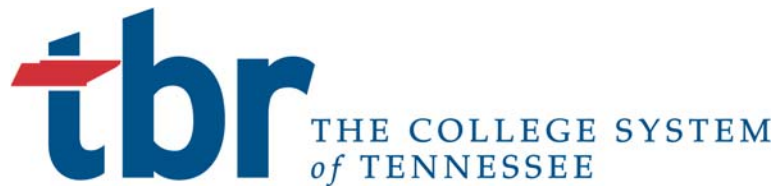**TENNESSEE BOARD OF REGENTS**
Committee on Audit

AGENDA
March 10, 2020

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

II. **CONSENT AGENDA (Mike Batson)**
   a. **Review of Revisions to Fiscal Year 2020 Internal Audit Plans**
   b. **Review of New Internal Audit Charters**

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

THE COLLEGE SYSTEM of TENNESSEE

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: March 10, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The following items will be discussed with the Audit Committee:

Comptroller's Audit Reports
Southwest Tennessee Community College Investigation TBR 19-08

STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS

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

Internal Audit Reports - Following is a summary on the status of previously reported findings and observations as of December 31, 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	Finding	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
VSCC	16-Jul-19	As noted in the two prior audits, Volunteer State Community College did not provide adequate internal controls in one area	Chief Information Officer	31-Dec-19			12-Dec-19		Action Completed
ChSCC	23-Oct-19	ChSCC FY 2018 & 2017 - Finding 1 of 1 Chattanooga State Community College did not provide adequate internal controls in thirteen specific areas. Pursuant to Standard 4.40 of the U.S. Government Accountability Office's Government Auditing Standards, we omitted details from this finding because they are confidential under the provisions of Section 10-7-504(i), Tennessee Code Annotated.

Three of thirteen areas have been corrected. | Executive Vice President of Business and Finance, Vice President of Technology | 20-Mar-20 | | | | | In progress |
ClSCC	18-Sep-19	Management should institute further training to ensure that supervisors of Federal Work-Study employees properly monitor student hours and that they are aware of applicable federal requirements.	Federal Work Study Coordinator	1-Jul-19			20-Jan-20		In Progress
MSCC		Motlow State Community College did not provide adequate internal controls in one area	Chief Financial Officer and Comptroller	21-Apr-20					Not Yet Due
STCC	13-Aug-19	The college did not report fraud to the Comptroller of the Treasury	Vice President of Financial and Administrative Services	20-Feb-20			31-Jan-20		Action Completed
STCC	13-Aug-19	Management did not approve employee timesheets prior to payroll preparation.	Vice President of Financial and Administrative Services	20-Feb-20			31-Jan-20		Not Yet Due
STCC	13-Aug-19	The college does not have controls in place to ensure compliance with the requirements of the Federal Work Study program.	Vice President of Financial and Administrative Services	20-Feb-20			31-Jan-20		Not Yet Due
STCC	13-Aug-19	The college did not properly prepare bank reconciliations.	Vice President of Financial and Administrative Services	20-Feb-20			31-Jan-20		Action Completed
STCC	13-Aug-19	Southwest Tennessee Community College did not provide adequate internal controls in four specific areas, including three areas that were reported in the prior-year audit.	Vice President of Financial and Administrative Services	20-Feb-20			31-Jan-20		Action Completed

		TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges (Reports sorted by Status, Institution, Report Release Date)								
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
CoSCC	22-Jul-19	Improve transparency and open communication, strengthen the college culture and governance structure, and enhance the control environment and college-wide competency and accountability by: •Maintaining updated policies that reflect college strategic objectives, leadership expectations, and current best practice •Establishing process documentation •Formally assigning roles and responsibilities •Training responsible employees on policy responsibilities and expectations •Establishing monitoring and accountability controls that improve timeliness and effectiveness	President	31-Aug-19		0	22-Oct-19	3-Feb-20	Action Completed
DSCC	28-Mar-19	DSCC Workforce and Community Dev. - #1 of 1 - Internal controls and review procedures should be improved to ensure that only correct data is collected and included on the THEC *Economic and Workforce Development Contact Hours* report.	Director of Continuing Education - (There has been complete turnover in this department since the audit.)	30-Nov-19		0	21-Nov-19	22-Nov-19	Action Completed
DSCC	31-May-19	DSCC Conflict of Interest #1 of 3 - 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.	Director of Human Resources	31-Oct-19		0	31-Jan-20	6-Feb-20	Action Completed
DSCC	31-May-19	DSCC Conflict of Interest #2 of 3 - The Conflict of Interest Disclosure Review committee should formally meet each semester and minutes should be taken and distributed to the appropriate personnel.	Coordinator of English, learning Support Writing and Orientation	31-Oct-19		0	28-Oct-19	6-Feb-20	Action Completed
DSCC	31-May-19	DSCC Conflict of Interest #3 of 3 - 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.	Coordinator of English, learning Support Writing and Orientation	30-Nov-19		0	8-Nov-19	6-Feb-20	Action Completed
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	20-Dec-19	Action Completed

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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	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	31-Dec-19	3	19-Dec-18	20-Dec-19	Action Completed
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	31-Dec-19	3	19-Sep-19	20-Dec-19	Action Completed
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	31-Dec-19	3	19-Sep-19	20-Dec-19	Action Completed
MSCC	29-Jun-18	Scholarships should be reconciled to expenditures on a timely basis, monthly is suggested, so the funds available can be utilized, tracked, and managed per the grant criteria and goals for use of the access and diversity funds. Copies of the approved reconciliations should be maintained with the supporting documentation noted above.	Dean of Students	24-Dec-18	31-Dec-19	3	2-Oct-19	20-Dec-19	Action Completed
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		15-Nov-19	Action Completed
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		10-Dec-19	Action Completed

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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		10-Dec-19	Action Completed
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		10-Dec-19	Action Completed
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		10-Dec-19	Action Completed
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		Action Completed
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 Graduation	1-Jul-19		0	26-Nov-19		Action Completed
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	26-Nov-19		Action Completed
ClSCC	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	28-Jun-19		Complete
ClSCC	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	30-Aug-19		Complete
ClSCC	20-Jun-19	Management should develop a process to ensure the conflict of interest forms are completed and filed with Human Resources annually in January.	VP of Student Services	31-Jan-20		0	3-Feb-20		Complete
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	31-Dec-19	8	4-Dec-14	5-Feb-20	Completed

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		TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges (Reports sorted by Status, Institution, Report Release Date)							
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	5-Feb-20	Completed
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	21-Oct-19	5-Nov-19	Completed
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	21-Oct-19	30-Jan-20	Completed
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	21-Oct-19	30-Jan-20	Completed
ChSCC	24-Oct-19	NACHA 2 of 3: Obtain a copy of the 2020 NACHA Operating Rules & Guidelines due to the number of changes shown on the NACHA website with 2020 effective dates.	Bursar	31-Dec-19		0	29-Jan-20	29-Jan-20	Completed
VSCC	12-Jul-19	College employees should use the Tennessee Ethics Commission Form ss-8005 for financial disclosure.	Human Resources	15-Jan-20		0	15-Jan-20		Completed
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	30-May-20	6	12-Jan-18	30-Jan-20	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	31-Dec-19	4	29-Jan-18	5-Feb-20	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	30-Jan-20	In Progress

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ChSCC	31-Jan-19	ChSCC policy 06:78:00 should be evaluated by management for exception language and/or a procedure developed for the types of generally occurring overtime and compensatory time situations including but not limited to special events and on-call employees. All campus supervisors should be informed of the changes to the policy and the approved procedures.	Executive Director Human Resources	30-Jun-19	31-Jul-20	3	25-Apr-19	30-Jan-20	In Progress
ChSCC	26-Feb-19	Management should develop written quarterly internal control review processes to ensure the accuracy of the workforce training contact hours reported and to ensure that reporting errors are caught in a timely manner.	VP Economic and Workforce Development	30-Aug-19	31-Mar-20	1	1-Aug-19	5-Feb-20	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 Resources	31-Jan-20		0	31-Jul-19	30-Jan-20	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	28-Feb-20		2	21-Oct-19	30-Jan-20	In Progress
ChSCC	24-Oct-19	NACHA 1 of 3: Completion of a Background Check Policy including proper approvals from the Policy Review Board.	Executive Vice President Human Resources	30-May-20		0	29-Jan-20	29-Jan-20	In Progress
ChSCC	24-Oct-19	NACHA 3 of 3: Conduct disaster recovery testing and revise the DRP to include recommended NIST best practices.	Vice President Technology	31-Mar-20		0	29-Jan-20	29-Jan-20	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-Feb-20	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	3-Feb-20	In Progress

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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	3-Feb-20	In Progress
CoSCC	22-Jul-19	Update College policy, procedures, and practices to address non-faculty employee conflicts of interest, and ensure conflict of interest review committees have an appropriate level of membership and defined roles and responsibilities.	Vice President, for Financial and Administrative Services	31-Dec-19		0	17-Sep-19	3-Feb-20	In Progress
DSCC	30-Apr-19	DSCC Faculty Sick Leave Reporting - #1 of 1 - A list of Best Practices is provided and should be implemented consistently by all applicable Vice President's, Dean's, and Department Coordinators. More effort to train these procedures to faculty members should be made.	Vice President for the College	31-Oct-19		0			In Progress
JSCC	24-Oct-14	JSCC-IAR-Emergency Preparedness Plan Audit- 1 of 2: Employee Training The JSCC Emergency Management Plan requires training in emergency procedures and for the proper use of safety equipment. Several safety drills have been conducted and safety equipment is located campus wide in designated locations. However, further training is needed in the proper use of the chair lifts, AEDs, and fire extinguishers. Training should also include first aid procedures and building evacuation procedures.	Director of Environmental Health and Safety/Chief of Police	8-May-15	31-Jan-20	2	30-Mar-17	12-Dec-19	In Progress
JSCC	24-Oct-14	JSCC-IAR- Emergency Preparedness Plan Audit- 2 of 2: Annual Review and Update According to TBR Guideline B-100 section III.17, the emergency preparedness plan should be reviewed and updated on an annual basis. The last revision was July 01, 2011.	Director of Environmental Health and Safety/Chief of Police	24-Oct-14	31-Jan-20	2	30-Mar-17	12-Dec-19	In Progress
JSCC	30-Oct-15	JSCC-IAR-Access and Diversity Recommendation 1 0f 4: The institution should develop Access and Diversity goals for the overall program and ensure that funds are spent according to established goals.	Director of Human Resources	1-Apr-16	12-Jun-18	1	24-Apr-17	12-Dec-19	In Progress
JSCC	30-Oct-15	JSCC-IAR-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	12-Jun-18	1	24-Apr-17	12-Dec-19	In Progress
JSCC	30-Oct-15	JSCC-IAR- 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	12-Jun-18	1	24-Apr-17	12-Dec-19	In Progress
JSCC	30-Oct-15	JSCC-IAR-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	12-Jun-18	1	24-Apr-17	12-Dec-19	In Progress

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JSCC	19-Feb-16	JSCC-IAR-Off-Camus International Education Program Recommendation 1 of 2: Students should be registered for international education programs at their institution according to the TBR Guideline A-076 and the TnCIS Operational Handbook. Institutional registration should include recording appropriate student fees, student payments, and administering any financial aid and scholarships.	International Activities Coordinator	1-Jun-16	1-Jun-18	1	24-Apr-17	24-Jan-20	In Progress
JSCC	19-Feb-16	JSCC-IAR-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	24-Jan-20	In Progress
JSCC	15-Nov-16	JSCC-IAR-Payroll - Equity salary increases and reclassifications were reviewed by management and verbally approved at the institution prior to submission to the Tennessee Board of Regents. However, there was no formal institutional approval including signatures and dates for equity salary increases and reclassifications. An appropriate approval process including documentation should be in place for equity salary increases and reclassifications.	Payroll Supervisor and Director of Human Resources	15-May-17		0		24-Jan-20	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	20-Dec-19	In Progress
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	31-Dec-19	3	19-Sep-19	20-Dec-19	In Progress
MSCC	29-Jun-18	Access and diversity scholarships should only be awarded to individuals that meet the stated criteria developed by Motlow State Community College and approved by the Tennessee Board of Regents Office of Organizational Effectiveness and Strategic Initiatives. Written procedures should be developed regarding the process of selecting access and diversity scholarship awardees, and sufficient documentation must be maintained to support the selection of the awardees by the committee based on the approved criteria.	Dean of Students	24-Dec-18	31-Dec-19	3	2-Oct-19	20-Dec-19	In Progress

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MSCC	29-Jun-18	It is recommended that Motlow State Community College develop procedures requiring documentation and approval of Faculty/Staff Recruitment and Retention expenditures by the Access and Diversity Committee. At the time of issuance of the report, the Access and Diversity Committee has developed and is in the process of finalizing procedures for awarding funds for Faculty/Staff Recruitment and Retention.	Executive Director of Human Resources	24-Dec-18	31-Dec-19	3	2-Oct-19	20-Dec-19	In Progress
NaSCC	8/2/2019	Form a Conflicts of Interest Committee to receive, review, and issue a recommendation to management for disclosed conflicts of interest.	Director of Human Resources	31-Jan-20		0	6-Feb-20	6-Feb-20	In progress
NaSCC	8/2/2019	Begin collecting positive confirmation from all employees of the existence or non-existence of a potential conflict of interest.	Director of Human Resources	31-Jan-20		0	6-Feb-20	6-Feb-20	In progress
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	31-Mar-20	1	26-Sep-19		In Progress
NeSCC	31-Dec-19	Management should review Great Grand Master key assignments to ensure that an employee's assigned duties require this level of access. Management should also consider developing and documenting criteria for the issuance of GGM keys.	Plant Operations and Maintenance Director	31-Dec-20		0			In Progress
PSCC	15-Dec-17	To address this issue, Internal Audit recommends that the Chief of Police and the Assistant Chief of Police both review newly issued regulations annually to ensure that any changes from the prior year are noted and implemented in a timely fashion. Additionally, once the report is prepared, it would be recommended that the report be reviewed by someone with Clery knowledge who was not involved in its preparation.	Chief of Police	1-Oct-18	1-Oct-19	1	17-Oct-18		In Progress

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

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PSCC	15-Dec-17	To address this issue, Internal Audit recommends that the Chief of Police or the Assistant Chief of Police perform the following: 1. 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. 2. 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. 3. 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. 4. 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. 5. 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	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	30-Apr-20	1			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	30-Apr-20	1			In Progress
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			In Progress
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	30-Apr-20	1			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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
		TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges (Reports sorted by Status, Institution, Report Release Date)							
STCC	30-Oct-19	Time Card Preparation 1. All exempt employees should approve their timecards the last day of each month. Payroll should run the Pay Period closed report for exempt employees showing who did not approve their timecards Employees and their supervisor should be notified and given a date to comply	Vice-President of Finance	30-Dec-19		0			In Progress
STCC	30-Oct-19	Time Card Preparation 2. All non-exempt employees should approve their timecards at an assigned time. Supervisor should also approve the timecards at an assigned time. Payroll should print the Pay Period Closed report showing who did not approve their timecards and whether errors were detected on the timecards.	Vice-President of Finance	30-Dec-19		0			In Progress
VSCC	12-Jul-19	The Financial Disclosure Review committee should review the college president's financial disclosure.	Financial Disclosure Review Committee	15-Jan-20	15-Apr-20	1	5-Feb-20		In Progress
WSCC	15-Jul-19	A formal written review and verification process should be established and followed to help ensure that Workforce Training contact hours are correctly identified and properly interpreted for reporting purposes.

Note: New position of Work Force Training Facilitator is currently being advertised | Dean of Workforce Training | 16-Dec-19 | 31-Mar-20 | 0 | 16-Dec-19 | 16-Dec-19 | In Progress |
| WSCC | 15-Jul-19 | Work with Xenegrade to correct problems in their systems, and procure additional "Re-Training" for the Workforce Training staff.

Note: Xenegrade is creating a customized Insight report for WSCC and will transition to a totally new interface in 2020 | Dean of Workforce Training | 16-Dec-19 | 31-Mar-20 | 0 | 16-Dec-19 | 16-Dec-19 | In Progress |
| 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 | 20-Dec-19 | No 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
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	20-Dec-19	No 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 President of Business and Finance 7/1/18 - Vice President of Student Affairs, Athletic Director, and Vice President of Business and Finance	23-Feb-18	31-Dec-19	5	1-Aug-18	20-Dec-19	No 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 President for Business and Finance	23-Feb-18	31-Dec-19	5	1-Aug-18	20-Dec-19	No Progress

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
		TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges **(Reports sorted by Status, Institution, Report Release Date)**							
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	31-Dec-19	3	19-Dec-18	20-Dec-19	No Progress
MSCC	4-May-18	The "Outside Employment and Extra Compensation Request" form should be included in MSCC policy. MSCC references TBR Policy 5:01:05:00, Outside Employment and Extra Compensation, but no MSCC policy references the form or the process where the employee obtains prior approval before engaging in outside employment.	Vice President for Academic Affairs	4-Nov-18	31-Dec-19	3	19-Dec-18	20-Dec-19	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	31-Dec-19	3	19-Dec-18	20-Dec-19	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	31-Dec-19	3	19-Dec-18	20-Dec-19	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	31-Dec-19	3	19-Dec-18	20-Dec-19	No Progress
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	31-Dec-19	3	19-Sep-19	20-Dec-19	No Progress
ClSCC	11-Apr-19	Management should develop a means to identify each individual course.	Assistant Vice President	30-Aug-19		0			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 Development	30-Sep-19	15-May-20	1			Not Yet Due
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
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

		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 2 of 4: Print a copy of the student's class schedule.	Financial Aid Specialist	31-Dec-19		0			Not Yet Due
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	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	30-Apr-20	1			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
STCC	5-Aug-19	A written set of internal controls and procedures should be created to ensure cash collected on a quarterly basis follows generally accepted accounting principles.	Director of Finance	30-Jun-20		0			Not Yet Due
STCC	30-Oct-19	Time Card Preparation 3. The Finance Department should provide formal training to all employees prior to the activation of any new procedure for these recommendations.	Vice-President of Finance	28-Feb-20		0			Not Yet Due
JSCC	29-Mar-19	JSCC-IAR-WFD - For the sample of courses reviewed, the headcount total was overstated by 10 which resulted in an overstatement of 168 contact hours. Headcount and contact hours should be reported according to the instructions for the TBR Workforce Training Contact Hours report.	Dean of Business and Industry/Director of Workforce Development	30-Sep-19		0			Scheduled
JSCC	29-Mar-19	JSCC-IAR-WFD -There were four courses in the sample that would lead to a certification that were not reported in the TBR Workforce Training Contact Hours report. Certifications should be reported according to the instructions for the TBR Workforce Training Contact Hours report.	Dean of Business and Industry/Director of Workforce Development	30-Sep-19		0			Scheduled
JSCC	16-Jul-19	JSCC -INV-Timekeeping - Supervisors and employees should be trained on time sheet procedures.	Director of Athletics and Director of Human Resources	17-Jan-20		0			Scheduled

		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
JSCC	16-Jul-19	JSCC- INV-Timekeeping - Processes should be reviewed to ensure that new hire paperwork and time sheets are completed correctly and periodic training should be provided to supervisors and employees.	Director of Athletics and Director of Human Resources	17-Jan-20		0			Scheduled
JSCC	16-Jul-19	JSCC-INV-Timekeeping - The hiring process and subsequent periodic training for supervisors and employees should provide an explanation of contract terms. Supervisors should ensure that employees abide by the contract terms.	Director of Athletics and Director of Human Resources	17-Jan-20		0			Scheduled

		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), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Vice President of Technology	3-Oct-16	31-Oct-19	3	14-Jul-17	21-Oct-19	In Progress
ChSCC	26-Apr-18	Chattanooga State Community College did not provide adequate internal controls in eight areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session. Five of eight areas are corrected.	Vice President of Technology	26-Oct-18	31-Dec-19	1	1-Feb-19	21-Oct-19	In Progress
ClSCC	6-Apr-15	Cleveland State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	1-Dec-15	30-Jun-19	5	14-Jul-17	4-Feb-19	In Progress
ClSCC	29-Jun-18	Cleveland State Community College did not provide adequate internal controls in seven areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session. Three of seven areas have been corrected.	Chief Information Officer	30-Nov-18	31-Dec-19	1	4-Feb-19		In Progress
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), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Associate VP for IT	31-Aug-19		0	17-Oct-19		In Progress
JSCC	8-Sep-14	Jackson State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Mar-15	31-Dec-18	4	14-Jul-17	3-Dec-18	In Progress

		TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)							
Institution	**Report Release Date**	**Recommendation**	**Responsible Staff**	**Date Management's Actions to be Implemented**	**Revised Date Management's Actions to be Implemented**	**# of Changes to Date Management's Actions to be Implemented**	**Initial Date of Internal Audit Follow-up**	**Most Recent Date of Internal Audit Follow-up**	**Status**
MSCC	15-Apr-16	Motlow State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	14-Oct-16	31-Dec-18	3	14-Jul-17		In Progress
NaSCC	15-Aug-16	Nashville State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	28-Apr-17	31-Dec-18	2	14-Jul-17	1-Feb-19	In Progress
NeSCC	17-Feb-17	Northeast State Community College did not provide adequate internal controls in twelve areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session. Eight of twelve areas have been corrected.	Chief Information Officer	15-Aug-17	30-Jun-19	4	25-Jan-19	18-Oct-19	In Progress
PSCC	3-Sep-14	Pellissippi State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Mar-15	31-Dec-18	5	14-Jul-17		In Progress
PSCC	29-Jun-18	Pellissippi State Community College did not provide adequate internal controls in ten areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	30-Nov-18		0			In Progress
RSCC	17-Apr-15	Roane State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Jul-15	31-Dec-18	5	14-Jul-17	21-Oct-19	In Progress

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
		TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)							
RSCC	13-Apr-18	Roane State Community College did not provide adequate internal controls in eight areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session. Six areas have been corrected.	Chief Information Officer	12-Oct-18	30-Sep-19	1	12-Feb-19	21-Oct-19	In Progress
TBR	20-Dec-17	Tennessee Board of Regents System Office did not provide adequate internal controls in nine areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	20-Jun-18	30-Nov-18	1	18-Jul-18		In Progress
VSCC	13-May-16	Volunteer State Community College did not provide adequate internal controls in two areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session. One area has been corrected.	Chief Information Officer	30-Nov-16	31-Dec-18	6	14-Jul-17	25-Jan-19	In Progress
WSCC	2-Mar-16	Walters State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	30-Sep-16	31-Dec-18	3	14-Jul-17		In Progress
JSCC	29-Jun-18	Jackson State Community College did not provide adequate internal controls in eight areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Details will be provided to the Board during Audit Committee Executive Session. Seven areas have been corrected.	Chief Information Officer	30-Nov-18		0	18-Jan-19		No Progress

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: March 10, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Comptroller's Office
The Comptroller of the Treasury, Division of State Audit, under the authority of TCA 4-3-304, performs financial and compliance audits of each Tennessee Board of Regents community college and the system office, typically every other year. The Comptroller's Office also conducts performance audits of the Tennessee Board of Regents operations, as needed.

> FINANCIAL AND COMPLIANCE AUDITS – FINDINGS
> Chattanooga State Community College
> — FYE June 30, 2018 and June 30, 2017
> Motlow State Community College
> — FYE June 30, 2018 and June 30, 2017
>
> FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS
> Dyersburg State Community College
> — FYE June 30, 2018 and June 30, 2017

Miscellaneous Reviews
The Audit Committee will review executive summaries for the miscellaneous reviews issued from October 1, 2019 to December 31, 2019.

> Jackson State Community College
> – Veterans Affairs Compliance Review
>
> Roane State Community College
> – Tennessee Small Business Development Center Financial Review

Internal Audit

The Audit Committee will receive executive summaries for the internal audit reports issued from October 1, 2019 to December 31, 2019 as well as reports issued after December 31, 2019, which contain information considered to be time-sensitive for the Audit Committee's consideration*. Below is a listing of the internal audit and investigation reports completed during the reporting period, grouped by type of review. Highlights from these reports were reviewed in agenda item I.a.

Internal Audit Reports for Informational Purposes- Financial Management

Internal Audit Reports for Informational Purposes- Institutional Support

Internal Audit Reports for Informational Purposes- Follow-up Reports

Internal Audit Reports for Informational Purposes- Investigations

* A Limited Official Use Only report for Volunteer State Community College- Follow-up to the LOU State Audit Report for FY 18 and 17 was received on December 13, 2019. This report will be shared in the Audit Committee Executive Session.

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

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

Types of Findings

Deficiencies in Internal Control[1]
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

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

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

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

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

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[1] Statement on Auditing Standard 115, *Communicating Internal Control Related Matters Identified in an Audit,* was effective for periods ending on or after December 15, 2009.
[2] The December 2011 Revision of Government Auditing Standards, issued by the Comptroller General of the United States, Government Accountability Office.

Tennessee Board of Regents
Audit Committee
March 10, 2020

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

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Chattanooga State Community College	June 30, 2018 and June 30, 2017	Unmodified Opinion	One internal control finding identified as a material weakness	No instances of noncompliance required to be reported	1

Finding 1 – Chattanooga State Community College did not provide adequate internal controls in thirteen areas

Chattanooga State Community College did not design and monitor internal controls in thirteen specific areas. For twelve of these areas, we found internal control deficiencies related to one of the college's systems that were in violation of campus policies or industry-accepted best practices. These deficiencies are considered a material weakness in internal control. We also observed another condition where adequate internal controls were not in place. This deficiency is considered a significant deficiency in internal control.

Ineffective implementation of internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of these findings are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. We provided the college with detailed information regarding the specific conditions we identified, as well as the related criteria, causes, and our specific recommendations for improvement.

Recommendation – Management should ensure that these conditions are corrected by promptly developing and consistently implementing internal controls in these areas. Management should implement effective controls to ensure compliance with applicable requirements; assign staff to be responsible for ongoing monitoring of the risks and mitigating controls; and take action if deficiencies occur.

Management's Comment – Management concurs with the finding and recommendations. The College has implemented additional internal controls over the specific areas noted in the audit.

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

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Motlow State Community College	June 30, 2018 and June 30, 2017	Unmodified Opinion	One internal control finding was identified as a significant deficiency	No instances of noncompliance required to be reported	1

Finding 1 – Motlow State Community College did not provide adequate internal controls in one area
Motlow State Community College did not design and monitor internal controls in one specific area. Inconsistent implementation of internal controls increases the risk of fraud or error.

The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* We provided the college with detailed information regarding the specific condition we identified, as well as the related criteria, causes, and our specific recommendations for improvement.

Recommendation - Management should ensure that this condition is corrected by promptly developing and consistently implementing internal controls in this area.

Management's Comment – Management concurs with the finding and recommendations. The College has implemented additional internal controls over the specific areas noted in the audit.

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

Tennessee Board of Regents
Audit Committee
March 10, 2020

Miscellaneous Reviews

Jackson State Community College
Tennessee Higher Education Commission (THEC)
December 17, 2019
Executive Summary

Introduction	The THEC Veterans Education Coordinator conducted a routine U.S. Department of Veterans Affairs (VA) compliance survey for Jackson State Community College (JSCC) on December 6, 2019. Ten VA students' records were reviewed during this routine compliance survey. Of those ten records, zero discrepancies were noted.
Conclusion	There were no findings of noncompliance identified during the review.
Recommendations	N/A

Roane State Community College
Tennessee Small Business Development Center Financial Review
Period Coverage: January 1, 2018 – December 31, 2018
December 16, 2019
Executive Summary

Introduction	
	The purpose of this review is to assist in accomplishing the management oversight function of the Tennessee Small Business Development Lead Center under the Small Business Administration (SBA) Office of Small Business Development Cooperative Agreement. The review was conducted on October 8, 2019 by the SBA Financial Reporting and Accounting Manager.
Conclusion	Based upon our limited testing of the data available, we have determined that the center: 1. is adequately monitoring the financial aspects of their operations; 2. is in compliance with cash disbursement requirements; 3. is in compliance with indirect cost requirements; 4. is in compliance with in-kind cost requirements; and 5. is in compliance with program income requirements.
Recommendations	N/A

**Tennessee Board of Regents
Audit Committee
March 10, 2020**

*Internal Audit Reports
Financial Management*

Chattanooga State Community College
NACHA Security Audit
August 2019
Executive Summary

Key Staff Personnel	Bursar and Executive Director, Information Management	**Internal Auditor**	Kimberly Clingan, Director Internal Audit

Introduction	NACHA (National Automated Clearing House Association) is a not-for-profit association that oversees the Automated Clearing House (ACH) Network, an electronic payment network. NACHA provides the legal foundation for the ACH Network through the development and enforcement of the *NACHA Operating Rules & Guidelines* which establish a set of requirements in order to provide a minimum amount of protection for WEB entries. WEB entries are internet initiated entries that NACHA defines as "a debit entry to a Consumer Account initiated by an Originator pursuant to an authorization that is obtained from the Receiver via the Internet."
	
	 NACHA Operating Rules & Guidelines obligate Originators to:
	 • Obtain the consumer's written authorization prior to initiating a debit entry
	 • Mitigate risks associated with Internet-based payments by:
	  o Authenticating the identity of the Receiver
	  o Employing a fraudulent transaction detection system
	  o Establishing secure Internet sessions
	  o Verifying the Receiving Depository Financial Institution's routing number
	  o Reviewing security control procedures		

Objectives	The objectives of the audit were to determine the college's compliance with *NACHA Operating Rules & Guidelines* for WEB entries related to: • Authorization requirements • Formatting requirements • Risk management requirements to adequately protect consumer financial information		
Conclusion	ChSCC is in compliance with the authorization, formatting, and risk management requirements of the *NACHA Operating Rules & Guidelines*. However, the internal audit produced three recommendations to ensure continued compliance with the *NACHA Operating Rules & Guidelines*.		
Recommendation	Based on the performed audit procedures, Internal Audit recommends: • Completion of a Background Check Policy including proper approvals from the Policy Review Board. • Obtain a copy of the 2020 NACHA Operating Rules & Guidelines. • Conduct disaster recovery testing and revise the DRP to include recommended NIST best practices.		
Management Response	Management concurs with the recommendations. In order to improve processes and ensure compliance, Management will finalize the Background Check Policy, purchase the 2020 NACHA Operating Guidelines, restructure the DRP to comply with NIST best practices, and perform DRP testing.		

Cleveland State Community College
Audit of Contracts
July 2018 through June 2019
Executive Summary

Key Staff Personnel	Purchasing Clerk	Internal Auditor	Alvin Bishop
Introduction	Internal Audit conducted a review of contracts for Cleveland State Community College (ClSCC) for the period July 1, 2018 through June 30, 2019. Contracts are processed through the purchasing department, consisting of both expenditure and revenue type contracts, as well as agreements between other schools and agreements for clinical studies. Additional department responsibilities include processing of purchase requisitions, purchase orders, travel authorizations, and travel claims. The Purchasing Department has one employee, who reports to the Director of Business Services.		
Objectives	The objectives of the audit were to: 1. Evaluate the effectiveness of internal controls over contracts. 2. Ensure the format and terms for contracts are in compliance with policies and state and federal laws and regulations. 3. Determine that contract payments were made in accordance with contract terms, properly authorized, accurately recorded, and supported by evidence of receipt of goods and services. 4. Verify that amounts due the institution have been properly invoiced. 5. Ensure that 1099s were issued and accurate.		
Audit Results	Internal Audit evaluated the internal controls over contracts through interviews, observations, substantive testing, and documentation review. Contracts are governed by ClSCC policy 1:03:02:10 and may be requested from any campus department through the Purchasing Department. Procedures for contract completion include completing a contract routing form, entering it into the contracts log, sending the contract to the Director of Business Services for proofing, and once proofed obtain signatures of all approvers and signers. Once the contract is executed it is sent to either account receivables clerk if a revenue contract or the accounts payable clerk if an expenditure contract. Internal Audit randomly sampled a list of completed contracts and supporting documentation for the audit period of July 1, 2018 through June 30, 2019. The sampled items were found to be in compliance with the college's policies and procedures. The testing also revealed that the 1099's relating to the sample items were accurately issued.		
Conclusion	Contract procedures are adequate to ensure contract and related payments or revenues are handled properly in accordance with TBR and institutional policies and procedures.		

Key Staff Person: Tujuana Douglas, Director, Payroll	**Auditor:** Charlotte Johnson, Internal Auditor
Introduction	The State Comptroller's audit of fiscal years 2015 and 2016, released May 31, 2017 and the State Comptroller's audit for fiscal years 2016 and 2017, released July 8, 2019, listed a finding stating management did not approve employee timesheets prior to payroll preparation and Southwest Tennessee Community College (STCC) did not have written policies and procedures for the review and approval of employee timesheets.
Objective	The objective of this review was to obtain an understanding of the processes and controls surrounding the payroll process at STCC. After obtaining an understanding of these processes, Internal Audit will evaluate the design and operating effectiveness of specific controls through testing on a sample basis.
Results	There are two payrolls processed each month. A monthly payroll is processed for exempt employees and the funds are deposited into the employees' bank account the last working day of the month. A semi-monthly payroll is processed for non-exempt employees and the funds are deposited into the employees' bank accounts on the last working day closest to the 15th and the last working day of the month. Non-exempt full-time employees are automatically paid for 81.25 hours. Timecards are not reviewed before the payroll is processed. Exempt employees are not required to go into the system monthly and approve their time-sheets. STCC has paid out over $28,000 in salary and benefits to exempt employees whose termination date was not entered into the Banner system, the payroll system for the college. The Kronos system is open for one day following each payroll for employee approval of their time cards. The Kronos system is open the second day following each payroll for the supervisor to approve timecards. The third day the time-keeping system is locked. For the first six months of the year between sixteen and 71 employees did not approve their timecards per payroll. For the same time period between seven and 32 supervisors did not approve timecards. Several stated this was due to the limited days the system is open for timecard approval.
Recommendation 1	All exempt employees should approve their timecards the last day of each month. Payroll should run the *Pay Period closed* report for exempt employees showing who did not approve their timecards. Employees and their supervisor should be notified and given a date to comply. If the employee does not comply, a report should be provided to the Chief Financial Officer.

Management Response	We concur that controls should be in place to ensure separated employees are reported to the human resource and payroll departments in a timely manner. A task force will be convened to study the issue and identify best practices that should be implemented related to monthly time approval for exempt employees. Recommendations related to any additional controls needed will be formalized by the end of the calendar year.
Recommendation 2	All non-exempt employees should approve their timecards at an assigned time. The supervisor should also approve the timecards at an assigned time. Payroll should print the *Pay Period Closed* report showing who did not approve their timecards and whether errors were detected on the timecards. Employees and their supervisors should be notified and given a date to comply. If the employee and/or the supervisors does not comply, a report should be provided to the Chief Financial Officer. Payroll should maintain a log of all errors found on the *Pay Period Closed* report to ensure that all errors are corrected.
Management Response	We concur that all non-exempt employees should approve their timecard at the end of each pay period and all timecards should be approved by a supervisor in accordance with the College Timekeeping Policy. A report is currently generated at the close of each pay period to identify exceptions in timecard approval by individual. This exception report is distributed to each divisional vice president for appropriate disciplinary action as well as to the Vice President of Finance and Administration and to the Chief Financial Officer. A log of errors is maintained by the Chief Financial Officer. Over the previous three months, timekeeping exceptions have continued to improve. For the pay period ending 10/15/19, 27 employees did not approve their time sheet but only 3 employees had missing approvals from supervisors. A task force will be convened to study the issue and identify additional procedures to ensure that all time cards are approved by employees and supervisory personnel. Recommendations related to any additional controls or procedures needed will be formalized by the end of the calendar year.
Recommendation 3	The Finance Department should provide formal training to all employees prior to the activation of any new procedure for these recommendations. An alternate process should be included in the new procedure to allow supervisor and employee additional time for approving time cards.

Management Response	We concur that the Payroll Department and Human Resources Department should provide formal training on the Kronos timekeeping system and the Southwest Timekeeping Policy. The Payroll Department currently conducts Kronos training. This training will be reviewed and expanded, if necessary, to include critical elements of the Timekeeping Policy. We will consider expanding the training as the demand exists and will consider mandatory training for policy violators. Additionally, the Timekeeping Compliance Task Force will be asked to make recommendations on expanded training.
Conclusion	Supervisors are not reviewing and approving the weekly time records of employees. The time and attendant timesheet are not properly completed and approved in a timely manner. When time and attendance sheets are not adequately reviewed and authorized by the department supervisor erroneous data can be input into the payroll and accounting system. The preparation of accurate, authorized timekeeping records is a critical procedure that should be completed on a timely basis. The results of State Audit findings reveal an ongoing problem in timeliness. Employees and supervisors have the responsibility to ensure all hours worked are accurately reported, and payrolls are correctly calculated and paid.

President	Ms. Youlanda Jones	**Internal Auditor**	Helen Vose, Internal Auditor
Objectives	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year ended June 30, 2018; to determine compliance with institutional and Tennessee Board of Regents policies regarding expenses; to identify and report all expenses incurred by, at the direction of, or for the benefit of the President regardless of the funding source; and to search for and report any expenses not disclosed on expense schedules prepared by the institution.		
Scope	The audit scope included all accounts under the direct budgetary control of the President and expenses funded by institutional funds, foundations, or vendors and any expenses made by, at the direction of, or for the benefit of the President during the fiscal year. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing,* issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary.		
Questioned Costs	None	**Recoveries**	N/A
Analysis	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:		

	Institutional	**Foundation**	**Vendor**	**Total**
President (1):				
Travel	$3,640	-	-	$3,640
Business Meals & Hospitality	-	-	-	-
Other	-	-	-	-
Office (2):				
Salaries & Benefits	$290,707	-	-	$290,707
Other Operating	$32,567	-	-	$32,567
Travel	$8,986	-	-	$8,986
Total Expenses	$335,900	-	-	$335,900

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.

Expense Allowance	$2,000
Housing Allowance	-
Vehicle Allowance	-

Conclusion	The audit of the President's Expenses for the Tennessee College of Applied Technology-Covington 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
March 10, 2020

Internal Audit Reports
Institutional Support

Northeast State Community College
Key Control Review
FY2020
Executive Summary

Key Staff Personnel	Plant Operations and Maintenance Director, Assistant Director, and Secretary 2	Internal Auditor	Christopher Hyder
Introduction	The Plant Operations division is responsible for the processes and procedures for key control. Key control is a critical element of the overall safety and security program at Northeast State. All building, room, and mailbox keys are strictly controlled items issued for use by authorized personnel only.		
Objective	The objectives of the audit were to determine the effectiveness Plant Operations' current processes and procedures for the control of keys that grant physical access to the college's buildings, secured rooms within, and mailboxes.		
Results of the Current Audit	A few of the sampled Key Request forms for current key holders, that were made more than ten years before the audit, did not have all the required approvals. The recent requests tested did have the proper approvals showing adequate improvement with no recommendation or follow-up testing required. At the time of the review, forty-seven employees and two departments were issued Great Grand Master (GGM) keys. GGM keys represent a considerable level of risk if lost or not collected from terminated employees due to the amount of access they provide.		
Audit Conclusion	Based on the results of tests and procedures performed, the key control processes are generally effective; however, there is opportunity for improvement.		
Recommendation	Management should review Great Grand Master key assignments to ensure that an employee's assigned duties require this level of access. Management should also consider developing and documenting criteria for the issuance of GGM keys.		
Management's Response	We concur with the above recommendation. Current holders of GGM keys will be evaluated based on need, and a specific set of requirements necessary for receipt of a GGM key will be developed and added to the Key Request form.		

Tennessee Board of Regents
Audit Committee
March 10, 2020

Internal Audit Reports
Follow-up

Dyersburg State Community College
Follow-up to the Workforce and Community Development Audit Report
November 2019
Executive Summary

Key Staff Persons: Elizabeth Jude, Director of Continuing Education and Kacie Haeberle, Continuing Education Specialist	**Auditor:** Sandra Pruett, DSCC Director of Internal Audit

Introduction

The Tennessee Higher Education Commission (THEC) uses an outcomes-based model for making funding recommendations for public higher education institutions. The college's portion of the THEC funding recommendation is based on THEC identified and college-weighted outcomes measures, one of which is the total number of workforce training hours.

The college's workforce training hours are reported annually through the THEC *Economic and Workforce Development Contact Hours* report.

Objectives

The objectives of this audit were to determine whether adequate corrective actions have been taken to address the audit observation and implement the audit recommendation listed in the March 2019 audit report.

Scope

The audit reviewed data and internal controls in place during the academic year 2019 – 2020.

Audit Conclusion

Adequate internal controls and review procedures do exist at this time to reasonably assure that the data reported to the Tennessee Board of Regents (TBR) and the Tennessee Higher Education Commission (THEC) for the funding formula is accurate and in compliance with the reporting instructions provided by TBR.

Based on audit tests performed on a sample of current continuing education courses, all courses were found to be allowable courses for THEC Workforce Training reporting guidelines and adequate information on each course was found. There has been a complete personnel turnover in this department since the time of the March 2019 audit, but the new staff seems to have a good understanding of the Workforce Training guidelines provided by THEC.

Overall, the courses reviewed met the criteria outlined in the Guiding Questions listed in the THEC Workforce Training guidelines.

Auditee	Chief Financial Officer, Assistant Vice President for Academic Affairs, Executive Director of Human Resources	**Auditor**	Tammy Wiseman, Internal Auditor
Objectives	The objective of the review was to determine whether adequate corrective actions have been taken to address the recommendations from the conflict of interest audit.		
Scope	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 *International Standards for the Professional Practice of Internal Auditing* issued by The Institute of Internal Auditors.		
Conclusion	Based on the results of the current follow-up review, management has taken adequate corrective actions to address the four recommendations.		
Current Status of Recommendations	**Recommendation 1:** 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. **Current Status** The recommendation has been cleared. Motlow State Community College has developed and approved MSCC Policy 1:02:03:10 *Conflict of Interest – Disclosure Review Committee*. Seven individuals with representation from multiple campuses have been named on the committee. **Recommendation 2:** 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.		

Current Status of Recommendations (con't)	**Current Status** The recommendation has been cleared. After the MSCC Policy 1:02:03:10 *Conflict of Interest – Disclosure Review Committee* was approved on November 1, 2019, the Disclosure Review Committee met on November 12, 2019. **Recommendation 3:** 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. **Current Status** The recommendation has been cleared. Motlow State Community College has implemented processes to inform new employees of the Conflict of Interest requirements at orientation and twice per year a reminder via email to the campus as well as Curriculum Chair meetings. The Disclosure Review Committee has been formerly put into place to review disclosures. Motlow has not obtained additional grants from funding agencies specifically requiring the disclosures. **Recommendation 4:** 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. **Current Status** The recommendation has been cleared. An email was sent by the Executive Director of Human Resources to the campus reminding employees of the Conflict of Interest policy and reporting responsibility. The Curriculum Chairs were also reminded of the filing disclosures in an Academic Affairs meeting.

Southwest Tennessee Community College
Follow-up to the Review of a Vendor Issue
November 26, 2019
Executive Summary

Key Staff Person: Jacqueline Taylor, Associate Vice President of Retention and Student Success	**Auditor:** Charlotte Johnson, Internal Auditor

Introduction

Internal Audit for Southwest Tennessee Community College issued a *Review of a Vendor Issue* report on June 14, 2019. The report included two recommendations. The current status of each recommendation is presented in the audit conclusion section below.

Objectives

The objective of the review was to review the vendor expenditures for Deaf Connect of the Mid-South, Inc. to determine that invoices were paid and processed according to Southwest Tennessee Community College's policies and procedures.

Prior Recommendations

Recommendation 1

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.

Management Response
We concur with the recommendation. The department will request that all invoices be sent directly to Accounts Payable by vendors. Accounts Payable will send a copy of the invoice to the appropriate department for approval.

Recommendation 2
For Deaf Connect invoices, a listing of all students receiving services from Deaf Connect should be maintained in the Student Disability Services office. An employee independent of the maintenance of the listing should reconcile the invoices to the student listing, prior to the approval of the invoice, to ensure the college is being properly billed on a timely basis.

Management Response
We concur with the recommendation. Management has created a written procedure to comply with 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.

Conclusion

Requested changes for the recommendations have been implemented. The Manager for Fiscal Operations reports that the invoices are being sent directly to Accounts Payable by the vendors and then forwarded to the Student Disability Services department for approval. New procedures have been put in place by the Student Disability Services department and vendor invoices are being processed and paid on a timely basis.

Volunteer State Community College
Follow-Up to the State Audit Report
For the Years Ended June 30, 2018 and June 30, 2017
Executive Summary

Key Staff Personnel	Information Technology Human Resources	**Internal Auditor**	Nancy Batson
Introduction	The Internal Audit office performed a follow-up of the state audit finding and recommendation contained in the audit report for the fiscal years ended June 30, 2018 and June 30, 2017. The follow-up was conducted under the authority delegated in the Tennessee Board of Regents policy 4:01:05:00, Internal Audit.		
Objectives	To determine whether adequate corrective actions have been implemented to comply with the audit recommendation.		
Finding	As noted in the two prior audits, Volunteer State Community College did not provide adequate internal controls in one area. *Current Status* Management is implementing corrective actions to comply with the audit recommendation.		
Conclusion	It appears that management has taken corrective action to implement the audit recommendation.		

Tennessee Board of Regents
Audit Committee
March 10, 2020

Internal Audit Reports
Investigations

Jackson State Community College
INV 18-01 Departmental Purchases
January 10, 2018 – June 30, 2019
September 9, 2019
Executive Summary

Auditee	Dr. Larry Bailey, Vice President of Academic Affairs Mr. Patrick Davis, Dean of Academic Support	**Auditor**	Chrystal Pittman, Interim Director of Internal Audit Angie Brown, Internal Auditor
Objectives	To determine whether keyboards purchased were for a business purpose and whether institutional funds were used to fund a departmental Christmas party.		
Scope	The investigation included a review of the detailed transactions for the relevant departments in the division. The transactions included equipment purchases, meals, and other expenses. The investigation also included interviews with individuals requesting and approving purchases under review. Policies and procedures related to business meals and purchasing were also reviewed. Preliminary results were shared with management in May 2018 and a corrective action plan was implemented. A follow-up was conducted in August/September 2019 for the 2018-19 fiscal year.		
Questioned Costs	$510.11 – Recovered by the institution.		
Analysis of Issues	Issue 1: Allegations were made that purchases for apple keyboards may not be for business purposes. The issue was not substantiated. Issue 2: Allegations were made that state funds were used to pay for the departmental Christmas party. The issue was substantiated. The funds expended for the event included two purchases totaling $510.11. The total amount of $510.11 was repaid to the institution by employees and the Foundation.		
Recommendations	The business meals procedure was reviewed and the business meals form was revised to include pertinent information for supervisors. The open purchase order process was limited to ensure that individual purchases were approved with certain large vendors. Management conducted meetings with departments to discuss appropriate procedures related to meals and events. Preliminary results were discussed with management in May 2018 and a corrective action plan was implemented. A follow-up was conducted in August/September 2019 for the 2018-19 fiscal year. The business meals procedure appears to be adequate to ensure compliance with policy and procedures.		

Motlow State Community College
Follow-Up Report on Investigation of INV 1804 Dual Enrollment Compensation
November 15, 2019
Executive Summary

Auditee	Assistant Vice President of Academic Affairs	Auditor	Tammy Wiseman, Internal Auditor
Objectives	The objective of the review was to determine whether adequate corrective actions have been taken to address the recommendation from the investigation of dual enrollment compensation.		
Scope	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 *International Standards for the Professional Practice of Internal Auditing* issued by The Institute of Internal Auditors. The review included tests of the records and other procedures considered necessary to achieve the audit objective.		
Conclusion	Based on the results of the current follow-up review, management has taken adequate corrective actions to address the recommendation.		
Current Status of the Recommendation	**Recommendation** It is recommended that MSCC document agreements with all adjunct faculty who are offered additional compensation for teaching days outside the Tennessee Board of Regents (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. **Current Status** The recommendation is cleared. The practice of offering additional compensation to instructors for teaching days outside the TBR course schedule has been discontinued. The Dual Enrollment Agreement now specifies that the high school is responsible for monitoring students when the college classes do not meet.		

Recipient	Dr. Tracy D. Hall, President	**Investigative Auditor**	Linda C. Ciprich
Introduction	The Tennessee Board of Regents (TBR) Office of Systemwide Internal Audit (SWIA) was notified on May 16th, 2019 by the Campus Internal Auditor that an allegation of undisclosed outside employment had been made. The issue involved the Director of Equity & Compliance and her private law practice.		
Scope & Objectives	Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. The objectives of this review were to determine whether the allegation of undisclosed outside employment at the college was substantiated, and whether a weakness in the internal control structure had allowed the issue to continue.		
Results	Two employees who work under the director verified they had been asked by the director to work on items for her private law practice. Both employees stated they had each agreed, at some point, to type one document for the director. We found one of the documents on the shared drive of the college. More than 50 additional legal documents were found related to the director's practice. A third employee, no longer with the college, stated she was uncomfortable working in that office. She felt it was unethical when the director told her, as she was hired, that she could operate her own practice as well. Currently, there is an open Petition for Discipline for the director with the Tennessee Board of Professional Responsibility, a result of client complaints. A date for a public hearing has not been set at this time. Prior to our investigation the president had asked the director's supervisor, the Chief of Equity & Compliance, to review the allegation and respond. Her response was that she found no evidence that the director was handling her private practice from the college. It appears the chief was aware of the director's law practice because she requested the director submit a disclosure form after the allegation was made, and asked the director how many open legal cases she was working at the time. We were able to retrieve information regarding a second private law practice for the chief. Various legal documents for commercial lease reviews, personal injury cases, and other casework were located on the college's shared drives.		

Cont. Results	The Chief of Equity & Compliance claimed she did not have a private law practice and only handled legal affairs for her relatives, but federal individual tax returns for both employees, also found on the shared drives, disclosed IRS Business Profit or Loss schedules indicating significant expenses leading to income losses for their private law practices. That could signify an *unreasonable* amount of time committed to outside employment. The director's 2018 tax return included expensed mileage for over 20,000 miles. Human Resources did not have an Outside Employment form on file for either employee.
Recommendations	Although Southwest Tennessee State does not maintain a separate policy for outside employment, the college must comply with TBR policy. New employees should be informed of the TBR policy during their orientation and all employees reminded annually.
Conclusion	The allegation of undisclosed outside employment was substantiated. The Director of Equity & Compliance had requested subordinate employees work on legal documents for her private law practice, although for the most part, they did not accommodate her request. The director stated the chief and former Human Resources officer knew of her private practice when she was hired but did not request an Outside Employment Disclosure form at that time. The Chief of Equity & Compliance also had an undisclosed private law practice, although there was no evidence that she had requested assistance from subordinates following their hiring.

THE COLLEGE SYSTEM
of TENNESSEE

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: March 10, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Mike Batson will give brief updates for the following items:

- Introduction of the New Investigative Audit Manager
- Information Systems Auditor Search
- 2018 External Quality Assurance Review Recommendations Update

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: University Updates

DATE: March 10, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

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

Summary of Recent Activities

- The State of Tennessee Comptroller of the Treasury released the Financial and Compliance Audit Report for the below universities for the year ended June 30, 2018.

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

Tennessee Board of Regents
Audit Committee
March 10, 2020

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

Institution	For the Year Ended	Auditor's Opinion on Financial Statements	Report on Internal Control	Report on Compliance	Findings
Tennessee Technological University	June 30, 2018	Unmodified Opinion	One internal control finding was identified as a significant deficiency	No instances of noncompliance required to be reported	1

Finding 1 – Tennessee Technological University did not provide adequate internal controls in one area

Tennessee Technological University did not design and monitor internal controls in one specific area. We found an internal control deficiency in this area related to the university's systems because management did not implement controls that were sufficient.

Ineffective implementation of internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of these findings are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* We provided the university with detailed information regarding the specific conditions we identified, as well as the related criteria, causes, and our specific recommendations for improvement.

Recommendation - Management should ensure that this condition is remedied by promptly developing and consistently implementing internal controls in one area. Management should implement effective controls to ensure compliance with applicable requirements; assign staff to be responsible for ongoing monitoring of the risks and mitigating controls; and take action if deficiencies occur.

Management's Comment – We do not concur that the internal control issue noted above rises to the level of a significant deficiency due to the other compensating internal controls currently in place which mitigate the risk for financial statement reporting errors. However, we do understand the auditor's concerns and agree we should investigate the merits of implementing additional compensating controls. The TTU Business Office is currently reviewing all work processes related to this specific set of internal controls and will take appropriate measures if deemed necessary. The review of the work processes will be conducted keeping in mid that accounting and auditing standards recognize that zero risk cannot be achieved in any financial system and management must balance reasonableness, cost, and operational efficiency in the evaluation of internal controls.

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Revisions to Fiscal Year 2020 Audit Plans

DATE: March 10, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S
RECOMMENDATION: Approve

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

A summary of significant revisions to the plans from October 2019 to December 2019 is attached, followed by the revised plan for each of the audit offices.

Tennessee Board of Regents
Summary of Revisions
Fiscal Year 2020 Audit Plans

Overview of Significant Revisions: Below are revisions to the audit plans created in July 2019*, reflecting changes which occurred through January 2020. Changes in audit priorities result in most revisions to audit plans. Investigations and special projects occur and sometimes replace risk-based or other planned audits. However, time budgets may also be increased or decreased depending on circumstances encountered during an audit and the time needed to achieve the audit objectives.

Institution	Significant Revisions to Audit Plans Since July 1, 2019
DSCC	The Records Management and Retention audit was removed due to hours required for request for consulting on the Indirect Cost Rate Proposal.
NaSCC	This plan was not submitted in the August 2019 or November 2019 Audit Committee materials due to a vacancy of the Director of Internal Audit position. The updated plan is now submitted for approval.
PSCC	The RSCC President's Expense Audit was added as a result of an extended absence by another Director of Internal Audit. Information Technology audits were added as a result of the addition of an IT auditor at PSCC. The Service Department-Maintenance audit was removed due to these additions.

*There are no revised plans for the following due to vacancies in Internal Audit positions:

- TBR- Investigations
- TBR- Information Systems

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			**Planned to Actual**			
IS	C	Management Advisory Services	5.0	Jul-19	120.0	120.0	0.0	0%		49.5	70.5		In Progress
FM	F	State Audit Assist/Follow-up	5.0	Jul-19	75.0	75.0	0.0	0%		2.5	72.5		In Progress
IS	F	Follow up Reviews	5.0	Jul-19	85.0	85.0	0.0	0%		36.0	49.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-19	70.0	70.0	0.0	0%		4.0	66.0		In Progress
IS	I	Developing Investigations-Assist TBR	5.0	Jul-19	15.0	15.0	0.0	0%		4.0	11.0		In Progress
FM	S	YE Procedures FYE 2019	5.0	Jun-19	10.0	10.0	0.0	0%		10.0	0.0	Jul-19	Completed
FM	S	YE Procedures FYE 2020	5.0	Jun-20	15.0	15.0	0.0	0%		0.0	15.0		Scheduled
FM	R	Motlow President's Expense	5.0	Aug-19	100.0	100.0	0.0	0%		93.5	6.5	Oct-19	Completed
IS	M	Enterprise Risk Assessment	5.0	Nov-19	35.0	35.0	0.0	0%		28.0	7.0	Dec-19	Completed
SS	R	Workforce Training Hours	5.0	Jan-20	70.0	70.0	0.0	0%		0.0	70.0		Scheduled
AD	R	Foundation	5.0	Nov-19	100.0	100.0	0.0	0%		43.0	57.0		In Progress
IS	R	Campus Safety	5.0	Mar-20	60.0	60.0	0.0	0%		0.0	60.0		Scheduled
IT	S	IAR-NACHA-2019	5.0	Jul-19	60.0	60.0	0.0	0%		54.0	6.0	Oct-19	Completed
IA	S	Faculty Credentials	5.0	Oct-19	100.0	100.0	0.0	0%		82.0	18.0		In Progress
IA	S	TCAT Truck Driving Program	5.0	May-20	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
IA	S	TCAT Cosmetology Product Purchases	5.0	Sep-19	60.0	0.0	-60.0	-100%	FN1	0.0	0.0		Removed
IA	S	TCAT Auto Client Services	5.0	Sep-19	60.0	60.0	0.0	0%	FN2	30.0	30.0		In Progress
IA	S	TCAT Salon and Spa Client Services	5.0	Sep-19	0.0	60.0	60.0	100%	FN2	51.0	9.0		In Progress
IT	A	Software License Compliance	3.5	May-18	40.0	40.0	0.0	0%		6.0	34.0		In Progress
		Total Planned Audit Hours:			**1150.0**	**1150.0**	**0.0**			**493.5**	**656.5**		

Estimated Available Audit Hours =   1080.0

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 - Cosmetology Product Purchases has been included in the TCAT Salon and Spa Client Services Audit.
FN2 - The TCAT Client Services Audit was divided into two audits due to the size evaluated programs.

Cleveland State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2020
Revised January 2020

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original Change in Hours	Revised to Original Change in Percentage	FN	Planned to Actual Actual Hours	Variance	Completion Date	Current Status
IS	C	Management Advisory Services	5.0	5.0	50.0	50.0	0.0	0%		7.0	43.0		In Progress
IS	F	State Audit Assist/Follow-up	5.0	5.0	75.0	75.0	0.0	0%			75.0		Scheduled
IS	F	Follow up Reviews	5.0	5.0	75.0	75.0	0.0	0%		2.0	73.0		In Progress
IS	I	Unscheduled Investigations	5.0	5.0	40.0	40.0	0.0	0%			40.0		Scheduled
FM	S	YE Procedures FYE 2020	5.0	5.0	10.0	10.0	0.0	0%			10.0		Scheduled
FM	S	NACHA 2020	5.0	5.0	60.0	60.0	0.0	0%			60.0		Scheduled
IS	M	Enterprise Risk Assesment	5.0	5.0	35.0	35.0	0.0	0%		21.0	14.0	Dec-19	Complete
IA	R	Workforce Training Hours	5.0	5.0	70.0	70.0	0.0	0%			70.0		Scheduled
AD	R	Foundation	5.0	5.0	100.0	100.0	0.0	0%		54.0	46.0		In Progress
IS	R	Campus Safety	5.0	5.0	60.0	60.0	0.0	0%			60.0		Scheduled
FM	A	Contracts	2.8	2.8	100.0	100.0	0.0	0%		143.0	-43.0	Dec-19	Complete
FM	A	Athletic Revenue and Expenditures	2.6	2.6	100.0	100.0	0.0	0%			100.0		Scheduled
		Total Planned Audit Hours:			**775.0**	**775.0**	**0.0**			**227.0**	**548.0**		

Estimated Available Audit Hours = 775.0

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
FM	R	State Audit Year End Work	5.0	May-20	22.5	22.5	0.0	0%			22.5		Scheduled
AD	R	Advancement/Development	2.3	Oct-19	150.0	150.0	0.0	0%		137.9	12.1		In Progress
PP	R	Campus Security	2.2	Jan-20	150.0	150.0	0.0	0%			150.0		Scheduled
IA	R	Economic & Community Development	2.2	Mar-20	50.0	50.0	0.0	0%			50.0		Scheduled
FM	M	Review Management's Risk Assessment Process	5.0	Nov-19	22.5	22.5	0.0	0%		15.7	6.9		In Progress
FM	F	State Audit Follow-Up	5.0	Feb-20	75.0	75.0	0.0	0%			75.0		Scheduled
IS	F	Engagement Follow-up	5.0	Jan-20	30.0	30.0	0.0	0%		15.7	14.3		In Progress
IT	A	Incident Response & Reporting	4.3	Dec-19	100.0	100.0	0.0	0%			100.0		Scheduled
IT	A	Disaster Recovery/Business Continuity	4.2	Dec-19	100.0	84.2	-15.8	-16%		1.0	83.2		Scheduled
IT	A	Data Stewardship/Access	4.1	Nov-19	150.0	138.0	-12.0	-8%		7.5	130.5		Scheduled
SS	A	Financial Aid		Feb-19	22.5	41.8	19.3	86%		31.5	10.4		In Progress
IS	A	Policy Review		Oct-18	15.0	7.8	-7.3	-48%	2	7.8	0.0	July 2019	Completed
AT	C	Title IX Gender Equity Assessment	3.5	Aug-19	52.5	52.5	0.0	0%		39.3	13.2		In Progress
IS	C	Informal Consulting		Jul-19	110.0	110.0	0.0	0%		104.3	5.7		In Progress
FM	I	CoSCC 19-01		Jul-19	0.0	0.5	0.5	100%	1	0.5	0.0	July 2019	Completed
FM	I	CoSCC 20-01		Oct-19	0.0	3.3	3.3	100%	1	9.5	-6.3	October 2019	Completed
FM	C	Informal Complaint Processing		Oct-19	0.0	12.0	12.0	100%	1	11.2	0.8	December 2019	Completed
		Total Planned Audit Hours:			1050.0	1050.0	**0.0**			381.8	668.3		

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

FN
1 Unplanned Engagement
2 Unused hours transferred to other projects

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			**Planned to Actual**			
FM	R	Foundations		Dec-19	90.0	110.0	20.0	22%		53.0	57.0		In Progress
PP	R	Physical Security/Campus Safety		Mar-20	65.0	65.0	0.0	0%			65.0		Scheduled
FM	F	Follow-up to State Audit		Jan-20	45.0	45.0	0.0	0%			45.0		Scheduled
IS	R	Risk Assessment - Qualtiy		Sep-19	102.5	102.5	0.0	0%		90.5	12.0	12/19/2019	Completed
AD	R	Workforce Development Contact Hours		Feb-20	35.0	35.0	0.0	0%		25.0	10.0	11/22/2019	Completed
FM	R	Year End Bank Confirmations		Jun-20	30.0	30.0	0.0	0%			30.0		Scheduled
IS	I	Unscheduled Investigations		TBD	60.0	60.0	0.0	0%			60.0		Scheduled
IS	C	General Consultation		TBD	80.0	100.0	20.0	25%		81.0	19.0		In Progress
IS	P	PII Review		Aug-19	130.0	130.0	0.0	0%		62.5	67.5		In Progress
IS	R	Follow-up Audits		TBD	80.0	11.0	-69.0	-86%		0.0	11.0		In Progress
IS	R	Follow-up Investigation 17-01		Jul-19	0.0	22.0	22.0	0%		22.0	0.0	9/27/2019	Completed
IS	R	Follow-up Information Security		Jul-19	0.0	22.0	22.0	0%		22.0	0.0	10/4/2019	Completed
IS	R	Follow-up on Workforce Development		Nov-19	0.0	25.0	25.0	0%		25.0	0.0		In Progress
IS	A	Human Resources		Mar-20	120.0	120.0	0.0	0%			120.0		Scheduled
FM	A	Cash Handling Procedures		Sep-19	65.0	65.0	0.0	0%		19.5	45.5		In Progress
AT	A	Athletics Eligibility		Oct-19	40.5	40.0	-0.5	-1%		25.5	14.5		In Progress
AT	A	Athletics - Camps and Clinics/Fundraising		Jan-20	60.0	60.0	0.0	0%			60.0		Scheculed
FM	A	Records Mgmt and Retention		Apr-20	90.0	0.0	-90.0	-100%			0.0		Removed
FM	C	Indirect Cost Rate Proposal		Sep-19	0.0	50.5	50.5	0%		50.5	0.0	12/31/2019	Completed
		Total Planned Audit Hours:			**1093.0**	**1093.0**	**0.0**			**476.5**	**616.5**		

Estimated Available Audit Hours = 1093.0

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

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			Planned to Actual			
AD	R	Foundation		Nov-19	130.0	130.0	0.0	0%		137.5	-7.5		In Progress
IS	R	Campus Safety			130.0	130.0	0.0	0%			130.0		Scheduled
IA	R	Workforce Development			130.0	130.0	0.0	0%			130.0		Scheduled
IS	R	President's Expense Audit		Aug-19	130.0	279.0	149.0	115%		279.0	0.0	Oct-19	Completed
SS	S	Veterans Affairs Student Records			130.0	130.0	0.0	0%		1.5	128.5		Scheduled
FM	F	Access and Diversity Follow up			125.0	125.0	0.0	0%		7.5	117.5		In Progress
FM	F	Payroll Follow up		Dec-19	125.0	125.0	0.0	0%		2.5	122.5		In Progress
IA	F	Study Abroad Follow up		Nov-19	75.0	75.0	0.0	0%		40.5	34.5		In Progress
IS	F	Emergency Preparedness Follow up			75.0	75.0	0.0	0%			75.0		In Progress
IS	F	Conflict of Interest Follow up			75.0	75.0	0.0	0%			75.0		Scheduled
IA	F	Workforce Development Follow up			75.0	75.0	0.0	0%			75.0		Scheduled
IA	I	Inv 18-01		Jan-18	100.0	119.5	19.5	20%		119.5	0.0	Oct-19	Completed
SS	F	Inv 18-03 Follow up			125.0	125.0	0.0	0%			125.0		Scheduled
AT	I	Inv 19-01 - carryforward		Aug-18	40.0	30.5	-9.5	-24%		30.5	0.0	Jul-19	Completed
AT	F	Inv 19-01 Follow up			75.0	75.0	0.0	0%			75.0		Scheduled
IS	M	Risk Assessment		Nov-19	50.0	30.0	-20.0	-40%		14.5	15.5		In Progress
FM	R	Year-end Procedures		Jun-20	30.0	30.0	0.0	0%			30.0		Scheduled
IS	C	General Consultation		as needed	75.0	75.0	0.0	0%		119.0	-44.0		In Progress
		Total Planned Audit Hours:			**1695.0**	**1834.0**	**139.0**			**752.0**	**1082.0**		

Estimated Available Audit Hours = 1695

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

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original Change in Hours	Change in Percentage	FN	Planned to Actual Actual Hours	Variance	Completion Date	Current Status
R	AD	Foundation		Nov-19	125.0	100.0	-25.0	-20%		52.0	48.0		In Progress
R	PP	Campus Security		Feb-20	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
R	SS	Workforce Development and Follow Up		Mar-20	80.0	80.0	0.0	0%		4.5	75.5		Scheduled
M	IA	Risk Assessment - Quality		Nov-19	30.0	20.0	-10.0	-33%		5.7	14.3		In Progress
A	IA	Academic Affairs - Faculty Credentials	5.0	May-20	85.0	85.0	0.0	0%		0.0	85.0		Scheduled
C	SS	Dashboard Access	5.0	Dec-19	150.0	60.0	-90.0	-60%		27.3	32.7		In Progress
A	SS	Student Affairs - Satisfactory Academic Process	5.0	Apr-20	125.0	0.0	-125.0	-100%	1	0.0	0.0		Removed
I	FM	INV 1901		Aug-19	40.0	25.0	-15.0	-38%		24.0	1.0	Oct-19	Completed
F	IA	Follow Up INV 1601		Jul-19	10.0	10.0	0.0	0%		8.0	2.0	Aug-19	Completed
F	AT	Follow Up INV 1604 #2		Nov-19	30.0	30.0	0.0	0%		6.3	23.7		In Progress
F	SS	Follow Up INV 1801		Sep-19	40.0	30.0	-10.0	-25%		17.0	13.0		In Progress
F	AT	Follow Up INV 1802		Aug-19	30.0	30.0	0.0	0%		6.6	23.4		In Progress
F	AT	Follow Up INV 1804		Dec-19	30.0	10.0	-20.0	-67%		5.3	4.7	Nov-19	Completed
F	FM	Follow Up Access and Diversity		Jul-19	50.0	40.0	-10.0	-20%		38.9	1.1	Oct-19	Completed
F	IT	Follow Up Information Technology		Apr-20	30.0	15.0	-15.0	-50%		0.0	15.0		Scheduled
R	IA	Study Abroad		Jul-19	40.0	30.0	-10.0	-25%		4.5	25.5		In Progress
C	FM	General Consultation		Jul-19	80.0	80.0	0.0	0%		44.0	36.0		In Progress
R	FM	State Audit Assistance - Year End		Jul-19	20.0	20.0	0.0	0%		4.0	16.0		In Progress
I	IS	Unscheduled Investigions		Jul-19	50.0	50.0	0.0	0%		19.5	30.5		In Progress
I	IS	Assist SWIA		Jul-19		188.0	188.0	N/A		132.9	55.1		In Progress
F	IA	Follow Up INV 1803		Jul-19		5.0	5.0	N/A		4.7	0.3	Jul-19	Completed
R	IS	Conflict of Interest		Jul-19		2.0	2.0	N/A		2.0	0.0	Jul-19	Completed
F	IS	Follow Up Conflict of Interest		Dec-19		15.0	15.0	N/A		11.5	3.5	Dec-19	Completed
F	FM	Follow Up State Audit		Mar-20		20.0	20.0	N/A		0.0	20.0		Scheduled
F	FM	Follow Up Access and Diversity # 2		Jan-20		50.0	50.0	N/A		13.0	37.0		In Progress
I	AT	INV 2001		Feb-20		50.0	50.0	N/A		0.0	50.0		In Progress
		Total Planned Audit Hours:			**1120.0**	**1120.0**	**0.0**			**431.7**	**688.3**		

Estimated Available Audit Hours = 1120.0

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

Nashville State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2020
Revised January 2020

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
AD	R	Foundation	5.0	Jan-20	150.0	150.0	0.0	0%		20.0	130.0		In Progress
IS	R	Physical Security / Campus Safety	5.0	Mar-20	150.0	150.0	0.0	0%		0.0	150.0		Scheduled
IA	R	Workforce Development	5.0	Mar-20	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
FM	R	State Audit Assistance	5.0	Jan-20	37.5	37.5	0.0	0%		2.0	35.5		In Progress
FM	R	Year End Procedures	5.0	Jun-20	15.0	15.0	0.0	0%		0.0	15.0		Scheduled
IS	C	Management Advisory Services	5.0	As Needed	20.0	20.0	0.0	0%		0.0	20.0		Scheduled
		Total Planned Audit Hours:			**447.5**	**447.5**	**0.0**			**22.0**	**425.5**		

Estimated Available Audit Hours =   447.5

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

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			**Planned to Actual**			
SS	R	Workforce Development Training Hours 2020	5.0	Jan-20	75.0	75.0	0.0	0%			75.0		Scheduled
FM	R	Walters State President Expense Audit	5.0	Aug-19	125.0	125.0	0.0	0%		101.0	24.0	Oct-19	Completed
AD	R	Foundation	5.0	Nov-19	100.0	100.0	0.0	0%		36.5	63.5		In Progress
IS	R	Campus Safety	5.0	Mar-20	75.0	75.0	0.0	0%			75.0		Scheduled
PP	A	Key Control	4.4	Jul-19	100.0	100.0	0.0	0%		102.5	-2.5	Dec-19	Completed
IT	SR	Access Termination	5.0	Jul-19	100.0	100.0	0.0	0%		47.0	53.0		In Progress
FM	A	Grants and Contracts	5.0	Jul-19	75.0	75.0	0.0	0%		29.0	46.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-19	100.0	100.0	0.0	0%			100.0		Scheduled
FM	R	State Audit Assistance - Year End	5.0	Jul-19	20.0	20.0	0.0	0%		3.5	16.5		In Progress
IS	S	Special Requests and Projects	5.0	Jul-19	85.0	85.0	0.0	0%		51.5	33.5		In Progress
IS	F	Other Audit Follow-Up	5.0	Jul-19	50.0	50.0	0.0	0%		16.5	33.5		In Progress
IS	M	Risk Assessment	5.0	Nov-19	45.0	45.0	0.0	0%		34.0	11.0	Jan-20	Completed
IS	C	Management Advisory Services	5.0	Jul-19	100.0	100.0	0.0	0%		47.5	52.5		In Progress
		Total Planned Audit Hours:			**1050.0**	**1050.0**	**0.0**			**469.0**	**581.0**		

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

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
AD	R	Foundation	5.0	Nov-19	150.0	150.0	0.0	0%		9.0	141.0		In Progress
IS	R	Campus Security	5.0	Jan-19	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
FM	R	Year End Inventory & Cash Counts	5.0	Jun-19	30.0	30.0	0.0	0%		5.0	25.0		In Progress
IS	R	Funding Formula-Workforce Development	5.0	Apr-19	45.0	45.0	0.0	0%		0.0	45.0		Scheduled
FM	R	President's Audit - Roane State	5.0	Sep-19	0.0	100.0	100.0	N/A	FN2	62.0	38.0		In Progress
FM	F	Audit Follow-Up (including State Audit)	5.0	Jul-19	45.0	45.0	0.0	0%		0.0	45.0		Scheduled
IS	M	Risk Assessment	5.0	Oct-19	22.5	22.5	0.0	0%		11.0	11.5		In Progress
IA	S	Faculty Credentials	5.0	Oct-19	112.5	112.5	0.0	0%		0.0	112.5		Scheduled
IA	S	Review of Compliance Assist	5.0	Feb-19	30.0	30.0	0.0	0%		0.0	30.0		Scheduled
AD	C	Advancement Management Advisory Services, Consultation, etc.	5.0	Jul-19	37.5	37.5	0.0	0%		14.0	23.5		In Progress
FM	C	Finance Management Advisory Services, Consultation, etc.	5.0	Jul-19	37.5	37.5	0.0	0%		31.8	5.8		In Progress
IS	C	Instittutional Support Management Advisory Services, Consultation, etc.	5.0	Jul-19	105.0	105.0	0.0	0%		5.0	100.0		In Progress
IS	I	Unscheduled Investigations and Special Requests	5.0	Jul-19	37.5	37.5	0.0	0%		0.0	37.5		Scheduled
IT	C	Management Advisory Service - PCI review including monthly scans	5.0	Oct-19	0.0	172.5	172.5	N/A	FN1	0.0	172.5		Scheduled
IT	C	Management Advisory Service - Building Security Review	5.0	Oct-19	0.0	150.0	150.0	N/A	FN1	0.0	150.0		Scheduled
IT	C	Management Advisory Service - General Security Review Services	5.0	Oct-19	0.0	145.0	145.0	N/A	FN1	0.0	145.0		Scheduled
IT	S	Café Vulnerability Assessment	5.0	Nov-19	0.0	127.5	127.5	N/A	FN1	0.0	127.5		Scheduled
IT	S	Bookstore Vulnerability Assessment	5.0	Jan-20	0.0	127.5	127.5	N/A	FN1	0.0	127.5		Scheduled
IT	S	Security Camera System Vulnerability Assessment	5.0	Feb-20	0.0	127.5	127.5	N/A	FN1	0.0	127.5		Scheduled
PP	A	Service Department - Maintenance	3.7	Sep-19	200.0	0.0	-200.0	-100%	FN3	0.0	0.0		Removed
FM	A	Travel	3.5	Aug-19	75.0	67.5	-7.5	-10%		63.5	4.0	Aug-19	Completed
IT	A	PSCC 2 Vulnerabilty Assessment	3.5	Mar-20	0.0	165.0	165.0	N/A	FN1	0.0	165.0		Scheduled
IT	A	Physical Security Review	3.3	May-20	0.0	195.0	195.0	N/A	FN1	0.0	195.0		Scheduled
		Total Planned Audit Hours:			**1002.5**	**2105.0**	**1102.5**			**201.3**	**1903.8**		

Estimated Available Audit Hours = 1900.0

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

FN1 - Audits added to the audit plan as the result of hiring an IT auditor.
FN2 - Audit was added to the audit plan at the request of Chief Audit Executive at the Board due to the individual originally assigned this audit having surgery.
FN3 - Audit was removed due to the addition of the Roane State President's Audit and also the addition of several IT audits.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	R	Campus Safety & Security	5.0	Jan-20	60.0	60.0	0.0	0%			60.0		Scheduled
AX	R	Foundation - Policies, Operations	5.0	Oct-19	105.0	105.0	0.0	0%		51.3	53.8		In Progress
SS	R	Workforce Development	5.0	Mar-20	60.0	60.0	0.0	0%		4.0	56.0		In Progress
FM	R	Year End Cash Counts	5.0	Jul-19	45.0	45.0	0.0	0%			45.0		In Progress
IA	A	International Education	3.4	Sep-19	52.5	52.5	0.0	0%		14.5	38.0		In Progress
IS	M	Enterprise Risk Assessment	5.0	Jul-19	75.0	60.0	-15.0	-20%		22.3	37.8	Jan-20	Completed
FM	S	ACA Reporting	3.1	Sep-19	75.0	75.0	0.0	0%		17.0	58.0		In Progress
IA	S	Healthcare Programs Admissions	3.8	Sep-19	105.0	105.0	0.0	0%		1.5	103.5		In Progress
FM	S	Accounts Receivable	4.5	Aug-19	75.0	75.0	0.0	0%		13.5	61.5		In Progress
IA	S	Workload/Release Time	3.8	Jul-19	22.5	37.5	15.0	67%		39.5	-2.0		In Progress
FM	F	State Audit Follow-up	5.0	Jul-19	52.5	52.5	0.0	0%		36.8	15.8		In Progress
FM	F	IAR Audit Follow-up	5.0	Jul-19	37.5	37.5	0.0	0%			37.5		Scheduled
FM	I	Unscheduled Investigations	5.0	Jul-19	90.0	90.0	0.0	0%			90.0		Scheduled
IS	C	Management Advisory Services	5.0	Jul-19	142.5	142.5	0.0	0%		136.3	6.3		In Progress
AX	S	Foundation - Restricted Funds	4.1	Aug-19	52.5	52.5	0.0	0%		29.3	23.3		In Progress
		Total Planned Audit Hours:			**1050.0**	**1050.0**	**0.0**			**365.8**	**684.3**		

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

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			Planned to Actual			
FM	A	IAR-Cash Count		Jun-20	37.5	37.5	0.0	0%		12.5	25.0		Scheduled
SS	S	Out of State Tuition		Sep-19	97.5	97.5	0.0	0%		11.0	86.5		Scheduled
FM	S	Review of Time Sheets Preparation		Jul-19	97.5	159.5	62.0	64%		160.5	-1.0	Oct-19	Completed
FM	S	Review of Accounts Payable Vendors		Aug-19	97.5	97.5	0.0	0%		0.0	97.5		Scheduled
IS	R	Foundation Audit		Sep-19	97.5	128.0	30.5	31%		86.5	41.5		In Progress
IS	R	Campus Safety Audit		Oct-19	97.5	97.5	0.0	0%		0.0	97.5		Scheduled
SS	R	Workforce Development Audit		May-20	97.5	97.5	0.0	0%		0.0	97.5		Scheduled
FM	F	FU-State Audit		Dec-19	90.0	80.0	-10.0	-11%		4.5	75.5		Scheduled
IS	F	FU-Review of Public Safety Inventory Pro		Jul-19	11.5	14.0	2.5	22%		14.0	0.0	Aug-19	Completed
FM	F	FU-Federal Work Study		Feb-20	90.0	90.0	0.0	0%		0.0	90.0		Scheduled
FM	S	FU-Special Review of Vendor Issues		Mar-20	22.5	10.5	-12.0	-53%		10.5	0.0	Nov-19	Completed
FM	S	FU-Conflict of Interest Year 2019		Apr-20	22.5	22.5	0.0	0%		10.0	12.5		Scheduled
FM	F	FU-Compensatory Time		Jul-19	11.0	12.0	1.0	9%		12.0	0.0	Jul-19	Completed
IS	A	IAR-Risk Assessment		Dec-19	37.5	37.5	0.0	0%		29.0	8.5	Dec-19	Completed
IS	F	FU-Internal Audit Follow Up		Jul-19	15.0	8.5	-6.5	-43%		3.5	5.0		Scheduled
SS	C	IAR-General Consultant		Jul-19	82.5	49.0	-33.5	-41%		30.0	19.0		Scheduled
FM	I	Unscheduled Investigation		Jul-19	82.5	17.0	-65.5	-79%		0.0	17.0		Scheduled
FM	P	ACM-Audit Software		Jul-19	60.0	60.0	0.0	0%		45.0	15.0		Scheduled
FM	I	INV-Conducting Jewelry Business		Nov-20	0.0	31.5	31.5	100%		31.5	0.0	Dec-19	Completed
		Total Planned Audit Hours:			**1147.5**	**1147.5**	**0.0**			**460.5**	**687.0**		

Estimated Available Audit Hours = 1147.5

Functional Areas:

AD - Advancement
AT - Athletics
AX - Auxiliary
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IA - Instruction & Academic Support
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IT - Information Technology
MC - Marketing and Campus Activities
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RS - Research
SS - Student Services

Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

<table>
<tr><td colspan="15">Volunteer State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2020
Revised January 2020</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td colspan="3">Revised to Original</td><td></td><td colspan="2">Planned to Actual</td><td></td></tr>
<tr><td>Area</td><td>Type</td><td>Audit</td><td>Risk Factor</td><td>Estimated Audit Start Date</td><td>Original Hours Planned</td><td>Revised Plan</td><td>Change in Hours</td><td>Change in Percentage</td><td>FN</td><td>Actual Hours</td><td>Variance</td><td>Completion Date</td><td>Current Status</td></tr>
<tr><td>SS</td><td>S</td><td>Financial Aid Work Study</td><td>8.5</td><td>Mar-20</td><td>200.0</td><td>200.0</td><td>0.0</td><td>0%</td><td></td><td>0.0</td><td>200.0</td><td></td><td>Scheduled</td></tr>
<tr><td>IS</td><td>R</td><td>Campus Safety</td><td>8.1</td><td>Mar-20</td><td>175.0</td><td>175.0</td><td>0.0</td><td>0%</td><td></td><td>0.0</td><td>175.0</td><td></td><td>Scheduled</td></tr>
<tr><td>SD</td><td>R</td><td>Foundation</td><td>7.9</td><td>Jan-20</td><td>200.0</td><td>200.0</td><td>0.0</td><td>0%</td><td></td><td>0.0</td><td>200.0</td><td></td><td>In Progress</td></tr>
<tr><td>IA</td><td>R</td><td>Workforce Development</td><td>7.4</td><td>Apr-20</td><td>175.0</td><td>175.0</td><td>0.0</td><td>0%</td><td></td><td>0.0</td><td>175.0</td><td></td><td>Scheduled</td></tr>
<tr><td>FM</td><td>R</td><td>President's Expense- Nashville State</td><td>5.0</td><td>Aug-19</td><td>200.0</td><td>200.0</td><td>0.0</td><td>0%</td><td></td><td>238.0</td><td>-38.0</td><td>Oct-19</td><td>Completed</td></tr>
<tr><td>FM</td><td>F</td><td>State Audit Follow-Up</td><td>5.0</td><td>Nov-19</td><td>175.0</td><td>175.0</td><td>0.0</td><td>0%</td><td></td><td>97.0</td><td>78.0</td><td>Dec-19</td><td>Completed</td></tr>
<tr><td>FM</td><td>R</td><td>State Audit Year-End Work</td><td>5.0</td><td>May-20</td><td>40.0</td><td>40.0</td><td>0.0</td><td>0%</td><td></td><td>2.0</td><td>38.0</td><td></td><td>Scheduled</td></tr>
<tr><td>IS</td><td>F</td><td>Follow-Up Activities</td><td>5.0</td><td>Jul-19</td><td>75.0</td><td>75.0</td><td>0.0</td><td>0%</td><td></td><td>7.0</td><td>68.0</td><td></td><td>In Progress</td></tr>
<tr><td>IS</td><td>C</td><td>General Consultation</td><td>5.0</td><td>Jul-19</td><td>40.0</td><td>40.0</td><td>0.0</td><td>0%</td><td></td><td>28.5</td><td>11.5</td><td></td><td>In Progress</td></tr>
<tr><td>IS</td><td>M</td><td>Management Risk Assessment</td><td>5.0</td><td>Jul-19</td><td>100.0</td><td>100.0</td><td>0.0</td><td>0%</td><td></td><td>45.0</td><td>55.0</td><td>Jan-20</td><td>Completed</td></tr>
<tr><td>IS</td><td>I</td><td>Unscheduled Investigations</td><td>5.0</td><td>Jul-19</td><td>40.0</td><td>40.0</td><td>0.0</td><td>0%</td><td></td><td>0.0</td><td>40.0</td><td></td><td>Scheduled</td></tr>
<tr><td>FM</td><td>A</td><td>Conflict of Interest</td><td>5.0</td><td>May-19</td><td>50.0</td><td>50.0</td><td>0.0</td><td>0%</td><td></td><td>43.0</td><td>7.0</td><td>Jul-19</td><td>Completed</td></tr>
<tr><td colspan="3">Total Planned Audit Hours:</td><td></td><td></td><td>1470.0</td><td>1470.0</td><td>0.0</td><td></td><td></td><td>460.5</td><td>1009.5</td><td></td><td></td></tr>
</table>

Estimated Available Audit Hours =   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

Status:

Scheduled
In Progress
Completed
Removed

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
							Revised to Original			**Planned to Actual**			
IS	C	Management Advisory Services	5.0	Jul-19	300.0	300.0	0.0	0%		97.5	202.5		In Progress
FM	F	State Audit Assist/Follow-up	5.0	Jul-19	12.0	12.0	0.0	0%		12.5	-0.5	Aug-19	Completed
IS	R	IAR-WSCC Foundation 2020	5.0	Oct-19	90.0	90.0	0.0	0%		30.0	60.0		In Progress
SS	F	IAR-FU-CCTA-WorkforceTrainingHours2019	5.0	Oct-19	22.5	52.5	30.0	133%		52.5	0.0	Aug-19	Completed
IS	R	IAR-Physical Security/Campus Safety 2020	5.0	Feb-19	40.0	40.0	0.0	0%		22.5	17.5		Scheduled
IS	I	Unscheduled Investigations	5.0	Jul-19	105.0	105.0	0.0	0%		80.0	25.0		In Progress
FM	R	IAR-WSCC President's Expenses Audit 2020	5.0	Aug-19	22.5	22.5	0.0	0%		12.0	10.5	Aug-19	Completed
IS	M	All-Inclusive Enterprise Risk Assessment	5.0	May-19	22.5	22.5	0.0	0%		22.5	0.0	Oct-19	Completed
IS	M	IET Risk Assessment	5.0	Mar-20	45.0	45.0	0.0	0%		0.0	45.0		Scheduled
IS	R	IAR-WSCC Conflicts of Interest 2019	5.0	Aug-19	37.5	37.5	0.0	0%		22.5	15.0	Aug-19	Completed
IS	P	IAR-QAR Self & External	5.0	Apr-20	22.5	22.5	0.0	0%		0.0	22.5		Scheduled
FM	S	YE Procedures FYE 2019	5.0	Jul-19	22.5	22.5	0.0	0%		7.5	15.0	Jul-19	Completed
FM	S	YE Procedures FYE 2020	5.0	Jun-20	22.5	22.5	0.0	0%		0.0	22.5		Scheduled
IT	S	IAR-NACHA-2019	5.0	May-19	75.5	0.0	-75.5	-100%	1	0.0	0.0		Removed
IT	S	IAR-NACHA-2020	5.0	Oct-19	105.0	150.5	45.5	43%		147.5	3.0	Dec-19	Completed
SS	R	IAR-CCTA-Workforce Training Hours 2020	5.0	Mar-20	105.0	105.0	0.0	0%		65.0	40.0		In Progress
		Total Planned Audit Hours:			**1050.0**	**1050.0**	**0.0**			**572.0**	**478.0**		

Estimated Available Audit Hours =   1050.0

Functional Areas:

AD - Advancement
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Audit Types:

R - Required
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P - Project (Ongoing or Recurring)
M - Management's Risk Assessment
C - Consultation
F - Follow-up Review
O - Other

Status:

Scheduled
In Progress
Completed
Removed

1 - Combined with IAR-NACHA-2020

							Revised to Original			**Planned to Actual**			
Area	**Type**	**Audit**	**Risk Factor**	**Estimated Audit Start Date**	**Original Hours Planned**	**Revised Plan**	**Change in Hours**	**Change in Percentage**	**FN**	**Actual Hours**	**Variance**	**Completion Date**	**Current Status**
FM	A	FY 20 Perkins Audit	NA	Jan-20	100.0	100.0	0.0	0%		27.5	72.5		In Progress
FM	C	FY 20 TCAT Consultation	NA	Jul-19	250.0	250.0	0.0	0%		235.5	14.5		In Progress
FM	R	FY 20 TCAT Risk Assessment	NA	Feb-20	75.0	75.0	0.0	0%		10.5	64.5		In Progress
FM	C	FY 20 TCAT Audit Program	NA	Jul-19	75.0	75.0	0.0	0%		103.0	-28.0		In Progress
FM	C	FY 20 TCAT Year End Procedures	NA	Jun-20	75.0	75.0	0.0	0%		0.0	75.0		FN1
FM	R	FY 20 TCAT Foundation	NA	Jul-19	100.0	100.0	0.0	0%		32.0	68.0		In Progress
FM	A	FY 19 TCAT Knoxville SFA	4.2	Oct-19	15.0	15.0	0.0	0%		0.0	15.0		FN1
FM	A	FY 19 TCAT Memphis SFA	4.2	Oct-19	15.0	15.0	0.0	0%		0.0	15.0		FN1
FM	R	FY 18 TCAT Memphis President's Expense	4.2	Oct-19	15.0	46.0	31.0	207%		46.0	0.0		In Progress
FM	A	FY 19 TCAT Elizabethton SFA	4.1	Oct-19	15.0	15.0	0.0	0%		0.0	15.0		FN1
FM	R	FY 20 TCAT Elizabethton President's Expense	4.1	Oct-19	15.0	15.0	0.0	0%		11.0	4.0		Scheduled
FM	A	FY 17 Nashville-IAR-Equipment/Security Review	3.6	Nov-19	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Nashville SFA	3.6	Nov-19	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 18 TCAT Nashville President's Expense	3.6	Nov-19	7.5	7.5	0.0	0%		0.0	7.5		In Progress
FM	A	FY 19 TCAT Jackson SFA	3.1	Feb-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Murfreesboro SFA	3.0	Jan-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 20 TCAT Murfreesboro President's Expense	3.0	Jan-20	7.5	7.5	0.0	0%		4.0	3.5		Scheduled
FM	A	FY 17 Ripley-IAR-Equipment/Security Review	2.8	Oct-19	15.0	15.0	0.0	0%		0.0	15.0		FN1
FM	A	FY 19 TCAT Ripley SFA	2.8	Oct-19	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 18 TCAT Ripley-President's Expense	2.8	Oct-19	15.0	15.0	0.0	0%		0.0	15.0		FN1
FM	A	FY 19 TCAT Crump SFA	2.8	Feb-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Morristown SFA	2.7	Mar-20	15.0	15.0	0.0	0%		0.0	15.0		FN1
FM	R	FY 20 TCAT Morristown President's Expense	2.7	Mar-20	15.0	15.0	0.0	0%		6.5	8.5		In Progress
FM	A	FY 19 TCAT Pulaski SFA	2.6	Jan-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 17 Paris-IAR-Equipment/Security Review	2.6	Sep-19	7.5	7.5	0.0	0%		7.5	0.0		In Progress
FM	A	FY 19 TCAT Paris SFA	2.6	Sep-19	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 20 TCAT Paris/McKenzie President's Expense	2.6	Sep-19	15.0	28.0	13.0	87%		38.0	-10.0		In Progress
FM	A	FY 19 TCAT McMinnville SFA	2.6	May-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 20 TCAT McMinnville President's Expense	2.6	May-20	7.5	33.5	26.0	347%		33.5	0.0		In Progress
FM	A	FY 19 TCAT Shelbyville SFA	2.6	May-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Harriman SFA	2.5	May-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 20 TCAT Harriman President's Expense	2.5	May-20	7.5	7.5	0.0	0%		6.5	1.0		In Progress
FM	A	FY 19 TCAT Livingston SFA	2.4	May-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Crossville SFA	2.4	Mar-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 20 TCAT Crossville President's Expense	2.4	Mar-20	7.5	7.5	0.0	0%		4.0	3.5		Scheduled
FM	A	FY 19 TCAT Newbern SFA/Equipment/Security/Review	2.4	Feb-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Whiteville SFA	2.3	Feb-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 20 TCAT Dickson President's Expense	2.3	Feb-20	7.5	15.0	7.5	100%		15.0	0.0		In Progress
FM	A	FY 19 TCAT Dickson SFA	2.3	Feb-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Oneida SFA	2.2	Mar-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 17 TCAT Covington-IAR-Equipment/Security Review	2.1	Apr-20	15.0	15.0	0.0	0%		0.0	15.0		FN1
FM	A	FY 19 TCAT Covington SFA	2.1	Apr-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 17 TCAT McKenzie-IAR-Equipment/Security Review	2.1	Sep-19	7.5	7.5	0.0	0%		3.5	4.0		In Progress
FM	A	FY 19 TCAT McKenzie SFA	2.1	Sep-19	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Hohenwald SFA/Equipment/Security Review	1.9	Jan-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Hartsville SFA	1.7	May-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Jacksboro SFA	1.6	Apr-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 17 TCAT Athens-IAR-Equipment/Security Review	1.6	Apr-20	15.0	15.0	0.0	0%		0.0	15.0		FN1
FM	A	FY 19 TCAT Athens SFA	1.6	Apr-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	R	FY 18 TCAT Athens President's Expense	1.6	Apr-20	7.5	7.5	0.0	0%		0.0	7.5		FN1
FM	A	FY 19 TCAT Chattanooga SFA	1.0	Mar-20	15.0	15.0	0.0	0%		0.0	15.0		FN1
		Total Planned Audit Hours:			**1110.0**	**1187.5**	**77.5**			**584.0**	**603.5**	**1187.5**	

Estimated Available Audit Hours = 1,110

Functional Areas:

AD - Advancement
AT - Athletics
AX - Auxiliary
FM - Financial Management
IA - Instruction & Academic Support
IS - Institutional Support
IT - Information Technology
MC - Marketing and Campus Activities
PP - Physical Plant
RS - Research
SS - Student Services
FN1: These audits have not been started.

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

TCAT
Internal Audit Plan
Fiscal Year Ending June 30, 2020
Revised January 2020

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Revised Internal Audit Charters

DATE: March 10, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Voice Vote

STAFF'S
RECOMMENDATION: Approve

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

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

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

The attached charters have been revised due to a change in Campus President or Director of Internal Audit and are recommended for the committee's approval.

<p style="text-align:center">Jackson State Community College</p>

<p style="text-align:center">Internal Audit Charter</p>

Introduction

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

Purpose

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

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

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

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

Audit Standards

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

Authority and Scope

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

Organizational Status/Reporting Structure

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

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

Independence and Objectivity

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

Responsibility and Role

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

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

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

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

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

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

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

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

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

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

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

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

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

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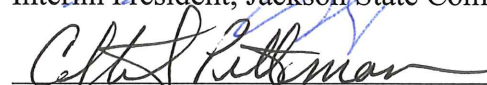
Quality Assurance and Improvement

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

Periodic Review of Internal Audit Charter

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

_____   11-26-19
Interim President, Jackson State Community College   Date

_____   11-26-19
Interim Director of Internal Audit   Date
Jackson State Community College

Nashville State Community College

Internal Audit Charter

Introduction

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Purpose

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the advice — the engagement client. When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility.

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Audit Standards

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

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_____   1-22-20

Dr. Shanna L. Jackson   Date

President, Nashville State Community College

_____   1/22/2020

Henry Ho, CPA, CGFM   Date

Internal Auditor, Nashville State Community College