TENNESSEE BOARD OF REGENTS
Committee on Audit

AGENDA
March 5, 2019

I.   **INFORMATIONAL REPORTING (Mike Batson)**
   a. **Highlights of Audit Findings and Recommendations**
   b. **Audit Reports and Reviews**
   c. **University Updates**

II. **CONSENT AGENDA (Mike Batson)**
   a. **Review of Revisions to Fiscal Year 2019 Internal Audit Plans**

III. **RESULTS OF EXTERNAL QUALITY ASSURANCE REVIEW (QAR) (Mike Batson)**

IV. **NON-PUBLIC EXECUTIVE SESSION (Mike Batson)**

tbr THE COLLEGE SYSTEM *of* TENNESSEE

BOARD TRANSMITTAL

MEETING:	Committee on Audit
SUBJECT:	Highlights of Audit Findings and Recommendations
DATE:	March 5, 2019
PRESENTER:	Mike Batson
ACTION REQUIRED:	Informational Report
STAFF'S RECOMMENDATION:	Accept Report

The following items will be discussed with the Audit Committee:

Northeast State Community College - State Audit Report – FY 2017 and 2016

Tennessee Board of Regents-Central Office – State Audit Report – FY 2017 and 2016

Volunteer State Community College – Follow-up to State Audit Reports – FY 2017, 2016, and 2015

STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS

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

Internal Audit Reports - Following is a summary on the status of previously reported findings and observations as of December 31, 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
JSCC	6-Jun-18	JSCC FY 2016 & 2015- Finding 1 of 2 -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.	Director of Business	6-Dec-18		0	13-Nov-18		Action Completed
JSCC	6-Jun-18	JSCC FY 2016 & 2015- Finding 2 of 2- 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.	Director of Business	6-Dec-18		0	13-Nov-18		Action Completed
NaSCC	17-Dec-18	NaSCC FY 2017 & 2016- Finding 1 of 1: When students withdrew from class, the college did not return all unearned funds timely to the U.S. Department of Education.	Director of Financial Aid	15-Jun-19		0	7-Dec-18	30-Jan-19	Not Yet Due
NeSCC	26-Nov-18	NeSCC FY 2017 & 2016 State Audit- Finding 1 of 4: Northeast State Community College did not provide adequate internal controls in two areas, including one area noted in the prior two audits.	VP of Administrative Services	30-Jun-19		0			Not Yet Due
NeSCC	26-Nov-18	NeSCC FY 2017 & 2016 State Audit- Finding 2 of 4: As reported in the previous three audits, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements.	Chief Financial Officer	1-Jul-19		0			Not Yet Due
NeSCC	26-Nov-18	NeSCC FY 2017 & 2016 State Audit- Finding 3 of 4: College staff did not conduct proper collection procedures on accounts receivable and properly estimate and report an allowance for doubtful accounts at each year-end.	Chief Financial Officer	1-Jul-19		0			Not Yet Due
NeSCC	26-Nov-18	NeSCC FY 2017 & 2016 State Audit- Finding 4 of 4: College staff did not prepare timely bank reconciliations.	Chief Financial Officer	1-Jul-19		0			Not Yet Due
RSCC	19-Dec-18	RSCC Foundation FY 17 & 16 Finding 1 of 2: The foundation audit committee did not fulfill responsibilities.	Executive Director	1-May-19		0	11/7/2018	1/9/2019	Not Yet Due
RSCC	19-Dec-18	RSCC Foundation FY 17 & 16 Finding 2 of 2: Foundation personnel did not prepare bank reconciliations timely.	Executive Director	1-May-19		0	11/7/2018	1/9/2019	Not Yet Due
RSCC	19-Dec-18	RSCC FY 17 & 16 Finding 1 of 3: The college did not report all Direct Loan disbursements to the U.S. Department of Education in a timely manner.	Director, Financial Aid	1-May-19		0	11/7/2018		Not Yet Due
RSCC	19-Dec-18	RSCC FY 17 & 16 Finding 2 of 3: The college did not have written institutional policies in effect for collection of accounts receivable.	Vice President of Business and Finance	1-May-19		0	11/7/2018		Not Yet Due

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RSCC	19-Dec-18	RSCC FY 17 & 16 Finding 3 of 3: Foundation personnel did not prepare bank reconciliations timely.	Executive Director	1-May-19		0	11/7/2018	1/9/2019	Not Yet Due
TBR	5-Dec-18	TBR System Office FY 2017 & 2016- Finding 1 of 2: The Tennessee Board of Regents did not document consideration of outsourced information technology services in its risk assessments and did not proactively communicate its review of System and Organizational Controls reports for external information system service providers with other institutions using those services under the board's contract.	Chief Information Officer	31-Dec-18	31-Mar-19	1			Not Yet Due
TBR	5-Dec-18	TBR System Office FY 2017 & 2016- Finding 2 of 2: The Tennessee Board of Regents did not provide adequate internal controls in two areas.	Chief Information Officer	31-Dec-18	31-Mar-19	1			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	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	24-Jan-19	Action Completed
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-19	7	4-Dec-14	24-Jan-19	Action Completed
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	30-Nov-18	1	11-Dec-18		Action Completed
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	30-Nov-18	1	11-Dec-18		Action Completed
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-Mar-19	7	4-Dec-14	24-Jan-19	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-19	6	4-Dec-14	24-Jan-19	In Progress
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-19	3	31-Jan-17	23-Jan-19	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	30-Jun-19	3	12-Jan-18	24-Jan-19	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	30-Jun-19	4	12-Jan-18	24-Jan-19	In Progress
ChSCC	9-Aug-17	Human Resources 1 of 10: Written procedures detailing each department staff member's job duties and to outline guidance of how the college will comply with ChSCC and TBR policies should be completed.	Executive Director Human Resources	31-Dec-17	30-Jun-19	3	29-Jan-18	25-Jan-19	In Progress

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ChSCC	9-Aug-17	Human Resources 8 of 10: Human Resources should consider developing supervisor training to increase communication concerning certain common management duties or issues.	Executive Director Human Resources	31-Oct-17	30-Jun-19	3	29-Jan-18	14-Jan-19	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.	VP Economic and Workforce Development	31-Aug-18	30-Jun-19	1	7-Aug-18	23-Jan-19	In Progress
ChSCC	11-Jun-18	NACHA The Background Check Policy revisions should be updated and approved by the Policy Review Board.	Executive Director Human Resources	31-Dec-18	30-Jun-19	1	8-Oct-18	14-Jan-19	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	16-Oct-18	In Progress
CoSCC	28-Nov-18	Economic and Workforce Development management could strengthen departmental control activities by Improving and documenting course standards, Documenting data entry standards for client and course data, Enhancing data integrity reviews, Improving contract monitoring, Enhancing record maintenance, security, and disposal, and Increasing non-credit course software functionality.	Director, Economic and Workforce Development	31-Jan-19		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	30-Jun-19	3	29-Mar-18	29-Mar-18	In Progress

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JSCC	24-Oct-14	Emergency Preparedness Plan Audit - Observation 1 of 2: Employee Training The JSCC Emergency Management Plan requires training in emergency procedures and for the proper use of safety equipment. Several safety drills have been conducted and safety equipment is located campus wide in designated locations. However, further training is needed in the proper use of the chair lifts, AEDs, and fire extinguishers. Training should also include first aid procedures and building evacuation procedures.	Director of Environmental Health and Safety/Chief of Police	8-May-15	31-Dec-17	1	30-Mar-17	14-Jan-19	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.	Director of Environmental Health and Safety/Chief of Police	24-Oct-14	31-Dec-17	2	30-Mar-17	14-Jan-19	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	5-Apr-18	In Progress
JSCC	19-Feb-16	Off-Campus International Education programs - Management should ensure that appropriate dual service contracts are in place with TnCIS for institutional faculty teaching abroad according to the TnCIS Operational Handbook section 3.2.9. The TnCIS office should complete the dual service contract upon receipt of an approved institutional approval form from the institution.	International Activities Coordinator	1-Jun-16	1-Jun-18	1	24-Apr-17	5-Apr-18	In Progress

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MSCC	25-Aug-17	1. Training of coaching staff should occur at least annually.	Vice President of Student Affairs, Athletic Director, and Vice President for Business and Finance	23-Feb-18	31-Mar-19	3	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 Student Affairs, Athletic Director, and Vice President for Business and Finance	23-Feb-18	31-Mar-19	3	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 Student Affairs, Athletic Director, and Vice President for Business and Finance	23-Feb-18	31-Mar-19	3	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 Student Affairs, Athletic Director, and Vice President for Business and Finance	23-Feb-18	31-Mar-19	3	1-Aug-18		In Progress
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	30-Apr-19	1	19-Dec-18		In Progress
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	28-Feb-19	1			In Progress
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	28-Feb-19	1			In Progress
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	28-Feb-19	1			In Progress
MSCC	18-Jun-18	Supervisors should verify accuracy of annual and sick leave reported by employees.	Executive Director of Human Resources	18-Dec-18	28-Feb-19	1			In Progress

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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	7-Nov-18		In Progress
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	1-Oct-19	1	17-Oct-18		In Progress
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	1-Oct-19	1	17-Oct-18		In Progress
MSCC	25-Aug-17	3. Student-athletes and parents should receive clear communications.	Vice President for Student Affairs and Athletic Director	23-Feb-18	31-Mar-19	3	1-Aug-18		No Progress
MSCC	25-Aug-17	4. Scholarships should be earmarked for specified purpose.	Vice President for Student Affairs and Athletic Director	23-Feb-18	31-Mar-19	4	1-Aug-18		No Progress

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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	30-Nov-18	2	11-Dec-18		No Progress
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	30-Nov-18	1	11-Dec-18		No Progress
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	30-Nov-18	1	11-Dec-18		No Progress
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	30-Apr-19	1	19-Dec-18		No Progress
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	30-Apr-19	1	19-Dec-18		No Progress
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	30-Apr-19	1	19-Dec-18		No Progress
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	30-Apr-19	1	19-Dec-18		No Progress

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CoSCC	28-Nov-18	College leadership and departmental management can strengthen the college control environment through improvements to processes that Ensure workforce development objectives are tied to and directed by the college's mission and strategic plan, Ensure college policies are current and reflect the existing operating environment and expectations, Support employee competency and accountability with job descriptions specific to the employee's role, and Ensure all employees complete orientation, receive job specific training, and are fully aware of policies that specifically impact the employee's job responsibilities.	Vice President, Williamson Campus and External Affairs Director, Economic and Workforce Development	30-Apr-19		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 and Director of Admissions and Records	21-Nov-18	30-Apr-19	1			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 and Director of Admissions and Records	21-Nov-18	30-Apr-19	1			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	21-Nov-18	30-Apr-19	1			Not Yet Due
MSCC	21-May-18	The Admissions policy should be updated and revised to match current practice.	Vice President of Student Affairs and Director of Admissions and Records	21-Nov-18	30-Apr-19	1			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	28-Feb-19	1			Not Yet Due

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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	28-Feb-19	1			Not Yet Due
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	31-Mar-19	1			Not Yet Due
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 approved criteria.	Dean of Students	24-Dec-18	31-Mar-19	1			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	31-Mar-19	1			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	24-Dec-18	31-Mar-19	1			Not Yet Due
NeSCC	28-Sep-18	NeSCC Policy 04:24:00 Institutional Review Board Procedures should be updated to reflect the process used to review and approve academic research requests to minimize the opportunity for misinterpretation of the IRB process.	Research, Planning, and Analytics staff	30-Sep-19		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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NeSCC	28-Sep-18	Management should consider modifying the structure of the IRB to best meet the needs of the College. Management should also consider developing IRB membership guidelines and requirements.	President Research, Analytics, and	30-Sep-19		0			Not Yet Due

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- TCAT **(Reports sorted by Status, Institution, Report Release Date)**							
Crossville	9-Jul-18	Three of 14 (21%) equipment items tested were missing tags.	President	1-Jan-19		0			Not Yet Due
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.	Assistant Director Faculty & Staff	31-Dec-18	30-Jun-19	1			Not Yet Due
McMinnville	20-Feb-18	Three of 10 (30%) equipment items tested were not removed from the fixed asset listing after being listed as surplus in a prior year.	Assistant Director	31-Dec-18	30-Jun-19	1			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.	Fiscal Affairs Coordinator	29-Jun-18	28-Jun-19	1			Not Yet Due

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)**							
CoSCC	24-Jul-15	Columbia State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Associate VP for IT	31-Jan-16	31-Dec-18	4	14-Jul-17	10-Jan-19	Action Completed
ChSCC	12-Apr-16	Chattanooga State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Vice President of Technology	3-Oct-16	31-Oct-19	3	14-Jul-17	2/1/2019	In Progress
ClSCC	6-Apr-15	Cleveland State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	1-Dec-15	30-Jun-19	5	14-Jul-17	4-Feb-19	In Progress
JSCC	8-Sep-14	Jackson State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Mar-15	31-Dec-18	4	14-Jul-17	3-Dec-18	In Progress
MSCC	15-Apr-16	Motlow State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	14-Oct-16	31-Dec-18	3	14-Jul-17		In Progress
NaSCC	15-Aug-16	Nashville State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	28-Apr-17	31-Dec-18	2	14-Jul-17	1-Feb-19	In Progress
PSCC	3-Sep-14	Pellissippi State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Mar-15	31-Dec-18	5	14-Jul-17		In Progress
RSCC	17-Apr-15	Roane State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Jul-15	31-Dec-18	5	14-Jul-17		In Progress

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
STCC	6-Jul-15	Southwest Tennessee Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	4-Jan-16	30-Mar-19	5	14-Jul-17	25-Jan-19	In Progress
TBR	20-Dec-17	Tennessee Board of Regents System Office did not provide adequate internal controls in nine areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	20-Jun-18	30-Nov-18	1	18-Jul-18		In Progress
WSCC	2-Mar-16	Walters State Community College did not provide adequate internal controls in one area. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	30-Sep-16	31-Dec-18	3	14-Jul-17		In Progress
ChSCC	26-Apr-18	Chattanooga State Community College did not provide adequate internal controls in eight areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session. Three of eight areas are corrected.	Vice President of Technology	26-Oct-18	31-Dec-19	1	1-Feb-19		In Progress/Action Completed
JSCC	29-Jun-18	Jackson State Community College did not provide adequate internal controls in eight areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session. Seven areas have been corrected.	Chief Information Officer	30-Nov-18		0	18-Jan-19		In Progress/Action Completed
NeSCC	17-Feb-17	Northeast State Community College did not provide adequate internal controls in twelve areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session. Eight areas have been corrected.	Chief Information Officer	15-Aug-17	30-Jun-19	4	25-Jan-19		In Progress/Action Completed
RSCC	13-Apr-18	Roane State Community College did not provide adequate internal controls in eight areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session. Four areas have been corrected.	Chief Information Officer	12-Oct-18		0			In Progress/Action Completed

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)							
VSCC	13-May-16	Volunteer State Community College did not provide adequate internal controls in two areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session. One area has been corrected.	Chief Information Officer	30-Nov-16	31-Dec-18	6	14-Jul-17	25-Jan-19	In Progress/Action Completed
DSCC	17-Apr-18	Dyersburg State Community College did not provide adequate internal controls in five areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	19-Oct-18		0			Not Yet Due
PSCC	29-Jun-18	Pellissippi State Community College did not provide adequate internal controls in ten areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	30-Nov-18		0			Not Yet Due
STCC	30-Jul-18	Southwest Tennessee Community College did not provide adequate internal controls in fourteen areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	30-Mar-19		0	25-Jan-19		Not Yet Due
ClSCC	29-Jun-18	Cleveland State Community College did not provide adequate internal controls in seven areas. Ineffective 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.* Details will be provided to the Board during Audit Committee Executive Session. Three of these areas have been corrected.	Chief Information Officer	30-Nov-18	31-Dec-19	1	4-Feb-19		Not Yet Due/Action Completed

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: March 5, 2019

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
Pellissippi State Community College
— FYE June 30, 2017 and June 30, 2016

FINANCIAL AND COMPLIANCE AUDITS – FINDINGS
Nashville State Community College
— FYE June 30, 2017 and June 30, 2016
Northeast State Community College
— FYE June 30, 2017 and June 30, 2016
Roane State Community College
— FYE June 30, 2017 and June 30, 2016
Roane State Community College Foundation
— FYE June 30, 2017 and June 30, 2016
Tennessee Board of Regents Central Office
— FYE June 30, 2017 and June 30, 2016
Walters State Community College
— FYE June 30, 2017 and June 30, 2016

Miscellaneous Reviews
The Audit Committee will review executive summaries for the miscellaneous reviews issued from October 1, 2018 to December 31, 2018.

> Chattanooga State Community College
> > – Tennessee SBDC Financial Review
>
> Roane State Community College
> > – Tennessee SBDC Financial Review
> > – Tennessee SBDC Programmatic Review

Internal Audit
The Audit Committee will receive executive summaries for the internal audit reports issued from October 1, 2018 to December 31, 2018 as well as reports issued after December 31, 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.

Internal Audit and Investigation Reports for the Reporting Period*

Internal Audit Reports for Informational Purposes- Financial Management
| ClSCC | NACHA Web | Page 38 |
| STCC | Public Safety Inventory Procedures | Page 39 |

Internal Audit Reports for Informational Purposes- Institutional Support
| CoSCC | Economic and Workforce Development Controls | Page 41 |

Internal Audit Reports for Informational Purposes- Follow-up
JSCC	Follow-up to State Audit Report FY 16 & 15	Page 43
STCC	Follow-up for Review of Technology Access Fees	Page 44
VSCC	Additional Follow-up to the Single Audit Report FY 17 and the State Audit Report FY 16 & 15	Page 45

Internal Audit Reports for Informational Purposes- Investigations
| JSCC | Club Accounts | Page 47 |
| MSCC | Follow-up Academic Dean of the Smyrna Campus Out-of-State Travel | Page 49 |

* A Limited Official Use Only report for Jackson State Community College: Follow-up to the State Audit LOU Report FY 15 and 16 was completed on November 7, 2018. This report 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.

Tennessee Board of Regents
Audit Committee
March 5, 2019

Review of Comptroller's Office Audit Reports
Financial and Compliance Audits—Findings Reported

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Nashville State Community College	June 30, 2017 and June 30, 2016	Unmodified Opinion	One internal control finding identified as a significant deficiency	No instances of noncompliance required to be reported	1

Finding 1 – When students withdrew from class, the college did not return all unearned funds timely to the U.S. Department of Education

We reviewed the accounts of 40 students who received Title IV financial aid and withdrew, dropped, or were terminated from classes at any point during the year ended June 30, 2018. For 5 of 40 students' accounts tested, Financial Aid Office personnel did not return Title IV funds to the U.S. Department of Education (ED) in a timely manner. Nashville State Community College returned these funds to ED from 47 to 55 days after determining the student's withdrawal (2 to 10 days late).

Management's Comment – Management concurs. To ensure this is not a recurring issue, we have implemented new timelines in processing R2T4s. The Assistant Director of Financial Aid now pulls the withdrawal report weekly. The goal is to complete the R2T4 calculation within two weeks to ensure ample time for any award adjustments by other staff members and for the return of funds, both through COD and G5. We have worked with all parties involved to ensure all are aware of mandatory deadlines and the importance of timely work.

[Note: In management's comment above, R2T4 indicates "return of Title IV". G5 and COD are computer systems ED makes available to the college for processing student financial aid transactions.]

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

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Northeast State Community College	June 30, 2017 and June 30, 2016	Unmodified Opinion	Two internal control findings identified as significant deficiencies and two internal controls identified as material weaknesses	No instances of noncompliance required to be reported	4

Finding 1 – Northeast State Community College did not provide adequate internal controls in two areas, including one area noted in the two prior audits

Northeast State Community College did not design and monitor effective internal controls in two areas. We found multiple internal control deficiencies in these areas related to three of the college's systems because management did not implement controls that were sufficient. One of these deficiencies is repeated from the two prior audits because management did not take effective corrective action. 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 has already begun to address the specific areas noted in the finding.

Finding 2 – As reported in the previous three audits, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements

Northeast State Community College's procedures for preparation of its financial statements are not adequate to ensure the accuracy of the information. A similar finding was reported in the previous three audits. The results of our current audit of the financial statements indicated that, despite training and a stated commitment to devote more time to statement preparation, review, and presentation, the controls over financial reporting for the college did not operate effectively.

Management's Comment – Management concurs that financial statement errors were not prevented or detected by the college's internal control system for the audited financial statements. We believe there are multiple root causes for this deficiency. As discussed in the finding, the college has grappled with significant financial difficulties over the last several years. This contributed to an atmosphere in which there was significant turnover at both the employee and leadership levels of the college's finance function. In addition, during the time in which significant cuts were being made throughout the organization due to financial difficulties, sufficient resources were not available to provide reasonable assurance that financial statement errors would be prevented or detected.

In order to prevent significant errors in the future, management will take the following actions.

- All significant adjustments noted by the auditors have been recorded.
- Management will provide the accounting staff access to appropriate resources, such as the National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual (FARM) so that necessary research can be performed.
- Appropriate training will be provided to the accounting staff related to the preparation of financial statements.
- Additional staff will be added to assist with the preparation of financial statements.
- Financial statements, related schedules and notes, and calculations will be reviewed by the Chief Financial Officer.

Finding 3 – College staff did not conduct proper collection procedures on accounts receivable and properly estimate and report an allowance for doubtful accounts at each year-end
Prior to the arrival of a new acting Chief Financial Officer in March of 2017, management did not ensure that required collection procedures for accounts receivable were being performed by Bursar's Office personnel. Management could not provide documentation that three required billings or letters of contact were sent at 30-day intervals as required, or that accounts were turned over to collection agencies in a timely manner. For 25 randomly selected student accounts receivable at June 30, 2016, and 25 randomly selected student accounts receivable at June 30, 2017, there was no documentation of collection procedures. Some of the tested accounts originated as early as the 2008 fiscal year.

In addition, prior to the 2017 fiscal year, accounts receivable write-offs were very small, apparently only due to death or bankruptcy. Small library and parking fines were also written off. Write-offs were $8,672.89, $22,791.48, $20,181.93, $11,150.04, and $11,798.05 for the 2012 through 2016 fiscal years. Based on available evidence, these write-offs were inadequate.

Collection procedures were instituted late in the 2017 fiscal year by the acting Chief Financial Officer and continued by the newly hired Chief Financial Officer who began in July of 2017. An initial significant write-off was requested from the Tennessee Board of Regents (TBR) on June 12, 2017. This write-off was reported in the 2017 fiscal year and totaled $1,565,509.39. It included $1,441,897.84 of accounts receivable more than 5 years old, some originating as early as the 2005 fiscal year. Another write-off, totaling $1,128,245.40, was requested in February 2018 with accounts more than 5 years old totaling $1,090,948.24. Additional write-offs are expected.

The June 30, 2016, reported allowance for doubtful accounts was only $22,583.54. This was based on the school's average percentage write-off for the prior three fiscal years (.51%). The June 30, 2017, reported allowance for doubtful accounts was $790,147.00. This represented 25% of related accounts receivable. The 25% represented the average allowance for all TBR community colleges. Because of the failure to perform collection procedures over the years and resulting collectability of accounts receivable, these allowance estimates were inadequate.

Management's Comment – Management concurs that appropriate procedures were not in place to collect past due accounts and establish appropriate reserves for uncollectible debt. Previously, the college recorded a reserve for uncollectible debt based on an average of recent write-offs. However, as mentioned in the finding, older past due accounts were not written off in a timely manner. As a result, a significant amount of older, uncollectible accounts that dated back as far as 2004 continued to be carried on the college's books without an adequate reserve each year through 2017.

During 2017, management identified the error and began working to collect these debts, write off uncollectible accounts, and establish reserves for reasonable estimates of what would not be collected. Since then, the college has collected approximately $275 thousand of the old outstanding receivables. This was accomplished by beginning collection procedures such as communications with the former students in accordance with the TBR policy B-010: Collection of Accounts Receivable. Once accounts are identified as being in default, three letters are sent in 30-day intervals explaining that the balance is still owed. The final letter also informs the debtor that the account will be sent to a collection agency if payment is not received within 30 days. If payment is not received within 30 days of this final letter, the account is turned over to a collection agency.

As of the June 2018, financial statements, the college has written off the majority of the delinquent receivables. Those accounts not written off are currently held by a collection agency and will be written off during the 2019 fiscal year if payment is not received. In addition, the college has recorded a reserve within the allowance for doubtful accounts for 100% of the delinquent accounts from prior years. Each month, the Chief Financial Officer also receives a status report from the accounting staff and meets to discuss any additional actions that need to be taken.

Finally, the college has established internal documented procedures to guide business office staff in the future by effectively communicating management's expectations regarding the collection of outstanding accounts receivable. We believe these procedures are now adequate and comply with TBR policy.

Finding 4 – College staff did not prepare timely bank reconciliations
At Northeast State Community College, Business Office staff did not always complete the operating and payroll bank account reconciliations on a timely basis. A combined reconciliation was prepared addressing both account balances.

Management's Comment – Management concurs that the timely reconciliation of accounts is a necessary internal control to prevent and detect financial statement errors and fraud. This deficiency was identified by and corrected by management in September 2017 by confirming management's expectations to the accounting staff and making staffing changes. Since then, the bank reconciliations have been completed in a timely manner. In addition, written procedures have been developed to better communicate expectations about the timeliness of, and process for, completing and reviewing bank reconciliations.

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

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Roane State Community College	June 30, 2017 and June 30, 2016	Unmodified Opinion	Two internal control findings identified as significant deficiencies	No instances of noncompliance required to be reported	3

Finding 1 – The college did not report all Direct Loan disbursements to the U.S. Department of Education in a timely manner.
A sample of 25 students were selected, resulting in 85 federal Direct Loan disbursements tested. For 6 of those 85 disbursements (7%), Roane State Community College did not report the federal Direct Loan disbursements to the U.S. Department of Education in a timely manner. The college made all 6 disbursements on October 20, 2017, but did not report them to the U.S. Department of Education until December 1, 2017.

Management's Comment – Management concurs. To ensure all records are sent in a timely manner, any day that RSCC staff does not receive an e-mail indicating a file was sent, staff will 1) review the loans processed list for loans created the previous day to confirm a file should have been sent, 2) review the job process in Atomic to confirm the process was executed, 3) if the process was executed in Atomic, then the output files will be reviewed and any files needed to be submitted to the Department of Education will be submitted, and 4) the file will be submitted. This process will be handled by the Assistant Director or the Director of Financial Aid.

Finding 2 – The college did not have written institutional policies in effect for collection of accounts receivable.
The college did not have written institutional policies in effect for collection of accounts receivable. Instead, the college has relied upon Tennessee Board of Regents' (TBR) Guideline B-101, "Collection of Accounts Receivable," for guidance. Institution-specific policies are necessary because although TBR Guideline B-010 provides specific instructions that can be followed with little or no additional guidance for certain parts of the collection process, important definitions and timeframes are left to the college to determine and include in the institution's policy.

Management's Comment – Management concurs. The college is drafting a new policy for the collection of accounts receivable. This will be submitted for institutional approval by December 31, 2018. The policy will include a schedule defining delinquent periods, a guideline for determining when an account should be considered defaulted, and a statement defining when an account should be sent to the collections agency after the final collection letter is sent and the debtor has not responded satisfactorily.

Finding 3 – Foundation personnel did not prepare bank reconciliations timely.
Foundation management did not prepare bank reconciliations timely. For purposes of the bank reconciliation testwork, we considered reconciliations prepared within 30 days after a month's end to be timely. Management did not prepare 17 of 37 bank reconciliations (45.9%) during the period July 1, 2015, through June 30, 2017, within 30 days of month-end. Staff prepared the 17 late bank reconciliations from 31 to 76 days after the end of the month. We could not determine timeliness of review of the reconciliations because the reviewers did not date their approval signatures.

Management's Comment – Roane State Foundation management concurs with this finding. Although the bank reconciliations were signed and dated by the preparer, they were not dated by the reviewer. In the future, the Foundation's bank reconciliations and reviews will be completed within 30 days of month end and will be signed and dated by the preparer and reviewer.

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

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Roane State Community College Foundation	June 30, 2017 and June 30, 2016	Unmodified Opinion	Two internal control findings identified as significant deficiencies	No instances of noncompliance required to be reported	2

Finding 1 – The foundation audit committee did not fulfill responsibilities.
The foundation audit committee did not review management's risk assessment and did not review internal control structures.

Management's Comment – Management concurs. This was an oversight on the part of both the audit committee members and the foundation staff. The foundation audit committee has met since learning of this finding and discussed the need for review of the risk assessments and internal control structures. A foundation committee was formed to review and revise the risk assessments based on our current strategic plan and the revised plan was presented and reviewed at the October 18, 2018, audit committee meeting. In the future, the audit committee will annually review both the risk assessment and internal control structures.

Finding 2 – Foundation personnel did not prepare bank reconciliations timely.
Foundation management did not prepare bank reconciliations timely. For purposes of the bank reconciliation testwork, we considered reconciliations prepared within 30 days after a month's end to be timely. Management did not prepare 17 of 37 bank reconciliations (45.9%) during the period July 1, 2015, through June 30, 2017, within 30 days of month-end. Staff prepared the 17 late bank reconciliations from 31 to 76 days after the end of the month. We could not determine timeliness of review of the reconciliations because the reviewers did not date their approval signatures.

Management's Comment – Management concurs. Although the bank reconciliations were signed and dated by the preparer, they were not dated by the reviewer. In the future, the Foundation's bank reconciliations and reviews will be completed within 30 days of month end and will be signed and dated by the preparer and reviewer.

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

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Tennessee Board of Regents-Central Office	June 30, 2017 and June 30, 2016	Unmodified Opinion	Two internal control findings identified as significant deficiencies	No instances of noncompliance required to be reported	2

Finding 1 – The Tennessee Board of Regents did not document consideration of outsourced information technology services in its risk assessments and did not proactively communicate its review of System and Organizational Controls reports for external information system service providers with other institutions using those services under the board's contract.
The Tennessee Board of Regents (TBR) contracted with two information technology (IT) vendors to establish important business applications used by TBR and the community colleges that TBR supports. One application supports procurement and supplier management business processes while the other application supports cashiering functions and the processing of electronic payments. TBR comprises 13 community colleges who have the option of using these applications through the TBR contract.

The IT contractors developed and currently maintain these applications and provide access to both through web-based solutions on the Internet. The application software and data are stored and processed in the cloud at data centers that the IT contractors' vendors manage.

Additionally, after the audit period, TBR contracted with a data center vendor to host application and data from a key application used at TBR. TBR uses this application for financial reporting and for managing human resource functions such as payroll.

Management's Comment – Management concurs. The TBR Office of Information Technology Management will take corrective action to ensure internal controls are strengthened.

The SOC reports will be gathered in a single secure location (repository) for every vendor whose contract is supported by TBR for the College System of Tennessee. These will be reviewed initially when contracting with a third-party provider and annually thereafter. The review will also be included in the annual risk assessment. Additionally, the SOC report repository will be shared securely with the College System of Tennessee institutions for their review with a reminder for them once the annual review is done.

Finding 2 – The Tennessee Board of Regents did not provide adequate internal controls in two areas
Tennessee Board of Regents' management did not design and monitor effective internal controls in two areas. For both of these areas, we found internal control deficiencies related to one of the board's systems because management either did not implement controls or implemented controls that were not sufficient.

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 board with detailed information regarding the specific conditions we identified, as well as the related criteria, causes, and our specific recommendations for improvement.

Management's Comment – Management concurs. Management will take corrective action to ensure internal controls are strengthened.

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

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Walters State Community College	June 30, 2017 and June 30, 2016	Unmodified Opinion	Two internal control findings identified as significant deficiencies	No instances of noncompliance required to be reported	2

Finding 1 – As noted in the prior audit, Walters State Community College did not provide adequate internal controls in one area.

Walters State Community College did not design and monitor internal controls in one specific area. For this area, we found internal control deficiencies related to one of the college's systems. Although management has taken steps to correct these conditions, we are reporting internal control deficiencies for the second consecutive audit because corrective action was not sufficient.

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 condition we identified, as well as the related criteria, causes, and our specific recommendations for improvement.

Management's Comment – Management concurs. Management is in the process of defining necessary controls, guidelines, and procedures to ensure proper internal controls are in place for this specific area.

Finding 2 – College staff did not prepare timely cash reconciliations

At Walters State Community College, the accounting staff and the Coordinator of Payroll Services, who prepares the payroll account reconciliations, did not always prepare the operating and payroll account reconciliations on a timely basis. In addition, accounting staff did not always reconcile the school's Local Government Investment Pool (LGIP) accounts on a timely basis.

Management's Comment – Management concurs. For many years, management had previously used a benchmark of 60 days for completion with fiscal year-end reconciliations completed within 30 days in order to mitigate risk of a financial statement misstatement due to the timing of the bank reconciliations.

Although reconciliations were delayed during the vacancy of the accountant's position, there were daily reviews of bank accounts by the Assistant Vice President for Business Affairs for unusual or unexpected transactions via online access. In addition, bank reconciliation signoffs were generally delayed due to full investigation of immaterial items. We simply did not sign and date them until fully complete. The Assistant Vice President for Business Affairs will oversee developing a written policy and procedure for preparing bank reconciliations. The policy will include a requirement that bank reconciliations should be prepared within 30 days after the end of the month.

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

Tennessee Board of Regents
Audit Committee
March 5, 2019

Miscellaneous Reviews

<div align="center">

Chattanooga State Community College
Tennessee Small Business Development Center Financial Review
Period Coverage: January 1, 2017 – December 31, 2017
December 11, 2018
Executive Summary

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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 December 7, 2018 by the SBA Financial Reporting and Accounting Manager.
Conclusion	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.
Recommendations	N/A

Roane State Community College
Tennessee Small Business Development Center Financial Review
Period Coverage: January 1, 2017 – December 31, 2017
December 11, 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 on October 8, 2018 by the SBA Financial Reporting and Accounting Manager.
Conclusion	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.
Recommendations	N/A

Introduction	
	The purpose of this review is to assist in accomplishing the programmatic review of the Tennessee Small Business Development Lead Center (TSBDC) under the Small Business Administration's (SBA) Office of Small Business Development Centers via a Cooperative Agreement. The review was conducted on October 24, 2018 by the TSBDC Associate State Director.

Results

1. Capital Formation, Long-Term Clients, and Business Starts

Goal for 2018	Milestone	Actual CY YTD	Percentage of Goal
Long Term Clients	28	35	125%
Business Starts	7	4	57.14%
Capital Formation	$1,835,150	$20,000	1.09%

2. Training Events

Goal for 2018	Milestone	Actual	Percentage of Goal
Training Attendees	240	476	198.33%

3. Jobs Created/Retained for the Community

Goal for 2018	Milestone	Actual	Percentage of Goal
Jobs Created	9	16	177.78%
Jobs Retained	14	2	14.29%

4. Banker Visits and Legislative Affairs

The Center had 1 legislative affairs visit, 4 banker visits, and over 52 hours of professional development for YTD 2018.

5. Client Satisfaction Survey

Metrics	Percentage
1. Did your request for assistance receive prompt attention?	96.5%
2. Did the counselor respond to your needs?	100.0%
3. Did the range of counseling services available meet your needs?	95.3%
4. Would you recommend other small business persons to contact the counselor?	97.7%
5. Best marketing for TSBDC is:	Chamber of Commerce

Cont. Results	6. <u>Key Personnel</u> N/A
Recommendation	The Roane State TSBDC needs to focus on increasing their business starts and capital formation goals before year end.
Commendation	The National Association and Accreditation mandate an annual Impact Assessment Survey issued to our long-term and nascent client population. The Director's support and contribution is excellent.

Tennessee Board of Regents
Audit Committee
March 5, 2019

Internal Audit Reports
Financial Management

Cleveland State Community College
NACHA Web Audit
October 2018
Executive Summary

Title of Key Staff Person: Director of Information Technology and Bursar	**Auditor:** Alvin Bishop

Background:
National Automated Clearing House Association (NACHA) 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 internet."

NACHA Operating Rules & Guidelines obligate Originators to:
- Obtain the consumers' 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 were to determine the College's compliance with *NACHA Operating Rules & Guidelines* for WEB entries related to:
- Authorization of payments
- Formatting requirements
- Risk management requirements to adequately protect Consumer financial information

Audit Conclusions:
Cleveland State Community College is in compliance with NACHA Operating Rules requirements for authorization, formatting, and risk management.

Southwest Tennessee Community College
Review of Public Safety Inventory Procedures
July 1, 2017 through June 30, 2018
December 21, 2018
Executive Summary

Key Staff Person: Director of Public Safety	**Auditor:** Director of Internal Audit
Introduction	Internal Audit for Southwest Tennessee Community College conducted an audit of controls over equipment, evidence, and weapon tracking for the Department of Public Safety for the period July 1, 2017 through June 30, 2018, on December 21, 2018. The audit resulted in one finding and corresponding recommendation.
Objectives	- To evaluate adequacy of internal controls within the department. - To evaluate the safeguarding of departmental equipment weapons. - To evaluate the controls over evidence handling. - To evaluate compliance with campus inventory policies and procedures.
Audit Results	**Finding 1** The college was not in compliance with TBR guideline, B-110, *Fixed Assets and Sensitive Minor Equipment*. The Finance Department does not maintain an inventory of weapons, and physical inventories are not conducted annually.
Recommendation	For compliance with the TBR guideline, Finance should identify and record all weapons purchased by the college for an inventory list that can be used to conduct an annual physical inventory.
Management Response	We concur with the finding and recommendation. In FY18, the Finance division instituted a policy whereby Fiscal Operations conducts inventory spot checks on sensitive items when the annual inventory of fixed asset equipment is conducted. This policy will be modified to include weapons. The Vice President of Finance and Administrative Services will communicate the change in policy to the Finance and Public Safety staffs.
Audit Conclusion	Except for the finding and recommendation above, the Southwest Tennessee Community College Department of Public Safety has established a control framework over inventory management of evidence, weapons, and equipment, and complies with the Police Services/Public Safety Policy and Procedure Manual. Internal control would be strengthened by implementing this recommendation for firearm inventory.

Tennessee Board of Regents
Audit Committee
March 5, 2019

Internal Audit Reports
Institutional Support

Columbia State Community College
Economic and Workforce Development Controls Review
November 28, 2018
Executive Summary

Key Staff Personnel	Jordan Skelton, Operations Manager, Economic and Workforce Development	Internal Auditor	Erica Smith, CPA
Introduction	The Tennessee Higher Education Commission (THEC) uses an outcomes-based model for making funding recommendations for public higher education institutions. The college's portion of the THEC funding recommendation is based on THEC identified and college-weighted outcomes measures, one of which is the total number of workforce training hours. The college's workforce training hours are reported annually through the THEC *Economic and Workforce Development Contact Hours* report, and for funding formula purposes, Columbia State Community College has weighted workforce training hours as 10% of the college's funding.		
Objectives	The economic and workforce controls review focused on verifying whether the college's internal control system is sufficient to provide reasonable assurance that workforce training contact hours are accurately reported on the annual THEC *Economic and Workforce Development Contact Hours* report.		
Conclusion	The engagement outcomes reflect the existence of an operational control system that provides reasonable assurance that the data reported on the Economic and Workforce Development Contact Hours report is accurate. However, the control system can be strengthen as noted in the Observations below. **Strengthen Control Environment** **Strengthen Control Activities**		

Tennessee Board of Regents
Audit Committee
March 5, 2019

Internal Audit Reports
Follow-ups

Jackson State Community College
Follow-up to the State Audit Report
For the Fiscal Year Ending June 30, 2016 and June 30, 2015
November 7, 2018
Executive Summary

Key Staff: Interim Vice President of Financial and Administrative Affairs & Director of Information Technology	**Auditors:** Chrystal Pittman and Angie Brown

Introduction

The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Jackson State Community College for the fiscal years ended June 30, 2016 and June 30, 2015, on April 30, 2018. The report included two audit findings. One of the audit findings was identified in the audit report as a material weakness, and one was identified as a significant deficiency. The current status of each finding is presented in the Results of the Current Audit section below.

Objectives

The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit findings, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.

Results of the Current Audit

Current Status of State Audit Findings

1. The college has not properly reported the costs associated with construction projects.

    Management has taken adequate corrective actions.

2. Jackson State Community College did not provide adequate Internal controls in one area.

    Management has taken adequate corrective actions.

Audit 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.

Southwest Tennessee Community College
Follow-up to the Review of Technology Access Fees
For the Fiscal Year July 31, 2016 through June 30, 2017
December 21, 2018
Executive Summary

Key Staff: Executive Director of Information Systems.	**Auditor:** Charlotte Johnson, Internal Auditor
Objectives	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit findings from the *Review of Technology* Access *Fees (TAF)* for the period July 1, 2016 through June 30, 2017, issued by Internal Audit in May 2018.
Scope	The follow-up audit included a review of the current status of actions taken by Southwest Tennessee Community College management to correct deficiencies reported previously. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by The Institute of Internal Auditors. The audit included tests of the records and other procedures considered necessary to achieve the audit objective.
Prior Audit Findings	Southwest Tennessee Community College did not provide adequate internal controls in the five specific areas below but have now addressed each area: 1. Management prepared an incorrect journal entry that resulted in an overstated carry forward. 2. TAF fees were used for employees who did not assist in laboratories and classrooms. Payroll expense for the community college was over the allowed maximum. 3. Expenditures of TAF fees were not monitored by the committee. 4. Physical inventory of sensitive minor equipment was not conducted annually. 5. Revenue listed on the actual spending plan did not agree with the general ledger.
Conclusion	Based on the results of tests and procedures performed, management has taken adequate actions or plans to take adequate corrective 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.

Additional Follow-Up to the Single Audit Report for Fiscal Year Ended June 30, 2017 and the State Audit Report for the Fiscal Years Ended June 30, 2016 and June 30, 2015
December 14, 2018
Executive Summary

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

Introduction: The Internal Audit Office performed additional follow-up to the Title IV findings in the Single Audit report for the Fiscal Year Ended June 30, 2017 and the State Audit Report for the Fiscal Years Ended June 30, 2016 and June 30, 2015. Initial follow-up reports were released in May 2018 for both the Single Audit and the State Audit reports.

Objective: To determine that the Spring 2018 semester Return of Title IV Funds (R2T4) were calculated in accordance with the procedures established in the Fall 2017 semester. The Title IV return calculations for Fall 2017 semester were reviewed in the initial follow-up.

Scope: The additional follow-up included Title IV return calculations for the Spring 2018 semester.

Findings:
Single Audit Report for the Fiscal Year Ended June 30, 2017: The college did not return unearned funds timely to the U.S. Department of Education for students who withdrew from class.

State Audit Report for the Fiscal Year Ended June 30, 2016 and June 30, 2015: The college used an incorrect term start date to calculate Title IV fund earned by students who withdrew in the Spring 2016 semester, resulting in some unearned funds not being returned to the federal government.

Conclusion: The Financial Aid Office appears to be calculating Title IV returns in accordance with the Banner procedures established in the Fall 2017 semester. Errors noted during the review were discussed with management.

Recommendations:
The college should ensure that the withdrawal notification date is used in the Title IV return calculation rather than the processing date.
The college should ensure that withdrawal fee credits are excluded from the Title IV return calculation.
The college should ensure that unofficial withdrawals are properly identified for Title IV return calculations.
The college should ensure bookstore charges are included in the Title IV return calculations.
The college should ensure that students follow proper withdrawal procedures to allow for timely identification of students that require a Title IV return.

Tennessee Board of Regents
Audit Committee
March 5, 2019

Internal Audit Reports
Investigations

Key Staff Persons: Director of Athletics/Associate Prof. of Physical Education	**Auditor:** Chrystal Pittman, Interim Director of Internal Audit & Angie Brown, Internal Auditor

Objectives:

An investigative review was conducted to determine the validity of allegations that the Phi Theta Kappa (PTK) club used a student's personal bank account to process debit/credit charges for a PTK fundraiser. Internal Audit also received allegations that proceeds from PTK club fundraising events were held in a "petty cash" fund established and operated by the club and that proceeds from fundraisers were not deposited into the designated agency account.

The effectiveness of internal controls related to club procedures were also reviewed.

SCOPE:

- Reviewed club related TBR and JSCC policies/JSCC Student Life Handbook
- Reviewed IRS Code related to raffles/fundraising
- Interviewed management (VPSS, Director of Athletics) and club advisors (PTK)
- Surveyed JSCC Club Advisors
- Reviewed club account balances in agency fund and associated foundation accounts (if applicable)
- Discussed club cash management procedures with Business Services

Results of Review:

Allegation 1:

PTK club used a student's personal bank account to process debit/credit charges for a PTK fundraiser.

Conclusion 1:

The allegation was substantiated. After discussion with PTK Advisors, Business Services, and the Director of Athletics it was determined that the student used his/her phone along with a card swipe device to accept payments from the sale of pastries during a PTK fundraising event. The student ultimately provided the Business Office with a money order in the amount of $15.55 representing the amount collected during the fundraiser. The money order was deposited into the PTK agency fund. The student along with the club advisors signed a statement that all funds deposited in the student's personal account from the fundraiser totaling $15.55 were returned in the money order on April 25, 2018.

Recommendations 1:

Based on the procedures performed, Internal Audit recommends:

1. Guidelines for fundraising events including cash management procedures should be developed and included in the JSCC Student Life Handbook. Guidelines may also include an approval process and any restrictions or limitations (e.g. raffles).

2. Training should be provided periodically and the JSCC Student Life Handbook should be distributed to club advisors and club officers. Increased communication between student activities and the club advisors could be beneficial and provide benefits to the student clubs.

3. The JSCC Student Life Handbook should be reviewed annually and updated (if needed).

Management's Response 1:

1. Management Concurs.
   Cash management guidelines have been instituted that require dual control during all fundraising activity. A new online system has been put in place that requires all fundraising activity to be approved by a direct supervisor, the director of athletics, and the vice president of student services. Guidelines for fundraising have been updated in the student life handbook.

2. Management Concurs.
   All club advisors will be required to attend annual training on fundraising guidelines and cash management prior to being allowed to host events on campus. This training will occur during the Fall semester of each academic year. All club advisors and club officers will be provided a copy of the student life handbook. All events other than a normal club meeting must be communicated through the online Event and Fundraiser Request system requiring a minimum of three approvals.

3. Management Concurs.
   The JSCC Student Life Handbook will be reviewed each Spring semester by a four-person committee made up of: two faculty members, a student services representative, and one student representative. This committee will recommend changes to the Director of Athletics/Student Activities and the Vice President of Student Services (VPSS) for consideration. Any recommended changes to fundraising or funds management will be brought to the attention of the Vice President for Finance and Administrative Affairs for consideration in addition to the VPSS and the Director of Athletics/Student Activities.

Allegation 2:
Proceeds from PTK club fundraising events were held in a "petty cash" fund established and operated by the club. Fundraiser proceeds were not deposited into an agency account.

Conclusion 2:
The allegation was not substantiated. Club advisors were interviewed and stated that they did not maintain a petty cash fund. The PTK agency account was reviewed and it was determined that deposits were made from fundraising events.

Departments: Academic Affairs and Business Office	**Internal Auditor:** Tammy Wiseman

Introduction:
An investigative review was conducted based on an allegation received by the Interim President of Motlow State Community College (MSCC) on October 3, 2017, regarding the out-of-state travel of the Academic Dean of the Smyrna campus. The allegation was not substantiated; however, the review resulted in five recommendations for improvements. The current statuses of the recommendations are presented in the Results of the Current Review and Follow Up on Recommendations sections below.

Objective:
The objective of the review was to determine whether adequate corrective actions have been taken to address the five recommendations.

Results of the Current Review:
Corrective actions for three of the five recommendations were not cleared.

Follow Up on Recommendations:

1. **Recommendation**
   A completed Travel Authorization should be approved prior to registration fees being paid, reimbursed, or charged to an institution issued charge card.

   Management's Comment
   Changes will be made to require a completed Travel Authorization be approved prior to registration fees being paid, reimbursed, or charged to an institution issued p-card.

   Current Status
   The recommendation has not been cleared. The review found that Travel Authorizations are not being completed and approved prior to the registration fees being paid, reimbursed, or charged to an institution issued charge card.

   Management's Follow Up Comment
   An email will be sent out to the Campus community regarding Changes / Reminders about Travel. An additional email will go out specifically to p-card users addressing the same issues.

2. **Recommendation**

   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.

   Management's Comment

   Changes will be made so that all estimated travel expenses be reflected in the total cost of the Travel Authorization to include applicable: mileage, airfare, meals and incidentals, lodging, registration, and any other expenses.

   Current Status

   The recommendation has been cleared. The review found that Travel Authorizations are reflecting the total estimated costs of the travel request.

3. **Recommendation**

   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.

   Management's Comment

   Form TR-1F, Faculty/Staff Travel Authorization, will be eliminated no later than July 1, 2018.

   Current Status

   The recommendation has not been cleared. At the time of the review, the TR-1F, Faculty/Staff Travel Authorization, was still in use and available via the MSCC website. The form has recently been removed from the website.

   Management's Follow Up Comment

   The TR-1F form has been removed from the Internet. Per the Comptroller, the Assistant Vice President for Academic Affairs ensures it will no longer be used and that the regular TR-1 will be used instead.

4. **Recommendation**

   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.

   Management's Comment

   Form TR-1F, Faculty/Staff Travel Authorization, will be eliminated no later than July 1, 2018.

Current Status

The recommendation has not been cleared. At the time of the review, the TR-1F, Faculty/Staff Travel Authorization, was still in use and available via the MSCC website. The form has recently been removed from the website.

Management's Follow Up Comment

The TR-1F form has been removed from the Internet. Per the Comptroller, the Assistant Vice President for Academic Affairs ensures it will no longer be used and that the regular TR-1 will be used instead.

5. **Recommendation**

Procedures should be developed outlining the usage of the restricted funds provided from the Motlow Foundation and institutional funds designated for faculty/staff development.

Management's Comment

Written procedures will be developed outlining the usage of the restricted funds provided from the Motlow Foundation and institutional funds designated for faculty/staff development. These procedures will be implemented no later than July 1, 2018.

Current Status

The recommendation has been cleared. Guidelines on Distribution of Funds for Faculty and Staff Development Funds have been developed.

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: University Updates

DATE: March 5, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The Chief Audit Executive will provide an update regarding the university audit activities under the FOCUS Act. The following is a summary of key actions received by the Office of System-wide Internal Audit.

Summary of Recent Activities

- The State of Tennessee Comptroller of the Treasury released the Financial and Compliance Audit Report for the below universities for the year ended June 30, 2018. A summary for each report is included as Item Ic1.

FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS
    Austin Peay State University
            — FYE June 30, 2018
    East Tennessee State University
            — FYE June 30, 2018
    Middle Tennessee State University
            — FYE June 30, 2018

FINANCIAL AND COMPLIANCE AUDITS – FINDINGS
    Tennessee State University
            — FYE June 30, 2018

Tennessee Board of Regents
Audit Committee
March 5, 2019

Review of Comptroller's Office Audit Reports- Universities
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
Tennessee State University (TSU)	June 30, 2017	Unmodified Opinion	One internal control finding identified as a material weakness and three control findings identified as significant deficiencies	No instances of noncompliance required to be reported	5

Finding 1 – As noted in the prior two audits, management needs to improve procedures for preparing and reviewing financial statements.

As noted in the prior two audits, the Vice President of Business and Finance should ensure improved communication and cooperation between all staff with accounting responsibilities and should ensure timely completion of information necessary to compile and review the financial statements and notes. The Vice president of Business and Finance should institute procedures that ensure the accuracy, proper classification, and disclosure of information presented in the financial statements and the accompanying notes. The procedures should address the preparation of the financial statements and the notes, as well as the subsequent review process. Management should perform adequate reviews on the statements and the notes to mitigate the risk of errors.

Management's Comment – Management concurs. The Associate Vice President for Accounting and Payroll will ensure year-end checklists are updated to reflect all required entries noted in TBR's annual Financial Reporting Update. In addition, the Vice President for Business and Finance will review the checklist and the financial statements and notes to ensure completion and accuracy. The Vice President for Research and Institutional Advancement and the Vice President for Business and Finance will meet to clearly define the accounting duties and responsibilities assigned to foundation personnel; establish timeframes for the preparation and review of financial data; and develop procedures to ensure the accurate and timely completion of the foundation's statements and notes. The Vice President for Research and Institutional Advancement will ensure that accurate and timely financial statement information is disseminated to the university as outlined in the foundation's accounting duties and responsibilities document. Both Vice Presidents will meet with university and foundation staff quarterly to discuss progress and to ensure all targeted deadlines are being met. The Vice President for Business and Finance will provide a final review of the university and foundation's financial statements and notes at year-end. In addition, the Vice President for Business and Finance will search for relevant financial recording and reporting training to be provided for university and foundation accounting staff who are involved in financial statement preparation.

Finding 2 – TSU and the TSU Foundation's accounting records show $246.000 more cash on hand than shown on the bank statements; this variance is unexplained.

Business Office personnel should prepare and review separate bank account reconciliations for each bank statement monthly, soon after the receipt of the monthly bank statements, but no later than 30 days after month-end. Bank reconciliation policies should be readily available to business office

staff and should require reconciliations to be performed within 30 days. Management should develop written procedures to require individual reconciliations to be prepared for each bank account and the prompt resolution of reconciling items for both the university and foundation. Management should investigate the unresolved differences between cash per the bank and cash per the accounting records and determine whether they were caused by fraud or by error. Necessary adjustments to the accounting records should then be made. Management should forward the results of this investigation to the Comptroller of the Treasury upon completion.

Management's Comment – Management concurs. Management will revise the current policies and procedures to require separate bank account reconciliations for each bank account monthly, but no later than 30 days after month-end. The Vice President for Business and Finance and the Vice President for research and Institutional Advancement will meet to clearly define the responsibilities for each reconciliation and timeframe for resolution of reconciling items for bot the university and foundation. The unresolved differences will be researched, and the necessary adjustments will be made to the accounting records by March 31, 2019. A report of our findings will be forwarded to the Comptroller of the Treasury upon completion.

Finding 3 – The university did not have adequate policies and procedures for the collection of accounts receivable
Management should develop an up-to-date written collection policy. The institutional policy should include, but not be limited to
- A schedule defining delinquent periods;
- The timing of collection letters;
- When an account should be considered in default; and
- A statement concerning when the account should be sent to the collections agency, after the final collection letter is sent and the debtor has not responded.

Management should ensure that staff perform collection efforts timely and that the tracking system maintains documentation of when collection letters are mailed.

Management's Comment – Management concurs. The Associate Vice President for Financial Services will work with the Bursar's Office to write up-to-date policies and procedures for the collection of accounts receivable. This written policy will include at a minimum 1) a schedule defining delinquent periods; 2) the timing of collection letters; 3) when an account should be considered in default; and 4) a statement concerning when the account should be sent to a collections agency. This updated policy will be submitted for approval by the Board of Trustees at its February board meeting. Additionally, the Associate Vice president for Financial Services will ensure that Bursar's Office staff perform collection efforts in accordance with approved policies and procedures.

Finding 4 – As noted in the prior three audits, Tennessee State University did not provide adequate internal controls in one area
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. The Chief of Staff and the Vice President for Business and Finance will ensure internal controls are developed and implemented to prevent recurrence.

Finding 5 – Return of Title IV funds were not in compliance with federal regulations
The Registrar's Office and the Student Financial Aid Office should ensure federal regulations are followed. While the Registrar's Office is responsible for entering the number of days in the period of enrollment, including breaks, into the Banner information system, the Student Financial Aid Office should verify that the Registrar's Office entered the information correctly. Management should ensure that the Student Financial Aid Officer reperforms all return of Title IV funds calculations and makes necessary corrections to student and federal fund accounts. Management should ensure that the Registrar's Office communicates any status change to the Financial Aid Office.

Management's Comment – Management concurs. Daily reports are currently provided to the university's Records Office and the Financial Aid Office of students who are no longer attending due to official withdrawal or due to reporting of nonattendance by faculty. The Financial Aid Office reviews these reports, calculates the amount of aid that needs to be returned, adjusts students' accounts, and notifies students of all adjustments made.

To ensure compliance with federal regulations, the following corrective actions will be taken:

- Within two weeks of the first day of class, the Assistant Vice President for Financial Aid and Scholarships will verify that the published academic calendar aligns with the information in the Banner system. This verification will be performed to ensure the number of break days includes all applicable weekend days and the start and end dates of the semesters are accurate. The Assistant Vice president for Financial Aid and Scholarships will document this review in an email to the Registrar and the Vice President for Enrollment Management and Student Success.
- The Assistant Vice president for Financial Aid and Scholarships will review the parameters of the current daily report with the Office of technology Services by March 31, 2018, to ensure all students are being captured so that the return of funds is accurate and timely. The results of the review will be reported to the Vice President for Enrollment Management and Student Success by April 30, 2018.
- The Registrar will ensure all status changes are communicated via email to the Assistant Vice President for Financial Aid and Scholarships at the time of determination.
- The Assistant Vice President for Financial Aid and Scholarships will recalculate all returns of Title IV funds and make necessary corrections to students and federal fund accounts by April 30, 2018. The Vice President for Enrollment Management and Student Success will document his review of the reconciliations.

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

THE COLLEGE SYSTEM
of TENNESSEE

BOARD TRANSMITTAL

MEETING:	Committee on Audit
SUBJECT:	Review of Revisions to Fiscal Year 2019 Audit Plans
DATE:	March 5, 2019
PRESENTER:	Mike Batson
ACTION REQUIRED:	Voice Vote
STAFF'S RECOMMENDATION:	Approve

The Office of Internal Audit at each campus and the system office prepares an annual Audit Plan at the beginning of each fiscal year. Each plan is based upon the staffing and hours available to perform audits and is prepared in conjunction with an annual risk analysis of the audit universe. The audit plans include required audits, risk-based audits, known investigations and special requests or projects. During the year, changes in audit priorities and staffing may result in alterations to the plan.

A summary of significant revisions to the plans from July 2018 to December 2018 is attached, followed by the revised plan for each of the audit offices.

Tennessee Board of Regents
Summary of Revisions
Fiscal Year 2019 Audit Plans

Overview of Significant Revisions: Below are revisions to the audit plans created in July 2018, reflecting changes which occurred through December 2018. Changes in audit priorities result in most revisions to audit plans. Investigations and special projects occur and sometimes replace risk-based or other planned audits. However, time budgets may also be increased or decreased depending on circumstances encountered during an audit and the time needed to achieve the audit objectives.

Institution	Significant Revisions to Audit Plans Since July 1, 2018
ChSCC	The TCAT CDL Program Compliance review was added at the President's request. The HR Grievances Process review was removed to accommodate the new request. Investigation 19-01 was added.
ClSCC	Investigation 19-01 was added to the plan. Hours were moved from Unscheduled Investigations to accommodate 19-01.
CoSCC	The EWD Controls Review, Financial Aid-Phase 2 Review, IIA Quality Assurance External Review, and Chancellor's Expense Review required more time due to the complexity of the engagements. Time was reduced in several other engagements to accommodate the required increase.
JSCC	Hours were removed from Unscheduled Investigations to accommodate Investigation 19-01 and additional hours required for Investigation 18-01. Unused hours in Quality Assurance External Review were reallocated to State Audit Follow-up and Investigation 18-03. The Financial Aid review was removed from the plan due to the addition of the Fixed Assets review and ongoing investigations.
MSCC	Time was reallocated from General Consulting to the Student Complaint FA project. Investigation 18-04 follow-up was removed from the plan due to investigation finalization still being in progress.
NeSCC	Time budget was reevaluated for several engagements and reallocated to other projects.
PSCC	Increase in hours for the Northeast State Community College President's Expense audit due to the complexity of the engagement. Removal of the Facilities-Maintenance Operations review due to the addition of the HVAC Vulnerability Assessment.
RSCC	The Grade Changes review was added at the request of management. The Quality Assurance Review was omitted from the original audit plan.
STCC	The Deaf Connect of the Mid-South review was added at the request of management. Hours were taken from Unscheduled investigations to accommodate the request.
VSCC	Additional Follow-up to State Audit Report for FY 2015 and FY 2016 was added to the audit plan.
WSCC	Enterprise-wide Risk Management was removed from the plan.
TBR Investigations	The Volunteer State Community College President's Expense audit was originally assigned to this plan due to the elimination of the Director position but was subsequently transferred to another auditor. Investigation 18-08 has been transferred to the campus auditor.
TBR Information Systems	Audits were added to accommodate actual hours incurred by the previous Information Systems Auditor before termination. This position is currently vacant and all engagements are on hold until the position is filled.
TBR TCAT	The Volunteer State Community College President's Expense audit was transferred from TBR-Investigations to this plan. Required TCAT President's Expense audits were added to the plan.

The following institutions have not had significant revisions during this fiscal year:
Dyersburg State Community College
Nashville State Community College

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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	F	State Audit Assist/Follow-up	5.0	Jul-18	11.3	11.3	0.0	0%			11.3		Scheduled
FM	S	YE Procedures FYE 2018	5.0	Jun-18	11.3	11.3	0.0	0%		11.0	0.3	Sep-18	Completed
FM	S	YE Procedures FYE 2019	5.0	May-19	15.0	15.0	0.0	0%			15.0		Scheduled
IA	S	TCAT CDL Program Compliance	5.0	Oct-18	0.0	105.0	105.0	N/A	1	86.0	19.0		In Progress
IS	C	Management Advisory Services	5.0	Jul-18	105.0	105.0	0.0	0%		68.5	36.5		In Progress
IS	F	ChSCC Follow up Reviews	5.0	Jul-18	90.0	90.0	0.0	0%		46.0	44.0		In Progress
IS	I	Developing Investigations-Assist TBR	5.0	Jul-18	15.0	15.0	0.0	0%		1.0	14.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-18	105.0	45.0	-60.0	-57%	2		45.0		In Progress
IS	I	INV1803-Event Employment	5.0	Apr-18	22.5	22.5	0.0	0%		19.0	3.5		In Progress
IS	I	INV1804-Overtime & Comp Time Process	5.0	May-18	22.5	22.5	0.0	0%		16.5	6.0		In Progress
IS	I	INV1901-Plant Ops Training Program	5.0	Oct-18	0.0	60.0	60.0	N/A	2	34.0	26.0		In Progress
IS	M	Enterprise Risk Assessment	5.0	Oct-18	45.0	45.0	0.0	0%		35.0	10.0	Dec-18	Completed
IS	P	Special Projects- Audit Software	5.0	Jul-18	15.0	15.0	0.0	0%		12.0	3.0		In Progress
IS	R	QAR Self & External	5.0	Jul-18	37.5	37.5	0.0	0%		39.5	-2.0		In Progress
IT	S	NACHA-2019	5.0	May-19	60.0	60.0	0.0	0%			60.0		Scheduled
SS	F	FU-CCTA-Workforce Training Hours	5.0	Oct-18	90.0	90.0	0.0	0%		11.5	78.5		In Progress
SS	S	Student Record Retention	5.0	Jan-19	105.0	105.0	0.0	0%			105.0		Scheduled
SS	S	Student Complaints	5.0	Sep-18	120.0	120.0	0.0	0%			120.0		Scheduled
IS	A	HR Grievances Process	3.6	Mar-19	105.0	0.0	-105.0	-100%	1		0.0		Removed
IT	A	Software License Compliance	3.4	May-18	75.0	75.0	0.0	0%		10.0	65.0		In Progress
		Total Planned Audit Hours:			**1050.0**	**1050.0**	**0.0**			**390.0**	**660.0**		

Estimated Available Audit Hours =   1020.0

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: Added audit at request of President and removed audit to gain hours for project.
FN2:   Included Investigation 2019-01 and reduced unscheduled investigation.

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

| 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	F	Follow-up Reviews	5.0	90.0	90.0	0.0	0%			90.0		Scheduled
IS	I	Unscheduled Investigations	5.0	60.0	0.0	-60.0	-100%	1		0.0		Removed
IS	I	Investigation 19-01	5.0	0.0	137.3	137.3	N/A	1	163.0	-25.8	Jan-19	Completed
IS	M	Enterprise-Wide Risk Assessment	5.0	30.0	13.1	-16.9	-56%		9.5	3.6	Dec-18	Completed
IS	P	Special Project Automate Workpapers	5.0	22.5	22.5	0.0	0%		12.0	10.5		In Progress
FM	R	NACHA 2019	5.0	112.5	97.5	-15.0	-13%			97.5		Scheduled
IS	R	State Audit Follow-up	5.0	15.0	15.0	0.0	0%		1.5	13.5		In Progress
IS	R	QAR 2018	5.0	15.0	15.0	0.0	0%		14.5	0.5	Oct-18	Completed
FM	S	NACHA 2018	5.0	99.8	75.0	-24.8	-25%		71.0	4.0	Oct-18	Completed
IS	S	Management Advisory Services	5.0	75.0	60.0	-15.0	-20%		14.0	46.0		In Progress
IS	S	Shared Services	5.0	90.0	90.0	0.0	0%		2.0	88.0		In Progress
IS	S	Year End 2018	5.0	7.5	7.5	0.0	0%		8.0	-0.5	Aug-18	Completed
IS	S	Year End 2019	5.0	15.0	6.0	-9.0	-60%			6.0		Scheduled
FM	A	IAR-Maintenance/Tuition and Related Fees	3.3	112.5	105.0	-7.5	-7%			105.0		Scheduled
FM	A	IAR-Payroll	3.2	75.0	60.0	-15.0	-20%		58.5	1.5	Jan-19	Completed
IS	R	Conflict of Interest	2.7	120.0	120.0	0.0	0%			120.0		Scheduled
IA	R	Work Force Development	2.4	150.0	150.0	0.0	0%		2.0	148.0		In Progress
		Total Planned Audit Hours:		**1089.8**	**1063.9**	**-25.9**			**356.0**	**707.9**		

Estimated Available Audit Hours = 1050.0

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: Moved hours from Unscheduled Investigations to INV 19-01.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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	M	Review Management's Risk Assessment	5.0	Nov-18	22.5	7.5	-15.0	-67%		6.5	1.0	18-Dec	Completed
IS	A	EWD_Controls Review	5.0	Mar-18	67.5	186.0	118.5	176%	1	185.5	0.5	18-Nov	Completed
IS	C	Management Advisory Services	5.0	Jul-18	52.5	52.5	0.0	0%		54.5	-2.0		In Progress
SS	A	Financial Aid-Phase 2	4.0	Oct-18	150.0	225.0	75.0	50%	1	38.5	186.5		In Progress
AT	C	TitleIX - Self Assessment	3.5	Nov-18	37.5	52.5	15.0	40%		16.0	36.5		In Progress
IS	A	Policy Compliance Reviews	3.5	Sep-18	75.0	75.0	0.0	0%		32.5	42.5		In Progress
IT	A	Cybersecurity Plan	3.5	Jan-19	52.5	45.0	-7.5	-14%	2		45.0		Scheduled
IS	P	Achieving the Dream College Initiative	3.5	Sep-18	150.0	75.0	-75.0	-50%	2	11.3	63.7		In Progress
IS	A	Data Privacy, Retention, Red Flags	3.4	Apr-19	150.0	75.0	-75.0	-50%	2		75.0		Scheduled
FM	A	Third-Party Risk Management	3.3	Mar-19	75.0	37.5	-37.5	-50%	2		37.5		Scheduled
IS	A	Business Continuity Plan	3.2	Nov-18	37.5	37.5	0.0	0%			37.5		Scheduled
IS	M	Annual Department Budget Briefings	3.2	Jul-18	30.0	22.5	-7.5	-25%	3	22.8	-0.3	Jul-18	Completed
IS	F	Engagement Follow-up Review	3.2	Oct-18	30.0	22.5	-7.5	-25%	2	6.8	15.7		In Progress
IS	O	Awareness Education	3.1	Sep-18	37.5	22.5	-15.0	-40%	2	9.8	12.7		In Progress
IS	R	IIA Quality Assurance External Review	3.1	Oct-18	45.0	71.3	26.3	58%	1	71.2	0.0	Oct-18	Completed
FM	S	President/Chancellor Expense Review	2.9	Sep-18	37.5	67.5	30.0	80%	1	67.5	0.0	Nov-18	Completed
FM	F	Sensitive Equipment Inventory Controls Review	2.9	Sep-18	22.5	22.5	0.0	0%			22.5		Scheduled
FM	R	17-18 State Audit Year-End Work	2.9	Jun-18	15.0	7.5	-7.5	-50%	3	5.8	1.7	Sep-18	Completed
FM	R	18-19 State Audit Year-End Work	2.9	Jun-19	22.5	22.5	0.0	0%			22.5		Scheduled
		Total Planned Audit Hours:			**1110.0**	**1127.3**	**17.3**			**528.7**	**598.6**		

Estimated Available Audit Hours =   148.0

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

FN 1: Adjusted time to accommodate engagement complexity or capture actual time.
FN 2: Adjustments to allocate time to complex engagements.
FN 3: Reallocate unused time.

Dyersburg State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised January 2019

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			**Planned to Actual**			
FM	S	Faculty Sick Leave	5.0	Sep-18	15.0	15.0	0.0	0%		38.0	-23.0		In Progress
FM	R	STCC President's Expense Audit	5.0	Aug-18	170.3	170.3	0.0	0%		156.0	14.3	Oct-18	Completed
IS	C	General Consultation	5.0	Jul-18	95.3	95.3	0.0	0%		70.0	25.3		In Progress
IS	C	PII Review	5.0	Jul-18	105.0	105.0	0.0	0%		47.0	58.0		In Progress
IS	R	QAR 2018 External Review	5.0	Aug-18	15.0	15.0	0.0	0%		37.5	-22.5	Nov-18	Completed
IS	P	QAR 2018 Subcommittee Project	5.0	Aug-18	24.8	24.8	0.0	0%		31.5	-6.8	Nov-18	Completed
IS	M	2018 Risk Assessment	5.0	Oct-18	90.0	90.0	0.0	0%		91.0	-1.0	Dec-18	Completed
IS	I	Unscheduled Investigations	5.0	Jul-18	144.8	144.8	0.0	0%			144.8		In Progress
AD	R	Workforce Contact Hours	4.2	Feb-19	35.3	35.3	0.0	0%		15.0	20.3		In Progress
IS	F	Follow-up Audits	4.2	Jul-18	80.3	80.3	0.0	0%		10.0	70.3		In Progress
SS	S	FA Federal Work Study Program and FA Fraud	4.1	Oct-18	20.3	20.3	0.0	0%		11.0	9.3		In Progress
AT	A	Athletics Camps, Clinics, Fundraising	4.0	Jan-19	72.0	72.0	0.0	0%			72.0		Scheduled
AT	A	Athletics Eligibility	3.9	Mar-19	75.0	75.0	0.0	0%			75.0		Scheduled
FM	R	2019 Year-End Bank Counts	3.7	Jun-19	30.0	30.0	0.0	0%			30.0		Scheduled
FM	S	Cash Handling Procedures	3.7	Nov-18	65.3	65.3	0.0	0%		29.5	35.8		In Progress
IS	S	Conflict of Interest	3.5	Apr-19	65.3	65.3	0.0	0%			65.3		Scheduled
FM	A	Records Management and Retention	3.0	Dec-18	90.0	90.0	0.0	0%			90.0		In Progress
FM	R	2018 Year-End Bank Counts		Jul-18	0.0	0.0	0.0	N/A		3.0	-3.0	Jul-18	Completed
		Total Planned Audit Hours:			**1193.3**	**1193.3**	**0.0**			**539.5**	**653.8**		

Estimated Available Audit Hours = 1160.2

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

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original			Planned to Actual			Current Status
							Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	
AD	C	Foundation 2017-18	5.0	Jul-18	150.0	135.0	-15.0	-10%			135.0		Scheduled
IS	C	General Consultation	5.0	Jul-18	75.0	75.0	0.0	0%		48.0	27.0		In Progress
FM	F	Access and Diversity Follow-up	5.0	Oct-18	75.0	75.0	0.0	0%		4.0	71.0		In Progress
FM	F	Payroll Follow-up	5.0	Jan-19	75.0	75.0	0.0	0%			75.0		Scheduled
IA	F	INV 18-01 Follow-up	5.0	Apr-19	75.0	75.0	0.0	0%			75.0		Scheduled
IA	F	Study Abroad Follow-up	5.0	Oct-18	75.0	75.0	0.0	0%		7.5	67.5		In Progress
IS	F	Emergency Preparedness Follow-up	5.0	Nov-18	75.0	75.0	0.0	0%		8.0	67.0		In Progress
IA	I	INV 18-01 Notification-Jan 2018	5.0	Jul-18	75.0	135.0	60.0	80%	1	9.0	126.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-18	60.0	0.0	-60.0	-100%	1		0.0		Removed
AT	I	INV 19-01 Timekeeping	5.0	Jun-19	0.0	30.0	30.0	N/A	2	151.0	-121.0		In Progress
IS	M	Risk Assessment	5.0	Oct-18	97.5	97.5	0.0	0%		36.5	61.0	Nov-18	Completed
FM	R	Year-End Procedures	5.0	Jun-19	37.5	37.5	0.0	0%		4.0	33.5		In Progress
IS	R	Quality Assurance External Review	5.0	Jul-18	75.0	45.0	-30.0	-40%	3	20.0	25.0	Nov-18	Completed
IS	S	Fixed Assets	5.0	Dec-18	0.0	90.0	90.0	N/A		35.5	54.5		In Progress
FM	F	State Audit Follow-up	4.2	Aug-18	75.0	135.0	60.0	80%	3	113.3	21.7	Nov-18	Completed
SS	F	INV 18-03 Follow-up	4.2	Apr-19	75.0	75.0	0.0	0%			75.0		Scheduled
SS	I	INV 18-03	4.2	Jul-18	75.0	135.0	60.0	80%	3	43.0	92.0	Dec-18	Completed
IA	R	Workforce Development	4.2	Mar-19	187.5	187.5	0.0	0%			187.5		Scheduled
SS	S	Veterans Affairs Student Records	4.2	Dec-18	75.0	75.0	0.0	0%			75.0		Scheduled
IS	A	Financial Aid	4.1	Feb-19	187.5	0.0	-187.5	-100%	4		0.0		Removed
		Total Planned Audit Hours:			1620.0	1627.5	7.5			479.8	1147.7		

Estimated Available Audit Hours = 1619.25

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: Review of Timekeeping added per President's request.
FN3: QAR hours reduced to allow for time budget adjustments to the state audit follow-up and INV 18-03 Club Account review.
FN4: Removed Financial Aid audit due to the addition of the Fixed Assets audit and ongoing investigations.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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		
SS	A	Admissions and Records	5.0	Oct-18	130.5	130.5	0.0	0%			130.5		Scheduled
IS	C	General Consultation	5.0	Jul-18	80.3	120.0	39.8	50%	1	88.5	31.5		In Progress
AT	F	INV 16-04 Follow-up	5.0	Jul-18	40.5	60.0	19.5	48%		33.9	26.1		In Progress
FM	F	Access and Diversity 2014-2015 Follow-up	5.0	Dec-18	50.3	50.3	0.0	0%		4.5	45.8		In Progress
IA	F	INV 18-02 Follow-up	5.0	Nov-18	39.8	39.8	0.0	0%		12.0	27.8		In Progress
IA	F	INV 18-03 Follow-up	5.0	Nov-18	30.0	30.0	0.0	0%		25.8	4.2	Dec-18	Completed
IA	F	INV 18-04 Follow-up	5.0	Sep-18	30.0	0.0	-30.0	-100%	2		0.0		Removed
IS	F	Other Internal Audit Follow-up	5.0	Jul-18	20.3	12.5	-7.8	-39%			12.5		Scheduled
IT	F	Information Technology Follow-up	5.0	Aug-18	30.0	30.0	0.0	0%		8.0	22.0		In Progress
IT	F	INV 16-01 Follow-up	5.0	Dec-18	39.8	39.8	0.0	0%		3.1	36.7		In Progress
SS	F	INV 18-01 Follow-up	5.0	Nov-18	30.0	30.0	0.0	0%		0.5	29.5		In Progress
IA	I	INV 18-04	5.0	Jul-18	30.0	30.0	0.0	0%	2	50.3	-20.3		In Progress
IS	I	INV	5.0	Jul-18	50.3	30.0	-20.3	-40%		8.0	22.0		In Progress
IS	M	MRA Access	5.0	Nov-18	37.5	30.0	-7.5	-20%		24.1	5.9		In Progress
FM	P	Data Analytics	5.0	Jul-18	50.3	50.3	0.0	0%		1.5	48.8		In Progress
IS	P	Quality Assessment Review	5.0	Jul-18	40.5	40.5	0.0	0%		34.1	6.4	Dec-18	Completed
FM	R	President's Expense Audit ChSCC FY 2018	5.0	Sep-18	75.0	75.0	0.0	0%		119.8	-44.8	Oct-18	Completed
FM	R	State Audit Assistance Year End	5.0	Jul-18	22.5	22.5	0.0	0%		8.0	14.5		In Progress
IS	R	Conflict of Interest	5.0	Mar-19	45.0	45.0	0.0	0%			45.0		Scheduled
MC	R	Workforce Development	5.0	Jan-19	69.8	69.8	0.0	0%		11.7	58.1		In Progress
IA	S	Study Abroad	5.0	Jul-18	45.0	45.0	0.0	0%		4.4	40.6		In Progress
SS	P	Student Complaint FA	5.0	Sep-18	0.0	30.0	30.0	N/A	1	22.5	7.5		In Progress
SS	A	Financial Aid	4.8	Feb-19	130.5	106.5	-24.0	-18%			106.5		Scheduled
		Total Planned Audit Hours:			**1117.5**	**1117.2**	**-0.3**			**460.7**	**656.5**		

Estimated Available Audit Hours =   1117.5

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: Time was reallocated from Consulting to a Project.
FN2: Follow-up removed from current year audit plan due to investigation finalization still in progress.

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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	R	Year-End Work	5.0	Jul-18	22.5	22.5	0.0	0%		11.0	11.5		In Progress
IS	I	INV 18-02	5.0	Sep-17	31.5	31.5	0.0	0%		64.0	-32.5	Jan-19	Completed
IS	I	Unscheduled Investigations	5.0	Jul-18	90.0	90.0	0.0	0%			90.0		In Progress
IS	M	IA Letter MRA	5.0	Jul-18	15.0	15.0	0.0	0%		10.0	5.0		In Progress
IS	S	Special Projects	5.0	Jul-18	112.5	112.5	0.0	0%		135.8	-23.3		In Progress
FM	A	PP&E Accounting	4.2	Jul-18	90.0	90.0	0.0	0%			90.0		Scheduled
IS	S	Assisting SWIA	4.2	Jul-18	75.0	75.0	0.0	0%		160.0	-85.0		In Progress
IT	A	Disaster Recovery	4.2	Jul-18	15.0	15.0	0.0	0%			15.0		Scheduled
IT	A	PII (and PHI) Data Security	4.0	Jul-18	15.0	15.0	0.0	0%			15.0		Scheduled
FM	A	Account Reconciliation Procedures	3.7	Jul-18	75.0	75.0	0.0	0%			75.0		Scheduled
FM	F	State Audit Follow-up	3.7	Jul-18	37.5	37.5	0.0	0%		10.5	27.0		In Progress
IS	S	Human Resources	3.7	Jul-18	105.0	105.0	0.0	0%		93.5	11.5		In Progress
FM	A	Contracts Compliance	3.5	Jul-18	90.0	90.0	0.0	0%			90.0		Scheduled
IT	F	SWIA IT Audit Follow-up	3.4	Jul-18	37.5	37.5	0.0	0%		2.0	35.5		In Progress
PP	A	Security-Clery Act	3.4	Jul-18	90.0	90.0	0.0	0%		47.5	42.5		In Progress
SS	A	Federal Work Study Program	2.7	Jul-18	75.0	75.0	0.0	0%			75.0		Scheduled
SS	F	Federal FA Audit Follow-up	2.7	Jul-18	37.5	37.5	0.0	0%		53.0	-15.5		In Progress
IS	C	General Consultation	2.5	Jul-18	105.0	105.0	0.0	0%		6.0	99.0		In Progress
IA	R	Workforce and Community Development	2.4	Jul-18	75.0	75.0	0.0	0%		5.5	69.5		In Progress
		Total Planned Audit Hours:			**1194.0**	**1194.0**	**0.0**			**598.8**	**595.2**		

Estimated Available Audit Hours = 1194.0

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

Northeast State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised January 2019

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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	Accounts Receivable Review	5.0	Jul-18	75.0	112.5	37.5	50%	1	98.0	14.5		In Progress
FM	A	Bank Reconciliations Review	5.0	Jul-18	75.0	75.0	0.0	0%		32.5	42.5		In Progress
FM	A	Grants and Contracts Review	5.0	Jul-18	105.0	105.0	0.0	0%			105.0		Scheduled
FM	M	Risk Assessments	5.0	Jul-18	52.5	52.5	0.0	0%		52.5	0.0		In Progress
FM	R	State Audit Assistance Year-End	5.0	Jul-18	52.5	52.5	0.0	0%		5.5	47.0		In Progress
FM	R	State Audit Follow-up	5.0	Jul-18	75.0	75.0	0.0	0%		13.0	62.0		In Progress
IS	P	Electronic Workpapers Software	5.0	Jul-18	37.5	37.5	0.0	0%		29.0	8.5		In Progress
IS	C	General Consultation	5.0	Jul-18	52.5	52.5	0.0	0%		25.5	27.0		In Progress
IS	F	Other Internal Audit Follow-up	5.0	Jul-18	37.5	37.5	0.0	0%		12.0	25.5		In Progress
IS	R	Conflict of Interest Review	5.0	Jul-18	150.0	90.0	-60.0	-40%	2		90.0		Scheduled
IS	P	QAR 2019	5.0	Jul-18	22.5	82.5	60.0	267%	3	82.5	0.0		In Progress
IS	S	Special Requests and Projects	5.0	Jul-18	52.5	52.5	0.0	0%		36.0	16.5		In Progress
IA	R	Workforce Development 2018	5.0	Jul-18	150.0	90.0	-60.0	-40%	2	8.5	81.5		In Progress
RS	P	IRB Review	5.0	Jul-18	15.0	75.0	60.0	400%	4	75.0	0.0	Sep-18	Completed
SS	S	Graduate Placement Review	5.0	Jul-18	150.0	105.0	-45.0	-30%	2		105.0		Scheduled
		Total Planned Audit Hours:			**1102.5**	**1095.0**	**-7.5**			**470.0**	**625.0**		

Estimated Available Audit Hours =   1095.0

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

FN1: Expanded scope
FN2: Reevaluated time budget and transferred hours to other projects
FN3: Underestimated time requirement
FN4: Additional time for management requests and communication of recommendations

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

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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		
AD	S	Consulting/Special Request/MAS	5.0	Jul-18	37.5	37.5	0.0	0%		17.5	20.0		In Progress
FM	F	Audit Follow-ups	5.0	Jul-18	52.5	52.5	0.0	0%		14.5	38.0		In Progress
FM	S	NACHA	5.0	Oct-18	90.0	75.0	-15.0	-17%		52.5	22.5		In Progress
FM	P	MKInsight Software	5.0	Jul-18	52.5	52.5	0.0	0%		19.5	33.0		In Progress
FM	R	Northeast State President's Expense	5.0	Jul-18	75.0	127.5	52.5	70%	1	130.5	-3.0	Oct-18	Completed
FM	P	Review of RFP's, café prices, & other business office issues	5.0	Jul-18	37.5	37.5	0.0	0%		2.5	35.0		In Progress
IT	P	IT Security Consulting, MAS, Banner Steering	5.0	Jul-18	22.5	22.5	0.0	0%		14.0	8.5		In Progress
IS	M	Enterprise Wide Risk Assessment	5.0	Sep-18	22.5	22.5	0.0	0%		10.0	12.5	Dec-18	Completed
IS	P	ETSU Quality Assurance Review External Validation	5.0	Jul-18	75.0	75.0	0.0	0%		73.5	1.5	Aug-18	Completed
IS	P	Quality Assurance Review	5.0	Jul-18	60.0	60.0	0.0	0%		50.5	9.5	Nov-18	Completed
IS	P	Review of French Exchange Program	5.0	Apr-19	30.0	30.0	0.0	0%			30.0		Scheduled
IS	S	Consulting/Special Request/MAS	5.0	Jul-18	90.0	90.0	0.0	0%		12.5	77.5		In Progress
IA	S	Faculty Credentials	5.0	Nov-18	105.0	105.0	0.0	0%		73.0	32.0		In Progress
IA	C	Review of Compliance Assist	5.0	Jan-19	37.5	37.5	0.0	0%			37.5		Scheduled
SS	A	CCTA (Funding Formula)	5.0	Feb-19	97.5	97.5	0.0	0%			97.5		Scheduled
IT	P	HVAC Vulnerability Assessment	5.0	Jan-19	0.0	60.0	60.0	N/A	2		60.0		In Progress
PP	A	Facilities-Maintenance Operations	3.6	Apr-19	150.0	0.0	-150.0	-100%	3		0		Removed
		Total Planned Audit Hours:			**1035.0**	**982.5**	**-52.5**			**470.5**	**512.0**		

Estimated Available Audit Hours =   975.0

Functional Areas:

AD - Advancement
AT - Athletics
AX - Auxiliary
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IT - Information Technology
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 - Increase in hours related to the fact that this was the first time that the current accounting staff at Northeast had been audited related to their preparation of a President's Expense Report. Because of this some weaknesses related to reporting as well formatting of the report had occurred. The college was allowed to revise their report to correct these issues which led to additional audit time being required. Furthermore, the fact that President King was being paid by the Board instead of directly by the college caused further confusion related to the initial expenditure report prepared by the college.

FN2 -This review was added at the request of management after the Internal Audit Office was provided the opportunity to have an undergraduate who was majoring in information security at Austin Peay work as an intern in the office fall semester. The hours reflected on the audit plan only reflect audit staff hours and do not reflect the hours the intern spent working on this project.

FN3 – This audit was removed because of the addition of the HVAC vulnerability assessment and the fact that available audit hours were decreased due to sick days being increased. Sick days were increased because of a shoulder injury to audit staff and several months of physical therapy being required.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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	R	Year-End Cash Counts	5.0	May-19	37.5	37.5	0.0	0%		2.0	35.5		Scheduled
FM	S	Access & Diversity FY2016	5.0	Jul-18	22.5	22.5	0.0	0%			22.5		Scheduled
IA	A	International Education FY18	5.0	Feb-19	52.5	52.5	0.0	0%			52.5		Scheduled
IA	S	Grade Changes	5.0	Sep-18	0.0	52.5	52.5	N/A	1	63.0	-10.5		In Progress
IS	C	General Consultation	5.0	Jul-18	142.5	142.5	0.0	0%		90.8	51.7		In Progress
IS	M	Enterprise Risk Assessment	5.0	Jul-18	60.0	60.0	0.0	0%		37.3	22.7	Dec-18	Completed
IS	M	TCAT Crossville RA	5.0	Feb-19	15.0	15.0	0.0	0%			15.0		Scheduled
IS	M	TCAT Harriman RA	5.0	Feb-19	15.0	15.0	0.0	0%			15.0		Scheduled
IS	M	TCAT Jacksboro RA	5.0	Feb-19	15.0	15.0	0.0	0%			15.0		Scheduled
IS	M	TCAT Oneida RA	5.0	Feb-19	15.0	15.0	0.0	0%			15.0		Scheduled
IS	P	Quality Assurance Review	5.0	Jul-18	0.0	30.0	30.0	N/A	2	28.3	1.7	Nov-18	Completed
AX	S	Foundation	4.2	Jan-19	75.0	75.0	0.0	0%			75.0		Scheduled
FM	F	Follow-up Reviews	4.2	Jul-18	37.5	37.5	0.0	0%			37.5		Scheduled
FM	F	State Audit Follow-up	4.2	Jul-18	37.5	37.5	0.0	0%		23.8	13.7		In Progress
FM	I	Unscheduled Investigations	4.2	Jul-18	37.5	37.5	0.0	0%		16.8	20.7		In Progress
FM	I	INV 17-02	4.2	Jul-18	75.0	75.0	0.0	0%		13.5	61.5	Jan-19	Completed
FM	S	ACA Reporting	4.2	Jul-18	22.5	22.5	0.0	0%		4.0	18.5		In Progress
IS	S	Conflict of Interest	4.2	Jan-19	22.5	22.5	0.0	0%			22.5		Scheduled
IS	S	SACS- COC Audit	4.2	Jul-18	90.0	90.0	0.0	0%		3.0	87.0		In Progress
IS	S	Workload Release Time	4.2	Jul-18	37.5	37.5	0.0	0%		50.5	-13.0		In Progress
SS	S	Workforce Dev Contact Hrs	4.2	Oct-18	60.0	60.0	0.0	0%			60.0		Scheduled
FM	R	Acct Rec FY18	3.3	Nov-18	75.0	75.0	0.0	0%			75.0		Scheduled
		Total Planned Audit Hours:			**945.0**	**1027.5**	**82.5**			**333.0**	**694.5**		

Estimated Available Audit Hour   945.0

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: Audit requested by management.
FN2: Audit ommitted from original plan.

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	F	Federal Audit Follow-up	5.0	22.5	22.5	0.0	0%			22.5		Scheduled
FM	F	State Audit Follow-up	5.0	112.5	75.0	-37.5	-33%			75.0		Scheduled
IS	F	Internal Audit Follow-up	5.0	30.0	30.0	0.0	0%			30.0		Scheduled
IS	P	Quality Assurance Self-Assessment	5.0	30.0	37.5	7.5	25%		33.5	4.0	Nov-18	Completed
FM	F	Revitalization Grant Follow-up	4.2	30.0	22.5	-7.5	-25%		10.5	12.0	Aug-18	Completed
FM	F	TAF Follow-up	4.2	37.5	30.0	-7.5	-20%		27.0	3.0	Dec-18	Completed
FM	F	Access and Diversity Fund Follow-up	4.2	15.0	15.0	0.0	0%		12.0	3.0	Dec-18	Completed
FM	F	Federal Work Study Follow-up	4.2	90.0	90.0	0.0	0%		19.5	70.5		In Progress
FM	F	Industrial Readiness Follow-up	4.2	30.0	30.0	0.0	0%			30.0		Scheduled
FM	I	INV 19-01 Compensatory Time	4.2	0.0	67.5	67.5	N/A		24.0	43.5	Jan-19	Completed
IS	A	Risk Management	4.2	22.5	37.5	15.0	67%		29.5	8.0	Dec-18	Completed
IS	A	Review of Security	4.2	105.0	127.5	22.5	21%		150.5	-23.0	Dec-18	Completed
IS	I	INV 18-2 Day Care	4.2	30.0	7.5	-22.5	-75%		3.0	4.5	Aug-18	Completed
IS	P	Audit Software	4.2	90.0	90.0	0.0	0%		56.0	34.0		In Progress
IS	R	Workforce Development	4.2	105.0	105.0	0.0	0%		4.5	100.5		In Progress
SS	I	INV 16-02	4.2	30.0	7.5	-22.5	-75%			7.5	Jan-19	Completed
SS	S	Out of State Tuition	4.2	105.0	105.0	0.0	0%			105.0		Scheduled
FM	S	Deaf Connect of the Mid-South Review	3.0	0.0	75.0	75.0	N/A	1	49.5	25.5		In Progress
FM	S	Cash Count	2.7	30.0	37.5	7.5	25%		30.0	7.5	Jul-18	Completed
IS	C	General Consultation	2.6	105.0	105.0	0.0	0%		73.0	32.0		In Progress
IS	I	Unscheduled Investigations	2.6	135.0	37.5	-97.5	-72%			37.5		Scheduled
		Total Planned Audit Hours:		**1155.0**	**1155.0**	**0.0**			**522.5**	**632.5**		

Estimated Available Audit Hours =   1155.0

Functional Areas:

AD - Advancement
AT - Athletics
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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: A request was made to look into the vendor Deaf Connect. Hours were taken from Unscheduled Investigations for this request.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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	R	Conflict of Interest	5.0	Oct-18	112.5	112.5	0.0	0%			112.5		Scheduled
FM	S	State Audit Year-End Procedures	5.0	May-19	37.5	37.5	0.0	0%		6.0	31.5		In Progress
IS	F	Follow-up Activities	5.0	Jul-18	112.5	112.5	0.0	0%			112.5		Scheduled
IS	C	General Consultation	5.0	Jul-18	112.5	112.5	0.0	0%		48.0	64.5		In Progress
IS	A	Business Division Grants	5.0	Jul-18	187.5	187.5	0.0	0%			187.5		Scheduled
IS	P	QAIP Self Assessment	5.0	Jul-18	112.5	112.5	0.0	0%		19.5	93.0	Jul-18	Completed
IS	M	Management Risk Assessment	5.0	Sep-18	75.0	75.0	0.0	0%		61.0	14.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-18	37.5	37.5	0.0	0%			37.5		In Progress
IA	R	Workforce Development	5.0	Nov-18	187.5	187.5	0.0	0%			187.5		Scheduled
SS	A	Work Study Program	5.0	Mar-19	187.5	187.5	0.0	0%			187.5		Scheduled
FM	F	Additional Follow-up for State Audit Reports	4.2	Aug-18	0.0	150.0	150.0	N/A	1	220.0	-70.0	Dec-18	Completed
		Total Planned Audit Hours:			**1162.5**	**1312.5**	**150.0**			**354.5**	**958.0**		

Estimated Available Audit Hours =   1057.5

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: Additional Follow-Up to State Audit Report for FY 2015 and FY 2016 added to audit plan.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			**Planned to Actual**			
SS	M	FY19 Student Services Access Risk Assessment	5.0	Nov-18	15.0	15.0	0.0	0%		15.0	0.0	Dec-18	Completed
IS	R	FY18 IIA Quality Assurance Review	5.0	Jul-18	22.5	22.5	0.0	0%		11.0	11.5	Nov-18	Completed
IT	A	FY19 IT Governance	4.2	Mar-19	187.5	187.5	0.0	0%			187.5		Scheduled
IS	A	FY19 Enterprise-wide Risk Management	4.2	Nov-18	7.5	0.0	-7.5	-100%	1		0.0		Removed
IS	C	FY18 Institutional Support Consulting	4.2	Sep-17	6.0	6.0	0.0	0%		12.0	-6.0	Jul-18	Completed
IS	I	FY19 Unscheduled Investigations	4.2	Jul-18	37.5	37.5	0.0	0%			37.5		Scheduled
FM	R	FY18 Fiscal Year-End Procedures for State Audit	4.2	Jun-18	34.5	34.5	0.0	0%		12.0	22.5	Jul-18	Completed
FM	R	FY19 Fiscal year-End Procedures for State Audit	4.2	Jun-18	30.0	30.0	0.0	0%		0.0	30.0		Scheduled
FM	R	FY19 State Audit Follow-up	4.2	Jan-19	37.5	37.5	0.0	0%		6.0	31.5		In Progress
SS	R	FY19 CCTA Funding Formula- Workforce Training	4.2	Nov-18	150.0	150.0	0.0	0%		13.5	136.5		In Progress
FM	S	FY19 NACHA Compliance Review	4.2	Oct-18	187.5	187.5	0.0	0%		4.0	183.5		In Progress
FM	S	FY19 PSCC President's Expenses Audit	4.2	Aug-18	150.0	150.0	0.0	0%		112.5	37.5	Oct-18	Completed
IS	S	FY19 Institutional Support Consulting	4.2	Jun-18	359.3	359.3	0.0	0%		293.0	66.3		In Progress
		Total Planned Audit Hours:			**1224.8**	**1217.3**	**-7.5**			**479.0**	**738.3**		

Estimated Available Audit Hours =   1222.5

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- Management elected to perform only the Student Success Risk Assessment.

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

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	R	Conflict of Interest/Outside Employment	4.0	75.0	75.0	0.0	0%	1		75		Scheduled
IS	C	Consultation with Campus Auditors	5.0	337.5	337.5	0.0	0%		141	196.5		In Progress
IS	P	Investigation Management	5.0	337.5	337.5	0.0	0%		123.5	214		In Progress
IA	I	TBR INV 18-03	4.0	37.5	37.5	0.0	0%			37.5	Jan-19	Completed
IA	I	TBR INV 18-04	4.0	37.5	37.5	0.0	0%			37.5	Jan-19	Completed
FM	I	TBR INV 18-07	4.0	37.5	37.5	0.0	0%		15.8	21.7	Nov-18	Completed
IS	I	TBR INV 18-08	4.0	37.5	37.5	0.0	0%	3		37.5		Removed
FM	I	TBR INV 18-09	4.0	37.5	37.5	0.0	0%		19.8	17.7	Nov-18	Completed
IA	I	TBR INV 18-10	4.0	150.0	262.5	112.5	75%		270.5	-8		In Progress
IS	I	TBR INV 19-01	4.0	0.0	37.5	37.5	NA		34.5	3		In Progress
FM	I	Unscheduled Investigations	4.0	240.0	90.0	-150.0	-63%			90		In Progress
IS	R	State Audit Follow-up for TBR	4.0	0.0	18.75	18.75	NA			18.75		Scheduled
IS	R	VSCC President's Expenses FY 2018	4.0	37.5	18.75	-18.75	-50%	2	19.5	-0.75		Removed
		Total Planned Audit Hours:		**1365.0**	**1365.0**	**0.0**			**624.6**	**740.4**		

Estimated Available Audit Hours = 1,365

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

FN 1 - Audit added to Investigative Auditor's schedule due to the elimination of the Director position.
FN 2 - Audit added to Investigative Auditor's schedule due to the elimination of the Director position but subsequently transferred to other auditor.
FN 3 - Investigation transferred to campus auditor.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	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	F	SWIA Follow-up on all SW IT Audits	5.0	Jan-18	37.5	37.5	0.0	0%	1	10.5	27.0		On Hold
IT	C	IT Consulting & Requested Projects	4.2	Jan-18	225.0	225.0	0.0	0%	1	11.0	214.0		On Hold
IT	A	TCAT - Cyber Security/Shared Services	3.4	Jan-18	75.0	75.0	0.0	0%		0.0	75.0		On Hold
IT	A	VSCC Information Security Audit		Jan-18	135.0	135.0	0.0	0%		0.0	135.0		On Hold
IT	A	NeSCC Information Security Audit		Mar-18	135.0	135.0	0.0	0%		0.0	135.0		On Hold
IT	P	Banner ODS Data Warehouse Project		Jul-18	0.0	0.0	0.0	N/A	1	22.0	-22.0		On Hold
IT	A	STCC Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1	7.5	-7.5	Jul-18	Completed
IT	A	WSCC Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1	2.0	-2.0		In Progress
IT	A	MSCC Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1	2.0	-2.0		In Progress
IT	A	CoSCC Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1	4.5	-4.5		In Progress
IT	A	TNeCampus Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1	8.5	-8.5		In Progress
IT	A	NaSCC Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1	25.5	-25.5		In Progress
		Total Planned Audit Hours:			**607.5**	**607.5**	**0.0**			**93.5**	**514.0**		

Estimated Available Audit Hours =

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

FN 1: Hours are from previous Information Systems Auditor IV.
* Position is vacant as of August 16, 2018- plan is based on a partial year.

Tennessee Board of Regents - TCAT
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised January 2019

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			**Planned to Actual**			
FM	C	FY 18 TCAT Consultation	N/A	Jul-18	37.5	37.5	0.0	0%		78.5	-41.0		In Progress
FM	M	FY 18 Risk Assessment	N/A	Oct-18	112.5	112.5	0.0	0%		60.0	52.5		In Progress
FM	O	FY 18 TCAT Audit Program Creation	N/A	Jul-18	37.5	37.5	0.0	0%		80.0	-42.5		In Progress
FM	O	FY 18 TCAT QAR Review	N/A	Oct-18	37.5	37.5	0.0	0%		50.0	-12.5	Dec-18	Completed
FM	R	FY 18 TCAT Year End Procedures	N/A	Jun-19	37.5	37.5	0.0	0%			37.5		Scheduled
FM	R	FY 18 VSCC President's Expense Audit	N/A	Oct-18	0.0	37.5	37.5	N/A	1	44.0	-6.5	Nov-18	Completed
FM	A	FY 19 TCAT Morristown SFA	4.7	Jan-19	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	A	FY 17 Ripley-IAR-Equipment/Security Review	4.0	Oct-18	15.0	15.0	0.0	0%			15.0		Scheduled
FM	A	FY 19 TCAT Ripley SFA	4.0	Aug-18	15.0	15.0	0.0	0%		3.5	11.5		In Progress
FM	R	FY 18 TCAT Ripley President's Expense	4.0	Aug-18	7.5	7.5	0.0	0%			7.5		Scheduled
IS	S	FY 18 TCAT Memphis SFA Reconciliation	3.7	Jul-18	112.5	112.5	0.0	0%		147.0	-34.5		In Progress
FM	A	FY 19 TCAT Livingston SFA	3.5	Mar-19	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	R	FY 18 Livingston President's Expense	3.5	Sep-18	0.0	37.5	37.5	N/A	1	16.5	21.0	Jan-19	Completed
FM	A	FY 17 Nashville-IAR-Equipment/Security Review	3.4	Sep-18	15.0	15.0	0.0	0%			15.0		Scheduled
FM	A	FY 19 TCAT Nashville SFA	3.4	Sep-18	22.5	22.5	0.0	0%		3.5	19.0		In Progress
FM	R	FY 18 TCAT Nashville President's Expense	3.4	Sep-18	7.5	7.5	0.0	0%			7.5		Scheduled
FM	A	FY 19 TCAT Harriman SFA	3.2	Mar-19	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	A	FY 19 TCAT Jacksboro SFA	3.2	Jan-19	22.5	22.5	0.0	0%		3.5	19.0		In Progress
FM	A	FY 19 TCAT Knoxville SFA	3.2	Apr-19	37.5	37.5	0.0	0%		4.0	33.5		In Progress
FM	A	FY 19 TCAT Memphis SFA	3.2	Jul-18	22.5	22.5	0.0	0%			22.5		Scheduled
FM	R	FY 18 TCAT Memphis President's Expense	3.2	Aug-18	7.5	7.5	0.0	0%			7.5		Scheduled
FM	A	FY 19 TCAT Pulaski SFA	3.1	Jan-19	22.5	22.5	0.0	0%		3.5	19.0		In Progress
FM	R	FY 18 Pulaski President's Expense	3.1	Oct-18	0.0	30.0	30.0	N/A	1	40.5	-10.5		In Progress
FM	A	FY 17 Paris-IAR-Equipment/Security Review	3.0	Nov-18	15.0	15.0	0.0	0%			15.0		Scheduled
FM	A	FY 19 TCAT Paris SFA	3.0	Nov-18	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	A	FY 17 Covington-IAR-Equipment/Security Review	2.9	Aug-18	15.0	15.0	0.0	0%		21.0	-6.0		In Progress
FM	A	FY 19 TCAT Covington SFA	2.9	Aug-18	15.0	15.0	0.0	0%		4.0	11.0		In Progress
FM	R	FY 18 TCAT Covington President's Expense	2.9	Aug-18	7.5	7.5	0.0	0%		9.0	-1.5		In Progress
FM	A	FY 19 TCAT Crump SFA	2.8	Mar-19	22.5	22.5	0.0	0%		3.5	19.0		In Progress
FM	A	FY 19 TCAT Jackson SFA	2.8	Mar-19	37.5	37.5	0.0	0%		4.0	33.5		In Progress
FM	A	FY 17 Crossville-IAR-Equipment/Security Review	2.2	Jul-18	0.0	7.5	7.5	N/A	2	2.0	5.5	Jul-18	Completed
FM	A	FY 19 TCAT Crossville SFA	2.2	Nov-18	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	A	FY 19 TCAT Dickson SFA	2.2	Dec-18	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	A	FY 19 TCAT Elizabethton SFA	2.2	Feb-19	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	A	FY 19 TCAT McMinnville SFA	2.0	Apr-19	30.0	30.0	0.0	0%		3.5	26.5		In Progress
FM	A	FY 19 TCAT Hartsville SFA	1.9	Jan-19	15.0	15.0	0.0	0%		3.5	11.5		In Progress
FM	R	FY 18 Hartsville President's Expense	1.9	Oct-18	0.0	37.5	37.5	N/A	1	22.5	15.0		In Progress
FM	A	FY 17 McKenzie-IAR-Equipment/Security Review	1.9	Nov-18	22.5	22.5	0.0	0%			22.5		Scheduled
FM	A	FY 19 TCAT McKenzie SFA	1.9	Nov-18	22.5	22.5	0.0	0%		3.5	19.0		In Progress
FM	A	FY 19 TCAT Murfreesboro SFA	1.9	Feb-19	15.0	15.0	0.0	0%		4.0	11.0		In Progress
FM	A	FY 19 TCAT Shelbyville SFA	1.9	May-19	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	A	FY 19 TCAT Newbern SFA	1.8	Dec-18	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	A	FY 19 TCAT Hohenwald SFA	1.6	Feb-19	22.5	22.5	0.0	0%		4.0	18.5		In Progress
FM	R	FY 18 Hohenwald President's Expense	1.6	Oct-18	0.0	37.5	37.5	N/A	1	29.0	8.5	Jan-19	Completed
FM	A	FY 19 TCAT Oneida SFA	1.6	Apr-19	22.5	22.5	0.0	0%		3.5	19.0		In Progress
FM	A	FY 17 Athens-IAR-Equipment/Security Review	1.4	Sep-18	15.0	15.0	0.0	0%		2.0	13.0		In Progress
FM	A	FY 19 TCAT Athens SFA	1.4	Sep-18	22.5	22.5	0.0	0%		3.5	19.0		In Progress
FM	A	FY 19 TCAT Whiteville SFA	1.4	Jan-19	22.5	22.5	0.0	0%		3.5	19.0		In Progress
FM	R	FY 18 TCAT Athens President's Expense	1.4	Sep-18	7.5	7.5	0.0	0%			7.5		Scheduled
FM	A	FY 19 TCAT Chattanooga SFA	1.0	May-19	37.5	37.5	0.0	0%			37.5		Scheduled
		Total Planned Audit Hours:			**1140.0**	**1327.5**	**187.5**			**696.5**	**631.0**		

Estimated Available Audit Hours = 1162.5

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

FN1: Audit Added
FN2: Audit Issued

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

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Results of External Quality Assurance Review (QAR)

DATE: March 5, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The Chief Audit Executive will discuss the results of the external Quality Assurance Review (QAR) performed during October 2018. The report and System-wide Internal Audit's plan of actions to address recommendations in the report will be provided.

An independent external review is required every five years by the Institute of Internal Auditors, *International Standards of the Professional Practice of Internal Auditing*. The external review is a part of System-wide Internal Audit's quality assurance and improvement program, described below.

Quality Assurance and Improvement Program (QAIP)

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

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

<u>Components of a QAIP</u>

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

External Assessments, referred to as a Quality Assurance Review (QAR) are performed by a qualified, independent reviewer or team and must include either:
- An external review of the audit function to determine conformance with the IIA *Standards, Definition of Internal Auditing* and *Code of Ethics*, or
- An external validation of a self-assessment, which would include sufficient reviews by the external reviewer to validate the self-assessment or propose an alternative report.

Tennessee Board of Regents (TBR)

Office of System-wide Internal Audit (SWIA)

Independent External Validation

Quality Assurance Review (QAR)

October 15-19, 2018

Reviewers:

Monica Moyer, MBA, CIA, CFE, CRMA, CCEP, CICA

Mark P. Ruppert, CPA, CIA, CISA, ACS

Jana Clark, MBA, CIA, CICA, CRMA

December 13, 2018

*This Validation of the Self- Assessment of the TBR Office of System-wide Internal Audit Program was performed in accordance with The Institute of Internal Auditors (IIA) Quality Assessment Manual, 2017 Edition. The primary purpose of a Quality Assessment (QA) is to determine the internal audit function's conformance with the International Standards for the Professional Practice of Internal Auditing. There are three possible outcomes of the QA: the internal audit program **generally conforms, partially conforms or does not conform** with the Standards.*

To: Mr. Tom Griscom, Audit Committee Chair, Tennessee Board of Regents
       Mr. Danny Gibbs, Vice Chancellor of Business & Finance, Tennessee Board of Regents
       Mr. Norman (Mike) Batson, Chief Audit Executive, Tennessee Board Regents

Greetings:

We were engaged as validators to conduct an Independent Validation of the Quality Self-Assessment (QA) of the Tennessee Board of Regents (TBR) Office of System-wide Internal Audit (SWIA) Program as required every five years by the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (IIA *Standards*). The objectives of the QA were to:

1. Assess conformance with the IIA *Standards*;
2. Assess the effectiveness and efficiency of the Internal Audit activity in providing services to the Tennessee Board of Regents and management of TBR; and
3. Identify opportunities for improving the Internal Audit Program at TBR.

We are independent of the Tennessee Board of Regents and have the necessary knowledge and skills to undertake this engagement. The validation conducted October 15, 2018 through October 19, 2018 consisted primarily of reviewing and testing the self-assessment documentation related to the TBR self-assessment report issued August 8, 2018. Additionally, we interviewed TBR key administrators, the current Vice Chair of the TBR, and the current Chair of the Audit Committee of the TBR. These interviews helped us gain a better understanding of the internal control environment within which TBR's System-wide Internal Auditing department operates. Overall, it is our opinion that **TBR's Office of System-wide Internal Audit (SWIA) generally conforms to the IIA *Standards***, the highest rating available. We noted three (3) opportunities for improvement that may enhance the efficiency and effectiveness of the Internal Audit Program that are described in this report.

Monica Moyer, MBA, CIA, CFE, CRMA, CCEP, CICA
Director of Internal Audit,
Saint Leo University,
Saint Leo, FL

Mark P. Ruppert, CPA, CIA, CISA, ACS
Chief Audit Executive,
Northern Arizona University,
Flagstaff, AZ

Jana Clark, MBA, CIA, CICA, CRMA
Senior Auditor,
Kansas State University,
Manhattan, KS

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Tennessee Board of Regents - Quality Assurance Review, Independent External Validation

Executive Summary

Organizationally, the Office of System-wide Internal Audit has a dual reporting structure, as per the TBR Office of System-wide Internal Audit Charter, which states in part, "the System-wide Chief Audit Executive reports directly to the Audit Committee and the Board. The System-wide Chief Audit Executive reports administratively to the Vice Chancellor for Business and Finance."

The mission of the TBR SWIA is: "To enhance and protect the value of the Tennessee Board of Regents system and its institutions by providing risk-based and objective assurance, advice, and insight to management and the Board." The vision of the TBR SWIA is: "We strive to accomplish our mission in a proactive, collaborative manner with fairness, competency, and professionalism to provide services valued by management and the audit committee."

The consensus of senior leaders within the TBR regarding the Office of System-wide Internal Audit is that it has sound judgment, is effective, collaborative, professional, and well-managed. The TBR SWIA is a respected internal audit operation among its audit and higher education peers as TBR SWIA staff are engaged with many audit associations including the IIA (Institute of Internal Auditors), AICPA (American Institute of Certified Public Accountants), ACFE (Association of Certified Fraud Examiners), ISACA (Information Systems Accountability and Control Association), ACUA (Association of College and University Auditors), and COSO (Committee of Sponsoring Organizations of the Treadway Commission).

Chief Audit Executive (CAE), Mike Batson, began as the TBR's CAE in June 2017. Prior to assuming the role of CAE, Mr. Batson was the director of internal audit with the TBR SWIA, and director of internal audit with Tennessee State University. Mr. Batson is a member of the Association of College and University Auditors (ACUA), Institute of Internal Auditors (IIA), and Association of Certified Fraud Examiners (ACFE). He has a Bachelor of Science in Business Administration-Accounting from Auburn University. Mr. Batson is a Certified Public Accountant (CPA).

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Conformance with IIA *Standards*

Generally Conforms means that internal audit has a charter, policies and processes that are judged to meet the spirit and intent of the IIA *Standards* with some potential opportunities for improvement.

Partially Conforms means deficiencies in practice are noted that are judged to deviate from the spirit and intent of IIA *Standards*, but these deficiencies did not preclude internal audit from performing its responsibilities in an acceptable manner.

Does Not Conform means deficiencies in practice are judged to be so significant as to seriously impair or preclude internal audit from performing adequately in all or in significant areas of its responsibilities.

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Overall, **the Tennessee Board of Regents Office of System-wide Internal Audit Program was judged to Generally Conform to IIA *Standards*, the highest rating available.** While improvement opportunities remain in various areas, they did not preclude this assessment.

—————

We concluded that the TBR SWIA **Generally Conforms** to the following IIA *Standards:*

> **1000**—Purpose, Authority, and Responsibility
> **1100**—Independence and Objectivity
> **1200**—Proficiency and Due Professional Care
> **2100** – Nature of Work
> **2200** – Engagement Planning
> **2300** – Performing the Engagement
> **2450** – Overall Opinions
> **2500** – Monitoring Progress
> **2600**—Communicating the Acceptance of Risk
> IIA Code of Ethics

We did identify three (3) Opportunities for Continuous Improvement, although the improvements do not preclude our opinion that the TBR SWIA generally conforms to the IIA *Standards.* We concluded that the TBR SWIA **Partially Conforms** to the following IIA *Standards.*

> **1300** – Quality Assurance and Improvement Program
> > **1311** – Internal Assessments
> **2000**—Managing the Internal Audit Activity
> > **2030** – Resource Management
> **2400**—Communicating Results
> > **2420** – Quality of Communications

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Positive Attributes of the Internal Audit Program

- **Reputation of Internal Audit Activity –** The TBR SWIA is well-regarded throughout the system and college senior leaders. The IA team is viewed as collaborative and grounded. Senior management feels comfortable seeking their opinion on problematic situations. The TBR Chief Audit Executive has an open and effective relationship with the TBR Vice Chair and Audit Committee Chair. In addition, for the four community colleges visited by the independent validators (see appendix III for list), the reputation of the community college directors of internal audit (DIAs) is positive. Community college senior management routinely seeks input from their DIAs. Community college senior management is comfortable with and appreciative of the advice provided by the DIAs.

- **Knowledge Transfer and Collaboration -** The TBR SWIA has recently established a cloud-based drive for the purposes of sharing audit reports and other audit matters among the 13 community colleges and TBR SWIA. The TBR SWIA plans an annual training retreat for higher education audit professionals in the state of Tennessee for the purposes of providing continuing professional education (CPE), regulation updates and changes, and sharing of best practices. The community college DIAs share the responsibility of auditing presidents' expense reports at different institutions from their own.

- **Best Practices at College Campuses –** Each of the community college directors of internal audit operate with a great deal of autonomy. Throughout the review, we identified best practices at the community colleges visited. At Pellissippi State Community College, the Director of Internal Audit is a member of the weekly senior management (cabinet) meetings. At Chattanooga State Community College, the Director of Internal Audit is a member of the Policy Committee and provides audit awareness training throughout the campus. At Columbia State Community College, the Director of Internal Audit performs a climate survey at the start of each audit and is engaged with the college community by participating in college events including a parade and canoe trip.

- **Governance –** The TBR Chief Audit Executive has dual reporting; functionally to the Board of Regents Audit Committee, and administratively to the VC of Business & Finance. Executive sessions are held between the TBR CAE and Audit Committee, which evidences independence. Additionally, the CAE speaks regularly with the TBR Audit Committee Chair, Chancellor, General Counsel, and VC of Business & Finance to discuss strategic initiatives, issues, and internal audit operations. The community college directors of internal audit also report functionally to the TBR Audit Committee and administratively to their respective college presidents. The TBR Internal Audit Activity is a conduit for the college DIAs to the TBR Audit Committee.

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Opportunities for Continuous Improvement

PARTIAL CONFORMANCE TO STANDARDS – OPERATING IMPROVEMENT

OBSERVATION (A) RESOURCE MANAGEMENT

Standard 2030, Resource Management, states, "The chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan." Approved audit plans at the system and college levels do not appear to be routinely completed. In our review from June 2018 audit plans, a majority of audits go uncompleted due to internal auditors' focus on investigations and advisory/consulting services. Additionally, staffing resources for the TBR SWIA are not appropriate considering the number of community colleges, technical colleges, and system initiatives the TBR SWIA supports. In June 2017, a full time IA management position was eliminated. Now, recently there is not an internal auditor with a specialization in information technology/systems on staff at the TBR or at one of the 13 colleges.   The former IT auditor left employment with the TBR SWIA and the CAE is actively recruiting to fill the position to provide the TBR SWIA with one IT auditor system-wide.

RECOMMENDATION   The QAR validators recommend the TBR CAE implement a monitoring process for and work with the college DIAs and TBR internal audit staff to better manage time and stay on track with open/in process audit engagements. Annual goals of audits completed should be developed, measured, and reported in conjunction with college DIA input. See observation C for more information on metrics.

The QAR validators recommend that the CAE carefully assess the need for additional IA management resources and IT audit support throughout its 13 colleges. The QAR validators recommend that the TBR CAE take the steps necessary to replace the IA management position and determine what other IA resources the IA activity requires. The QAR validators recommend the TBR CAE pursue increasing the number of IT audit staff or obtain supplemental IT audit support through co-sourced arrangements with a consultant or firm that has IT audit credentials.

RESPONSE BY CAE   The System-wide CAE will work with the college DIAs to develop methods for monitoring time and progress for audit engagements. The annual audit plans and related goals for completed audits will be developed by the college DIAs and will be evaluated by the college presidents. The System-wide CAE will contribute to the assessments as requested by the college presidents.
System-wide Internal Audit is currently recruiting to fill the IT audit position. The System-wide CAE will continue to discuss the staffing requirements of SWIA and the campuses with the Chancellor, the audit committee, and the presidents as appropriate.

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OBSERVATION (B) QUALITY OF COMMUNICATIONS

Standard 2420, Quality of Communications, states, "Communications must be accurate, objective, clear, concise, constructive, complete, and timely." Audit plans reviewed from June 2018 had numerous "in process" audits and other projects that were opened more than six months prior.

RECOMMENDATION   The QAR validators recommend that audit results are communicated in a timely manner; i.e. generally less than six months from commencement of the audit. Additionally, the lead auditor should establish an anticipated completion date for the audit with the audit client and the TBR SWIA CAE at the entrance meeting.   The anticipated completion date should be incorporated into the audit plan.

RESPONSE BY CAE   The System-wide CAE will continue to work with the college DIAs to ensure that the results of audit engagements are communicated in a timely manner. We will also consider alternative methods for accounting for ongoing projects within the audit software. We will ensure that the anticipated completion dates from the audit plan are communicated more clearly to management.

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OBSERVATION (C) INTERNAL ASSESSMENTS

Standard 1311, Internal Assessments, states that "Internal assessments must include ongoing monitoring of the performance of the internal audit activity." While the TBR SWIA process has included internal self-assessments and external assessments, the only key performance indicators (KPIs) of the program observed from June 2018 were audit hours. No other KPIs have been identified.

RECOMMENDATION   The QAR validators recommend that the CAE enhance the Quality Assurance and Improvement Program (QAIP) and incorporate periodic review of its effectiveness. The QAIP should include more than QAR self and external assessments and audit hours. The QAIP can include audit client surveys, review by other college DIAs and/or TBR SWIA staff, and KPIs. The results of the audit client surveys and the KPIs should communicate the function's effectiveness and efficiency to senior leaders and the Audit Committee and be meaningful. Consideration of metrics may include professional development hours per staff member, percentage of staff with certifications, follow up audits completed, management agreement to action from audit recommendations, tracking and reporting of utilization ratios, audit report turnaround time, percentage of audit plan completed, number of repeat audit findings, percentage of university operating budget audited, percent of classifications of time (administrative, audit, investigative, consulting/advisory), cost per audit, number of consulting projects (advisory services), number of requests for audit services, number of meetings with executive management, number of audit recommendations, and/or number of audit recommendations implemented (Source: IIA Research Foundation, 2009).

RESPONSE BY CAE   The System-wide CAE will work with the audit committee and college DIAs to determine if there are more meaningful ways to track and present current metrics, as well as to develop additional KPIs that will be useful for the audit committee, college presidents, and the auditors.

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Tennessee Board of Regents - Quality Assurance Review, Independent External Validation

GENERALLY CONFORMS TO STANDARDS – ENHANCEMENTS

[TBR SWIA conforms to the IIA Standards noted below; the items presented are suggested enhancements to the internal auditing operations. As these are suggestions, no response by the CAE is necessary.]

OBSERVATION (1) ENGAGEMENT SUPERVISION

Standard 2340, Engagement Supervision, states "Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed." While the community college DIAs voluntarily and occasionally reach out to system colleagues to review an audit plan or report, the community college auditors execute most of their audit work with little or no review/supervision from the TBR or other college DIAs. All audit reports and executive summaries are submitted to the TBR SWIA by college DIAs upon completion for inclusion in the quarterly materials for the Audit Committee. The TBR CAE reviews all audit work performed at the TBR SWIA.

RECOMMENDATION   Although the 13 community colleges' Internal Audit activities function in an autonomous and independent manner, the QAR validators recommend that review touch points be included within the audit process.   The review touch points may be developed by partnering/collaboration among the college DIAs or be performed by the TBR SWIA team. The review process may be evidenced with a checklist template and should be documented in the audit procedures/manual.

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OBSERVATION (2) COMMUNICATION AND APPROVAL

Standard 2020, Communication and Approval, states, "The chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations." The audit plan is developed with input from senior leaders both at the TBR and 13 community colleges. Although final audit plans are provided to the Audit Committee, senior leaders expressed that they are unfamiliar with upcoming/planned audit engagements.

RECOMMENDATION   The QAR validators recommend that audit plans be communicated to senior leaders at the TBR and 13 colleges. The CAE may develop a process and timeline for communication of the audit plans to the respective leadership for input in commencement dates, planning, and general feedback.

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Appendices

Appendix I - Engagement Methodology

Review procedures included:

- Review of background/organizational materials regarding the Tennessee Board of Regents including its 13 community colleges and the Office of System-wide Internal Audit
- Review of the Office of System-wide Internal Audit Charter
- Review of QA advance preparation materials providing background on the internal auditing program and practices
- Review of the TBR SWIA and community colleges' annual audit plans
- Review of selected internal audit project work papers and reports
- Review of training histories for staff
- Interview with the TBR Vice Chair and Audit Committee Chair
- Interviews with TBR senior management
- Interviews with the TBR SWIA CAE and staff
- Interviews with community college senior management
- Interviews with community college directors of internal audit
- Review of audit follow-up practices and reporting of follow-up activities
- Review of prior quality assessment reports

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Appendix II – List of Stakeholders Interviewed

Board of Regents

    Mr. Tom Griscom, Audit Committee Chair

    Ms. Emily Reynolds, Vice Chair

TBR Senior Management

    Dr. Flora Tydings, Chancellor

    Dr. Russ Deaton, Executive VC of Policy & Strategy

    Mr. Danny Gibbs, Vice Chancellor of Business & Finance

    Dr. Wendy Thompson, Vice Chancellor of Academic Affairs

    Ms. Mary Moody, General Counsel

    Mr. Stephen Viera, Chief Information Officer

College Senior Management

    Dr. Rebecca Ashford, President, Chattanooga State Community College

    Ms. Tammy Swenson, Executive VP Business & Finance, Chattanooga State Community College

    Ms. Debbie Adams, Vice President of Student Affairs, Chattanooga State Community College

    Dr. Roy Sofield - Interim Vice President of Academic Affairs, Chattanooga State Community College

    Mr. Gardner Long, Vice President of Technology, Chattanooga State Community College

    Dr. Janet Smith, President, Columbia State Community College

    Ms. Elaine Curtis, Chief Financial Officer, Columbia State Community College

    Dr. Mary Lou D'Allegro, Vice President of Academic Affairs, Columbia State Community College

    Ms. Joni Lenig, Interim Vice President of Academic Affairs, Columbia State Community College

    Ms. Emily Siciensky, Chief Information Officer, Columbia State Community College

    Ms. Cissy Holt, Vice President of Student Affairs, Columbia State Community College

    Mr. James King, President, Northeast State Community College

    Mr. Chad Bailey, Chief Financial Officer, Northeast State Community College

    Dr. Sam Rowell, Vice President of Academic Affairs, Northeast State Community College

    Mr. Matt Delozier, Vice President of Student Affairs, Northeast State Community College

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Appendix II, *Continued*

College Senior Management, Continued

      Dr. Anthony Wise, President, Pellissippi State Community College

      Ms. Kathy Byrd, Interim Vice President of Academic Affairs, Pellissippi State Community College

      Dr. Elizabeth Firestone, Former Interim Vice President of Student Affairs, Pellissippi State Community College

      Dr. Rushton Johnson, Vice President of Student Affairs, Pellissippi State Community College

      Ms. Audrey Williams, Vice President of Information Services, Pellissippi State Community College

TBR System-wide Internal Audit Team

      Mr. Mike Batson, Chief Audit Executive

      Ms. Linda Ciprich, Investigative Auditor

      Ms. Helen Vose, TCAT Auditor

      Ms. Kate Walker, Administrative Assistant III

College Directors of Internal Audit

      Ms. Kimberly Clingan, Director of Internal Audit, Chattanooga State Community College

      Ms. Erica Smith, Director of Internal Audit, Columbia State Community College

      Mr. Chris Hyder, Director of Internal Audit, Northeast State Community College

      Ms. Suzanne Walker, Director of Internal Audit, Pellissippi State Community College

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Appendix III – Community College QAR Summary

Our review included 13 community college QAR self-assessments with four (4) on-site visit to community colleges. Below is a summary of the community colleges' QAR self-assessments and our opinions:

Community College	Self-Assessment Opinion	Independent Validator Opinion
Chattanooga State Community College	GC	GC
Cleveland State Community College	GC	GC
Columbia State Community College	GC	GC
Dyersburg State Community College	GC	GC
Jackson State Community College	GC	GC
Motlow State Community College	GC	GC
Nashville State Community College	GC	PC
Northeast State Community College	GC	GC
Pellissippi State Community College	GC	GC
Roane State Community College	GC	GC
Southwest Community College	GC	GC
Volunteer State Community College	GC	GC
Walters State Community College	GC	GC

Legend:

		On-site Visit by Independent Validators:
GC	Generally Conforms	Chattanooga State Community College
PC	Partially Conforms	Columbia State Community College
DNC	Does Not Conform	Northeast State Community College
		Pellissippi State Community College

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Appendix IV – Biography of Reviewers

Monica Moyer, MBA, CIA, CFE, CRMA, CCEP, CICA, is the Director of Internal Audit and Advisory Services for Saint Leo University in west central Florida. She holds a bachelor of fine arts in Public Relations from Wayne State University, a bachelor of science in Accounting from Cleary University, and a master in Business Administration from Saint Leo University. Monica has over 20 years of both internal audit and accounting/finance experience in the industries of higher education, health care, insurance, and logistics. Monica successfully completed The Institute of Internal Auditors "Performing an Effective Quality Assurance" training. Recently, Monica has performed and/or led external QAR validations for Georgia State College and University, Indiana Wesleyan University, University of Calgary, Wayne State University, and Florida Gulf Coast University. Monica has performed QAR self-assessments and has received a "generally conforms" opinion regarding her audit function from her 2014 external QAR. Monica's professional activities include serving as the ACUA annual conference director, track coordinator, proctor, IA Awareness committee and Membership committee member, speaker, and mentor. Monica is involved with the IIA as an international ambassador and chapter Treasurer. Monica is a member of the ACFE, SCCE (Society of Corporate Compliance and Ethics), ISACA, and IIC (The Institute for Internal Controls). Monica is a national competition judge for the FBLA (Future Business Leaders of America).

Mark P. Ruppert, CPA, CIA, CISA, ACS is the Chief Audit Executive for Northern Arizona University in Flagstaff, AZ. Mark has more than 30 years of internal audit experience and previously held the chief audit roles as the Director of Internal Audit for the Cedars-Sinai Health System in Los Angeles, CA and for the Johns Hopkins Health System in Baltimore, MD. He's led and/or performed QARs for Scripps Health, University of Miami, The Methodist Hospital Health System, and the University of Texas Medical Branch. He was active in the Association of Healthcare Internal Auditors (AHIA) for 20 years before leaving the healthcare industry. He served on the AHIA board including the AHIA chair in 2004 and he remains a member of the AHIA Editorial Board. Mark has been speaking nationally since 2000, has been published in *Compliance Today* and *New Perspectives* on various audit and compliance topics, and has lectured for the University of California Los Angeles and Riverside on the topic of internal audit.

Jana Clark, MBA, CIA, CICA, CRMA, is a Senior Auditor at Kansas State University in central Kansas. She holds a bachelor of science degree in Secondary Education with an emphasis in Biological Sciences from Kansas State University and a master in Business Administration degree from Emporia State University. Jana has over 11 years of internal audit and accounting/finance experience in the industries of higher education, health care, and retail. She also was charged with leading the Sarbanes-Oxley effort for a publicly traded retail company. Jana's professional activities include serving as the ACUA (Association of College and University Auditors) distance learning director (2016-2017), track coordinator, proctor, and member of the mid-year conference host committee, as well as a speaker/presenter at the Big 12 Internal Audit Conference and ACUA. Jana has also performed QARs for the University of Calgary and Colorado State University. Jana is a member of the Topeka Chapter of the IIA, ACFE, and IIC.

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We appreciate the opportunity to be of service to the Tennessee Board of Regents and the courtesies and cooperation extended to us during this review.

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