

TENNESSEE BOARD OF REGENTS
Committee on Audit

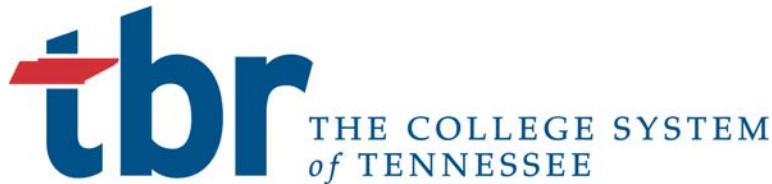
AGENDA
June 4, 2019

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

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

- III. REVIEW OF SYSTEM-WIDE INTERNAL AUDIT BUDGET FOR FY 2020 (Mike Batson)**

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



BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: June 4, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The following items will be discussed with the Audit Committee:

- System-wide - Workforce Development Contact Hours
- Jackson State Community College – Additional Follow-up to Emergency Management Plan Audit
- TCAT Nashville – Special Review of Financial Aid

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 March 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 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	13-Nov-18	Action Completed
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	15-May-19		Action Completed
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	15-May-19		Action Completed
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	30-Jun-19		0	15-May-19		Action Completed
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	30-Sep-19		0	15-May-19		Action Completed
RSCC	19-Dec-18	RSCC Foundation FY 17 & 16 Finding 1 of 2: The foundation audit committee did not fulfill responsibilities.	Executive Director	18-Oct-18		0	18-Apr-19		Action Completed
RSCC	19-Dec-18	RSCC Foundation FY 17 & 16 Finding 2 of 2: Foundation personnel did not prepare bank reconciliations timely.	Executive Director	30-Nov-18		0	18-Apr-19		Action Completed
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	8-Nov-18		0	23-Apr-19		Action Completed
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	31-Dec-18		0	23-Apr-19		Action Completed
RSCC	19-Dec-18	RSCC FY 17 & 16 Finding 3 of 3: Foundation personnel did not prepare bank reconciliations timely.	Executive Director	30-Nov-18		0	23-Apr-19		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			Not Yet Due

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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
WSCC	22-Jan-19	WSCC FY 17 & 16 State Audit Finding 1 of 2: As noted in the prior audit, Walters State Community College did not provide adequate internal controls in one area.	Assistant Vice President of Information and Educational Technologies	30-Jun-19		0			Not Yet Due
WSCC	22-Jan-19	WSCC FY 17 & 16 State Audit Finding 2 of 2: College staff did not prepare timely cash reconciliations	Assistant Vice President for Business Affairs	30-Jun-19		0			Not Yet Due

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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.	Vice President of Technology/ Director of Educational Technology	31-Dec-17	30-Jun-19	4	12-Jan-18	25-Apr-19	Action Completed
CISCC	22-Feb-17	CISCC should develop procedures to that unofficial refunds are calculated and payback monies due		10-Apr-17		0	8-May-17		Action Completed
CISCC	14-Jan-19	Management should discuss the actions of the employees with their supervisors. In addition, an accounts receivable should be set up for Club Advisor 2 for reimbursement to the club of \$660.45.	VP of Student Services	28-Feb-19		0	25-Jan-19		Action Completed
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	3-May-19		Action Completed
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	3-May-19		Action Completed
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	3-May-19		Action Completed
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	3-May-19		Action Completed

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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	8-Mar-19		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.	Vice President Technology	31-Mar-15	30-Sep-19	8	4-Dec-14	25-Apr-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.	Vice President Technology	30-Sep-14	30-Sep-19	7	4-Dec-14	25-Apr-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/ Vice President Economic 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.	Executive Vice President, Business & Finance/Vice President, Technology	31-Dec-17	31-Jul-19	4	12-Jan-18	25-Apr-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
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

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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.	Vice President 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	25-Apr-19	In Progress
ChSCC	31-Dec-18	Timesheet, leave, compensatory time, and overtime pay process training should be available to employees on an annual basis.	Executive Director, Human Resources and Executive Vice President, Business & Finance	31-Aug-19		0			In Progress
ChSCC	31-Jan-19	ChSCC policy 06:78:00 should be evaluated by management for exception language and/or a procedure developed for the types of generally occurring overtime and compensatory time situations including but not limited to special events and on-call employees. All campus supervisors should be informed of the changes to the policy and the approved procedures.	Executive Director Human Resources	30-Jun-19	31-Jul-19	1	25-Apr-19		In Progress
ChSCC	31-Jan-19	Management should obtain approval in accordance with ChSCC 06:78:00 from the President for Compensatory and Overtime pay. The approval should be in writing and included with payroll documentation. Offers to employees for extra duty assignments for events should be made in writing prior to event. The event offer and a listing of employees who accept the offer should be provided to Payroll. Contracts for additional pay for full-time employees should be completed including all management approvals prior to the event.	Executive Vice President - Business and Finance	31-Mar-19		0			In Progress
ChSCC	26-Feb-19	Management should develop written quarterly internal control review processes to ensure the accuracy of the workforce training contact hours reported and to ensure that reporting errors are caught in a timely manner.	Vice President Economic and Workforce Development	30-Aug-19		0			In Progress

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ChSCC	26-Mar-19	All staff, including Small Business Development Center and Volkswagen Academy personnel, should be properly trained as to the type of data to report and how to calculate contact hours.	Vice President Economic and Workforce Development	30-Aug-19		0			In Progress
ChSCC	29-Mar-19	Approval of the program should be obtained from the TBR Chancellor or the program should be revised to meet ChSCC policies and TBR guidelines for educational assistance.	President	31-Jul-19		0			In Progress
ChSCC	29-Mar-19	Policy 06:40:00 should be reviewed and updated to be in compliance with TBR policies and guidelines for educational assistance.	Executive Director Human Resources	30-Sep-19		0			In Progress
ChSCC	29-Mar-19	Ensure all educational assistance programs are administered by Human Resources and not by individual departments or divisions. Departments/divisions should assist Human Resources in the development of compliant programs, educate employees concerning available programs, and inform them of the process to take advantage of the opportunities offered to increase their education and skills.	Executive Director Human Resources	1-Jul-19		0			In Progress
CoSCC	12-Mar-18	As cited throughout Federal Regulations, an organization's third party's actions on the organization's behalf are, to a significant extent the organization's responsibility. The college should establish a third party risk management program, designate who will coordinate the program, and review processes for selecting, training, and managing third party servicers in order to ensure the GLBA safeguards are established, and the college's third party servicers' risks are identified and managed.	Associate Vice President for Business Services Vice President for Information Technology	29-Jun-18		0	14-Aug-18	2-May-19	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	1-Mar-19		In Progress

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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
JSCC	24-Oct-14	Emergency Preparedness Plan Audit - Observation 1 of 2: Employee Training The JSCC Emergency Management Plan requires training in emergency procedures and for the proper use of safety equipment. Several safety drills have been conducted and safety equipment is located campus wide in designated locations. However, further training is needed in the proper use of the chair lifts, AEDs, and fire extinguishers. Training should also include first aid procedures and building evacuation procedures.	Darron Billings, Director of Environmental Health and Safety/Chief of Police	8-May-15	31-Dec-17	1	30-Mar-17	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.	Darron Billings, 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 of 4: The institution should develop Access and Diversity goals for the overall program and ensure that funds are spent according to established goals.	Director of Human Resources	1-Apr-16		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

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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-Campus International Education Program Recommendation 1 of 2: Students should be registered for international education programs at their institution according to the TBR Guideline A-076 and the TnCIS Operational Handbook. Institutional registration should include recording appropriate student fees, student payments, and administering any financial aid and scholarships.	International Activities Coordinator	1-Jun-16	1-Jun-18	1	24-Apr-17	19-Apr-19	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	19-Apr-19	In Progress
MSCC	25-Aug-17	1. Training of coaching staff should occur at least annually.	Vice President of Marketing and Campus Activities 7/1/18 Vice President of Student Affairs	23-Feb-18	31-Oct-19	4	1-Aug-18		In Progress
MSCC	25-Aug-17	3. Student-athletes and parents should receive clear communications.	Vice President of Marketing and Campus Activities and Athletic Director 7/1/18 Vice President of Student Affairs and Athletic Director	23-Feb-18	31-Oct-19	4	1-Aug-18		In Progress

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MSCC	25-Aug-17	4. Scholarships should be earmarked for specified purpose.	Vice President of Marketing and Campus Activities and Athletic Director 7/1/18 - Vice President for Student Affairs and Athletic Director	23-Feb-18	31-Oct-19	5	1-Aug-18		In Progress
MSCC	25-Aug-17	9. Usage of the courtesy car provided by an auto dealership should be tracked and managed.	Vice President of Marketing and Campus Activities and Athletic Director 7/1/18 - Vice President of Student Affairs and Athletic Director	23-Feb-18	31-Oct-19	4	1-Aug-18		In Progress
MSCC	25-Aug-17	10. A procedure or policy should be developed for management of gas charge cards.	Vice President of Marketing and Campus Activities, Athletic Director, and Vice President of Business and Finance 7/1/18 - Vice President of Student Affairs, Athletic Director, and Vice President of Business and Finance	23-Feb-18	31-Oct-19	4	1-Aug-18		In Progress

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MSCC	25-Aug-17	11. Records for personal versus business use of an employer-provided vehicle should be maintained and tax implications for personal use be reported annually.	Vice President of Marketing and Campus Activities, Athletic Director, and Vice President for Business and Finance 7/1/18 - Vice President of Student Affairs, Athletic Director, and Vice President for Business and Finance	23-Feb-18	31-Oct-19	4	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	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	3-May-19		In Progress
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			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

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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: ∅ 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. ∅ 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. ∅ 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. ∅ 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. ∅ 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	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	11-Jun-19	3	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	11-Jun-19	2	11-Dec-18		No Progress

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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	11-Jun-19	2	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
CISCC	14-Jan-19	Management should evaluate actions to take to strengthen internal controls and adherence to the policy within the student organizations, and ensure that all advisors and club officers are aware and follow policy 3:01:01:00, Student Organizations, Fiscal Procedures.	VP of Student Services	31-May-19		0			Not Yet Due
CISCC	14-Jan-19	Management should decide what type accounts student organization can and cannot have and specify in policy. In addition, management should determine and document how long records should be kept based on the current retention requirements.	VP of Student Services	1-Jul-19		0			Not Yet Due

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
CoSCC	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	1-Mar-19		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	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	30-Jun-19	2			Not Yet Due

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
MSCC	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	30-Jun-19	2			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	30-Jun-19	2			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	30-Jun-19	2			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
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 Planning staff	30-Sep-19		0			Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- TCAT
(Reports sorted by Status, Institution, Report Release Date)

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
Crossville	9-Jul-18	Three of 14 (21%) equipment items tested were missing tags.	Cliff Wightman, President	1-Jan-19	28-Jun-19	1			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.	Marvin Lusk, 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 surplused in a prior year.	Marvin Lusk, 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.	Marc Davis, Fiscal Affairs Coordinator	29-Jun-18	28-Jun-19	1			Not Yet Due

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
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), <i>Tennessee Code Annotated</i> . 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	Action Completed
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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	30-Mar-19		0	25-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), <i>Tennessee Code Annotated</i> . 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	1-Feb-19	In Progress
CISCC	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), <i>Tennessee Code Annotated</i> . 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
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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	19-Oct-18		0			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), <i>Tennessee Code Annotated</i> . 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
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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session. Six areas have been corrected.	Chief Information Officer	30-Nov-18		0	18-Jan-19		In Progress

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
MSCC	15-Apr-16	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), <i>Tennessee Code Annotated</i> . 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), <i>Tennessee Code Annotated</i> . 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
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), <i>Tennessee Code Annotated</i> . 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
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), <i>Tennessee Code Annotated</i> . 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
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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	30-Nov-18		0			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), <i>Tennessee Code Annotated</i> . 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
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), <i>Tennessee Code Annotated</i> . 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

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
TBR	20-Dec-17	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), <i>Tennessee Code Annotated</i> . 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
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), <i>Tennessee Code Annotated</i> . 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
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), <i>Tennessee Code Annotated</i> . 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), <i>Tennessee Code Annotated</i> . 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
CISCC	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), <i>Tennessee Code Annotated</i> . 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
CoSCC	5-Feb-19	Columbia 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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Associate VP for IT	31-Aug-19		0			Not Yet Due

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: June 4, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Federal Audits

The Audit Committee will review executive summaries for the federal audit reports issued from January 1, 2019 to March 31, 2019.

Volunteer State Community College
– U.S. Department of Labor- OSHA Training Institute (OTI)

Miscellaneous Reviews

The Audit Committee will review executive summaries for the miscellaneous reviews (reports issued by entities other than Internal Audit, State Audit, or Federal agencies) issued from January 1, 2019 to March 31, 2019.

Chattanooga State Community College
– Tennessee Occupational Safety and Health Administration

Pellissippi State Community College
– TN Department of Safety & Homeland Security

Volunteer State Community College
– Tennessee Small Business Development Center- Financial Review
– THEC Veterans Affairs Compliance Review

Internal Audit

The Audit Committee will receive executive summaries for the internal audit reports issued from January 1, 2019 to March 31, 2019 as well as reports issued after March 31, 2019, 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 Reports for Informational Purposes- Financial Management

CISCC	Payroll	Page 34
JSCC	Fixed Assets	Page 35
PSCC	NACHA	Page 36
STCC	Follow-up to the Special Review of Federal Work Study Program	Page 37

Internal Audit Reports for Informational Purposes- Instruction & Academic Support

PSCC	Faculty Credentials	Page 40
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Internal Audit Reports for Informational Purposes- Institutional Support

JSCC	Additional Follow-up to Emergency Management Plan	Page 42
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Internal Audit Reports for Informational Purposes- CCTA Workforce Development

ChSCC	Workforce Development	Page 44
CISCC	Workforce Development	Page 46
DSCC	Workforce Development	Page 47
JSCC	Workforce Development	Page 48
MSCC	Workforce Development	Page 49
NeSCC	Workforce Development	Page 51
PSCC	Workforce Development	Page 52
RSCC	Workforce Development	Page 53
STCC	Workforce Development	Page 54
VSCC	Workforce Development	Page 55

Internal Audit Reports for Informational Purposes- TCAT Reviews

Chattanooga	Commercial Truck Driving Program	Page 57
Hohenwald	President's Expense Audit FY 2018	Page 58
Livingston	President's Expense Audit FY 2018	Page 60

Internal Audit Reports for Informational Purposes- Investigations

ChSCC	INV 18-03 and 18-04: Police Department Event Employment, Compensatory Time, and Management Time Card Manipulation	Page 63
ChSCC	INV 19-01: Plant Operations Training Program	Page 65
CISCC	INV 19-01: Academic Club Petty Cash	Page 67
DSCC	Review of Allegations Regarding DSCC	Page 68
NaSCC	TBR 18-02: Review of Nashville State Contractual Relationship	Page 69
STCC	INV 19-01: Review of Compensatory Time	Page 70
STCC	INV 19-02: Review of Faculty member Missing Class	Page 72
Nashville	Special Review of Financial Aid	Page 73

* A Limited Official Use Only report for Columbia State Community College- Information Security Audit was completed on February 4, 2019; Pellissippi State Community College- HVAC Vulnerability Assessment was completed on January 15, 2019; Southwest Tennessee Community College- Follow-up of Information Security Audit was completed on March 26, 2019. These reports will be shared in the Audit Committee Executive Session.

**Tennessee Board of Regents
Audit Committee
June 4, 2019**

Federal Audit Reports

Volunteer State Community College
U.S. Department of Labor- OSHA
Period Coverage: July 1, 2017 – June 30, 2018
November 23, 2018
Executive Summary

<p>Introduction</p>	<p>The following is the FY 2018 annual performance appraisal for Volunteer State Community College (VSCC). The appraisal focuses on the ten performance elements in the FY 2018 OSHA Training Institute (OTI) Education Center Annual Performance Criteria. OTI Education Centers are rated on a five-point scale for each element and an overall total score. The <i>Provide Training on a Regional Basis</i> element is a pilot element that does not count towards the overall score. In developing the Annual Performance Appraisal, the Directorate of Training and Education (DTE) utilizes training data, student surveys, results from course documentation audits, and feedback provided by OSHA Regional Offices.</p>
<p>Conclusion</p>	<ol style="list-style-type: none"> 1) <u>Number of Students Trained: 5</u> VSCC trained 752 students during FY 2018. This total represents an 8.4% decrease vs. FY 2017 and reflects 44% of the annual program goal of 1,700. 2) <u>Present OTI Education Center Courses: 3</u> With 130 classes offered in FY 2018, VSCC realized a 12% decrease vs. FY 2017. VSCC presented 9 of 10 required OTI Education Center courses at least twice. VSCC offered 11 of 21 elective courses and 5 short courses. 3) <u>Pilot- Provide Training on a Regional Basis: 2</u> During FY 2018, VSCC delivered off-site training courses in three of the eight states throughout Region IV. VSCC did not conduct training in Georgia, Kentucky, Mississippi, North Carolina, and South Carolina. VSCC established four “sites”. 4) <u>Outreach Monitoring Plan Activities: 2</u> In FY 2018, VSCC completed 10 record audits which was 250% of the established goal. The annual average classes per audit was 3.8, which was below the annual target average of 5 classes per audit. VSCC completed 2 training observations, which was 200% of the established goal. VSCC completed 63 total monitoring activities which was 158% of the established goal. All monitoring activities were thorough, timely, and accurate. 5) <u>Administrative Requirements: 5</u> OTI Education Centers are responsible for ensuring students have met all course prerequisites for both training and experience prior to registration. Quarterly record audits by DTE revealed VSCC had no discrepancies in classes audited in FY 2018 and received favorable reviews on the Outreach trainer feedback surveys.

Volunteer State Community College
U.S. Department of Labor- OSHA
Period Coverage: July 1, 2017 – June 30, 2018
November 23, 2018
Executive Summary

Conclusion

6) Quality of Instruction and Customer Services: 5

VSCC student surveys revealed an average above 4.75 for both instruction and curriculum. DTE received no formal complaints from customers.

7) Responsiveness to Monthly Reporting and DTE Requests for Information: 4

OTI Education Centers are responsible for ensuring courses are reported accurately and in a timely manner. VSCC demonstrated 100% on-time performance submitting monthly course summary reports with no reporting discrepancies. VSCC demonstrated 95% on-time performance for other DTE requests.

8) Other Outreach Training Program Administrative Requirements: 5

VSCC processed 11,682 Outreach Training Program student course completion cards during FY 2018. VSCC facilitated timely card distribution to trainers, maintained an accurate Outreach training recordkeeping system, and submitted timely Outreach training reports.

9) Partnering Efforts: 5

VSCC continued to maintain excellent communication with the Region IV and Area Offices. VSCC supported the Annual Collaboration Meeting with the Region and is an active participant in an Alliance Agreement with the Region and Region IV OTI Education Centers. VSCC supported the National Fall Prevention Safety Stand Down campaigns. VSCC hosts the Field Federal Safety and health Council meetings. VSCC participated in one project team.

10) Marketing and Promotion: 5

VSCC provided monetary support for the OTI Education Centers Program national marketing efforts. VSCC participated in several regional or local conferences. VSCC promoted the OTI Education Centers through email blasts, social media platforms, list serve emails, websites, print materials, and other media. VSCC attended both Directors meetings.

Cumulative Score: 39 Exceeds Expectations

**Tennessee Board of Regents
Audit Committee
June 4, 2019**

Miscellaneous Reviews

Chattanooga State Community College
Tennessee Occupational Safety and Health Administration- Page 1 of 2
January 3, 2019
Executive Summary

<p>Introduction</p>	<p>On December 7, 2018, a compliance officer conducted a monitoring visit of TN Board of Regents to evaluate and discuss the status of your occupational safety and health program. The following locations were inspected during the visit:</p> <p style="padding-left: 40px;">Chattanooga State Community College- Student Center Chattanooga State Community College – Omniplex Bldg</p>
<p>Conclusion</p>	<p>During the visit, six violations of the TOSHA standards were observed in the areas inspected. These violations do not imply that the program is ineffective; however, they are an indication of a program deficiency in some aspect of your safety and health program.</p> <p><u>OMNIPLEX BLDG</u></p> <ol style="list-style-type: none"> 1) 29 CFR 1910.219(c)(4)(i): Shaft ends projecting more than one-half the diameter of the shaft were not guarded by nonrotating caps or safety sleeves. On 12/07/2018, the rotating shaft on the HVAC equipment (fan motor) in the mechanical room (M80) was not guarded. 2) 29 CFR 1910.304(g)(5): The path to ground from circuits, equipment, and enclosures was not permanent, continuous, and effective. On 12/07/2018, the electrical adapter used to power a microwave was missing the ground prong. 3) 29 CFR 1910.305(g)(1)(iv)(A): Flexible cords and/or cables were used as a substitute for the fixed wiring of a structure. On 12/07/2018, the employer used an extension cord as a means of permanent wiring to energize a microwave oven in the breakroom. <p><u>STUDENT CENTER</u></p> <ol style="list-style-type: none"> 4) 29 CFR 1910.303(b)(2): Listed or labeled equipment was not installed and used in accordance with any instructions included in the listing and labeling. On 12/07/2018, the employer had two relocatable surge protectors that were daisy-chained and connected to a permanently installed receptacle to power computer equipment in one room. 5) 29 CFR 1910.305(b)(1)(ii): Unused openings in boxes, cabinets, or fittings were not effectively closed. On 12/07/2018, the electrical box in the maintenance room across the hall from one room had two unused openings which exposed employees to live wires.

Chattanooga State Community College
Tennessee Occupational Safety and Health Administration- Page 2 of 2
January 3, 2019
Executive Summary

Cont. Conclusion	<p>6) 29 CFR 1910.305(g)(2)(iii): Flexible cords and cables were not connected to devices and fittings so that strain relief was provided that would prevent pull from being directly transmitted to joints or terminal screws.</p> <p>On 12/07/2018, the power cord used to power the hole punch machine had a damaged outer covering (i.e. inadequate strain relief).</p>
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Pellissippi State Community College
Tennessee Department of Safety and Homeland Security
February 22, 2019
Executive Summary

Introduction	The Tennessee Department of Safety and Homeland Security (TDOSHS), Handgun Carry Permit Safety School Program conducted a monitoring visit for the Pellissippi State Handgun Safety School on February 20, 2019.
Objectives	School inspection is an onsite visit and review of pertinent documents, equipment, class records, certifications, proof of insurance, spatial measurements, and photographic recording of the facilities. The evaluation consists of: <ul style="list-style-type: none">• Confirm the financial responsibilities of the school• Confirm the certifications of all school instructors• Determine the quality of student records and class related files• Ensure the validity of the knowledge test scores• Ensure classroom physical space is acceptable• Ensure proper curriculum is available for use• Ensure safety equipment is on premises• Ensure the shooting range meets all standards identified in the rules
Conclusion	There were no findings of noncompliance identified during the monitoring review.

Volunteer 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 November 30, 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: <ol style="list-style-type: none"> 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

Volunteer State Community College
Tennessee Higher Education Commission (THEC)
June 25, 2018
Executive Summary

Introduction	The THEC Veterans Education Coordinator conducted a routine U.S. Department of Veterans Affairs (VA) compliance survey for Volunteer State Community College (VSCC) on June 21-22, 2018. Twenty VA students' records were reviewed during this routine compliance survey. Of those twenty records, two records were found to contain a discrepancy.
Conclusion	Two records were found to contain discrepancies: <ol style="list-style-type: none">1. VSCC did not accurately report Tuition and Fees for one student causing a discrepancy of \$10.00. On June 22, 2018, the school submitted an Amended Certification to the St. Louis Regional Processing Office (RPO) correcting the aforementioned error.2. VSCC did not promptly notify VA of changes in one student's enrollment. This discrepancy occurred twice in this student's file. This error caused a misreporting of three additional semester hours for the student. VSCC did not report the change to the VA until June 21, 2018, which is beyond the 30-day reporting requirement.
Recommendations	N/A

**Tennessee Board of Regents
Audit Committee
June 4, 2019**

***Internal Audit Reports
Financial Management***

Cleveland State Community College
Audit of Payroll
July 2017 through December 2017
January 9, 2019
Executive Summary

Key Staff Personnel	Payroll Specialist	Internal Auditor	Alvin Bishop
Introduction	Internal Audit conducted a review of Cleveland State Community College (CISCC) Payroll for the period July 1, 2017, through December 31, 2017. The Payroll Department processes and distributes salary and wage payments for all faculty, staff, and student employees. Additional department responsibilities include remitting employment tax reports and reporting year-end tax information. The Payroll Department has one employee, who reports to the Director of Business Services.		
Objectives	<p>The objectives of the audit were to:</p> <ol style="list-style-type: none"> 1. Evaluate the effectiveness of internal controls over payroll, including access to the payroll system. 2. Ensure employees are valid and paid at the authorized pay rate. 3. Determine that calculations of earnings, special payments, employee benefits, employee taxes, and voluntary deductions are accurate, complete, and performed in a timely manner. 4. Verify that payroll transactions are properly classified, reconciled, and posted to the general ledger. 		
Audit Results	<p>Internal Audit evaluated the internal controls over Payroll through interviews, observations, substantive testing, and documentation review. The Payroll department ensures segregation of duties through management oversight of the payroll process.</p> <p>Internal Audit obtained and reviewed listings for payroll transactions, new hires, terminations, and overtime payments for the audit period July 1, 2017 through December 31, 2017. Samples of these transactions were traced to supporting documentation, which included employee contracts, benefits authorizations, W-4's, and leave forms. Items that required management's approval, such as overtime, were documented with management's approval. Internal Audit also reviewed journal entries and 941 tax filings for timeliness and correctness. No issues were noted.</p>		
Conclusion	Payroll procedures ensure accurate and timely salary payments and are in accordance with TBR and institutional policies and procedures.		

**Jackson State Community College
Fixed Asset Audit
For Fiscal Year Ending June 30, 2018
December 14, 2018
Executive Summary**

Key Staff Personnel	Director of Purchasing	Internal Auditor	Chrystal Pittman & Angie Brown
Introduction	An internal audit of fixed asset inventory was conducted for FY2018 per special request from the College President. The fixed asset audit was traditionally completed on an annual basis by the Financial & Administrative Analyst; however, the position is temporarily vacant as the person previously serving as the analyst is currently in the Interim Director of Internal Audit role.		
Objectives	The objective of the audit was to complete the annual fixed asset audit and determine if inventory is adequately managed.		
Conclusion	<p>For FY2018, a 25% sample or 74 assets were reviewed of the total 295 fixed assets on hand. Sample assets were examined to confirm existence as well as verification of custodian, tag number, description, serial number and location.</p> <ul style="list-style-type: none"> • A total of 10 errors or needed updates were found. <ul style="list-style-type: none"> ➤ <u>Custodian</u> - Errors related to changes in custodian were due to management staffing changes. ➤ <u>Serial Numbers</u> –Errors related to serial numbers included misinterpretation of numbers such as a “5” versus the letter “S”. ➤ <u>Serial Numbers</u> - Some assets contained multiple parts with individual serial numbers. The custodians requested that an updated part and serial number be documented. ➤ <u>Location</u> - Location errors were due to relocation of items in preparation for replacement and or surplus. • All sampled assets were located. <p>Based on tests performed for the period under review, fixed asset inventory appears to be adequately managed. While total errors (10) reflected an increase since the prior audit in 2016, the College remains below the nine - year average error count of 13.66.</p>		

Pellissippi State Community College
NACHA
October - November 2018
January 28, 2019
Executive Summary

Key Staff Personnel	Bursar	Internal Auditor	Suzanne L. Walker
Introduction	An audit of NACHA compliance was completed in accordance with the annual audit plan. This audit was conducted at the request of Vice President of Business and Finance.		
Objectives	To determine compliance with <i>NACHA Operating Rules</i> WEB entry requirements related to authorization, formatting and risk management.		
Conclusion	Pellissippi State is substantially in compliance with the authorization, formatting and risk management requirements of the <i>NACHA Operating Rules</i> . One area of concern was noted during the current audit that was discussed with both Information Services and Business Office personnel. This area was not considered significant enough to warrant an audit observation or finding.		
Recommendations	There were no formal audit recommendations related to this audit.		

Southwest Tennessee Community College
Follow-up to the Special Review of Federal Work Study Program- Page 1 of 2
March 12, 2019
Executive Summary

Key Staff Person:	Financial Aid Specialist	Auditor:	Charlotte Johnson, Director
Introduction	<p>Internal Audit for Southwest Tennessee Community College issued a <i>Special Review of Federal Work Study Program</i> report for the period July 1, 2013 through June 30, 2014, on May 13, 2015. The report included one finding regarding a Federal Work Study (FWS) student working during class time. A follow-up review by Internal Audit was issued May 30, 2017, for the 2015-2016 academic year. The follow-up disclosed a continued deficiency in the payroll records of the audit sample. Twelve of 40 student records reviewed reported hours worked during a scheduled class. An additional follow-up report was issued January 3, 2018, for the spring semester of 2017. Ten of 42 student's records reviewed reported hours worked during a scheduled class. In addition, the State Comptroller's audit of fiscal years 2014 and 2015, released June 28, 2017, also found a lack of controls in place.</p>		
Objective	<p>The objective of the review was to determine whether adequate corrective actions have been taken to address the findings.</p>		
Prior Findings	<p>Internal Controls for Monitoring Students' Work Time Must Be Improved to Ensure Compliance with Federal Work Study Program Regulation. Records show that students report working during hours when they are scheduled for classes. For the FWS students tested for academic year 2014, 25 of 28 students tested reported hours worked during a scheduled class. For the FWS students tested for academic year 2016, twelve of 40 students tested reported hours worked during a scheduled class. For the FWS students tested for academic years 2017, ten of 43 students tested reported hours worked during a scheduled class. Supervisors signed the time reports authorizing the time. Internal controls are not being followed. Federal Work Study Program regulation C.F.R. 675.20(d)(2)(ii), states, a student employed in an FWS job may not be paid for receiving instruction in a classroom, laboratory, or academic setting.</p>		
Current Result	<p>Based on the results of tests and procedures performed, six of 35 students tested reported hours worked during a scheduled class. Corrective actions put in place previously do appear to improve the process. Management needs to continue to improve their processes by adding the four following steps to bring Southwest Tennessee Community college into compliance with regulation C.F.R. 675.20(d)(2)(ii), a student employed in an FWS job may not be paid for receiving instruction in a classroom, laboratory, or academic setting.</p>		
Recommendations	<ol style="list-style-type: none"> 1. Review the academic calendar to determine the first and last day of scheduled classes. 2. Print a copy of the student's class schedule. 3. Meet with the student and enforce that the student must not work during scheduled class time. Set up a work schedule with student that does not conflict with scheduled classes and let the student know they cannot deviate from the schedule without consulting with their supervisor. 4. Retain a copy of the approved work schedule and compare it to the actual hours worked when approving time cards. 		

Southwest Tennessee Community College
Follow-up to the Special Review of Federal Work Study Program- Page 2 of 2
March 12, 2019
Executive Summary

Management's Response	<p>Management concurs with the findings and recommendations of the Audit report rendered during an additional follow-up to the <i>Special Review of Federal Work Study Program</i> conducted by the Department of Internal Audit for Fall 2018, conducted on January 16, 2019. Though significant gains have been made with a decrease in violations to the work study policy, through required training and communication each semester to work study supervisors and students, the current review indicated a need for increased measures. Each supervisor found to be in violation during the current review will receive a written warning, as per the previous audit response. Currently, work study supervisors receive a communique at the beginning of each semester, detailing policies and guidelines in effectively supervising a work study student. Included in that communique with emphasis addresses students working during scheduled classes. At the recommendation of Internal Audit and as an added layer of communication to work study supervisors to mitigate the risk of future violations, each month, all work study supervisors will have received a reminder communique that student workers must not work during scheduled class times and encourage regular monitoring of student class and work schedules. Additionally, Management requests that this follow-up is conducted in one year to ensure adherence to the policies by all supervisors. The Financial Aid Specialist responsible for the FWS program will continue to provide training, updates, time sheet monitoring, and notification to FWS supervisors of any infractions or changes in procedures.</p>
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**Tennessee Board of Regents
Audit Committee
June 4, 2019**

***Internal Audit Reports
Instruction & Academic Support***

**Pellissippi State Community College
Faculty Credentials
Fall Semester 2018
February 26, 2019
Executive Summary**

Key Staff Personnel	L. Anthony Wise, President & Kathryn Byrd, Interim Vice President of Academic Affairs	Internal Auditor	Suzanne L. Walker, Director of Internal Audit
Introduction	The audit of faculty credentials was requested by the president of the College. This audit is an annual audit requested by the president to ensure that all full- and part-time faculty hired by the College each fall meet the requirements of the College’s accrediting agency. Additionally, the ability to hire qualified faculty continues to be an area of concern as documented in the College’s risk assessment for instruction and academic support.		
Objectives	To determine whether the requirements necessary for compliance with Southern Association of Colleges and Schools (SACS) criteria were being met; to determine whether the documentation maintained by the College was sufficient to document compliance with the criteria; and to recommend improvements, if any are necessary.		
Conclusion	The College needs to continue to make improvement in documenting that faculty hired to teach are qualified. After discussions with the President, as well as with the Interim Vice President of Academic Affairs, it appears that management understands the problem and has been making every effort to prevent it from occurring in the future.		
Recommendations	There were no formal audit recommendations related to this audit.		

**Tennessee Board of Regents
Audit Committee
June 4, 2019**

***Internal Audit Reports
Institutional Support***

Jackson State Community College
Additional Follow-up to Emergency Management Plan Audit
For Fiscal Year Ending June 30, 2018 and July 1, 2018 – December 31, 2018
January 31, 2019
Executive Summary

Key Personnel:	Director of Environmental Health & Safety	Internal Auditor:	Chrystal Pittman
Introduction:	<p>The Director of Internal Audit issued a report in October 2014 to evaluate the effectiveness of the Emergency Management Plan as well as its compliance with TBR Guideline B-100. The report included two recommendations.</p> <p>The current review covered FY2018 and the first six months of FY2019 (July 1, 2018 - December 2018). During the period under review, the management position responsible for implementing the recommendations experienced personnel changes.</p>		
Objective:	<p>To determine if management implemented adequate corrective actions to address recommendations noted in the internal audit of the Emergency Management Plan.</p>		
Current Results:	<p>Management completed several safety related drills as well as basic first aid training, radio training for building coordinators and hands on fire extinguisher safety and use training. CERT training was conducted in March 2018 but was not well attended. Chair lift and AED trainings were not conducted for the period under review.</p> <p>Online safety training was conducted during calendar years 2017 & 2018; however, results for individual years could not be verified. The online safety software installed in 2015 was replaced in September 2018.</p> <p>Management has updated the Emergency Management Plan as of January 2018. The updated plan is located on the JSCC Website (Public) and JWEB (Intranet).</p> <p>Due to personnel changes, management was unable to complete the review and update of the campus signage including the shelter locations and evacuation routes. Management was reviewing and updating this information during the audit follow up process.</p>		
Management's Response:	<p>Management concurs. On site AED, CPR and stair chair training is currently being scheduled.</p> <p>ETSU's safety training in use was disbanded. Vivid Learning System is being implemented for Fall 2019.</p> <p>The Emergency Management Plan has been reviewed and updated for 2019. Evacuation route and shelter-in-place locations are being updated for Fall 2019.</p>		
Conclusion:	<p>Based on tests performed for the period under review, management has taken partial corrective actions. While progress was made, more work is needed to adequately address the audit recommendations. A third follow-up will be conducted in spring 2020 to allow time to implement the corrective action plan in fall 2019.</p>		

**Tennessee Board of Regents
Audit Committee
June 4, 2019**

***Internal Audit Reports
CCTA Workforce Development***

Chattanooga State Community College
Complete College Tennessee Act (CCTA) Workforce Training Contact Hours Outcome-
Page 1 of 2
Academic Year 2017-2018
March 26, 2019
Executive Summary

Key Staff Personnel	Bo Drake, Vice President, Economic and Workforce Development	Internal Auditor	Kimberly Clingan Director, Internal Audit
Introduction	<p>Workforce training contact hours are part of the outcome measures for the Complete College Tennessee Act of 2010 (the Act). The Act requires that the Tennessee Higher Education Commission (THEC) use an outcomes-based model for making funding recommendations for public higher education institutions. The outcome measures identified for use in the funding formula for community colleges are distinguished by weighting the measures by the institutional mission. The outcomes represent the broad range of activities conducted at community colleges and are grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p> <p>For outcomes tracked outside the Banner system, such as Workforce Training, each community college collects the necessary data and provides that data directly to THEC.</p>		
Objectives	<p>The objective of the audit was to determine whether Chattanooga State Community College’s internal controls provide reasonable assurance that the workforce-training contact hours outcome measure reported to THEC were accurate and in compliance with the reporting instructions provided by THEC/TBR based on the institution’s supporting records.</p>		
Conclusion	<p>The workforce training hours outcome reported to THEC by Chattanooga State Community College for the 2017-2018 academic year were overstated by 702 contact hours. Even though the college has developed internal controls for the workforce training hours processes, the lack of appropriate management review of the compiled report prior to submission and the lack of training for the new staff members continue to result in errors within the final submitted report. Contributing factors to the errors were major changes in staff at the Small Business Development Center (SBDC) and Volkswagen Academy (VWA).</p> <p>The college’s Academic Year 2017-2018 Workforce Training Contact Hours, per audit, totaled 59,755.</p>		

Chattanooga State Community College
Complete College Tennessee Act (CCTA) Workforce Training Contact Hours Outcome-
Page 2 of 2
Academic Year 2017-2018
March 26, 2019
Executive Summary

Finding/ Recommendation	<p>Continuation of a Lack of Management Review Controls and Training: The errors found during the audit of the 2017-2018 workforce training hours demonstrate that management review controls and staff training had not been effectively implemented by the 2017-2018 data submission date.</p> <p>Management should develop written quarterly internal control review processes to ensure the accuracy of the workforce training contact hours reported and to ensure that reporting errors are caught in a timely manner. Furthermore, all staff, including Small Business Development Center and Volkswagen Academy personnel, should be properly trained as to the type of data to report and how to calculate contact hours.</p>
Management Response	<p>Economic and Workforce Development, with the assistance of management from SBDC and VWA, will ensure the development of internal control review processes and provide staff training for workforce contact hour reporting.</p>

**Cleveland State Community College
Workforce Training Contact Hours Outcome
FYE 2017-2018
April 12, 2019
Executive Summary**

Key Staff Personnel	Assistant Vice President	Internal Auditor	Alvin Bishop
Introduction	Workforce training contact hours are part of the Complete College Tennessee Act of 2010 (the Act). The Act charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the development of the state’s public higher education institutions, and for directing the higher education institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the master plan, the Act requires that THEC use an outcomes-based model for making funding recommendations for public higher education institutions.		
Objective	The objective of the audit was to determine whether Cleveland State Community College’s internal controls provide reasonable assurance that the workforce-training contact hours outcome measure reported to THEC was accurate and in compliance with the reporting instructions provided by THEC/TBR, based on the institution’s supporting records.		
Recommendation	<p>The lack of identifying characteristics in the class name created problems for the workforce staff in pulling the correct course file for the audit sample. This issue could also lead to some courses being duplicated or excluded from the THEC report. Management should develop a means to identify each individual course. One method could be to add the date of the course to the class name.</p> <p>Management’s Response: A systematic filing process has been established; hence, documents are labeled for each individual course and identified appropriately. Additionally, an improved process of collecting and recording data has been implemented for more accurate reporting. Clarification has been issued on the reporting of NOCTI testing, which could have created some of the inaccuracy of hours reported.</p>		
Conclusion	Based on audit procedures performed, the workforce training hours outcome reported to THEC by Cleveland State Community College for the 2017-2018 academic year was understated by 499 hours, which is considered immaterial. The review of the internal controls over this data indicated that the college has established a system of controls. However, improvements are needed to ensure data is accurately reported.		

Dyersburg State Community College
Workforce and Community Development Audit Report
Academic Year 2017-2018
March 28, 2019
Executive Summary

Key Staff Personnel	Mandy Fisher, Director of Continuing Education & Alumni Affairs and Rebecca McCaslin, Continuing Education Specialist	Internal Auditor	Sandra Pruet, DSCC Director of Internal Audit
Introduction	<p>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.</p> <p>The college’s workforce training hours are reported annually through the THEC <i>Economic and Workforce Development Contact Hours</i> report.</p>		
Objectives	<p>The objective of this audit is to determine whether the institution’s internal controls provide reasonable assurance that the data reported to the Tennessee Board of Regents (TBR) and the Tennessee Higher Education Commission (THEC) for the funding formula was accurate and in compliance with the reporting instructions provided by TBR.</p>		
Scope	<p>The audit reviewed data and internal controls in place during the academic year 2017 – 2018.</p>		
Audit Conclusion	<p>Based on audit tests performed on a sample of 17 courses reported to TBR and THEC for the 2017 – 2018 academic year, some errors and inconsistencies exist indicating that improvement to internal controls and review procedures in this area are needed. Of the sample tested, 739.5 contact hours reported were overstated due to the timing of the course conclusion or incompleteness of student activities related to the course. A review of internal controls indicated that the Continuing Education department personnel have already begun to improve upon these weaknesses in the FY2019 academic year.</p> <p>Overall, the courses reviewed met the criteria outlined in the Guiding Questions listed in the THEC Workforce Training guidelines.</p>		
Recommendation	<p>Based on the errors found in the files sampled from the Workforce Development Contact Hours reported to TBR and THEC for the 2017 – 2018 academic year, it is recommended that internal controls and review procedures be improved to ensure that only correct data is collected and included on the THEC <i>Economic and Workforce Development Contact Hours</i> report.</p>		

**Jackson State Community College
Workforce and Community Development Audit
Academic Year 2017-2018
March 29, 2019
Executive Summary**

Key Staff Personnel	Dean of Business and Industry / Director of Workforce Development	Internal Auditor	Chrystal Pittman / Angie Brown
Introduction	An audit of Workforce Development was conducted for fiscal year 2017-2018 to determine compliance with the Tennessee Board of Regents (TBR) requirements for reporting workforce training contact hours.		
Objectives	The objective of the audit was to determine whether the institution's internal controls provide reasonable assurance that the data reported to the Tennessee Board of Regents (TBR) and the Tennessee Higher Education Commission (THEC) for the funding formula was accurate and in compliance with the reporting instructions provided by TBR.		
Conclusion	<p>Management's procedures include a significant effort to streamline the largely manual process of reporting contact hours.</p> <p>Except for the recommendations listed below, the data reported to TBR and THEC appears to be accurate and in compliance with the reporting instructions provided.</p>		
Recommendation	<p>For the sample of courses reviewed, the headcount total was overstated by 10 which resulted in an overstatement of 168 contact hours. Headcount and contact hours should be reported according to the instructions for the THEC Workforce Training Contact Hours report.</p> <p>There were four courses in the sample that would lead to a certification that were not reported in the THEC Workforce Training Contact Hours report. Certifications should be reported according to the instructions for the THEC Workforce Training Contact Hours report.</p>		
Management's Response	<p>Management concurs that hours should be accurately reported. In an effort to minimize the likelihood of errors, JSCC Workforce Development (WFD) has implemented a process change for data entry. Data validation will be verified in our departmental internal quarterly audits.</p> <p>Management concurs that certifications should be reported according to the instructions for THEC Training Contact Hours. Based on the understanding of the guidelines, courses that provide continuing education units required to maintain a certification were not listed as a "Yes". In addition, past practices did not include courses that provided a pre-requisite course needed for a certification. Further guidance from TBR will be sought to clarify a clearer definition of the question.</p>		

Motlow State Community College
Workforce Development – Page 1 of 2
Reporting Period July 1, 2017 – June 30, 2018
Executive Summary

Key Staff Person: Executive Director of Workforce Development	Auditor: Tammy Wiseman, MBA, CPA
<p>Introduction: The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations for public higher education institutions.</p>	
<p>Objectives: The objectives of the audit were to determine whether Motlow State Community College internal controls provide reasonable assurance that the data reported to the Tennessee Higher Education Commission (THEC) and the Tennessee Board of Regents (TBR) was accurate and in compliance with the reporting instructions <i>THEC Workforce Training (Contact Hours) 2017-2018</i> provided by THEC.</p>	
<p>Scope: This audit reviewed data and data file controls in place during the reporting period July 1, 2017 –June 30, 2018, for Workforce Development Contact Hour data submitted.</p>	
<p>Audit Conclusion: The review of MSCC’s internal controls over outcome measure data, and tests performed on data elements reported to THEC/TBR indicated that MSCC has established controls to provide reasonable assurance that the data is accurately reported except as noted below. The audit did reveal matters warranting two recommendations.</p>	
<p>Recommendation 1: The recommendation from the previous audit report is repeated.</p> <p>It is recommended that Motlow State Community College improve internal controls over maintaining workforce development documentation to sufficiently support training contact hours reported in the THEC Workforce Training Contact Hours report to THEC/TBR.</p>	
<p>Management’s Comment: Management concurs with the audit recommendation.</p> <p>The workforce team will continue to improve standard operating procedures which will strengthen internal controls. The procedures will clearly define the documentation to support the training contact hours. All workforce team contributors will be effectively trained to ensure accurate reporting of training contact hours. The procedures will be developed by September 30, 2019.</p>	
<p>Recommendation 2: It is recommended that Motlow State Community College establish a formal review and verification process over training data for inclusion in the THEC Workforce Training Contact Hours report prior to submission to THEC/TBR.</p>	

Motlow State Community College
Workforce Development – Page 2 of 2
Reporting Period July 1, 2017 – June 30, 2018
Executive Summary

Management’s Comment:

Management concurs with the audit recommendation.

The team will craft a “Motlow Standards and Practices for Workforce Operations” document that we will submit for review and comment by Motlow leadership. The plan is to create the document by September 30, 2019. We will then proceed to benchmark against our peers and use those findings to improve the document as needed.

**Northeast State Community College
Workforce and Community Development Audit
Academic Year 2017-2018
March 18, 2019
Executive Summary**

Key Staff Personnel	Director of Workforce Solutions	Internal Auditor	Christopher L. Hyder
Introduction	<p>The Complete College Tennessee Act of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for development of the state’s public higher education institutions and for directing the higher education institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the master plan, the Act requires that THEC use an outcomes-based model for making funding recommendations for public higher education institutions. A key outcome measure used in the funding formula for community colleges is the number of workforce training contact hours provided by the college.</p> <p>At Northeast State Community College (NeSCC), Workforce Solutions is responsible for the administration of workforce development programs including the reporting of contact hours. Workforce Solutions supports workforce development through corporate training, career training, and continuing education.</p>		
Objectives	<p>The objective of the audit is to determine whether NeSCC’s internal controls provide reasonable assurance that the data reported to the Tennessee Board of Regents (TBR) and the Tennessee Higher Education Commission (THEC) for the funding formula was accurate and in compliance with the reporting instructions provided by TBR.</p>		
Scope	<p>The scope of the audit was determined by a request that the Tennessee Board of Regents received from THEC. This audit included workforce outcome measures as reported by the college from the most recent reporting year, which includes contact hours reported from July 1, 2017 through June 30, 2018.</p>		
Audit Conclusion	<p>Based on audit tests performed on a sample of supporting data, the workforce training contact hours outcome measures reported to THEC by TBR for NeSCC for the year ending June 30, 2018 appeared accurate. In addition, the review of the system of internal controls over this data indicated that the College has established controls to provide reasonable assurance that the data is accurately reported. NeSCC’s Workforce Training Contact Hours outcome reported by THEC for the year ending June 30, 2018 was 32,577.</p>		

**Pellissippi State Community College
Workforce and Community Development Audit
Academic Year 2017-2018
March 27, 2019
Executive Summary**

Key Staff Personnel	Registrar	Internal Auditor	Suzanne L. Walker
Introduction	<p>The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. Since its inception, this formula has included a workforce training metric at community colleges to recognize this important community service. Institutions provide programs and activities to local businesses, industry partners, and community members to increase occupational, technical, and soft skills in the workforce.</p>		
Objectives	<p>The objective of the audit was to determine whether Pellissippi State’s internal controls provide reasonable assurance that the workforce training contact hours outcome data was accurate and in compliance with the reporting instructions provided by THEC/TBR based on the institution’s supporting records.</p>		
Scope	<p>This audit was performed at the request of THEC and included workforce training contact hours outcome measures from the 2017-2018 academic year.</p>		
Audit Conclusion	<p>Based on audit tests performed on a sample of supporting data, the workforce training contact hours outcome measures reported to THEC by the TBR for Pellissippi State for the 2017– 2018 academic year appeared accurate in all material respects. Also, the review of the system of internal controls over this data indicated that the College has established controls to provide reasonable assurance that the data is accurately reported. The College’s Workforce Training Contact Hours outcome reported by THEC for the 2017 – 2018 academic year was 49,118.</p>		

Roane State Community College
Workforce Training Contact Hours Outcome Audit
Academic Year 2017-2018
April 9, 2019
Executive Summary

Key Staff Personnel	Jutta Bangs, TSBDC; Kirk Harris, Director Health Sciences; Kim Harris, Director Workforce Training Placement; Emily Belitz, TECTA Coordinator; Holly Hanson, Director Cumberland County Higher Education Center	Internal Auditor	Cynthia Cortesio, Interim Director Internal Audit
Introduction	<p>Workforce training contact hours are part of the outcome measures for the Complete College Tennessee Act of 2010 (the Act). The Act requires that the Tennessee Higher Education Commission (THEC) use an outcomes-based model for making funding recommendations for public higher education institutions. The outcome measures identified for use in the funding formula for community colleges are distinguished by weighting the measures by the institutional mission. The outcomes represent the broad range of activities conducted at community colleges and are grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p> <p>For outcomes tracked outside the Banner system, such as Workforce Training, each community college collects the necessary data and provides that data directly to THEC.</p>		
Objectives	<p>The objective of the audit was to determine whether Roane State Community College’s internal controls provide reasonable assurance that the workforce-training contact hours outcome measure reported to THEC were accurate and in compliance with the reporting instructions provided by THEC/TBR based on the institution’s supporting records.</p>		
Scope	<p>This audit includes the workforce training contact hours outcome measure as reported by the college for the academic year 2017-2018. The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors. The audit included tests of records and other procedures considered necessary to achieve the objectives.</p>		
Conclusion	<p>The review of the Roane State Community College’s internal controls over outcome measures data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. Based on audit tests performed on a sample of data elements reported to the TBR for the 2017 – 2018 academic year, the data was accurately reported. The audit did not reveal matters warranting audit findings or observations. No corrections to the report are being recommended.</p>		
Finding/ Recommendation	<p>There were no findings or recommendations made with this report.</p>		

**Southwest Tennessee Community College
Workforce Development Data
Academic Year 2017-2018
March 26, 2019
Executive Summary**

Key Staff Person: Anita Brackin, Associate Vice President of CE Administration	Auditor: Charlotte Johnson, Internal Auditor
Introduction	The Tennessee Higher Education Commission (THEC) uses an outcome-based model for making funding recommendations for public higher education institutions. The college's portion of the THEC funding recommendations is based on THEC-identified and college-weighted outcome measures, one of which is the total number of workforce training hours.
Objectives	Determine whether the institution's internal controls provide reasonable assurance that the data reported to the Tennessee Board of Regents (TBR) and THEC for the funding formula was accurate and in compliance with the reporting instructions provided by TBR.
Scope	The audit reviewed data and data file controls in place during the academic year 2017-2018.
Conclusion	<p>Based on audit tests performed on a sample of 20 data elements reported to TBR, and subsequently to THEC, for the 2017-2018 academic year, only two had sufficiently detailed student participant lists. Five of the 20 programs listed an incorrect number of students enrolled, causing an overstatement of seven students and 138 contact hours. Also, the review of the system of internal controls revealed Workforce Development is in the process of creating a Project Charter that will examine processes for both program and workflow in the workforce development area. The process is scheduled to be completed by September 17, 2019.</p> <p>The reports reviewed met the criteria for definition and clarification of the Guiding Questions listed in the THEC FACT book, and the cut-off for reporting work force contact hours was consistently applied between fiscal years.</p>
Recommendation	Based on the errors found in the sample of data elements reported to TBR, and subsequently to THEC, for the 2017 – 2018 academic year, Internal Audit recommends that internal controls and review procedures be improved to ensure correct data is collected and included on the THEC <i>Economic and Workforce Development Contact Hours</i> report.
Management's Response	Management concurs with the Audit report recommendation. The Workforce and Continuing Education department is operating under a Workforce Charter Turn-Around Plan to improve processes and internal controls for the verification and submission of Southwest's non-credit workforce training hours. The process documentation project is underway with an anticipated completion date of September 17, 2019.

**Volunteer State Community College
Workforce and Community Development Audit
Academic Year 2017-2018
April 1, 2019
Executive Summary**

Key Staff Personnel	Office of Assistant Vice President for Economic and Community Development	Internal Auditor	Nancy Batson
Introduction	<p>The Complete College Tennessee Act of 2010 (CCTA) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for development of the state’s public higher education institutions and for directing the higher education institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the master plan, the CCTA requires that THEC use an outcomes-based model for making funding recommendations for public higher education institutions.</p> <p>The THEC funding formula outcomes data report consists of a three-year average of student information that is compiled for use in determining funding recommendations for the institutions in the Tennessee Board of Regents (TBR) system.</p>		
Objectives	<p>The objective of the audit was to determine whether Volunteer State Community College’s (the College) internal controls provide reasonable assurance that the workforce training data reported to TBR and THEC for the funding formula was accurate and in compliance with the reporting instructions.</p>		
Scope	<p>The audit reviewed workforce training data submitted for the 2017-2018 academic year.</p>		
Audit Conclusion	<p>It appears the College has established controls to provide reasonable assurance that the workforce training data reported to TBR is accurate and in compliance with the reporting instructions.</p> <p>THEC plans to address future requirements and provide more definitive guidance for workforce training reporting, and the College shall incorporate this guidance into their reporting procedures.</p>		

**Tennessee Board of Regents
Audit Committee
June 4, 2019**

***Internal Audit Reports
TCAT Reviews***

Tennessee College of Applied Technology - Chattanooga
Audit of Commercial Truck Driving Program
Fall 2017 through Fall 2018
January 18, 2019
Executive Summary

Key Staff Personnel	Duane Pendergraph Coordinator, Commercial Truck Driving	Internal Auditor	Kimberly Clingan Director, Internal Audit
Introduction	Chattanooga State Community College (ChSCC) Internal Audit conducted an audit of the Tennessee College of Applied Technology (TCAT) - Chattanooga Commercial Truck Driving Program for all classes held during Fall 2017 through Fall 2018. This audit was designed as a follow-up to the United States Department of Transportation’s (DOT) Non-Ratable Drug and Alcohol Review dated August 31, 2017. The DOT report cited serious violations of the Federal Motor Carrier Safety Regulation 49 CFR Part 382 including use of a driver before receipt of a negative pre-employment drug test and failing to implement a random controlled substance and/or alcohol testing program.		
Objectives	<p>The objectives of the audit were:</p> <ul style="list-style-type: none"> • To determine whether corrective actions have been taken to address the DOT findings. • To evaluate the effectiveness of internal controls over the CDL program. • To verify the collection of required student admission documents which include a negative result on a DOT drug screen. • To ensure the development of a random controlled substance and/or alcohol testing program. 		
Conclusion	Based on the audit procedures performed, the TCAT CDL program has taken adequate actions to address the DOT audit findings. The internal audit revealed that all files for students from Fall 2017 through Fall 2018 contained the required student admission documentation including a negative DOT drug screen report. Additionally, the CDL Program has implemented a drug and alcohol program through the use of a third-party administrator and the development of a drug and alcohol policy.		
Recommendations	None		

Tennessee College of Applied Technology-Hohenwald
Audit of President's Expenses- Page 1 of 2
For the Period July 1, 2017 – June 30, 2018
January 3, 2019
Executive Summary

President	Mrs. Kelli Kea-Carroll	Internal Auditor	Helen Vose, TCAT Internal Auditor																																																				
Objectives	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year ended June 30, 2018; to determine compliance with institutional and Tennessee Board of Regents policies regarding expenses; to identify and report all expenses incurred by, at the direction of, or for the benefit of the President regardless of the funding source; and to search for and report any expenses not disclosed on expense schedules prepared by the institution.																																																						
Scope	The audit scope included all accounts under the direct budgetary control of the President and expenses funded by institutional funds, foundations, or vendors and any expenses made by, at the direction of, or for the benefit of the President during the fiscal year. The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> , issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary.																																																						
Questioned Costs	None	Recoveries	N/A																																																				
Analysis	<p>The following is a summary of (1) certain expenses made by, at the direction of, or for the benefit of the President, and (2) salaries, benefits and other operating expenses for the President's office during the fiscal year ended June 30, 2018:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%;">Institutional</th> <th style="width: 15%;">Foundation</th> <th style="width: 15%;">Vendor</th> <th style="width: 15%;">Total</th> </tr> </thead> <tbody> <tr> <td colspan="5">President (1):</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">\$3,132</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$3,132</td> </tr> <tr> <td>Business Meals & Hospitality</td> <td style="text-align: right;">\$2,412</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$2,412</td> </tr> <tr> <td>Other</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td colspan="5">Office (2):</td> </tr> <tr> <td>Salaries & Benefits</td> <td style="text-align: right;">\$376,142</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$376,142</td> </tr> <tr> <td>Other Operating</td> <td style="text-align: right;">\$136,684</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$136,684</td> </tr> <tr> <td>Total Expenses</td> <td style="text-align: right;">\$518,371</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$518,371</td> </tr> </tbody> </table> <p>In addition, the following were provided to the President during the year. Use of the expense allowance was not included in tests performed during the audit because each of the presidents elected for the allowance to be paid as taxable income. Any personal use value of the vehicle is reported to the President as taxable income.</p> <table border="1" style="width: 50%; margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tbody> <tr> <td>Expense Allowance</td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Housing Allowance</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Vehicle Allowance</td> <td style="text-align: right;">\$8,036</td> </tr> </tbody> </table>					Institutional	Foundation	Vendor	Total	President (1):					Travel	\$3,132	-	-	\$3,132	Business Meals & Hospitality	\$2,412	-	-	\$2,412	Other	-	-	-	-	Office (2):					Salaries & Benefits	\$376,142	-	-	\$376,142	Other Operating	\$136,684	-	-	\$136,684	Total Expenses	\$518,371	-	-	\$518,371	Expense Allowance	\$2,000	Housing Allowance	-	Vehicle Allowance	\$8,036
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Tennessee College of Applied Technology-Hohenwald
Audit of President's Expenses- Page 2 of 2
For the Period July 1, 2017 – June 30, 2018
January 3, 2019
Executive Summary

Conclusion	The audit of the President's Expenses for the Tennessee College of Applied Technology-Hohenwald for the period July 1, 2017 through June 30, 2018, revealed no significant deficiencies in internal controls, no large or unusual expenditures, and they were in compliance with TBR purchasing policies and regulations.
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Tennessee College of Applied Technology-Livingston
Audit of President's Expenses- Page 1 of 2
For the Period July 1, 2017 – June 30, 2018
January 2, 2019
Executive Summary

President	Dr. Myra West	Internal Auditor	Helen Vose, TCAT Internal Auditor																																																					
Objectives	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year ended June 30, 2018; to determine compliance with institutional and Tennessee Board of Regents policies regarding expenses; to identify and report all expenses incurred by, at the direction of or for the benefit of the President regardless of the funding source; and to search for and report any expenses not disclosed on expense schedules prepared by the institution.																																																							
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Tennessee College of Applied Technology-Livingston
Audit of President's Expenses- Page 2 of 2
For the Period July 1, 2017 – June 30, 2018
January 2, 2019
Executive Summary

Conclusion	The audit of the President's Expenses for Tennessee College of Applied Technology-Livingston for the period July 1, 2017 through June 30, 2018, revealed no significant deficiencies in internal controls, no large or unusual expenditures, and they were in compliance with TBR purchasing policies and regulations.
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**Tennessee Board of Regents
Audit Committee
June 4, 2019**

***Internal Audit Reports
Investigations***

Chattanooga State Community College
Investigation 18-03 and 18-04:
Police Department Event Employment, Compensatory Time, and
Management Time Card Manipulation- Page 1 of 2
July 1, 2017 through June 30, 2018
January 31, 2019
Executive Summary

Auditee	Plant Operations Police Department	Auditor	Kimberly Clingan Director Internal Audit
Objectives	The objective of this investigation was to evaluate processes for event employment, compensatory time, and time cards of the Police department and other ChSCC employees utilized for special events.		
Scope	This examination was made in accordance with International Standards for the Professional Practice of Internal Auditing, and accordingly included reviews of applicable policies and procedures, inquires of College employees and other auditing procedures as considered necessary to achieve the objectives. The examination covered special event employment for the period July 1, 2017 through June 30, 2018.		
Questioned Costs	None		
Analysis of Issues	<p>Chattanooga State Community College (ChSCC) Internal Audit received information concerning issues with event employment, compensatory time, and time card manipulation during a recent special review of the campus police department by the Office of System-wide Internal Audit. Special event employment at ChSCC generally consists of sporting events such as basketball and softball tournaments. Employees from the Police department, Custodial, Cafeteria, and Media Services generally work these types of events.</p> <p>Internal Audit’s investigation determined that special event and overtime pay was not completed in accordance to the ChSCC Overtime and Compensatory Time policy 06:78:00. Advanced Presidential approval was not properly documented within the supporting documentation for event and holiday compensatory and overtime pay. Five recommendations have been provided to strengthen these processes.</p> <p>Additionally, the investigation revealed issues of employee understanding in how to report hours worked in excess of weekly contractual hours. Management has remedied the time reporting issues by providing all Plant Operations and Security personnel with additional training on Payroll topics and Web-Time Entry.</p>		

Chattanooga State Community College
Investigation 18-03 and 18-04:
Police Department Event Employment, Compensatory Time, and
Management Time Card Manipulation- Page 2 of 2
July 1, 2017 through June 30, 2018
January 31, 2019
Executive Summary

Recommendations	<p>Based on the procedures performed, Internal Audit recommends:</p> <ul style="list-style-type: none"> • ChSCC policy 06:78:00 should be evaluated by management for exception language and/or a procedure developed for the types of generally occurring overtime and compensatory time situations including but not limited to special events and on-call employees. • Management should obtain approval in accordance with ChSCC 06:78:00 from the President for Compensatory and Overtime pay. • Offers to employees for extra duty assignments for events should be made in writing prior to event. • Contracts for additional pay for Full-time employees should be completed including all management approvals prior to the event. • Timesheet, leave, compensatory time, and overtime pay process training should be available to employees on an annual basis.
Management Response	<p>Management concurs and will perform the following corrective actions:</p> <ul style="list-style-type: none"> • ChSCC Policy 06:78:00 will be reviewed and revised during Spring 2019. • All employees will be reminded that contracts for extra compensation and temporary work assignments must be executed prior to the start of a work assignment. • Annual training will be scheduled by the Payroll department and made available to all employees annually.

Chattanooga State Community College
Investigation 2019-01:Plant Operations Training Program- Page 1 of 2
Fall 2018
March 29, 2019
Executive Summary

Auditee	Executive Director, Plant Operations	Auditor	Kimberly Clingan, Director Internal Audit
Objectives	The objective of this investigation was to determine if the Plant Operations Training Program participants were attending classes as required by the program and to evaluate the program for compliance with ChSCC and Tennessee Board of Regents (TBR) policies and procedures.		
Scope	This examination was made in accordance with International Standards for the Professional Practice of Internal Auditing, and accordingly included reviews of applicable policies and procedures, inquires of College employees and other auditing procedures as considered necessary to achieve the objectives. The examination included Plant Operations Training Program activities for Fall 2018.		
Questioned Costs	None		
Analysis of Issues	<p>Chattanooga State Community College (ChSCC) Internal Audit received a complaint concerning Plant Operations Training Program participants not attending class as required by the program. The Plant Operations Training Program began in January 2018 and allows up to five Plant Operations employees to attend Tennessee College of Applied Technology (TCAT) - Chattanooga classes for Heating, Ventilation, and Air Conditioning (HVAC), Industrial Electricity, or Industrial Maintenance. The program was designed to provide credentials and advancement opportunities to Plant Operations personnel.</p> <p>Internal Audit’s investigation determined that the complaint concerning the Plant Operation Training Program participants not attending required classes was unsubstantiated. However, audit procedures revealed that the Plant Operations Training program does not comply with ChSCC Policy 06:40:00 or TBR Educational Guideline P-130 as the Plant Operations Training Program provides for educational assistance greater than 4 hours/120 clock hours, allows for non-completion of the participants contracted weekly work hours, contains payback provisions, and lacks exception approval from the Chancellor.</p>		

Chattanooga State Community College
Investigation 2019-01:Plant Operations Training Program- Page 2 of 2
Fall 2018
March 29, 2019
Executive Summary

<p style="text-align: center;">Recommendations</p>	<p>Based on investigative procedures performed, Internal Audit recommends:</p> <ul style="list-style-type: none"> • Approval of the program should be obtained from the TBR Chancellor or the program should be revised to meet ChSCC policies and TBR guidelines for educational assistance. • ChSCC policy 06:40:00 should be reviewed and updated to be in compliance with TBR policies and guidelines for educational assistance. <p>All educational assistance programs should be administered by Human Resources and not by individual departments or divisions.</p>
<p style="text-align: center;">Management Response</p>	<p>Management concurs with the finding of this audit and agrees to take the following actions no later than December 31, 2019:</p> <ul style="list-style-type: none"> • Request approval from Chancellor Tydings for approval of the training program and exemption from related TBR policies. • Update Chattanooga State policy 06:40:00 to allow for this training program and to align with related TBR policies. • Will ensure that the Human Resources department is administering this educational assistance program.

Cleveland State Community College
Investigation 19-01: Academic Club Petty Cash
December 20, 2018
Executive Summary

Title of Key Staff Person: Vice President of Student Services		Auditor: Alvin Bishop
Background:	The Vice President of Student Services requested Internal Audit review the finances and monetary procedures for an academic student club.	
Objectives:	<ul style="list-style-type: none"> • To determine if Club Advisor 1 had a petty cash fund for the club and appropriate financial records of transactions. • To determine if Club Advisor 2 had used the club’s cash for personal expenses, and the amount of reimbursement due to the club. 	
Conclusion:	<p>The internal control structure for this academic club was deficient. Proper internal controls over the club’s cash were not implemented. In addition, advisors failed to ensure the club adhered to Cleveland State Policy 3:01:01:00, Student Organizations, Fiscal Procedures. Due to the lack of receipts and documentation, Internal Audit was unable to determine if misappropriation of club funds had occurred; however, the fact that one club advisor was reimbursing himself without documentation from club funds kept in his desk, and another advisor requested and received reimbursement for expenses previously reimbursed to the other advisor, demonstrate at minimum a lack of fiduciary responsibility and regard for student programs.</p> <p>The Vice President of Student Services was unaware of the unofficial petty cash fund being kept in the advisor’s desk drawer. He was under the impression that clubs could only have agency accounts; however, that restriction is not specified in the Student Organizations policy.</p>	
Findings:	<ol style="list-style-type: none"> 1. Club Advisors and student officers failed to adhere to policy 3:01:01:00, Student Organizations, Fiscal Procedures. 2. Club Advisor 1 was keeping an unofficial petty cash fund for the club in his desk drawer with insufficient receipts or documentation. In addition, he was reimbursing himself with club funds. Club Advisor 2 received faculty development funding for \$888.88 in expenses paid by club funds but did not reimburse the club upon receipt. 3. Policy 3:01:01:00, Student Organizations, does not restrict student organizations to agency accounts and prohibit outside checking accounts and petty cash funds. 	
Responses:	<ul style="list-style-type: none"> • The Vice President for Student Services and Coordinator of Student Life will send an email to all club advisors and presidents reminding them of the requirements of the policy on Student Organizations. • Registered student organizations will be required to submit end-of-year report information on all accounts maintained by the clubs. • Vice President of Student Services and Vice President of Academic Affairs met with the advisors identified in the report and removed them as advisors. • Each advisor received a letter of reprimand. • The Coordinator of Student Life has already begun the process of reviewing and revising all policies related to student life and student organizations, including policy 3:01:01:00. 	

Tennessee Board of Regents System-wide Internal Audit
Review of Allegations Regarding Dyersburg State Community College
April 12, 2019
Executive Summary

Auditee	Dyersburg State Community College	Auditor	Mike Batson, CAE
Objectives	Our objectives were to determine whether the president had created an environment detrimental to Dyersburg State Community College (DSCC) and whether the allegations of administrative irregularities were substantiated.		
Scope	Our investigation included a review of the overall tone and management of the college as well as the allegations of administrative irregularities. Our review consisted of interviews with complainants who identified themselves; interviews with current and former employees of the college; examination of supporting documentation; and other procedures as considered necessary under the circumstances. Our scope did not include a review of the status of the two vice presidents or complaints concerning individual job performance. The scope also did not include reviewing complaints requesting reinstatement or reconsideration of other employees who were no longer employed by the college.		
Analysis and Conclusion	<p>The Tennessee Board of Regents (TBR) began receiving a series of complaints related to the DSCC president immediately after the president placed both the vice president of the college and the vice president of institutional advancement on administrative leave effective September 12, 2018.</p> <p>The complaints were related to alleged declining employee morale, the president’s alleged memory lapses, the president’s management practices (micromanagement, berating staff, personal use of staff, budgetary decisions), and alleged administrative irregularities attributed to the president.</p> <p>In order to protect the identities of the complainants and those involved with or implicated in the allegations, details of the unsubstantiated, unfounded, and refuted allegations are not included in this report. Our investigation did not find evidence of fraud, waste, abuse, or misappropriation on the part of the president or college staff. We noted clear factions of faculty and staff within the college related to support for the president and morale. The strong divisions in terms of the morale on campus are not conducive to a productive and collegial environment.</p>		
Observations	<ol style="list-style-type: none"> 1. The foundation board held meetings and took votes without a quorum. 2. The college president’s relationship to the foundation should be more independent. 3. College employees are the only persons authorized to sign foundation checks. 		

Nashville State Community College
Tennessee Board of Regents System-wide Internal Audit
Investigative Review of a Nashville State Contractual Relationship
March 7, 2019
Executive Summary

Recipient	Dr. Flora Tydings, Chancellor	Investigative Auditor	Linda C. Ciprich
Introduction	<p>The Tennessee Board of Regents Office of General Counsel (OGC) was contacted on May 24, 2018 by an attorney of a telecommunications company (company). He alleged that Nashville State Community College (NSCC) participated in a corporate tuition assistance program for the company’s employees with The Sage Group and may have improperly enrolled them in courses that were not accredited and billed the company for fictitious enrollments.</p>		
Scope & Objectives	<p>The contractual relationship between Nashville State Community College and The Sage Group began in May 2004. We reviewed all contracts back to 2004 but concentrated on student and course data from Fall 2011 semester through Fall 2016. Our objectives in this review were to determine if the allegation from the company was substantiated, and if Nashville State had assisted The Sage Group in perpetuating alleged tuition assistance fraud against the company.</p>		
Results	<p>The company claims they paid \$3,791,000 in tuition to NSCC for 1,120 employees between 2010 and 2018. Of 5,292 Sage student names in the college system, only 79 names matched the company list. In addition to hundreds of company employee names not found as part of the thousands of Nashville State Sage students, we found the following issues:</p> <ul style="list-style-type: none"> • Falsified invoices • Falsified “Academic Transcripts” • Backdating Course Enrollment • Grade Reports (Sage sent them to NSCC, then requested return documentation with NSCC’s credentials to appear as though NSCC had awarded grades) • Attendance Verification (Employees were asked to verify attendance without documentation) • Contract Cancellation (NSCC did not fulfill the 120-day cancellation clause of the contract) 		
Conclusion	<p>In conclusion, there was a substantial lack of internal control with the Nashville State/Sage contract. The process included employees from Admissions, Records, Academic Affairs, and Finance. The vetting Academic Affairs did with course content and credentials of instructors was ineffective since they were unaware of when, where, or even if, the classes had actually taken place. It was apparent that the company was being billed for tuition under Nashville State’s name for employees who did not have applications on file with the school. Other telecommunication companies such as AT&T may have also paid tuition assistance for courses allegedly taken by their employees under the NSCC name but operated by Sage through the same agreement. Because NSCC personnel entered other student names and grades into the system after courses were supposedly completed, Nashville State may have unknowingly facilitated improper payments to Sage for students who did not complete courses, and for courses that were not delivered consistent with the content, structure, and properly credentialed instructors previously approved by the curriculum authorities of the college.</p>		

Southwest Tennessee Community College
Investigation 19-01: Review of Compensatory Time- Page 1 of 2
January 28, 2019
Executive Summary

Key Staff Person: Director of Payroll	Auditor: Director of Internal Audit
<p>Introduction</p> <p>A request was received to review Southwest Tennessee Community College <i>Policy 5:01:00:00/22 Overtime, Compensatory Time and Extra Compensation</i> to ensure that employees were being paid for excess compensatory time after accruing 240 hours. The policy states applicable employees (non-exempt employees) may accrue up to 240 hours in compensatory time, but excess compensatory time worked after this limit must be compensated by cash payment.</p>	
<p>Objectives</p> <p>The primary objectives were to investigate the validity of this request and to determine if this policy has been violated.</p>	
<p>Scope</p> <p>Internal audit conducted interviews and reviewed payroll and leave documentation.</p>	
<p>Results</p> <p>Kronos software provides a <i>Comp Over 240 Hours</i> report. This report lists all employees that have compensatory time over 240 hours. The report is run after the payroll report for the 15th of each month, but the report is not run for the end of the month payroll, or when holidays require that payroll be processed at an early date, due to department staff shortage.</p> <p>TBR Guideline <i>P-020 Procedures for Implementation of the 37.5-hour Work Week</i> states: When an employee requests annual leave and compensatory time is available, the compensatory time shall be used first. This policy is not always followed by supervisors and employees.</p>	
<p>Recommendation 1</p> <p>A reminder should be issued to all supervisors and employees for <i>TBR Guideline P-020 Procedures for Implementations of the 37.5 hours Work Week</i>, stating when requesting annual leave, compensatory time shall be used first if it is available.</p> <p>Management Response</p> <p>We concur with the finding and recommendation. The Vice President of Financial and Administrative Services will coordinate with the Director of Payroll and Executive Director of Marketing and Communication to send a reminder to all supervisors and employees regarding TBR Guideline P-020 Procedures for Implementation of the 37.5-hour Work Week, stating when requesting annual leave, compensatory time shall be used first if it is available.</p> <p>Recommendation 2</p> <p>The Payroll Department should be fully staffed, and the <i>Comp over 240 Hours</i> report should be processed before each payroll to ensure conformance to Southwest Tennessee Community College <i>Policy 5:01:00:00/22 Overtime, Compensatory Time and Extra Compensation</i>.</p>	

Southwest Tennessee Community College
Investigation 19-01: Review of Compensatory Time- Page 2 of 2
January 28, 2019
Executive Summary

Management Response

We concur with the finding and recommendation. The Director of Payroll held interviews for the Assistant Director of Payroll position the week of January 14, 2019. It is anticipated that the AD position will be filled in February 2019. Payroll will run the *Comp over 240 Hours* report each pay period starting with the first pay period in March 2019.

Conclusion

Southwest Tennessee Community College has a procedure in place to ensure compliance with Policy 5:01:00:00/22 by using the *Comp Over 240 Hours* report. However, this procedure is not always followed, which could result in employees not being paid cash distributions for compensatory hours exceeding 240. In addition, employees have been allowed to use annual leave when compensatory hours were available.

Southwest Tennessee Community College
Investigation 19-02: Review of Faculty Member Missing Class
January 23, 2019
Executive Summary

Key Staff Personnel	Academic Affairs	Internal Auditor	Charlotte Johnson
Introduction	Southwest Tennessee Community College Internal Audit reviewed an allegation that a faculty member canceled a week of her classes during fall 2018 semester without the knowledge or permission of her supervisor.		
Objective	The objective of the review was to determine whether the allegation was substantiated.		
Scope	The Internal Audit Director interviewed the Dean of Humanities, Social Science, and Mathematics. The dean stated that a meeting was held with the faculty member to discuss the missed days. The employee did not notify her supervisor or have prior approval. The meeting included the dean, department chair, and the employee's supervisor.		
Result	The allegation was substantiated. Management determined that a corrective action was necessary. A formal letter of concern was issued to the employee on September 28, 2018.		

Tennessee College of Applied Technology - Nashville
Special Review of Financial Aid- Page 1 of 2
March 8, 2019
Executive Summary

Key Staff Personnel	President, Vice-President, Instructors, Financial Aid	Internal Auditor	Helen Vose, CIA, CFE
Introduction	<p>System-wide Internal Audit was asked to review a complaint submitted by an HVAC night student at TCAT-Nashville to determine if the student was treated fairly and if the TCAT adhered to policies and procedures regarding funds requested from the American Job Center (AJC). American Job Center support is a last dollar resource covering unmet need. The student had complained that he did not receive tools for his program from the AJC as part of his financial aid package. The auditor, Chief Audit Executive, and Investigative Auditor conducted interviews with TCAT Management, Financial Aid staff, HVAC instructors, and the complainant. We reviewed financial aid information and other supporting documentation for the student.</p>		
Objectives	<p>The objectives were to determine:</p> <ol style="list-style-type: none"> 1. if the student was treated fairly, 2. if the student received the appropriate amount of financial aid, and 3. if the TCAT followed policies and procedures. 		
Conclusion	<p>Based on discussions with management and staff, and our review of supporting documentation, the student received the correct amount of aid based on need. After his financial aid was applied to his account, the student had unmet need of \$82 and received refund checks totaling \$2,945. The refunds could have been applied to school expenses but were used by the student for other allowable expenses. Also, a TCAT-Nashville instructor may have acted without management authorization or knowledge in contacting the AJC directly and provided a list of tools that were not on the required tool listing.</p> <p>Summary:</p> <ol style="list-style-type: none"> 1. The TCAT and AJC will only provide funding for required tools up to the amount of unmet need. 2. The student received funds from numerous sources (Pell, Wilder Naifeh, TSAC, SEOG, other benefits noted on the FAFSA) which decreased the funding help the AJC could have offered. 3. The student could have used the refund checks (excess aid) to purchase the tools but used the funds for other needs and is therefore not entitled to additional funds from the TCAT. 		

Tennessee College of Applied Technology - Nashville
Special Review of Financial Aid- Page 2 of 2
March 8, 2019
Executive Summary

Recommendations	<ul style="list-style-type: none">• The TCAT should revise and standardize the required tool listing for all HVAC classes.• The TCAT should ensure the required tool listing is submitted with the scholarship application submitted to the American Job Center.• The TCAT should communicate to all instructors that they will not contact the AJC without written authorization from management.
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BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: June 4, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Mike Batson will give brief updates for the following items:

- Information Systems Auditor Search
- TCAT Management's Risk Assessments
- Interim Internal Audit Directors

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: University Updates

DATE: June 4, 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.

FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS

University of Memphis
— FYE June 30, 2018

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Revisions to Fiscal Year 2019 Audit Plans

DATE: June 4, 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 March 2019 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 March 2019. 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. Investigations 19-01 and 19-02 were added. Conflict of Interest audit added and NACHA-2019 audit removed to accommodate the new request.
CISCC	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. Title IX-Self Assessment was postponed to Spring 2020. Sensitive Equipment Inventory Controls Review was removed due to inclusion in another review.
DSCC	Hours were increased for Faculty Sick Leave review due to the expansion of the audit's scope. Athletics Camps, Clinics, and Fundraising audit was removed due to inadequate time remaining in the year. Records Management and Retention audit removed due to increased time on other audits and management advisory activities.
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. The required Conflict of Interest audit was added.
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. Investigation 19-01 was added to the plan. Financial Aid audit removed from this fiscal year and will be considered next fiscal year.
NaSCC	PP&E Accounting, Account Reconciliation Procedures, Contracts Compliance, and Federal Work Study Program were removed from the plan due to time constraints. Conflict of Interest was added at the request of TBR System-wide Internal Audit.
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. Conflict of Interest added as a required audit system wide.
RSCC	The Grade Changes review was added at the request of management. The Quality Assurance Review was omitted from the original audit plan. Hours were shifted due to need.
STCC	Investigation 19-01 and 1-02 added. The Deaf Connect of the Mid-South review was added at the request of management. The Conflict of Interest audit was added as a required audit system wide.
VSCC	Additional Follow-up to State Audit Report for FY 2015 and FY 2016 was added to the audit plan. The Business Division Grants audit was removed due to additional need in other areas.
WSCC	Enterprise-wide Risk Management was removed from the plan. The IT Governance audit was deferred due to FMLA by Internal Auditor.

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. The State Audit Follow-up for TBR has been assigned to this auditor due to the elimination of the Director position.
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 or removed 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 and two TCAT investigations were added to the plan.

Chattanooga State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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		
S	FM	YE Procedures FYE 2018	5.0	Jun 2018	11.3	11.3	0.0	0%		11.0	0.3	Sep-18	Completed
F	FM	State Audit Assist/Follow-up	5.0	Jul 2018	11.3	11.3	0.0	0%		7.0	4.3		In Progress
I	IS	Developing Investigations - Assist TBR	5.0	Jul 2018	15.0	15.0	0.0	0%		3.0	12.0		In Progress
I	IS	Unscheduled Investigations	5.0	Jul 2018	105.0	7.5	-97.5	-93%	2	0.0	7.5		In Progress
I	IS	INV 18-03	5.0	Apr 2018	22.5	22.5	0.0	0%		27.0	-4.5	Jan-19	Completed
I	IS	INV 18-04	5.0	May 2018	22.5	22.5	0.0	0%		24.5	-2.0	Jan-19	Completed
I	IS	INV 19-01	5.0	Oct 2018	0.0	60.0	60.0	100%	2	61.5	-1.5	Mar-19	Completed
I	IS	INV 19-02	5.0	Apr-19	0.0	52.5	52.5	100%	2 & 3	0.0	52.5		Scheduled
S	IS	Conflict of Interest	5.0	May-19	0.0	45.0	45.0	100%	3	0.0	45.0		Scheduled
C	IS	Management Advisory Services	5.0	Jul 2018	105.0	105.0	0.0	0%		94.5	10.5		In Progress
F	IS	Follow up Reviews	5.0	Jul 2018	90.0	90.0	0.0	0%		86.5	3.5		In Progress
R	IS	QAR-Self & External	5.0	Jul 2018	37.5	37.5	0.0	0%		39.5	-2.0	Oct-18	Completed
P	IS	Special Projects-Audit Software	5.0	Jul 2018	15.0	15.0	0.0	0%		14.0	1.0		In Progress
F	SS	CCTA-Workforce Training Hours Follow Up 3	5.0	Oct 2018	90.0	90.0	0.0	0%		99.5	-9.5	Mar-19	Completed
S	IT	NACHA-2019	5.0	May 2019	60.0	0.0	-60.0	-100%	3	0.0	0.0		Removed
M	IS	Enterprise Risk Assessment	5.0	Oct 2018	45.0	45.0	0.0	0%		35.0	10.0	Dec-18	Completed
S	FM	YE Procedures FYE 2019	5.0	Jun 2019	15.0	15.0	0.0	0%		0.0	15.0		Scheduled
S	SS	Student Complaints	5.0	Jan 2019	120.0	120.0	0.0	0%		18.0	102.0		In Progress
S	SS	Student Record Retention	5.0	Mar 2019	105.0	105.0	0.0	0%		18.0	87.0		In Progress
A	IS	HR Grievance Process	3.6	Mar 2019	105.0	0.0	-105.0	-100%	1	0.0	0.0		Removed
A	IT	Software License Compliance	3.5	May 2018	75.0	75.0	0.0	0%		14.0	61.0		In Progress
S	SS	TCAT Truck Driving Program	5.0	Nov 2019	0.0	105.0	105.0	100%	1	106.0	-1.0	Jan-19	Completed
Total Planned Audit Hours:					1050.0	1050.0	0.0			659.0	391.0		

Estimated Available Audit Hours = 1050

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 2019-02 and reduced unscheduled investigation for audit time.

FN3: Added requested audit and received investigation and removed audit from plan for hours for projects.

Cleveland State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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		
IS	F	Follow-up Reviews	5.0	Jul-18	90.0	90.0	0.0	0%		2.0	88.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-18	60.0	0.0	-60.0	-100%	1		0.0		Removed
IS	I	Investigation 19-01	5.0	Sep-18	0.0	137.3	137.3	N/A	1	174.0	-36.8	Jan-19	Completed
IS	M	Enterprise-Wide Risk Assessment	5.0	Oct-18	30.0	13.1	-16.9	-56%		9.5	3.6	Dec-18	Completed
IS	P	Special Project Automate Workpapers	5.0	Jul-18	22.5	22.5	0.0	0%		15.0	7.5		In Progress
FM	R	NACHA 2019	5.0	Jun-19	112.5	97.5	-15.0	-13%			97.5		Scheduled
IS	R	State Audit Follow-up	5.0	Jul-18	15.0	15.0	0.0	0%		8.0	7.0		In Progress
IS	R	QAR 2018	5.0	Jul-18	15.0	15.0	0.0	0%		14.5	0.5	Oct-18	Completed
FM	S	NACHA 2018	5.0	Jun-18	99.8	75.0	-24.8	-25%		73.0	2.0	Oct-18	Completed
IS	S	Management Advisory Services	5.0	Jul-18	75.0	60.0	-15.0	-20%		16.5	43.5		In Progress
IS	S	Shared Services	5.0	Jan-19	90.0	90.0	0.0	0%		34.0	56.0		In Progress
IS	S	Year End 2018	5.0	Jul-18	7.5	7.5	0.0	0%		8.0	-0.5	Aug-18	Completed
IS	S	Year End 2019	5.0	Jun-19	15.0	6.0	-9.0	-60%			6.0		Scheduled
FM	A	IAR-Maintenance/Tuition and Related Fees	3.3	Nov-18	112.5	105.0	-7.5	-7%		27.0	78.0		In Progress
FM	A	IAR-Payroll	3.2	May-18	75.0	60.0	-15.0	-20%		64.5	-4.5	Jan-19	Completed
IS	R	Conflict of Interest	2.7	Mar-19	120.0	120.0	0.0	0%			120.0		Scheduled
IA	R	Work Force Development	2.4	Feb-19	150.0	150.0	0.0	0%		127.5	22.5	Apr-19	Completed
Total Planned Audit Hours:					1089.8	1063.9	-25.9			573.5	490.4		

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 April 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	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	186.0	0.0	18-Nov	Completed
IS	C	Management Advisory Services	5.0	Jul-18	52.5	52.5	0.0	0%		77.8	-25.3		In Progress
SS	A	Financial Aid-Phase 2	4.0	Oct-18	150.0	225.0	75.0	50%	1	74.3	150.7		In Progress
AT	C	TitleIX - Self Assessment	3.5	Nov-18	37.5	52.5	15.0	40%	1&4	52.5	0.0	Jan-19	Removed
IS	A	Policy Compliance Reviews	3.5	Sep-18	75.0	75.0	0.0	0%		113.3	-38.3		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%	2		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	9.0	13.5		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%	5		22.5		Removed
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			707.8	419.5		

Estimated Available Audit Hours = 1110.0

Functional Areas:

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

Audit Types:

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

Status:

- Scheduled
- In Progress
- Completed
- Removed

- FN1 Adjusted time to accommodate engagement complexity or capture actual time.
- FN2 Adjustments to allocate time to complex engagements.
- FN3 Reallocate unused time
- FN4 Project postponed to spring 2020
- FN5 Included in Policy Review Engagement

Dyersburg State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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	S	Faculty Sick Leave	5.0	Sep-18	15.0	72.8	57.8	385%	1	45.5	27.3	Apr-19	Completed
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%		130.0	-34.8		In Progress
IS	C	PII Review	5.0	Jul-18	105.0	123.8	18.8	18%		92.0	31.8		In Progress
IS	R	QAR 2018 External Review	5.0	Aug-18	15.0	37.5	22.5	150%	2	37.5	0.0	Oct-18	Completed
IS	P	QAR 2018 Subcommittee Project	5.0	Aug-18	24.8	31.5	6.8	27%		31.5	0.0	Dec-18	Completed
IS	M	2018 Risk Assessment	5.0	Oct-18	90.0	108.8	18.8	21%		109.0	-0.3	Dec-18	Completed
IS	I	Unscheduled Investigations	5.0	Jul-18	144.8	138.8	-6.0	-4%			138.8		Scheduled
AD	R	Workforce Contact Hours	4.2	Feb-19	35.3	47.3	12.0	34%		47.5	-0.3	Mar-19	Completed
IS	F	Follow-up Audits	4.2	Jul-18	80.3	65.3	-15.0	-19%		10.0	55.3		In Progress
SS	S	FA Federal Work Study Program and FA Fraud	4.1	Oct-18	20.3	30.0	9.8	48%		27.0	3.0		In Progress
AT	A	Athletics Camps, Clinics, Fundraising		Jan-19	72.0	0.0	-72.0	-100%	3		0.0		Removed
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	R	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	0.0	-90.0	-100%	4		0.0		Removed
FM	R	2018 Year-End Bank Counts		Jul-18	0.0	0.0	0.0	N/A		3.0	-3.0	Jul-18	Completed
IS	I	INV 19-01	5	Feb-19	0.0	18.8	18.8	N/A		23.0	-4.3	Feb-19	Completed
Total Planned Audit Hours:					1193.3	1175.3	-18.0			741.5	433.8		

Estimated Available Audit Hours = 1160.25

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: Scope of audit expanded. This expansion required more hours.
 FN2: Sections were added to the review which required additional hours.
 FN3: Audit removed due to inadequate time remaining in the year.
 FN4: Audit removed due to increased time on other audits and management advisory activities.

Jackson State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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	C	Foundation 2017-18	5.0	Jul-18	150.0	120.0	-30.0	-20%			120.0		Scheduled
IS	C	General Consultation	5.0	Jul-18	75.0	75.0	0.0	0%			103.0	-28.0	In Progress
FM	F	Access and Diversity Follow-up	5.0	Oct-18	75.0	75.0	0.0	0%			5.0	70.0	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%			48.5	26.5	Mar-19 Completed
IA	I	INV 18-01 Notification-Jan 2018	5.0	Jul-18	75.0	112.5	37.5	50%	1		9.0	103.5	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	27.8	27.8	N/A	2		174.5	-146.8	In Progress
IS	M	Risk Assessment	5.0	Oct-18	97.5	97.5	0.0	0%			44.5	53.0	Nov-18 Completed
FM	R	Year-End Procedures	5.0	Jun-19	37.5	30.0	-7.5	-20%			4.0	26.0	In Progress
IS	R	Quality Assurance External Review	5.0	Jul-18	75.0	45.0	-30.0	-40%	3		22.0	23.0	Nov-18 Completed
IS	R	Conflict of Interest	5.0	Apr-19	0.0	127.5	127.5	N/A	5			127.5	Scheduled
IS	S	Fixed Assets	5.0	Dec-18	0.0	90.0	90.0	N/A			61.5	28.5	Jan-19 Completed
FM	F	State Audit Follow-up	4.2	Aug-18	75.0	127.5	52.5	70%	3		113.3	14.2	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	127.5	52.5	70%	3		43.0	84.5	Dec-18 Completed
IA	R	Workforce Development	4.2	Mar-19	187.5	127.5	-60.0	-32%			124.5	3.0	Apr-19 Completed
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	1632.8	12.8				760.3	872.5	

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.

FN5: Required System-wide audit added.

**Motlow State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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	110.3	-20.3	-16%		12.5	97.8		In Progress
IS	C	General Consultation	5.0	Jul-18	80.3	135.0	54.8	68%	1	129.0	6.0		In Progress
AT	F	INV 16-04 Follow-up	5.0	Jul-18	40.5	60.0	19.5	48%		38.4	21.6		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	54.8	15.0	38%		44.7	10.1		In Progress
IA	F	INV 18-03 Follow-up	5.0	Nov-18	30.0	45.0	15.0	50%		33.8	11.2	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	0.0	-20.3	-100%	3		0.0		Removed
IT	F	Information Technology Follow-up	5.0	Aug-18	30.0	30.0	0.0	0%		10.5	19.5		In Progress
IT	F	INV 16-01 Follow-up	5.0	Dec-18	39.8	54.8	15.0	38%		10.1	44.7		In Progress
SS	F	INV 18-01 Follow-up	5.0	Nov-18	30.0	45.0	15.0	50%		0.5	44.5		In Progress
IA	I	INV 18-04	5.0	Jul-18	30.0	60.0	30.0	100%	2	52.3	7.7		In Progress
IS	I	INV	5.0	Jul-18	50.3	45.0	-5.3	-10%		22.8	22.2		In Progress
IS	M	MRA Access	5.0	Nov-18	37.5	30.0	-7.5	-20%		31.6	-1.6	Dec-18	Completed
FM	P	Data Analytics	5.0	Jul-18	50.3	50.3	0.0	0%		4.0	46.3		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%		13.0	9.5		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%		98.6	-28.9	Apr-19	Completed
IA	S	Study Abroad	5.0	Jul-18	45.0	30.0	-15.0	-33%		4.4	25.6		In Progress
SS	P	Student Complaint FA	5.0	Sep-18	0.0	45.0	45.0	N/A	1	22.5	22.5		In Progress
SS	A	Financial Aid	4.8	Feb-19	130.5	0.0	-130.5	-100%	5		0.0		Removed
FM	I	INV 19-01	4.2	Mar-19	0.0	19.5	19.5	N/A	4	2.5	17		In Progress
Total Planned Audit Hours:					1117.5	1117.5	0.0			689.6	427.9		
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.
 FN3: Removed hours for Other Internal Audit Follow-up to other areas needing additional resources.
 FN4: Added unplanned investigation.
 FN5: Remove hours from plan for this fiscal year. Will be considered in risk analysis for next fiscal year.

Nashville State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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 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	Dec-18	Completed
IS	S	Special Projects	5.0	Jul-18	112.5	142.5	30.0	27%		143.8	-1.3		In Progress
FM	A	PP&E Accounting	4.2	Jul-18	90.0	0.0	-90.0	-100%	1		0.0		Removed
IS	S	Assisting SWIA	4.2	Jul-18	75.0	97.5	22.5	30%		160.0	-62.5		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	0.0	-75.0	-100%	1		0.0		Removed
FM	F	State Audit Follow-up	3.7	Jul-18	37.5	112.5	75.0	200%	2	28.5	84.0		In Progress
IS	S	Human Resources	3.7	Jul-18	105.0	105.0	0.0	0%		126.0	-21.0		In Progress
IS	R	Conflict of Interest	3.7	May-19	0.0	75.0	75.0	N/A	3		75.0		Scheduled
FM	A	Contracts Compliance	3.5	Jul-18	90.0	0.0	-90.0	-100%	1		0.0		Removed
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%		68.0	22.0		In Progress
SS	A	Federal Work Study Program	2.7	Jul-18	75.0	0.0	-75.0	-100%	1		0.0		Removed
SS	F	Federal FA Audit Follow-up	2.7	Jul-18	37.5	127.5	90.0	240%	2	53.0	74.5		In Progress
IS	C	General Consultation	2.5	Jul-18	105.0	105.0	0.0	0%		61.0	44.0		In Progress
IA	R	Workforce and Community Development	2.4	Apr-19	75.0	18.8	-56.3	-75%	2	43.0	-24.3		In Progress
Total Planned Audit Hours:					1194.0	1100.3	-93.8			770.3	330.0		

Estimated Available Audit Hours = 1194.0

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 or project removed from this year's plan due to time constraints.

FN2: Allocated time adjusted.

FN3: Audit added at the request of TBR.

Northeast State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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	113.0	-0.5		In Progress
FM	A	Bank Reconciliations Review	5.0	Jul-18	75.0	75.0	0.0	0%		78.0	-3.0		In Progress
FM	A	Grants and Contracts Review	5.0	Jul-18	105.0	105.0	0.0	0%		46.0	59.0		In Progress
FM	M	Risk Assessments	5.0	Jul-18	52.5	52.5	0.0	0%		52.5	0.0	Dec-18	Completed
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%		51.5	23.5		In Progress
IS	P	Electronic Workpapers Software	5.0	Jul-18	37.5	37.5	0.0	0%		38.5	-1.0		In Progress
IS	C	General Consultation	5.0	Jul-18	52.5	52.5	0.0	0%		52.5	0.0		In Progress
IS	F	Other Internal Audit Follow-up	5.0	Jul-18	37.5	37.5	0.0	0%		27.0	10.5		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	Oct-18	Completed
IS	S	Special Requests and Projects	5.0	Jul-18	52.5	52.5	0.0	0%		59.5	-7.0		In Progress
IA	R	Workforce Development 2018	5.0	Jul-18	150.0	90.0	-60.0	-40%	2	92.5	-2.5	Mar-19	Completed
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		
Total Planned Audit Hours:					1102.5	1095.0	-7.5			774.0	321.0		

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

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: 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

**Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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%		25.0	12.5		In Progress
FM	F	Audit Follow-ups	5.0	Jul-18	52.5	45.0	-7.5	-14%		30.5	14.5		In Progress
FM	P	MKInsight Software	5.0	Jul-18	52.5	45.0	-7.5	-14%		36.5	8.5		In Progress
FM	P	Review of RFP's, café prices, & other business office issues	5.0	Jul-18	37.5	30.0	-7.5	-20%		11.5	18.5		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	S	NACHA	5.0	Oct-18	90.0	75.0	-15.0	-17%		72.5	2.5	Jan-19	Completed
IA	C	Review of Compliance Assist	5.0	Jan-19	37.5	37.5	0.0	0%		14.5	23.0		In Progress
IA	S	Faculty Credentials	5.0	Nov-18	105.0	127.5	22.5	21%		128.0	-0.5	Mar-19	Completed
IS	M	Enterprise Wide Risk Assessment	5.0	Nov-18	22.5	15.0	-7.5	-33%		11.5	3.5	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	52.5	-7.5	-13%		51.5	1.0	Nov-18	Completed
IS	P	Review of French Exchange Program	5.0	Apr-19	30.0	30.0	0.0	0%		2.5	27.5		In Progress
IS	R	Conflict of Interest	5.0	May-19	0.0	45.0	45.0	N/A	4		45.0		Scheduled
IS	S	Consulting/Special Request/MAS	5.0	Jul-18	90.0	90.0	0.0	0%		62.0	28.0		In Progress
IT	P	IT Security Consulting, MAS, Banner Steering	5.0	Jul-18	22.5	22.5	0.0	0%		21.0	1.5		In Progress
IT	P	HVAC Vulnerability Assessment	5.0	Jan-19	0.0	52.5	52.5	N/A	2	45.5	7.0	Jan-19	Completed
SS	R	CCTA (Funding Formula)	5.0	Mar-19	97.5	60.0	-37.5	-38%		50.0	10.0	Mar-19	Completed
PP	A	Facilities-Maintenance Operations	3.6	Apr-19	150.0	0.0	-150.0	-100%	3		0.0		Scheduled
Total Planned Audit Hours:					1035.0	967.5	-67.5			766.5	201.0		

Estimated Available Audit Hours = 967.5

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
 In Progress
 Completed
 Removed

FN1 - Increase in 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.

FN4- This audit was added by the Chief Audit Executive as a required system-wide audit for FY 2019.

Roane State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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		In Progress
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	112.5	112.5	N/A	1	63.0	49.5		In Progress
IS	C	General Consultation	5.0	Jul-18	142.5	142.5	0.0	0%		152.3	-9.8		In Progress
IS	M	Enterprise Risk Assessment	5.0	Jul-18	60.0	60.0	0.0	0%		52.5	7.5	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%		2.5	72.5		In Progress
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%		33.8	3.7	Apr-19	Completed
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%		15.0	60.0	Jan-19	Completed
FM	S	ACA Reporting	4.2	Jul-18	22.5	22.5	0.0	0%		9.5	13.0		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	11.3	-78.8	-88%	3	7.3	4.0		In Progress
IS	S	Workload Release Time	4.2	Jul-18	37.5	116.3	78.8	210%	4	102.0	14.3		In Progress
SS	S	Workforce Dev Contact Hrs	4.2	Oct-18	60.0	60.0	0.0	0%		40.5	19.5	Apr-18	Completed
FM	R	Acct Rec FY18	3.3	Nov-18	75.0	75.0	0.0	0%		5.5	69.5		In Progress
Total Planned Audit Hours:					945.0	1087.5	142.5				531.0	556.5	
Estimated Available Audit Hours			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 omitted from original plan.
 FN3: Less time was needed for consultation.
 FN4: Additional hours were required for data gathering and analysis.

Southwest Tennessee Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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	M	IAR-Risk Management-Physical Plant	4.2	Aug-18	22.5	37.5	15.0	67%	2	29.5	8.0	Dec-18	Completed
FM	A	IAR-Review of Security	4.2	Feb-19	105.0	127.5	22.5	21%		177.5	-50.0	Dec-18	Completed
IS	F	FU-Federal Work Study	5.0	Oct-18	22.5	90.0	67.5	300%	2	101.5	-11.5	Mar-19	Completed
IS	F	FU-TAF	4.2	Oct-18	37.5	30.0	-7.5	-20%		25.0	5.0	Dec-18	Completed
PP	F	FU-Revitalization Grant	4.2	Jul-18	30.0	22.5	-7.5	-25%		10.5	12.0	Aug-18	Completed
IS	I	INV1602	4.2	Aug-18	30.0	7.5	-22.5	-75%	4			Jan-19	Completed
FM	I	INV1802-Day Care	4.2	Jul-18	30.0	7.5	-22.5	-75%	4	3.0	4.5	Aug-18	Completed
FM	I	INV1901-Compensatory Time	4.2	Oct-18	0.0	67.5	67.5	NA	3	29.5	38.0	Jan-19	Completed
FM	I	INV1902-Faculty Missing Class	4.2	Jan-19	0.0	15.0	15.0	NA	3			Jan-19	Completed
FM	P	IAR-IIA QAR	5.0	Jul-18	30.0	37.5	7.5	25%		33.5	4.0	Nov-18	Completed
FM	R	IAR Workforce Development	4.2	Dec-18	105.0	105.0	0.0	0%		125.5	-20.5	Mar-19	Completed
FM	R	IAR-Cash Count	2.7	Jul-18	30.0	37.5	7.5	25%		30.0	7.5	Jul-19	Completed
FM	F	FU-Access and Diversity Fund	4.2	Oct-18	15.0	15.0	0.0	0%		12.0	3.0	Dec-18	Completed
IS	F	FU-Information Security Audit	4.2	Mar-19	0.0	45.0	45.0	NA	1	62.5	-17.5	Mar-19	Completed
SS	C	IAR-General Consultation	2.6	Jul-18	105.0	105.0	0.0	0%		148.5	-43.5		In Progress
IS	F	FU-Out of State Tuition	4.2	Mar-19	105.0	105.0	0.0	0%		6.0	99.0		In Progress
FM	P	ACM-Audit Software	4.2	Jul-18	90.0	90.0	0.0	0%		56.0	34.0		In Progress
FM	S	Deaf Connect of the Mid-South	3.0	Sep-18	0.0	75.0	75.0	NA	5	49.5	25.5		In Progress
FM	I	Unscheduled Investigations	2.6	Nov-18	112.5	0.0	-112.5	-100%	3				Removed
IS	F	FU-Federal Audit	5.0	Oct-18	22.5	22.5	0.0	0%					Scheduled
FM	F	FU-Internal Audit	5.0	Jul-18	30.0	30.0	0.0	0%					Scheduled
IS	F	FU-Industrial Readiness	4.2	Aug-18	30.0	30.0	0.0	0%					Scheduled
FM	F	FU-State Audit	5.0	Nov-18	112.5	60.0	-52.5	-47%					Scheduled
IS	R	IAR-Conflict of Interest	4.2	Apr-19	0.0	37.5	37.5	NA	5				Scheduled

Total Planned Audit Hours: 1065.0 1200.0 135.0 900.0 97.5

Estimated Available Audit Hours = 1155

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: Follow-up on previous TBR IT audit findings required due to vacant TBR IT position.
- FN2: Hours increased due to need.
- FN3: Investigations added and hours shifted from Unscheduled Investigations.
- FN4: Hours reduced due to completion.
- FN5: Audits added due to request.

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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	37.5	-75.0	-67%	2			37.5	Scheduled	
IS	C	General Consultation	5.0	Jul-18	112.5	150.0	37.5	33%			94.5	55.5	In Progress	
IS	A	Business Division Grants	5.0	Jul-18	187.5	0.0	-187.5	-100%	3			0.0	Removed	
IS	P	QAIP Self Assessment	5.0	Jul-18	112.5	112.5	0.0	0%			47.0	65.5	Jul-18	Completed
IS	M	Management Risk Assessment	5.0	Sep-18	75.0	165.0	90.0	120%	4		63.0	102.0	Dec-18	Completed
IS	I	Unscheduled Investigations	5.0	Jul-18	37.5	37.5	0.0	0%				37.5		Scheduled
IA	R	Workforce Development	5.0	Nov-18	187.5	187.5	0.0	0%			174.5	13.0	Apr-19	Completed
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		236.0	-86.0	Dec-18	Completed
Total Planned Audit Hours:					1162.5	1177.5	15.0				621.0	556.5		

Estimated Available Audit Hours = 907.5

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.
 FN2: Planned hours reduced based on actual hours needed.
 FN3: Audit removed due to additional need in other areas.
 FN4: Additional hours needed for Financial Aid Risk Assessment.

Walters State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2019
Revised April 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	M	FY19 Student Services Access Risk Assessment	5.0	Nov-18	15.0	15.0	0.0	0%			15.0	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	0.0	-187.5	-100%	2		0.0		Removed
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%		314.5	-308.5	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%			30.0		Scheduled
FM	R	FY19 State Audit Follow-up	4.2	Mar-19	37.5	37.5	0.0	0%		6.0	31.5		In Progress
SS	R	FY19 CCTA Funding Formula-Workforce Training	4.2	Mar-19	150.0	150.0	0.0	0%		67.5	82.5		In Progress
FM	S	FY19 NACHA Compliance Review	4.2	May-19	187.5	90.0	-97.5	-52%	3	4.0	86.0		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	Jul-18	359.3	360.0	0.8	0%			360.0		Scheduled
Total Planned Audit Hours:					1224.8	933.0	-291.8			527.5	405.5		

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.

FN2: Audit was deferred due to 300 hours of FMLA Sick leave taken by Internal Auditor.

FN3: Although the scope of the years' audit was expanded, the current year's estimate was revised to capitalize on the Internal Auditor's familiarity.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised to Original			FN	Planned to Actual		Completion Date	Current Status
						Revised Plan	Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	R	Conflict of Interest/Outside Employment	4.0	Feb-19	75.0	75.0	0.0	0%	1		75.0		Scheduled
IS	C	Consultation with Campus Auditors	5.0	Jul-18	337.5	337.5	0.0	0%		269.3	68.2		In Progress
IS	P	Investigation Management	5.0	Jul-18	337.5	337.5	0.0	0%		273	64.5		In Progress
IA	I	TBR INV 18-03	4.0	Jul-18	37.5	0.0	-37.5	-100%			0.0	Jan-19	Completed
IA	I	TBR INV 18-04	4.0	Jul-18	37.5	0.0	-37.5	-100%			0.0	Jan-19	Completed
FM	I	TBR INV 18-07	4.0	Jul-18	37.5	0.0	-37.5	-100%		15.8	-15.8	Nov-18	Completed
IS	I	TBR INV 18-08	4.0	Jul-18	37.5	0.0	-37.5	-100%	3		0.0		Removed
FM	I	TBR INV 18-09	4.0	Jul-18	37.5	0.0	-37.5	-100%		19.8	-19.8	Nov-18	Completed
IA	I	TBR INV 18-10	4.0	Jul-18	150.0	375.0	225.0	150%		389.5	-14.5	Mar-19	Completed
IS	I	TBR INV 19-01	4.0	Sep-18	0.0	37.5	37.5	NA		34.5	-34.5		In Progress
PP	I	TBR INV 19-02	4.0	Apr-19	0.0	37.5	37.5	NA			0.0		Scheduled
SS	I	TBR INV 19-03	4.0	Apr-19	0.0	75.0	75.0	NA			0.0		Scheduled
FM	I	TBR INV 19-04	4.0	Mar-19	0.0	150.0	150.0	NA		2.5	-2.5		In Progress
FM	I	TBR INV 19-05	4.0	Apr-19	0.0	60.0	60.0	NA					Scheduled
FM	I	Unscheduled Investigations	4.0	Jul-18	240.0	0.0	-240.0	-100%			0.0		Scheduled
IS	R	State Audit Follow-up for TBR	4.0	Feb-19	0.0	18.75	18.75	NA	1		18.75		Scheduled
IS	R	VSCC President's Expenses FY 2018	4.0	Sep-18	37.5	18.75	-18.75	-50%	2	19.5	-0.75		Removed
Total Planned Audit Hours:					1365.0	1522.5	157.5			1023.9	138.6		

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 April 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	0.0	-75.0	-100%	2	0.0	0.0		Removed
IT	A	VSCC Information Security Audit		Jan-18	135.0	0.0	-135.0	-100%	2	0.0	0.0		Removed
IT	A	NeSCC Information Security Audit		Mar-18	135.0	0.0	-135.0	-100%	2	0.0	0.0		Removed
IT	P	Banner ODS Data Warehouse Project		Jul-18	0.0	0.0	0.0	N/A	1	22.0	-22.0		Removed
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	2.0	-2.0		Removed
IT	A	MSCC Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1&2	2.0	-2.0		Removed
IT	A	CoSCC Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1	4.5	-4.5	Feb-19	Completed
IT	A	TNeCampus Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1&2	8.5	-8.5		Removed
IT	A	NaSCC Information Security Audit		Jul-18	0.0	0.0	0.0	N/A	1&2	25.5	-25.5		Removed

Total Planned Audit Hours: 607.5 262.5 -345.0 93.5 169.0
 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.

FN 2: No Information Systems Auditor has been hired as of 05/06/2019. These audits will need to be added to FY2020 plan is the position is filled.

* 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 April 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	P	FY 19 State Audit Perkins	N/A	Jan-19	0.0	30.0	30.0	N/A		26.5	3.5		Completed
FM	C	FY 18 TCAT Consultation	N/A	Jul-18	37.5	37.5	0.0	0%		134.0	-96.5		In Progress
FM	M	FY 18 Risk Assessment	N/A	Oct-18	112.5	112.5	0.0	0%		106.5	6.0		In Progress
FM	O	FY 18 TCAT Audit Program Creation	N/A	Jul-18	37.5	37.5	0.0	0%		82.5	-45.0		Completed
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		Completed
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		18.5	19.0	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
IS	I	FY 19 TCAT Nashville Student	3.4	Jan-19	0.0	150.0	150.0	N/A		104.0	46.0	Mar-19	Completed
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		57.5	-27.5	Apr-19	Completed
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%		18.5	-11.0		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
IS	I	FY 19 TCAT Knoxville Complaint	2.8	Jan-19	0.0	150.0	150.0	N/A		61.5	88.5	Apr-19	Completed
FM	A	FY 17 Crossville-IAR-Equipment/Security Review	2.2	Jul-18	0.0	7.5	7.5	N/A		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	45.0	45.0	N/A		22.5	22.5		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	45.0	45.0	N/A		35.0	10.0	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	1672.5					1027.5		

Estimated Available Audit Hours = 1372.5

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 due to lack of SWIA position.

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: Review of Revised Internal Audit Charters

DATE: June 4, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S
RECOMMENDATION: Approve

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

1000 - Purpose, Authority, and Responsibility

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

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

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

Northeast State Community College

Internal Audit Charter

Introduction

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

Purpose

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

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

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

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

Audit Standards

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

Authority and Scope

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

Organizational Status/Reporting Structure

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

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

Independence and Objectivity

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

Responsibility and Role

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

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans and programs after consultation with the President that respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information, and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.
- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.
- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.
- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.
- Review management's risk assessment process and advise management on the reasonableness and propriety of the assessment.

- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.
- Communicate activities and information among the board, internal auditors, external auditors and the administration.

Quality Assurance and Improvement

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

Periodic Review of Internal Audit Charter

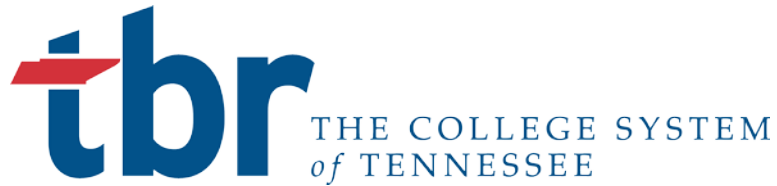
This charter will be periodically assessed by the Chief Audit Executive to determine whether the purpose, authority, and responsibilities defined in this charter are adequate to enable the internal auditing activity to accomplish its objectives. The results of the periodic assessment will be communicated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

Bethany H. Flora
President, Northeast State Community College

4-8-19
Date

Chris L. Ryan
Auditor, Northeast State Community College

4/8/19
Date



BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of System-wide Internal Audit Budget for Fiscal Year 2020

DATE: June 4, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Roll-Call Vote

STAFF'S
RECOMMENDATION: Approve

The committee will review the Fiscal Year 2020 budget for the Office of System-wide Internal Audit. The Fiscal Year 2019-2020 budget is presented on the following page.

**Tennessee Board of Regents
Office of System-wide internal Audit
Operating Budget for Fiscal Year 2019-2020**

	<u>FY 2020 Budget</u>		<u>FY 2019 Budget</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Salaries	411,981	66%	412,200	63%
Employee Benefits	153,129	25%	161,300	25%
Total Salaries and Benefits	<u>565,110</u>	<u>90%</u>	<u>573,500</u>	<u>88%</u>
Travel and Professional Development				
In State Travel and Professional Development	21,000	3%	32,640	5%
Out of State Travel and Professional Development	9,500	2%	8,000	1%
Visitor Travel - External QAR	-	0%	10,500	2%
Total Travel and Professional Development	<u>30,500</u>	<u>5%</u>	<u>51,140</u>	<u>8%</u>
Operating Expenses	29,050	5%	26,689	4%
Total Budget	<u><u>624,660</u></u>	<u><u>100%</u></u>	<u><u>651,329</u></u>	<u><u>100%</u></u>

Notes:

Salaries and Benefits includes 5 staff positions for System-wide Internal Audit: Chief Audit Executive, Investigative Auditor, Information Systems Auditor, TCAT Internal Auditor and Administrative Assistant.

Travel and Professional Development categories include the costs for system office audit staff to travel in state for audits and investigations, meetings and other business activities. It also includes the costs of in state and out of state professional development activities and any related out of state travel costs for the training. There is a decrease in budgeted travel since SWIA-run training costs (speakers, etc.) are now included in the Operating Budget.

Operating Expenses include the general operating costs for the system audit office such as copier lease, supplies, computer software, non-capitalized equipment, meeting expenses and when applicable, instructors for group training and consultants for external peer reviews. In FY 2020, a joint training retreat is planned with the audit staff of the University of Tennessee and the locally governed universities, for which TBR will share in the cost of the training. External peer review costs are not included but will need to be reserved from the FY 2020-FY2023 funding to cover the FY2023 external peer review.