print Shop employees with a link to log into the server where files are stored, and the files will be uploaded to the server.
- The server will not be accessible outside of the College.
- The user will have to log onto the server and choose from a list of documents to run a job.
- Each time the document is accessed, downloaded, etc., user information will be documented along with the action taken.

Management is currently working on a process that will allow the print shop to mark the job complete and trigger the document to be automatically deleted.

Conclusion: The allegations could not be substantiated due to the existence of additional issues with the part-time employee that led to her termination before completion of the investigation.

Department: Academic Affairs and Human Resources	**Auditor:** Tammy Wiseman

Introduction:
An investigative review was conducted based on two complaints received, one by the Tennessee Board of Regents (TBR) on November 18, 2016, and one received through the MSCC Internal Auditor on October 12, 2017, regarding a full-time faculty member with unapproved outside employment from Motlow State Community College (MSCC).

Objectives:
The objectives were to investigate the validity of the complaint, determine the extent of any violations of the Tennessee Code Annotated (TCA), the Tennessee Board of Regents (TBR), and Motlow State Community College (MSCC) policies, and evaluate the adequacy of practices and internal controls over full-time instructors with outside employment.

Results of the Review:
Issue 1: An adjunct instructor at MSCC became a full-time MSCC instructor Fall 2016 and had unapproved outside employment with a non-profit organization and as an adjunct faculty at another TBR institution.
Conclusion 1: The complaints were not verified.

Issue 2: The "Outside Employment and Extra Compensation Request" was not completed and submitted by the full-time instructor requesting prior permission for the outside employment.
Conclusion 2: The identified issue was partially verified.

Issue 3: The Dual Services Agreement as required per TBR Policy 5:01:05:00, *Outside Employment and Extra Compensation* and TBR G-030, *Contracts Guideline* was not completed as required between MSCC and the other TBR institution the instructor was employed as an adjunct.
Conclusion 3: The identified issue was verified.

Issue 4: The instructor exceeded the maximum allowed teaching load per MSCC Policy 5:10:00:00, *Faculty Class Assignment, Teaching Load & Summer School*.
Conclusion 4: The identified issue could not be verified.

Recommendations:

1. The "Outside Employment and Extra Compensation Request" form should be included in MSCC policy. MSCC references TBR Policy 5:01:05:00, *Outside Employment and Extra Compensation*, but no MSCC policy references the form or the process where the employee obtains prior approval before engaging in outside employment.

   Management's Comment
   We concur. The "Outside Employment and Extra Compensation Request" form will be either referenced in a current policy or will be a separate MSCC policy. This will be accomplished during summer 2018.

2. Procedures should be developed communicating the receipt and approval of the "Outside Employment and Extra Compensation Request" to Human Resources, Academic Affairs, and the Purchasing and Contract Specialist to ensure the Dual Services Agreement gets completed prior to the beginning of the semester or prior to the start of the outside engagement with another state agency to comply with TBR Policy 5:01:05:00, *Outside Employment and Extra Compensation* and TBR Guideline G-030, *Contracts Guideline*.

   Management's Comment
   We concur. These procedures will be included in the policy referenced above.

3. All supervisory staff should receive training regarding State of Tennessee, TBR, and MSCC policies regarding the approval and processing of outside employment for all institutional staff.

   Management's Comment
   We concur. Human Resources will host training sessions for the President's Cabinet during summer 2018 regarding the new procedures and policy. The Cabinet members will in turn pass it to their unit leadership.

4. MSCC Policy 5:10:00:00, *Faculty Class Assignment, Teaching Load & Summer School* should be reviewed to determine if the intended purpose of the policy applies to limiting faculty load for outside employment.
   Management's Comment
   We concur. The policy will be reviewed for this purpose by the end of summer 2018.

5. MSCC Policy 5:10:00:00, *Faculty Class Assignment, Teaching Load & Summer School* should be reviewed for revisions to consistently refer to equated load versus credit hours.

   Management's Comment

   We concur. The policy will be reviewed for this purpose by the end of summer 2018.

6. MSCC should maintain documentation of TBR approval, when required, for changes in MSCC policy.

   Management's Comment

   We concur. When required going forward, MSCC will maintain documentation, in the Human Resource office, of TBR approval for changes in MSCC policy.

Departments: Admissions and Records and Human Resources	**Auditor:** Tammy Wiseman

Introduction:

An investigative review was conducted based on a complaint received by the Tennessee Board of Regents (TBR) on August 10, 2017, regarding an immunization validation concern in the Office of Admissions and Records. The complaint primarily involved an Admissions and Records Clerk who resigned due to a disagreement with the Director of Admissions and Records regarding the clearing of an immunization record of an individual applying to Motlow State Community College (MSCC). An additional issue identified during the review was an improper classification by Human Resources for the termination of the employee as "Job Abandonment."

Objectives:

The objectives were to:
- investigate the validity of the complaint,
- determine the extent of any violations of the Tennessee Department of Health (TDOH), TBR, and MSCC policies, and
- evaluate the adequacy of practices and internal controls over immunization validation in the Office of Admissions and Records.

Results of the Review:

Issue 1: The Admissions and Records Clerk was instructed by her supervisor, the Director of Admissions and Records, to clear an immunization record for an applicant that did not meet appropriate documentation requirements.

Conclusion 1: The complaint was verified.

Issue 2: The employee's reason for termination was incorrectly coded as job abandonment.

Conclusion 2: The identified issue was verified.

Recommendations:

1. The Admissions and Records Office should strengthen internal controls to ensure compliance with all federal, state, and institutional policies and procedures before processing admission of applicants.

   Management's Comment
   No response has been received from management.

2. All Admissions and Records staff should be trained on a regular basis, at least annually, and as changes in requirements occur**.**

   Management's Comment
   No response has been received from management.

3. The Admissions policy should be updated and revised to match current practice.

   Management's Comment
   No response has been received from management.

4. Human Resources should ensure that the reason recorded for termination of an employee is accurate and matches the appropriate termination definition.

   Management's Comment
   Human Resources will ensure that the reason recorded for termination of an employee is accurate and matches the appropriate termination definition. Prior to any Human Resources Employee entering a reason for termination in the digital system or on paperwork, the Employee will consult the Executive Director of Human Resources as to what "reason" is being assigned. The Executive Director (or designee) will consult with the relevant supervisor for a summary of what occurred to ensure the definition of the "reason" accurately matches the specific scenario in review. Starting with the new fiscal calendar, a report will be run monthly with that month's terminations and relevant Banner fields for the Executive Director to review as a double check. Monthly adjustments to any errors can be made at this time. Adjustments will be made to the relevant fields in Banner as well as all paperwork respective to the specific termination cycle.

Motlow State Community College
Internal Audit Investigation 16-01
Center for Academic Technologies – Page 1 of 4
For the Period November 2014 – August 2015
June 18, 2018
Executive Summary

Department: Center for Academic Technologies	**Auditor:** Tammy Wiseman

Introduction: An investigative review into the inappropriate purchasing of a personal item by the Director of the Center for Academic Technologies (Center) at Motlow State Community College (MSCC) was conducted by the Internal Auditor. The Internal Auditor was not notified about the allegation until August 4, 2015, after the termination of the Director of the Center on July 29, 2015. Additional issues discovered during the course of the review included missing items, purchasing policy violations, overpayment for travel to attend conferences, unreported annual and sick leave, and unpaid personal long-distance calls.

Objective: The primary objectives were to investigate the validity of the issues identified during the review, determine the extent of any violations of Motlow State Community College or Tennessee Board of Regents policies, and evaluate the adequacy of internal controls over the Center for Academic Technologies as well as purchasing functions, inventory practices, travel reimbursements for attendance at conferences, reporting of annual and sick leave, payout of annual leave, and reimbursement for personal phone calls.

Total Questioned Costs: $9,185.29   **Total Recoveries:** $1,189.15

Results of the Review:
Issue 1: An allegation of inappropriate purchasing of a personal item by the Director of the Center for Academic Technologies was reported.
Conclusion 1: The identified issue was not verified. After termination, the former Director returned a computer used on a bike to the institution stating it was purchased for use of a professor whose name he could not recall.

Issue 2: During the course of the investigation, a list of all items purchased by the Director was prepared to determine if there were any additional missing items or possible purchasing violations.
Conclusion 2: The identified issue was verified. The amount of missing technology items and supplies purchased totals $5,081.00.

Issue 3: During the course of the investigation, it was discovered that the Director was overpaid in travel reimbursements for attendance at two (2) conferences in the month of June 2015.
Conclusion 3: The identified issue was verified. The Director claimed excessive reimbursement in the amount of $278.46.

Motlow State Community College
Internal Audit Investigation 16-01
Center for Academic Technologies – Page 2 of 4
For the Period November 2014 – August 2015
June 18, 2018
Executive Summary

Issue 4: The Director may not have reported all annual and sick leave taken during the period November 2014 - July 2015.

Conclusion 4: The identified issue was verified. The Director did not report annual and sick leave totaling $784.62

Issue 5: During the course of the investigation, it appeared the Director was paid accrued annual leave even though he was terminated for gross misconduct.

Conclusion 5: The identified issue was verified. Annual leave in the amount of $1,850.00 was paid to the former Director.

Issue 6: During the course of the investigation, it was discovered that the employee had outstanding charges due to MSCC for personal long-distance charges in the amount of $33.30.

Conclusion 6: The identified issue was verified. At time of termination, the Director had outstanding charges for personal long-distance charges. The Director later reimbursed the institution in the amount of $31.24, leaving a balance of $2.06.

Overall Conclusion: Based on the investigation performed, questioned costs totaled $7,996.14 as summarized below:

Issue 1	Purchase of personal item	$394.95
Issue 2	Missing purchases	$5,843.96
Issue 3	Conference travel overpayments	$278.46
Issue 4	Unreported annual and sick leave	$784.62
Issue 5	Annual leave payout	$1,850.00
Issue 6	Outstanding long-distance charges	$33.30
	Total Questioned Costs	**$9,185.29**
Recoveries		$1,189.15
Anticipated Recoveries		$0.00
	Net Questioned Costs	**$7,996.14**

1. **Recommendation**

   MSCC Management should provide additional oversight of purchases and usage of technology purchases through the Center of Academic Technologies.

   Management's Comment

   The Vice President for Academic Affairs will become the budgetary head for the purchases made from the Dean of Academic Technologies.

Motlow State Community College
Internal Audit Investigation 16-01
Center for Academic Technologies – Page 3 of 4
For the Period November 2014 – August 2015
June 18, 2018
Executive Summary

2. **Recommendation**

Management should develop inventory procedures for the Center for Academic Technologies to track all items purchased, including the business reason for these items, sign outs, and record of return as well as documenting the results from usage of the item in instructional technology.

Management's Comment

A spreadsheet of all purchases made by Academic Technologies will be maintained by the department. In addition, technology purchased will have a sign out/return sheet that includes the business reason for the usage. Annually, account reconciliation will be matched with the spreadsheet. This spreadsheet will be done retroactively to the date the Dean of Digital-First Learning started in the position, January 2017.

3. **Recommendation**

Management should ensure that reimbursements for conference travel costs do not exceed approved amounts.

Management's Comment

Travel claims which deviate from the original TR1 will require an exception approved by the approving authority. Meals provided at a conference will be deducted from the M&I rate on all future travel claims unless their arrival time or departure does not allow the individual to attend the meal function.

4. **Recommendation**

Supervisors should verify accuracy of annual and sick leave reported by employees.

Management's Comment

Motlow State Community College implemented the Web Time Entry System in July 2016. This system requires supervisors to electronically approve both sick and annual leave on a monthly basis.

5. **Recommendation**

Human Resources should be consistent in the classification of termination of an employee on all documentation related to the employee and should apply the requirement to withhold annual leave per TBR policy in cases of gross misconduct.

Motlow State Community College
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Management's Comment

Human Resources will be consistent in the classification of termination of an employee on all documentation related to the employee and will apply the requirement to withhold annual leave per TBR policy in cases of gross misconduct. When the Executive Director of Human Resources (or designee) updates the termination status in the Banner Enterprise Resource Planning (ERP) system, a dispatch will be distributed to all Human Resource Permanent Employees as to the official/approved "classification of termination." The approved classification will be used on all documentation including unemployment paperwork. In addition, all Human Resources permanent employees will be required to review the TBR policy 5:01:00:00 prior to June 1, 2018 and apply the guidelines of when to withhold annual leave.

6. **Recommendation**

Allegations or suspicion of fraud, waste, or abuse must be reported immediately via the following reporting lines:

MSCC Internal Audit: Phone (931) 393-1754 and by email reportfraud@mscc.edu
Tennessee Board of Regents (615) 366-4441, by email ReportFraud@tbr.edu, or by website
http://www.tbr.edu/reportfraud

Tennessee Comptroller's Hotline for Fraud, Waste and Abuse (800) 232-5454 or by website
http://www.comptroller.tn.gov/hotline

Management's Comment

Any fraud, waste, or abuse reported throughout Motlow State Community College will be reported to the MSCC Internal Auditor and the Tennessee Board of Regents. This procedure is effective immediately.

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Corrective Actions on TBR Performance Audit
                            Findings

DATE: September 11, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The following information summarizes the status of four findings from the December 2017 Performance Audit report of the TBR system, issued by the Comptroller of the Treasury. It should be noted that one overarching change for the Tennessee Foreign Language Institute (TFLI), in part a result of this audit and its recommendations, has been its transfer to the University of Tennessee's Institute for Public Service (IPS). The enabling legislation took effect July 1, 2018. This transfer, which changes the name to the Tennessee Language Center, effectively subjects TFLI (TLC) to the practices and policies of the University of Tennessee, as administered by the Institute for Public Service (IPS). IPS includes a 12-person administration office in Knoxville, through which TFLI will conduct its business in accordance with their policies and through their procedures. This administrative relocation will address many of the issues presented in the audit and will afford TFLI access to resources and oversight not available previously.

DISCUSSION OF FINDINGS AND IMPLEMENTATION OF CORRECTIVE ACTION

To follow is (1) a listing of the findings from the December 2017 Performance Audit Report, (2) the proposed and previously submitted action plan items, and (3) the report on their implementation, documenting any changes to the original plan based up the recently enacted legislation.

FINDING 1. The Tennessee Foreign Language Institute has weak internal controls over cash receipting and accounting

ORIGINAL ACTION PLAN FOR FINDING 1A: We will 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. We will (1) have the actual deposit slip filled out by the individual who verifies the items to be deposited after posting, who will then (2) give to an additional individual to take the deposit to the bank, who then (3) will bring the receipt back to be re-verified with the original deposit detail documentation for completeness, (4) attesting with date and signature that the amount presented was the amount deposited, thus removing any possibility of fraud or misappropriation. The new procedure is as follows, with changes indicated by uppercase letters:

- RECEIPTING: Cash and checks are received, stamped for deposit, logged; checks and receipts copied and prepared for posting by designated office and clerical staff (never by the fiscal director), and are secured in the safe until posting begins.
- POSTING: Within one business day of receiving $500 or more, posting and depositing begins. The TFLI fiscal director posts payments and receipts into our internal accounting software, QuickBooks.
- VERIFICATION: Once posting is complete, documentation for depositing is created which includes a printout from QuickBooks (Items to Deposit). The deposit documentation, cash, checks and deposit slip to be used are then passed along to a third individual from the administrative staff who returns to the check and cash logs and receipts and confirms that every item previously logged is now present in the deposit. The bank deposit slip is prepared by the individual who has verified that all receipted items are present, initialing the deposit slip. The deposit is made ready for transport to the bank. A spreadsheet of the deposit detail is emailed to the TN Board of Regents Assistant Director of Fiscal Services as well as to the TFLI Executive Director, detailing each item to be deposited.
- DEPOSIT: a fourth individual takes the deposit to the bank, where a paper receipt is issued.
- POST-DEPOSIT: When the deposit is complete, the paper receipt with an amount matching what was previously verified is returned to the verifier who then signs the documentation and receipt indicating that the previously verified deposit was completed as dispatched. The paper receipt is then stapled to the deposit documentation (copies of all checks and receipts and printouts) and filed.

IMPLEMENTATION REPORT FOR FINDING 1A: These procedures were implemented immediately upon finding and have been applied consistently since. Procedures will be reviewed

to ensure compliance with UT fiscal policies, including FI0310 - Receiving and Depositing Money.

FINDING 1B: While not officially labeled 18, this issue of maintenance of separate bookkeeping systems was addressed within Finding 1. The system of record is the TBR system and the TFLI internal systems used are strictly for generation of client invoices and purchase orders and posting of payments received (AR/AP functions). All data reported in financial reports are gleaned from the systems maintained by the TN Board of Regents, to which our fiscal director has report retrieval access. We feel that the redundancy can actually serve to double-check the financial records maintained by TBR; when any discrepancy arises, as it can and has on multiple occasions in the past, we are able to address it using our records and locate where any error may have occurred.

ORIGINAL ACTION PLAN FOR FINDING 1B: The TFLI Executive Director will initiate discussions regarding this finding with TBR Fiscal Services and will apprise our Governing Board and the Division of State Audit of the options and feasibility of any changes in current procedure.

IMPLEMENTATION REPORT FOR FINDING 1B: While discussions were undertaken with the fiscal offices at the TN Board of Regents, with the advent of TFLl's inclusion in the UT Institute for Public Service, this issue now becomes how TFLI will work within the administrative and fiscal policies of the University of Tennessee. TFLI is diligently working with fiscal officers at IPS to ensure compliance with all University of Tennessee policies and procedures for this new relocation beginning July 1, 2018.

FINDING 2. The Tennessee Foreign Language Institute should ensure that it is distinct from the nonprofit TFLI Fund, Inc.

ORIGINAL ACTION PLAN FOR FINDING 2: The TFLI Fund, Inc. (the Fund) is a 501c3 that serves as a fund-raising arm for TFLI (the Institute) and is responsible for compliance with the IRS regulations guiding 501c3 entities. The relationship between the two entities (the Fund and the Institute) will be modeled upon the TBR Foundation Policy - Foundations : 4:01:07:02 - which was adopted pursuant to T.C.A. §§ 49-7-107 and 49-11-402(a)(4) which authorizes and empowers the Tennessee Board of Regents to take steps necessary for the establishment of foundations for the institutions governed by the Board. 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 and are provided a copy of this policy as an exemplar. 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.

IMPLEMENTATION REPORT FOR FINDING 2: TFLI will undergo a name change, effective July 2018 and will be doing business as the Tennessee Language Center (TLC). This change in name will aid in distinction from the TFLI Fund, Inc. Furthermore, TFLI/TLC has spoken with officers of the Fund Board and initiated discussions between IPS Vice President Dr.

Herb Byrd and the TFLI Fund, Inc. TFLI/TLC will follow the recommendations of the Institute for Public Service for working with fundraising organizations and foundation-type organizations.

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

ORIGINAL ACTION PLAN FOR FINDING 3: 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.

IMPLEMENTATION REPORT FOR FINDING 3: The leadership at TFLI has taken a critical eye to the clients served and revenue streams of the past three years and has seen increases in revenue and a maintenance in the existing number of clients. Additionally, it is anticipated that the transfer of TFLI to the Institute for Public Service will also further the reach of TFLI into municipal and county assistance programs as well as the many other constituencies served by the University of Tennessee and IPS. Procedures will be reviewed to ensure compliance with UT fiscal policies, including FI0420 - Contracts. Also, on July 1, 2018, TFLI will begin using the UT electronic contracts system which allows for electronic entry, tracking, and monitoring of contracts.

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

ORIGINAL ACTION PLAN FOR FINDING 4: 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 Tennessee Board of Regents, and the University of Tennessee to explore potential partnerships and sharing of resources to continue in the fulfillment of the legislative mandate.

IMPLEMENTATION REPORT FOR FINDING 4: Since the audit, TFLI has successfully conducted group language classes in Murfreesboro, Portland, Cookeville and Jackson, with an additional online instruction for a class in Tullahoma. Interpretation and translation services continue to further the reach, as we consistently provide services across and throughout the state from the Tri-Cities to Memphis, Chattanooga to Union City and points in between. TFLl's transfer to the Institute for Public Service will provide an avenue for serving every county in state of Tennessee, through collaboration and partnership with the agencies under the IPS. Those agencies include: The Center for Industrial Services {CIS), the County Technical Assistance Service (CTAS), the Law Enforcement Innovation Center {LEIC), the Municipal Technical Advisory Service (MTAS) and the Naifeh Center for Effective Leadership (NCEL).

CONCLUSION:

The Tennessee Foreign Language Institute is in a period of positive transition as it incorporates the policies and procedures of the University of Tennessee, and specifically those of the Institute for Public Service. TFLI is adopting the parallel mission and vision of the Institute for Public Service, serving business and government to improve the lives of Tennesseans, and envisioning Tennessee as a global leader with thriving business and industry, efficient and effective government and vibrant communities. TFLI is well-positioned to further that mission along with its own: facilitating intercultural communication for government, business and community alike through education and language services.

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: September 11, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Mike Batson will give brief updates for the following items:

- Internal Audit update for President's Quarterly Meeting on August 7, 2018
- Quality Assurance Review update
- Internal Audit Training that took place at the TBR System Office on July 12, 2018
- TN College and University Auditors Conference to take place at Embassy Suites – Nashville SE Murfreesboro from October 22-24, 2018
- Update on certifications for Interim Internal Audit Directors
- Information Systems Auditor IV search

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Revised Internal Audit Charters

DATE: September 11, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S
RECOMMENDATION: Approve

The TBR system's internal audit offices develop internal audit charters to define the audit activity's purpose, authority and responsibility, in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors (IIA) which states:

> **1000 - Purpose, Authority, and Responsibility**
> The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

An annual review of the charter template is performed by the Internal Audit Directors group for consideration of any revisions, particularly with regard to changes in internal audit standards. The charter for each audit office is signed by the campus president and internal audit director before submission to the Audit Committee for approval.

The attached charter has been revised due to a change in Campus President and is recommended for the committee's approval.

Nashville State Community College

Internal Audit Charter

Introduction

Nashville State Community College is an institution of the Tennessee Board of Regents (TBR) system. The system is governed by the Board of Regents, consisting of 19 members (the Board) as determined by state law. The TBR Audit Committee is a standing committee of the Board. In accordance with the "State of Tennessee Audit Committee Act of 2005," the System-wide Chief Audit Executive reports directly to the Audit Committee and the Board and oversees the internal audit operations. Nashville State Community College employs an internal auditor (or audit staff) in accordance with TBR policy.

Purpose

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve Nashville State Community College operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. Internal audit helps Nashville State Community College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal audit assists Nashville State Community College's management in the effective discharge of their duties and responsibilities by evaluating activities through assurance and consulting services, recommending improvements, and providing other information designed to promote effective controls.

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

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

Nashville State Community College's management has the primary responsibility for establishing and maintaining a sufficient system of internal controls.

Audit Standards

The internal audit function adheres to mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Definition of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing (Standards)*, and the Core Principles for the Professional Practice of Internal Auditing. These mandatory elements constitute principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

Authority and Scope

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

Organizational Status/Reporting Structure

In accordance with T.C.A. 49-14-102 and TBR Policy 4-01-05-00, *Internal Audit*, the System-wide Chief Audit Executive reports directly to the Audit Committee and the TBR. Nashville State Community College's internal auditor reports to the President with audit reporting responsibility to the Audit Committee and the Board through the System-wide Chief Audit Executive.

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

Independence and Objectivity

Internal audit has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews, nor shall their review relieve others of their responsibilities. The internal auditors must maintain a high degree of independence and not be assigned duties or engage in any operations or decision making in any activities that they would normally be expected to review or evaluate as part of the normal audit function.

Responsibility and Role

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

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.

- Develop and implement audit plans and programs after consultation with the President that respond to both risk and cost effectiveness criteria.

- Review the reliability and integrity of information, and the information technology processes that produce that information.

- Verify compliance with applicable policies, guidelines, laws, and regulations.

- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.

- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.

- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.

- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.

- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.

- Review management's risk assessment process and advise management on the reasonableness and propriety of the assessment.

- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.

- Demonstrate and promote appropriate ethics and values within the organization.

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

Quality Assurance and Improvement

Internal audit will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit's conformance with the *Standards* and an evaluation of whether the internal auditors apply the Institute of Internal Auditors' Code of Ethics, Definition of Internal Auditing, and the Core Principles for the Professional Practices of Internal Auditing. The program will include both internal and external assessments. The System-wide Chief Audit Executive will communicate the results of the assessments to the Audit Committee.
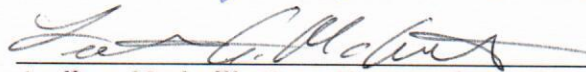
Periodic Review of Internal Audit Charter

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

_____   6-8-18
President, Nashville State Community College   Date

_____   6-8-18
Auditor, Nashville State Community College   Date

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Fiscal Year 2019 Internal Audit Plans

DATE: September 11, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S
RECOMMENDATION: Approve

The committee will review and consider for approval internal audits planned for the system institutions for Fiscal Year 2019 as required by the Audit Committee Charter, TBR Policy 4:01:05:00, *Internal Audit*, and the Institute of Internal Auditors *International Professional Practices Framework*.

Audit plans prepared by the auditors may include audits or projects of the following types:

- Required (by law, policy or other authority)
- Management's Risk Assessment (review of process and conclusions)
- Follow-up Review (of State Audit or Internal Audit findings)
- Special Request (audit requested by Board or management)
- Project (such as periodic review of purchasing card activity)
- Consultation (research, analysis, review and/or recommendations)
- Investigation
- Risk-Based

Risk-based audits are determined through a risk analysis process. Risk analysis is a planning tool to help determine which areas within the institution should be audited. Each auditable area's key risk factors are quantified and weighted to come up with the risk ranking. Areas with the highest totals are considered the riskiest and are given priority within the hours available for audits. This methodology complies with industry standards.

This section contains the following system summaries. The summaries are followed by a detailed audit plan for each institution.

Planned Audits by Major Functional Area
Planned Audits by Audit Type

Tennessee Board of Regents
Planned Audit Hours by Functional Area
Fiscal Year Ending June 30, 2019
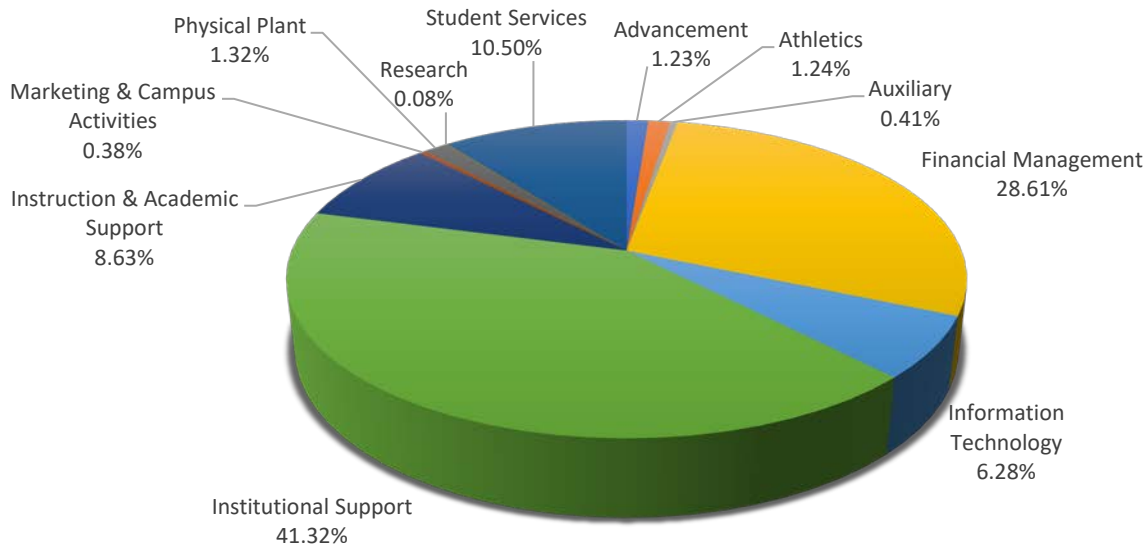
Highlights:

Financial Management includes audits of various financial operating activities within an institution, such as follow-ups to State Audit findings; cash handling or collection; inventories; payroll; procurement card activity and other purchasing; chief executive expenses; and departmental, agency accounts, and other expense areas.

Institutional Support includes audits of various activities in support of other institutional operations, such as human resources; leave reporting; certain compliance audits (Clery, Title IX); and emergency preparedness. It also includes projects of the audit offices, such as the quality assurance reviews; participating in FOCUS taskforces; and the continued implementation of audit software.

Student Services includes audits of various activities supporting students such as financial aid; enrollment and retention services; CCTA data; and student organizations.

Instructional and Academic Support includes audits of various educational programs or activities, such study abroad and workforce development.

	Planned Audits		**Planned Audit Hours**	
Community Colleges	222	78.7%	14999.3	82.5%
SWIA	16	5.7%	2047.5	11.3%
TCATS	44	15.6%	1140.0	6.2%
	282		18186.8	

Note: There is a significant decrease in the percentage of Information Technology audits due to the vacancy of the Information Systems IV Auditor position at the SWIA office. This plan will be implemented once the position is filled and the new employee is acclimated.

Tennessee Board of Regents
Planned Audit Hours by Audit Type
Fiscal Year Ending June 30, 2019
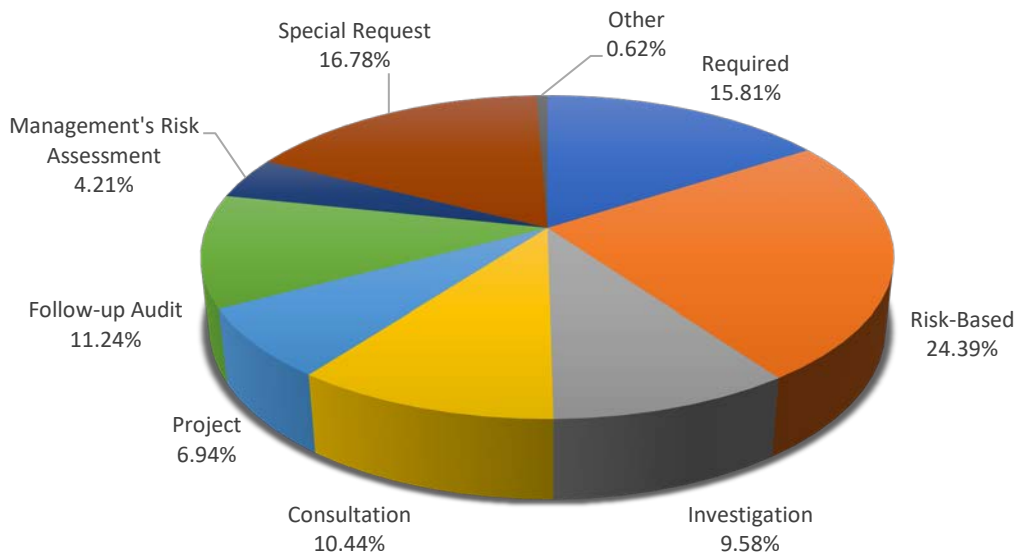
Highlights:

Risk-Based audits are those determined by each Internal Audit Director through a risk analysis of auditable areas, which considers several risk factors. There is a decrease in planned risk-based audits of 9.61% below the prior year plans, which reflects the reduction in availability of audit time due to an increase in required and special request audits for the year.

Required audits are those determined by statutes, the system office or others. These audits frequently have a system-wide focus. There is a 10.81% increase in planned required audits for the year. This year's required audits include Workforce Development and Conflict of Interest reviews. Required audits do include the statutorily mandated audits of chief executives' expenses and year-end cash counts and inventories in support of financial statement audits.

Investigations are planned as a lower percentage than the prior year due to the Investigative Auditor IV position absorbing audits due to the elimination of the Director position.

Special Requests are audits requested by the Audit Committee, management or others to address specific concerns or activities. This category is planned as 4.78% higher than the prior year.

Consultations have decreased 3.56% from last fiscal year due to an increase in special requests and required audits.

Other categories are consistent with previous years.

Chattanooga State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Management Advisory Services	C	IS	Jul-18	105.0
5.0	State Audit Assist/Follow-up	F	FM	Jul-18	11.3
5.0	ChSCC Follow up Reviews	F	IS	Jul-18	90.0
5.0	IAR-FU-CCTA-Workforce Training Hours	F	SS	Oct-18	90.0
5.0	Developing Investigations-Assist TBR	I	IS	Jul-18	15.0
5.0	Unscheduled Investigations	I	IS	Jul-18	105.0
5.0	INV1803-Event Employment	I	IS	Apr-18	22.5
5.0	INV1804-Overtime & Comp Time Process	I	IS	May-18	22.5
5.0	Enterprise Risk Assessment	M	IS	Oct-18	45.0
5.0	Special Projects- Audit Software	P	IS	Jul-18	15.0
5.0	IAR-QAR Self & External	R	IS	Jul-18	37.5
5.0	YE Procedures FYE 2018	S	FM	Jun-18	11.3
5.0	YE Procedures FYE 2019	S	FM	May-19	15.0
5.0	IAR-NACHA-2019	S	IT	May-19	60.0
5.0	IAR-Student Record Retention	S	SS	Jan-19	105.0
5.0	IAR-Student Complaints	S	SS	Sep-18	120.0
3.6	IAR-HR Grievances Process	A	IS	Mar-19	105.0
3.4	IAR-Software License Compliance	A	IT	May-18	75.0
				Total:	**1050.0**

Estimated Available Hours For Audits = **1020.0**

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

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

Cleveland State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Follow-up Reviews	F	IS	Jul-18	90.0
5.0	Unscheduled Investigations	I	IS	Jul-18	60.0
5.0	Enterprise-Wide Risk Assessment	M	IS	Oct-18	30.0
5.0	Special Project Automate Workpapers	P	IS	Jul-18	22.5
5.0	NACHA 2019	R	FM	Jun-19	112.5
5.0	State Audit Follow-up	R	IS	Jul-18	15.0
5.0	QAR 2018	R	IS	Jul-18	15.0
5.0	NACHA 2018	S	FM	Jun-18	99.8
5.0	Management Advisory Services	S	IS	Jul-18	75.0
5.0	Shared Services	S	IS	Jan-19	90.0
5.0	Year End 2018	S	IS	Jul-18	7.5
5.0	Year End 2019	S	IS	Jun-19	15.0
3.3	IAR-Maintenance/Tuition and Related Fees	A	FM	Nov-18	112.5
3.2	IAR-Payroll	A	FM	May-18	75.0
2.7	Conflict of Interest	R	IS	Mar-19	120.0
2.4	Work Force Development	R	IA	Feb-19	150.0
				Total:	**1089.8**

Estimated Available Hours For Audits = **1050.0**

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

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

Columbia State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Review Management's Risk Assessment	M	FM	Nov-18	22.5
5.0	EWD_Controls Review	A	IS	Mar-18	67.5
5.0	Management Advisory Services	C	IS	Jul-18	52.5
4.0	Financial Aid-Phase 2	A	SS	Oct-18	150.0
3.5	TitleIX - Self Assessment	C	AT	Nov-18	37.5
3.5	Policy Compliance Reviews	A	IS	Sep-18	75.0
3.5	Cybersecurity Plan	A	IT	Jan-19	52.5
3.5	Achieving the Dream College Initiative	P	IS	Sep-18	150.0
3.4	Data Privacy, Retention, Red Flags	A	IS	Apr-19	150.0
3.3	Third-Party Risk Management	A	FM	Mar-19	75.0
3.2	Business Continuity	A	IS	Nov-18	37.5
3.2	Annual Department Budget Briefings	M	IS	Jul-18	30.0
3.2	Engagement Follow-up Review	F	IS	Oct-18	30.0
3.1	Awareness Education	O	IS	Sep-18	37.5
3.1	IIA Quality Assurance External Review	R	IS	Oct-18	45.0
2.9	President/Chancellor Expense Review	S	FM	Sep-18	37.5
2.9	Sensitive Equipment Inventory Controls Review	F	FM	Sep-18	22.5
2.9	17-18 State Audit Year-End Work	R	FM	Jun-18	15.0
2.9	18-19 State Audit Year-End Work	R	FM	Jun-19	22.5

Total: 1110.0

Estimated Available Hours For Audits = **1110.0**

Audit Types:	**Functional Areas:**
R - Required	AD - Advancement
A - Risk-Based (Assessed)	AT - Athletics
S - Special Request	AX - Auxiliary
I - Investigation	FM - Financial Management
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support
M - Management's Risk Assessment	IS - Institutional Support
C - Consultation	IT - Information Technology
F - Follow-up Review	MC - Marketing and Campus Activities
O - Other	PP - Physical Plant
	RS - Research
	SS - Student Services

	Dyersburg State Community College **Internal Audit Plan** **Fiscal Year Ending June 30, 2019**				
Ranking	**Audit**	**Type**	**Area**	**Audit Start Date**	**Hours Planned**
4.2	Workforce Contact Hours	R	AD	Feb-19	35.3
4.0	Athletics Camps, Clinics, Fundraising	A	AT	Jan-19	72.0
3.9	Athletics Eligibility	A	AT	Mar-19	75.0
3.7	2019 Year-End Bank Counts	R	FM	Jun-19	30.0
3.7	Cash Handling Procedures	S	FM	Nov-18	65.3
5.0	Faculty Sick Leave	S	FM	Sep-18	15.0
5.0	STCC President's Expense Audit	R	FM	Aug-18	170.3
3.0	Records Management and Retention	A	FM	Dec-18	90.0
4.2	Follow-up Audits	F	IS	Jul-18	80.3
5.0	General Consultation	C	IS	Jul-18	95.3
5.0	PII Review	C	IS	Jul-18	105.0
3.5	Conflict of Interest	S	IS	Apr-19	65.3
5.0	QAR 2018 External Review	R	IS	Aug-18	15.0
5.0	QAR 2018 Subcommittee Project	P	IS	Aug-18	24.8
5.0	2018 Risk Assessment	M	IS	Oct-18	90.0
5.0	Unscheduled Investigations	I	IS	Jul-18	144.8
4.1	FA Federal Work Study Program and FA Fraud	S	SS	Oct-18	20.3
				Total:	**1193.3**

Estimated Available Hours For Audits = 1160.2

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

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

Jackson State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Foundation 2017-18	C	AD	Jul-18	150.0
5.0	General Consultation	C	IS	Jul-18	75.0
5.0	Access and Diversity Follow-up	F	FM	Oct-18	75.0
5.0	Payroll Follow-up	F	FM	Jan-19	75.0
5.0	INV 18-01 Follow-up	F	IA	Apr-19	75.0
5.0	Study Abroad Follow-up	F	IA	Oct-18	75.0
5.0	Emergency Preparedness Follow-up	F	IS	Nov-18	75.0
5.0	INV 18-01 Notification-Jan 2018	I	IA	Jul-18	75.0
5.0	Unscheduled Investigations	I	IS	Jul-18	60.0
5.0	Risk Assessment	M	IS	Oct-18	97.5
5.0	Year-End Procedures	R	FM	Jun-19	37.5
5.0	Quality Assurance External Review	R	IS	Jul-18	75.0
4.2	State Audit Follow-up	F	FM	Aug-18	75.0
4.2	INV 18-03 Follow-up	F	SS	Apr-19	75.0
4.2	INV 18-03	I	SS	Jul-18	75.0
4.2	Workforce Development	R	IA	Mar-19	187.5
4.2	Veterans Affairs Student Records	S	SS	Dec-18	75.0
4.1	Financial Aid	A	IS	Feb-19	187.5
					0.0
				Total:	**1620.0**

Estimated Available Hours For Audits = **1619.2**

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

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

Motlow State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Admissions and Records	A	SS	Oct-18	130.5
5.0	General Consultation	C	IS	Jul-18	80.3
5.0	INV 16-04 Follow-up	F	AT	Jul-18	40.5
5.0	Access and Diversity 2014-2015 Follow-up	F	FM	Dec-18	50.3
5.0	INV 18-02 Follow-up	F	IA	Nov-18	30.0
5.0	INV 18-03 Follow-up	F	IA	Nov-18	39.8
5.0	INV 18-04 Follow-up	F	IA	Sep-18	30.0
5.0	Other Internal Audit Follow-up	F	IS	Jul-18	20.3
5.0	Information Technology Follow-up	F	IT	Aug-18	30.0
5.0	INV 16-01 Follow-up	F	IT	Dec-18	39.8
5.0	INV 18-01 Follow-up	F	SS	Nov-18	30.0
5.0	INV 18-04	I	IA	Jul-18	30.0
5.0	INV	I	IS	Jul-18	50.3
5.0	MRA Institutional Support	M	IS	Nov-18	37.5
5.0	Data Analytics	P	FM	Jul-18	50.3
5.0	Quality Assessment Review	P	IS	Jul-18	40.5
5.0	President's Expense Audit ChSCC FY 2018	R	FM	Sep-18	75.0
5.0	State Audit Assistance Year End	R	FM	Jul-18	22.5
5.0	Conflict of Interest	R	IS	Mar-19	45.0
5.0	Workforce Development	R	MC	Jan-19	69.8
5.0	Study Abroad	S	IA	Jul-18	45.0
4.8	Financial Aid	A	SS	Feb-19	130.5
				Total:	**1117.5**

Estimated Available Hours For Audits = **1117.5**

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

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

Nashville State Community College **Internal Audit Plan** **Fiscal Year Ending June 30, 2019**					
Ranking	**Audit**	**Type**	**Area**	**Audit Start Date**	**Hours Planned**
5.0	Year-End Work	R	FM	Jul-18	22.5
5.0	INV 18-02	I	IS	Sep-17	31.5
5.0	Unscheduled Investigations	I	IS	Jul-18	90.0
5.0	IA Letter MRA	M	IS	Jul-18	15.0
5.0	Special Projects	S	IS	Jul-18	112.5
4.2	PP&E Accounting	A	FM	Jul-18	90.0
4.2	Assisting SWIA	S	IS	Jul-18	75.0
4.2	Disaster Recovery	A	IT	Jul-18	15.0
4.0	PII (and PHI) Data Security	A	IT	Jul-18	15.0
3.7	Account Reconciliation Procedures	A	FM	Jul-18	75.0
3.7	State Audit Follow-up	F	FM	Jul-18	37.5
3.7	Human Resources	S	IS	Jul-18	105.0
3.5	Contracts Compliance	A	FM	Jul-18	90.0
3.4	SWIA IT Audit Follow-up	F	IT	Jul-18	37.5
3.4	Security-Clery Act	A	PP	Jul-18	90.0
2.7	Federal Work Study Program	A	SS	Jul-18	75.0
2.7	Federal FA Audit Follow-up	F	SS	Jul-18	37.5
2.5	General Consultation	C	IS	Jul-18	105.0
2.4	Workforce and Community Development	R	IA	Jul-18	75.0
				Total:	**1194.0**

Estimated Available Hours For Audits = 1194.0

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

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

	Northeast State Community College Internal Audit Plan Fiscal Year Ending June 30, 2019				
Ranking	**Audit**	**Type**	**Area**	**Audit Start Date**	**Hours Planned**
5.0	Accounts Receivable Review	A	FM	Jul-18	75.0
5.0	Bank Reconciliations Review	A	FM	Jul-18	75.0
5.0	Grants and Contracts Review	A	FM	Jul-18	105.0
5.0	Risk Assessments	M	FM	Jul-18	52.5
5.0	State Audit Assistance Year-End	R	FM	Jul-18	52.5
5.0	State Audit Follow-up	R	FM	Jul-18	75.0
5.0	Electronic Workpapers Software	P	IS	Jul-18	37.5
5.0	General Consultation	C	IS	Jul-18	52.5
5.0	Other Internal Audit Follow-up	F	IS	Jul-18	37.5
5.0	Conflict of Interest Review	R	IS	Jul-18	150.0
5.0	QAR 2019	P	IS	Jul-18	22.5
5.0	Special Requests and Projects	S	IS	Jul-18	52.5
5.0	Workforce Development 2018	R	IA	Jul-18	150.0
5.0	IRB Review	P	RS	Jul-18	15.0
5.0	Graduate Placement Review	S	SS	Jul-18	150.0
				Total:	**1102.5**

Estimated Available Hours For Audits = 1095.0

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

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

Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Consulting/Special Request/MAS	S	AD	Jul-18	37.5
5.0	Audit Follow-ups	F	FM	Jul-18	52.5
5.0	NACHA	S	FM	Oct-18	90.0
5.0	MKInsight Software	P	FM	Jul-18	52.5
5.0	Northeast State President's Expense	R	FM	Jul-18	75.0
5.0	Review of RFP's, café prices, & other business office issues	P	FM	Jul-18	37.5
5.0	IT Security Consulting, MAS, Banner Steering	P	IT	Jul-18	22.5
5.0	Enterprise Wide Risk Assessment	M	IS	Sep-18	22.5
5.0	ETSU Quality Assurance Review External Validation	P	IS	Jul-18	75.0
5.0	Quality Assurance Review	P	IS	Jul-18	60.0
5.0	Review of French Exchange Program	P	IS	Apr-19	30.0
5.0	Consulting/Special Request/MAS	S	IS	Jul-18	90.0
5.0	Faculty Credentials	S	IA	Nov-18	105.0
5.0	Review of Compliance Assist	C	IA	Jan-19	37.5
5.0	CCTA (Funding Formula)	A	SS	Feb-19	97.5
3.5	Facilities-Maintenance Operations	A	PP	Apr-19	150.0
				Total:	**1035.0**

Estimated Available Hours For Audits = **1012.5**

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

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

Roane State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	International Education FY18	A	IA	Feb-19	52.5
5.0	General Consultation	C	IS	Jul-18	142.5
5.0	Enterprise Risk Assessment	M	IS	Jul-18	60.0
5.0	TCAT Crossville RA	M	IS	Feb-19	15.0
5.0	TCAT Harriman RA	M	IS	Feb-19	15.0
5.0	TCAT Jacksboro RA	M	IS	Feb-19	15.0
5.0	TCAT Oneida RA	M	IS	Feb-19	15.0
5.0	Year-End Cash Counts	R	FM	May-19	37.5
5.0	Access & Diversity FY2016	S	FM	Jul-18	22.5
4.2	Follow-up Reviews	F	FM	Jul-18	37.5
4.2	State Audit Follow-up	F	FM	Jul-18	37.5
4.2	Unscheduled Investigations	I	FM	Jul-18	37.5
4.2	INV 17-02	I	FM	Jul-18	75.0
4.2	Foundation	S	AX	Jan-19	75.0
4.2	ACA Reporting	S	FM	Jul-18	22.5
4.2	Conflict of Interest	S	IS	Jan-19	22.5
4.2	SACS- COC Audit	S	IS	Jul-18	90.0
4.2	Workload Release Time	S	IS	Jul-18	37.5
4.2	Workforce Dev Contact Hrs	S	SS	Oct-18	60.0
3.3	Acct Rec FY18	R	FM	Nov-18	75.0
				Total:	**945.0**

Estimated Available Hours For Audits = 945.0

Audit Types:	**Functional Areas:**
R - Required	AD - Advancement
A - Risk-Based (Assessed)	AT - Athletics
S - Special Request	AX - Auxiliary
I - Investigation	FM - Financial Management
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support
M - Management's Risk Assessment	IS - Institutional Support
C - Consultation	IT - Information Technology
F - Follow-up Review	MC - Marketing and Campus Activities
O - Other	PP - Physical Plant
	RS - Research
	SS - Student Services

Southwest Tennessee Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Federal Audit Follow-up	F	FM	Oct-18	22.5
5.0	State Audit Follow-up	F	FM	Nov-18	112.5
5.0	Internal Audit Follow-up	F	IS	Jul-18	30.0
5.0	Quality Assurance Self-Assessment	P	IS	Jul-18	30.0
4.2	Risk Management	A	IS	Aug-18	22.5
4.2	Review of Security	A	IS	Feb-19	105.0
4.2	Revitalization Grant Follow-up	F	FM	Jul-18	30.0
4.2	TAF Follow-up	F	FM	Oct-18	37.5
4.2	Access and Diversity Fund Follow-up	F	FM	Oct-18	15.0
4.2	Federal Work Study Follow-up	F	FM	Jan-19	90.0
4.2	Industrial Readiness Follow-up	F	FM	Aug-18	30.0
4.2	INV 18-2 Day Care	I	IS	Jul-18	30.0
4.2	INV 16-02	I	SS	Aug-18	30.0
4.2	Audit Software	P	IS	Jul-18	90.0
4.2	Workforce Development	R	IS	Dec-18	105.0
4.2	Out of State Tuition	S	SS	Mar-19	105.0
2.7	Cash Count	S	FM	Jul-18	30.0
2.6	General Consultation	C	IS	Jul-18	105.0
2.6	Unscheduled Investigations	I	IS	Jul-18	135.0
				Total:	**1155.0**

Estimated Available Hours For Audits = **1155.0**

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

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

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Conflict of Interest	R	FM	Oct-18	112.5
5.0	State Audit Year-End Procedures	S	FM	May-19	37.5
5.0	Follow-up Activities	F	IS	Jul-18	112.5
5.0	General Consultation	C	IS	Jul-18	112.5
5.0	Business Division Grants	A	IS	Jul-18	187.5
5.0	QAIP Self Assessment	P	IS	Jul-18	112.5
5.0	Management Risk Assessment	M	IS	Sep-18	75.0
5.0	Unscheduled Investigations	I	IS	Jul-18	37.5
5.0	Workforce Development	R	IA	Nov-18	187.5
5.0	Work Study Program	A	SS	Mar-19	187.5
				Total:	**1162.5**

Estimated Available Hours For Audits = 1057.5

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

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

Walters State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	FY19 Student Services Access Risk Assessment	M	SS	Nov-18	15.0
5.0	FY18 IIA Quality Assurance Review	R	IS	Jul-18	22.5
4.2	FY19 IT Governance	A	IT	Mar-19	187.5
4.2	FY19 Enterprise-wide Risk Management	A	IS	Nov-18	7.5
4.2	FY18 Institutional Support Consulting	C	IS	Sep-17	6.0
4.2	FY19 Unscheduled Investigations	I	IS	Jul-18	37.5
4.2	FY18 Fiscal Year-End Procedures for State Audit	R	FM	Jun-18	34.5
4.2	FY19 Fiscal year-End Procedures for State Audit	R	FM	Jun-18	30.0
4.2	FY19 State Audit Follow-up	R	FM	Jan-19	37.5
4.2	FY19 CCTA Funding Formula- Workforce Training	R	SS	Nov-18	150.0
4.2	FY19 NACHA Compliance Review	S	FM	Oct-18	187.5
4.2	FY19 PSCC President's Expenses Audit	S	FM	Aug-18	150.0
4.2	FY19 Institutional Support Consulting	S	IS	Jun-18	359.3

Total: 1224.8

Estimated Available Hours For Audits = 1222.5

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

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

Tennessee Board of Regents - Investigations
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	Consultation with Campus Auditors	C	IS	Jul-18	337.5
5.0	Investigation Management	P	IS	Jul-18	337.5
4.0	Unscheduled Investigations	I	FM	Jul-18	240.0
4.0	TBR INV 18-07	I	FM	Jul-18	37.5
4.0	TBR INV 18-09	I	FM	Jul-18	37.5
4.0	VSCC President's Expenses FY 2018	R*	FM	Sep-18	37.5
4.0	Conflict of Interest/Outside Employmt	R*	IS	Feb-18	75.0
4.0	TBR INV 18-03	I	IA	Jul-18	37.5
4.0	TBR INV 18-04	I	IA	Jul-18	37.5
4.0	TBR INV 18-10	I	IA	Jul-18	150.0
4.0	TBR INV 18-08	I	IS	Jul-18	37.5
				Total:	**1365.0**

Estimated Available Hours For Audits = 1,365

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

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

* Audits added to Investigative Auditor's schedule due to the elimination of the Director position.

Tennessee Board of Regents - Information Systems*
Internal Audit Plan
Fiscal Year Ending June 30, 2019

Ranking	Audit	Type	Area	Audit Start Date	Hours Planned
5.0	SWIA Follow-up on all SW IT Audits	F	IT	Jan-18	37.5
4.2	IT Consulting & Requested Projects	C	IT	Jan-18	225.0
3.4	TCAT - Cyber Security/Shared Services	A	IT	Jan-18	75.0
	VSCC Information Security Audit	A	IT	Jan-18	135.0
	NeSCC Information Security Audit	A	IT	Mar-18	135.0
				Total:	**607.5**

Estimated Available Hours For Audits = 607.5

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

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

* Position is currently vacant - plan is based on a partial year.

	Tennessee Board of Regents - TCAT Internal Audit Plan Fiscal Year Ending June 30, 2019				
Ranking	**Audit**	**Type**	**Area**	**Audit Start Date**	**Hours Planned**
N/A	FY 18 TCAT Consultation	C	FM	Jul-18	37.5
N/A	FY 18 Risk Assessment	M	FM	Oct-18	112.5
N/A	FY 18 TCAT Audit Program Creation	O	FM	Jul-18	37.5
N/A	FY 18 CTAT QAR Review	O	FM	Oct-18	37.5
N/A	FY 18 TCAT Year End Procedures	R	FM	Jun-19	37.5
4.7	FY 19 TCAT Morristown SFA	A	FM	Jan-19	22.5
4.0	FY 17 Ripley-IAR-Equipment/Security Review	A	FM	Oct-18	15.0
4.0	FY 19 TCAT Ripley SFA	A	FM	Aug-18	15.0
4.0	FY 18 TCAT Ripley President's Expense	R	FM	Aug-18	7.5
3.7	FY 18 TCAT Memphis SFA Reconciliation	S	IS	Jul-18	112.5
3.5	FY 19 TCAT Livingston SFA	A	FM	Mar-19	22.5
3.4	FY 17 Nashville-IAR-Equipment/Security Review	A	FM	Sep-18	15.0
3.4	FY 19 TCAT Nashville SFA	A	FM	Sep-18	22.5
3.4	FY 18 TCAT Nashville President's Expense	R	FM	Sep-18	7.5
3.2	FY 19 TCAT Harriman SFA	A	FM	Mar-19	22.5
3.2	FY 19 TCAT Jacksboro SFA	A	FM	Jan-19	22.5
3.2	FY 19 TCAT Knoxville SFA	A	FM	Apr-19	37.5
3.2	FY 19 TCAT Memphis SFA	A	FM	Jul-18	22.5
3.2	FY 18 TCAT Memphis President's Expense	R	FM	Aug-18	7.5
3.1	FY 19 TCAT Pulaski SFA	A	FM	Jan-19	22.5
3.0	FY 17 Paris-IAR-Equipment/Security Review	A	FM	Nov-18	15.0
3.0	FY 19 TCAT Paris SFA	A	FM	Nov-18	22.5
2.9	FY 17 Covington-IAR-Equipment/Security	A	FM	Aug-18	15.0
2.9	FY 19 TCAT Covington SFA	A	FM	Aug-18	15.0
2.9	FY 18 TCAT Covington President's Expense	R	FM	Aug-18	7.5
2.8	FY 19 TCAT Crump SFA	A	FM	Mar-19	22.5
2.8	FY 19 TCAT Jackson SFA	A	FM	Mar-19	37.5
2.2	FY 19 TCAT Crossville SFA	A	FM	Nov-18	22.5
2.2	FY 19 TCAT Dickson SFA	A	FM	Dec-18	22.5
2.2	FY 19 TCAT Elizabethton SFA	A	FM	Feb-19	22.5
2.0	FY 19 TCAT McMinnville SFA	A	FM	Apr-19	30.0
1.9	FY 19 TCAT Hartsville SFA	A	FM	Jan-19	15.0
1.9	FY 17 McKenzie-IAR-Equipment/Security	A	FM	Nov-18	22.5
1.9	FY 19 TCAT McKenzie SFA	A	FM	Nov-18	22.5
1.9	FY 19 TCAT Murfreesboro SFA	A	FM	Feb-19	15.0
1.9	FY 19 TCAT Shlebyville SFA	A	FM	May-19	22.5
1.8	FY 19 TCAT Newbern SFA	A	FM	Dec-18	22.5
1.6	FY 19 TCAT Hohenwald SFA	A	FM	Feb-19	22.5
1.6	FY 19 TCAT Oneida SFA	A	FM	Apr-19	22.5
1.4	FY 17 Athens-IAR-Equipment/Security Review	A	FM	Sep-18	15.0
1.4	FY 19 TCAT Athens SFA	A	FM	Sep-18	22.5
1.4	FY 19 TCAT Whiteville SFA	A	FM	Jan-19	22.5
1.4	FY 18 TCAT Athens President's Expense	R	FM	Sep-18	7.5
1.0	FY 19 TCAT Chattanooga SFA	A	FM	May-19	37.5
				Total:	**1140.0**

Estimated Available Hours For Audits = 1140.0

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

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

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Year-End Status Reports for
                       Fiscal Year 2018

DATE: September 11, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The committee will review the year-end status of the internal audit plans for the system institutions for Fiscal Year 2018. This item includes the following summary information on system audit activities for the year.

    Audit Hours by Functional Area and Audit Type
    Audit Activity Three-year Trend Analysis
    Investigation Activity

The summary schedules are followed by a Year-end Status Report for each institution and for each audit activity with the system office.

FY 2018 Total Audit Hours by Functional Area

Physical Plant
0.44%

Student Services
7.03%

Advancement
0.22%

Athletics
1.71%

Marketing & Campus
Activities
0.01%

Auxiliary
1.21%

Instruction &
Academic Support
4.22%

Financial Management
28.81%

Institutional Support
45.98%

Information
Technology
10.37%
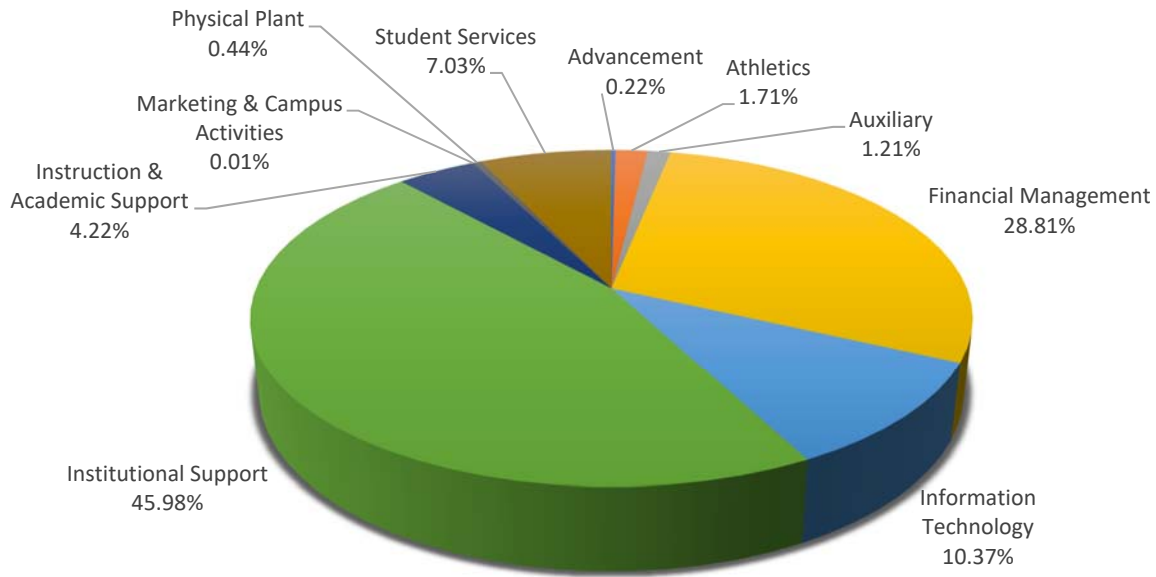
FY 2018 Total Audit Hours by Type of Audit

Special Request
8.72%

Other
1.92%

Required
11.15%

Management's Risk
Assessment
5.41%

Risk-Based
18.81%

Follow-up Audit
12.17%

Project
12.73%

Investigation
14.61%
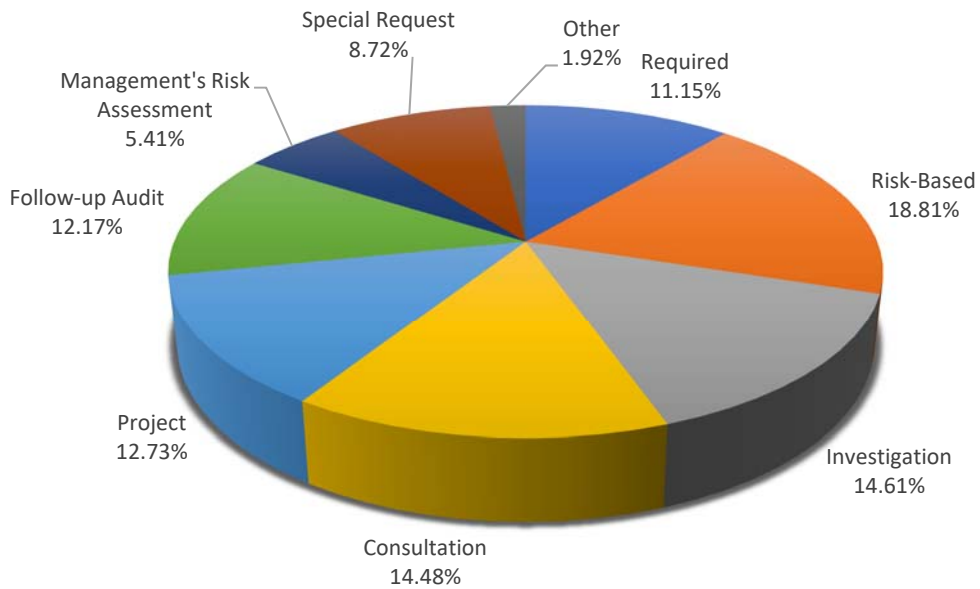
Consultation
14.48%

Tennessee Board of Regents
Three-year Trend Analysis of Audit Hours Completed
By Type of Audit and Functional Area

Type of Audit	FY2018	FY2017	FY2016	Average
Required	11%	13%	13%	12%
Risk-Based	19%	29%	20%	23%
Investigation	15%	22%	16%	18%
Consultation	14%	13%	12%	13%
Project	13%	5%	8%	9%
Follow-up Audit	12%	11%	5%	9%
Management's Risk Assessment	5%	3%	3%	4%
Special Request	9%	4%	23%	12%
Other	2%	0%	0%	1%
Total	**100%**	**100%**	**100%**	**100%**

Summary - The focus on Risk-Based Audits is determined by the campus auditor's risk analysis of the audit universe on each campus. Typically, as resources dedicated to Investigations or Required Audits decline, more resources are available for Risk-Based audits. In FY2016, an increase in Special Requests is primarily related to the Access and Diversity audits requested by the Vice Chancellor for Effectiveness and Strategic Initiatives and Study Abroad audits requested as a result of noted issues in some programs. The increase in Projects is due to the required 2018 Quality Assurance Review. This left less audit hours available for Risk-based audits.

By Functional Area	FY2018	FY2017	FY2016	Average
Financial Management	29%	38%	33%	33%
Institutional Support	46%	38%	22%	35%
Student Services	7%	5%	11%	8%
Instruction and Academic Support	4%	3%	12%	6%
Information Technology	10%	10%	11%	10%
Physical Plant	0%	3%	1%	1%
Research	0%	0%	3%	1%
Auxiliary	1%	0%	1%	1%
Athletics	2%	3%	5%	3%
Advancement	0%	0%	1%	0%
Marketing & Campus Activities	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**

Summary - Financial Management and Institutional Support have remained the two most often audited areas over time. By the nature of the process within Financial Management and Institutional Support, both areas cross over into many other functional areas.

Tennessee Board of Regents
Summary of Investigation Activity
Fiscal Year 2018

Allegations

Allegations of fraud, waste, or abuse are generally reported to TBR System-wide Internal Audit through the unit's Report Fraud web site, email, or phone number, the Tennessee Comptroller's Fraud Hotline, a campus auditor, or management. In the initial evaluation of allegations, those that do not indicate fraud, waste, or abuse may be referred to other TBR or campus offices for review, e.g., legal, human resources, academic affairs, or may not be viable if insufficient information was provided to determine if an investigation is warranted.

Investigations

Viable allegations are investigated by SWIA or a campus internal auditor. Cases may be administratively closed when allegations are found to be unsubstantiated during investigations.

Complaints Received	Community Colleges	Technology Colleges	System Office	Total
Tennessee Comptroller	3	1		4
System-wide Internal Audit	16	17	3	36
Campus Internal Audit	17			17
Total Complaints	**36**	**18**	**3**	**57**
Referred, Duplicative, or Not Viable	7	11		18
Under Preliminary Review/Consultation	1	3	3	7
Cases Opened	**28**	**4**		**32**
Investigations	**Community Colleges**	**Technology Colleges**	**System Office**	**Total**
Open Cases at July 1, 2017	21	5		26
Cases Opened from new complaints	28	4		32
Total Cases	**49**	**9**		**58**
Referred upon further review				
Cases Completed, Reports Issued	20			20
Cases Administratively Closed	17	3		20
Open Cases at June 30, 2018	**12**	**6**		**18**

Tennessee Board of Regents
Summary of Investigation Activity
Fiscal Year 2018

Institution	Reports Issued
ChSCC*	Review of Stipends
ChSCC*	Review of a Continuing Education Program
ChSCC	Information Technology Purchases
ChSCC	Police Department Leave
ChSCC*	Special Review of an Allegation Regarding Campus Police
DSCC	Athletic Housing Conflict of Interest
JSCC	Print Shop Investigation
MSCC	Center for Academic Technologies
MSCC	Women's Basketball
MSCC	Admissions and Records/Immunization Validation
MSCC	Full-Time Instructor and Outside Employment
MSCC	Smyrna Academic Dean and Out-of-State Travel
NeSCC*	Special Review of Allegations Regarding Administration
STCC	Review of Employee Sleeping on the Job
STCC	Review of Course Revitalization Grant
STCC	Purchase of Office Supplies
STCC	Special Review of Time Keeping
STCC	Review of Employee Requested to Work "Off the Clock"
STCC	Nursing SGA Investigation
WSCC	Student Financial Aid Complaint

*   Investigations completed by SWIA.

Year-End Status Reports

By Institution

Fiscal Year Ending June 30, 2018

Chattanooga State Community College
Internal Audit Plan
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original Change in Hours	Revised to Original Change in Percentage	FN	Planned to Actual Actual Hours	Planned to Actual Variance	Completion Date	Current Status
FM	S	YE Procedures FYE 2017	5.0	11.3	11.3	0.0	0%		8.0	3.3	Oct-17	Complete
FM	R	ClSCC-IAR-President's Expense 2017	5.0	90.0	90.0	0.0	0%		81.0	9.0	Oct-17	Complete
FM	R	FU-State Audit-Work Study Program	5.0	75.0	75.0	0.0	0%		62.5	12.5	Feb-18	Complete
FM	F	State Audit Follow-up	5.0	15.0	15.0	0.0	0%		5.3	9.7	Jun-18	Complete
IS	M	Enterprise Risk Assessment	5.0	60.0	60.0	0.0	0%		38.0	22.0	Oct-17	Complete
IS	I	INV 18-01 IT Purchases	5.0	45.0	45.0	0.0	0%		46.0	-1.0	Jan-18	Complete
IS	I	INV 18-02 PD Leave	5.0	0.0	90.0	90.0	100%	FN1	91.5	-1.5	Mar-18	Complete
IS	I	Developing Investigations - Assist TBR	5.0	15.0	105.0	90.0	600%	FN1	99.0	6.0	Jun-18	Complete
IS	I	Unscheduled Investigations	5.0	60.0	0.0	-60.0	-100%	FN1	0.0	0.0	Jun-18	Complete
IS	C	General Consultation	5.0	90.0	90.0	0.0	0%		100.5	-10.5	Jun-18	Complete
IS	F	Follow up Reviews	5.0	90.0	90.0	0.0	0%		68.0	22.0	Jun-18	Complete
IS	P	Special Projects-Audit Software	5.0	7.5	7.5	0.0	0%		8.0	-0.5	Jun-18	Complete
IT	S	NACHA-2017	5.0	75.0	75.0	0.0	0%		82.0	-7.0	Jun-18	Complete
SS	F	FU-CCTA-Worforce Training Hours	5.0	67.5	82.5	15.0	22%	FN2	84.5	-2.0	Mar-18	Complete
IS	A	Human Resources	4.0	48.8	48.8	0.0	0%		34.0	14.8	Aug-17	Complete
FM	S	YE Procedures FYE 2018	5.0	15.0	15.0	0.0	0%		14.5	0.5		In Progress
IS	I	INV 18-03 Event Employment	5.0	0.0	37.5	37.5	100%	FN1	31.0	6.5		In Progress
IS	I	INV 18-04 OT & Comp	5.0	0.0	22.5	22.5	100%	FN1	13.5	9.0		In Progress
IS	R	QAR-Self & External	5.0	0.0	75.0	75.0	100%	FN1	75.0	0.0		In Progress
IT	A	Software License Compliance	3.3	75.0	75.0	0.0	0%		12.0	63.0		In Progress
IS	A	HR Grievance Process	4.0	90.0	0.0	-90.0	-100%	FN1	0.0	0.0		Removed
FM	S	TN Financial Aid Dollars	3.7	90.0	0.0	-90.0	-100%	FN1	0.0	0.0		Removed
IS	A	Grant Development	3.3	90.0	0.0	-90.0	100%	FN1	0.0	0.0		Removed
		Total Planned Audit Hours:		**1110.0**	**1110.0**	**0.0**			**954.3**	**155.7**		

Estimated Available Audit Hours =   1110.0

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, 03, and 04. Added time for TBR investigation assistance, QAR projects, and removed audits for time needed for additions.

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

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original — Change in Hours	Revised to Original — Change in Percentage	FN	Planned to Actual — Actual Hours	Planned to Actual — Variance	Completion Date	Current Status
IS	C	General Consultation 2018	5.0	52.5	52.5	0.0	0%		38.0	14.5	Jun-18	Completed
IS	F	FU- State Audit 2018	5.0	75.0	138.8	63.8	85%		99.0	39.8	Mar-18	Completed
IS	F	FU- 17-01	5.0	7.5	3.8	-3.8	-50%		18.5	-14.8	Jul-17	Completed
IS	F	FU-Emergency Preparedness	5.0	7.5	21.0	13.5	100%		210.0	-189.0	Feb-18	Completed
IS	F	FU-Building Access & Keys	5.0	15.0	30.0	15.0	100%		28.0	2.0	Jun-18	Completed
IS	I	Unscheduled investigations 2018	5.0	112.5	75.0	-37.5	-33%		52.8	22.2	Jun-18	Completed
IS	M	IA Letter- MRA 2017	5.0	37.5	18.8	-18.8	-50%		40.8	-22.1	Nov-17	Completed
IS	P	Special Project - MKI	5.0	15.0	7.5	-7.5	-50%		20.3	-12.8	Jun-18	Completed
FM	R	NACHA 2017	5.0	112.5	127.5	15.0	13%		36.0	91.5	Nov-17	Completed
IS	R	Year End 2017	5.0	15.0	22.5	7.5	50%		84.0	-61.5	Dec-17	Completed
IS	S	Marketing & Communication Equip.	5.0	0.0	90.0	90.0	N/A		141.0	-51.0	Aug-17	Completed
IS	R	QAR 2018	5.0	0.0	105.0	105.0	N/A		164.5	-59.5		In Progress
FM	S	NACHA 2018	5.0	112.5	112.5	0.0	0%		5.0	107.5		In Progress
IS	S	Year End 2018	5.0	30.0	30.0	0.0	0%		35.5	-5.5		In Progress
FM	R	Payroll	3.2	105.0	105.0	0.0	0%		67.0	38.0		In Progress
IS	M	Athens- IA Letter MRA 2018	5.0	37.5	37.5	0.0	0%	FN1	41.0	-3.5		Removed
FM	A	Fees	3.3	112.5	0.0	-112.5	-100%		6.5	-6.5		Removed
SS	A	Enrollment Services	3.3	112.5	0.0	-112.5	-100%		0.0	0.0		Removed
		Total Planned Audit Hours:		**960.0**	**977.3**	**17.3**			**1087.9**	**-110.7**		

Estimated Available Audit Hours = 977.3

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- TCAT Risk Assesment sent directly to TCAT Auditor. No assistance needed.

Columbia State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
						Revised to Original			**Planned to Actual**			
IA	C	Management Advisory Services	5.0	30.0	52.5	22.5	75%		66.8	-14.3	Jun-18	Completed
IS	M	Review Management's Risk Assessment	5.0	37.5	18.8	-18.8	-50%		16.0	2.8	Oct-17	Completed
IT	F	Follow-up State Audit Finding	5.0	37.5	37.5	0.0	0%		51.0	-13.5	May-18	Completed
SS	A	Financial Aid-Phase 1	4.0	150.0	333.0	183.0	122%	FN2	242.3	90.8	Mar-18	Completed
SS	F	Follow-up State Audit Finding	4.0	37.5	37.5	0.0	0%		42.8	-5.3	May-18	Completed
	C	General Requests	3.6	37.5	37.5	0.0	0%		37.3	0.3	Jun-18	Completed
IS	C	Awareness Education	3.1	37.5	37.5	0.0	0%		18.8	18.8	Jun-18	Completed
IS	R	IIA Quality Assurance Self-assessment	3.1	37.5	37.5	0.0	0%	FN1	101.3	-63.8	Jun-18	Completed
IS	M	Annual Departmental Budget Briefings	2.9	30.0	30.0	0.0	0%		24.0	6.0	Jul-17	Completed
IS	F	Engagement Follow-up Review	2.9	47.3	37.5	-9.8	-21%		25.5	12.0	Apr-18	Completed
FM	R	State Audit Year-End Work	3.0	0.0	60.0	60.0			60.0	0.0	Dec-17	Completed
IA	I	CoSCC 18-01		0.0	5.3	5.3			2.3	3.0	Dec-17	Completed
SS	A	Funding Formula	5.0	75.0	112.5	37.5	50%		86.3	26.3		In Progress
FM	R	State Audit Year-End Work	3.0	45.0	37.5	-7.5	-17%		17.3	20.3		In Progress
IS	M	Review Management's Risk Assessment_TCAT Pulaski	5.0	7.5	0.0	-7.5	-100%	FN3	0.0	0.0		Removed
IS	M	Review Management's Risk Assessment_TCAT Hohenwald	5.0	7.5	0.0	-7.5	-100%	FN3	0.0	0.0		Removed
SS	S	DoD MOU Compliance	3.7	37.5	0.0	-37.5	-100%	FN2	0.0	0.0		Removed
AT	A	Eligibility and Financial Aid	3.6	112.5	0.0	-112.5	-100%	FN2	0.0	0.0		Removed
IS	P	Develop Continuous Audit_Argos Training and Data Block Development_Data Analytics	3.1	46.9	0.0	-46.9	-100%	FN4		0.0		Removed
PP	A	Emergency Plan Compliance Review	3.0	112.5	0.0	-112.5	-100%	FN1	0.0	0.0		Removed
AT	C	Title IX - Self Assessment	3.6	112.5	112.5	0.0	0%		2.3	110.3		Scheduled
IS	A	Policy Compliance Reviews	2.9	75.0	75.0	0.0	0%		0.8	74.3		Scheduled
		Total Planned Audit Hours:		**1114.1**	**1062.0**	**-52.1**			**794.3**	**267.8**		

Estimated Available Audit Hours = 1114.1

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- Hours moved to IIA Self-Assessment in support of External QAR
FN2- Work around financial aid staff transitions and State Auditor
FN3- Completed by SWIA TCAT auditor
FN4- Incorporated into scheduled audit programs

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	C	CON - General Consultation	5	50.0	50.3	0.2	0%		83.5	-33.3	Jun-18	Completed
FM	F	FU to State Audit 2017	5	25.0	24.8	-0.2	-1%		43.0	-18.3	Jan-18	Completed
IT	F	FU IT Disaster Recovery	5	0.0	18.8	18.8	N/A		19.0	-0.3	Nov-17	Completed
PP	F	FU Building Security & Key Control	5	0.0	20.3	20.3	N/A		30.0	-9.8	Apr-18	Completed
AT	I	INV 18-03	5	0.0	5.3	5.3	N/A		213.0	-207.8	Jun-18	Completed
IS	I	Unscheduled Investigations	5	65.0	15.8	-49.3	-76%		0.0	15.8	Jun-18	Completed
IS	I	INV 18-01	5	0.0	15.0	15.0	N/A		12.0	3.0	Sep-17	Completed
IS	I	INV 18-02	5	0.0	15.0	15.0	N/A		23.5	-8.5	Oct-17	Completed
IS	M	RA-Resourcefullness & Efficiency	5	130.5	65.3	-65.3	-50%		92.0	-26.8	Nov-18	Completed
IT	M	RA- Information Technology	5	0.0	65.3	65.3	N/A		64.5	0.8	Nov-18	Completed
IS	P	QAR Subcommittee Project	5	0.0	39.8	39.8	N/A		50.5	-10.8	Jun-18	Completed
FM	R	Year End Bank Confirmations - Cash Counts 2018	3.7	30.0	30.0	0.0	0%		40.5	-10.5	Jun-18	Completed
IS	C	CON - PII Review	5	120.0	105.0	-15.0	-13%		95.5	9.5		In Progress
IS	R	QAR 2018 External Review	5	0.0	129.8	129.8	N/A		185.0	-55.3		In Progress
FM	S	Faculty Sick Leave	5	20.0	20.3	0.2	1%		50.0	-29.8		In Progress
SS	S	Federal Work Study Program	4.1	30.0	30.0	0.0	0%		59.0	-29.0		In Progress
FM	S	Cash Handling Procedures	3.7	120.0	120.0	0.0	0%		83.5	36.5		In Progress
SS	A	Advising Services	4.3	65.0	0.0	-65.0	-100%	FN1	0.0	0.0		Removed
IA	R	Enrollment/Retention/Graduation Rates	4.3	180.0	180.0	0.0	0%	FN2	0.0	180.0		Removed
AT	A	Athletics Camps, Clinics, Fundraising	4	75.0	75.0	0.0	0%	FN1	0.0	75.0		Removed
AT	A	Athletics Eligibility	3.9	72.0	72.0	0.0	0%	FN1	0.0	72.0		Removed
IS	A	Human Resources	3.5	120.0	0.0	-120.0	-100%	FN1	0.0	0.0		Removed
FM	A	Records Management and Retention 2017	3	90.0	0.0	-90.0	-100%	FN2	0.0	0.0		Removed
		Total Planned Audit Hours:		**1192.6**	**1097.3**	**-95.3**			**1144.5**	**-47.3**		

Estimated Available Audit Hours = 1097.3

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- Items removed were removed due to the addition of the QAR Subcommittee Project Work, the 2018 QAR External Review, and the addition of follow-up audits.
FN2- Items were removed due to additional time spent on investigations and other audits.

Jackson State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
FM	A	Year-end Procedures	5.0	37.5	37.5	0.0	0%		18.5	19.0	Jun-18	Completed
IS	C	General Consultation	5.0	60.0	60.0	0.0	0%		239.0	-179.0	Jun-18	Completed
FM	F	Access and Diversity Follow up	5.0	135.0	135.0	0.0	0%		95.5	39.5	Dec-17	Completed
IA	F	Study Abroad Follow up	5.0	135.0	165.0	30.0	22%		96.5	68.5	May-18	Completed
IS	I	INV 18-02	5.0	0.0	56.3	56.3	N/A		26.0	30.3	May-18	Completed
IS	M	JSCC Risk Assessment	5.0	112.5	112.5	0.0	100%		87.0	25.5	Nov-17	Completed
IS	M	TCAT Risk Assessment	5.0	97.5	112.5	15.0	15%		11.5	101.0	Mar-18	Completed
IS	P	IIA Quality Assurance Review	5.0	187.5	187.5	0.0	0%		80.8	106.7	Jun-18	Completed
FM	I	INV 18-04		0.0	0.0	0.0	N/A		5.0	-5.0	May-18	Completed
AD	A	JSCC Foundation	5.0	150.0	150.0	0.0	0%			150.0		In Progress
FM	F	Payroll Follow up	5.0	90.0	90.0	0.0	0%			90.0		In Progress
IS	F	Emergency Preparedness Follow up	5.0	60.0	60.0	0.0	0%		2.0	58.0		In Progress
IA	I	INV 18-01	5.0	0.0	187.5	187.5	N/A		157.8	29.7		In Progress
SS	I	INV 18-03	4.2	0.0	37.5	37.5	N/A		74.0	-36.5		In Progress
SS	A	CCTA Funding Formula End of Term	5.0	187.5	0.0	-187.5	-100%	FN2		0.0		Removed
IS	I	Unscheduled Investigations	5.0	75.0	0.0	-75.0	-100%	FN1		0.0		Removed
IS	A	Financial Aid	4.1	172.5	0.0	-172.5	-100%	FN2		0.0		Removed
		Total Planned Audit Hours:		**1500.0**	**1391.3**	**-108.8**			**893.6**	**497.7**		

Estimated Available Audit Hours = 1391.3

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 = Removed Unscheduled Hours due to use of hours in current investigations.
FN2 = Removed two audits due to time required for investigations.

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
AT	I	INV 1602	5.0	5.2	5.0	-0.2	-4%		6.0	-1.0	Oct-17	Completed
AT	I	INV 1604	5.0	20.3	30.0	9.7	48%		32.4	-2.4	Sep-17	Completed
FM	S	Access and Diversity Funds	5.0	45.0	75.0	30.0	67%		59.1	15.9	Jun-18	Completed
FM	M	MRA Financial Management	5.0	39.0	30.0	-9.0	-23%		33.1	-3.1	Nov-17	Completed
FM	C	CO Financial Management-FY 2018	5.0	78.8	100.0	21.2	27%		107.9	-7.9	Jun-18	Completed
FM	R	State Audit Assistance Year End	5.0	20.3	20.0	-0.3	-1%		12.8	7.2	Jun-18	Completed
IA	I	INV 1603	5.0	20.3	10.0	-10.3	-51%		7.0	3.0	Mar-18	Completed
IA	I	INV 1802	5.0	0.0	130.0	130.0	0%		129.6	0.4	May-18	Completed
IA	I	INV 1803	5.0	0.0	35.0	35.0	0%		34.1	0.9	Mar-18	Completed
IS	I	Assist SWIA	5.0	0.0	50.0	50.0	0%		54.9	-4.9	Jun-18	Completed
IS	P	External Quality Assessment	5.0	0.0	90.0	90.0	0%		130.7	-40.7	Jun-18	Completed
IS	M	MRA TCAT Shelbyville	5.0	19.5	20.0	0.5	3%		9.8	10.2	Mar-18	Completed
IS	M	MRA TCAT Murfreesboro	5.0	19.5	20.0	0.5	3%		0.3	19.7	Mar-18	Completed
IS	M	MRA TCAT McMinnville	5.0	19.5	20.0	0.5	3%		5.6	14.4	Mar-18	Completed
IS	I	MSCC-INV	5.0	50.3	50.0	-0.3	-1%		41.9	8.1	Jun-18	Completed
IS	F	FU Other Internal Audit	5.0	9.7	5.0	-4.7	-48%		0.0	5.0	Jun-18	Completed
IT	I	INV 1601	5.0	20.3	30.0	9.7	48%		17.7	12.3	Jun-18	Completed
SS	I	INV 1801	5.0	0.0	130.0	130.0	0%		157.0	-27.0	Aug-17	Completed
SS	M	MRA Student Financial Data	5.0	0.0	20.0	20.0	0%		18.5	1.5	Nov-17	Completed
AT	F	FU INV 1604	5.0	19.5	30.0	10.5	54%		26.5	3.5		In Progress
FM	P	Data Analytics	5.0	50.3	50.0	-0.3	-1%		0.0	50.0		In Progress
IA	S	Study Abroad	5.0	75.0	65.0	-10.0	-13%		39.4	25.6		In Progress
IA	I	INV 1804	5.0	0.0	40.0	40.0	0%		16.6	23.4		In Progress
IT	F	FU Information Technology	5.0	20.3	15.0	-5.3	-26%		12.2	2.8		In Progress
SS	A	Admissions and Records	4.8	124.5	0.0	-124.5	-100%		6.0	-6.0		In Progress
IS	A	Human Resources	5.0	124.5	0.0	-124.5	-100%	FN1	2.0	-2.0		Removed
AT	A	Atheltics Audit	4.7	99.8	0.0	-99.8	-100%	FN1	2.0	-2.0		Removed
IS	F	Financial Aid	5.0	124.5	0.0	-124.5	-100%		0.0	0.0		Scheduled
IT	F	FU INV 1601	5.0	19.5	0.0	-19.5	-100%		0.0	0.0		Scheduled
MC	A	Workforce Development	4.5	39.8	0.0	-39.8	-100%		1.1	-1.1		Scheduled
		Total Planned Audit Hours:		**1065.4**	**1070.0**	**4.6**			**964.2**	**105.8**		

Estimated Available Audit Hours = 1070.0

Functional Areas:
AD - Advancement
AT - Athletics
AX - Auxiliary
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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- After performing a risk analysis to available audit time, these audits were removed and will be considered when conducting the next risk analysis unless more immediate audit needs are presented.

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original Change in Hours	Change in Percentage	FN	Planned to Actual Actual Hours	Variance	Completion Date	Current Status
IS	I	Unscheduled Investigations	5.0	112.5	112.5	0.0	0%		0.0	112.5	Jun-18	Completed
IS	M	IA Letter MRA	5.0	90.0	90.0	0.0	0%		78.5	11.5	Nov-17	Completed
IS	P	IA Audit Software	5.0	45.0	45.0	0.0	0%		27.0	18.0	Jun-18	Completed
FM	R	IA Year-End Work	5.0	37.5	37.5	0.0	0%		29.5	8.0	Jun-18	Completed
IS	I	Assisting SWIA-INV 17-01	4.0	37.5	37.5	0.0	0%		12.0	25.5	Jun-18	Completed
FM	R	JSCC President Exp Audit 2016-2017	4.0	90.0	90.0	0.0	0%		108.5	-18.5	Nov-18	Completed
FM	F	State Audit	3.7	45.0	45.0	0.0	0%		76.0	-31.0	Jun-18	Completed
SS	I	INV 18-01	2.7	22.5	22.5	0.0	0%		38.5	-16.0	Mar-18	Completed
IS	C	General Consultation	2.5	75.0	75.0	0.0	0%		217.5	-142.5	Jun-18	Completed
IS	I	INV 18-02	5.0	0.0	0.0	0.0	N/A		189.0	-189.0		In Progress
IT	A	Disaster Recovery	4.2	112.5	112.5	0.0	0%		9.5	103.0		In Progress
IT	A	PII (and PHI) Data Security	4.0	37.5	37.5	0.0	0%		13.5	24.0		In Progress
IS	M	TCATD-IA Letter MRA	5.0	22.5	22.5	0.0	0%	FN1	0.0	22.5		Removed
IS	M	TCATN-IA Letter MRA	5.0	22.5	22.5	0.0	0%	FN1	0.0	22.5		Removed
FM	A	PP&E Accounting	4.0	37.5	37.5	0.0	0%	FN2	0.0	37.5		Removed
FM	A	Account Reconciliation Procedures	3.7	37.5	37.5	0.0	0%	FN2	0.0	37.5		Removed
FM	A	Contracts compliance	3.5	37.5	37.5	0.0	0%	FN2	0.0	37.5		Removed
PP	A	Security - Clery Act	3.4	37.5	37.5	0.0	0%	FN2	0.0	37.5		Removed
IS	F	IA Follow-Up	2.8	52.5	52.5	0.0	0%	FN3	0.0	52.5		Removed
SS	A	Federal Work Study Program	2.7	37.5	37.5	0.0	0%	FN2	0.0	37.5		Removed
		Total Planned Audit Hours:		**990.0**	**990.0**	**0.0**			**799.5**	**190.5**		

Estimated Available Audit Hours =   990.0

Functional Areas:

AD - Advancement
AT - Athletics
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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

FN1- Handled by TCAT Auditor. Assistance not required.
FN2- Moved to FY19 Plan.
FN3- No follow-up required.

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

Northeast State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
						Revised to Original			Planned to Actual			
AX	S	Etextbooks	5	150.0	150.0	0.0	0%		194.0	-44.0	Mar-18	Complete
FM	R	State Audit Assistance-Yr End	5	45.0	45.0	0.0	0%		43.0	2.0	Jun-18	Complete
FM	M	Risk Assessments-NeSCC	5	75.0	75.0	0.0	0%		74.5	0.5	Nov-17	Complete
IS	P	Electronic Workpapers Software	5	52.5	52.5	0.0	0%		53.0	-0.5	Jun-18	Complete
IS	F	Other Internal Audit Follow-Up	5	37.5	37.5	0.0	0%		37.5	0.0	Jun-18	Complete
IS	S	Special Requests and Projects	5	52.5	52.5	0.0	0%		52.5	0.0	Jun-18	Complete
IS	C	General Consultation	5	105.0	105.0	0.0	0%		99.5	5.5	Jun-18	Complete
IS	P	QAR 2018	5	0.0	127.5	127.5	N/A		136.5	-9.0	Jun-18	Complete
RS	P	IRB Review	5	0.0	150.0	150.0	N/A		174.5	-24.5		In Progress
FM	A	Accounts Receivable Review	4.7	150.0	150.0	0.0	0%		95.0	55.0		In Progress
FM	A	Grants And Contracts Review	4	135.0	112.5	-22.5	-17%		39.0	73.5		In Progress
FM	A	Bank Reconciliations Review	3.8	75.0	75.0	0.0	100%		25.5	49.5		In Progress
FM	M	TCAT RISK Assessment	5	15.0	0.0	-15.0	-100%	FN1	0.0	0.0		Removed
AD	A	Foundation/Advancement Review	4	135.0	0.0	-135.0	-100%	FN2	0.0	0.0		Removed
		Total Planned Audit Hours:		1027.5	1132.5	105.0			1024.5	108.0		

Estimated Available Audit Hours =   1057.5

Functional Areas:
AD - Advancement
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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- NeSCC Foundation/Advancement removed to make room for IRB Review Project and QAR 2018 Project
FN2- TCAT Risk Assessment sent directly to TCAT Auditor. No assistance needed.

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
AD	P	Consulting/Special Request/MAS	5.0	37.5	37.5	0.0	0%		36.0	1.5	Jun-18	Completed
FM	S	NACHA	5.0	75.0	82.5	7.5	10%		84.0	-1.5	Dec-17	Completed
FM	P	MKInsight Software	5.0	60.0	52.5	-7.5	-13%		52.8	-0.3	Jun-18	Completed
FM	F	Audit Follow Ups	5.0	60.0	52.5	-7.5	-13%		38.0	14.5	Jun-18	Completed
FM	P	Review of RFP's, cafe prices, & other purchasing issues	5.0	45.0	22.5	-22.5	-50%		20.3	2.2	Jun-18	Completed
IA	C	Review of Compliance Assist	5.0	30.0	37.5	7.5	25%		40.8	-3.3	Mar-18	Completed
IA	S	Faculty Credentials	5.0	105.0	105.0	0.0	0%		99.0	6.0	Feb-18	Completed
IS	P	Consulting/Special Request/MAS	5.0	97.5	105.0	7.5	8%		141.0	-36.0	Jun-18	Completed
IS	M	TCAT Knoxville Risk Assessment	5.0	7.5	7.5	0.0	0%		5.0	2.5	May-18	Completed
IS	M	Enterprise Wide Risk Assessment	5.0	37.5	22.5	-15.0	-40%		18.5	4.0	Oct-17	Completed
IS	P	Quality Assurance Review	5.0	0.0	187.5	187.5	100%	FN2	210.0	-22.5	Jun-18	Completed
IS	P	Review of French Exchange Program	5.0	52.5	30.0	-22.5	-43%		28.0	2.0	Apr-18	Completed
IT	P	IT Security Consulting, Etc.	5.0	37.5	22.5	-15.0	-40%		35.5	-13.0	Jun-18	Completed
IS	A	Clery Act Review	3.8	75.0	165.0	90.0	120%	FN1	164.5	0.5	Dec-17	Completed
FM	A	Bank Reconciliations	3.5	90.0	75.0	-15.0	-17%		67.0	8.0	Oct-17	Completed
FM	A	Accounts Receivable	2.7	52.5	52.5	0.0	0%	FN3	41.0	11.5	Jul-17	Completed
IS	P	Review of Higher Ed Compliance Matrix	5.0	45.0	7.5	-37.5	-83%	FN4	6.5	1.0		Removed
SS	A	CCTA (Funding Formula)	3.4	97.5	0.0	-97.5	-100%	FN5	0.0	0.0		Removed
		Total Planned Audit Hours:		**1005.0**	**1065.0**	**60.0**			**1087.9**	**-22.9**		

Estimated Available Audit Hours = 1065.0

Functional Areas:

AD - Advancement
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FM - Financial Management
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Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

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 to be the team lead on QAR External Assessment of Tennessee Tech University.

FN3 - Audit was started in prior fiscal year and completed in current fiscal year.

FN4 - This was a review being done at the request of the president. Limited time had been spent on this project in FY18. In a meeting with Dr. Wise on February 20, 2018, a decision was made to discontinue this project.

FN5 - Because additional time was spent on the Clery Audit and a Quality Assurance Review Self-Assessment was added to the audit plan this item was removed.

Roane State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	C	General Consultation	5.0	90.0	142.5	52.5	58%	FN1	152.5	-10.0	Jun-18	Completed
IS	M	Enterprise Risk Assessment	5.0	60.0	60.0	0.0	0%		13.8	46.2	Nov-17	Completed
IS	M	IAR-TCAT Crossville RA	5.0	15.0	15.0	0.0	0%		2.5	12.5	Mar-18	Completed
IS	M	IAR-TCAT Harriman RA	5.0	15.0	15.0	0.0	0%		6.3	8.7	Mar-18	Completed
IS	M	IAR-TCAT Jacksboro RA	5.0	15.0	15.0	0.0	0%		4.8	10.2	Mar-18	Completed
IS	M	IAR-TCAT Oneida RA	5.0	15.0	15.0	0.0	0%		3.8	11.2	Mar-18	Completed
IS	P	MKI Implementation	5.0	22.5	22.5	0.0	0%		17.8	4.7	Jun-18	Completed
FM	R	IAR-Year End Cash Counts	5.0	37.5	37.5	0.0	0%		38.3	-0.8	Jun-18	Completed
IS	R	RSCC Quality Assurance Review	5.0	0.0	30.0	30.0	N/A		23.5	6.5	Jun-18	Completed
FM	F	Follow-Up Reviews	4.0	37.5	0.0	-37.5	-100%	FN2	13.3	-13.3	Jun-18	Completed
PP	I	INV1701	4.0	7.5	7.5	0.0	0%		0.0	7.5	Oct-17	Completed
FM	I	Unscheduled Investigations	4.0	75.0	37.5	-37.5	-50%		0.0	37.5	Jun-18	Completed
FM	R	WSCC - President's Expense Audit FY17	4.0	90.0	67.5	-22.5	-25%		63.3	4.2	Oct-17	Completed
FM	I	INV1702	4.0	105.0	105.0	0.0	0%		83.0	22.0		In Progress
IS	S	SACS - COC Audit	4.0	112.5	90.0	-22.5	-20%	FN3	12.5	77.5		In Progress
FM	S	IAR-Access & Diversity FY2016	5.0	22.5	22.5	0.0	0%		0.0	22.5		In Progress
FM	F	State Audit Follow-Up	4.0	75.0	127.5	52.5	70%	FN4	124.5	3.0		In Progress
FM	S	ACA Reporting	4.0	75.0	22.5	-52.5	-70%	FN5	18.8	3.7		In Progress
AX	S	Foundation	4.0	112.5	15.0	-97.5	-87%		5.8	9.2		In Progress
		Total Planned Audit Hours:		**982.5**	**847.5**	**-135.0**			**584.5**	**263.0**		

Estimated Available Audit Hours = 847.5

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 - Increase in the number of ad hoc requests.
FN2 - Follow-up would have been charged to specific audit if open.
FN3 - Consulting assistance hasn't been requested yet.
FN4 - Increase in requests for information from state audit. Continued monitoring/testing of previous significant LOU.
FN5 - Audit work moved into next fiscal year.

Southwest Tennessee State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
						Revised to Original			**Planned to Actual**			
FM	F	State Audit Follow UP	5.0	105.0	127.5	22.5	21%		168.0	-40.5	Dec-17	Completed
IS	F	Internal Audit Follow Up	5.0	37.5	22.5	-15.0	-40%		15.0	7.5	Jun-18	Completed
SS	I	INV 18-03	4.2	0.0	22.5	22.5	N/A		19.5	3.0	May-18	Completed
FM	F	FU-Federal Work Study	4.0	105.0	105.0	0.0	0%		75.5	29.5	Jan-18	Completed
FM	F	FU-Off Campus International Education	4.0	22.5	22.5	0.0	0%		0.0	22.5	Mar-18	Completed
FM	A	Technology Access Fee	4.0	60.0	120.0	60.0	100%		241.0	-121.0	May-18	Completed
FM	I	INV 16-08	4.0	22.5	22.5	0.0	0%		38.0	-15.5	Feb-18	Completed
FM	I	INV 17-01	4.0	30.0	15.0	-15.0	-50%		14.5	0.5	Aug-17	Completed
FM	F	Follow Up Credit Card	4.0	15.0	22.5	7.5	50%		6.5	16.0	Aug-17	Completed
FM	F	Follow Up Tuition Statements	4.0	15.0	15.0	0.0	0%		2.0	13.0	Jun-18	Completed
FM	I	INV 16-04	4.0	37.5	15.0	-22.5	-60%		9.5	5.5	Nov-17	Completed
FM	I	INV 17-04	4.0	22.5	22.5	0.0	0%		37.5	-15.0	Mar-18	Completed
IS	P	Audit Software	4.0	90.0	90.0	0.0	0%		71.0	19.0	Jun-18	Completed
PP	I	INV 17-05	4.0	30.0	7.5	-22.5	-75%		2.0	5.5	Jul-17	Completed
SS	I	INV 18-01	4.0	0.0	75.0	75.0	N/A		50.5	24.5	Jan-18	Completed
SS	I	INV 17-07	4.0	37.5	37.5	0.0	0%		51.0	-13.5	Jan-18	Completed
IS	C	General Consultation	2.6	105.0	105.0	0.0	0%		144.5	-39.5	Jun-18	Completed
IS	I	Unscheduled Investigations	2.6	82.5	45.0	-37.5	-45%		0.0	45.0	Jun-18	Completed
PP	A	Risk Management Physical Plant		0.0	0.0	0.0	N/A		40.5	-40.5	Jun-18	Completed
FM	F	Federal Audit Follow up	5.0	22.5	15.0	-7.5	-33%		0.0	15.0		In Progress
IS	P	QAR	5.0	0.0	52.5	52.5	N/A		97.5	-45.0		In Progress
IS	I	INV 18-02	4.2	0.0	37.5	37.5	N/A		52.0	-14.5		In Progress
FM	F	Access and Diversity Fund	4.0	30.0	30.0	0.0	0%		11.0	19.0		In Progress
FM	F	Industrial Readiness	4.0	22.5	22.5	0.0	0%		73.0	-50.5		In Progress
IS	A	Review of Security	4.0	45.0	45.0	0.0	0%		4.0	41.0		In Progress
SS	S	Out of State Tuition	4.0	60.0	60.0	0.0	0%		0.0	60.0		In Progress
SS	I	INV 16-02	4.0	30.0	30.0	0.0	0%		3.5	26.5		In Progress
FM	S	Cash Count	2.7	30.0	30.0	0.0	0%		27.5	2.5		In Progress
IS	A	Risk Management TCAT	5.0	22.5	22.5	0.0	0%	FN1	0.0	22.5		Removed
IS	A	Risk Management 2016-2017		30.0	30.0	0.0	0%	FN2	0.0	30.0		Removed
		Total Planned Audit Hours:		**1110.0**	**1267.5**	**157.5**			**1255.0**	**12.5**		

Estimated Available Audit Hours = 1267.5

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- Reports sent directly to TCAT auditor. No assistance needed.
FN2- Completed in FY17. Should not have been on FY18 plan.

Volunteer State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	C	General Consultation	5.0	112.5	30.0	-82.5	-73%		28.0	2.0	Jun-18	Completed
IS	F	Follow-Up Activities	5.0	75.0	60.0	-15.0	-20%		57.5	2.5	Jun-18	Completed
IS	M	VSCC Mgmt Risk Assessment	5.0	75.0	75.0	0.0	0%		78.5	-3.5	Nov-18	Completed
FM	R	President's Expense Audit	5.0	150.0	172.5	22.5	15%		171.0	1.5	Nov-18	Completed
FM	S	State Audit Year-End Procedures	5.0	37.5	37.5	0.0	0%		34.5	3.0	Jun-18	Completed
FM	F	State Audit Follow-Up FY15, FY16		0.0	285.0	285.0	N/A		282.0	3.0	May-18	Completed
IS	P	QAIP Self Assessment		0.0	112.5	112.5	N/A		110.0	2.5	Jun-18	Completed
IS	S	Business Division Grants	3.0	0.0	225.0	225.0	N/A		120.5	104.5		In Progress
IS	I	Unscheduled Investigations	5.0	37.5	0.0	-37.5	-100%		0.0	0.0		Removed
IS	M	TCAT Livingston Mgmt Risk Assmt	5.0	37.5	0.0	-37.5	-100%	FN2	0.0	0.0		Removed
IS	M	TCAT Hartsville Mgmt Risk Assmt	5.0	37.5	0.0	-37.5	-100%	FN2	0.0	0.0		Removed
SS	A	Work Study Program		150.0	0.0	-150.0	-100%	FN1		0.0		Removed
AT	S	Athletic Work Study		187.5	0.0	-187.5	-100%	FN1	0.0	0.0		Removed
SS	S	Student Campus Activities		187.5	0.0	-187.5	-100%	FN1	0.0	0.0		Removed
		Total Planned Audit Hours:		**1087.5**	**997.5**	**-90.0**			**882.0**	**115.5**		

Estimated Available Audit Hours = 997.5

Functional Areas:

AD - Advancement
AT - Athletics
AX - Auxiliary
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IT - Information Technology
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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.
FN2- Sent directly to TCAT Auditor. Assistance not required.

Walters State Community College
Internal Audit Plan
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
						Revised to Original			**Planned to Actual**			
IS	C	FY17 WSCC IS Consulting	5	52.5	195.0	142.5	271%	FN2	80.0	115.0	Jun-18	Completed
IS	I	FY17 WSCC Unsched Investigations	5	60.0	67.5	7.5	13%		0.0	67.5	Jun-18	Completed
FM	R	FY17 WSCC Procedures - State Audit	5	30.0	30.0	0.0	0%		22.5	7.5	Jun-18	Completed
IS	R	FY18 WSCC IIA Quality Assurance Review	5	0.0	225.0	225.0	N/A	FN4	133.0	92.0	Jun-18	Completed
IS	C	FY18 WSCC IS Consultation	4	112.5	225.0	112.5	100%	FN2	207.0	18.0	Jun-18	Completed
IS	I	FY18 WSCC Unsched Investigations	4	60.0	0.0	-60.0	-100%		7.5	-7.5	Jun-18	Completed
IS	M	FY 18 WSCC Resourcefulness RA	4	75.0	120.0	45.0	60%	FN3	120.0	0.0	Nov-18	Completed
IS	M	FY18 TCATM Enterprise-wide RA	4	15.0	7.5	-7.5	-50%		3.0	4.5	Mar-18	Completed
FM	R	FY18 WSCC Procedures - State Audit	4	52.5	52.5	0.0	0%		21.0	31.5	Jun-18	Completed
FM	S	FY18 WSCC NACHA Compliance	4	150.0	187.5	37.5	25%	FN3	116.5	71.0	Apr-18	Completed
FM	S	FY18 WSCC President's Exp Audit	4	30.0	30.0	0.0	0%		37.5	-7.5	Oct-17	Completed
SS	R	FY 18 WSCC CCTA FF - Wrkfrce Trng	4	37.5	45.0	7.5	20%	FN1	49.0	-4.0		In Progress
IT	A	FY16 WSCC IT Governance	5	30.0	0.0	-30.0	-100%	FN1	0.0	0.0		Removed
FM	A	FY18 WSCC Accts Receivable Audit	5	187.5	0.0	-187.5	-100%	FN5	0.0	0.0		Removed
IT	A	FY18 WSCC Cloud Computing Audit	5	30.0	0.0	-30.0	-100%	FN5	0.0	0.0		Removed
FM	A	FY18 WSCC Contracts Audit	5	75.0	0.0	-75.0	-100%	FN5	0.0	0.0		Removed
FM	R	FY17 WSCC PCI-DSS	5	225.0	37.5	-187.5	-83%	FN5	37.5	0.0		Removed
		Total Planned Audit Hours:		**1222.5**	**1222.5**	**0.0**			**834.5**	**388.0**		

Estimated Available Audit Hours =   1222.5

Functional Areas:

AD - Advancement
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MC - Marketing and Campus Activities
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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- Deferred to FY19.
FN2- More emphasis on management advisory services.
FN3- Expanded scope
FN4- Accelerated preparation of documents
FN5- Not considered necessary after concluding that existing processes and internal controls reduce risk to an acceptable level.

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
IT	A	ChSCC Information Security Audit	5.0	135.0	135.0	0.0	0%		181.8	-46.8	Apr-18	Completed
IT	A	ClSCC Information Security Audit	5.0	11.3	11.3	0.0	0%		9.5	1.8	Jun-18	Completed
IT	A	DSCC Information Security Audit	5.0	13.1	13.1	0.0	0%		29.0	-15.9	Apr-18	Completed
IT	A	JSCC Information Security Audit	5.0	11.3	11.3	0.0	0%		9.5	1.8	Jun-18	Completed
IT	A	PSCC Information Security Audit	5.0	13.1	13.1	0.0	0%		9.5	3.6	Jun-18	Completed
IT	A	RSCC Information Security Audit	5.0	13.1	13.1	0.0	0%		30.0	-16.9	Apr-18	Completed
IT	A	TBR SMO IT Information Security	5.0	135.0	135.0	0.0	0%		155.0	-20.0	Dec-17	Completed
IT	P	Banner 9 Upgrade & Shared Services Project	5.0	75.0	75.0	0.0	0%		198.0	-123.0	Jun-18	Completed
IT	P	TCAT IT Questionaire	5.0	9.4	9.4	0.0	0%		2.5	6.9	Jun-18	Completed
IT	F	SWIA Follow-up on all SW IT Audits	5.0	75.0	75.0	0.0	0%		68.0	7.0	Jun-18	Completed
IT	C	IT Consulting & Requested Projects	4.2	281.3	281.3	0.0	0%		106.5	174.8	Jun-18	Completed
IT	A	CoSCC Information Security Audit	5.0	135.0	135.0	0.0	0%		145.5	-10.5		In Progress
IT	A	MSCC Information Security Audit	5.0	135.0	135.0	0.0	0%		135.5	-0.5		In Progress
IT	A	SWCC Information Security Audit	5.0	13.1	13.1	0.0	0%		6.5	6.6		In Progress
IT	A	WSCC Information Security	5.0	37.5	37.5	0.0	0%		151.5	-114.0		In Progress
IT	A	NaSCC Information Security Audit	5.0	135.0	135.0	0.0	0%		60.3	74.7		In Progress
IT	A	Tn eCampus Information Security	5.0	97.5	97.5	0.0	0%		93.5	4.0		In Progress
IS	P	Development of Business Continuity Plan	5.0	52.5	52.5	0.0	0%	FN3	0.0	52.5		Removed
IT	A	NeSCC Information Security Audit	5.0	135.0	135.0	0.0	0%	FN1	0.0	135.0		Removed
IT	A	VSCC Information Security Audit	5.0	135.0	135.0	0.0	0%	FN1	0.0	135.0		Removed
IT	C	Requested assistance for Social Engineering	4.2	15.0	15.0	0.0	0%	FN3	0.0	15.0		Removed
IT	C	ID & Assessment of Pen test + tools	4.2	75.0	75.0	0.0	0%	FN3	0.0	75.0		Removed
IT	P	TCAT - Cyber Security @ Shared Services	3.4	75.0	75.0	0.0	0%	FN2	0.0	75.0		Removed
		Total Planned Audit Hours:		**1813.1**	**1813.1**	**0.0**			**1392.1**	**421.0**		

Estimated Available Audit Hours =   1813.1

Functional Areas:
AD - Advancement
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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 - Fieldwork not completed
FN2 - Delayed pending the implementation and stabilized functionality of their Banner 9 processing in the MEP environment.
FN3 - Not started

Tennessee Board of Regents - TCAT
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
						Revised to Original			Planned to Actual			
FM	C	TCAT Consulting	N/A	67.5	67.5	0.0	0%		105.5	-38.0	Jun-18	Completed
IS	O	Risk Assessment	N/A	56.3	56.3	0.0	0%		198.5	-142.3	Apr-18	Completed
FM	O	TCAT AP Creation	N/A	67.5	67.5	0.0	0%		118.0	-50.5	Jun-18	Completed
IS	S	Sample Presentation	N/A	15.0	97.5	82.5	550%		57.0	40.5	Jun-18	Completed
FM	A	FY 17 Morristown-IAR-Equipment/Security Review	4.7	30.0	30.0	0.0	0%		41.5	-11.5	Feb-18	Completed
FM	A	FY 17 Livingston-IAR-Equipment/Security Review	3.5	30.0	12.8	-17.3	-58%		29.5	-16.8	Jan-18	Completed
FM	A	FY 17 Knoxville-IAR-Equipment/Security Review	3.2	30.0	30.0	0.0	0%		48.5	-18.5	Jan-18	Completed
FM	A	FY 17 Jacksboro-IAR-Equipment/Security Review	3.2	22.5	22.5	0.0	0%		66.0	-43.5	Feb-18	Completed
FM	A	FY 17 Harriman-IAR-Equipment/Security Review	3.2	30.0	27.8	-2.3	-8%		37.5	-9.8	Feb-18	Completed
FM	A	FY 17 Memphis-IAR-Equipment/Security Review	3.2	30.0	30.0	0.0	0%		50.5	-20.5	Jan-18	Completed
FM	A	FY 17 Pulaski-IAR-Equipment/Security Review	3.1	30.0	30.0	0.0	0%		36.0	-6.0	Nov-17	Completed
FM	A	FY 17 Crump-IAR-Equipment/Security Review	2.8	30.0	30.0	0.0	0%		34.0	-4.0	Oct-17	Completed
FM	A	FY 17 Jackson-IAR-Equipment/Security Review	2.8	30.0	35.3	5.3	18%		46.5	-11.3	Jan-18	Completed
FM	A	FY 17 Dickson-IAR-Equipment/Security Review	2.2	30.0	27.8	-2.3	-8%		35.5	-7.8	Jan-18	Completed
FM	A	FY 17 Elizabethton-IAR-Equipment/Security Review	2.2	30.0	30.0	0.0	0%		25.0	5.0	Oct-17	Completed
FM	A	FY 17 McMinnville-IAR-Equipment/Security Review	2.0	30.0	30.0	0.0	0%		20.0	10.0	Feb-18	Completed
FM	A	FY 17 Hartsville-IAR-Equipment/Security Review	1.9	30.0	27.8	-2.3	-8%		46.5	-18.8	Mar-18	Completed
FM	A	FY 17 Murfreesboro-IAR-Equipment/Security Review	1.9	60.0	60.0	0.0	0%		37.5	22.5	Jan-18	Completed
FM	A	FY 17 Shelbyville-IAR-Equipment/Security Review	1.9	30.0	37.5	7.5	25%		60.0	-22.5	May-18	Completed
FM	A	FY 17 Newbern-IAR-Equipment/Security Review	1.8	30.0	30.0	0.0	0%		41.0	-11.0	Nov-17	Completed
FM	A	FY 17 Hohenwald-IAR-Equipment/Security Review	1.6	30.0	27.8	-2.3	-8%		36.5	-8.8	Oct-17	Completed
FM	A	FY 17 Oneida-IAR-Equipment/Security Review	1.6	30.0	30.0	0.0	0%		29.0	1.0	Sep-17	Completed
FM	A	FY 17 Whiteville-IAR-Equipment/Security Review	1.4	30.0	27.8	-2.3	-8%		38.0	-10.3	Jan-18	Completed
FM	A	FY 17 Chattanooga-IAR-Equipment/Security Review	1.0	30.0	30.0	0.0	0%		10.0	20.0	Sep-17	Completed
FM	A	FY 16 Memphis-IAR-Focused Review	N/A	0.0	0.0	0.0	N/A		3.0	-3.0	May-17	Completed
FM	A	FY 17 Ripley-IAR-Equipment/Security Review	4.0	22.5	28.5	6.0	27%		17.5	11.0		In Progress
FM	A	FY 17 Nashville-IAR-Equipment/Security Review	3.4	30.0	30.0	0.0	0%		18.0	12.0		In Progress
FM	A	FY 17 Paris-IAR-Equipment/Security Review	3.0	30.0	39.8	9.8	33%		13.0	26.8		In Progress
FM	A	FY 17 Covington-IAR-Equipment/Security Review	2.9	30.0	22.5	-7.5	-25%		17.5	5.0		In Progress
FM	A	FY 17 Crossville-IAR-Equipment/Security Review	2.2	30.0	27.8	-2.3	-8%		56.5	-28.8		In Progress
FM	A	FY 17 McKenzie-IAR-Equipment/SecurityReview	1.9	30.0	30.0	0.0	0%		13.0	17.0		In Progress
FM	A	FY 17 Athens-IAR-Equipment/Security Review	1.4	37.5	37.5	0.0	100%		24.0	13.5		In Progress
		Total Planned Audit Hours:		**1038.8**	**1111.5**	**72.8**			**1410.5**	**-299.0**		

Estimated Available Audit Hours = 1111.5

Functional Areas:
AD - Advancement
AT - Athletics
AX - Auxiliary
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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
Year-End Status Report
Fiscal Year Ended June 30, 2018

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
						Revised to Original			Planned to Actual			
IS	C	Consultation with Campus Auditors	5.0	337.5	337.5	0.0	0%		415.0	-77.5	Jun-18	Completed
IS	P	Investigation Management	5.0	337.5	337.5	0.0	0%		390.0	-52.5	Jun-18	Completed
FM	I	TBR 15-04	4.0	15.0	0.0	-15.0	-100%			0.0	Jul-17	Completed
IA	I	TBR 16-08	4.0	15.0	0.0	-15.0	-100%			0.0	Jul-17	Completed
IS	I	TBR 18-01	4.0	0.0	3.8	3.8	N/A		4.0	-0.3	Nov-17	Completed
IS	I	TBR 18-06	4.0	0.0	150.0	150.0	N/A		250.0	-100.0	Apr-18	Completed
FM	R	MSCC President's Expenses FY 2017	4.0	0.0	105.0	105.0	N/A	FN1	110.0	-5.0	Oct-17	Completed
FM	I	TBR 16-13	4.0	22.5	7.5	-15.0	-67%		2.0	5.5	Nov-17	Completed
FM	I	TBR 16-17	4.0	15.0	7.5	-7.5	-50%		2.0	5.5	Sep-17	Completed
FM	I	TBR 17-02	4.0	37.5	37.5	0.0	0%		5.0	32.5	Nov-17	Completed
FM	I	Unscheduled Investigations	4.0	375.0	0.0	-375.0	-100%			0.0	Jun-18	Completed
IS	I	TBR 16-02	4.0	90.0	90.0	0.0	0%		90.0	0.0	Sep-17	Completed
SS	I	TBR 16-10	4.0	15.0	15.0	0.0	0%		2.0	13.0	Nov-17	Completed
IA	I	TBR 18-03	4.0	0.0	37.5	37.5	N/A		5.0	32.5		In Progress
IA	I	TBR 18-04	4.0	0.0	37.5	37.5	N/A		1.0	36.5		In Progress
IS	I	TBR 18-10	4.0	0.0	90.0	90.0	N/A		94.3	-4.3		In Progress
IS	I	TBR 17-01	4.0	30.0	0.0	-30.0	-100%			0.0		Removed
IS	I	TBR 18-07	4.0	0.0	37.5	37.5	N/A			37.5		Scheduled
IS	I	TBR 18-08	4.0	0.0	37.5	37.5	N/A			37.5		Scheduled
IS	I	TBR 18-09	4.0	0.0	37.5	37.5	N/A			37.5		Scheduled
		Total Planned Audit Hours:		**1290.0**	**1368.8**	**78.8**			**1370.3**	**-1.6**		

Estimated Available Audit Hours = 1368.8

Functional Areas:
AD - Advancement
AT - Athletics
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MC - Marketing and Campus Activities
PP - Physical Plant
RS - Research
SS - Student Services

Status:
Scheduled
In Progress
Completed
Removed

FN1 - Audit added to Investigative Auditor schedule due to unavailable Director's position.

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Proposed Revisions to Internal Audit Policy 4:01:05:00, *Internal Audit*

DATE: September 11, 2018

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S
RECOMMENDATION: Approve

The committee will review and consider approval of revisions of the Tennessee Board of Regent's Policy 4:01:05:00, *Internal Audit*. The Office of System-wide Internal Audit and the campus auditors have reviewed the policy for necessary updates due to the FOCUS Act and for alignment with the current IIA Standards. All other revisions are minor corrections or clarifications.

Included in this section is a marked-up document and a clean draft version of the proposed policy.

Internal Audit: 4:01:05:00

Policy/Guideline Area

Business and Finance Policies

Applicable Divisions

TCATs, Community Colleges, ~~Universities,~~ System Office, Board Members

Purpose

This policy addresses staffing, responsibilities of the internal audit function, audit planning and reporting on internal audit activities.

In addition to this policy, the Office of System-wide Internal Audit maintains an audit manual. The purpose of the audit manual is to provide for consistency, continuity, and standards of acceptable performance.

Definitions

- Definitions are provided in the body of the policy.

Policy/Guideline

I. General Statement

    A. The internal audit function contributes to the improvement of the institution's operations by providing objective and relevant assurance regarding risk management, control and governance processes to management and the Board.

    B. Management is responsible for evaluating the institution's risks and establishing and maintaining adequate controls and processes.

    C. To provide relevant information, the internal audit activity will consider the goals of the institution, management's risk assessments, and other input from management in determining its risk-based audit activities.

II. Internal Audit Standards

A. Each internal audit function shall adhere to The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing and Code of Ethics (T.C.A. § 4-3-304(9)). The Institute of Internal Auditors, International Professional Practices Framework (IPPF), incorporates the definition of internal auditing, the International Standards for the Professional Practice of Internal Auditing, the ~~and~~ Code of Ethics, and the Core Principles for the Professional Practice of Internal Auditing into one document. It includes the following definition of internal auditing:

1. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

B. Risk is the possibility of an event occurring that will have an impact on the achievement of an institution's goals and objectives.

1. Risk is measured in terms of the impact an event may have and the likelihood that the event will occur.

2. To optimize the achievement of the institution's goals and objectives, the Board and management acts to minimize the related risks by implementing reasonable procedures to control and monitor the risks.

C. Governance processes are the combination of processes and structures implemented by the Board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

1. Examples of such processes include;

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a. The organizational structure within an institution or a department.~~;~~

   b. Policies, guidelines and procedures instituted by the Board or management to direct and control a particular activity. ~~such as maintenance fees or hiring practices.~~~~; and~~

   c. Preparation and review procedures for preparing reports such as annual financial statements or federal grant or financial aid reports.

D. The IPPF includes attribute standards, which address the expected characteristics of organizations and individuals performing internal audit activities, and performance standards, which describe the nature of internal audit activities and establish criteria to evaluate the performance of internal audit activities.

E. To assure compliance with the IIA Standards, internal audit offices must implement and maintain a quality assurance and improvement program that incorporates both internal and external review activities.

   1. Internal reviews include both ongoing and periodic review activities.

   2. External reviews must be performed at least every five years by a qualified, independent reviewer.

   3. Results of quality assurance reviews will be communicated to the Audit Committee and management.

III. Internal Audit Personnel

   ~~A. Universities~~

      ~~1. Each university shall employ at least two individuals with full-time responsibility as internal auditors.~~

      ~~2. Additional internal audit staff shall depend upon institutional size and structure.~~

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B.A. ~~Two-year Institutions~~Community Colleges shall employ at least one full-time internal auditor.

    1. ~~Two-year institutions shall employ at least one full-time internal auditor or have an approved agreement with a university or other two-year institution to provide required audit services.~~

C.B. Titles of internal audit staff shall be consistent within the overall institutional structure.

D.C. Internal Audit Staff

1. Internal audit staff must possess the professional credentials, knowledge, skills, and other competencies needed to perform their individual responsibilities.

2. The internal audit function collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

3. The campus Internal Audit Director and the System-wide Chief Audit Executive must be licensed as a Certified Public Accountant or a Certified Internal Auditor, maintain an active license, and annually complete sufficient, relevant continuing professional education to satisfy the requirements for the professional certification held.

4. Other system auditors should annually complete sufficient, relevant continuing professional education to satisfy the requirements for their related professional certification or, at a minimum, forty hours of relevant continuing professional education.

5. Internal Audit Directors should communicate concerns to management and the System-wide Chief Audit Executive regarding the lack of sufficient resources to complete the objectives of an engagement or the audit plan.

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6. Such resources may include the need for additional personnel or personnel with specialized knowledge, such as those with knowledge of fraud, information technology, or other technical areas.

E.D. Appointments

1. The appointment of campus Internal Audit Directors as recommended by the President is subject to approval by the Chancellor or designee (T.C.A. §.49-14-106).

2. The appointment of the System-wide Chief Audit Executive is subject to review and approval by the Audit Committee of the Board of Regents (T.C.A. §.49-14-102).

F.E. Compensation

1. Compensation of the internal auditors is subject to review by the Audit Committee of the Board of Regents.

2. Compensation of the System-wide Chief Audit Executive and the system office internal auditors is subject to review and approval by the Audit Committee of the Board of Regents.

G.F. Termination or Change of Status

1. The termination or change of status of campus Internal Auditor Directors (T.C.A. § 49-14-106) requires the prior approval of the Chancellor and the Audit Committee of the Board of Regents.

2. The System-wide Chief Audit Executive (T.C.A. §.49-14-102) may be removed only for cause which requires a majority vote of the Board of Regents.

IV. Internal Audit Role and Scope

A. Reporting Structure

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1. In accordance with T.C.A. § 49-14-102, the System-wide Chief Audit Executive reports directly to the Audit Committee and the Tennessee Board of Regents.
2. Campus internal auditors report to the respective campus President with audit reporting responsibility to the Audit Committee and the Board through the System-wide Chief Audit Executive.
3. This reporting structure assures the independence of the internal audit function.

B. The TBR, Office of System-wide Internal Audit, hosts periodic meetings and communicates with the audit directors on matters of mutual interests.

C. The Office of System-wide Internal Audit maintains an internal audit manual to guide the internal audit activity in a consistent and professional manner at each institution.

D. The internal auditors' responsibilities include:
1. Working with management to assess institutional risks and developing an audit plan that considers the results of the risk assessment.
2. Evaluating institutional controls to determine their effectiveness and efficiency.
3. Coordinating work with external auditors, program reviewers, and consultants.
4. Determining the level of compliance with internal policies and procedures, state and federal laws, and government regulations.
5. Testing the timeliness, reliability, and usefulness of institutional records and reports.
6. Recommending improvements to controls, operations, and risk mitigation resolutions.

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7. Assisting the institution with its strategic planning process to include a complete cycle of review of goals and values.

8. Evaluating program performance.

9. Performing consulting services and special requests as directed by the Audit Committee, the Chancellor, or the institution's President.

E. The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The internal auditor shall have access to all records, personnel, and physical properties relative to the performance of duties and responsibilities.

F. The scope of a particular internal audit activity may be as broad or as restricted as required to meet management needs.

G. Objectivity is essential to the internal audit function. Therefore, internal audit personnel should not be involved in the development and installation of systems and procedures, preparation of records, or any other activities that the internal audit staff may review or appraise. However, internal audit personnel may be consulted on the adequacy of controls incorporated into new systems and procedures or ~~on~~ revisions to existing systems.

H. Management is responsible for identifying, evaluating, and responding to potential risks that may impact the achievement of the institution's objectives. Auditors continually evaluate the risk management, internal control, and governance processes. To facilitate these responsibilities, Internal Audit will receive notices or copies of external audit reviews, program reviews, fiscally related consulting reports, cash shortages, physical property losses, and employee misconduct.

V. Audit Plans and Activity Reports

A. Internal Audit shall develop an annual audit plan using an approved risk assessment methodology.

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B. At the beginning of each fiscal year, after consultation with the Chancellor or President and other institution management, Internal Audit will prepare an annual audit plan. The audit plan must be flexible to respond to immediate issues and will be revised for such changes during the year.

C. Audit plans and revisions will be reviewed by the System-wide Chief Audit Executive and approved by the Audit Committee.

D. At the end of each fiscal year, Internal Audit will prepare an annual activity report of all significant audit services performed.

E. Annual activity reports and approved audit plans will be provided to the Comptroller's Office, Division of State Audit.

VI. Audit Engagements

A. Audit engagements will be planned to provide relevant results to management and the Audit Committee regarding the effectiveness and efficiency of processes and controls over operations. To ensure management's expectations are met, auditors will communicate with management regarding the objectives and scope of the engagement.

B. In planning and during the engagement, auditors should consider and be alert to risks that affect the institution's goals and objectives, operations and resources. Auditors should consider risks based on the operations under review, which include but are not limited to the risk of financial misstatements, noncompliance, and fraud.

C. An audit work program will be designed to achieve the objectives of the engagement and will include the steps necessary to identify, analyze, evaluate, and document the information gathered and the conclusions reached during the engagement.

D. Working papers that are created, obtained or compiled by an internal audit staff are confidential and are not an open record (T.C.A. § 4-4-304(9)).

VII. Communicating Audit Results

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A. A written report that documents the objectives, scope, conclusions, and recommendations of the audit will be prepared for audit engagements providing assurance to the Board and management. Management will include corrective action for each reported finding.

B. Internal Audit will ~~perform audits to~~ follow-up on findings or recommendations included in internal audit reports, investigation reports, and State Audit reports. ~~A written report will be prepared and for any findings that have not been corrected, management will be asked to include a revised corrective action plan.~~The status of Internal Audit recommendations and/or findings will be monitored through the recommendation logs. For recommendations not corrected at the time of Internal Audit follow-up or the corrective action due date, management will be asked to provide a revised corrective action implementation date. A written internal audit follow-up report is required for all State Audit reports that include findings, regardless of the current status of audit findings. The Chancellor or institution's President, along with the Audit Committee, will be notified at the conclusion of a follow-up ~~audit~~ review if management has not corrected the reported finding or implemented the recommendation.

C. A written report that documents the objectives, scope, conclusions, and recommendations will be prepared for investigations resulting from allegations or identification of fraud, waste, or abuse. As appropriate to~~in~~ the circumstances, management will include corrective action for each reported finding. In a case where allegations are not substantiated by the review and there are no other operational concerns to report to management regarding the review, the case may be closed by writing a memo to the working paper file documenting the reasons for closing the case.

D. Reports on special studies, consulting services, and other non-routine items should be prepared as appropriate, given the nature of the assignment.

E. All internal audit reports will be signed by the institution's Internal Audit Director and transmitted directly to the Chancellor or~,~ President~, or TCAT Director~ in a timely manner.

F. The Internal Audit Director will transmit an electronic copy of the internal audit report to the System-wide Chief Audit Executive.

G. The System-wide Chief Audit Executive will present significant results of internal audit reports to the Audit Committee quarterly.

H. The System-wide Chief Audit Executive will provide a copy of each report to the Comptroller's Office, Division of State Audit.

VIII. Exceptions

A. Any exceptions to the policy established herein shall be subject to the approval of the System-wide Chief Audit Executive and the Audit Committee.

Sources

Authority

T.C.A. § 49-8-203; All other State statutes referenced in this policy; Institute of Internal Auditors.

History

June 3, 1981 TBR Presidents' Meeting; July 1, 1984; May 20, 1986; February 14, 1989; November 14, 1989; August 13, 2002; February 10, 2004; November 18, 2004; Changed from Guideline B-050 at TBR Board Meeting, June 29, 2007; TBR Board Meeting, December 6, 2007; TBR Board Meeting, December 8, 2011; TBR Board Meeting March 27, 2015.

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Topics	
▪ Purpose	▪ Internal Audit Role and Scope
▪ Definitions	▪ Audit Plans and Activity Reports
▪ General Statement	▪ Audit Engagements
▪ Internal Audit Standards	▪ Communicating Audit Results
▪ Internal Audit Personnel	▪ Exceptions

Policy Area

Business and Finance Policies

Applicable Divisions

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Purpose

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   1. Examples of such processes include:

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A. Community Colleges shall employ at least one full-time internal auditor.

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A. Reporting Structure

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5. Testing the timeliness, reliability, and usefulness of institutional records and reports.

6. Recommending improvements to controls, operations, and risk mitigation resolutions.

7. Assisting the institution with its strategic planning process to include a complete cycle of review of goals and values.

8. Evaluating program performance.

9. Performing consulting services and special requests as directed by the Audit Committee, the Chancellor, or the institution's President.

E. The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The internal auditor shall have access to all records, personnel, and physical properties relative to the performance of duties and responsibilities.

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G. Objectivity is essential to the internal audit function. Therefore, internal audit personnel should not be involved in the development and installation of systems and procedures, preparation of records, or any other activities that the internal audit staff may review or appraise. However, internal audit personnel may be consulted on the adequacy of controls incorporated into new systems and procedures or revisions to existing systems.

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