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

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**AGENDA**  
**August 27, 2019**

- I. INFORMATIONAL REPORTING (Mike Batson)**
  - a. Highlights of Audit Findings and Recommendations**
  - b. Audit Reports and Reviews**
  - c. System-wide Internal Audit Updates**
  
- II. CONSENT AGENDA (Mike Batson)**
  - a. Review of Internal Audit Plans for Fiscal Year 2020**
  
- III. REVIEW OF INTERNAL AUDIT YEAR-END STATUS REPORTS FOR FISCAL YEAR 2019 (Mike Batson)**
  
- IV. REVIEW OF AUDIT COMMITTEE CHARTER, RESPONSIBILITIES, AND IIA STANDARDS (Mike Batson)**
  
- V. NON-PUBLIC EXECUTIVE SESSION (Mike Batson)**

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: August 27, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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The following items will be discussed with the Audit Committee:

- Conflict of Interest Audits

STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS

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

Internal Audit Reports - Following is a summary on the status of previously reported findings and observations as of June 30, 2019. 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
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	29-May-19		Action Completed
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	30-Jun-19	2	31-May-19		In Progress

**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
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	1-Aug-19	Action Completed
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/ VP Economic and Workforce Development	31-Aug-16	31-Dec-19	3	31-Jan-17	1-Aug-19	Action Completed
ChSCC	9-Aug-17	Human Resources 8 of 10: Human Resources should consider developing supervisor training to increase communication concerning certain common management duties or issues.	Executive Director Human Resources	31-Oct-17	31-Oct-19	4	29-Jan-18	7-Aug-19	Action Completed
ChSCC	28-Mar-18	CCTA Follow Up: Staff Training Management should continue to be develop internal control steps to ensure the accuracy of the workforce training contact hours reported. Furthermore, all staff should be properly trained as to the type of data to report, how to calculate contact hours, and the format in which the workforce training hours are to be presented.	VP Economic and Workforce Development	31-Aug-18	30-Jun-19	1	7-Aug-18	1-Aug-19	Action Completed
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.	VP Economic and Workforce Development	30-Aug-19		0	1-Aug-19		Action Completed
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	18-Jul-19		Action Completed
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	30-Sep-19		0	7-Aug-19		Action Completed
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	7-Aug-19		Action Completed
ChSCC	25-Jun-19	Athletic Department personnel should file the required conflict of interest form to Human Resources.	Athletic Director	31-Jul-19	30-Aug-19	1	5-Aug-19	7-Aug-19	Action Completed
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	28-Jun-19	Action Completed
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	28-Jun-19	Action Completed

TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges (Reports sorted by Status, Institution, Report Release Date)									
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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	28-Jun-19	Action Completed
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	5-Aug-19	Action Completed
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	5-Aug-19		Action Completed
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	1-Aug-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-Oct-19	5	12-Jan-18	31-Jul-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	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	31-May-20	2	8-Oct-18	7-Aug-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 and	31-Aug-19	31-Oct-19	1	31-Jul-19		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-Dec-19	2	25-Apr-19	7-Aug-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	31-Dec-19	1	7-Aug-19		In Progress

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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.	VP Economic and Workforce Development	30-Aug-19	31-Mar-20	1	1-Aug-19		In Progress
ChSCC	25-Jun-19	Human Resources should develop a process to collect all required conflict of interest forms annually in January.	Executive Director Human	31-Jan-20		0	31-Jul-19	7-Aug-19	In Progress
ChSCC	26-Jun-19	All faculty and staff should be reminded of student complaint and grade appeals policies and procedures.	Vice President of Academic Affairs and Executive Vice President Technical College	1-Oct-19		0			In Progress
ChSCC	26-Jun-19	The Student Final Course Grade Appeal Request Form steps 4 and 5 should be amended to align the TCAT process with the credit process.	Vice President of Academic Affairs and Executive Vice President Technical College	1-Dec-19		0			In Progress
ChSCC	26-Jun-19	The TCAT should establish a Student Academic Appeals Committee to prescreen the Final Grade Appeal Request and determine if there is sufficient cause and/or new evidence presented for the Final Grade Appeal Request to warrant further review for TCAT students.	Vice President of Academic Affairs and Executive Vice President Technical College	1-Nov-19		0			In Progress
ChSCC	26-Jun-19	The TCAT will adhere to the records retention processes by filing approved grade appeal forms with the records office and copying other required parties in accordance with policies and/or procedures.	Executive Vice President Technical College	1-Dec-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	3-Jun-19	In Progress
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	18-Jun-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	18-Jun-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	The department manager/supervisor will note the absence and will ensure that the proper leave is documented in Banner Web Time Entry.	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	The department manager/supervisor will verify the monthly leave summary form in Banner Web Time Entry, which the Payroll Department will utilize monthly in determining accumulated leave balances.	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	17-Jun-19	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	17-Jun-19	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	17-Jun-19	In Progress
JSCC	30-Oct-15	JSCC-Access and Diversity Recommendation 4 of 4: The TBR Office of Organizational Effectiveness and Strategic Initiatives should approve scholarship criteria, salaries, and transfers.	Director of Human Resources	1-May-16		0	24-Apr-17	17-Jun-19	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	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-Dec-19	5	1-Aug-18	6-Jun-19	In Progress

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MSCC	25-Aug-17	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-Dec-19	5	1-Aug-18	6-Jun-19	In Progress
MSCC	25-Aug-17	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-Dec-19	6	1-Aug-18	6-Jun-19	In Progress
MSCC	25-Aug-17	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-Dec-19	5	1-Aug-18	6-Jun-19	In Progress
MSCC	25-Aug-17	A procedure or policy should be developed for management of gas charge cards.	Vice President of Marketing and Campus Activities, Athletic Director, and Vice	23-Feb-18	31-Dec-19	5	1-Aug-18	6-Jun-19	In Progress
MSCC	25-Aug-17	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	23-Feb-18	31-Dec-19	5	1-Aug-18	6-Jun-19	In Progress



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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-Sep-19	2	19-Dec-18		In Progress
PSCC	15-Dec-17	To address this issue, Internal Audit recommends that the Chief of Police and the Assistant Chief of Police both review newly issued regulations annually to ensure that any changes from the prior year are noted and implemented in a timely fashion. Additionally, once the report is prepared, it would be recommended that the report be reviewed by someone with Clery knowledge who was not involved in its preparation.	Chief of Police	1-Oct-18	1-Oct-19	1	17-Oct-18		In Progress
PSCC	15-Dec-17	To address this issue, Internal Audit recommends that the Chief of Police or the Assistant Chief of Police perform the following: Ø Review all of the college's current organizational structure to determine that all individuals who should be assigned the CSA role have been assigned and to determine if individuals who already have been assigned that role should continue in their role. Ø Establish a deadline for when CSA training must be completed, and, if training is not completed by that deadline, notify the appropriate supervisors and/or senior management as necessary, for those CSAs who do not complete the training. Ø If training is still not completed, provide Human Resources with a list of individuals who have not completed the training and have them to request that the training be completed. Request that Human Resources periodically provides a list of individuals who have not completed the training to the President. Ø Consider offering CSA training in person to individuals at in-service. Individuals who complete the in-person training would be exempt from the online training. Ø A standard form should be designed for use by all CSAs. Additionally, on at least an annual basis, the police department should send an email to all CSAs for them to verify crimes that they have reported or the fact that they had no incidents to report. This should probably be done in January or February to cover the prior calendar year.	Chief of Police	1-Oct-18	1-Oct-19	1	17-Oct-18		In Progress
STCC	21-Dec-18	Public Safety Inventory Procedures 1 of 1: For compliance with the TBR guideline, Finance should identify and record all weapons purchased by the college for an inventor list that can be used to conduct an annual physical inventory.	Director of Public Safety	30-Jun-19		0	1-Aug-19		In Progress
STCC	26-Mar-19	Follow-up to Information Security Audit 1 of 6: Enhance the existing set of Information Security Program polices and procedures to address the data ownership and data classification functions.	Chief Information Officer	30-Jun-19		0			In Progress
STCC	26-Mar-19	Follow-up to Information Security Audit 4 of 6: Complete the implementation of the protocol that will help restrict the implementation of unauthorized products on the network.	Chief Information Officer	30-Apr-19		0			In Progress
STCC	29-Apr-19	Conflict of Interest 1 of 2: Management should establish a review committee comprised of no fewer than three persons to review and evaluate disclosures generated under Sections VII and VIII of TBR Policy 1:02:03:10, Conflict of Interest.	Director of Equity and Compliance	30-Jun-19		0			In Progress

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STCC	14-Jun-19	Special Review of a Vendor Issue 1 of 2: All college invoices should be sent directly to Accounts Payable by vendors. Accounts Payable should send a copy of the invoice to the appropriate department for approval.	Executive Director of Retention and	1-Jul-19		0			In Progress
STCC	14-Jun-19	Special Review of a Vendor Issue 2 of 2: For Deaf connect invoices, a listing of all students receiving services from Deaf connect should be maintained in the Office of Student Disability Services. An employee independent of the maintenance of the listing should reconcile the invoices to the student listing prior to the approval of the invoices, to ensure the college is being properly billed on a timely basis.	Executive Director of Retention and Graduation	1-Jul-19		0			In 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-Sep-19	2	19-Dec-18		No Progress
MSCC	4-May-18	Procedures should be developed communicating the receipt and approval of the "Outside Employment and Extra Compensation Request" to Human Resources, Academic Affairs, and the Purchasing and Contract Specialist to ensure the Dual Services Agreement gets completed prior to the beginning of the semester or prior to the start of the outside engagement with another state agency to comply with TBR Policy 5:01:05:00, Outside Employment and Extra Compensation and TBR Guideline G-030, Contracts Guideline.	Vice President for Academic Affairs	4-Nov-18	30-Sep-19	2	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-Sep-19	2	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-Sep-19	2	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-Sep-19	2	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
CISCC	11-Apr-19	Management should develop a means to identify each individual course.	Assistant Vice President	30-Aug-19		0			Not Yet Due
DSCC	28-Mar-19	Any staff/faculty member who misses partial work hours due to sickness/illness must report those hours as taken per policy.	Director of Continuing Education	28-Feb-20		0			Not Yet Due

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DSCC	30-Apr-19	The following list of "Best Practices" should be implemented consistently by all applicable Vice President's, Deans, and Departmental Coordinators and more effort to train these procedures to faculty members should be made. Best Practices The departmental manager/supervisor and Office of Human Resources should ensure that all employees are trained on the proper leave reporting procedures. All sick and annual leave reports should be submitted to the departmental coordinator and to the Payroll department monthly in Banner/MyDSCC. Each faculty member/employee should maintain their own accrued leave balances and should compare these balances to the Leave Details section of MyDSCC monthly. Each faculty member/employee should make sure they have sufficient leave balances available prior to requesting an absence unless the faculty member/employee requests leave without pay (LWOP), which requires the President of the College's approval. Proper documentation should be maintained to support leave balances and to request leave time. Each Academic Dean/Coordinator should ensure adequate leave balances are available prior to approval of leave requests. Consistent procedures should be used to notify supervisors of requested absences and unavoidable absences. Faculty members should call their Dean to discuss coverage of classes and other duties if it is a last minute request. An email should also subsequently be sent to the Dean and a copy should be sent to the coordinator and the division secretary. Email is the preferred method of contact for reporting absences. If a faculty member requests sick leave and the sick leave request covers all college business for the given day, then the faculty member should report an entire day (7.5 hours) of sick leave.	Vice President of Academic Affairs	31-Oct-19		0			Not Yet Due
DSCC	31-May-19	The Human Resources department should create a "trace file" in order to monitor the return of the annual Conflict of Interest forms from the personnel required to complete this form in January of each year.	Director of Human Resources	31-Jan-20		0			Not Yet Due
DSCC	31-May-19	The Conflict of Interest Disclosure Review committee should formally meet each semester and minutes should be taken and issued to the appropriate personnel. All Conflict of Interest Disclosure forms required to be submitted annually by DSCC employees should be received from the Human Resources department and reviewed as part of these meetings.	Conflict of Interest Disclosure Review Committee Chair	31-Jan-20		0			Not Yet Due
DSCC	31-May-19	The DSCC policy 12:05:01:00, Conflict of Interest, should be updated to include committee meetings each semester, the receipt and review of all required Conflict of Interest forms by the Conflict of Interest Disclosure Review committee, and the issuance of minutes for the Conflict of Interest Disclosure Review committee meetings.	Conflict of Interest Disclosure Review Committee Chair	30-Sep-19		0			Not Yet Due
MSCC	21-May-18	The Admissions and Records Office should strengthen internal controls to ensure compliance with all federal, state, and institutional policies and procedures before processing admission of applicants.	Vice President for Student Affairs and Director of Admissions and Records	21-Nov-18	30-Sep-19	2			Not Yet Due

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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-Sep-19	2			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-Sep-19	2			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-Sep-19	2			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
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
MSCC	12-Apr-19	The recommendation from the previous audit report is repeated.  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.	Vice President of External Affairs and Workforce Innovations and Executive Director of Workforce	30-Sep-19	15-May-20	1			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	12-Apr-19	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.	Vice President of External Affairs and Workforce Innovation	30-Sep-19	15-May-20	1			Not Yet Due
MSCC	26-Jun-19	It is recommended that MSCC document agreements with all adjunct faculty that are offered additional compensation for teaching days outside the TBR course schedule to accommodate the high school schedule to ensure that TBR Policy, General Personnel Policy 5:01:00:00, is followed. If the offer for additional compensation is limited to certain adjunct faculty, documentation should be maintained in writing by the institution substantiating that the differentials in compensation are based upon:  market factors, a merit or evaluation system, length of service, or any other proper, non-discriminatory basis.	Assistant Vice President of Academic Affairs	26-Dec-19		0			Not Yet Due
MSCC	27-Jun-19	While not required by policy, it is recommended that Motlow State Community College consider formally establishing a Conflict of Interest Review Committee with stated purpose, duties, and membership requirements.	Vice President of Finance and Administration	27-Dec-19		0			Not Yet Due
MSCC	27-Jun-19	It is recommended that Motlow State Community College Conflict of Interest Review Committee meet at least once per semester as required in the "Institutional Policy Template" in Exhibit 4 of the TBR Policy 1:02:03:10, Conflict of Interest followed by MSCC.	Vice President of Finance and Administration	27-Dec-19		0			Not Yet Due
MSCC	27-Jun-19	It is recommended that Motlow State Community College ensure that all required disclosure forms are completed, reviewed, approved, and maintained, such as for NSF grants and faculty that may benefit financially from use of certain educational materials.	Assistant Vice President for Academic Affairs	27-Dec-19		0			Not Yet Due
MSCC	27-Jun-19	It is recommended that Motlow State Community College establish a training and awareness process that informs and periodically reminds employees of the disclosure requirements for conflicts of interest.	Executive Director of Human Resources	27-Dec-19		0			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
STCC	12-Mar-19	Federal Work Study 1 of 4: Review the academic calendar to determine the first and last day of scheduled classes.	Financial Aid Specialist	31-Dec-19		0			Not Yet Due
STCC	12-Mar-19	Federal Work Study 2 of 4: Print a copy of the student's class schedule.	Financial Aid Specialist	31-Dec-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
STCC	12-Mar-19	Federal Work Study 3 of 4: 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.	Financial Aid Specialist	31-Dec-19		0			Not Yet Due
STCC	12-Mar-19	Federal Work Study 4 of 4: Retain a copy of the approved work schedule and compare it to the actual hours worked when approving time cards.	Financial Aid Specialist	31-Dec-19		0			Not Yet Due
STCC	26-Mar-19	Workforce Development 1 of 1: Based on the errors found in the sample of data elements reported 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 Economic and Work Force Development Contact Hours report.	Associate Vice President of CE Administration	17-Sep-19		0			Not Yet Due
STCC	26-Mar-19	Follow-up to Information Security Audit 2 of 6: Complete the implementation of the plan for the performance of network penetration and vulnerability analysis tests.	Chief Information Officer	30-Aug-19		0			Not Yet Due
STCC	26-Mar-19	Follow-up to Information Security Audit 3 of 6: Improve information security access procedures and practices.	Chief Information Officer	30-Sep-19		0			Not Yet Due
STCC	26-Mar-19	Follow-up to Information Security Audit 5 of 6: Document in a Logging and Monitoring Procedures the types of information sought, how it will be reviewed and what types of follow-up actions can occur; then implement the means to obtain the desired records for daily review.	Chief Information Officer	30-Aug-19		0			Not Yet Due
STCC	26-Mar-19	Follow-up to Information Security Audit 6 of 6: Correct actions from prior IT related audits.	Chief Information Officer	31-Dec-19		0			Not Yet Due
STCC	29-Apr-19	Conflict of Interest 2 of 2: Management should establish a training and awareness process that informs and periodically reminds employees of the disclosures requirements for conflicts of interest.	Director of Equity and Compliance	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.	President	1-Jan-19	28-Jun-19	1	5-Aug-19		Action Completed
McMinnville	20-Feb-18	TCAT management has not maintained a consistent listing of sensitive items for inventory purposes. TBR Policy B-110, requires sensitive items be identified and inventoried as of FY 11, even if on a sample basis.	Assistant Director Faculty & Staff	31-Dec-18	30-Jun-19	1	5-Aug-19		Action Completed
McMinnville	20-Feb-18	Three of 10 (30%) equipment items tested were not removed from the fixed asset listing after being surplus in a prior year.	Assistant Director	31-Dec-18	30-Jun-19	1	5-Aug-19		Action Completed
Memphis	22-Jan-18	Three of 17 (18%) equipment items tested were missing tags. The tags were apparently removed by students in industrial electronics program. The TCAT should implement an alternative tagging system such as engraving.	Fiscal Affairs Coordinator	29-Jun-18	28-Jun-19	1			Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
ChSCC	12-Apr-16	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.  Seven areas have been corrected.	Chief Information Officer	30-Nov-18		0	18-Jan-19		In Progress
MSCC	15-Apr-16	Motlow State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <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



TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
NeSCC	17-Feb-17	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 of twelve 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	30-Sep-19	1	12-Feb-19	31-Jul-19	In Progress
TBR	20-Dec-17	Tennessee Board of Regents System Office did not provide adequate internal controls in nine areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <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

**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
WSSC	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.  Five 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 seven 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

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: August 27, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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Federal Audits

The Audit Committee will review executive summaries for the federal audit reports issued from April 1, 2019 to June 30, 2019.

- Columbia State Community College
  - US Department of Education- Final Program Review
- Jackson State Community College
  - Department of Defense Institutional Compliance Program Review

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 April 1, 2019 to June 30, 2019.

- Jackson State Community College
  - Tennessee Small Business Development Center- Financial Review
- Northeast State Community College
  - TN Department of Safety & Homeland Security
- Roane State Community College
  - Financial Statement Review SACS Prep

## Internal Audit

The Audit Committee will receive executive summaries for the internal audit reports issued from April 1, 2019 to June 30, 2019 as well as reports issued after June 30, 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	Maintenance/Tuition and Related Fees	Page 34
CISCC	NACHA	Page 35
NeSCC	Bank Reconciliations	Page 36
NeSCC	Accounts Receivable	Page 37
STCC	Special Review of a Vendor Issue	Page 38

### Internal Audit Reports for Informational Purposes- Institutional Support

ChSCC	Student Complaint and Grade Appeal Process	Page 40
DSCC	Faculty Sick Leave Reporting	Page 42
DSCC	Federal Work Study	Page 43

### Internal Audit Reports for Informational Purposes- Conflict of Interest

ChSCC	Conflict of Interest	Page 45
CISCC	Conflict of Interest	Page 46
DSCC	Conflict of Interest	Page 47
JSCC	Conflict of Interest	Page 48
NeSCC	Conflict of Interest	Page 49
PSCC	Conflict of Interest	Page 51
RSCC	Conflict of Interest	Page 52
STCC	Conflict of Interest	Page 53

### Internal Audit Reports for Informational Purposes- CCTA Workforce Development

NaSCC	Workforce Development	Page 55
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### Internal Audit Reports for Informational Purposes- Follow-up to State Audit Reports

NaSCC	Follow-up to the State Audit Report for FY 16 & 17	Page 57
NeSCC	Follow-up to the State Audit Report for FY 16 & 17	Page 58
RSCC	Foundation Follow-up to the State Audit Report for FY 16 & 17	Page 59
RSCC	Follow-up to the State Audit Report for FY 16 & 17	Page 60
TBR	Follow-up to the State Audit Report for FY 16 & 17	Page 61
WSCC	Follow-up to the State Audit Report for FY 16 & 17	Page 62

### Internal Audit Reports for Informational Purposes- TCAT Reviews

Pulaski	President's Expense Audit	Page 64
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Internal Audit Reports for Informational Purposes- Investigations

ChSCC	INV 19-02: Humanities Textbooks	Page 66
MSCC	INV 16-04: Women's Basketball Follow-up	Page 67
MSCC	INV 18-04: Dual Enrollment Compensation	Page 69
MSCC	INV 18-03: Additional Follow-up-Academic Dean of the Smyrna Campus Out-of-State Travel	Page 71
Elizabethton	INV 19-05: Review of Embezzlement	Page 73
Knoxville	Special Review of Student Complaint	Page 74
Knoxville	INV 19-02: Review of Personnel Issue	Page 76

\* A Limited Official Use Only report for Northeast State Community College- Follow-up to the LOU State Audit Report for FY 2016 & 2017 was completed on May 21, 2019; Tennessee Board of Regents System Office - Follow-up to the LOU State Audit Report for FY 2016 & 2017 was completed on June 3, 2019; Walters State Community College- Follow-up to the LOU State Audit Report for FY 2016 & 2017 was completed on July 3, 2019. These reports will be shared in the Audit Committee Executive Session.

**Tennessee Board of Regents  
Audit Committee  
August 27, 2019**

***Federal Audit Reports***

**Columbia State Community College**  
**U.S. Department of Education School Participation Division- Final Program Review- Page**  
**1 of 2**  
**Period Coverage: Fiscal Years 2013 and 2014**  
**January 9, 2019**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Education (the Department) conducted a program review at Columbia State Community College (CSCC) from February 10 to February 13, 2014. The review was conducted by Ms. Kathy Feith, Mr. Roy Chaney, Ms. Bridget Johnston, and Ms. Jean Kelly.</p> <p>The focus of the review was to determine CSCC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of CSCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.</p> <p>A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, 81 files were selected based on a variety of characteristics, including but not limited to Returns of Title IV Funds, Title IV credit balances, awards of Campus-Based funds, professional judgment or dependency Override decisions, enrollment in ineligible programs, and reversals of institutional charges.</p> <p>The Department issued its PRR on July 30, 2015. CSCC submitted its first written response to the PRR on October 27, 2016.</p>
<b>Conclusion</b>	<p>Findings #: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 15, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31,32</p> <p>CSCC has taken the corrective actions necessary to resolve Findings 3, 5-11, 15, 17, 18, 20-22, 24, 26-28, and 30-32 of the program review report. Therefore, these findings may be considered closed. Findings requiring further action by CSCC are discussed below.</p> <p>CSCC completed file reviews as directed by the PRR for Findings 1, 2, 13, 23, 25, and 29 and provided satisfactory documentation to resolve these findings. Consequently, the Department considers Findings 1, 2, 13, 23, 25 and 29 to be closed without liabilities.</p> <p><u>Findings with Established Liabilities</u></p> <p>Finding 4. Improper Return of Title IV Funds Calculations</p> <p>Finding 12. Failure to Monitor SAP/Adhere to Institutional Policy</p> <p>Finding 14. Failure to Adjust Cost of Attendance Budgets for Less-Than-Full-Time Students or Graduating Students</p>

**Columbia State Community College**  
**U.S. Department of Education School Participation Division- Final Program Review- Page**  
**2 of 2**  
**Period Coverage: Fiscal Years 2013 and 2014**  
**January 9, 2019**  
**Executive Summary**

<b>Cont. Conclusion</b>	Finding 16. Failure to Properly Complete Verification  Finding 19. Failure to Coordinate Title IV Awards with Cost of Attendance  The estimated liabilities from findings 4, 12, 14, 16, and 19 (including interest) total \$489,138.
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**Jackson State Community College**  
**Department of Defense Voluntary Education Institutional Compliance**  
**Program Self-Assessment- Page 1 of 3**  
**As of July 19, 2018**  
**June 26, 2019**  
**Executive Summary**

Jackson State Community College went through the Department of Defense Voluntary Education Institutional Compliance Program Self-Assessment this past year. Below is the initial submission of the compliance review.

**Category 1: Accreditation and Credentialing Requirements**

Response:

Jackson State publishes degree and credential attainment requirements in the college catalog and student handbook, which is available on the college's home page. All students must meet residency requirements (25% of their courses for their degree/certificate must be taken at JSCC) and all must earn a cumulative 2.0 GPA, unless otherwise noted (such as for the AST-Teaching degree). All students must take a General Education Exit Exam.

Some Associate of Applied Science programs require an additional Career Exit Exam (Business, Computer Information Technology, and Engineering Systems) in order to fulfill graduation requirements.

Nursing and Allied Health programs at Jackson State have specific entrance requirements and require successful completion of national licensure exams in order to practice in their respective field (i.e. NCLEX for Nursing).

**Category 2: Degree Plans**

Response:

Jackson State annually publishes in the college catalog term-by-term degree plans for all students, illustrating how each degree can be completed within a two-year (four-semester) time frame. (Unless otherwise noted; such as less than two-year certificates or certain Allied Health/Nursing degrees that have been granted exception by the Tennessee Board of Regents to go above the 60 semester-hour degree requirement.) These degree plans are at the conclusion of each program sheet.

In addition, each student has a DegreeWorks report to access online which sets forth all courses and other requirements for degree completion, and shows progress toward completion through courses taken at Jackson State as well as transfer and military credit posted

Requirements for degrees remain consistent for the catalog under which each student enters as long as they graduate within seven years. Students can elect to change their catalog and corresponding degree requirements to a more recent edition.

**Category 3: Transfer Credits and Requirements**

Response:

Transfer credit is evaluated when transcripts are received in an effort to notify the student and advisor of courses that can be used for JSCC degree requirements at the time of advising and registration sessions.

**Jackson State Community College**  
**Department of Defense Voluntary Education Institutional Compliance**  
**Program Self-Assessment- Page 2 of 3**  
**As of July 19, 2018**  
**June 26, 2019**  
**Executive Summary**

**Category 4: Academic Counseling and Post-Graduation Job Opportunities**

Response:

Jackson State's Veterans and Adult Student Coordinator is the college's point of contact for service members, veterans, and their dependents to guide them through college processes and direct them to college resources, including academic and financial advising, disability services, counseling, job placement, and other support services. This person also is knowledgeable about tuition assistance, VA educational benefits, Title IV funding, and other resources on campus and in the community.

**Category 5: Student Loans**

Response:

Jackson State prides itself on providing personal assistance for veterans and all students to identify and utilize grants, scholarships and federal and state aid before considering private loans. Financial Aid Officers are available on the main campus and travel to off-campus centers to meet personally with prospective and current students regarding available options.

The college does not participate in federal student loans. Private loan information is provided as a "last resort" once other forms of aid are exhausted.

**Category 6: Refunds**

Response:

Jackson State Community College is governed by The Tennessee Board of Regents which outlines our Policies/Guidelines that each Community College follows with regards to refunding percentages for all students, including those receiving TA funds, at the institution. The specific guideline for refund percentages is B-060 – Fee, Charges, Refunds and Fee Adjustments Section XIII. In this Guideline, the refund percentages are as follows: 100%, 75%, 25%, and 0% with a specific time frame or specific exception associated with each refund percentage. TBR does not distinguish between categories of student unless a specific occurrence happens (military student called to active duty, student has become deceased, etc.) in which case they are given a 100% refund even if we are in a different percentage rate at the time.

**Category 7: Readmission**

Response:

Meets this requirement

**Jackson State Community College**  
**Department of Defense Voluntary Education Institutional Compliance**  
**Program Self-Assessment- Page 3 of 3**  
**As of July 19, 2018**  
**June 26, 2019**  
**Executive Summary**

**Category 8: Recruiting and Marketing Practices**

Response:

Jackson State Community College is compliant with Department of Education 34 CFR 668.71-668.75 and 668.14 with regard to compensation for those employees responsible for the recruitment of prospective students who are veterans and active duty military and does not employ aggressive recruitment strategies nor misrepresent the benefits of attending Jackson State. Prospective students who still are in the military are directed by the Veterans and Adult Student Coordinator to speak with their Educational Services Office.

**Category 9: Installation Access**

Response:

N/A

**Tennessee Board of Regents  
Audit Committee  
August 27, 2019**

*Miscellaneous Reviews*

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

<b>Introduction</b>	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 5, 2018 by the SBA Financial Reporting and Accounting Manager.
<b>Conclusion</b>	Based upon our limited testing of the data available, we have determined that the center: <ul style="list-style-type: none"> <li>1. is adequately monitoring the financial aspects of their operations;</li> <li>2. is in compliance with cash disbursement requirements;</li> <li>3. is in compliance with indirect cost requirements;</li> <li>4. is in compliance with in-kind cost requirements; and</li> <li>5. is in compliance with program income requirements.</li> </ul>
<b>Recommendations</b>	N/A

**Northeast State Community College**  
**TN Department of Labor & Workforce Development- Page 1 of 2**  
**October 8-11, 2018**  
**Executive Summary**

<p><b>Introduction</b></p>	<p>State staff from the Tennessee Department of Labor &amp; Workforce Development: Division of Adult Education (Adult Ed.) conducted a monitoring visit with Northeast State Community College (NESCC) on October 8-11, 2018. Findings are based on the standards and procedures as laid out in the Grant, Coordinator’s Handbook, and Assessment Policy. The visit was conducted to assess the program’s compliance and accountability as it pertains to funding, program operations and data collection. All findings are based on the review of documents, interviews, and observations conducted during the site visit.</p>
<p><b>Findings/ Recommendations</b></p>	<p><b>Finding 1: Unmet Data Entry Standards</b>  <b>Discussion:</b> Data quality is integral to the maintenance of a program, and proper upkeep of data standards is required for Federal reports and contract compliance. Programs are required to maintain data of the participants that are served under the Adult Education grant. It was found that the Grantee was non-compliant with data entry requirements. Non-compliance includes unverified attendance records and attendance discrepancies within student records, entry of Official Practice Test and CASAS discrepancies, and undocumented Activity Codes in the data management system.</p> <p><u>Recommendation</u>  There were several participant files of individuals whom have earned their high school equivalency but have open applications in the data management system. The recommendation is to make sure the activities and class registrations are closed for these participants to ensure these applications close within the ninety (90) day window.</p> <p><b>Finding 2: Inventory Listing</b>  <b>Discussion:</b> The Regional Consultant, has been working with lead support staff at Northeast State Community College Adult Education since January 2018 in the area of program inventory, and was also in charge of checking inventory during the original monitoring that took place in 2017. Northeast Tennessee Adult Education Program has made marked improvements in their inventory controls. The only discrepancies noted during the recent monitoring that took place October 8-11, 2018 were in the area of items that had been missing before NESCC took the grant in 2016. Two items in question were items purchased in 2011.</p>

**Northeast State Community College**  
**TN Department of Labor & Workforce Development- Page 2 of 2**  
**October 8-11, 2018**  
**Executive Summary**

<p><b>Cont. Findings/ Recommendations</b></p>	<p><u>Recommendation</u></p> <ol style="list-style-type: none"> <li>1) Follow the guidelines laid out in the surplus policy/guidelines to remove/wipe any outdated/unusable equipment ready to be sent to surplus.</li> <li>2) Identify items that have tags missing and use the item's serial number as a reference before sending the items to surplus.</li> <li>3) NESCC should design a system for documenting/tracking items that travel with staff so when the monitors come the list can be provided to readily account for those items.</li> </ol> <p><b>Finding 3: Performance Measures Unmet</b>  <b>Discussion:</b> Grantees are required to obtain performance levels that are negotiated and given by the U.S. Department of Education. Meeting performance requirements ensure that federal funding goes uninhibited and that services can be continually offered to the population in need. Based on data, the Grantee is not meeting performance goals.</p> <p><u>Recommendation</u></p> <p>For the corrective action, the Grantee should illustrate strategies being implemented for continuous performance improvement.</p> <p><b><u>Fiscal Findings and Observations</u></b></p> <ol style="list-style-type: none"> <li>1. Several posting errors were noted in the general ledger for grant LWH18F171AESD18, which resulted in questioned costs of \$245.89.</li> <li>2. Reports were not submitted in a timely manner.</li> <li>3. Agency exceeded the 20% cap of federal funds for institutional instruction.</li> <li>4. Northeast State Community College Adult Education staff time and effort documentation needs improvement.</li> <li>5. Questioned costs of \$80.84 were billed to contract LWH18F171AESD18.</li> </ol>
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**Roane State Community College**  
**Financial Statement Review SACS Prep**  
**For the Year Ended June 30, 2018**  
**May 7, 2019**  
**Executive Summary**

<b>Introduction</b>	Staff from the Tennessee Comptroller of the Treasury reviewed the financial statements of Roane State Community College, which comprise the statement of net position as of June 30, 2018, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of college management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.
<b>Conclusion</b>	Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.
<b>Recommendations</b>	N/A



**Tennessee Board of Regents  
Audit Committee  
August 27, 2019**

***Internal Audit Reports  
Financial Management***

**Cleveland State Community College  
Maintenance/Tuition and Related Fees  
Fall 2018 Semester  
May 20, 2019  
Executive Summary**

<b>Key Personnel</b>	Bursar	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	<p>A risk-based audit was conducted of the Fall 2018 Semester maintenance/tuition and related fees. The audit covered tuition and the fees for campus technology access, international education, and online courses if applicable. It also covered fees that are charged for specific courses such as the math course fee.</p>		
<b>Objectives</b>	<p>The objectives of the audit were to:</p> <ul style="list-style-type: none"> <li>• Evaluate the internal controls over the student fee assessment and payment system;</li> <li>• Verify that students were charged fees in accordance with authorized rates;</li> <li>• Ensure the institution 's method of reviewing and handling errors in the fee assessment process is adequate;</li> <li>• Review the internal controls over refunds for withdrawals and dropped courses;</li> <li>• Determine that students registering for courses did not have outstanding account receivable balances; and</li> <li>• Ascertain whether dishonored checks written by students for payment of registration fees were processed in accordance with TBR and institutional policies and procedures.</li> </ul>		
<b>Conclusion</b>	<p>Students' fees are calculated accurately and are in accordance with TBR and institutional policies and procedures.</p>		

**Cleveland State Community College**  
**Review of Compliance with NACHA Operating Rules**  
**June 2019**  
**Executive Summary**

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

**Northeast State Community College**  
**Bank Reconciliations**  
**January 2018 – February 2019**  
**June 28, 2019**  
**Executive Summary**

<b>Key Staff</b>	Chief Financial Officer; Director of Fiscal Services; Bursar	<b>Internal Auditor</b>	Christopher Hyder
<b>Introduction</b>	In May 2017, the Northeast State Community College Interim Chief Financial Officer (CFO) informed Internal Audit that the operating and payroll bank reconciliations had not always been completed within 30 days of month end as required by best practices. This appeared due to staffing changes and no written procedures for preparing and reviewing the reconciliations. The CFO stated that the bursar’s office was in the process of completing the past due reconciliations and developing appropriate procedures to ensure timely completion. The CFO suggested a review by Internal Audit to assess the effectiveness of these procedures after a period of implementation.		
<b>Objectives</b>	The objectives of the audit were to determine if management implemented appropriate and effective procedures to ensure timely completion of bank reconciliations.		
<b>Scope</b>	This audit reviewed the operating and payroll bank account reconciliations procedures and activities from January 2018 through February 2019.		
<b>Conclusion</b>	It appears that management implemented appropriate and effective procedures to ensure timely completion of the operating and payroll bank account reconciliations. All the reviewed reconciliations were completed timely. The College’s current procedures for reconciling the operating and payroll bank accounts provide reasonable assurance that the reconciliations will continue to be completed timely. The audit did not reveal matters warranting audit findings or observations.		
<b>Recommendations</b>	None		

**Northeast State Community College  
Accounts Receivable  
Fiscal Year 2019  
June 28, 2019  
Executive Summary**

<b>Key Staff</b>	Chief Financial Officer; Director of Fiscal Services; Fiscal Services Coordinator; Account Clerk II	<b>Internal Auditor</b>	Christopher Hyder
<b>Introduction</b>	Tennessee Board of Regents (TBR) policy requires specific procedures with specific timelines for student accounts receivable collection activities. In April 2017, management informed Internal Audit of their discovery that student accounts receivable had not been serviced properly and they had implemented corrective actions.		
<b>Objectives</b>	The objectives of the audit were to determine if management implemented appropriate and effective changes to ensure student accounts receivable collections activities are conducted per policy requirements.		
<b>Scope</b>	This audit reviewed the student accounts receivables activities for Fiscal Year 2019.		
<b>Conclusion</b>	It appears that management implemented appropriate and effective changes to ensure appropriate student accounts receivable collections procedures are conducted per policy requirements. Because of the improved collections activities, write-offs and allowances for doubtful accounts as well as accounts receivable balances appear appropriate. The audit did not reveal matters warranting audit findings or observations.		
<b>Recommendations</b>	None		

**Southwest Tennessee Community College  
Office of Internal Audit  
Special Review of a Vendor Issue  
June 10, 2019  
Executive Summary**

<b>Key Staff Person:</b> Jacqueline Taylor, Executive Director of Retention and Graduation	<b>Auditor:</b> Charlotte Johnson, CPA
<b>Background</b>	Deaf Connect of the Mid-South, Inc. (Deaf Connect), is an agency that serves the Memphis and surrounding area for needs regarding individuals who are deaf, deaf-blind, and hard of hearing. They are a sole provider for this area. Southwest Tennessee Community College (STCC) has an annual fiscal year contract with the vendor. Students who have hearing loss and need assistance while on campus notify the STCC Office of Student Disability Services. The Student Disability Services office contacts the staff at Deaf Connect and provides a complete class schedule of the students for whom assistance/interpreter services are needed. STCC expenditures for this vendor more than doubled between fiscal year 2017 and fiscal year 2018. The contract specifies that the liability of the college should not exceed \$245,000 per year.
<b>Objective</b>	The primary objective of this review was to review the vendor expenditures for STCC to determine that invoices were paid and processed according to college policies and procedures.
<b>Scope</b>	The scope of the review included invoices from fiscal year 2015 through fiscal year 2018. Interviews were conducted with the Manager of Fiscal Operations and the Executive Director of Retention and Student Success.
<b>Conclusion</b>	Inconsistency within Deaf Connect’s billing process existed as far back as fiscal year 2015. Bills were received with both current charges and charges up to four months old. The former Director of Student Disability Services stated past due invoices from Deaf Connect were not paid because some were never received, and she delayed processing others because she forgot about them. In addition, Deaf Connect discovered one of their employees had not been submitting invoices to customers in a timely manner. These two situations led to a large balance in past due invoices. There were 371 invoices totaling \$89,587.89 paid during fiscal year 2018 for costs that were associated with earlier fiscal years.
<b>Recommendations</b>	All college invoices should be sent directly to Accounts Payable by vendors. Accounts Payable should send a copy of the invoice to the appropriate department for approval.  For Deaf Connect invoices, a listing of all students receiving services from Deaf Connect should be maintained in the Office of Student Disability Services. An employee independent of the maintenance of the listing should reconcile the invoices to the student listing, prior to the approval of the invoices, to ensure the college is being properly billed on a timely basis.
<b>Management’s Response</b>	We concur with these recommendations. Financial and Administrative Services will request that all invoices be sent directly by Accounts Payable by vendors. Accounts Payable will send a copy of the invoice to the appropriate department for approval. Student Services Administration management staff has created a written procedure to comply with the request and it was submitted to internal audit June 12, 2019. The new procedure will be put in place beginning the start of the new fiscal year on July 1, 2019.

**Tennessee Board of Regents  
Audit Committee  
August 27, 2019**

***Internal Audit Reports  
Institutional Support***

**Chattanooga State Community College**  
**Student Complaint and Grade Appeal Process Audit- Page 1 of 2**  
**Fiscal Year 2019**  
**June 26, 2019**  
**Executive Summary**

<b>Key Staff</b>	Director, Office of Student Conduct Coordinator, Academic Integrity Dean, TCAT-Chattanooga	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	Chattanooga State Community College (ChSCC) Internal Audit conducted an audit of the Student Complaint and Grade Appeal Processes in effect for fiscal year 2019. Types of complaints include issues related to other students, faculty/staff, grade appeals, and other situations for which the student feels they have not received fair treatment. The student complaint processes are applicable to all students enrolled in credit or Tennessee College of Applied Technology (TCAT) – Chattanooga programs.		
<b>Objectives</b>	<p>The objectives of the audit were:</p> <ul style="list-style-type: none"> <li>• To determine the process for addressing student complaints and grade appeals for both credit and TCAT students.</li> <li>• To verify compliance with ChSCC policies and procedures governing student complaints and grade appeals.</li> <li>• To evaluate the effectiveness of internal controls over the student complaints and grade appeals.</li> </ul>		
<b>Conclusion</b>	ChSCC has well defined policies, procedures, and documentation standards for student complaints and grade appeals which ensure that student concerns are considered by defined committees or appropriate upper management. However, the execution of these processes in the TCAT are not consistent with the process for credit students. The lack of consistency in the grade appeals process has caused issues related to adherence with deadlines, record retention, and student understanding. Internal Audit’s review of the student complaint process has produced four recommendations to ensure consistency and compliance with the ChSCC policies and procedures.		
<b>Recommendations</b>	<p>Based on the performed audit procedures, Internal Audit recommends:</p> <ul style="list-style-type: none"> <li>• All faculty and staff should be reminded of student complaint and grade appeals policies and procedures.</li> <li>• The Student Final Course Grade Appeal Request Form steps 4 and 5 should be amended to align the TCAT process with the credit process.</li> <li>• The TCAT should establish a Student Academic Appeals Committee to prescreen the Final Grade Appeal Request and determine if there is sufficient cause and/or new evidence presented for the Final Grade Appeal Request to warrant further review for TCAT students.</li> <li>• The TCAT will adhere to the records retention processes by filing approved grade appeal forms with the records office and copying other required parties in accordance with policies and/or procedures.</li> </ul>		



**Chattanooga State Community College**  
**Student Complaint and Grade Appeal Process Audit- Page 2 of 2**  
**Fiscal Year 2019**  
**June 26, 2019**  
**Executive Summary**

<b>Management Response</b>	Management concurs with the recommendations and will remind faculty and staff of the student complaint and grade appeals processes during Fall 2019 Plenary in August. Academic Affairs and TCAT Management will coordinate to ensure a consistent grade appeals process by December 1, 2019.
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**Dyersburg State Community College**  
**Faculty Sick Leave Reporting**  
**June 1, 2017 through December 31, 2018**  
**April 30, 2019**  
**Executive Summary**

<b>Key Staff</b>	Vice President for the College	<b>Internal Auditor</b>	DSCC Director of Internal Audit
<b>Introduction</b>	<p>Dyersburg State Community College Internal Audit Department has performed an audit of faculty sick leave time and leave reporting. The college has recently implemented Banner Web Time Reporting for the submission of leave time taken to the Payroll department. This is a Banner “leave only” reporting system. Previously, a spreadsheet and written leave reports were prepared by individuals in each department and forwarded to the departmental coordinators and to the Payroll department for processing. Written leave request forms are still prepared and forwarded to the departmental coordinator and kept on file. An audit of “Time Reports and Leave Summaries” was performed in June 2011.</p>		
<b>Objectives</b>	<p>The objectives of the audit are to determine the accuracy of faculty sick leave time balances in the Banner system and compliance with TBR and Dyersburg State Community College policies pertaining to leave reporting, as well as to determine if procedural improvements are needed in the leave reporting process.</p>		
<b>Conclusion</b>	<p>There were no audit findings revealed by this audit. Based on audit tests performed for the data sampled during the period of June 1, 2017, through December 31, 2018, adequate controls are in place to ensure that the reported faculty sick leave taken is calculated and approved accurately in the Banner Web Time Reporting system. However, one observation was noted with regard to a weakness in internal controls resulting in one recommendation.</p>		
<b>Observations/ Recommendations</b>	<p>Observation 1:  The procedures for tracking and reporting faculty absences have not been implemented consistently throughout the various departments and disciplines at DSCC. Industry “Best Practices” are not consistently followed for training and reporting purposes. This could result in improper compensation and inaccurate leave record keeping.</p> <p>Recommendation 1:  A list of industry “Best Practices” is provided and should be implemented consistently by all applicable Vice President’s, Deans, and Departmental Coordinators. More effort to train these procedures to faculty members should be made.</p>		

**Dyersburg State Community College  
Federal Work Study Audit Report  
For Fiscal Years 2018 and 2017  
June 17, 2019  
Executive Summary**

<b>Key Staff</b>	Sheila Gillahan, Director of Human Resources and Kaycee Hardy, Director of Financial Aid	<b>Internal Auditor</b>	Sandra Pruett, Director of Internal Audit
<b>Introduction</b>	<p>Internal Audit personnel conducted an audit of the Dyersburg State Community College's (DSCC) Federal Work Study (FWS) Program for the fiscal years ending June 30, 2018 and June 30, 2017. The total FWS funds available are allocated from the Department of Education annually. The initial allocation happens in October of each year. To arrive at the amount allocated, the Department of Education looks at enrollment and need. In FY2018 the FWS amount awarded at DSCC was \$61,563. In FY2017 the FWS amount awarded was \$65,706. The Financial Aid department determines the exact amount of the total allocated funds that are awarded to students. Only 10% of the allocated amount may be returned to the Department of Education. The most ever awarded to a student is \$2,000.</p>		
<b>Objective</b>	<p>The objective of this audit is to confirm that awarding, funding and payment of work-study wages to student employees comply with federal, Tennessee Board of Regents (TBR) and DSCC policies and guidelines.</p>		
<b>Scope</b>	<p>The scope of this audit included an examination of the FWS student employees' payroll records for the fall and spring semesters of FY2018 and FY2017. The audit also included a review of FWS students' time sheets and class schedules for this same timeframe and a review of applicable federal guidelines and TBR and DSCC policies and procedures.</p>		
<b>Conclusion</b>	<p>A review of internal controls relating to Federal Work Study programs indicates that the DSCC policies and procedures for handling Federal Work Study scheduling and payroll have been improved since the time of the issuance of the FY2016 State Audit report and are adequate at this time. The Financial Aid staff has implemented mandatory FWS Orientation training sessions for supervisors and students and this has greatly improved the internal controls in this area. In these training sessions, supervisors are instructed to not allow students to work during times that conflict with their scheduled class times or sports activities. If students are allowed to work because a class or sports activity was cancelled, documentation from the instructors must accompany their time sheet when submitted to the Human Resources department.</p>		

**Tennessee Board of Regents  
Audit Committee  
August 27, 2019**

***Internal Audit Reports  
Conflict of Interest***

**Chattanooga State Community College**  
**Conflict of Interest**  
**Fiscal Year 2019**  
**June 25, 2019**  
**Executive Summary**

<b>Key Staff</b>	Executive Director, Human Resources Athletic Director	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	<p>The Tennessee Board of Regents (TBR) Policy 1:02:03:10, Conflict of Interest, is intended to define the general principles which should guide the actions of employees. The policy includes:</p> <ul style="list-style-type: none"> <li>• illustrations of activities which potentially constitute a conflict of interest,</li> <li>• making employees aware of disclosures requirement related to conflicts of interest,</li> <li>• a description of the process by which these disclosures shall be evaluated, and decisions rendered, and</li> <li>• a description of the appeal process regarding such decisions.</li> </ul>		
<b>Objectives</b>	<p>The objectives are to provide management with reasonable assurance that the institution’s policies and procedures for reporting and reviewing both disclosures of possible conflicts of interest, and financial interest disclosure forms, are consistent with TBR related policies; and controls for managing conflicts of interest are in place and consistently applied to ensure compliance with policies and procedures.</p>		
<b>Scope</b>	<p>This audit included an examination of the adequacy and effectiveness of the controls over the management and handling of conflicts of interest and related financial interest disclosures during fiscal year 2019.</p>		
<b>Conclusion</b>	<p>Per review of the college and TBR conflict of interest policy requirements, the college has established a review committee and appropriately handled any disclosures received by the committee during fiscal year 2019. The college also has engaged in awareness activities to educate college employees concerning the conflict of interest policies. However, the financial interest disclosure form required under TBR Policy 1:02:03:10 have not been filed by Athletic Department employees nor was there an annual process developed to ensure these disclosures were filed timely.</p>		
<b>Recommendations</b>	<p>Based on the performed audit procedures, Internal Audit recommends:</p> <ul style="list-style-type: none"> <li>• Athletic Department personnel should file the required conflict of interest form to Human Resources immediately.</li> <li>• Human Resources should develop a process to collect all required conflict of interest forms annually in January.</li> </ul>		
<b>Management Response</b>	<p>We concur with these recommendations. The Athletic Department is in the process of collecting the required forms and will submit them to Human Resources by July 31, 2019. Human Resources will ensure the required forms are collected annually in January each year.</p>		

**Cleveland State Community College**  
**Conflict of Interest Audit**  
**Fiscal Year 2019**  
**June 20, 2019**  
**Executive Summary**

<b>Key Personnel</b>	Athletic Director, Human Resources	<b>Internal Auditor</b>	Alvin Bishop, Director Internal Audit
<b>Introduction</b>	<p>The Tennessee Board of Regents (TBR) Policy 1:02:03:10, <i>Conflict of Interest</i>, is intended to define the general principles that should guide the actions of employees. The policy includes:</p> <ul style="list-style-type: none"> <li>• illustrations of activities which potentially constitute a conflict of interest;</li> <li>• making employees aware of disclosure requirements related to conflicts of interest;</li> <li>• a description of the process by which these disclosures shall be evaluated, and decisions rendered; and</li> <li>• a description of the appeal process regarding such decisions.</li> </ul>		
<b>Objectives</b>	<p>The objectives are to provide management with reasonable assurance that:</p> <ul style="list-style-type: none"> <li>• the institution’s policies and procedures for reporting and reviewing disclosures of possible conflicts of interest are consistent with TBR-related policies; and</li> <li>• controls for managing conflicts of interest are in place and consistently applied to ensure compliance with policies and procedures.</li> </ul>		
<b>Conclusion</b>	<p>Cleveland State has established a review committee as required by TBR and the college conflict of interest policy. Cleveland State does not have a process for training and awareness for college employees, which is considered a best practice. Additionally, there is no process in place to ensure that required Athletic Department employees file the disclosure forms timely as required by TBR Policy 1:02:03:10.</p>		
<b>Recommendation</b>	<p>Management should develop a process to ensure the conflict of interest forms are completed and filed with Human Resources annually in January.</p>		
<b>Management’s response</b>	<p>We concur. Management will ensure that all required athletic staff complete the financial disclosure form and file it with Human Resources annually in January.</p>		

**Dyersburg State Community College**  
**Conflict of Interest Audit Report**  
**Fiscal Year 2019**  
**May 31, 2019**  
**Executive Summary**

<b>Key Staff</b>	Sheila Gillahan, Director of Human Resources and Andrea Franckowiak, Coordinator of English, Learning Support Writing and Orientation	<b>Internal Auditor</b>	Sandra Pruett, Director of Internal Audit
<b>Introduction</b>	The Tennessee Board of Regents (TBR) Policy 1:02:03:10, <i>Conflict of Interest</i> , is intended to define the general principles, which should guide the actions of employees. The policy includes illustrations of activities which potentially constitute a conflict of interest, disclosure requirements related to conflicts of interest, a description of the process by which these disclosures shall be evaluated and decisions rendered, and a description of the appeal process regarding such decisions.		
<b>Objectives</b>	The objectives of this audit are to provide management with reasonable assurance that the institution's policies and procedures for reporting and reviewing disclosures of possible conflicts of interest and financial interest disclosure forms are consistent with TBR related policies, and controls for managing conflicts of interest are in place and consistently applied to ensure compliance with the policies and procedures.		
<b>Scope</b>	The scope of this audit included an examination of the adequacy and effectiveness of the controls over the management and handling of conflicts of interest and related financial interest disclosures. The audit assessed conflict of interest activities during fiscal year 2019.		
<b>Conclusion</b>	A review of internal controls indicates that the Dyersburg State Community College (DSCC) policies and procedures for handling conflict of interest disclosures and reporting are in place and are effective at this time. Employees currently required to file a Conflict of Interest Disclosure form have done so for 2019 and those forms are on file in the Human Resources department. A Conflict of Interest Disclosure Review committee exists and it reviews and evaluates all reported disclosures.		
<b>Recommendations</b>	<p><b>Recommendation 1:</b> The Human Resources department should create a “trace file” in order to monitor the return of the annual Conflict of Interest Disclosure forms from the personnel required to complete this form in January of each year.</p> <p><b>Recommendation 2:</b> The Conflict of Interest Disclosure Review committee should formally meet each semester and minutes should be taken and distributed to the appropriate personnel.</p> <p><b>Recommendation 3:</b> The DSCC Conflict of Interest policy should be updated to include committee meetings each semester, the receipt and review of all required Conflict of Interest Disclosure forms by the Conflict of Interest Disclosure Review committee, and the issuance of minutes for the Conflict of Interest Disclosure Review committee meetings.</p>		

**Jackson State Community College  
Conflict of Interest  
Fiscal Year 2019  
May 31, 2019  
Executive Summary**

<b>Key Staff</b>	Dr. Allana Hamilton, College President	<b>Internal Auditor</b>	Chrystal Pittman, Interim Director of Internal Audit
<b>Introduction</b>	An audit of Conflict of Interest policies and procedures was conducted for fiscal year 2018-2019 to determine compliance with the Tennessee Board of Regents (TBR) Conflict of Interest Policy 1:02:03:10. The audit included an examination of the adequacy and effectiveness of the controls over the management and handling of conflicts of interest and related financial interest disclosures.		
<b>Objectives</b>	<p>The objectives were to provide management with reasonable assurance that:</p> <ul style="list-style-type: none"> <li>• the institution's policies and procedures for reporting and reviewing disclosures of possible conflicts of interest and financial interest disclosure forms are consistent with Tennessee Board of Regents (TBR) related policies, and</li> <li>• controls for managing conflicts of interest are in place and consistently applied to ensure compliance with the policies and procedures.</li> </ul>		
<b>Conclusion</b>	<p>The College has established adequate policies and procedures to comply with TBR Policy 1:02:03:10 on Conflict of Interest. Appropriate disclosure forms were collected and filed according to TBR and JSCC policy. Notification of the Conflict of Interest Policy was administered to the campus.</p> <p>Except for the recommendations listed below, the College appears to be in compliance with TBR Policy.</p>		
<b>Recommendations</b>	<p><b>Recommendation 1:</b> Management should review the conflict of interest disclosures according to TBR and JSCC policies and procedures.</p> <p><b>Recommendation 2:</b> The conflict of interest committee structure and meeting schedule should agree with current TBR and JSCC policies and procedures.</p> <p><b>Recommendation 3:</b> The conflict of Interest committee members should be notified of their role and responsibilities on committee.</p>		
<b>Management's Response</b>	Management concurs and corrective action will be taken to address the observation.		



**Northeast State Community College**  
**Conflict of Interest- Page 1 of 2**  
**Fiscal Year 2019**  
**June 26, 2019**  
**Executive Summary**

<b>Key Staff</b>	President; Director of Human Resources; Interim Vice President for Academic Affairs	<b>Internal Auditor</b>	Christopher Hyder
<b>Introduction</b>	The Tennessee Board of Regents (TBR) Policy 1:02:03:10, Conflict of Interest, is intended to define the general principles that should guide the actions of employees. The policy includes: illustrations of activities which potentially constitute a conflict of interest; making employees aware of disclosures requirement related to conflicts of interest, a description of the process by which these disclosures shall be evaluated, and decisions rendered, and a description of the appeal process regarding such decisions.		
<b>Objectives</b>	The objectives are to provide management with reasonable assurance that the institution's policies and procedures for reporting and reviewing disclosures of possible conflicts of interest and financial interest disclosure forms are consistent with Tennessee Board of Regents (TBR) related policies; and controls for managing conflicts of interest are in place and consistently applied to ensure compliance with the policies and procedures.		
<b>Scope</b>	This audit included an examination of the adequacy and effectiveness of the controls over the management and handling of conflicts of interest and related financial interest disclosures. The audit assessed conflict of interest activities during fiscal year 2019.		
<b>Conclusion</b>	Per review of the college and TBR conflict of interest policies, the college had adopted an institutional conflict of interest policy consistent with the TBR conflict of interest policy prior to fiscal year 2019. However, all Disclosure Review Committee positions were vacant and new appointments have yet to be made resulting in an inactive committee during fiscal year 2019. This oversight is likely due to recent transitions in executive level administration. A follow up review of the recommendations will be conducted within one year.		
<b>Recommendations</b>	Based on the performed audit procedures, Internal Audit recommends: <ul style="list-style-type: none"> <li>• NeSCC should reestablish the Disclosure Review Committee.</li> <li>• The President should appoint members per the policy requirements to new two-year terms.</li> <li>• The Disclosure Review Committee should adhere to the meeting and record keeping requirements of policy.</li> </ul>		

**Northeast State Community College**  
**Conflict of Interest- Page 2 of 2**  
**Fiscal Year 2019**  
**June 26, 2019**  
**Executive Summary**

<b>Management's Response</b>	We concur with the recommendations. NeSCC will reestablish the Disclosure Review Committee; the President will appoint members per the policy requirements to new two-year terms; and the Disclosure Review Committee will adhere to the meeting and record keeping requirements of policy.
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**Pellissippi State Community College  
Conflict of Interest  
Fiscal Year 2019  
June 11, 2019  
Executive Summary**

<b>Key Staff Person:</b> L. Anthony Wise, President	<b>Internal Auditor:</b> Suzanne L. Walker, Director of Internal Audit
<b>Introduction</b>	<p>The Tennessee Board of Regents (TBR) Policy 1:02:03:10, <i>Conflict of Interest</i>, is intended to define the general principles which should guide the actions of employees. The policy includes</p> <ul style="list-style-type: none"> <li>• illustrations of activities which potentially constitute a conflict of interest.</li> <li>• making employees aware of disclosure requirements related to conflicts of interest.</li> <li>• a description of the process by which these disclosures shall be evaluated, and decisions rendered.</li> <li>• a description of the appeal process regarding such decisions.</li> </ul>
<b>Objectives</b>	<p>The objectives are to provide management with reasonable assurance that</p> <ul style="list-style-type: none"> <li>• the institution’s policies and procedures for reporting and reviewing disclosures of possible conflicts of interest, and financial interest disclosure forms, are consistent with TBR related policies; and</li> <li>• controls for managing conflicts of interest are in place and consistently applied to ensure compliance with policies and procedures.</li> </ul>
<b>Scope</b>	<p>The scope of this audit included an examination of the adequacy and effectiveness of the controls over the management and handling of conflicts of interest and related financial interest disclosures. The audit assessed conflict of interest activities during fiscal year 2019.</p>
<b>Conclusion</b>	<p>Employees required to file a financial interest disclosure form under TBR Policy 1:02:03:10 have filed the form. The college has established a review committee and a process for disclosure that makes employees aware of the requirements of the Board policy.</p>

**Roane State Community College  
Conflict of Interest  
Fiscal Year 2019  
June 28, 2019  
Executive Summary**

<b>Key Staff</b>	Teresa Duncan, Vice President Workforce Development & Community Outreach	<b>Internal Auditor</b>	Cynthia Cortesio, Director of Internal Audit
<b>Introduction</b>	<p>The Tennessee Board of Regents (TBR) Policy 1:02:03:10, <i>Conflict of Interest</i>, is intended to define the general principles which should guide the actions of employees. The policy includes</p> <ul style="list-style-type: none"> <li>➤ illustrations of activities which potentially constitute a conflict of interest,</li> <li>➤ making employees aware of disclosure requirements related to conflicts of interest,</li> <li>➤ a description of the process by which these disclosures shall be evaluated and decisions rendered,</li> <li>➤ a description of the appeal process regarding such decisions, and</li> <li>➤ defining which employees are required to file an annual financial interest disclosure form and the due date for the form.</li> </ul>		
<b>Objectives</b>	<p>The objectives are to provide management with reasonable assurance that</p> <ul style="list-style-type: none"> <li>➤ the institution’s policies and procedures for reporting and reviewing disclosures of possible conflicts of interest and financial interest disclosure forms are consistent with TBR related policies,</li> <li>➤ controls for managing conflicts of interest are in place and consistently applied to ensure compliance with policies and procedures, and</li> <li>➤ required financial interest disclosure forms are being timely filed.</li> </ul>		
<b>Scope</b>	<p>The scope of this audit included an examination of the adequacy and effectiveness of the controls over the management and handling of conflicts of interest and required financial interest disclosure forms. The audit assessed conflict of interest activities during fiscal year 2019.</p>		
<b>Conclusion</b>	<p>There were two employees who had not filed their financial interest disclosure form by the due date as required by TBR Policy 1:02:03:10. These disclosure forms have now been filed with the college.</p> <p>Roane State should continue with efforts to make employees aware of potential conflict of interest situations and the need for disclosure through ongoing training, email reminders, and during the onboarding process. The process appears to be working for the annual financial interest disclosure forms required for the athletic coaches as well as the president’s annual filing requirement. Roane State should consider handing this form to any newly hired coaches along with initial paperwork such as W-4s, I-9s, etc. to better ensure the 30-day deadline is met.</p>		

**Southwest Tennessee Community College**  
**Conflict of Interest**  
**Fiscal Year 2019**  
**April 29, 2019**  
**Executive Summary**

<b>Key Staff:</b> Inez Warner, Director of Equity and Compliance	<b>Auditor:</b> Charlotte Johnson, Internal Auditor
<b>Introduction</b>	<p>The Tennessee Board of Regents (TBR) Policy 1:02:03:10, <i>Conflict of Interest</i>, is intended to define the general principles which should guide the actions of employees. The policy includes:</p> <ul style="list-style-type: none"> <li>• illustrations of activities which potentially constitute a conflict of interest.</li> <li>• making employees aware of disclosure requirements related to conflicts of interest.</li> <li>• a description of the process by which these disclosures shall be evaluated, and decisions rendered.</li> <li>• a description of the appeal process regarding such decisions.</li> </ul>
<b>Objectives</b>	<p>The objectives are to provide management with reasonable assurance that:</p> <ul style="list-style-type: none"> <li>• the institution’s policies and procedures for reporting and reviewing disclosures of possible conflicts of interest, and financial interest disclosure forms, are consistent with TBR related policies; and</li> <li>• controls for managing conflicts of interest are in place and consistently applied to ensure compliance with policies and procedures.</li> </ul>
<b>Scope</b>	<p>The scope of this audit included an examination of the adequacy and effectiveness of the controls over the management and handling of conflicts of interest and related financial interest disclosures. The audit assessed conflict of interest activities during fiscal year 2019.</p>
<b>Conclusion</b>	<p>Employees required to file a financial interest disclosure form under TBR Policy 1:02:03:10 have filed the form with their immediate supervisor, but the college has not established a review committee and a process for training and awareness for college employees.</p>
<b>Recommendations</b>	<p>Recommendation 1: Management should establish a review committee comprised of no fewer than three persons to review and evaluate disclosures generated under Sections VII and VIII of TBR Policy 1:02:03:10, <i>Conflict of Interest</i>.</p> <p>Recommendation 2: Management should establish a training and awareness process that informs and periodically reminds employees of the disclosure requirements for conflicts of interest.</p>
<b>Management’s Response</b>	<p>We concur with these recommendations and will have a review committee in place by June 30, 2019 and will establish a training and awareness process that informs employees of the conflict of interest disclosure requirements by September 30, 2019.</p>

**Tennessee Board of Regents  
Audit Committee  
August 27, 2019**

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

**Nashville State Community College**  
**Workforce Development**  
**Reporting Period July 1, 2017 – June 30, 2018**  
**May 23, 2019**  
**Executive Summary**

<b>Key Staff</b>	Tracey Kortuem, Office Supervisor, Workforce and Community Development	<b>Internal Auditor</b>	Leston Andrew McArthur, CPA
<b>Introduction</b>	The outcomes-based funding formula used by the Tennessee Higher Education Commission (THEC) incorporates contact hours reported by the Office of Workforce Development along with other institutional outcomes to determine the institution's annual funding.		
<b>Objectives</b>	The audit objective was to determine the adequacy of internal controls and procedures used for collecting and reporting workforce development contact hours to THEC.		
<b>Scope</b>	The internal controls, procedures, and data tested during this audit were from the 2017-2018 academic year.		
<b>Conclusion</b>	The internal controls and procedures utilized by the Office of Workforce Development staff were determined to be adequate for providing reasonable assurance contact hours were accurately reported to THEC.		

**Tennessee Board of Regents  
Audit Committee  
August 27, 2019**

***Internal Audit Reports  
Follow-up to State Audit Reports***



**Nashville State Community College**  
**Follow-up to the State Audit Findings**  
**For the Fiscal Years Ending June 30, 2017 and 2016**  
**June 3, 2019**  
**Executive Summary**

<b>Key Staff</b>	Director of Financial Aid, Assistant Director of Financial Aid	<b>Auditor</b>	Andrew McArthur, Director of Internal Audit
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Nashville State Community College for the fiscal years ended June 30, 2017 and June 30, 2016, on December 4, 2018. The report included one audit finding. The finding was not identified in the audit report as a material weakness but was identified as a significant deficiency. The current status of the finding is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit finding, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p><u>Current Status of State Audit Finding</u></p> <p><i>Finding:</i> When students withdrew from class, the college did not return all unearned funds timely to the U.S. Department of Education</p> <p><i>Status:</i> Management is processing the return of Title IV funds weekly beginning at the census date through the end of the semester for officially withdrawn students. Unofficially withdrawn students are processed at the end of the semester.</p> <p><u>Audit Conclusion</u></p> <p>Based on the results of tests and procedures performed, management has taken adequate actions to address the audit finding, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>		

**Northeast State Community College  
Follow-Up to the State Audit Report  
For Fiscal Years Ending June 30, 2017 and June 30, 2016  
May 15, 2019  
Executive Summary**

<b>Key Staff</b>	Chief Financial Officer; Vice President of Administrative Services	<b>Internal Auditor</b>	Christopher Hyder
<b>Introduction</b>	Northeast State Community College’s financial statement audit for the years ended June 30, 2017 and June 30, 2016 contained four findings. As required, Internal Audit has performed a follow-up review of actions taken in response to the finding.		
<b>Objective</b>	The objective of this review is to determine if management has implemented corrective actions for the finding noted in the Division of State Audit’s annual audit report for the fiscal years ended June 30, 2017 and June 30, 2016.		
<b>Results of the Current Audit</b>	<p><b><u>Current Status of State Audit Findings</u></b></p> <ol style="list-style-type: none"> <li>1. <b><u>Northeast State Community College did not provide adequate internal controls in two areas, including one area noted in the two prior audits</u></b> Management has developed and implemented internal controls over the areas noted in the audit.</li> <li>2. <b><u>As reported in the previous three audits, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements</u></b> Key staff involved in the preparation of the financial statements have received additional training and access to additional research sources. A Senior Accountant/Analyst position was created. The CFO reviews the financial statements, related schedules and notes, worksheets, and calculations.</li> <li>3. <b><u>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</u></b> Management has developed and implemented written procedures for the collection of delinquent accounts receivable. The CFO and the Fiscal Services staff meet monthly to monitor the status of the receivables and any issues that may arise.</li> <li>4. <b><u>College staff did not prepare timely bank reconciliations</u></b> New procedures in conjunction with staffing changes resulted in substantial improvement in the timely preparation of bank reconciliations.</li> </ol>		
<b>Audit Conclusion</b>	Based on the results of tests and procedures performed, management has taken appropriate actions to address the audit findings, implement the audit recommendations, and mitigate the associated risks.		

**Roane State Community College Foundation**  
**Follow-up to the State Audit Report**  
**For the Fiscal Year Ending June 30, 2016 and June 30, 2017**  
**April 18, 2019**  
**Executive Summary**

<b>Key Staff</b>	Executive Director; Coordinator	<b>Internal Auditor</b>	Cynthia Cortesio, Interim Director of Internal Audit
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Roane State Community College Foundation for the fiscal years ended June 30, 2016 and June 30, 2017, on November 29, 2018. The report included 2 audit findings. None of the findings were identified in the audit report as material weaknesses. The current status of each finding is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit findings, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p><u>Current Status of State Audit Findings</u></p> <ol style="list-style-type: none"> <li>1. <i>The foundation audit committee did not fulfill responsibilities by reviewing risk assessment nor did they review internal control structures.</i> On October 18, 2018 the foundation audit committee met and one of the items discussed was the recently completed risk assessment.</li> <li>2. <i>Foundation personnel did not prepare bank reconciliations timely.</i> Bank reconciliations for December 2018, January 2019 and February 2019 were completed timely and had appropriate signatures/initials and dates.</li> </ol>		
<b>Conclusion</b>	Based on the results of tests and procedures performed, management has taken corrective action to address the audit findings and recommendations.		

**Roane State Community College**  
**Follow-up to the State Audit Report**  
**For the Fiscal Year Ending June 30, 2016 and June 30, 2017**  
**April 23, 2019**  
**Executive Summary**

<b>Key Staff</b>	Financial Aid Director; Assistant Director of Financial Aid; Vice President Business and Finance	<b>Internal Auditor</b>	Cynthia Cortesio, Interim Director of Internal Audit
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Roane State Community College for the fiscal years ended June 30, 2016 and June 30, 2017, on November 21, 2018. The report included 3 audit findings. None of the findings were identified in the audit report as material weaknesses. Finding #2 and finding #3 below were identified as significant deficiencies in internal control. The current status of each finding is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit findings, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p><u>Current Status of State Audit Findings</u></p> <ol style="list-style-type: none"> <li>1. <i>The college did not report all Direct Loan disbursements to the U.S. Department of Education in a timely manner.</i> For the year to date academic year 2018-2019, all direct student loan disbursements were reported within the required 15 days to the U.S. Department of Education.</li> <li>2. <i>The college did not have written institutional policies in effect for collection of accounts receivable.</i> Roane State created and approved a policy for the collection of accounts receivable.</li> <li>3. <i>Foundation personnel did not prepare bank reconciliations timely.</i> Bank reconciliations for December 2018, January 2019 and February 2019 were completed timely and had appropriate signatures/initials.</li> </ol>		
<b>Conclusion</b>	Based on the results of tests and procedures performed, management has taken corrective action to address the audit findings and recommendations.		

**Tennessee Board of Regents**  
**Follow-up to the State Audit Findings**  
**For the Fiscal Years Ending June 30, 2017 and 2016**  
**June 3, 2019**  
**Executive Summary**

<b>Key Staff</b>	Chief Information Officer	<b>Auditor</b>	Linda Ciprich, Investigative Auditor
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit, issued a financial and compliance audit of the Tennessee Board of Regents – Central Office for the fiscal years ended June 30, 2017 and June 30, 2016, on November 15, 2018. The report included two audit findings. The audit findings were not identified in the audit report as material weaknesses but were identified as significant deficiencies in internal control. The current status of the audit findings is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective action has been taken to address the audit findings, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p><u>Current Status of State Audit Findings:</u></p> <p><u>Finding:</u> 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 (SOC) reports for external information system service providers with other institutions using those services under the board’s contract.</p> <p><u>Current Status:</u> <i>System-wide Internal Audit has been added to the CIO Microsoft Team with access to the repository for verification. SOC reports were located as well as risk assessment information. The campus CIOs and other IT employees have access.</i></p> <p><u>Finding:</u> The Tennessee Board of Regents did not provide adequate internal controls in two areas.</p> <p><u>Current Status:</u> <i>System-wide Internal Audit has reviewed corrective action taken to date in both areas to ensure internal controls are in the process of being strengthened. One weakness has been resolved. Management is working with a consultant on the second weakness and progressing satisfactorily in corrective action.</i></p> <p><u>Audit Conclusion:</u> Based on the results of tests and procedures performed, management is in the process of taking adequate action to address the audit findings, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>		

**Walters State Community College**  
**Follow-up to the State Audit Findings**  
**For the Fiscal Years Ending June 30, 2017 and 2016**  
**July 3, 2019**  
**Executive Summary**

<b>Key Staff</b>	Vice President for Business Affairs and Treasurer of the WSCC Foundation; Assistant VP for Information and Educational Technologies; Acting CIO and Director of Infrastructure Systems and Chief Information Security Officer	<b>Auditor</b>	Mark A. Ortlieb, CPA
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Walters State Community College for the fiscal years ended June 30, 2017 and 2016. The report included two audit findings. Neither of the audit findings were identified in the audit report as material weaknesses, but both were identified as significant deficiencies. The current status of each finding is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit findings, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely.		
<b>Results of the Current Audit</b>	<p><u>Finding:</u> As noted in the prior audit, Walters State Community College did not provide adequate internal controls in one area.</p> <p><u>Current Status:</u> Management has defined necessary controls, guidelines, and procedures to ensure proper internal controls are in place for the specified area.</p> <p><u>Finding:</u> College staff did not prepare timely cash reconciliations.</p> <p><u>Current Status:</u> The Assistant Vice President for Business Affairs has developed a written policy and procedure for preparing bank reconciliations. The policy includes a requirement that bank reconciliations be prepared within 30 days after the end of the month.</p>		
<b>Audit Conclusion</b>	Based on the results of tests and procedures performed, management has taken appropriate corrective action to address the audit findings and recommendations.		

**Tennessee Board of Regents  
Audit Committee  
August 27, 2019**

***Internal Audit Reports  
TCAT Reviews***

**Tennessee College of Applied Technology-Pulaski**  
**Audit of President's Expenses**  
**For the Period July 1, 2017 – June 30, 2018**  
**April 30, 2019**  
**Executive Summary**

<b>President</b>	Mr. Mike Whitehead	<b>Internal Auditor</b>	Helen Vose, TCAT Internal Audit																																																					
<b>Objectives</b>	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.																																																							
<b>Scope</b>	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.																																																							
<b>Analysis</b>	<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></th> <th style="text-align: center;">Institutional</th> <th style="text-align: center;">Foundation</th> <th style="text-align: center;">Vendor</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td colspan="5">President (1):</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">\$2,916</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$2,916</td> </tr> <tr> <td>Business Meals &amp; Hospitality</td> <td style="text-align: right;">\$957</td> <td style="text-align: right;">\$0</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$957</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">\$0</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td colspan="5">Office (2):</td> </tr> <tr> <td>Salaries &amp; Benefits</td> <td style="text-align: right;">\$436,014</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$436,014</td> </tr> <tr> <td>Other Operating</td> <td style="text-align: right;">\$42,886</td> <td style="text-align: right;">\$0</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$42,886</td> </tr> <tr> <td><b>Total Expenses</b></td> <td style="text-align: right;"><b>\$482,773</b></td> <td style="text-align: right;"><b>\$0</b></td> <td style="text-align: center;"><b>-</b></td> <td style="text-align: right;"><b>\$482,773</b></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: right;">\$0</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	\$2,916	-	-	\$2,916	Business Meals & Hospitality	\$957	\$0	-	\$957	Other	\$0	-	-	\$0	Office (2):					Salaries & Benefits	\$436,014	-	-	\$436,014	Other Operating	\$42,886	\$0	-	\$42,886	<b>Total Expenses</b>	<b>\$482,773</b>	<b>\$0</b>	<b>-</b>	<b>\$482,773</b>	Expense Allowance	\$2,000	Housing Allowance	\$0	Vehicle Allowance	\$8,036
	Institutional	Foundation	Vendor	Total																																																				
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<b>Conclusion</b>	The audit of the President's Expenses for Tennessee College of Applied Technology-Pulaski 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.																																																							



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

***Internal Audit Reports  
Investigations***

**Chattanooga State Community College**  
**Investigation 2019-02: Humanities Textbooks**  
**Fiscal Year 2019**  
**June 26, 2019**  
**Executive Summary**

<b>Auditee</b>	Humanities Department	<b>Auditor</b>	Kimberly Clingan, Director Internal Audit
<b>Objectives</b>	The objective of this investigation was to determine if controls exist over the development of textbooks and the royalties received from those textbooks in the Humanities Division.		
<b>Scope</b>	This examination was made in accordance with <i>International Standards for the Professional Practice of Internal Auditing</i> , and accordingly included reviews of applicable policies and procedures, inquiries of College employees and other auditing procedures as considered necessary to achieve the objectives. The examination included Humanities Division textbook royalty account activities for fiscal year 2019.		
<b>Questioned Costs</b>	None		
<b>Analysis of Issues</b>	<p>Chattanooga State Community College (ChSCC) Internal Audit received a complaint concerning textbooks being authored by the Humanities Division. The complaint expressed concern that the required textbooks were being required of students when other less costly sources for these materials were available to the students. As part of the complaint it was mentioned that faculty are not given details concerning the revenue or expenses related to the textbook royalty accounts.</p> <p>Textbooks for the Humanities Division have consisted of textbooks required of students for English Composition and Music Appreciation courses. The student requirement for these books are reviewed on a three-year rotation as part of the curriculum reviews. The use of the Music textbook was eliminated during fiscal year 2017. The English department received royalties of \$18,719.05 and used \$9,625.55 of the available funds in the royalty account in fiscal year 2019.</p> <p>Internal Audit’s investigation determined that the complaint concerning the development and use of royalties for Humanities Textbooks was unsubstantiated. The process for developing the textbooks involves a committee of faculty and approvals by divisional Management. Royalties received from the textbook sales are used for staff development or learning initiatives, which were properly supported by copies of checks received, vendor invoices, travel documents, and appropriate management approvals from the Academic Affairs and Business/Finance divisions.</p>		
<b>Recommendations</b>	None		

**Motlow State Community College**  
**INV 1604 Women's Basketball Follow Up Report – Page 1 of 2**  
**June 6, 2019**  
**Executive Summary**

<b>Auditee</b>	Women's Basketball	<b>Auditor</b>	Tammy Wiseman, Internal Auditor
<b>Objective</b>	The objective of the review was to determine whether adequate corrective actions have been taken to address the 11 recommendations resulting from the investigation.		
<b>Scope</b>	This follow up review describes the current status of actions taken by Motlow State Community College management in 2018 and adds new management's comments for corrective actions. The review was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors.		
<b>Conclusion</b>	While four of the recommendations were cleared by previous administration, current administration took time to review operations and submitted new management's comments for corrective actions to be taken.		
<b>Current Status of Recommendations</b>	<p><b>Recommendation 1:</b> Training of coaching staff should occur at least annually.  <b>Current Status:</b> The recommendation was partially cleared.</p> <p><b>Recommendation 2:</b> Athletic policies, procedures, handbooks, and forms should be approved.  <b>Current Status:</b> The recommendation was cleared.</p> <p><b>Recommendation 3:</b> Student-athletes and parents should receive clear communications.  <b>Current Status:</b> The recommendation was not cleared.</p> <p><b>Recommendation 4:</b> Scholarships should be earmarked for the specified purpose.  <b>Current Status:</b> The recommendation was not cleared.</p>		

**Motlow State Community College**  
**INV 1604 Women's Basketball Follow Up Report – Page 2 of 2**  
**June 6, 2019**  
**Executive Summary**

<b>Cont. Current Status of Recommendations</b>	<p><b>Recommendation 5:</b> Student-athlete injuries should be reported immediately following appropriate policies and procedures.</p> <p><b>Current Status:</b> The recommendation was cleared.</p> <p><b>Recommendation 6:</b> All coaching staff should follow appropriate protocols regarding student-athlete injuries and medical restrictions.</p> <p><b>Current Status:</b> The recommendation was cleared.</p> <p><b>Recommendation 7:</b> Completion Coach duties should be clear and involve regular and ongoing review of each student-athlete's academic performance.</p> <p><b>Current Status:</b> The recommendation was cleared.</p> <p><b>Recommendation 8:</b> A current memorandum of understanding should be in place regarding the auto dealership provided courtesy vehicle.</p> <p><b>Current Status:</b> The recommendation was partially cleared.</p> <p><b>Recommendation 9:</b> Usage of the courtesy vehicle provided by an auto dealership should be tracked and managed.</p> <p><b>Current Status:</b> The recommendation was not cleared.</p> <p><b>Recommendation 10:</b> A procedure or policy should be developed for management of gas charge cards.</p> <p><b>Current Status:</b> The recommendation was partially cleared.</p> <p><b>Recommendation 11:</b> Records for personal versus business use of an employer-provided vehicle should be maintained and tax implications for personal use be reported annually.</p> <p><b>Current Status:</b> The recommendation was not cleared.</p>
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**Motlow State Community College**  
**INV 18-04 Dual Enrollment Compensation- Page 1 of 2**  
**Fall 2017**  
**June 26, 2019**  
**Executive Summary**

<b>Auditee</b>	Assistant Vice President for Academic Affairs	<b>Auditor</b>	Tammy Wiseman, Internal Auditor
<b>Background</b>	An investigative review was conducted based on a complaint received by the State of Tennessee Comptroller’s Office on December 21, 2017, regarding adjunct faculty teaching dual enrollment courses at high schools outside Motlow State Community College’s academic calendar for no additional compensation. Per the complaint, adjuncts were expected to teach in excess of the credit hours for which they were paid, and the credits earned by the students.		
<b>Objectives</b>	The objectives were to investigate the validity of the complaint, determine the extent of any violations of the Tennessee Board of Regents (TBR) and Motlow State Community College (MSCC) policies, and evaluate the adequacy of practices and internal controls over dual enrollment adjunct faculty teaching at high schools.		
<b>Analysis of Issue</b>	<p><b>Issue:</b> An adjunct faculty for MSCC taught a dual enrollment course at a high school for additional credit hours to accommodate the high school schedule beyond the MSCC academic calendar with no additional compensation.</p> <p><b>Conclusion:</b> The complaint was partially verified. Adjunct faculty for MSCC teaching at high schools may be required to work additional days outside the TBR academic course schedule; however, it does not equate to additional credit, and may or may not result in additional compensation.</p>		
<b>Recommendation</b>	<p>It is recommended that MSCC document agreements with all adjunct faculty that are offered additional compensation for teaching days outside the TBR course schedule to accommodate the high school schedule to ensure that TBR Policy, <i>General Personnel Policy 5:01:00:00</i>, is followed. If the offer for additional compensation is limited to certain adjunct faculty, documentation should be maintained in writing by the institution substantiating that the differentials in compensation are based upon:</p> <ol style="list-style-type: none"> <li>1. market factors,</li> <li>2. a merit or evaluation system,</li> <li>3. length of service, or</li> <li>4. any other proper, non-discriminatory basis.</li> </ol>		

**Motlow State Community College**  
**INV 18-04 Dual Enrollment Compensation- Page 2 of 2**  
**Fall 2017**  
**June 26, 2019**  
**Executive Summary**

<p style="text-align: center;"><b>Management's Comment</b></p>	<p>This is a case of a proper, non-discriminatory basis for extra compensation. When instructors that are being paid by Motlow State Community College teach outside of the contract term, they receive the additional compensation as outlined above. By Fall 2019, we will start asking eligible instructors to sign an extra contract for this additional pay. The high school instructors teaching as part of the high school day do not receive this compensation as they are being paid by the school system. This documentation regarding extra compensation will be placed on file with Human Resources.</p>
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**Motlow State Community College**  
**Academic Dean of Smyrna Out-of-State Travel Additional Follow Up Review- Page 1 of 2**  
**June 28, 2019**  
**Executive Summary**

<b>Auditee</b>	Business Office	<b>Auditor</b>	Tammy Wiseman, Internal Auditor
<b>Background</b>	An investigative review was conducted based on an allegation received by the Interim President of Motlow State Community College (MSCC) on October 3, 2017, regarding the out-of-state travel of the Academic Dean of the Smyrna campus. The allegation was not substantiated; however, the review resulted in five recommendations for improvements. Three recommendations were not cleared by the follow up conducted in December 2018, resulting in a second follow up.		
<b>Objectives</b>	The objective of the review was to determine whether adequate corrective actions have been taken to address the three remaining recommendations.		
<b>Scope</b>	This follow up review describes the current status of actions taken by Motlow State Community College management to correct deficiencies reported. The review 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 the records and other procedures considered necessary to achieve the audit objective.		
<b>Conclusion</b>	Management has taken adequate corrective action to clear the three remaining recommendations from the investigation.		
<b>Current Status of Recommendations</b>	<p><b>Recommendation 1:</b> A completed Travel Authorization should be approved prior to registration fees being paid, reimbursed, or charged to an institution issued charge card.</p> <p><b>Current Status:</b> The recommendation has been cleared. The review found that Travel Authorizations are being completed and approved prior to the registration fees being paid, reimbursed, or charged to an institution issued charge card.</p>		

**Motlow State Community College**  
**Academic Dean of Smyrna Out-of-State Travel Additional Follow Up Review- Page 2 of 2**  
**June 28, 2019**  
**Executive Summary**

<p style="text-align: center;"><b>Cont. Current Status of Recommendations</b></p>	<p><b>Recommendation 3:</b> 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.</p> <p><b>Current Status:</b> The recommendation has been cleared. The TR-1F, Faculty/Staff Travel Authorization has been removed from the website and no instances of use were found.</p> <p><b>Recommendation 4:</b> 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.</p> <p><b>Current Status:</b> The recommendation has been cleared. The TR-1F, Faculty/Staff Travel Authorization has been removed from the website and no instances of use were found.</p>
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**Tennessee Board of Regents System-Wide Internal Audit  
Investigative Review of an Embezzlement at TCAT Elizabethton  
May 21, 2019  
Executive Summary**

<b>Recipient</b>	Dr. Flora Tydings, Chancellor	<b>Investigative Auditor</b>	Linda C. Ciprich
<b>Introduction</b>	<p>The Tennessee Board of Regents (TBR) Office of Systemwide Internal Audit (SWIA) was notified on April 22, 2019 by the finance department that Elavon, a credit card processing company under contract with TBR, had contacted finance personnel. The company had noticed multiple refunds issued to two credit/debit cards without offsetting sales in the same amounts. SWIA was tasked with reviewing the refunds to determine if the refunds were false and an embezzlement had occurred.</p>		
<b>Scope &amp; Objectives</b>	<p>With the assistance of TBR Finance and Northeast State Community College Internal Audit, we reviewed credit card charges and refunds for TCAT Elizabethton from January 2017 through April 25, 2019, the date of our onsite visit to the campus. Information was not available prior to January 2017.</p> <p>Our main objective was to determine the extent of a possible embezzlement scheme involving false student refunds at the college. We also wanted to determine whether a weakness in the internal control structure had allowed possible malfeasance to occur.</p>		
<b>Results</b>	<p>We found 53 false student refunds issued by the TCAT Coordinator of Financial Services. The refunds totaled \$66,258.37 and were credited to four credit/debit cards. We also found legitimate charges made to three of the four card numbers in the name of the coordinator, tying her to the proceeds of the false refunds. The employee was placed on administrative leave and removed from all college access on April 25, 2019. We immediately notified the Tennessee First District Attorney General’s Office and the State Comptroller.</p> <p>We found weaknesses in the internal control structure that contributed to the embezzlement scheme. Internal control procedures in separation of duties and sufficient documentation were lacking. More detail is contained in the body of the report and recommendations to strengthen internal control are below.</p>		
<b>Recommendations</b>	<p>Internal control should be strengthened by:</p> <ul style="list-style-type: none"> <li>• assigning different employees to receive, process, and refund tuition, fees, and other charges. All funding awards to students should be received in Financial Aid to ensure proper recording on student accounts. Per TCAT management, an additional layer of approval will be added to the refund process. The vice-president will review and authorize all refunds.</li> <li>• requiring sufficient supporting documentation for refunds. A requirement for including a copy of the award voucher would have prevented the false refunds from occurring because the vouchers did not exist.</li> </ul>		
<b>Conclusion</b>	<p>According to the Assistant District Attorney for Carter County, the criminal case will be turned over to the Tennessee Bureau of Investigation (TBI). This report closes our investigation although we will be available to assist TBI if requested.</p>		

**Tennessee College of Applied Technology - Knoxville**  
**Student Complaint – Page 1 of 2**  
**April 26, 2019**  
**Executive Summary**

<b>Key Staff</b>	President, Vice-Presidents, Staff	<b>Internal Auditor</b>	Helen Vose, CIA, CFE
<b>Introduction</b>	TBR System Wide Internal Audit received a complaint from a night Welding student at TCAT-Knoxville/Oak Ridge campus stating he was suspended without proper notification and subsequently was graduated with a certificate and not the diploma he was led to believe he would receive for structural welding. Internal Audit reviewed the matter to determine if the complaints were valid, the student was treated fairly, and if the TCAT adhered to policies and procedures regarding attendance. The auditor conducted interviews with TCAT management regarding the complaint. Attendance records and supporting documentation was obtained for the student.		
<b>Objectives</b>	The objectives were to determine if: <ol style="list-style-type: none"> <li>1. the TCAT followed policies and procedures;</li> <li>2. the student was treated fairly;</li> <li>3. the student’s absences were documented;</li> <li>4. the student followed due diligence in a timely manner.</li> </ol>		
<b>Conclusion</b>	Based on discussions with management and staff and review of supporting documentation, we have determined the following: <ol style="list-style-type: none"> <li>1. It appears TCAT-Knoxville did violate TBR policy, <i>Academic Retention and Readmission at the Tennessee Colleges of Applied Technology: 2:03:01:05</i>, to counsel students that have been absent for more than 5.5% and/or 9.7% of the scheduled hours as noted in the student handbook. Verbal counseling cannot be verified, but the student exceeded the acceptable absences each trimester with 85.5, 74 and 45, respectively.</li> <li>2. Management did provide the student inaccurate information in telling the student he could receive a diploma for Structural Welding, which the TCAT does not offer. The TCAT cannot award a diploma which is not offered or earned. However, the TCAT awarded the student the certificate he earned for Shielded Metal Arc Welder.</li> <li>3. The student did not obtain a Co-op agreement; therefore, absences while at work were not excused.</li> <li>4. The student communicated to management during a counseling session at the main campus that he did not wish to continue with the program and the student was at an exit point. The student stated he did not want to complete the Tungsten Arc Welding certificate, which was the remaining portion of the program.</li> <li>5. The student did not contact financial aid prior to exiting in April 2018 to determine the ramifications of losing his aid and did not communicate his concerns to management during their discussions.</li> </ol>		

**Tennessee College of Applied Technology - Knoxville**  
**Student Complaint – Page 2 of 2**  
**April 26, 2019**  
**Executive Summary**

<b>Recommendations</b>	<p>The TCAT should ensure specified individuals are assigned to enter attendance records in a timely manner from the off-site campus and ensure all students are counseled at the proper junctures.</p> <p>TCAT management should review certificate and diploma requirements when advising students to ensure there is not a misunderstanding and the student is not misled.</p>
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**Tennessee Board of Regents System-wide Internal Audit  
Review of a Personnel Issue at TCAT Knoxville  
May 10, 2019  
Executive Summary**

<b>Recipients</b>	Dr. Kelli Chaney, President Beth Martin, OGC	<b>Investigative Auditor</b>	Linda C. Ciprich
<b>Background</b>	System-wide Internal Audit was notified that the TCAT Knoxville IT Specialist had informed management that his spouse, a custodial employee of the college, was not reporting to work and fulfilling her duties. He had been covering for her for several months by completing the custodial chores himself.		
<b>Scope &amp; Objective</b>	Our scope included interviewing the president, vice-president, IT specialist who was covering for his spouse, and the facilities coordinator who served as the custodial employee’s supervisor. The custodial employee had ceased reporting to work and was summarily terminated by management. We also reviewed the personnel file and time reports for the employee. Our objective was to determine if internal control was sufficient.		
<b>Results</b>	The employee stated he came forward because he knew it was wrong to cover for his spouse, but he offered to continue the custodial work if management would allow him the opportunity, due to his family’s financial situation. Because the custodial employee’s timesheets were entered in Banner, it is not possible to determine if she entered them herself, or if her spouse had entered them. Both employees were/are non-exempt employees. Management may need to consider the ramifications of the IT specialist, as a non-exempt employee, working additional hours during the week without the knowledge of his supervisor. It is possible the school may be liable for overtime pay as well as tax payments for the extra hours.		
<b>Conclusion</b>	We recommend management consider taking appropriate disciplinary action with the remaining employee. Consideration should be given to the lack of internal control in supervision of both employees which may have facilitated this situation.		

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: August 27, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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Mike Batson will give brief updates for the following items:

- New Complaints Procedure
- Information Systems Auditor Search
- Nashville State Community College Director of Internal Audit Vacancy
- TN Colleges and Universities Internal Audit Retreat- October 16-18, 2019

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Fiscal Year 2020 Internal Audit Plans

DATE: August 27, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S  
RECOMMENDATION: Approve

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The committee will review and consider for approval internal audits planned for the system institutions for Fiscal Year 2020\* as required by the Audit Committee Charter, TBR Policy 4:01:05:00, *Internal Audit*, and the Institute of Internal Auditors *International Professional Practices Framework*.

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

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

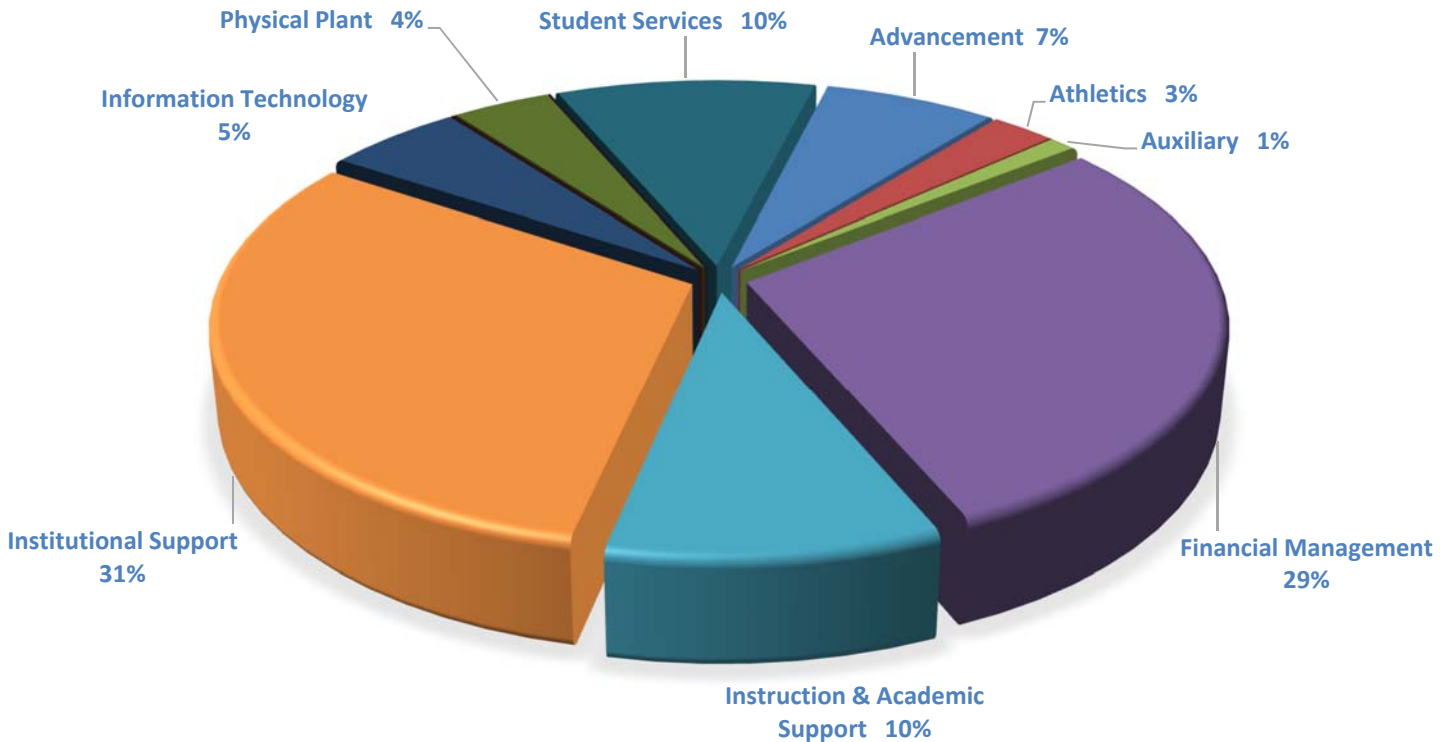
Risk-based audits are determined through a risk analysis process. Risk analysis is a planning tool to help determine which areas within the institution should be audited. Each auditable area's key risk factors are quantified and weighted to come up with the risk ranking. Areas with the highest totals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

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

Planned Audits by Major Functional Area  
Planned Audits by Audit Type

\*A FY2020 audit plan for Cleveland State Community College was not submitted in time for audit committee materials mailout due to extended leave by the Director of Internal Audit. This plan will be submitted for approval at the November 2019 meeting. FY2020 audit plans are not included for Nashville State Community College or Information Systems due to vacancies in those positions. A FY2020 audit plan is not included for the TBR System Office due to the removal of the Director position at the system office.

**Tennessee Board of Regents  
Planned Audit Hours by Functional Area  
Fiscal Year 2020**



**Highlights:**

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

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

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

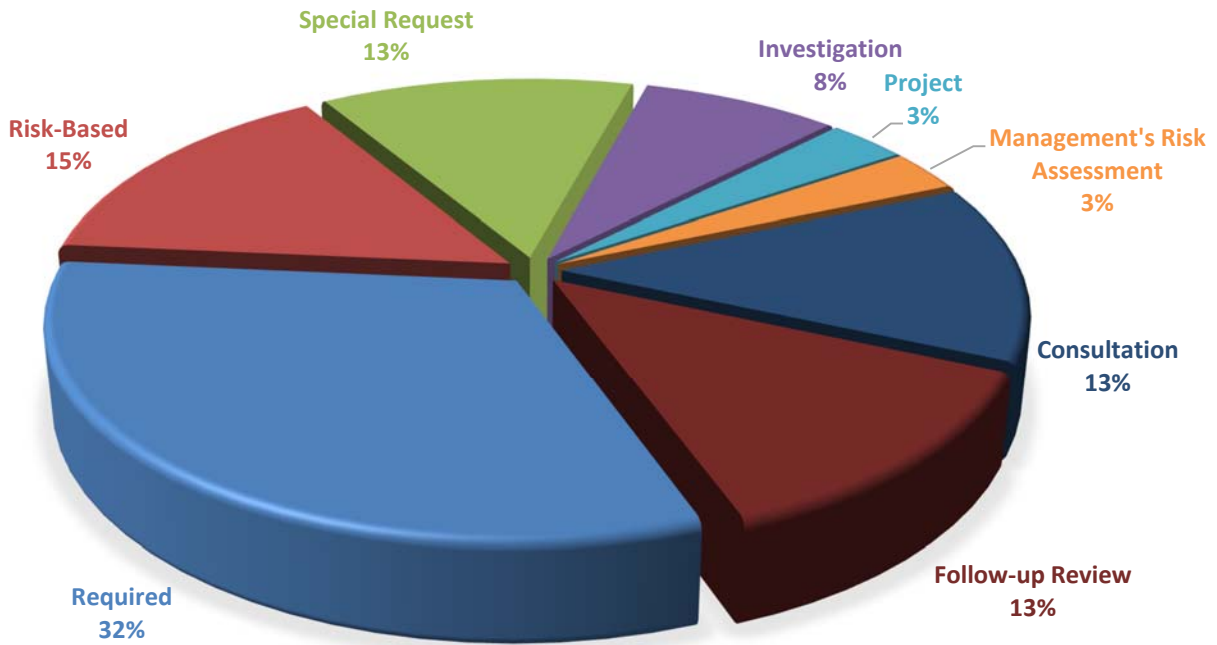
*Instructional and Academic Support* includes audits of various educational programs or activities, such study abroad and workforce development.

	<u>Planned Audits</u>		<u>Planned Audit Hours</u>	
Community Colleges	173	73.93%	12,878	85.63%
SWIA	10	4.28%	1,050	6.99%
TCATS	51	21.79%	1,110	7.38%
	234		15,038	



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

**Tennessee Board of Regents  
Planned Audit Hours by Type  
Fiscal Year 2020**



**Highlights:**

*Required* audits are those determined by statutes, the system office or others. These audits frequently have a system-wide focus. There is a 16% increase in planned required audits for the year. This year's required audits include Foundation, Campus Safety, and Workforce Development reviews. Required audits do include the statutorily mandated audits of chief executives' expenses and year-end cash counts and inventories in support of financial statement audits.

*Risk-Based* audits are those determined by each Internal Audit Director through a risk analysis of auditable areas, which considers several risk factors. There is a decrease in planned risk-based audits of 9.39% below the prior year plans, which reflects the reduction in availability of audit time due to an increase in required and follow-up audits for the year.

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

*Special Requests* are audits requested by the Audit Committee, management or others to address specific concerns or activities. This category is planned as 3.78% lower than the prior year.

*Consultations* have increased 2.56% from last fiscal year due to an increase in required and follow-up audits.

Other categories are consistent with previous years.

**Chattanooga State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Management Advisory Services	IS	C	120.0	Jul-19
5.0	State Audit Assist/Follow-up	FM	F	75.0	Jul-19
5.0	Follow up Reviews	IS	F	85.0	Jul-19
5.0	Unscheduled Investigations	IS	I	70.0	Jul-19
5.0	Developing Investigations-Assist TBR	IS	I	15.0	Jul-19
5.0	YE Procedures FYE 2019	FM	S	10.0	Jun-19
5.0	YE Procedures FYE 2020	FM	S	15.0	Jun-20
5.0	Motlow President's Expense	FM	R	100.0	Aug-19
5.0	Enterprise Risk Assessment	IS	M	35.0	Nov-19
5.0	Workforce Training Hours	SS	R	70.0	Jan-20
5.0	Foundation	AD	R	100.0	Nov-19
5.0	Campus Safety	IS	R	60.0	Mar-19
5.0	IAR-NACHA-2019	IT	S	60.0	Jul-19
5.0	Faculty Credentials	IA	S	100.0	Oct-19
5.0	TCAT Truck Driving Program	IA	S	75.0	May-20
5.0	TCAT Cosmetology Product Purchases	IA	S	60.0	Sep-19
5.0	TCAT Client Services Processes	IA	S	60.0	Sep-19
3.5	Software License Compliance	IT	A	40.0	May-18
<b>Total:</b>				<b>1150.0</b>	

Estimated Available Hours For Audits = **1080**

**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

**Columbia State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	State Audit Year End Work	FM	R	22.5	May-20
2.3	Advancement/Development	AD	R	150.0	Oct-19
2.2	Campus Security	PP	R	150.0	Jan-20
2.2	Economic & Community Development	IA	R	50.0	Mar-20
4.3	Incident Response & Reporting	IT	A	100.0	Oct-19
4.2	Disaster Recovery/Business Continuity	IT	A	100.0	Oct-19
4.1	Data Stewardship/Access	IT	A	150.0	Aug-19
	Financial Aid	SS	A	22.5	Feb-19
	Policy Review	IS	A	15.0	Oct-18
5.0	Review Management's Risk Assessment Process	FM	M	22.5	Oct-19
3.5	Title IX Gender Equity Assessment	AT	C	52.5	Aug-19
	Informal Consulting	IS	C	110.0	Jul-19
5.0	State Audit Follow-Up	FM	F	75.0	Feb-20
5.0	Engagement Follow-up	IS	F	30.0	Jan-20

**Total: 1050.0**

Estimated Available Hours For Audits = **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

**Dyersburg State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	Foundations	FM	R	90.0	Dec-19
	Physical Security/Campus Safety	PP	R	65.0	Mar-20
	Follow-up to State Audit	FM	F	45.0	Jan-20
	Risk Assessment - Quality	IS	R	102.5	Sep-19
	Workforce Development Contact Hours	AD	R	35.0	Feb-20
	Year End Bank Confirmations	FM	R	30.0	Jun-20
	Unscheduled Investigations	IS	I	60.0	TBD
	General Consultation	IS	C	80.0	TBD
	PII Review	IS	P	130.0	Aug-19
	Follow-up Audits	IS	R	80.0	Aug-19
3.65	Human Resources	IS	A	120.0	Mar-20
4.05	Cash Handling Procedures	FM	A	65.0	Sep-19
4.15	Athletics - Eligibility	AT	A	40.5	Oct-19
4.05	Athletics - Camps and Clinics/Fundraising	AT	A	60.0	Jan-20
3.25	Records Mgmt and Retention	FM	A	90.0	Apr-20

**Total: 1093.0**

Estimated Available Hours For Audits = 1092.5

**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

**Jackson State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	Inv 18-01	IA	I	100.0	September 2018
	Inv 19-01 - carryforward	AT	I	40.0	August 2018
	Access and Diversity Follow up	FM	F	125.0	August 2019
	President's Expense Audit	IS	R	130.0	August 2019
	Foundation	AD	R	130.0	September 2019
	Study Abroad Follow up	IA	F	75.0	September 2019
	Workforce Development Follow up	IA	F	75.0	October 2019
	Workforce Development	IA	R	130.0	October 2019
	Risk Assessment	IS	M	50.0	November 2019
	Campus Safety	IS	R	130.0	November 2019
	Veterans Affairs Student Records	SS	S	130.0	November 2019
	Conflict of Interest Follow up	IS	F	75.0	January 2020
	Inv 18-03 Follow up	SS	F	125.0	January 2020
	Emergency Preparedness Follow up	IS	F	75.0	February 2020
	Payroll Follow up	FM	F	125.0	March 2020
	Inv 19-01 Follow up	AT	F	75.0	May 2020
	Year-end Procedures	FM	R	30.0	June 2020
	General Consultation	IS	C	75.0	as needed

**Total: 1695.0**

Estimated Available Hours For Audits = **1667.5**

**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

**Motlow State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Foundation	AD	R	125.0	Nov-19
5.0	Campus Security	PP	R	75.0	Feb-20
5.0	Workforce Development and Follow Up	SS	R	80.0	Mar-20
5.0	Risk Assessment - Quality	IA	M	30.0	Nov-19
5.0	Academic Affairs - Faculty Credentials	IA	A	85.0	May-20
5.0	Dashboard Access	SS	A	150.0	Dec-19
5.0	Student Affairs - Satisfactory Academic Process	SS	A	125.0	Apr-20
5.0	INV 1901	FM	I	40.0	Aug-19
5.0	Follow Up INV 1601	IA	F	10.0	Jul-19
5.0	Follow Up INV 1604	AT	F	30.0	Nov-19
5.0	Follow Up INV 1801	SS	F	40.0	Sep-19
5.0	Follow Up INV 1802	AT	F	30.0	Aug-19
5.0	Follow Up INV 1804	AT	F	30.0	Dec-19
5.0	Follow Up Access and Diversity	FM	F	50.0	Jul-19
5.0	Follow Up Information Technology	IT	A	30.0	Oct-19
5.0	Study Abroad	IA	R	40.0	Jul-19
5.0	General Consultation	FM	C	80.0	Jul-19
5.0	State Audit Assistance - Year End	FM	R	20.0	Jul-19
5.0	Unscheduled Investigations	IS	I	50.0	Jul-19

**Total: 1120.0**

Estimated Available Hours For Audits = **1122**

**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

**Northeast State  
Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Workforce Development Training Hours 2020	SS	R	75.0	Jan-20
5.0	Walters State President Expense Audit	FM	R	125.0	Aug-19
5.0	Foundation	AD	R	100.0	Nov-19
5.0	Campus Safety	IS	R	75.0	Mar-20
4.4	Key Control	PP	A	100.0	Sep-19
5.0	Access Termination	IT	S	100.0	Oct-19
5.0	Grants and Contracts	FM	A	75.0	Jul-19
5.0	Unscheduled Investigations	IS	I	100.0	Jul-19
5.0	State Audit Assistance - Year End	FM	R	20.0	Jun-20
5.0	Special Requests and Projects	IS	S	85.0	Jul-19
5.0	Other Audit Follow-Up	IS	F	50.0	Jul-19
5.0	Risk Assessment	IS	M	45.0	Nov-19
5.0	Management Advisory Services	IS	C	100.0	Jul-19

**Total: 1050.0**

Estimated Available Hours For Audits = 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



**Pellissippi State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Foundation	AD	R	150.0	Nov-19
5.0	Campus Security	IS	R	75.0	Jan-19
5.0	Year End Inventory & Cash Counts	FM	R	30.0	Jun-19
5.0	Funding Formula-Workforce Development	IS	R	45.0	Apr-19
5.0	Audit Follow-Up (including State Audit)	FM	F	45.0	Jul-19
5.0	Risk Assessment	IS	M	22.5	Oct-19
5.0	Faculty Credentials	IA	S	112.5	Oct-19
5.0	Review of Compliance Assist	IA	S	30.0	Feb-19
5.0	Advancement Management Advisory Services, Consultation, etc.	AD	C	37.5	Jul-19
5.0	Finance Management Advisory Services, Consultation, etc.	FM	C	37.5	Jul-19
5.0	Institutional Support Management Advisory Services, Consultation, etc.	IS	C	105.0	Jul-19
5.0	Unscheduled Investigations and Special Requests	IS	I	37.5	Jul-19
3.7	Service Department - Maintenance	PP	A	200.0	Sep-19
3.5	Travel	FM	A	75.0	Aug-19

**Total: 1002.5**

Estimated Available Hours For Audits = **1002.5**

**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

**Roane State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Campus Safety & Security	IS	R	60.0	Jan-20
5.0	Foundation - Policies, Operations	AX	R	105.0	Oct-19
5.0	Workforce Development	SS	R	60.0	Mar-20
5.0	Year End Cash Counts	FM	R	45.0	Jul-19
3.4	International Education	IA	A	52.5	Sep-19
5.0	Enterprise Risk Assessment	IS	M	75.0	Jul-19
3.1	ACA Reporting	FM	S	75.0	Sep-19
3.8	Healthcare Programs Admissions	IA	S	105.0	Sep-19
4.5	Accounts Receivable	FM	S	75.0	Aug-19
3.8	Workload/Release Time	IA	S	22.5	Jul-19
5.0	State Audit Follow-up	FM	F	52.5	Jul-19
5.0	IAR Audit Follow-up	FM	F	37.5	Jul-19
5.0	Unscheduled Investigations	FM	I	90.0	Jul-19
5.0	Management Advisory Services	IS	C	142.5	Jul-19
4.1	Foundation - Restricted Funds	AX	S	52.5	Aug-19

**Total: 1050.0**

Estimated Available Hours For Audits = **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

**Southwest Tennessee Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	IAR-Cash Count	FM	A	37.5	Jun-20
	Out of State Tuition	SS	S	97.5	Jul-19
	Review of Time Sheets Preparation	FM	S	97.5	Jul-19
	Review of Accounts Payable Vendors	FM	S	97.5	Aug-19
	Foundation Audit	IS	R	97.5	Sep-19
	Campus Safety Audit	IS	R	97.5	Oct-19
	Workforce Development Audit	SS	R	97.5	Nov-19
	FU-State Audit	FM	F	90.0	Dec-19
	FU- Review of Public Safety Inventory Pro	IS	F	11.5	Jan-20
	FU-Federal Work Study	FM	F	90.0	Feb-20
	FU-Special Review of Vendor Issue	FM	S	22.5	Mar-20
	FU-Conflict of Interest Year 2019	FM	S	22.5	Apr-20
	IAR-Risk Assessment	IS	A	37.5	May-20
	FU-Internal Audit Follow Up	IS	F	15.0	Jul-19
	IAR-General Consultant	SS	C	82.5	Jul-19
	Unscheduled Investigation	FM	I	82.5	Jul-19
	ACM-Audit Software	FM	P	60.0	Jul-19
	FU-Compensatory Time	FM	F	11.0	Jul-19
<b>Total:</b>				<b>1147.5</b>	

Estimated Available Hours For Audits = **1147.5**

**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

**Volunteer State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
8.5	Financial Aid Work Study	SS	S	200.0	Aug-19
8.1	Campus Safety	IS	R	175.0	Jan-20
7.9	Foundation	AD	R	200.0	Oct-19
7.4	Workforce Development	IA	R	175.0	Mar-20
5.0	President's Expense - Nashville State	FM	R	200.0	Aug-19
5.0	State Audit Follow-Up	FM	F	175.0	Nov-19
5.0	State Audit Year-End Work	FM	R	40.0	May-20
5.0	Follow-Up Activities	IS	F	75.0	Nov-19
5.0	General Consultation	IS	C	40.0	Jul-19
5.0	Management Risk Assessment	IS	M	100.0	Jul-19
5.0	Unscheduled Investigations	IS	I	40.0	Jul-19
5.0	Conflict of Interest	FM	A	50.0	May-19

**Total: 1470.0**

Estimated Available Hours For Audits = **1470.0**

**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

**Walters State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Management Advisory Services	IS	C	300.0	Jul-19
5.0	State Audit Assist/Follow-up	FM	F	12.0	Oct-19
5.0	IAR-WSCC Foundation 2020	IS	R	90.0	Oct-19
5.0	IAR-FU-CCTA-WorkforceTrainingHours20	SS	F	22.5	Oct-19
5.0	IAR-Physical Security/Campus Safety 2020	IS	R	40.0	Feb-19
5.0	Unscheduled Investigations	IS	I	105.0	Jul-19
5.0	IAR-WSCC President's Expenses Audit 2020	FM	R	22.5	Aug-19
5.0	All-Inclusive Enterprise Risk Assessment	IS	M	22.5	May-19
5.0	IET Risk Assessment	IS	M	45.0	Oct-19
5.0	IAR-WSCC Conflicts of Interest 2019	IS	R	37.5	Jun-19
5.0	IAR-QAR Self & External	IS	P	22.5	Jul-19
5.0	YE Procedures FYE 2019	FM	S	22.5	Jun-19
5.0	YE Procedures FYE 2020	FM	S	22.5	May-20
5.0	IAR-NACHA-2019	IT	S	75.5	May-19
5.0	IAR-NACHA-2020	IT	S	105.0	Jan-21
5.0	IAR-CCTA-Workforce Training Hours 2020	SS	R	105.0	Mar-19

**Total: 1050.0**

Estimated Available Hours For Audits = **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

**Tennessee Board of Regents - Investigations  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	Conflict of Interest	IS	R	75.0	Jun-19
	Consultation with Campus Auditors	IS	C	275.0	Jul-19
	Investigation Management	IS	P	275.0	Jul-19
	State Audit Follow-up for TBR	IS	R	37.5	Jan-20
	Unscheduled Investigations	FM	I	100.0	Jul-19
	INV TBR 19-03	SS	I	75.0	Apr-19
	INV TBR 19-04	FM	I	100.0	Mar-19
	INV TBR 19-06	FM	I	37.5	Jul-19
	INV TBR 19-07	IA	I	37.5	May-19
	INV TBR 19-08	IS	I	37.5	Jul-19

**Total: 1050.0**

Estimated Available Hours For Audits = **1,050**

**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

**TCAT  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020**

Risk	Audit		Area	Type	Hours Planned	Audit Start Date
NA	FY 20 Perkins Audit		FM	A	100.0	Jan-20
NA	FY 20 TCAT Consultation		FM	C	250.0	Jul-19
NA	FY 20 TCAT Risk Assessment		FM	R	75.0	Oct-19
NA	FY 20 TCAT Audit Program		FM	C	75.0	Jul-19
NA	FY 20 TCAT Year End Procedures		FM	C	75.0	Jun-20
NA	FY 20 TCAT Foundation		FM	R	100.0	Jul-19
4.2	FY 19 TCAT Knoxville SFA	FN1	FM	A	15.0	Oct-19
4.2	FY 19 TCAT Memphis SFA	FN1	FM	A	15.0	Oct-19
4.2	FY 18 TCAT Memphis President's Expense	FN1	FM	R	15.0	Oct-19
4.1	FY 19 TCAT Elizabethton SFA	FN1	FM	A	15.0	Oct-19
4.1	FY 20 TCAT Elizabethton President's Expense		FM	R	15.0	Oct-19
3.6	FY 17 Nashville-IAR-Equipment/Security Review	FN1	FM	A	7.5	Nov-19
3.6	FY 19 TCAT Nashville SFA	FN1	FM	A	7.5	Nov-19
3.6	FY 18 TCAT Nashville President's Expense	FN1	FM	R	7.5	Nov-19
3.1	FY 19 TCAT Jackson SFA	FN1	FM	A	7.5	Feb-20
3.0	FY 19 TCAT Murfreesboro SFA	FN1	FM	A	7.5	Jan-20
3.0	FY 20 TCAT Murfreesboro President's Expense		FM	R	7.5	Jan-20
2.8	FY 17 Ripley-IAR-Equipment/Security Review	FN1	FM	A	15.0	Oct-19
2.8	FY 19 TCAT Ripley SFA	FN1	FM	A	7.5	Oct-19
2.8	FY 18 TCAT Ripley-President's Expense	FN1	FM	R	15.0	Oct-19
2.8	FY 19 TCAT Crump SFA	FN1	FM	A	7.5	Feb-20
2.7	FY 19 TCAT Morristown SFA	FN1	FM	A	15.0	Mar-20
2.7	FY 20 TCAT Morristown President's Expense		FM	R	15.0	Mar-20
2.6	FY 19 TCAT Pulaski SFA	FN1	FM	A	7.5	Jan-20
2.6	FY 17 Paris-IAR-Equipment/Security Review	FN1	FM	A	7.5	Sep-19
2.6	FY 19 TCAT Paris SFA	FN1	FM	A	7.5	Sep-19
2.6	FY 20 TCAT Paris President's Expense		FM	R	15.0	Sep-19
2.6	FY 19 TCAT McMinnville SFA	FN1	FM	A	7.5	May-20
2.6	FY 20 TCAT McMinnville President's Expense		FM	R	7.5	May-20
2.6	FY 19 TCAT Shelbyville SFA	FN1	FM	A	7.5	May-20
2.5	FY 19 TCAT Harriman SFA	FN1	FM	A	7.5	May-20
2.5	FY 20 TCAT Harriman President's Expense		FM	R	7.5	May-20
2.4	FY 19 TCAT Livingston SFA	FN1	FM	A	7.5	May-20
2.4	FY 19 TCAT Crossville SFA	FN1	FM	A	7.5	Mar-20
2.4	FY 20 TCAT Crossville President's Expense		FM	R	7.5	Mar-20
2.4	FY 19 TCAT Newbern SFA/Equipment/Security/Review	FN1	FM	A	7.5	Feb-20
2.3	FY 19 TCAT Whiteville SFA	FN1	FM	A	7.5	Feb-20
2.3	FY 20 TCAT Dickson President's Expense		FM	R	7.5	Feb-20
2.3	FY 19 TCAT Dickson SFA	FN1	FM	A	7.5	Feb-20
2.2	FY 19 TCAT Oneida SFA	FN1	FM	A	7.5	Mar-20
2.1	FY 17 TCAT Covington-IAR-Equipment/Security Review	FN1	FM	A	15.0	Apr-20
2.1	FY 19 TCAT Covington SFA	FN1	FM	A	7.5	Apr-20
2.1	FY 17 TCAT McKenzie-IAR-Equipment/Security Review	FN1	FM	A	7.5	Sep-19
2.1	FY 19 TCAT McKenzie SFA	FN1	FM	A	7.5	Sep-19
1.9	FY 19 TCAT Hohenwald SFA/Equipment/Security Review	FN1	FM	A	7.5	Jan-20
1.7	FY 19 TCAT Hartsville SFA	FN1	FM	A	7.5	May-20
1.6	FY 19 TCAT Jacksboro SFA	FN1	FM	A	7.5	Apr-20
1.6	FY 17 TCAT Athens-IAR-Equipment/Security Review	FN1	FM	A	15.0	Apr-20
1.6	FY 19 TCAT Athens SFA	FN1	FM	A	7.5	Apr-20
1.6	FY 18 TCAT Athens President's Expense	FN1	FM	R	7.5	Apr-20
1.0	FY 19 TCAT Chattanooga SFA	FN1	FM	A	15.0	Mar-20

**Total: 1110.0**

Estimated Available Hours For Audits = **1,197.5**

**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

FN1: Audits delayed due to Banner implementation and training at the central office for TCAT staff.

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Year-End Status Reports for  
Fiscal Year 2019

DATE: August 27, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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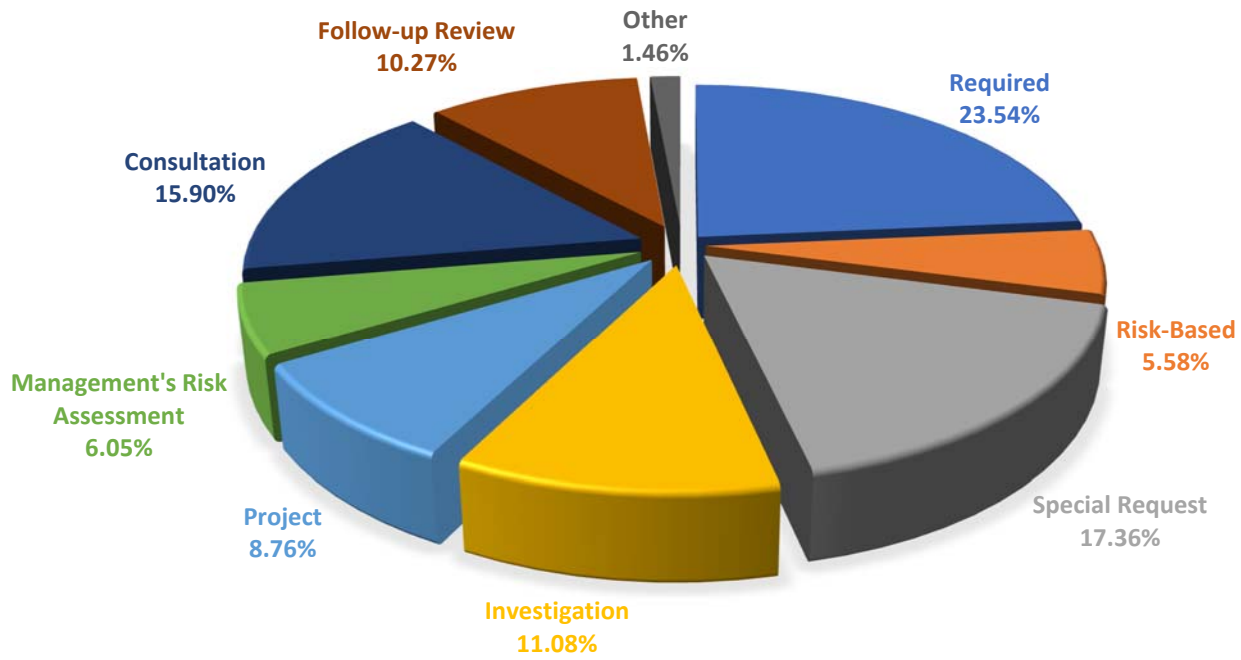
The committee will review the year-end status of the internal audit plans for the system institutions for Fiscal Year 2019. This item includes the following summary information on system audit activities for the year.

Audit Hours by Audit Type and Functional Area  
Planned vs. Actual Audit Hours  
Audit Activity Three-year Trend Analysis  
Investigation Activity

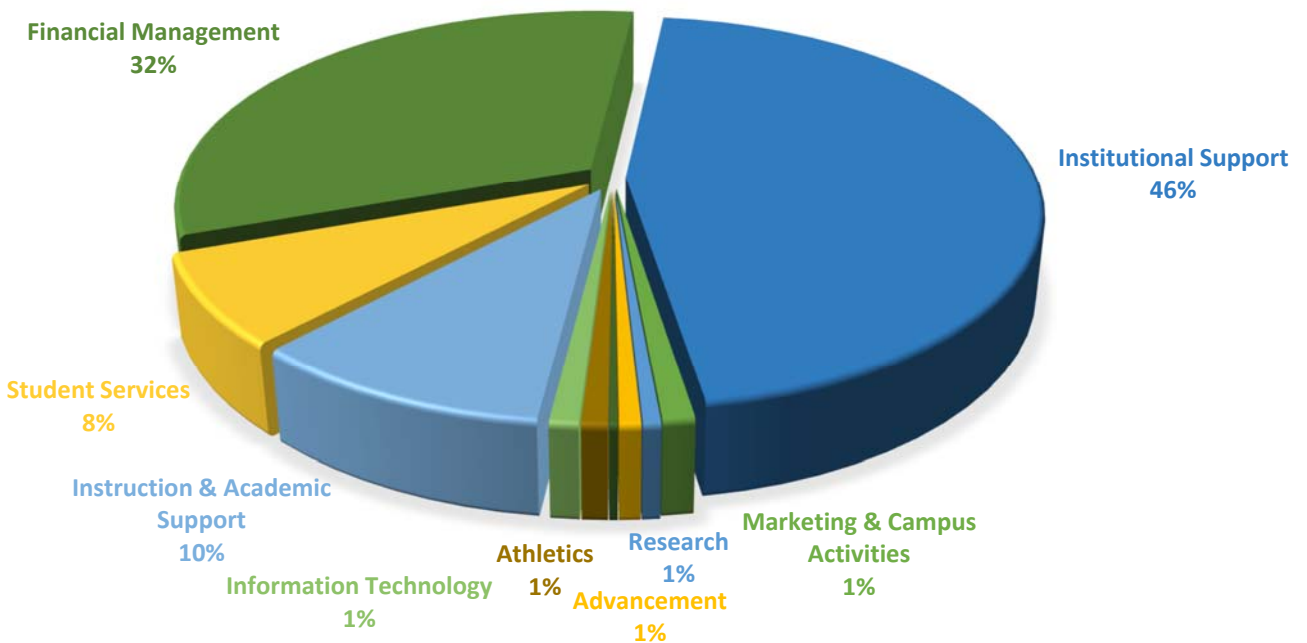
The summary schedules are followed by a Year-end Status Report for each institution and for each audit activity with the system office.



## FY 2019 TOTAL AUDIT HOURS FOR COMPLETED AUDITS BY TYPE



## FY 2019 TOTAL AUDIT HOURS FOR COMPLETED AUDITS BY FUNCTIONAL AREA



**Tennessee Board of Regents  
Planned vs. Actual Audit Hours  
Fiscal Year 2019**

Institution	Planned Audit Hours	Actual Audit Hours	% of Planned Hours Achieved
ChSCC	1042.5	937.0	89.88%
ClSCC	1063.9	573.5	53.91%
CoSCC	890.3	885.7	99.49%
DSCC	1134.0	1082.5	95.46%
JSCC	1632.8	1113.3	68.19%
MSCC	1117.5	899.3	80.47%
NaSCC	990.0	982.7	99.26%
NeSCC	1125.0	1105.5	98.27%
PSCC	967.5	965.5	99.79%
RSCC	1087.5	732.7	67.37%
STCC	1096.5	1109.0	101.14%
VSCC	907.5	844.0	93.00%
WSCC	937.5	811.5	86.56%
TBR-Investigations*	1537.5	1367.9	88.97%
TBR-Information Systems*	36.8	12.0	32.65%
TBR-TCATs*	993.8	1354.0	136.25%

**Notes:**

Variations between actual audit hours and planned hours occur because of many factors. The most common factors are unplanned absences, staff changes, or vacancies.

\* Because the SWIA CAE allocates time across various audit functions as needed, the hours may reflect time for more than the single auditor responsible for the type of audit.

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

<b>Type of Audit</b>	<b>FY2019</b>	<b>FY2018</b>	<b>FY2017</b>	<b>Average</b>
Required	26%	9%	13%	16%
Risk-Based	5%	18%	29%	17%
Investigation	15%	6%	22%	14%
Consultation	8%	20%	13%	14%
Project	11%	10%	5%	9%
Follow-up Audit	11%	12%	11%	11%
Management's Risk Assessment	8%	9%	3%	7%
Special Request	15%	14%	4%	11%
Other	2%	1%	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Summary** - The focus on Risk-Based Audits is determined by the campus auditor's risk analysis of the audit universe on each campus. Typically, as resources dedicated to Investigations or Required Audits decline, more resources are available for Risk-Based audits.

<b>By Functional Area</b>	<b>FY2019</b>	<b>FY2018</b>	<b>FY2017</b>	<b>Average</b>
Advancement	1%	0%	0%	0%
Athletics	1%	2%	3%	2%
Auxiliary	0%	1%	0%	0%
Financial Management	32%	29%	38%	33%
Instruction and Academic Support	10%	4%	3%	6%
Institutional Support	46%	49%	38%	44%
Information Technology	1%	8%	10%	6%
Marketing & Campus Activities	1%	0%	0%	0%
Physical Plant	0%	1%	3%	1%
Research	1%	0%	0%	0%
Student Services	8%	5%	5%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

## Tennessee Board of Regents Summary of Investigation Activity Fiscal Year 2019

### Allegations

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

### Investigations

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

Complaints Received	Community Colleges	Technology Colleges	System Office	Total
Tennessee Comptroller	6	1		7
System-wide Internal Audit	37	22	2*	61
Campus Internal Audit	12			12
<b>Total Complaints</b>	<b>55</b>	<b>23</b>	<b>2*</b>	<b>80</b>
Referred, Duplicative, or Not Viable	37	16	2	55
Under Preliminary Review/Consultation	2			2
Cases Opened	<b>16</b>	<b>7</b>	-	<b>23</b>
Investigations	Community Colleges	Technology Colleges	System Office	Total
Open Cases at July 1, 2018	12	9		21
Cases opened from new complaints or previous preliminary review items	16	7		23
<b>Total Cases</b>	<b>28</b>	<b>16</b>		<b>44</b>
Under further review or referred	2			2
Cases Completed, Reports Issued	12	4		16
Cases Administratively Closed	6	10		16
<b>Open Cases at June 30, 2019</b>	<b>8</b>	<b>2</b>	-	<b>10</b>

\* Allegations received for non-TBR institutions

**Tennessee Board of Regents  
Summary of Investigation Activity  
Fiscal Year 2019 as of June 30, 2019**

<b>Institution</b>	<b>Reports Issued</b>
ChSCC	Police Department Event Employment
ChSCC	Compensatory Time and Timecard Manipulation
ChSCC	Training Program for Plant Operations
ChSCC	Humanities Textbooks
CISCC	Academic Club Petty Cash
DSCC*	Review of Allegations Regarding the College
JSCC	Club Account Review
MSCC	Dual Enrollment Compensation
NaSCC*	Review of a Contractual Relationship
STCC	Review of Compensatory Time
STCC	Faculty Missing Class
WSCC	Review of Student Complaint
TCAT Elizabethton*	Investigation of False Student Refunds
TCAT Knoxville*	Investigation of Employee Dereliction of Duty
<b>Reviews of General Complaints</b>	
TCAT Nashville*	Special Review of Financial Aid
TCAT Knoxville*	Special Review of a Student Complaint

\* Investigative reviews performed by the System Office.

**Year-End Status Reports**  
**By Institution**  
**Fiscal Year Ending June 30, 2019**

**Chattanooga State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	S	YE Procedures FYE 2018	5.0	11.3	11.3	0.0	0%		11.0	0.3	Sep-18	Completed
IS	R	QAR-Self & External	5.0	37.5	37.5	0.0	0%		39.5	-2.0	Oct-18	Completed
IS	M	Enterprise Risk Assessment	5.0	45.0	45.0	0.0	0%		35.0	10.0	Dec-18	Completed
IS	I	INV 18-03	5.0	22.5	22.5	0.0	0%		27.0	-4.5	Jan-19	Completed
IS	I	INV 18-04	5.0	22.5	22.5	0.0	0%		24.5	-2.0	Jan-19	Completed
SS	S	TCAT Truck Driving Program	5.0	0.0	105.0	105.0	N/A	1	106.0	-1.0	Jan-19	Completed
SS	F	CCTA-Worforce Training Hours Follow Up 3	5.0	90.0	90.0	0.0	0%		99.5	-9.5	Mar-19	Completed
IS	I	INV 19-01	5.0	0.0	60.0	60.0	N/A	4	61.5	-1.5	Mar-19	Completed
IS	C	Management Advisory Services	5.0	105.0	105.0	0.0	0%		113.5	-8.5	Jun-19	Completed
FM	F	State Audit Assist/Follow-up	5.0	11.3	11.3	0.0	0%		9.0	2.3	Jun-19	Completed
IS	F	Follow up Reviews	5.0	90.0	90.0	0.0	0%		96.0	-6.0	Jun-19	Completed
IS	I	Developing Investigations - Assist TBR	5.0	15.0	15.0	0.0	0%		8.5	6.5	Jun-19	Completed
IS	I	INV 19-02	5.0	0.0	52.5	52.5	N/A	3 & 4	49.0	3.5	Jun-19	Completed
IS	P	Special Projects-Audit Software	5.0	15.0	15.0	0.0	0%		14.0	1.0	Jun-19	Completed
IS	S	Conflict of Interest	5.0	0.0	45.0	45.0	N/A	3	45.0	0.0	Jun-19	Completed
SS	S	Student Complaints	5.0	120.0	120.0	0.0	0%		110.0	10.0	Jun-19	Completed
SS	S	Student Record Retention	5.0	105.0	105.0	0.0	0%	5	19.0	86.0	Jun-19	Completed
IT	A	Software License Compliance	3.5	75.0	75.0	0.0	0%		55.5	19.5		In Progress
FM	S	YE Procedures FYE 2019	5.0	15.0	15.0	0.0	0%		13.5	1.5		In Progress
IS	A	HR Grievance Process	3.6	105.0	0.0	-105.0	-100%	1		0.0		Removed
IS	I	Unscheduled Investigations	5.0	105.0	0.0	-105.0	-100%	2		0.0		Removed
IT	S	NACHA-2019	5.0	60.0	0.0	-60.0	-100%	3		0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>1042.5</b>	<b>-7.5</b>			<b>937.0</b>	<b>105.5</b>		
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: Added audit at request of President and removed audit to gain hours for project.  
 FN2: Removed placeholder for year-end.  
 FN3: Added requested audit and received investigation and removed audit from plan for hours for projects.  
 FN4: Added investigation.  
 FN5: Audit combined with Student Complaints based on greater understanding of requested project scope.

**Cleveland State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours*	Variance	Completion Date	Current Status
IS	S	Year End 2018	5.0	7.5	7.5	0.0	0%		8.0	-0.5	Aug-18	Completed
FM	S	NACHA 2018	5.0	99.8	75.0	-24.8	-25%		73.0	2.0	Oct-18	Completed
IS	R	QAR 2018	5.0	15.0	15.0	0.0	0%		14.5	0.5	Oct-18	Completed
IS	M	Enterprise-Wide Risk Assessment	5.0	30.0	13.1	-16.9	-56%		9.5	3.6	Dec-18	Completed
FM	A	IAR-Payroll	3.2	75.0	60.0	-15.0	-20%		64.5	-4.5	Jan-19	Completed
IS	I	Investigation 19-01	5.0	0.0	137.3	137.3	N/A	1	174.0	-36.8	Jan-19	Completed
IA	R	Work Force Development	2.4	150.0	150.0	0.0	0%		127.5	22.5	Apr-19	Completed
FM	A	IAR-Maintenance/Tuition and Related Fees	3.3	112.5	105.0	-7.5	-7%		27.0	78.0	May-19	Completed
FM	R	NACHA 2019	5.0	112.5	97.5	-15.0	-13%			97.5	Jun-19	Completed
IS	R	Conflict of Interest	2.7	120.0	120.0	0.0	0%			120.0	Jun-19	Completed
IS	S	Year End 2019	5.0	15.0	6.0	-9.0	-60%			6.0	Jun-19	Completed
IS	F	Follow-up Reviews	5.0	90.0	90.0	0.0	0%		2.0	88.0		In Progress
IS	P	Special Project Automate Workpapers	5.0	22.5	22.5	0.0	0%		15.0	7.5		In Progress
IS	R	State Audit Follow-up	5.0	15.0	15.0	0.0	0%		8.0	7.0		In Progress
IS	S	Management Advisory Services	5.0	75.0	60.0	-15.0	-20%		16.5	43.5		In Progress
IS	S	Shared Services	5.0	90.0	90.0	0.0	0%		34.0	56.0		In Progress
IS	I	Unscheduled Investigations	5.0	60.0	0.0	-60.0	-100%	1		0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1089.8</b>	<b>1063.9</b>	<b>-25.9</b>			<b>573.5</b>	<b>490.4</b>		

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.

\* Auditor is on extended leave. No hours were entered from 04/01/2019 to 06/30/2019 before leave was taken.



**Columbia State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	M	Annual Department Budget Briefings	3.2	30.0	22.5	-7.5	-25%	3	22.8	-0.3	Jul-18	Completed
FM	R	17-18 State Audit Year-End Work	2.9	15.0	5.3	-9.8	-65%	3	4.5	0.8	Sep-18	Completed
IS	R	IIA Quality Assurance External Review	3.1	45.0	71.3	26.3	58%	1	71.2	0.0	Oct-18	Completed
FM	S	President/Chancellor Expense Review	2.9	37.5	67.5	30.0	80%	1	67.5	0.0	Nov-18	Completed
AT	C	TitleIX - Self Assessment	3.5	37.5	52.5	15.0	40%	1	52.5	0.0	Jan-19	Completed
IS	P	Achieving the Dream College Initiative	3.5	150.0	16.5	-133.5	-89%	2	16.5	0.0	Jan-19	Completed
FM	I	CoSCC INV 19-01	2.9	0.0	3.8	3.8	N/A		3.5	0.3	Jun-19	Completed
FM	R	18-19 State Audit Year-End Work	2.9	22.5	6.0	-16.5	-73%		5.8	0.2	Jun-19	Completed
IS	C	Management Advisory Services	5.0	52.5	114.0	61.5	117%		113.3	0.7	Jun-19	Completed
IS	F	Engagement Follow-up Review	3.2	30.0	10.5	-19.5	-65%	2	10.0	0.5	Jun-19	Completed
IS	O	Awareness Education	3.1	37.5	30.0	-7.5	-20%	2	29.5	0.5	Jun-19	Completed
IS	A	EWD Controls Review	5.0	67.5	186.0	118.5	176%	1	186.0	0.0	Nov-19	Completed
FM	M	Review Management's Risk Assessment	5.0	22.5	7.5	-15.0	-67%		6.5	1.0	Dec-19	Completed
IS	A	Policy Compliance Reviews	3.5	75.0	168.0	93.0	124%		167.3	0.7		In Progress
SS	A	Financial Aid-Phase 2	4.0	150.0	129.0	-21.0	-14%	1	128.8	0.2		In Progress
FM	A	Third-Party Risk Management	3.3	75.0	0.0	-75.0	-100%	2		0.0		Removed
FM	F	Sensitive Equipment Inventory Controls Review	2.9	22.5	0.0	-22.5	-100%	4		0.0		Removed
IS	A	Data Privacy, Retention, Red Flags	3.4	150.0	0.0	-150.0	-100%	2		0.0		Removed
IS	A	Business Continuity Plan	3.2	37.5	0.0	-37.5	-100%	2		0.0		Removed
IT	A	Cybersecurity Plan	3.5	52.5	0.0	-52.5	-100%	2		0.0		Removed

**Total Planned Audit Hours:** 1110.0      **890.3**      **-219.8**      **885.7**      **4.5**  
 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 Included in Policy Review Engagement

**Dyersburg State Community College**  
**Year-End Status Report**  
**Fiscal Year Ended June 30, 2019**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	2018 Year-End Bank Counts		0.0	0.0	0.0	N/A		3.0	-3.0	Jul-18	Completed
FM	R	STCC President's Expense Audit	5.0	170.3	165.0	-5.3	-3%		156.0	9.0	Oct-18	Completed
IS	R	QAR 2018 External Review	5.0	15.0	37.5	22.5	150%	2	37.5	0.0	Oct-18	Completed
IS	M	2018 Risk Assessment	5.0	90.0	108.8	18.8	21%		109.0	-0.3	Dec-18	Completed
IS	P	QAR 2018 Subcommittee Project	5.0	24.8	31.5	6.8	27%		31.5	0.0	Dec-18	Completed
IS	I	INV 19-01	5.0	0.0	30.0	30.0	N/A		23.0	7.0	Feb-19	Completed
AD	R	Workforce Contact Hours	4.2	35.3	60.0	24.8	70%		56.5	3.5	Mar-19	Completed
FM	S	Faculty Sick Leave	5.0	15.0	90.0	75.0	500%	1	60.0	30.0	Apr-19	Completed
IS	R	Conflict of Interest	3.5	65.3	90.0	24.8	38%		78.0	12.0	May-19	Completed
FM	R	2019 Year-End Bank Counts	3.7	30.0	30.0	0.0	0%		24.0	6.0	Jun-19	Completed
IS	C	General Consultation	5.0	95.3	172.5	77.3	81%		171.5	1.0	Jun-19	Completed
IS	C	PII Review	5.0	105.0	112.5	7.5	7%		115.0	-2.5	Jun-19	Completed
IS	F	Follow-up Audits	4.2	80.3	78.8	-1.5	-2%		105.0	-26.3	Jun-19	Completed
SS	S	FA Federal Work Study Program and FA Fraud	4.1	20.3	90.0	69.8	344%	2	83.0	7.0	Jun-19	Completed
FM	S	Cash Handling Procedures	3.7	65.3	37.5	-27.8	-43%		29.5	8.0		In Progress
AT	A	Athletics Eligibility	3.9	75.0	0.0	-75.0	-100%	3		0.0		Removed
AT	A	Athletics Camps, Clinics, Fundraising		72.0	0.0	-72.0	-100%	3	0.0	0.0		Removed
FM	A	Records Management and Retention	3.0	90.0	0.0	-90.0	-100%	4	0.0	0.0		Removed
IS	I	Unscheduled Investigations	5.0	144.8	0.0	-144.8	-100%	5	0.0	0.0		Removed

**Total Planned Audit Hours:** 1193.3    **1134.0**    **-59.3**    **1082.5**    **51.5**  
 Estimated Available Audit Hours = 1175.25

**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.  
 FN5: Placeholder removed from plan for year-end reporting.

**Jackson State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	F	Emergency Preparedness Follow-up	5.0	75.0	75.0	0.0	0%		49.0	26.0	Mar-19	Completed
IS	M	Risk Assessment	5.0	97.5	97.5	0.0	0%		44.5	53.0	Nov-18	Completed
IS	R	Quality Assurance External Review	5.0	75.0	45.0	-30.0	-40%	3	22.0	23.0	Nov-18	Completed
IS	R	Conflict of Interest	5.0	0.0	127.5	127.5	N/A	5	109.0	18.5	Jun-19	Completed
IS	S	Fixed Assets	5.0	0.0	90.0	90.0	N/A		61.5	28.5	Jan-19	Completed
FM	F	State Audit Follow-up	4.2	75.0	127.5	52.5	70%	3	113.3	14.2	Nov-18	Completed
IA	R	Workforce Development	4.2	187.5	127.5	-60.0	-32%		141.0	-13.5	Apr-19	Completed
SS	I	INV 18-03	4.2	75.0	127.5	52.5	70%	3	43.0	84.5	Dec-18	Completed
AT	I	INV 19-01 Timekeeping	5.0	0.0	27.8	27.8	N/A	2	245.5	-217.8		In Progress
FM	F	Access and Diversity Follow-up	5.0	75.0	75.0	0.0	0%		13.0	62.0		In Progress
FM	R	Year-End Procedures	5.0	37.5	30.0	-7.5	-20%		34.5	-4.5		In Progress
IA	F	Study Abroad Follow-up	5.0	75.0	75.0	0.0	0%		18.5	56.5		In Progress
IA	I	INV 18-01 Notification-Jan 2018	5.0	75.0	112.5	37.5	50%	1	53.0	59.5		In Progress
IS	C	General Consultation	5.0	75.0	75.0	0.0	0%		165.5	-90.5		In Progress
IS	I	Unscheduled Investigations	5.0	60.0	0.0	-60.0	-100%	1		0.0		Removed
IS	A	Financial Aid	4.1	187.5	0.0	-187.5	-100%	4		0.0		Removed
AD	C	Foundation 2017-18	5.0	150.0	120.0	-30.0	-20%			120.0		Scheduled
FM	F	Payroll Follow-up	5.0	75.0	75.0	0.0	0%			75.0		Scheduled
IA	F	INV 18-01 Follow-up	5.0	75.0	75.0	0.0	0%			75.0		Scheduled
SS	F	INV 18-03 Follow-up	4.2	75.0	75.0	0.0	0%			75.0		Scheduled
SS	S	Veterans Affairs Student Records	4.2	75.0	75.0	0.0	0%			75.0		Scheduled
<b>Total Planned Audit Hours:</b>				<b>1620.0</b>	<b>1632.8</b>	<b>12.8</b>			<b>1113.3</b>	<b>519.5</b>		

Estimated Available Audit Hours = 1649.25

**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  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	President's Expense Audit ChSCC FY 2018	5.0	75.0	75.0	0.0	0%		119.8	-44.8	Oct-18	Completed
IA	F	INV 18-03 Follow-up	5.0	30.0	45.0	15.0	50%		45.3	-0.3	Dec-18	Completed
IS	M	MRA Access	5.0	37.5	30.0	-7.5	-20%		31.6	-1.6	Dec-18	Completed
IS	P	Quality Assessment Review	5.0	40.5	40.5	0.0	0%		34.1	6.4	Dec-18	Completed
MC	R	Workforce Development	5.0	69.8	135.0	65.3	94%		134.5	0.5	Apr-19	Completed
AT	F	INV 16-04 Follow-up	5.0	40.5	60.0	19.5	48%		56.3	3.7	Jun-19	Completed
FM	R	State Audit Assistance Year End	5.0	22.5	22.5	0.0	0%		13.5	9.0	Jun-19	Completed
IA	I	INV 18-04	5.0	30.0	60.0	30.0	100%	2	58.6	1.4	Jun-19	Completed
IS	C	General Consultation	5.0	80.3	159.8	79.5	99%	1	156.7	3.1	Jun-19	Completed
IS	I	INV/Assist SWIA	5.0	50.3	45.0	-5.3	-10%		53.6	-8.6	Jun-19	Completed
SS	P	Student Complaint FA	5.0	0.0	45.0	45.0	N/A	1	31.4	13.6	Jun-19	Completed
IS	R	Conflict of Interest	5.0	45.0	45.0	0.0	0%		42.0	3.0	Jul-19	Completed
IT	F	INV 16-01 Follow-up	5.0	39.8	54.8	15.0	38%		40.5	14.3	Aug-19	Completed
FM	F	Access and Diversity 2014-2015 Follow-up	5.0	50.3	50.3	0.0	0%		5.0	45.3		In Progress
FM	I	INV 19-01	4.2	0.0	24.8	24.8	N/A	4	13.5	11.3		In Progress
IA	F	INV 18-02 Follow-up	5.0	39.8	54.8	15.0	38%		47.0	7.8		In Progress
IA	S	Study Abroad	5.0	45.0	30.0	-15.0	-33%		4.4	25.6		In Progress
IT	F	Information Technology Follow-up	5.0	30.0	30.0	0.0	0%		10.5	19.5		In Progress
SS	F	INV 18-01 Follow-up	5.0	30.0	45.0	15.0	50%		1.0	44.0		In Progress
FM	P	Data Analytics	5.0	50.3	50.3	0.0	0%	6	4.0	46.3		Removed
IA	F	INV 18-04 Follow-up	5.0	30.0	0.0	-30.0	-100%	2	0.0	0.0		Removed
IS	F	Other Internal Audit Follow-up	5.0	20.3	0.0	-20.3	-100%	3	0.0	0.0		Removed
SS	A	Admissions and Records	5.0	130.5	15.0	-115.5	-89%	5	12.5	2.5		Removed
SS	A	Financial Aid	4.8	130.5	0.0	-130.5	N/A	5	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1117.5</b>	<b>1117.5</b>	<b>0.0</b>			<b>915.8</b>	<b>201.7</b>		

Estimated Available Audit Hours = 1132.5

**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.

FN6: Data analytics will be incorporated into audit programs rather than time allocated separately.

**Nashville State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

					Revised to Original			Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	M	IA Letter MRA	5.0	15.0	15.0	0.0	0%		10.0	5.0	Dec-18	Completed
IS	I	INV 18-02	5.0	31.5	10.5	-21.0	-67%	2	64.0	-53.5	Jan-19	Completed
FM	F	State Audit Follow-up	3.7	37.5	86.3	48.8	130%	2	83.9	2.3	Jun-19	Completed
FM	R	Year-End Work	5.0	22.5	43.5	21.0	93%	2	27.0	16.5	Jun-19	Completed
IA	R	Workforce and Community Development	2.4	75.0	18.8	-56.3	-75%	2	77.5	-58.8	Jun-19	Completed
IS	C	General Consultation	2.5	105.0	105.0	0.0	0%		80.5	24.5	Jun-19	Completed
IS	S	Special Projects	5.0	112.5	150.0	37.5	33%		143.8	6.2	Jun-19	Completed
IS	S	Assisting SWIA	4.2	75.0	157.5	82.5	110%	2	160.0	-2.5	Jun-19	Completed
IT	F	SWIA IT Audit Follow-up	3.4	37.5	37.5	0.0	0%		2.0	35.5	Jun-19	Completed
IS	R	Conflict of Interest	3.7	0.0	15.0	15.0	N/A	3	68.0	-53.0		In Progress
IS	S	Human Resources	3.7	105.0	133.5	28.5	27%		133.5	0.0		In Progress
PP	A	Security-Clery Act	3.4	90.0	90.0	0.0	0%		68.0	22.0		In Progress
SS	F	Federal FA Audit Follow-up	2.7	37.5	127.5	90.0	240%	2	64.5	63.0		In Progress
FM	A	PP&E Accounting	4.2	90.0	0.0	-90.0	-100%	1		0.0		Removed
FM	A	Account Reconciliation Procedures	3.7	75.0	0.0	-75.0	-100%	1		0.0		Removed
FM	A	Contracts Compliance	3.5	90.0	0.0	-90.0	-100%	1		0.0		Removed
IS	I	Unscheduled Investigations	5.0	90.0	0.0	-90.0	-100%	1		0.0		Removed
IT	A	Disaster Recovery	4.2	15.0	0.0	-15.0	-100%	1		0.0		Removed
IT	A	PII (and PHI) Data Security	4.0	15.0	0.0	-15.0	-100%	1		0.0		Removed
SS	A	Federal Work Study Program	2.7	75.0	0.0	-75.0	-100%	1		0.0		Removed

**Total Planned Audit Hours:** 1194.0    **990.0**    **-204.0**    **982.7**    **7.3**  
 Estimated Available Audit Hours = 1194

**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  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
RS	P	IRB Review	5.0	15.0	75.0	60.0	400%	4	75.0	0.0	Sep-18	Completed
IS	P	QAR 2019	5.0	22.5	82.5	60.0	267%	3	82.5	0.0	Oct-18	Completed
FM	M	Risk Assessments	5.0	52.5	52.5	0.0	0%		52.5	0.0	Dec-18	Completed
IA	R	Workforce Development 2018	5.0	150.0	90.0	-60.0	-40%	2	92.5	-2.5	Mar-19	Completed
FM	R	State Audit Follow-up	5.0	75.0	75.0	0.0	0%		80.5	-5.5	May-19	Completed
FM	R	State Audit LOU Follow-up	5.0	0.0	52.5	52.5	N/A	5	52.5	0.0	May-19	Completed
FM	A	Accounts Receivable Review	5.0	75.0	150.0	75.0	100%	1	152.0	-2.0	Jun-19	Completed
FM	A	Bank Reconciliations Review	5.0	75.0	90.0	15.0	20%		90.0	0.0	Jun-19	Completed
FM	R	State Audit Assistance Year-End	5.0	52.5	52.5	0.0	0%		52.5	0.0	Jun-19	Completed
IS	C	General Consultation	5.0	52.5	52.5	0.0	0%		61.5	-9.0	Jun-19	Completed
IS	F	Other Internal Audit Follow-up	5.0	37.5	37.5	0.0	0%		41.5	-4.0	Jun-19	Completed
IS	P	Electronic Workpapers Software	5.0	37.5	37.5	0.0	0%		38.5	-1.0	Jun-19	Completed
IS	R	Conflict of Interest Review	5.0	150.0	90.0	-60.0	-40%	2	98.5	-8.5	Jun-19	Completed
IS	S	Special Requests and Projects	5.0	52.5	52.5	0.0	0%		61.5	-9.0	Jun-19	Completed
IS	S	TBR Assistance	5.0	0.0	30.0	30.0	N/A	5	28.0	2.0	Jun-19	Completed
FM	A	Grants and Contracts Review	5.0	105.0	105.0	0.0	0%		46.0	59.0		In Progress
SS	S	Graduate Placement Review	5.0	150.0	0.0	-150.0	-100%	2	0.0	0.0		Removed

**Total Planned Audit Hours: 1102.5 1125.0 22.5 1105.5 19.5**

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: 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  
 FN5: Added required audit and special request

**Pellissippi State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
AD	S	Consulting/Special Request/MAS	5.0	37.5	37.5	0.0	0%		34.0	3.5	Jun-19	Completed
FM	F	Audit Follow-ups	5.0	52.5	45.0	-7.5	-14%		43.5	1.5	Jun-19	Completed
FM	P	MKInsight Software	5.0	52.5	45.0	-7.5	-14%		51.5	-6.5	Jun-19	Completed
FM	P	Review of RFP's, café prices, & other business office issues	5.0	37.5	30.0	-7.5	-20%		22.5	7.5	Jun-19	Completed
FM	R	Northeast State President's Expense	5.0	75.0	127.5	52.5	70%	1	130.5	-3.0	Oct-18	Completed
FM	S	NACHA	5.0	90.0	75.0	-15.0	-17%		72.5	2.5	Jan-19	Completed
IA	C	Review of Compliance Assist	5.0	37.5	37.5	0.0	0%		26.5	11.0	Jun-19	Completed
IA	S	Faculty Credentials	5.0	105.0	127.5	22.5	21%		128.0	-0.5	Mar-19	Completed
IS	M	Enterprise Wide Risk Assessment	5.0	22.5	15.0	-7.5	-33%		13.5	1.5	Dec-18	Completed
IS	P	ETSU Quality Assurance Review External Validation	5.0	75.0	75.0	0.0	0%		73.5	1.5	Aug-18	Completed
IS	P	Quality Assurance Review	5.0	60.0	52.5	-7.5	-13%		51.5	1.0	Nov-18	Completed
IS	P	Review of French Exchange Program	5.0	30.0	30.0	0.0	0%		33.5	-3.5	May-19	Completed
IS	R	Conflict of Interest	5.0	0.0	45.0	45.0	N/A	4	51.0	-6.0	Jun-19	Completed
IS	S	Consulting/Special Request/MAS	5.0	90.0	90.0	0.0	0%		106.0	-16.0	Jun-19	Completed
IT	P	IT Security Consulting, MAS, Banner Steering	5.0	22.5	22.5	0.0	0%		22.5	0.0	Jun-19	Completed
IT	P	HVAC Vulnerability Assessment	5.0	0.0	52.5	52.5	N/A	2	45.5	7.0	Jan-19	Completed
SS	R	CCTA (Funding Formula)	5.0	97.5	60.0	-37.5	-38%		59.5	0.5	Mar-19	Completed
PP	A	Facilities-Maintenance Operations	3.6	150.0	0.0	-150.0	-100%	3		0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1035.0</b>	<b>967.5</b>	<b>-67.5</b>			<b>965.5</b>	<b>2.0</b>		

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

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

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  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
SS	S	Workforce Dev Contact Hrs	4.2	60.0	52.5	-7.5	-13%		50.5	2.0	Apr-18	Completed
IS	P	Quality Assurance Review	5.0	0.0	30.0	30.0	#DIV/0!	2	28.3	1.7	Nov-18	Completed
IS	M	Enterprise Risk Assessment	5.0	60.0	60.0	0.0	0%		57.8	2.2	Dec-18	Completed
FM	I	INV 17-02	4.2	75.0	75.0	0.0	0%		15.0	60.0	Jan-19	Completed
FM	F	State Audit Follow-up	4.2	37.5	67.5	30.0	80%	4	67.0	0.5	Apr-19	Completed
IS	S	SACS- COC Audit	4.2	90.0	11.3	-78.8	-88%	3	8.8	2.5	May-19	Completed
FM	R	Year-End Cash Counts	5.0	37.5	37.5	0.0	0%		38.8	-1.3	Jun-19	Completed
IS	C	General Consultation	5.0	142.5	225.0	82.5	58%	4	218.8	6.2	Jun-19	Completed
IS	S	Conflict of Interest	4.2	22.5	22.5	0.0	0%		21.3	1.2	Jun-19	Completed
FM	I	Unscheduled Investigations	4.2	37.5	37.5	0.0	0%		16.8	20.7	Jun-19	Completed
AX	S	Foundation	4.2	75.0	75.0	8.8	12%		8.8	66.2		In Progress
FM	R	Acct Rec FY18	3.3	75.0	75.0	0.0	0%		5.5	69.5		In Progress
FM	S	Access & Diversity FY2016	5.0	22.5	22.5	0.0	0%		0.0	22.5		In Progress
FM	S	ACA Reporting	4.2	22.5	22.5	0.0	0%		9.5	13.0		In Progress
IA	S	Grade Changes	5.0	0.0	112.5	112.5	#DIV/0!	1	63.0	49.5		In Progress
IS	S	Workload Release Time	4.2	37.5	123.8	86.3	230%	4	122.8	1.0		In Progress
FM	F	Follow-up Reviews	4.2	37.5	37.5	0.0	0%		0.0	37.5		In Progress
IA	A	International Education FY18	5.0	52.5	0.0	-52.5	-100%		0.0	0.0		Removed
IS	M	TCAT Crossville RA	5.0	15.0	0.0	-15.0	-100%		0.0	0.0		Removed
IS	M	TCAT Harriman RA	5.0	15.0	0.0	-15.0	-100%		0.0	0.0		Removed
IS	M	TCAT Jacksboro RA	5.0	15.0	0.0	-15.0	-100%		0.0	0.0		Removed
IS	M	TCAT Oneida RA	5.0	15.0	0.0	-15.0	-100%		0.0	0.0		Removed

**Total Planned Audit Hours: 945.0    1087.5    142.5    732.7    354.8**  
 Estimated Available Audit Hours = 960.0

**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  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

					Revised to Original			Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	P	IAR-IIA QAR	5.0	30.0	45.0	15.0	50%		33.5	11.5	Nov-18	Completed
IS	F	FU-Federal Work Study	5.0	22.5	90.0	67.5	300%	2	101.5	-11.5	Mar-19	Completed
FM	A	IAR-Review of Security	4.2	105.0	127.5	22.5	21%		177.5	-50.0	Dec-18	Completed
FM	F	FU-Access and Diversity Fund	4.2	15.0	15.0	0.0	0%		12.0	3.0	Dec-18	Completed
FM	I	INV1802-Day Care	4.2	30.0	15.0	-15.0	-50%	4	3.0	12.0	Aug-18	Completed
FM	I	INV1901-Compensatory Time	4.2	0.0	67.5	67.5	N/A	3	29.5	38.0	Jan-19	Completed
FM	I	INV1902-Faculty Missing Class	4.2	0.0	0.0	0.0	N/A	3		0.0	Jan-19	Completed
FM	M	IAR-Risk Management-Physical Plant	4.2	22.5	37.5	15.0	67%	2	44.5	-7.0	Dec-18	Completed
FM	R	IAR Workforce Development	4.2	105.0	105.0	0.0	0%		125.5	-20.5	Mar-19	Completed
IS	F	FU-TAF	4.2	37.5	30.0	-7.5	-20%		25.0	5.0	Dec-18	Completed
IS	F	FU-Information Security Audit	4.2	0.0	54.0	54.0	N/A	1	62.5	-8.5	Mar-19	Completed
IS	I	INV1602	4.2	30.0	7.5	-22.5	-75%	4		7.5	Jan-19	Completed
IS	R	IAR-Conflict of Interest	4.2	0.0	37.5	37.5	N/A	5	47.5	-10.0	Apr-19	Completed
PP	F	FU-Revitalization Grant	4.2	30.0	22.5	-7.5	-25%		10.5	12.0	Aug-18	Completed
FM	S	Deaf Connect of the Mid-South	3.0	0.0	75.0	75.0	N/A	5	113.5	-38.5	Jun-19	Completed
FM	R	IAR-Cash Count	2.7	30.0	67.5	37.5	125%	4	67.0	0.5	Jul-19	Completed
SS	C	IAR-General Consultation	2.6	105.0	105.0	0.0	0%		176.5	-71.5	Jun-19	Completed
FM	P	ACM-Audit Software	4.2	90.0	90.0	0.0	0%		73.5	16.5		In Progress
IS	F	FU-Out of State Tuition	4.2	105.0	105.0	0.0	0%		6.0	99.0		In Progress
FM	F	FU-Internal Audit	5.0	30.0	0.0	-30.0	-100%	3		0.0		Removed
FM	F	FU-State Audit	5.0	112.5	0.0	-112.5	-100%	3		0.0		Removed
IS	F	FU-Federal Audit	5.0	22.5	0.0	-22.5	-100%	3		0.0		Removed
IS	F	FU-Industrial Readiness	4.2	30.0	0.0	-30.0	-100%	3		0.0		Removed
FM	I	Unscheduled Investigations	2.6	112.5	0.0	-112.5	-100%	3		0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1065.0</b>	<b>1096.5</b>	<b>31.5</b>	<b>-1065.0</b>		<b>1109.0</b>	<b>-12.5</b>	<b>130790.0</b>	

Estimated Available Audit Hours = 1170.0

**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: Follow-up on previous TBR IT audit findings required due to vacant TBR IT position.  
 FN2: Hours increased due to need.  
 FN3: IPlace holders removed for year-end reporting.  
 FN4: Hours reduced due to completion.  
 FN5: Audits added due to request.

**Volunteer State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	P	QAIP Self Assessment	5.0	112.5	52.5	-60.0	-53%	2	47.0	5.5	Jul-18	Completed
FM	F	Additional Follow-up for State Audit Reports	4.2	0.0	262.5	262.5	N/A	1	236.0	26.5	Dec-18	Completed
IS	M	Management Risk Assessment	5.0	75.0	105.0	30.0	40%	4	92.5	12.5	Dec-18	Completed
IA	R	Workforce Development	5.0	187.5	187.5	0.0	0%		195.0	-7.5	Apr-19	Completed
FM	S	State Audit Year-End Procedures	5.0	37.5	37.5	0.0	0%		41.0	-3.5	Jun-19	Completed
IS	C	General Consultation	5.0	112.5	150.0	37.5	33%	2	129.0	21.0	Jun-19	Completed
FM	R	Conflict of Interest	5.0	112.5	112.5	0.0	0%		103.5	9.0		In Progress
IS	A	Business Division Grants	5.0	187.5	0.0	-187.5	-100%	3		0.0		Removed
IS	F	Follow-up Activities	5.0	112.5	0.0	-112.5	-100%	5		0.0		Removed
IS	I	Unscheduled Investigations	5.0	37.5	0.0	-37.5	-100%	5		0.0		Removed
SS	A	Work Study Program	5.0	187.5	0.0	-187.5	-100%	3		0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1162.5</b>	<b>907.5</b>	<b>-255.0</b>			<b>844.0</b>	<b>63.5</b>		

Estimated Available Audit Hours = 922.5

**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.  
 FN5: Placeholder removed from plan.

**Walters State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	FY18 Fiscal Year-End Procedures for State Audit	4.2	34.5	37.5	3.0	9%		12.0	25.5	Jul-18	Completed
IS	C	FY18 Institutional Support Consulting	4.2	6.0	7.5	1.5	25%		0.0	7.5	Jul-18	Completed
FM	S	FY19 PSCC President's Expenses Audit	4.2	150.0	150.0	0.0	0%		112.5	37.5	Oct-18	Completed
IS	R	FY18 IIA Quality Assurance Review	5.0	22.5	22.5	0.0	0%		11.0	11.5	Nov-18	Completed
SS	M	FY19 Student Services Access Risk Assessment	5.0	15.0	15.0	0.0	0%		15.0	0.0	Dec-18	Completed
FM	R	FY19 Fiscal year-End Procedures for State Audit	4.2	30.0	30.0	0.0	0%		30.0	0.0	Jun-19	Completed
IS	I	FY19 Unscheduled Investigations	4.2	37.5	37.5	0.0	0%		30.0	7.5	Jun-19	Completed
IS	S	FY19 Institutional Support Consulting	4.2	359.3	360.0	0.8	0%		340.5	19.5	Jun-19	Completed
FM	R	FY19 State Audit Follow-up	4.2	37.5	90.0	52.5	140%		84.0	6.0	Jul-19	Completed
SS	R	FY19 CCTA Funding Formula- Workforce Training	4.2	150.0	150.0	0.0	0%		165.0	-15.0	Jul-19	Completed
FM	S	FY19 NACHA Compliance Review	4.2	187.5	37.5	-150.0	-80%	2,3	11.5	26.0		In Progress
IS	A	FY19 Enterprise-wide Risk Management	4.2	7.5	0.0	-7.5	-100%	1	0.0	0.0		Removed
IT	A	FY19 IT Governance	4.2	187.5	0.0	-187.5	-100%	2	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1224.8</b>	<b>937.5</b>	<b>-287.3</b>			<b>811.5</b>	<b>126.0</b>		

Estimated Available Audit Hours = 1237.5

**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 367 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 - Information Systems  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IT	A	STCC Information Security Audit		0.0	7.5	7.5	N/A	1	7.5	0.0	Jul-18	Completed
IT	A	CoSCC Information Security Audit		0.0	7.5	7.5	N/A	1&3	4.5	3.0	Feb-19	Completed
IT	A	TCAT - Cyber Security/Shared Services	3.4	75.0	0.0	-75.0	-100%	2	0.0	0.0		Removed
IT	A	VSCC Information Security Audit		135.0	0.0	-135.0	-100%	2	0.0	0.0		Removed
IT	A	NeSCC Information Security Audit		135.0	0.0	-135.0	-100%	2	0.0	0.0		Removed
IT	A	WSCC Information Security Audit		0.0	0.0	0.0	N/A	1&2	2.0	-2.0		Removed
IT	A	MSCC Information Security Audit		0.0	0.0	0.0	N/A	1&2	2.0	-2.0		Removed
IT	A	TNeCampus Information Security Audit		0.0	0.0	0.0	N/A	1&2	8.5	-8.5		Removed
IT	A	NaSCC Information Security Audit		0.0	0.0	0.0	N/A	1&2	25.5	-25.5		Removed
IT	C	IT Consulting & Requested Projects	4.2	225.0	11.3	-213.8	-95%	1&2	11.0	0.3		Removed
IT	F	SWIA Follow-up on all SW IT Audits	5.0	37.5	10.5	-27.0	-72%	1&2	10.5	0.0		Removed
IT	P	Banner ODS Data Warehouse Project		0.0	0.0	0.0	N/A	1	22.0	-22.0		Removed
<b>Total Planned Audit Hours:</b>				<b>607.5</b>	<b>36.8</b>	<b>-570.8</b>			<b>93.5</b>	<b>-56.8</b>		

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 06/30/2019. These audits will need to be added to FY2020 plan if the position is filled.

FN 3: Report completed by Chief Audit Executive.

\* Position has been vacant since August 16, 2018- YESR is based on a partial year.

**Tennessee Board of Regents - TCAT**  
**Year-End Status Report**  
**Fiscal Year Ended June 30, 2019**

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
FM	A	FY 17 Crossville-IAR-Equipment/Security Review	2.2	0.0	0.0	0.0	N/A		2.0	-2.0	Jul-18	Completed
FM	S	FY 18 TCAT Memphis SFA Reconciliation	3.2	112.5	150.0	37.5	33%		147.0	3.0	Sep-18	Completed
FM	O	FY 18 TCAT QAR Review	NA	37.5	52.5	15.0	40%		50.0	2.5	Oct-18	Completed
FM	R	FY 18 VSCC President's Expense	NA	0.0	56.3	56.3	N/A		44.0	12.3	Oct-18	Completed
FM	R	FY 18 TCAT Livingston President's Expense	3.5	0.0	0.0	0.0	N/A		18.5	-18.5	Jan-19	Completed
FM	R	FY 18 TCAT Hohenwald President's Expense	1.6	0.0	37.5	37.5	100%		35.0	2.5	Jan-19	Completed
FM	P	FY 19 TCAT Admin State Audit Perkins	NA	0.0	37.5	37.5	N/A		26.5	11.0	Feb-19	Completed
FM	R	FY 18 TCAT Pulaski President's Expense	3.1	0.0	52.5	52.5	N/A		59.5	-7.0	Apr-19	Completed
IS	I	FY 19 TCAT Nashville Student	3.4	0.0	0.0	0.0	N/A		104.0	-104.0	Apr-19	Completed
IS	I	FY 19 TCAT Knoxville Complaint	3.2	0.0	60.0	60.0	N/A		62.5	-2.5	Apr-19	Completed
FM	M	FY 18 Risk Assessment	NA	112.5	187.5	75.0	67%		226.5	-39.0	May-19	Completed
FM	C	TCAT Consulting	NA	37.5	225.0	187.5	500%		240.5	-15.5	Jun-19	Completed
FM	O	Audit Program Development	NA	37.5	75.0	37.5	100%		106.0	-31.0	Jun-19	Completed
FM	R	FY 18 TCAT Year End Procedures	NA	37.5	0.0	-37.5	-100%		59.0	-59.0	Jun-19	Completed
FM	R	FY 18 TCAT Covington President's Expense	2.9	7.5	22.5	15.0	200%		25.0	-2.5	Jun-19	Completed
FM	R	FY 18 TCAT Hartsville President's Expense	1.9	0.0	37.5	37.5	N/A		30.0	7.5	Jun-19	Completed
FM	A	FY 17 Covington-IAR-Equipment/Security Review	2.9	15.0	0.0	-15.0	-100%	1	21.0	-21.0		In Progress
FM	A	FY 19 TCAT Morristown SFA	4.7	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Ripley SFA	4.0	15.0	0.0	-15.0	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Livingston SFA	3.5	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Nashville SFA	3.4	22.5	0.0	-22.5	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Harriman SFA	3.2	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Jacksboro SFA	3.2	22.5	0.0	-22.5	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Knoxville SFA	3.2	37.5	0.0	-37.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Pulaski SFA	3.1	22.5	0.0	-22.5	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Paris SFA	3.0	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 Covington SFA	2.9	15.0	0.0	-15.0	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Crump SFA	2.8	22.5	0.0	-22.5	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Jackson SFA	2.8	37.5	0.0	-37.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Crossville SFA	2.2	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Dickson SFA	2.2	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Elizabethton SFA	2.2	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT McMinnville SFA	2.0	30.0	0.0	-30.0	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Hartsville SFA	1.9	15.0	0.0	-15.0	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT McKenzie SFA	1.9	22.5	0.0	-22.5	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Murfreesboro SFA	1.9	15.0	0.0	-15.0	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Shelbyville SFA	1.9	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Newbern SFA	1.8	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Hohenwald SFA	1.6	22.5	0.0	-22.5	-100%	1	4.0	-4.0		In Progress
FM	A	FY 19 TCAT Oneida SFA	1.6	22.5	0.0	-22.5	-100%	1	3.5	-3.5		In Progress
FM	A	FY 17 Athens-IAR-Equipment/Security Review	1.4	15.0	0.0	-15.0	-100%	1	2.0	-2.0		In Progress
FM	A	FY 19 TCAT Athens SFA	1.4	22.5	0.0	-22.5	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Whiteville SFA	1.4	22.5	0.0	-22.5	-100%	1	3.5	-3.5		In Progress
FM	A	FY 19 TCAT Chattanooga SFA	1.0	37.5	0.0	-37.5	-100%	1	1.0	-1.0		In Progress
FM	A	FY 17 Ripley-IAR-Equipment/Security Review	4.0	15.0	0.0	-15.0	-100%		0.0	0.0		Removed
FM	A	FY 17 Nashville-IAR-Equipment/Security Review	3.4	15.0	0.0	-15.0	-100%		0.0	0.0		Removed
FM	A	FY 19 TCAT Memphis SFA	3.2	22.5	0.0	-22.5	-100%		0.0	0.0		Removed
FM	A	FY 17 Paris-IAR-Equipment/Security Review	3.0	15.0	0.0	-15.0	-100%		0.0	0.0		Removed
FM	A	FY 17 McKenzie-IAR-Equipment/Security Review	1.9	22.5	0.0	-22.5	-100%		0.0	0.0		Removed
FM	R	FY 18 TCAT Ripley President's Expense	4.0	7.5	0.0	-7.5	-100%		0.0	0.0		Removed
FM	R	FY 18 TCAT Nashville President's Expense	3.4	7.5	0.0	-7.5	-100%		0.0	0.0		Removed
FM	R	FY 18 TCAT Memphis President's Expense	3.2	7.5	0.0	-7.5	-100%		0.0	0.0		Removed
FM	R	FY 18 TCAT Athens President's Expense	1.4	7.5	0.0	-7.5	-100%		0.0	0.0		Removed

**Total Planned Audit Hours:** 1140.0 993.8 -146.3 1354.0 -360.3  
 Estimated Available Audit Hours = 1177.50

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

- Scheduled
- In Progress
- Completed
- Removed

FN1: The audits were scheduled, but TCAT personnel were minimally available due to the implementation of Banner, which required Business and Financial Aid staff members to be at the Central Office for work groups and/or training.

**Tennessee Board of Regents - Investigations  
Year-End Status Report  
Fiscal Year Ended June 30, 2019**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	P	Investigation Management	5.0	337.5	337.5	0.0	0%		357.0	-19.5	Jun-19	Completed
IS	C	Consultation with Campus Auditors	5.0	337.5	337.5	0.0	0%		370.3	-32.8	Jun-19	Completed
IA	I	TBR INV 18-03	4.0	37.5	0.0	-37.5	-100%			0.0	Jan-19	Completed
IA	I	TBR INV 18-04	4.0	37.5	0.0	-37.5	-100%			0.0	Jan-19	Completed
FM	I	TBR INV 18-07	4.0	37.5	0.0	-37.5	-100%		15.8	-15.8	Nov-18	Completed
FM	I	TBR INV 18-09	4.0	37.5	0.0	-37.5	-100%		19.8	-19.8	Nov-18	Completed
IA	I	TBR INV 18-10	4.0	150.0	375.0	225.0	150%		388.5	-13.5	Mar-19	Completed
IS	I	TBR INV 19-01	4.0	0.0	37.5	37.5	N/A		34.5	3.0	Apr-19	Completed
PP	I	TBR INV 19-02	4.0	0.0	37.5	37.5	N/A		25.0	12.5	May-19	Completed
FM	I	TBR INV 19-05	4.0	0.0	60.0	60.0	N/A		78.0	-18.0	May-19	Completed
IS	R	State Audit Follow-up for TBR	4.0	0.0	32.3	32.3	N/A	1	32.0	0.3	Jun-19	Completed
SS	I	TBR INV 19-03	4.0	0.0	75.0	75.0	N/A		5.0	70.0		In Progress
FM	I	TBR INV 19-04	4.0	0.0	150.0	150.0	N/A		18.5	131.5		In Progress
IA	I	TBR INV 19-07	4.0	0.0	37.5	37.5	N/A		1.0	36.5		In Progress
IS	R	Conflict of Interest	4.0	75.0	39.0	-36.0	-48%	1	22.5	16.5		In Progress
IS	I	TBR INV 18-08	4.0	37.5	0.0	-37.5	-100%	3		0.0		Removed
FM	I	Unscheduled Investigations	4.0	240.0	0.0	-240.0	-100%			0.0		Removed
IS	R	VSCC President's Expenses FY 2018	4.0	37.5	18.8	-18.8	-50%	2	19.5	-0.8		Removed
<b>Total Planned Audit Hours:</b>				<b>1365.0</b>	<b>1537.5</b>	<b>172.5</b>			<b>1387.4</b>	<b>169.6</b>		

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.

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Audit Committee Charter, Responsibilities, and IIA Standards

DATE: August 27, 2019

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S  
RECOMMENDATION: Approve

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**BACKGROUND INFORMATION:**

The Audit Committee Charter is reviewed annually, as required by the charter, to consider any needed revisions. Upon approval of any changes by the Audit Committee and Board, the charter is submitted to the Comptroller of the Treasury for review and approval. The Audit Committee Charter was last revised by the Audit Committee on November 13, 2018, and subsequently approved by the Comptroller of the Treasury.

The Internal Audit staff have reviewed the charter and have no recommendations for changes at this time. The Committee will discuss the charter and consider whether any additional changes are needed. The current charter is included in this section.

The Tennessee Board of Regents bylaws provides that the Audit Committee shall provide appropriate oversight and accountability on fiscal matters within the Tennessee Board of Regents and shall employ a person qualified by training and experience to serve as an internal auditor and to report directly to the Audit Committee and the Board. The bylaws require that the internal auditor perform the duties required by the Higher Education Accountability Act of 2004 (T.C.A. § 49-14-101 et seq.) including reports to the Committee and development of a process to report and investigate illegal, improper, fraudulent or wasteful activity. The bylaws provide that in addition to the Regents appointed to the Committee, the Board may select one or more certified public accountants or other qualified citizens who are not members of the Board to serve on the Audit Committee.

A summary chart of Audit Committee responsibilities incorporates requirements noted in the Higher Education Accountability Act referenced in the bylaws, as well as the Board's Audit Committee Charter, Policy 4:01:05:00 on Internal Audit and guidance previously provided by the Comptroller of the Treasury. The Committee will discuss these responsibilities.

State law requires that internal auditors of state entities follow the professional auditing standards of The Institute of Internal Auditors, an international association of internal auditors. The Committee will discuss the Standards and related requirements applicable to the internal audit functions within the Tennessee Board of Regents system. A quality assurance and improvement program is required to monitor ongoing conformance with the Standards. Periodic internal and external assessments are key processes in a quality assurance program. An external Quality Assurance Review was completed in October 2018 and corrective actions are in progress. An overview of the Standards is included in this section.



## **Tennessee Board of Regents** ***Audit Committee Charter***

### **Purpose**

The Audit Committee, a standing committee of the Tennessee Board of Regents, provides oversight and accountability on all aspects of institutional operations within the Tennessee Board of Regents system. The committee will assist the Board in fulfilling its oversight responsibilities by reporting regularly to the Board about Audit Committee activities and issues that arise with such recommendations as the committee deems appropriate. The Audit Committee will provide for open communications among the Board of Regents, the Board's and colleges' senior management, the Tennessee Comptroller of the Treasury, and System-wide Internal Audit regarding audit matters.

For the Board of Regents and its colleges, the Audit Committee will provide oversight in the following areas:

- Audit engagements with the Tennessee Comptroller's Office, including the integrity of financial statements and compliance with legal and regulatory requirements.
- Audit engagements with external auditors.
- Internal Audit activities.
- Internal Audit administration.
- Internal controls and compliance with laws, regulations and other requirements.
- Risk and control assessments.
- Fraud, waste and abuse prevention, detection, and reporting.
- Other areas as directed by the Board.

### **Audit Standards**

The internal audit function adheres to the 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**

The Audit Committee has the authority to conduct or authorize audits or investigations into any matter within its scope of responsibility. The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The committee is authorized to:

- Seek any information it requires from employees or external parties. Employees are directed to cooperate with the committee's requests.
- Have access to all books, records and physical properties of the Tennessee Board of Regents and its colleges.
- Meet with Board and institutional officials, external and internal auditors, legal counsel, or others as necessary.
- Delegate authority to subcommittees, providing that such decisions by any subcommittee are presented to the full committee at its next scheduled meeting.

### **Organization and Reporting Structure**

In accordance with T.C.A. 49-14-102 and TBR Policy 04-01-05-00, *Internal Audit*, the Board employs a person qualified by training and experience to serve as the Chief Audit Executive for the system. The System-wide Chief Audit Executive reports directly to the Audit Committee and the Board. The System-wide Chief Audit Executive reports administratively to the Vice Chancellor for Business and Finance. The campus Internal Auditors report to the respective community college President with audit reporting responsibility to the Audit Committee and the Board through the System-wide Chief Audit Executive. The Chief Audit Executive coordinates audit activities with the Tennessee Comptroller of the Treasury, with the campus internal auditors and with any other external auditors. The Audit Committee facilitates any audit and investigative matters, including advising auditors and investigators of any information the committee may receive pertinent to these matters.

### **Role and Responsibilities**

The Audit Committee will carry out the following duties for the Board and its colleges and will report to the Board about Audit Committee activities and issues that arise with such recommendations as the committee deems appropriate:

#### Tennessee Comptroller of the Treasury Audits

- Understand the scope and approach used by the auditors in conducting their examinations.
- Review results of the Comptroller's examinations of financial statements and any other matters related to the conduct of the audits.
- Review with management and general counsel any legal matters (including pending litigation) that may have a material impact on the financial statements, and any material reports or inquiries from regulatory or governmental agencies.
- Resolve any differences between management and the Comptroller's auditors regarding financial reporting.
- Meet, as needed, with the Comptroller's auditors to discuss any matters that the Audit Committee or auditors deem appropriate.

#### External Audits

- Understand the scope and approach used by the external auditors in conducting their examinations.
- Review results of the external auditors' examinations and any other matters related to the conduct of the audits.
- Meet with the external auditors to discuss any matters that the Audit Committee or auditors deem appropriate.

#### Internal Audit Activities

- Ensure that the Chief Audit Executive has direct and unrestricted access to the chairman and other committee members.
- Review and approve the charter for the System-wide Internal Audit function and the colleges' audit functions.
- Review and approve the annual audit plans for the system office and the colleges' audit functions, including management's request for unplanned audits.
- Receive and review significant results of internal audits performed.
- Review the results of the year's work with the Chief Audit Executive. Receive and review any other work prepared by the Chief Audit Executive for the system.
- Ensure the internal audit function maintains a quality assurance and improvement program, including internal procedures and assessments and a periodic external quality assessment of conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

#### Internal Audit Administration

- Review the Chief Audit Executive's administrative reporting relationship to the Vice Chancellor for Business and Finance to assure not only that independence is fostered, but adequate resources in terms of staff and budget are provided to enable the department to effectively perform its responsibilities. The Vice Chancellor has administrative authority for approval of the Chief Audit Executive's time, travel and other expenses of the Office of System-wide Internal Audit. Additionally, the Vice Chancellor may initiate a performance evaluation of the Chief Audit Executive at the request of the Audit Committee or Chair of the committee. This administrative reporting relationship is meant to facilitate administrative activities and does not diminish the Chief Audit Executive's reporting relationship to the Audit Committee and the Board of Regents.
- Review and approve the appointment, compensation, reassignment, or dismissal of the Chief Audit Executive; review and approve the appointment, compensation, and termination of system office internal auditors; review the compensation of campus internal auditors; and approve the termination of campus internal auditors.

#### Risk, Internal Control and Compliance

- Consider the effectiveness of the internal control system and compliance with laws and regulations, including computerized information system controls and security.
- Understand the scope of internal and external auditors' reviews of internal controls over financial reporting.

- Make recommendations to improve the internal control and compliance systems to ensure the safeguarding of assets and prevention and detection of errors and fraud. The components of the control system are:
  1. control environment—creating a culture of accountability;
  2. risk assessment—performing analyses of program operations to determine if risks exist;
  3. control activities—taking actions to address identified risk areas;
  4. information and communication—using and sharing relevant, reliable, and timely information; and
  5. monitoring—tracking improvement initiatives and identifying additional actions needed to further improve program efficiency and effectiveness.
- Review and evaluate risk assessments performed by management of the Board and its colleges.

#### Fraud

- Ensure that the Board, the management and staff of the Board, and its colleges take all reasonable steps to prevent, detect, and report fraud, waste and abuse.
- Formally and regularly inform management of their responsibility for preventing, detecting, and reporting fraud, waste and abuse.
- Establish a process for employees, taxpayers and other citizens to confidentially report suspected illegal, improper, wasteful or fraudulent activity.
- Inform the Comptroller of the Treasury of assessments of controls to reduce risks of fraud.
- Promptly report indications of fraud to the Comptroller of the Treasury.

#### Other

- Review and assess the adequacy of the Audit Committee’s charter annually, requesting Board approval for proposed changes.
- Ensure the receipt, retention and resolution of complaints regarding accounting, internal controls or auditing matters.
- Review the Board’s policies regarding employee conduct to ensure they are readily available to all employees, easy to understand and implement, enforced and provide a confidential means of reporting violations.
- Review the Board’s policy regarding conflict of interest to ensure that “conflict of interest” is clearly defined, guidelines are comprehensive, annual signoff is required for those in key positions and procedures are in place to ensure potential conflicts are adequately resolved and documented.

### **Membership**

*Tennessee Code Annotated*, Section 49-8-201, includes the requirements for the appointment and terms of public members of the Tennessee Board of Regents. From this membership, the Audit Committee and its chair shall be appointed annually by the Board

Chairman pursuant to Board bylaws and shall consist of at least one member, preferably the chair of the committee, who shall have accounting and financial management expertise and other members who are generally knowledgeable in financial, management, and auditing matters. In addition to the Regents appointed to the committee, the Board may select one or more certified public accountants or other qualified citizens who are not members of the Board to serve on the Audit Committee. The committee shall have at least three but not more than seven members.

## **Independence**

Each member shall be free of any relationship that would give the appearance of a conflict or that would interfere with his or her exercise of independent judgment.

## **Education**

The Board's senior management and the System-wide Internal Audit office are responsible for providing the committee with educational resources related to accounting principles, internal controls, applicable policies, and other information that may be requested by the committee to maintain appropriate financial and compliance literacy.

## **Meetings**

The Audit Committee shall meet as necessary, but at least quarterly. The committee may invite Board management, auditors, or others to attend and provide relevant information. Meeting agendas will be provided to members in advance, along with appropriate briefing materials. Minutes will be prepared. A majority of the members of the committee shall constitute a quorum for the transaction of business. The committee shall also meet at the request of the Comptroller of the Treasury.

The Audit Committee shall follow the public notice requirements of the Board. All meetings of the Committee shall be subject to the open meetings provisions of *Tennessee Code Annotated*, Title 8, Chapter 44, except that, as provided by *Tennessee Code Annotated*, Section 4-35-108(b), the committee may hold confidential, nonpublic executive sessions to discuss:

1. Items deemed not subject to public inspection under *Tennessee Code Annotated*, Sections 10-7-503 and 10-7-504, and all other matters designated as confidential or privileged under this code;
2. Litigation;
3. Audits or investigations;
4. Information protected by federal law, and
5. Matters involving information under *Tennessee Code Annotated*, Section 4-35-107(a), where the informant has requested anonymity.

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**Source: Committee on Audit Meeting, November 23, 2004; Committee on Audit Meeting, June 29, 2006; Committee on Audit Meeting, September 11, 2007; Committee on Audit Meeting, November 17, 2009; Committee on Audit Meeting, November 16, 2010; Committee on Audit Meeting, November 25, 2014; Committee on Audit Meeting, November 15, 2016; Committee on Audit Meeting, November 13, 2018.**

**Tennessee Board of Regents  
Chart of Audit Committee Responsibilities**

<i>Responsibilities for Governance and Oversight</i>		
	<b>Performed</b>	<b>Requirement</b>
A standing committee of the Board to meet as necessary, but at least annually.	Quarterly	S/C
Assist the Board by providing oversight and accountability on financial reporting and related disclosures, internal controls, and all other aspects of operations.	Ongoing	S/G/C
Maintain independence to avoid even the appearance of a conflict that would interfere with independent judgment (annual disclosure).	Ongoing	S/C
Review and assess the adequacy of the Audit Committee charter. Obtain approval of the Board and Comptroller.	Annually	S/G/C
<i>Responsibilities for Internal Audit Activities</i>		
Review and approve the charter of the System-wide Internal Audit (SWIA) and campus internal audit functions.	Annually	S/G/C
Provide a process for confidential complaints of suspected fraud, waste, or abuse.	Ongoing	S/G/C
Review and approve the annual and revised audit plans of SWIA and campus audit functions, including management requests for unplanned assignments.	Annually / Quarterly	C/P
Facilitate audits and investigations from initiation to resolution, including advising auditors of pertinent information received.	Ongoing	S/G/C
Review reports and audits of expenses of the chancellor and presidents.	Annually	S/P
Review significant results of internal audit work performed.	Quarterly	C
Review the internal auditor's report of audit activity at least annually.	Annually	S/C/P
Review reports on the internal audit function's quality assurance and improvement program to monitor and ensure compliance with the IIA <i>Standards</i> .	Annually	S/C/P
<i>Responsibilities for External Audit Activities</i>		
Review results of the Comptroller's audits of financial statements and other matters.	Quarterly	S/C
Meet with the Comptroller or State auditors upon request.	As Needed	S/C
Review significant results of any external auditors or regulators.	As Needed	C
<i>Responsibilities for Management's Control Activities</i>		
Review and evaluate management's assessment of risk and fraud, assuring internal controls are in place to mitigate significant risks.	Annually	S/C/G/P
Reiterate to the Board, management, and staff their responsibility for preventing, detecting, and reporting fraud, waste, and abuse.	Annually	S/G/C
Promptly notify the Comptroller of the Treasury of any indications of fraud.	As Needed	S/G/C
Review with management and general counsel any legal matters (including pending litigation) that may have a material impact on the financial statements, and any material reports or inquiries from regulatory or governmental agencies.	As Needed	S/C
Review the Board's policies regarding employee conduct to ensure they are available to all employees, easy to understand and implement, enforced and provide a confidential means of reporting violations.	As Needed	G/C
Review the Board's policy regarding conflict of interest to ensure that it is clearly defined and comprehensive and conflicts are adequately resolved and documented.	As Needed	G/C
<i>Responsibilities for Internal Audit Personnel and Resources</i>		
Employ a qualified internal auditor (CAE) reporting directly to the audit committee and Board, removable only for cause by a majority vote of the Board.	Ongoing	S/C/P
Review CAE's administrative reporting relationship to assure independence and adequate budget and staff resources to perform duties effectively.	Annually	C
Review and approve appointment, compensation, reassignment, or dismissal of CAE.	Annually	S/C/P
Review and approve compensation or termination of system office internal auditors.	Annually	C/P
Review compensation of campus internal auditors. Review and approve termination of campus internal auditors.	Annually	S/C/P
<b>Legend:</b>		
S – State Statute	P – TBR Internal Audit Policy, 4-01-05-00	
C – TBR Audit Committee Charter	G – Guidance for Audit Committees by Comptroller 127	

*Tennessee Board of Regents  
Audit Committee Meeting – August 27, 2019  
Summary of International Standards for the Professional Practice  
of Internal Auditing (Standards)*

**Attribute Standards (1100 – 1300)**

**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 Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *Standards*, and the Definition of Internal Auditing). The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

*1010 – Recognition of the Definition of Internal Auditing, the Code of Ethics, and the Standards in the Internal Audit Charter*

*The mandatory nature of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing must be recognized in the internal audit charter. The chief audit executive should discuss the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework with senior management and the board.*

**1100 – Independence and Objectivity**

The internal audit activity must be independent, and internal auditors must be objective in performing their work.

*1110 – Organizational Independence*

*The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity.*

*1111 – Direct Interaction with the Board*

*The chief audit executive must communicate and interact directly with the board.*

*1112 – Chief Audit Executive Roles Beyond Internal Auditing*

*Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity.*

*1120 – Individual Objectivity*

*Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.*



1130 – Impairment to Independence or Objectivity

*If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment.*

**1200 – Proficiency and Due Professional Care**

Engagements must be performed with proficiency and due professional care.

1210 – Proficiency

*Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.*

1220 – Due Professional Care

*Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.*

1230 – Continuing Professional Development

*Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.*

**1300 – Quality Assurance and Improvement Program**

The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.

1310 – Requirements of the Quality Assurance and Improvement Program

*The quality assurance and improvement program must include both internal and external assessments.*

1311 – Internal Assessments

*Internal assessments must include:*

- *Ongoing monitoring of the performance of the internal audit activity; and*
- *Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices.*

1312 - External Assessments

*External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The chief audit executive must discuss with the board:*

- *The form and frequency of external assessment.*
- *The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.*

1320 – Reporting on the Quality Assurance and Improvement Program

*The chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board. Disclosure should include:*

- *The scope and frequency of both the internal and external assessments.*
- *The qualifications and independence of the assessor(s) or assessment team, including potential conflicts of interest.*
- *Conclusions of assessors.*
- *Corrective action plans.*

1321 – Use of “Conforms with the International Standards for the Professional Practice of Internal Auditing”

*Indicating that the internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing is appropriate only if supported by the results of the quality assurance and improvement program.*

1322 – Disclosure of Nonconformance

*When nonconformance with the Code of Ethics or the Standards impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the nonconformance and the impact to senior management and the board.*

**Performance Standards (2000 – 2600)**

**2000 – Managing the Internal Audit Activity**

The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organization.

2010 – Planning

*The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization’s goals.*

2020 – Communication and Approval

*The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.*

2030 – Resource Management

*The chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.*

2040 – Policies and Procedures

*The chief audit executive must establish policies and procedures to guide the internal audit activity.*

2050 – Coordination and Reliance

*The chief audit executive should share information, coordinate activities, and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimize duplication of efforts.*

### 2060 – Reporting to Senior Management and the Board

*The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan and on its conformance with the Code of Ethics and Standards. Reporting must also include significant risk and control issues, including fraud risks, governance issues, and other matters that require attention of senior management and/or the board.*

### 2070 – External Service Provider and Organizational Responsibility for Internal Auditing

*When an external service provider serves as the internal audit activity, the provider must make the organization aware that the organization has the responsibility for maintaining an effective internal audit activity.*

## **2100 – Nature of Work**

The internal audit activity must evaluate and contribute to the improvement of organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive and their evaluations offer new insights and consider future impact.

### 2110 – Governance

*The internal audit activity must assess and make appropriate recommendations to improve the organization's governance process for:*

- *Making strategic and operational decisions.*
- *Overseeing risk management and control.*
- *Promoting appropriate ethics and values within the organization;*
- *Ensuring effective organizational performance management and accountability;*
- *Communicating risk and control information to appropriate areas of the organization; and*
- *Coordinating the activities of and communicating information among the board, external and internal auditors, other assurance providers, and management.*

### 2120 – Risk Management

*The internal audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.*

### 2130 – Control

*The internal audit activity must assist the organization in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.*

## **2200 – Engagement Planning**

Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations. The plan must consider the organization's strategies, objectives, and risks relevant to the engagement.

### 2201 – Planning Considerations

*In planning the engagement, internal auditors must consider:*

- *The strategies and objectives of the activity being reviewed and the means by which the activity controls its performance.*
- *The significant risks to the activity's objectives, resources, and operations and the means by which the potential impact of risk is kept to an acceptable level.*
- *The adequacy and effectiveness of the activity's governance, risk management, and control processes compared to a relevant framework or model.*
- *The opportunities for making significant improvements to the activity's governance, risk management, and control processes.*

2210 – Engagement Objectives

*Objectives must be established for each engagement.*

2220 – Engagement Scope

*The established scope must be sufficient to achieve the objectives of the engagement.*

2230 – Engagement Resource Allocation

*Internal auditors must determine appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints, and available resources.*

2240 – Engagement Work Program

*Internal auditors must develop and document work programs that achieve the engagement objectives.*

**2300 – Performing the Engagement**

Internal auditors must identify, analyze, evaluate, and document sufficient information to achieve the engagement's objectives.

2310 – Identifying Information

*Internal auditors must identify sufficient, reliable, relevant, and useful information to achieve the engagement's objectives.*

2320 – Analysis and Evaluation

*Internal auditors must base conclusions and engagement results on appropriate analyses and evaluations.*

2330 – Documenting Information

*Internal auditors must document sufficient, reliable, relevant, and useful information to support the engagement results and conclusions.*

2340 – Engagement Supervision

*Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.*

**2400 – Communicating Results**

Internal auditors must communicate the results of engagements.

#### 2410 – Criteria for Communicating

*Communications must include the engagement’s objectives, scope, and results.*

#### 2420 – Quality of Communications

*Communications must be accurate, objective, clear, concise, constructive, complete, and timely.*

#### 2421 – Errors and Omissions

*If a final communication contains a significant error or omission, the chief audit executive must communicate corrected information to all parties who received the original communication.*

#### 2430 – Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”

*Indicating that engagements are “conducted in conformance with the International Standards for the Professional Practice of Internal Auditing” is appropriate only if supported by the results of the quality assurance and improvement program.*

#### 2431 – Engagement Disclosure of Nonconformance

*When nonconformance with the Code of Ethics or the Standards impacts a specific engagement, communication of the results must disclose the:*

- *Principle(s) or rule(s) of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved.*
- *Reason(s) for nonconformance.*
- *Impact of nonconformance on the engagement and the communicated engagement results.*

#### 2440 – Disseminating Results

*The chief audit executive must communicate results to the appropriate parties.*

*2440.A1 – The chief audit executive is responsible for communicating the final results to parties who can ensure that the results are given due consideration.*

*2440.A2 – If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the organization the chief audit executive must:*

- *Assess the potential risk to the organization;*
- *Consult with senior management and/or legal counsel as appropriate; and*
- *Control dissemination by restricting the use of the results.*

*2440.C1 – The chief audit executive is responsible for communicating the final results of consulting engagements to clients.*

*2440.C2 – During consulting engagements, governance, risk management, and control issues may be identified. Whenever these issues are significant to the organization, they must be communicated to senior management and the board.*

### 2450 – Overall Opinions

*When an overall opinion is issued, it must take into account the strategies, objectives, and risks of the organization; and the expectations of senior management, the board, and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant, and useful information.*

### **2500 – Monitoring Progress**

The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.

*2500.A1 – The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.*

*2500.C1 – The internal audit activity must monitor the disposition of results of consulting engagements to the extent agreed upon with the client.*

### **2600 – Communicating the Acceptance of Risks**

When the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organization, the chief audit executive must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the board.