

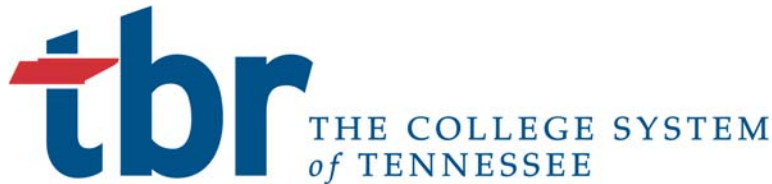
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**TENNESSEE BOARD OF REGENTS**  
*Committee on Audit*

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**AGENDA**  
**June 2, 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**
  
- III. REVIEW OF SYSTEM-WIDE INTERNAL AUDIT BUDGET FOR FY 2021 (Mike Batson)**
  
- IV. NON-PUBLIC EXECUTIVE SESSION (Mike Batson)**



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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: June 2, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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The following items will be discussed with the Audit Committee:

Foundation Audits  
Recommendation Logs

STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS

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

Internal Audit Reports - Following is a summary on the status of previously reported findings and observations as of March 31, 2020. 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
CISCC	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	20-Feb-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				20-Feb	Action Completed
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				20-Feb	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.  Ten of thirteen areas have been corrected.	Executive Vice President of Business and Finance, Vice President of Technology	20-Mar-20		1	30-Jan-20	7-Apr-20	In Progress
CoSCC	13-Jan-20	As noted in the prior audit, the college did not submit Return of Title IV Funds timely	Director, Financial Aid Business Analyst	1-Dec-19			5-Feb-20	30-Apr-20	No Progress
CoSCC	13-Jan-20	As noted in the prior audit, the college did not comply with the requirements of the Federal Work-Study program.	Director, Financial Aid	1-Sep-19			5-Feb-20	30-Apr-20	No Progress
CoSCC	13-Jan-20	As noted in the prior audit, Columbia State Community College did not provide adequate internal controls in two areas.	Director, Financial Aid	1-Dec-19			5-Feb-20	30-Apr-20	No Progress
MSCC	24-Sep-19	Motlow State Community College did not provide adequate internal controls in one area	Chief Financial Officer and Comptroller	21-Apr-20					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
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	8-Apr-20	Action Completed
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	27-Apr-20	Action Completed
ChSCC	26-Jun-19	Student Complaints and Grade Appeals 1 of 4: 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	28-Apr-20	Action Completed
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			29-Jan-20	7-Apr-20	Action Completed
ChSCC	31-Jan-20	TCAT Salon and Spa Client Services and Inventory 1 of 3: Salon and Spa Service departments should complete written inventory procedures and a comprehensive listing of inventory and program equipment.	Executive Vice President - Technical College	31-Mar-20			29-Apr-20		Action Completed
ChSCC	31-Jan-20	TCAT Salon and Spa Client Services and Inventory 2 of 3: Inventory listings should be updated as product is depleted or replenished and used to determine appropriate supply orders.	Executive Vice President - Technical College	31-Mar-20			29-Apr-20		Action Completed
ChSCC	6-Feb-20	Faculty Credentials 1 of 3: The Faculty Qualifications Manuals should be reviewed to ensure they contain all courses and course rubrics.	Dean, Academic Assessment, Accreditation, and Compliance	6-Feb-20			6-Feb-20		Action Completed
ChSCC	6-Feb-20	Faculty Credentials 2 of 3: The practice of including the Dean or Department Head as an instructor on SSASECT when they are not teaching should be eliminated. Only the Instructor of Record should be included on this form.	Dean, Academic Assessment, Accreditation, and Compliance	6-Feb-20			6-Feb-20		Action Completed
ChSCC	10-Feb-20	Foundation 1 of 3: The Foundation Board of Directors should consider a bylaw revision to make the President of the College a voting member of the Foundation Board to achieve greater compliance with TBR policy 4.01.07.02 section II, A.	Vice President, College Advancement and Public Relations	10-Feb-20			10-Feb-20		Action Completed
ChSCC	10-Feb-20	Foundation 2 of 3: Documentation of the procurement policies in use and any required approvals for exceptions.	Vice President, College Advancement and Public Relations	28-Feb-20			1-Apr-20		Action Completed
ChSCC	10-Feb-20	Foundation 3 of 3: Completion of the record retention policy including designation of a position responsible for release of Foundation related information upon receipt of a request. Information should only be released in compliance with applicable laws and donor confidentiality	Vice President, College Advancement and Public Relations	28-Feb-20			1-Apr-20		Action Completed
CISCC	14-Jan-19	Management should evaluate actions to take to strengthen internal controls and adherence to the policy within the student organizations, and ensure that all advisors and club officers are aware and follow policy 3:01:01:00, Student Organizations, Fiscal Procedures.	VP of Student Services	31-May-19		0	28-Jun-19		Action Completed

**TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges**  
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CISCC	14-Jan-19	Management should decide what type accounts student organization can and cannot have and specify in policy. In addition, management should determine and document how long records should be kept based on the current retention requirements.	VP of Student Services	1-Jul-19		0	30-Aug-19		Action Completed
CISCC	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		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 <i>Economic and Workforce Development Contact Hours</i> report.	Director of Continuing Education - (There has been complete turnover in this department since	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
JSCC	19-Feb-16	JSCC-IAR-Off-Campus International Education Program Recommendation 1 of 2: Students should be registered for international education programs at their institution according to the TBR Guideline A-076 and the TnCIS Operational Handbook. Institutional registration should include recording appropriate student fees, student payments, and administering any financial aid and scholarships.	International Activities Coordinator	1-Jun-16	1-Jun-18	2	24-Apr-17	24-Jan-20	Action Completed
JSCC	19-Feb-16	JSCC-IAR-Off-Campus International Education programs Recommendation 2 of 2: Management should ensure that appropriate dual service contracts are in place with TnCIS for institutional faculty teaching abroad according to the TnCIS Operational Handbook section 3.2.9. 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	2	24-Apr-17	24-Jan-20	Action Completed
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	21-Jan-20	Action Completed

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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: Ø Review all of the college's current organizational structure to determine that all individuals who should be assigned the CSA role have been assigned and to determine if individuals who already have been assigned that role should continue in their role. Ø Establish a deadline for when CSA training must be completed, and, if training is not completed by that deadline, notify the appropriate supervisors and/or senior management as necessary, for those CSAs who do not complete the training. Ø If training is still not completed, provide Human Resources with a list of individuals who have not completed the training and have them to request that the training be completed. Request that Human Resources periodically provides a list of individuals who have not completed the training to the President. Ø Consider offering CSA training in person to individuals at in-service. Individuals who complete the in-person training would be exempt from the online training. Ø A standard form should be designed for use by all CSAs. Additionally, on at least an annual basis, the police department should send an email to all CSAs for them to verify crimes that they have reported or the fact that they had no incidents to report. This should probably be done in January or February to cover the prior calendar year.	Chief of Police	1-Oct-18	1-Oct-19	1	17-Oct-18	21-Jan-20	Action Completed
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		20-Feb-20	Action Completed
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		20-Feb-20	Action Completed
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		20-Feb-20	Action Completed
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		20-Feb-20	Action Completed
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	28-Apr-20	Action Completed
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	27-Apr-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-Dec-20	3	8-Oct-18	8-Apr-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	27-Apr-20	In Progress
ChSCC	25-Jun-19	Conflict of Interest 2 of 2: 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	27-Apr-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	31-Dec-20		29-Jan-20	27-Apr-20	In Progress
ChSCC	31-Jan-20	TCAT Salon and Spa Client Services and Inventory 3 of 3: Inventory and Equipment listings should be verified by Program Instructors at the end of each semester and reviewed by the Department Head.	Executive Vice President - Technical College	31-Aug-20			29-Apr-20		In Progress
<a href="#">CoSCC</a>	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	1-May-20	In Progress
<a href="#">CoSCC</a>	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	1-May-20	In Progress
<a href="#">CoSCC</a>	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	1-May-20	In Progress
<a href="#">CoSCC</a>	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			17-Sep-19	1-May-20	In Progress

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<a href="#">CoSCC</a>	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: <ul style="list-style-type: none"> <li>•Maintaining updated policies that reflect college strategic objectives, leadership expectations, and current best practice</li> <li>•Establishing process documentation</li> <li>•Formally assigning roles and responsibilities</li> <li>•Training responsible employees on policy responsibilities and expectations</li> <li>•Establishing monitoring and accountability controls that improve timeliness and effectiveness</li> </ul>	President	31-Aug-19			22-Oct-19	1-May-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
DSCC	29-Feb-20	All Foundation Board members should review the Policy on the Code of Ethics annually and should sign the related Code of Ethics Agreement. These signed agreements should be kept on file in the Institutional Advancement office of DSCC.	Vice President for Finance and Administrative Services, Executive Secretary for Institutional Advancement.	31-Jul-20		0			In Progress
DSCC	29-Feb-20	More documented policies and procedures need to be developed specifically for the Foundation and those policies need to be collectively listed in the Dyersburg State Community College Foundation Board Orientation Manual.	Vice President for Finance and Administrative Services, Executive Secretary for Institutional Advancement.	31-Jul-20		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	1-May-20	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	1-May-20	In Progress
JSCC	30-Oct-15	JSCC-IAR-Access and Diversity Recommendation 1 Of 4: The institution should develop Access and Diversity goals for the overall program and ensure that funds are spent according to established goals.	Director of Human Resources	1-Apr-16	12-Jun-18	1	24-Apr-17	12-Dec-19	In Progress



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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
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		20-Mar-20	In Progress
MSCC	25-Aug-17	Training of coaching staff should occur at least annually.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President of Student Success, and Dean of Athletics	23-Feb-18	15-May-20	6	1-Aug-18	30-Mar-20	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	15-May-20	4	19-Sep-19	31-Jan-20	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	Executive Vice President of Academic Affairs and Student Success, Dean of Students	24-Dec-18	15-May-20	4	2-Oct-19	24-Mar-20	In Progress
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	15-May-20	4	2-Oct-19	24-Mar-20	In Progress

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NaSCC	2-Aug-19	Form a Conflicts of Interest Committee to receive, review, and issue a recommendation to management for disclosed conflicts of interest.  Note: The current Director of Human Resources at Nashville State is retiring in April. The new Director of Human Resources starts in May. The Internal Auditor will discuss the audit recommendations and corrective actions with the new director.	Director of Human Resources	January 2020		0	6-Feb-20	6-Feb-20	In Progress
NaSCC	30-Apr-20	The Foundation should ensure that all board members review and acknowledge the Code of Ethics annually	Executive Director of Foundation	30-Jun-20		0			In Progress
NaSCC	30-Apr-20	The Foundation should develop policies and procedures to ensure compliance with donor intent and conditions	Executive Director of Foundation	1-Jun-20		0			In Progress
NaSCC	30-Apr-20	The Foundation should develop policies and procedures in regard to disclosure of gift records	Executive Director of Foundation	1-Jun-20		0			In Progress
NaSCC	30-Apr-20	The Foundation should develop policies and procedures on procurement and contracting activities	Executive Director of Foundation	1-Jun-20		0			In Progress
NaSCC	2-Aug-19	Begin collecting positive confirmation from all employees of the existence or non-existence of a potential conflict of interest  Note: The current Director of Human Resources at Nashville State is retiring in April. The new Director of Human Resources starts in May. The Internal Auditor will discuss the audit recommendations and corrective actions with the new director.	Director of Human Resources	January 2020		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	30-Jun-20	2	26-Sep-19	16-Mar-20	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					In Progress
RSCC	26-Feb-20	Foundation - Completion of missing COI forms for board members	Scott Niermann, Linda Brown	30-Jun-20			30-Mar-20	1-May-20	In Progress
RSCC	26-Feb-20	Foundation - Review information requested on COI forms	Scott Niermann, Linda Brown	30-Jun-20			30-Mar-20	1-May-20	In Progress
RSCC	26-Feb-20	Foundation - Review Records Retention Policy and delete records not maintained at the Foundation	Scott Niermann, Linda Brown	30-Jun-20			30-Mar-20	1-May-20	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	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	30-Apr-20	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

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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	Associate Vice President of CE Administration	17-Sep-19		0			In Progress
STCC	29-Apr-19	Conflict of Interest 1 of 2: Management should establish a review committee comprised of no fewer than three persons to review and evaluate disclosures generated under Sections VII and VIII of TBR Policy 1:02:03:10, Conflict of Interest.	Director of Equity and Compliance	30-Jun-19		0			In Progress
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	15-May-20	1			In Progress
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	30-May-20	1			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	30-May-20	1			In Progress
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	30-May-20	1			In Progress
STCC	29-Jan-20	A formal annual report was not issued for the Foundation for the 2018-2019 fiscal Year due to shortage of personnel. The most recent annual report listed on the Foundation's website is for Fiscal Year 2014-2015. A current formal annual report that includes the activities of Foundation should be issued and placed on the website.	Executive Director of Institutional Development	30-Aug-20		0			In Progress
STCC	29-Jan-20	The Foundation shall establish and adopt a code of ethics that apply to and govern the conduct of all members of the Foundation's governing body. Such policies shall require that members review and acknowledge the code of ethics annually. Acknowledgements for nine board members could not be located. Each board member should review and acknowledge the code of ethics annually.	Executive Director of Institutional Development	30-Jun-20		0			In Progress
STCC	29-Jan-20	Foundation or college staff should reconcile bank statements on a timely basis within 30 days of month end. The bank statements were not being reconciled on a timely basis. Management should require that bank reconciliations be prepared within 30 days of month end.	Executive Director of Institutional Development	30-Jun-20		0			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	30-Jun-20	2	16-Dec-19	16-Dec-19	In Progress

TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
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	30-Jun-20	2	16-Dec-19	16-Dec-19	In Progress
JSCC	29-Mar-19	JSCC-IAR-WFD - Recommendation 1 of 2: 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			No Progress
JSCC	29-Mar-19	JSCC-IAR-WFD- Recommendation 2 of 2: 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			No Progress
JSCC	31-May-19	JSCC-IAR-Conflict of Interest- Recommendation 1 of 3: Management should review the conflict of interest disclosures according to TBR and JSCC policies and procedures.	Dr. Allana Hamilton, College President	31-Dec-19		0			No Progress
JSCC	31-May-19	JSCC-IAR-Conflict of Interest- Recommendation 2 of 3: The conflict of interest committee structure and meeting schedule should agree with current TBR and JSCC policies and procedures.	Dr. Allana Hamilton, College President	31-Dec-19		0			No Progress
JSCC	31-May-19	JSCC-IAR-Conflict of Interest -Recommendation 3 of 3: The conflict of Interest committee members should be notified of their role and responsibilities on committee.	Dr. Allana Hamilton, College President	31-Dec-19		0			No Progress
JSCC	16-Jul-19	JSCC -INV-Timekeeping - Recommendation 1 of 3: Supervisors and employees should be trained on time sheet procedures.	Director of Athletics and Director of Human Resources	17-Jan-20		0			No Progress
JSCC	16-Jul-19	JSCC -INV-Timekeeping - Recommendation 2 of 3: 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			No Progress
JSCC	16-Jul-19	JSCC-INV-Timekeeping - Recommendation 3 of 3: 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			No Progress
MSCC	25-Aug-17	Student-athletes and parents should receive clear communications.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President of Student Success, and Dean of Athletics	23-Feb-18	15-May-20	6	1-Aug-18	30-Mar-20	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.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President of Student Success, and Dean of Athletics	23-Feb-18	15-May-20	6	1-Aug-18	30-Mar-20	No Progress
MSCC	25-Aug-17	Usage of the courtesy car provided by an auto dealership should be tracked and managed.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President of Student Success, and Dean of Athletics	23-Feb-18	15-May-20	6	1-Aug-18	30-Mar-20	No Progress
MSCC	25-Aug-17	A procedure or policy should be developed for management of gas charge cards.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President of Student Success, and Dean of Athletics	23-Feb-18	15-May-20	6	1-Aug-18	30-Mar-20	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.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President of Student Success, and Dean of Athletics	23-Feb-18	15-May-20	6	1-Aug-18	30-Mar-20	No Progress
MSCC	4-May-18	MSCC Policy 5:10:00:00, Faculty Class Assignment, Teaching Load & Summer School should be reviewed for revisions to consistently refer to equated load versus credit hours.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President for Academic Affairs	4-Nov-18	15-May-20	4	19-Dec-18	31-Mar-20	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	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.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President for Academic Affairs	4-Nov-18	15-May-20	4	19-Dec-18	31-Mar-20	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	15-May-20	4	19-Dec-18	31-Mar-20	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.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President for Academic Affairs	4-Nov-18	15-May-20	4	19-Dec-18	31-Mar-20	No Progress
MSCC	4-May-18	MSCC should maintain documentation of TBR approval, when required, for changes in MSCC policy.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President for Academic Affairs	4-Nov-18	15-May-20	4	19-Dec-18	31-Mar-20	No Progress
MSCC	21-May-18	The Admissions policy should be updated and revised to match current practice.	Executive Vice President of Academic Affairs and Student Success, Assistant Vice President of Student Success	21-Nov-18	15-May-20	4	19-Sep-19	30-Mar-20	No Progress
ChSCC	6-Feb-20	Faculty Credentials 3 of 3: An electronic handbook detailing how to document compliance with credentialing standards should be developed by the Dean of Academic Assessment, Accreditation, and Compliance and provided to all academic divisions for use during the hiring of faculty and changes in faculty status.	Dean, Academic Assessment, Accreditation, and Compliance	31-Dec-20					Not Yet Due
CISCC	11-Apr-19	Management should develop a means to identify each individual course.	Assistant Vice President	30-Aug-19		0			Not Yet Due
JSCC	17-Feb-20	JSCC-IAR-Foundation -Recommendation 1 of 2: The Foundation has developed some policies and procedures, however; the foundation should ensure that adequate policies and procedures exist for the Foundation operations as required by TBR Policy 4.01.07.02, <i>Foundations</i> . All policies should be approved by the Foundation Board.	Vice President of Institutional Effectiveness & Advancement /Director of Community Development & Foundation	17-Jul-20		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
JSCC	17-Feb-20	JSCC-IAR-Foundation- Recommendation 2 of 2: Foundation management should create an annual budget and advise the foundation of its needs and priorities for the upcoming year. The budget should be approved by the Foundation Board.	Vice President of Institutional Effectiveness & Advancement /Director of Community Development & Foundation	17-Jul-20		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.	Chief Learning Officer, Executive Director of Workforce Development	30-Sep-19	30-Sep-20	2			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.	Chief Learning Officer, Executive Director of Workforce Development	30-Sep-19	30-Sep-20	2			Not Yet Due
MSCC	14-Feb-20	The current agreement between Motlow State Community College and Motlow College Foundation was signed June 27, 2011. There is a 2016 version of an update to the TBR Model Agreement Between the Institution and Foundation that has not been placed into effect. It is recommended that Motlow State Community College update the Agreement Between Motlow State Community College and the Motlow College Foundation per Tennessee Board of Regent's Policy 4:01:07:02, <i>Foundations</i> .	Chief Financial Officer, Executive Director of the Foundation	1-Jul-20					Not Yet Due
MSCC	14-Feb-20	It is recommended that Motlow State Community College develop and document Motlow College Foundation Board of Trustee approval of policies and procedures to include as required by TBR Policy 4:01:07:02, <i>Foundations</i> : Solicitation and Acceptance of Contributions, Management and Investment of Contributions to the Foundation, Procurement, Contracting, Code of Ethics, Foundation Release of Information. It is also recommended that the following policies be developed and approved: Conflict of Interest, Scholarships, and Fundraising	Chief Financial Officer, Executive Director of the Foundation	31-Dec-20					Not Yet Due
MSCC	14-Feb-20	Signed ethics statements by the Motlow College Foundation Board of Trustees were not available for fiscal year 2019. All signed ethics statements were obtained for fiscal year 2020 by the time of report issuance. It is recommended that foundation staff ensure that signed ethics statements are reviewed and acknowledged by every member of the Motlow College Foundation Board of Trustees annually per TBR Policy 4:01:07:02, <i>Foundations</i> requirements. It is also recommended that a process be developed for clearly documenting all required disclosures regarding potential conflicts of interest.	Chief Financial Officer, Executive Director of the Foundation	1-Jul-20					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

**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	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	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
VSCC	13-Mar-20	The Foundation trustees should complete Code of Ethics Acknowledgement forms annually.	Foundation	15-Sep-20					Not Yet Due
VSCC	13-Mar-20	College funds should not be transferred to the Foundation for scholarship awards.	Business and Finance	15-Sep-20					Not Yet Due



TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
ChSCC	26-Apr-18	Chattanooga State Community College did not provide adequate internal controls in eight areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.  Eight of eight areas are corrected.	Vice President of Technology	26-Oct-18	30-Apr-20	2	1-Feb-19	7-Apr-20	Action Completed
PSCC	29-Jun-18	Pellissippi State Community College did not provide adequate internal controls in ten areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	30-Nov-18		0	2/5/2019		Action Completed
PSCC	15-Jan-19	Pellissippi State Community College did not provide adequate internal controls in seven areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer and the Director of Facilities	15-Jul-19			28-Feb-20		Action Completed
TBR	20-Dec-17	Tennessee Board of Regents System Office did not provide adequate internal controls in nine areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	20-Jun-18	30-Nov-18	1	18-Jul-18	31-Mar-20	Action Completed
ChSCC	12-Apr-16	Chattanooga State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Vice President of Technology	3-Oct-16	30-Jun-21	4	14-Jul-17	7-Apr-20	In Progress
CISCC	6-Apr-15	Cleveland State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	1-Dec-15	30-Jun-19	5	14-Jul-17	22-Apr-20	In Progress
CISCC	29-Jun-18	Cleveland State Community College did not provide adequate internal controls in seven areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.  Three of seven areas have been corrected.	Chief Information Officer	30-Nov-18	1-Jul-21	2	4-Feb-19	22-Apr-20	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
CoSCC	5-Feb-19	Columbia State Community College did not provide adequate internal controls in ten areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Associate VP for IT	31-Aug-19		0	17-Oct-19	1-May-20	In Progress
JSCC	8-Sep-14	Jackson State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Mar-15	3-Feb-20	5	14-Jul-17	3-Feb-20	In Progress
JSCC	29-Jun-18	Jackson State Community College did not provide adequate internal controls in eight areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.  Seven areas have been corrected.	Chief Information Officer	30-Nov-18	3-Feb-20	1	18-Jan-19	3-Feb-20	In Progress
MSCC	15-Apr-16	Motlow State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	14-Oct-16	31-Dec-18	3	14-Jul-17	31-Mar-20	In Progress
NaSCC	15-Aug-16	Nashville State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	28-Apr-17	31-Dec-18	2	14-Jul-17	1-Feb-19	In Progress
NeSCC	17-Feb-17	Northeast State Community College did not provide adequate internal controls in twelve areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.  Eight 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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Mar-15	31-Dec-20	6	14-Jul-17	31-Oct-19	In Progress

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
RSCC	17-Apr-15	Roane State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	31-Jul-15	31-Dec-20	8	14-Jul-17	1-May-20	In Progress
RSCC	13-Apr-18	Roane State Community College did not provide adequate internal controls in eight areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.  Seven areas have been corrected.	Chief Information Officer	12-Oct-18	30-Sep-20	2	12-Feb-19	22-Jan-20	In Progress
VSCC	13-May-16	Volunteer State Community College did not provide adequate internal controls in two areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.  One area has been corrected.	Chief Information Officer	30-Nov-16	31-Dec-20	4	14-Jul-17	6-Feb-20	In Progress
PSCC	14-Feb-20	Pellissippi State Community College did not provide adequate internal controls in one area. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer and the Director of Facilities	14-Aug-20					Not Yet Due

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: June 2, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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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

Columbia 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 January 1, 2020 to March 31, 2020.

Roane State Community College

– Tennessee Small Business Development Center Programmatic  
Review

Internal Audit

The Audit Committee will receive executive summaries for the internal audit reports issued from January 1, 2020 to March 31, 2020 as well as reports issued after March 31, 2020, 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- Advancement

ChSCC	Foundation	Page 29
CISCC	Foundation	Page 31
CoSCC	Foundation	Page 32
DSCC	Foundation	Page 34
JSCC	Foundation	Page 36
MSCC	Foundation	Page 38
NaSCC	Foundation	Page 40
NeSCC	Foundation	Page 43
PSCC	Foundation	Page 44
RSCC	Foundation	Page 45
STCC	Foundation	Page 47
VSCC	Foundation	Page 50
WSCC	Foundation	Page 51

### Internal Audit Reports for Informational Purposes- Financial Management

CISCC	Athletic Revenue and Expenditures	Page 53
Memphis	FY 2019 President's Expense/Safety and Security Funds Review	Page 54
Paris/ McKenzie	FY 2019 President's Expense/Safety and Security Funds Review	Page 56

### Internal Audit Reports for Informational Purposes- Instruction & Academic Support

ChSCC	Faculty Credentials	Page 59
Chattanooga	Salon and Spa Client Services and Inventory	Page 61
Chattanooga	Commercial Truck Driving Program	Page 63

### Internal Audit Reports for Informational Purposes- Information Technology

WSCC	NACHA	Page 65
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### Internal Audit Reports for Informational Purposes- Follow-ups

ChSCC	Follow-up to the State Audit Report for FY 18 and 17	Page 67
CISCC	Follow-up to the State Audit Report for FY 18 and 17	Page 68
DSCC	Follow-up to the State Audit Weaknesses for FY 18 and 17	Page 69
DSCC	Follow-up to the Conflict of Interest Audit	Page 70
JSCC	Follow-up to the Off-Campus International Education Programs Summer 2018 and Summer 2019	Page 71
STCC	Follow-up to the State Audit Report for FY 17 and 16	Page 73
STCC	Additional Follow-up to the Federal Work Study Special Review	Page 74

### Internal Audit Reports for Informational Purposes- Investigations

CISCC	INV 20-01: Job Application Misrepresentation	Page 76
WSCC	INV 19-01: Phishing Scam	Page 78

\* A Limited Official Use Only report for Chattanooga State Community College- Follow-up to the LOU State Audit Report for FY 18 and 17 was received on April 6, 2020; Pellissippi State Community College- IP Security Camera Vulnerability Assessment was received on February 28, 2020; and Southwest Tennessee Community College- Follow-up to the LOU State Audit Report for FY 18 and 17 was received on February 5, 2020. These reports will be shared in the Audit Committee Executive Session.

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

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

### **Types of Findings**

#### **Deficiencies in Internal Control<sup>1</sup>**

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<sup>1</sup>**

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<sup>1</sup>**

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<sup>2</sup>**

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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<sup>1</sup> 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.

<sup>2</sup> 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  
June 2, 2020**

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

<b>Institution</b>	<b>For the Year Ended</b>	<b>Auditor's Opinion on Financial Statements</b>	<b>Report on Internal Control</b>	<b>Report on Compliance</b>	<b>Findings</b>
Columbia State Community College	June 30, 2018 and June 30, 2017	Unmodified Opinion	Three internal control findings identified as a significant deficiencies	No instances of noncompliance required to be reported	3

**Finding 1 – As noted in the prior audit, the college did not submit Return of Title IV Funds timely**  
Columbia State Community College personnel did not return Title IV funds timely for students who withdrew from classes before the end of the period in which they were enrolled. We reviewed a sample of 60 students who received Title IV Student Financial Assistance during the 2017-2018 award year. We found that the college did not perform its return of Title IV Funds calculations timely for 44 of the 60 Title IV aid recipients tested (73.3%). These calculations were performed from 48 to 140 days after the withdrawal date, or 3 to 95 days late.

**Recommendation** – Financial Aid personnel should ensure that adequate policies and procedures are developed and implemented to ensure that all students receiving financial aid who withdraw during the term are identified and that timely Return of Title IV Funds calculations are made for each of these students.

**Management's Comment** – Management concurs with the finding and recommendations. Three of four vacant financial aid positions have been filled during the audit. The Financial Aid Office receives weekly reports from Records of official withdraws. Procedures have been developed to identify unofficial withdraws at the end of each part of the term and the end of each full semester, ensuring that every student who withdraws, either officially or unofficially, has a timely return calculation completed. Employee training on compliance and regulatory procedures will continue. The Business Analyst will sample Return of Title IV Funds calculations on a monthly basis to ensure timeliness of returns, beginning December 1, 2019.

**Finding 2 – As noted in the prior audit, the college did not comply with the requirements of the Federal Work-Study program**

We reviewed the timesheets for 66 of 79 Federal Work-Study (FWS) students for the years ended June 30, 2018 and June 30, 2017, which revealed the following 12 instances of noncompliance (18.2%) and federal questioned costs of \$341:

- Nine FWS students tested reported working during class times. The students were paid a total of \$87 for working during class times, which represents federal questioned costs.
- One FWS student tested was paid twice for the same hours worked, which represents federal questioned costs of \$91.
- Two FWS students tested reported hours exceeding the maximum on the signed contract. The hours exceeding the maximum contract hours totaled \$163, which represents federal questioned costs.

**Recommendation** – The college should ensure that FWS students are not paid for hours during scheduled class times. The college should also ensure that students do not work more than the maximum hours in the contract and the three-strike policy is followed.



**Management's Comment** – Management concurs with the finding and recommendations. During Fall 2019 we provided all students and supervisors participating in FWS with an FWS handbook and policies and procedures through online campus. Financial aid staff will continue to participate in training. Starting September 2019, reports comparing class schedules and hours worked are reviewed by a financial aid coordinator.

**Finding 3 – As noted in the prior audit, the college did not provide adequate internal controls in two areas**

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

Ineffective implementation of internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of 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's Comment** – Management concurs with the finding and recommendations. Management has already begun developing procedures to address the specific areas noted in the finding. Staff have been assigned responsibility for ongoing monitoring of the risks and controls for these areas.

*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  
June 2, 2020**

*Miscellaneous Reviews*

**Roane State Community College**  
**Tennessee Small Business Development Center Programmatic Review**  
**Period Coverage: January 1, 2018 – December 31, 2018**  
**December 9, 2019**  
**Executive Summary**

<b>Introduction</b>	The purpose of this review is to assist in accomplishing the programmatic review of the Tennessee Small Business Development Lead Center under the Small Business Administration (SBA) Office of Small Business Development Cooperative Agreement. The review was conducted on November 11, 2019 by the State Executive Director.																																
<b>Conclusion</b>	<p><b>Summary of Results for the Programmatic Review as of 11/12/2019:</b></p> <p>1. <u>Capital Formation of Business Starts</u></p> <table border="1" data-bbox="513 720 1419 871"> <thead> <tr> <th>Goal for 2019</th> <th>Milestones</th> <th>Actual CY YTD</th> <th>Percentage of Goal</th> </tr> </thead> <tbody> <tr> <td>Capital Formation</td> <td>2,293,938</td> <td>241,000</td> <td>10.51%</td> </tr> <tr> <td>Business Starts</td> <td>8</td> <td>8</td> <td>100%</td> </tr> </tbody> </table> <p>2. <u>Training Events</u></p> <table border="1" data-bbox="513 945 1419 1096"> <thead> <tr> <th>Goal for 2019</th> <th>Milestones</th> <th>Actual CY YTD</th> <th>Percentage of Goal</th> </tr> </thead> <tbody> <tr> <td>Training Attendance</td> <td>240</td> <td>278</td> <td>115.83%</td> </tr> </tbody> </table> <p>3. <u>Banker Visits, Legislative Affairs, and Professional Development:</u>  The Center had <b>0</b> legislative affairs visits, <b>9</b> banker visits, and a total of <b>107.65</b> professional development hours.</p> <p>4. <u>Client Satisfaction Survey</u>  The Client Satisfaction Survey is submitted to each client after they have completed at least one initial and follow-on session with each counselor at the Center. Below defines the metrics:</p> <table border="1" data-bbox="496 1461 1435 1835"> <thead> <tr> <th>Metrics</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1. Did your request for assistance receive prompt attention?</td> <td>100%</td> </tr> <tr> <td>2. Did the counselor respond to your needs?</td> <td>96.7%</td> </tr> <tr> <td>3. Did the range of counseling services meet your needs?</td> <td>95%</td> </tr> <tr> <td>4. Would you recommend other small business services to contact the counselor?</td> <td>96.7%</td> </tr> <tr> <td>5. Best marketing for TSBDC is</td> <td>Chamber of Commerce</td> </tr> </tbody> </table>	Goal for 2019	Milestones	Actual CY YTD	Percentage of Goal	Capital Formation	2,293,938	241,000	10.51%	Business Starts	8	8	100%	Goal for 2019	Milestones	Actual CY YTD	Percentage of Goal	Training Attendance	240	278	115.83%	Metrics	Percentage	1. Did your request for assistance receive prompt attention?	100%	2. Did the counselor respond to your needs?	96.7%	3. Did the range of counseling services meet your needs?	95%	4. Would you recommend other small business services to contact the counselor?	96.7%	5. Best marketing for TSBDC is	Chamber of Commerce
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<b>Findings/ Recommendations</b>	None																																

**Tennessee Board of Regents  
Audit Committee  
June 2, 2020**

***Internal Audit Reports  
Advancement***

**Chattanooga State Community College**  
**Audit of Foundation – Page 1 of 2**  
**July 1, 2018 through November 30, 2019**  
**February 10, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Vice President College Advancement and Public Relations	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	<p>The Chattanooga State Community College Foundation (Foundation) was established by a charter filed in November 1977 with the Tennessee Secretary of State. The Charter identifies the Foundation’s purpose as “to perform the functions of, and to carry out the purposes of Chattanooga State Community College.” The Foundation is the primary fund-raising organization for Chattanooga State Community College (ChSCC) and operates as a legally separate tax-exempt 501 (c)(3) to supplement resources available to support the college and its programs.</p> <p>Bylaws govern the Foundation and define the governance structure of the entity. The Tennessee Board of Regent (TBR) established expectations in Policy 4.01.07.02, <i>Foundations</i>, that the relationship of any foundation established to support any TBR institution or its programs be clearly defined and be set forth in a formal, written manner.</p> <p>In accordance with a written agreement between the Foundation and the College, employees of the College manage the daily operation and fundraising efforts of the Foundation. The College provides these employees, college services, and Advancement office space as an in-kind service to the Foundation.</p>		
<b>Objectives</b>	<p>The objectives of the engagement were to obtain an understanding of the Foundation’s internal control environment and assess effectiveness, assess the Foundation’s compliance with the formal written agreement between the Foundation and the College, and determine the College and Foundation’s level of compliance with TBR Policy 4–01–07–02, <i>Foundations</i>.</p>		
<b>Conclusion</b>	<p>The Foundation has well defined policies and procedures and generally complies with TBR policy 4.01.07.02. However, the Foundation does not have the President of the College as a voting member of the Board, lacks a finalized record retention policy, and does not have defined procurement policies other than those of the College. Development or documentation of these policies and consideration of a change to the voting status of the College President are essential to achieving complete compliance with TBR policies governing Foundations.</p>		

**Chattanooga State Community College**  
**Audit of Foundation – Page 2 of 2**  
**July 1, 2018 through November 30, 2019**  
**February 10, 2020**  
**Executive Summary**

<b>Recommendations</b>	<p>Based on the performed audit procedures, Internal Audit recommends:</p> <ul style="list-style-type: none"> <li>• The Foundation Board of Directors should consider a bylaw revision to make the President of the College a voting member of the Foundation Board to achieve greater compliance with TBR policy 4.01.07.02 section II, A.</li> <li>• Documentation of the procurement policies in use and any required approvals for exceptions.</li> <li>• Completion of the record retention policy including designation of a position responsible for release of Foundation related information upon receipt of a request. Information should only be released in compliance with applicable laws and donor confidentiality responsibilities.</li> </ul>
<b>Management Response</b>	<p>Management considered the recommendations and addressed the second recommendation through a new section to the Foundation Bylaws, 6.3.1 and the third recommendation through a new policy 10:02:07 Foundation Document Retention. In addition, management considered a Bylaws revision to make the college president a voting member and voted unanimously to keep the Bylaws as is with the college president as ex-officio, non-voting.</p>

**Cleveland State Community College  
Foundation  
July 2018 through October 2019  
February 14, 2020  
Executive Summary**

<b>Key Staff Personnel</b>	Executive Director of Advancement	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	<p>Tennessee Board of Regent establishes expectations in Policy 4-01-07-02 <i>Foundations</i> that the relationship of any foundation established to support any Tennessee Board of Regent institution or its programs be clearly defined and set forth in a formal, written manner.</p> <p>Cleveland State Community College Foundation was established in 1971. The Board currently consists of Twenty-six (26) members. The President of Cleveland State serves as a voting member. Board Committees include the Executive, Governance and Membership, Finance, and Development. Employees of Cleveland State Community College manage the daily operation and fundraising efforts of the Foundation.</p>		
<b>Objectives</b>	<p>The objectives of the engagement were to obtain an understanding of the Foundation internal control environment and assess effectiveness, assess the Foundation’s compliance with the formal written agreement between the Foundation and the College, and determine the College and Foundation’s level of compliance with TBR Policy 4-01-07-02, <i>Foundations</i>.</p>		
<b>Conclusion</b>	<p>The Foundation generally complies with TBR policy 4.01.07.02. However, the Foundation does not have defined policies on procurement and contracts and who may release records of the Foundation. Development of these are needed to achieve compliance with TBR policies governing Foundations.</p>		
<b>Recommendation</b>	<p>Foundation management should continue the process of developing procedures regarding the approval of contracts, expenditure of funds authorizations, and release of foundation records upon request.</p>		
<b>Management Response</b>	<p>In response to the audit of the Cleveland State Community College (CLSCC) Foundation and your recommendations, we will continue our process of developing procedures regarding the approval of contracts, expenditures of funds authorizations, and release of foundation records. Our policy and procedure revisions began in the summer of 2019 and we anticipate completion by June 30, 2020.</p>		

**Columbia State Community College**  
**Compliance Review: College-Foundation Agreement – Page 1 of 2**  
**July 2018 – September 2019**  
**February 7, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Bethany Lay, Vice President-Advancement Elaine Curtis, Vice President-Financial & Administrative Services	<b>Internal Auditor</b>	Erica Smith, CPA
<b>Introduction</b>	<p>Tennessee Board of Regents establishes in policy 4-01-07-02, <i>Foundations</i> that the relationship of any foundation established to support any Tennessee Board of Regent institution or its programs be clearly defined and is set forth in a formal, written manner. Columbia State Community College and the Columbia State Community College Foundation executed the most recent inter-agency agreement in January 2017.</p> <p>The State of Tennessee Charter of Columbia State Community College Foundation established Columbia State Community College Foundation in 1971 to promote the “education and educational literary, recreational, artistic and scientific activities at Columbia State Community College”. The Foundation is a legally separate entity and holds responsibility for establishing a governance structure and business processes that assure appropriate reporting of financial and other activities.</p> <p>Columbia State Community College supports the Foundation through in-kind services including employees, financial reporting functions, software applications and processing services, and office space.</p>		
<b>Objectives</b>	<p>The objectives of the engagement were to assess the Foundation and College compliance with the formal written agreement between the Foundation and the College and determine the College and Foundation’s level of compliance with Tennessee Board of Regent policy 4-01-07-02, <i>Foundations</i>.</p>		
<b>Conclusion</b>	<p>The audit activity applied the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors while conducting the engagement.</p> <p>The engagement outcomes reflect the adherence to the <u>Agreement Between Columbia State Community College and Columbia State Community College Foundation</u> by both parties. The report contains observations for strengthening the Control Environment.</p> <ul style="list-style-type: none"> <li>• <b>Standards of Conduct – Ethical Values</b></li> <li>• <b>Standards of Conduct – Organizational Expectations</b></li> </ul>		



**Columbia State Community College**  
**Compliance Review: College-Foundation Agreement – Page 2 of 2**  
**July 2018 – September 2019**  
**February 7, 2020**  
**Executive Summary**

<b>Recommendations</b>	<p><i>Standards of Conduct – Ethical Values</i></p> <p>Enhance Foundation Board education and awareness on potential conflicts of interest and ensure Board member submission and abidance of Code of Ethics acknowledgements. Review and adjust inter-agency controls and communication to support identification and evaluation of potential and reported conflicts of interest.</p> <p><i>Standards of Conduct – Organizational Expectations</i></p> <p>Establish a Foundation Board approved procurement policy that outlines expectations for processing routine transactions, establishes criteria for identifying non-routine transactions and establishes expectations for processing non-routine transactions so that the Foundation Board is assured Foundation business is conducted using sound business practices that result in appropriate reporting of financial and other activities.</p>
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**Dyersburg State Community College  
Foundation Audit Report – Page 1 of 2  
February 2020  
Executive Summary**

<b>Key Staff Personnel</b>	Dr. Charlene White, Vice president for Finance and Administrative Services, Beth Feith, Executive Secretary, Institutional Advancement, Dr. Karen Bowyer, President DSCC	<b>Internal Auditor</b>	Sandra Pruett, Director of Internal Audit
<b>Introduction</b>	<p>The Tennessee Board of Regents establishes expectations in Policy 4:01:07:02, <i>Foundations</i>, that the relationship of any foundation established to support any Tennessee Board of Regent institution or its programs be clearly defined and is set forth in a formal, written manner.</p> <p>The State of Tennessee Charter of Dyersburg State Community College Foundation established the foundation in 1988. The Charter identifies the Foundation’s purpose as “to benefit, promote and otherwise support, through financial and other means, the purpose of Dyersburg State Community College”. The Board of Trustees consists of no less than three (3) and no more than thirty (30) voting members. The President of Dyersburg State Community College serves as a voting member, and the Vice President for Finance and Administrative Services and the Vice President for Advancement also serve as voting members. The Board currently consists of twenty-nine (29) members.</p> <p>The Foundation is responsible for developing policies and procedures that direct the conduct of business affairs and assure appropriate reporting of financial and other activities. Employees of Dyersburg State Community College (DSCC) support the Foundation through in-kind services including employees, software application and processing services, and office space.</p>		
<b>Objectives</b>	The objectives of the engagement were to obtain an understanding of the Foundation internal control environment and assess effectiveness, assess the Foundation’s compliance with the formal written agreement between the Foundation and the College, and determine the College’s and Foundation’s level of compliance with TBR Policy 4:01:07:02, <i>Foundations</i> .		
<b>Scope</b>	The audit covered the Foundation’s control environment in place at the time of the engagement, and Foundation activity between July 1, 2018 and June 30, 2019.		
<b>Conclusion</b>	Overall, the Dyersburg State Community College Foundation has an internal control environment that complies with the agreement between the College and the Foundation and the TBR policy 4:01:07:02, <i>Foundations</i> , with the exception of the two recommendations listed in this report.		

**Dyersburg State Community College  
Foundation Audit Report – Page 2 of 2  
February 2020  
Executive Summary**

<b>Observations/ Recommendations</b>	<p><b>Observation 1:</b> The Code of Ethics Agreement has not been reviewed and signed annually by all Foundation Board members.</p> <p><b>Recommendation 1:</b> All Foundation Board members should review the Policy on the Code of Ethics annually and should sign the related Code of Ethics Agreement. These signed agreements should be kept on file in the Institutional Advancement office of DSCC.</p> <p><b>Observation 2:</b> More documented policies and procedures need to be developed specifically for the Foundation and those policies need to be collectively listed in the Dyersburg State Community College Foundation Board Orientation Manual.</p> <p><b>Recommendation 2:</b> It is recommended that all policies and procedures related to the Foundation be listed in the DSCC Foundation Board Orientation Manual in one section and that they be reviewed annually.</p>
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**Jackson State Community College**  
**Jackson State Community College Foundation Audit – Page 1 of 2**  
**February 17, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Vice President of Institutional Effectiveness & Advancement /Director of Community Development & Foundation	<b>Internal Auditor</b>	Chrystal Pittman / Angie Brown
<b>Introduction</b>	<p>Tennessee Board of Regents (TBR) establishes expectations in Policy 4.01.07.02 <i>Foundations</i>, that the relationship of any foundation established to support any TBR institution or its programs be clearly defined and is set forth in a formal, written manner.</p> <p>The State of Tennessee Charter of Jackson State Community College Foundation established Jackson State Community College Foundation in 1973 to promote the “education and educational literary, recreational, artistic and scientific activities at Jackson State Community College”.</p> <p>The Board of Trustees consists of no less than fifteen (15) and no more than twenty-five (25) voting members. The President of Jackson State serves as a voting member. The Vice President for Finance and Administrative Affairs serves as the Foundation Board treasurer and the Chief Development Officer serves as the Executive Director of the Foundation.</p> <p>The Foundation is responsible for developing policies and procedures that direct the conduct of business affairs and assure appropriate reporting of financial and other activities. Employees of Jackson State Community College support the Foundation through in-kind services including employees, software application and processing services, and office space.</p>		
<b>Objectives</b>	<p>The objectives of the engagement were to obtain an understanding of the Foundation’s control environment and its effectiveness, assess the Foundation’s compliance with the formal written agreement between the Foundation and the College, and determine the Foundation’s compliance with TBR Policy 4.01.07.02, <i>Foundations</i>.</p>		
<b>Scope</b>	<p>The audit covered the Foundation’s control environment in place at the time of the engagement, and Foundation activity between July 1, 2018 and June 30, 2019.</p>		
<b>Conclusion</b>	<p>Except for the recommendations listed below and items discussed in a separate management letter, the Foundation’s internal control environment, compliance with TBR Policy 4.01.07.02, <i>Foundations</i>, and the agreement between the Foundation and the College appear to be adequate.</p> <p>During the review, Foundation staff began work on issues discussed, including reporting of planned activities to the Foundation Board.</p>		

**Jackson State Community College**  
**Jackson State Community College Foundation Audit – Page 2 of 2**  
**February 17, 2020**  
**Executive Summary**

<b>Recommendations</b>	<p><b>Recommendation 1:</b>  The Foundation has developed some policies and procedures, however; the foundation should ensure that adequate policies and procedures exist for the Foundation operations as required by TBR Policy 4.01.07.02, <i>Foundations</i>. All policies should be approved by the Foundation Board.</p> <p><b>Management’s Response:</b>  Management concurs with this recommendation. The Director of Development and Community Relations is currently reviewing existing documents to determine which policies already exist, which policies are in need of revision, and which policies need to be created. Work has also begun on the creation of a policy manual for the Foundation Board. While this project will take time to complete, policies will be presented to the Foundation Board for approval as they are finalized. These policies will then be compiled into a manual as they are approved. Currently, the following policies are ready for approval by the Foundation Board: Travel, Computer, Events, Cellphone, Purchasing Policy, and Social Media. These policies will be presented and approved by the June 4, 2020 meeting.</p> <p><b>Recommendation 2:</b>  An annual report was issued for the period under review; however, the Foundation staff did not provide a budget or a listing of needs or priorities to the Foundation Board as required by TBR Policy 4.01.07.02, <i>Foundations</i>.</p> <p>Foundation management should create an annual budget and advise the foundation of its needs and priorities for the upcoming year. The budget should be approved by the Foundation Board.</p> <p><b>Management’s Response:</b>  Management concurs with this recommendation. Beginning with the current year, the annual budget for the Foundation will be completed during the budget submission period for the college (i.e., generally during the month of March). The budget will be reviewed with the Foundation chair and the Budget, Investment, and Finance (BIF) committee. At this time, the Director of Development will advise the chair and the committee of needs and priorities for the upcoming year. Once approved by the chair and the BIF committee, the proposed budget, as well as needs and priorities for the upcoming year will be presented to the Foundation Board for final approval during the June board meeting. The budget for 2019-2020 will be presented for approval at the June 4, 2020 meeting.</p>
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**Motlow State Community College**  
**Foundation Audit – Page 1 of 2**  
**February 14, 2020**  
**Executive Summary**

<b>Auditee</b>	Chief Financial Officer, Executive Director of the Foundation	<b>Auditor</b>	Tammy Wiseman, Internal Auditor
<b>Objectives</b>	The objectives of the review were to assess the Foundation’s compliance with the formal written agreement between the Foundation and the College and determine the College and Foundation’s level of compliance with TBR Policy 4–01–07–02, <i>Foundations</i> .		
<b>Scope</b>	The audit covered the Foundation’s control environment in place at the time of the review, and Foundation activity between July 1, 2018, and June 30, 2019. The review was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors. The review included tests of the records and other procedures considered necessary to achieve the audit objectives.		
<b>Conclusion</b>	The Foundation internal control environment was reviewed, and the Foundation was found to be in general compliance with internal controls and TBR Policy 4.01.07.02, <i>Foundations</i> except for the following three recommendations.		
<b>Recommendations</b>	<p><b>Recommendation 1</b>  The current agreement between Motlow State Community College and the Motlow College Foundation was signed June 27, 2011. There is a 2016 version of an update to the TBR Model Agreement Between the Institution and Foundation that has not been placed into effect. It is recommended that Motlow State Community College update the Agreement Between Motlow State Community College and the Motlow College Foundation per Tennessee Board of Regent’s Policy 4:01:07:02, <i>Foundations</i>.</p> <p><b>Management’s Comment</b>  Management concurs with the recommendation. Motlow State Community College will work with the Motlow College Foundation to update the Agreement and have the revised Agreement in place by July 1, 2020.</p>		

**Motlow State Community College**  
**Foundation Audit – Page 2 of 2**  
**February 14, 2020**  
**Executive Summary**

<p><b>Recommendations Continued</b></p>	<p><b>Recommendation 2</b>  It is recommended that the Motlow College Foundation develop policies and procedures and document approval by the Board of Trustees the following as required by TBR Policy 4:01:07:02, <i>Foundations</i>:</p> <p>Solicitation and Acceptance of Contributions  Management and Investment of Contributions to the Foundation      In accordance with T.C.A. § 35-10-201 et seq.  Procurement and Contracting  Code of Ethics      In accordance with T.C.A. § 49-7-107(c)  Foundation Release of Information</p> <p>It is also recommended the following policies be developed and approved:  Conflict of Interest  Scholarships  Fundraising</p> <p><b>Management’s Comment</b>  Management concurs with the recommendation. The Motlow College Foundation will work to develop and receive approval from the Board of Trustees for the above recommended policies in the 2020 calendar year.</p> <p><b>Recommendation 3</b>  Signed ethics statements by the Motlow College Foundation Board of Trustees were not available for fiscal year 2019. All signed ethics statements were obtained for fiscal year 2020 by the time of report issuance. It is recommended that foundation staff ensure that signed ethics statements are reviewed and acknowledged by every member of the Motlow College Foundation Board of Trustees annually per TBR Policy 4:01:07:02, <i>Foundations</i> requirements. It is also recommended that a process be developed for clearly documenting all required disclosures regarding potential conflicts of interest.</p> <p><b>Management’s Comment</b>  Management concurs the recommendation. At each June Board of Trustees meeting, the trustees will be reminded of the annual filing of the ethics statement along with the Conflict of Interest disclosure.</p>
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**Nashville State Community College  
Foundation – Page 1 of 3  
July 1, 2018 through June 30, 2019  
April 30, 2020  
Executive Summary**

<b>Key Staff Personnel</b>	Executive Director of Foundation	<b>Internal Auditor</b>	Henry Ho, CPA, CGFM
<b>Introduction</b>	<p>The State of Tennessee Charter of Nashville State Community College Foundation established the Nashville State Community College Foundation (the Foundation) in 1994 to support and advance educational objectives at Nashville State Community College (the College) by providing funds for worthy purposes that are not sufficiently funded by other sources.</p> <p>The Tennessee Board of Regents (TBR) establishes in policy 4.01.07.02, <i>Foundations</i>, that the relationship of any foundation established to support any TBR institution or its programs be clearly defined and set forth in a formal, written manner. Nashville State Community College and Nashville State Community College Foundation had a formal, written agreement in place during fiscal year 2019.</p> <p>The powers of the Foundation are exercised by a Board of Trustee. In fiscal year 2019, the board had 22 voting trustees. The Foundation board is responsible for establishing a governance structure and developing policies and procedures that direct the conduct of Foundation business affairs and assure appropriate reporting of financial and other activities. In addition, the Foundation board is responsible for submitting financial reports prepared in accordance with generally accepted accounting principles to the College on at least an annual basis.</p> <p>Employees of Nashville State Community College manage the daily operation and fundraising efforts of the Foundation. The College provides these employees, college services, and the office space as in-kind services to the Foundation.</p>		
<b>Objectives</b>	<p>The objectives of our audit were:</p> <ul style="list-style-type: none"> <li>• to obtain an understanding of the Foundation internal control environment and assess its effectiveness; and</li> <li>• to assess the Foundation’s compliance with Tennessee Board of Regents’ policy 4.01.07.02, <i>Foundations</i>, and agreements between the College and the Foundation.</li> </ul>		



**Nashville State Community College**  
**Foundation – Page 2 of 3**  
**July 1, 2018 through June 30, 2019**  
**April 30, 2020**  
**Executive Summary**

<p><b>Scope</b></p>	<p>Our audit scope included a review of internal controls and compliance with Tennessee Board of Regents policy 4.01.07.02, <i>Foundations</i>, and agreements between the College and Foundation.</p> <p>We conducted our audit in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by the Institute of Internal Auditors. The audit included tests of controls and other procedures considered necessary to achieve the audit objectives.</p>
<p><b>Conclusion</b></p>	<p>The Foundation has effective internal controls to achieve its objectives and generally complies with Tennessee Board of Regents’ policy 4.01.07.02, <i>Foundations</i>, and agreements between the College and the Foundation, except for the following four findings.</p>
<p><b>Findings and Recommendations</b></p>	<p><b>Finding 1 – The Foundation should ensure that all board members review and acknowledge the Code of Ethics annually</b>  <b>Recommendation 1</b> – The Foundation should ensure that all board members review and acknowledge the Code of Ethics annually. The Foundation should consider modifying the Code of Ethics acknowledgement form to allow board members to disclose substantive business relationships that they, or members of their families maintain with organizations that do business with the Foundation, the College or any affiliated organizations; or that otherwise could be construed to potentially affect their independent, unbiased judgment in light of their decision-making authorities or responsibilities.</p> <p><b>Finding 2 – The Foundation should develop policies and procedures to ensure compliance with donor intent and conditions</b>  <b>Recommendation 2</b> – The Foundation should develop policies and procedures to ensure compliance with donor intent and conditions. The policies and procedures should include documentation of donor intent and conditions, periodic review of expenditures to ensure the Foundation’s compliance with donor’s intent and conditions.</p> <p><b>Finding 3 – The Foundation should develop policies and procedures in regard to disclosure of gift records</b>  <b>Recommendation 3</b> – The Foundation should develop policies and procedures that comply with the provisions of section 49-7-140, <i>Tennessee Code Annotated</i>. The policies and procedures should identify the donor information that is not subjected to public inspection, the College personnel who are allowed access to donor information, and the Foundation personnel who are responsible for releasing records upon receipt of a request.</p>

**Nashville State Community College**  
**Foundation – Page 3 of 3**  
**July 1, 2018 through June 30, 2019**  
**April 30, 2020**  
**Executive Summary**

	<p><b>Finding 4 – The Foundation should develop policies and procedures on procurement and contracting activities</b></p> <p><b>Recommendation 4</b> – The Foundation should develop policies and procedures on procurement and contracting activities. The Foundation can model the policies and procedures after the College’s and make modifications applicable to the Foundation. At a minimum, the policies should include a process for determining authority for authorizing contracts on behalf of the Foundation and for authorizing expenditure of Foundation funds. Authority for these functions cannot be delegated solely to an employee of the College.</p>
<p><b>Management Response</b></p>	<p><b>Finding 1</b> – Management concurs. The Code of Ethics forms were distributed to all board members at the board’s fiscal year 2020 first quarter meeting. Any members that have not completed the form are followed up until the completed form is received. The completed forms are scanned and saved in the Foundation’s shared drive.</p> <p>The corrective action will be completed by June 30, 2020.</p> <p><b>Finding 2</b> – Management concurs. Foundation staff will create a donor intent policy to ensure compliance with donor intent and conditions. This policy, along with the Donors Bill of Rights, will be placed on the Foundation’s website under a new tab “Policies and Procedures”.</p> <p>The corrective action will be completed by June 1, 2020.</p> <p><b>Finding 3</b> – Management concurs. The foundation staff will work with other TBR community college advancement staff to create a Donor Privacy and Confidentiality policy. The policy will be placed on the Foundation’s website under a new tab “Policies and Procedures”</p> <p>The corrective action will be completed by June 1, 2020.</p> <p><b>Finding 4</b> – Management concurs. The Executive Director will work with TBR system foundation director along with the College purchasing director to create a foundation-specific policy that clarifies the process for approving Foundation contracts and expenditures. The policy will be placed on the Foundation’s website under a new tab “Policies and Procedures”.</p> <p>The corrective action will be completed by June 1, 2020.</p>

**Northeast State Community College  
Foundation  
July 1, 2018 to September 2019  
April 30, 2020  
Executive Summary**

<b>Key Staff Personnel</b>	President (as Interim Chief Advancement Officer), Coordinator of Advancement Activities, Director of Budgeting and Purchasing	<b>Internal Auditor</b>	Christopher Hyder
<b>Introduction</b>	The Tennessee Board of Regents establishes expectations in Policy 4.01.07.02 Foundations that the relationship of any foundation established to support any Tennessee Board of Regents (TBR) institution or its programs be clearly defined and is set forth in a formal, written manner. The Tennessee Board of Regents expects the written agreement to (1) define the legal authority and operating control of the institution with respect to the foundation; (2) describe the relationship of the foundation to the institution and the extent of any liability arising out of that relationship; and (3) demonstrate that the fund-raising activities of the foundation further the mission of the institution.		
<b>Objective</b>	The objectives of the engagement were to obtain an understanding of the Foundation’s internal control environment and assess its effectiveness, assess the Foundation’s compliance with the formal written agreement between the Foundation and the College, and to determine the College and the Foundation’s level of compliance with TBR Policy 4.01.07.02, Foundations.		
<b>Results of the Current Audit</b>	Both TBR Policy 4.01.07.02, Foundations section II.H. and the Foundation agreement section II.4. Audit of Foundation Records state “the contract between the independent public accountant and the foundation shall be approved in advance by the Tennessee Board of Regents and the Comptroller and shall be on the forms prescribed by the Comptroller”. Neither the contracts between the Foundation and the independent public accountant nor other documentation during the period reviewed showed evidence of prior approval by the TBR.		
<b>Audit Conclusion</b>	<p><b>Observation</b> The engagement outcomes reflect a control environment that provides reasonable assurance that the Foundation generally complies with the formal written agreement between the Foundation and the College, and with TBR Policy 4.01.07.02, Foundations. However, care should be taken to ensure compliance with the provisions in the agreement and the policy.</p> <p><b>Recommendation</b> Management should ensure that future contracts between the Foundation and independent public accountants for the audit of financial records have the required approvals prior to execution of the contract.</p> <p><b>Management’s Response</b> Management concurs with the above recommendation in regards to required approvals. Management will keep Internal Audit informed of any alternative solutions while still abiding by the policy and agreement.</p>		

**Pellissippi State Community College  
Foundation Audit  
July 1, 2018, through October 31, 2019  
January 9, 2020  
Executive Summary**

<b>Key Staff Personnel</b>	Aneisa Rolan, Executive Director of the Foundation	<b>Internal Auditor</b>	Suzanne L. Walker, Director of Internal Audit
<b>Introduction</b>	<p>Tennessee Board of Regents establishes expectations in Policy 4–01–07–02 <i>Foundations</i> that the relationship of any foundation established to support any Tennessee Board of Regents institution or its programs be clearly defined and is set forth in a formal, written manner.</p> <p>The State of Tennessee Charter of State Technical Institute of Knoxville (currently Pellissippi State Community College Foundation) established the Foundation in 1982 to promote and support, “literary, scientific, educational scholarship, research, charitable and developmental purposes and objects at State Technical Institute Knoxville”. The name change to Pellissippi State occurred in 1988.</p> <p>The Board of Trustees currently consists of thirty (30) voting members. The President of Pellissippi State serves as a voting member of the Board. The Vice Presidents of the College are welcome to attend the Trustee meeting but have no official role on the Board.</p> <p>The Foundation is responsible for developing policies and procedures that direct the conduct of business affairs and assure appropriate reporting of financial and other activities. Employees of Pellissippi State Community College support the Foundation through in-kind services including employees, software application and processing services, and office space.</p>		
<b>Objectives</b>	<p>The objectives of the engagement were to assess the Foundation’s compliance with the formal written agreement between the Foundation and the College and determine the College and Foundation’s level of compliance with TBR Policy 4–01–07–02, <i>Foundations</i>.</p>		
<b>Conclusion</b>	<p>Overall the Pellissippi State Community College Foundation has well defined policies and procedures that comply with the signed agreement between the College and the Foundation as well as Tennessee Board of Regents Policy 4-01-07-02. The audit did not disclose any weaknesses that would require inclusion in the audit report. Some minor areas of concern were discussed with college personnel as well as the Chair of the Board of Trustee for the Foundation.</p>		

**Roane State Community College Foundation**  
**Policy and Conflict of Interest Audit – Page 1 of 2**  
**July 1, 2018 – June 30, 2019**  
**February 26, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Foundation Executive Director, Operations Coordinator	<b>Internal Auditor</b>	Director, Internal Audit
<b>Introduction</b>	<p>The Roane State Community College Foundation (Foundation) was established by a charter filed in May 1979 with the Tennessee Secretary of State. The Charter identifies the Foundation’s purpose as “to promote and support literary, scientific, education scholarship, research, charitable and developmental purposes and objects at Roane State Community College.” The Foundation is the primary fund-raising organization for Roane Community College (RSCC) and operates as a legally separate tax-exempt 501(c)(3) to supplement resources available to support the college and its programs.</p> <p>Bylaws govern the Foundation and define the governance structure of the entity. The Tennessee Board of Regents (TBR) established expectations in Policy 4.01.07.02, <i>Foundations</i> that the relationship of any foundation established to support any TBR institution or its programs be clearly defined and be set forth in a formal, written manner.</p> <p>In accordance with a written agreement between the Foundation and the College, employees of the College manage the daily operation and fundraising efforts of the Foundation. The College provides these employees, college services, and Foundation office space as an in-kind service to the Foundation</p>		
<b>Objectives</b>	<p>The objectives of the engagement were to obtain an understanding of the Foundation’s internal control environment and assess effectiveness, assess the Foundation’s compliance with the formal written agreement between the Foundation and the College, and determine the College and Foundation’s level of compliance with TBR Policy 4.01.07.02, <i>Foundations</i>.</p>		
<b>Conclusion</b>	<p>The Foundation has well defined policies and procedures and generally complies with TBR policy 4.01.07.02, <i>Foundations</i>. However, the Foundation does not have the required completed Conflict of Interest forms for some of its Board of Directors and has a record retention policy which lists documents not maintained by the Foundation.</p>		

**Roane State Community College Foundation  
 Policy and Conflict of Interest Audit – Page 2 of 2  
 July 1, 2018 – June 30, 2019  
 February 26, 2020  
 Executive Summary**

<b>Recommendations</b>	<ul style="list-style-type: none"> <li>• Immediate completion of Conflict of Interest forms for those Board members who have not submitted/renewed/fully completed their disclosure.</li> <li>• Review of the Conflict of Interest forms to determine what information should be required on the form and consideration of completion of a new form each year.</li> <li>• Review of the Records Retention Policy to update the list of records maintained by the Foundation.</li> </ul>
<b>Management Response</b>	<ul style="list-style-type: none"> <li>• We concur. The board members will be reminded to complete the forms annually. All forms except one are now current.</li> <li>• We concur. The form has been reviewed by staff and will be revised.</li> <li>• We concur. The policy is being reviewed and will be updated, pending board approval.</li> </ul>

**Southwest Tennessee Community College**  
**System-wide Internal Audit – Foundation – Page 1 of 3**  
**January 29, 2020**  
**Executive Summary**

<p><b>Key Staff Person:</b> Roseanne Landey, Executive Director of Institutional Development</p>	<p><b>Auditor:</b> Charlotte Johnson, Internal Auditor</p>
<p><b>Introduction</b></p>	<p>Tennessee Board of Regents (TBR) establishes expectations in <i>Policy 4:01:07:02 Foundations</i>, that the relationship of any foundation established to support any TBR institution or its programs be clearly defined and set forth in a formal, written manner. The policy requires the written agreement to (1) define the legal authority and operating control of the institution with respect to the foundation; (2) describe the relationship of the foundation to the institution and the extent of any liability arising out of the relationship; and (3) demonstrate that the fund-raising activities of the foundation further the mission of the institution.</p> <p>The State of Tennessee Charter of Southwest Tennessee Community College Foundation established the foundation in 2000. The Charter identifies the Foundation’s purpose as the “promotion of education and educational literacy, scientific activities, and educational scholarships at Southwest Tennessee Community College”. The Bylaws authorize a Board of Trustees to formulate and promote a program to fulfill the purposes of the Foundation and more specifically to determine acceptable institution projects and a program for the solicitation of gifts, grants and bequest for the Foundation. The President of Southwest Tennessee Community College (STCC) serves as a voting member and the Vice President of Finance and Administrative Affairs, the Vice President for Institutional Advancement, and Executive Director of Institutional Development serve as ex-officio non-voting members. In addition to the Executive Committee, the Board consist currently of twelve additional members.</p> <p>The Foundation is responsible for developing policies and procedures that direct the conduct of business affairs and assure appropriate reporting of financial and other activities. Additionally, the Foundation is responsible for submitting financial reports, prepared in accordance with generally accepted accounting principles, to the College on at least an annual basis.</p> <p>Employees of STCC manage the daily operation and fundraising efforts of the Foundation. The College provides these employees, college services, and the Advancement office space as an in-kind service to the Foundation.</p>
<p><b>Objectives</b></p>	<p>The primary objectives of the engagement were to obtain an understanding of the Foundation internal control environment and assess its effectiveness, assess the foundation’s compliance with the formal written agreement between the Foundation and the College, and determine the College and Foundation’s level of compliance with TBR <i>Policy 4:01:07:02, Foundations</i>.</p>

**Southwest Tennessee Community College**  
**System-wide Internal Audit – Foundation – Page 2 of 3**  
**January 29, 2020**  
**Executive Summary**

<b>Scope</b>	The audit covered the Foundation’s control environment in place at the time of the engagement, and Foundation activity between July 1, 2018 and June 30, 2019.
<b>Conclusion</b>	STCC and the Foundation have a formal written agreement. The Foundation internal control environment was reviewed, and the Foundation was found to be in general compliance with the internal controls and <i>TBR Policy 4:01:07:02</i> except for the following three recommendations.
<b>Recommendation</b>	<b>Recommendation 1.</b> A formal annual report was not issued for the Foundation for the 2018-2019 fiscal Year due to shortage of personnel. The most recent annual report listed on the Foundation’s website is for Fiscal Year 2014-2015. A current formal annual report that includes the activities of Foundation should be issued and placed on the website.
<b>Management’s Response</b>	We concur with recommendation. Although the Foundation’s financials have been printed with college’s financials each year a lack of personnel has prevented the Foundation from printing a full Annual Report. The Executive Director of Institutional Development and the Executive Director of Marketing are currently working on a plan to produce a full report.
<b>Recommendation</b>	<b>Recommendation 2.</b> The Foundation shall establish and adopt a code of ethics that apply to and govern the conduct of all members of the Foundation’s governing body. Such policies shall require that members review and acknowledge the code of ethics annually. Acknowledgements for nine board members could not be located. Each board member should review and acknowledge the code of ethics annually.
<b>Management’s Response</b>	We concur with the recommendation. In the past the Foundation has always collected email responses to the Code of Ethics state-run, however for 19-20 all Board Members signed written forms attesting to their understanding of the Code.
<b>Recommendation</b>	<b>Recommendation 3.</b> Foundation or college staff should reconcile bank statements on a timely basis within 30 days of month end. The bank statements were not being reconciled on a timely basis. Management should require that bank reconciliations be prepared within 30 days of month end.



**Southwest Tennessee Community College**  
**System-wide Internal Audit – Foundation – Page 3 of 3**  
**January 29, 2020**  
**Executive Summary**

<b>Management's Response</b>	We concur with this recommendation. Due to staff shortages in FY18 and FY19 the Foundation bank reconciliations were not completed on a timely basis, but they have been completed within the required 30 days since June 30, 2019 and into the fiscal year 2020.
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**Volunteer State Community College  
 Volunteer State College Foundation  
 Fiscal Year 2019  
 March 13, 2020  
 Executive Summary**

<b>Key Staff Personnel</b>	Resource Development and College Foundation	<b>Internal Auditor</b>	Nancy Batson
<b>Introduction</b>	<p>The Volunteer State College Foundation (foundation) was established as a 501(c)(3) nonprofit corporation in 1989 to support Volunteer State Community College (college). The foundation is governed by a Board of Trustees (trustees) with adopted bylaws that prescribe the management of the foundation. The current bylaws were approved in May 2019.</p> <p>The Tennessee Board of Regents (TBR) Foundations policy (4.01.07.02) describes the relationship between the foundation and the college. It explains that the foundation is a separate legal entity from the college with a shared interest in the development and success of the college mission.</p>		
<b>Objectives</b>	<p>The objectives of the audit include:</p> <ul style="list-style-type: none"> <li>• Understand the control environment and assess effectiveness.</li> <li>• Assess compliance with TBR Policy 4.01.07.02, Foundations, and agreements between the college and foundation.</li> </ul>		
<b>Scope</b>	<p>The audit included an examination of the control environment and policy compliance during fiscal year 2019.</p>		
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. The foundation trustees should complete code of ethics acknowledgement forms annually.</li> <li>2. College funds should not be transferred to the foundation for scholarship awards.</li> </ol>		
<b>Conclusion</b>	<p>The foundation has established a control environment with their policies and procedures. The operations appear designed to ensure compliance with both the TBR Foundations policy and the college agreement.</p>		

**Walters State Community College**  
**Foundation Internal Control Structure and Compliance with TBR Policies**  
**February 14, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Vice President for Business affairs and Treasurer of the Walters State Foundation; Vice President for College Advancement	<b>Internal Auditor</b>	Mark A. Ortlieb, CPA
<b>Introduction</b>	<p>The Charter of the Walters State Community College Foundation, which was filed with the Secretary of State of the State of Tennessee on May 1, 1975, established the perpetual existence of this not-for-profit organization to promote and support literary, scientific, educational scholarship, research, charitable and developmental purposes and objects at Walters State Community College. The Executive Committee consists of no more than 15 members – a president, vice president, secretary, treasure, the president of Walters State Community College, and 10 others. By-laws provide for a Board of Trustees of not less than the 15 referred to in the preceding sentence and nor more than 149 other voting members.</p> <p>The Tennessee Board of Regents establishes expectations in Policy 4-01-07-02 <i>Foundations</i> that the relationship of any foundation established to support any Tennessee Board of Regents institution or its programs be clearly defined and is set forth in a formal, written manner. The current agreement between Walters State Community College and Walters State Community College Foundation was signed in September 2016 and mirrors the TBR’s Model Agreement Between Institution &amp; Foundations.</p> <p>The Foundation is responsible for developing policies and procedures that direct the conduct of business affairs and assure appropriate reporting of financial and other activities. Employees of Walters State Community College support the Foundation through in-kind services including employees, software application and processing services, and office space.</p>		
<b>Objectives</b>	The objectives of the engagement were to assess the Foundation’s compliance with the formal written agreement between the Foundation and the College and determine the College and Foundation’s level of compliance with TBR Policy 4-01-07-02, <i>Foundations</i> .		
<b>Findings</b>	No findings arose from this Internal Audit engagement.		
<b>Conclusion</b>	The Walters State Community College Foundation’s internal control structure is adequate, and the Foundation complies with TBR Policies.		

**Tennessee Board of Regents  
Audit Committee  
June 2, 2020**

***Internal Audit Reports  
Financial Management***

**Cleveland State Community College**  
**Audit of Athletic Revenue and Expenditures**  
**July 2018 through June 2019**  
**March 24, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Athletic Director	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	<p>Internal Audit conducted a review of athletic revenue and expenditures for Cleveland State Community College (CISCC) for the period July 1, 2018, through June 30, 2019. The College is required to file an Equity in Athletics Disclosure Act (EADA) report each year with the U.S. Department of Education by October 15<sup>th</sup>. This report lists all expenses by the sports team, the sport classification as men’s or women’s, and the number of athletes participating in each sport by gender. Team coaches and other positions and salaries are reported on the EADA and categorized by sport and gender.</p>		
<b>Objectives</b>	<p>The objectives of the audit were to:</p> <ul style="list-style-type: none"> <li>• Determine whether a timely EADA report was prepared according to the regulations.</li> <li>• Ensure the EADA report is fairly stated in accordance with specific regulations.</li> </ul>		
<b>Audit Results</b>	<p>Internal Audit reconciled the completed EADA report to the accounting records for the audit period. The Executive Director of Institutional Research and Effectiveness provided internal audit a copy of the Equity in Athletics Disclosure Act Completion Certificate, which showed the report was filed timely. A sample of revenues and expenditures transactions for the period for each sport was tested for proper classification and appropriateness. Athletic salaries, overhead and/or other allocations were reviewed for their propriety and tied to the EADA report. The Athletic Director provided written confirmation that the EADA report contained all appropriate revenues and expenditures. Test work revealed that the completed EADA report was accurate.</p>		
<b>Conclusion</b>	<p>The EADA report was filed timely and accurately with all revenues and expenses properly reported.</p>		

**Tennessee Colleges of Applied Technology-Memphis**  
**Audit of President's Expenses and Safety and Security Funds – Page 1 of 2**  
**For the Period July 1, 2018 – June 30, 2019**  
**January 28, 2020**  
**Executive Summary**

<b>President</b>	Mr. Roland Rayner	<b>Internal Auditor</b>	Helen Vose, TCAT Internal Auditor																																																														
<b>Objectives</b>	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year ended June 30, 2019; 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. A review of safety and security fund expenditures will also be performed.																																																																
<b>Scope</b>	The audit scope included all accounts under the direct budgetary control of the President and expenses funded by institutional funds, foundations, or vendors and any expenses made by, at the direction of, or for the benefit of the President during the fiscal year. The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> , issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary. A review of safety and security fund expenditures will also be performed.																																																																
<b>Questioned Costs</b>	None	<b>Recoveries</b>	N/A																																																														
<b>Analysis</b>	<p>The following is a summary of (1) certain expenses made by, at the direction of, or for the benefit of the President, and (2) salaries, benefits and other operating expenses for the President's office during the fiscal year ended June 30, 2019:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">TCAT Memphis</th> <th style="text-align: center;">Foundation</th> <th style="text-align: center;">Vendor</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>President (1):</b></td> </tr> <tr> <td>Salary</td> <td style="text-align: right;">\$154,000</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$154,000</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">\$4,860</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$4,860</td> </tr> <tr> <td>Business Meals &amp; Hospitality</td> <td style="text-align: right;">\$1,627</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$1,627</td> </tr> <tr> <td>Other</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td colspan="5"><b>Office (2):</b></td> </tr> <tr> <td>Salaries &amp; Benefits</td> <td style="text-align: right;">\$456,917</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$456,917</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">\$3,386</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$3,386</td> </tr> <tr> <td>Other Operating</td> <td style="text-align: right;">\$27,793</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$27,793</td> </tr> <tr> <td><b>Total Expenses</b></td> <td style="text-align: right;"><b>\$648,583</b></td> <td style="text-align: center;"><b>-</b></td> <td style="text-align: center;"><b>-</b></td> <td style="text-align: right;"><b>\$648,583</b></td> </tr> </tbody> </table> <p>In addition, the following were provided to the President during the year. Use of the expense allowance was not included in tests performed during the audit because each of the presidents elected for the allowance to be paid as taxable income. Any personal use value of the vehicle is reported to the President as taxable income.</p> <table border="1" style="width: 50%; border-collapse: collapse;"> <tr> <td>Expense Allowance</td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Housing Allowance</td> <td style="text-align: right;">\$3,000</td> </tr> <tr> <td>Vehicle Allowance</td> <td style="text-align: right;">\$0</td> </tr> </table>					TCAT Memphis	Foundation	Vendor	Total	<b>President (1):</b>					Salary	\$154,000	-	-	\$154,000	Travel	\$4,860	-	-	\$4,860	Business Meals & Hospitality	\$1,627	-	-	\$1,627	Other	-	-	-	-	<b>Office (2):</b>					Salaries & Benefits	\$456,917	-	-	\$456,917	Travel	\$3,386	-	-	\$3,386	Other Operating	\$27,793	-	-	\$27,793	<b>Total Expenses</b>	<b>\$648,583</b>	<b>-</b>	<b>-</b>	<b>\$648,583</b>	Expense Allowance	\$2,000	Housing Allowance	\$3,000	Vehicle Allowance	\$0
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Salaries & Benefits	\$456,917	-	-	\$456,917																																																													
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Other Operating	\$27,793	-	-	\$27,793																																																													
<b>Total Expenses</b>	<b>\$648,583</b>	<b>-</b>	<b>-</b>	<b>\$648,583</b>																																																													
Expense Allowance	\$2,000																																																																
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**Tennessee Colleges of Applied Technology-Memphis**  
**Audit of President's Expenses and Safety and Security Funds – Page 2 of 2**  
**For the Period July 1, 2018 – June 30, 2019**  
**January 28, 2020**  
**Executive Summary**

<b>Conclusion</b>	The audit of the President's Expenses for the Tennessee Colleges of Applied Technology-Memphis for the period July 1, 2018 through June 30, 2019, and the Safety and Security Fund expenditures, revealed no significant deficiencies in internal controls, no large or unusual expenditures, and they were in compliance with TBR purchasing policies and regulations.
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**Tennessee Colleges of Applied Technology-Paris/McKenzie**  
**Audit of President's Expenses and Safety and Security Funds – Page 1 of 2**  
**For the Period July 1, 2018 – June 30, 2019**  
**February 21, 2020**

<b>President</b>	Dr. Brad White	<b>Internal Auditor</b>	Helen Vose, Internal Auditor																																																									
<b>Objectives</b>	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year ended June 30, 2019; 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. A review of safety and security fund expenditures will also be performed.																																																											
<b>Scope</b>	The audit scope included all accounts under the direct budgetary control of the President and expenses funded by institutional funds, foundations, or vendors and any expenses made by, at the direction of, or for the benefit of the President during the fiscal year. The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> , issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary. A review of safety and security fund expenditures will also be performed.																																																											
<b>Questioned Costs</b>	None	<b>Recoveries</b>	N/A																																																									
<b>Analysis</b>	<p>The following is a summary of (1) certain expenses made by, at the direction of, or for the benefit of the President, and (2) salaries, benefits and other operating expenses for the President's office during the fiscal year ended June 30, 2019:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">TCAT Paris</th> <th style="text-align: center;">TCAT McKenzie</th> <th style="text-align: center;">Vendor</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>President (1):</b></td> </tr> <tr> <td>Salary</td> <td style="text-align: right;">\$85,743</td> <td style="text-align: right;">\$69,515</td> <td></td> <td style="text-align: right;">\$155,258</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">\$1,325</td> <td style="text-align: right;">\$1,510</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$2,835</td> </tr> <tr> <td>Business Meals &amp; Hospitality</td> <td style="text-align: right;">\$1,020</td> <td style="text-align: right;">\$1,160</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$2,180</td> </tr> <tr> <td>Other</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td colspan="5"><b>Office (2):</b></td> </tr> <tr> <td>Salaries &amp; Benefits</td> <td style="text-align: right;">\$98,871</td> <td style="text-align: right;">\$26,727</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$125,598</td> </tr> <tr> <td>Other Operating</td> <td style="text-align: right;">\$4,524</td> <td style="text-align: right;">\$6,029</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$10,553</td> </tr> <tr> <td><b>Total Expenses</b></td> <td style="text-align: right;"><b>\$191,483</b></td> <td style="text-align: right;"><b>\$104,941</b></td> <td style="text-align: center;"><b>-</b></td> <td style="text-align: right;"><b>\$296,424</b></td> </tr> </tbody> </table> <p>In addition, the following were provided to the President during the year. Use of the expense allowance was not included in tests performed during the audit because each of the presidents elected for the allowance to be paid as taxable income. Any personal use value of the vehicle is reported to the President as taxable income.</p> <table border="1" style="width: 50%; border-collapse: collapse;"> <tbody> <tr> <td>Expense Allowance</td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Housing Allowance</td> <td style="text-align: right;">\$3,000</td> </tr> <tr> <td>Vehicle Allowance</td> <td style="text-align: right;">\$8,400</td> </tr> </tbody> </table>					TCAT Paris	TCAT McKenzie	Vendor	Total	<b>President (1):</b>					Salary	\$85,743	\$69,515		\$155,258	Travel	\$1,325	\$1,510	-	\$2,835	Business Meals & Hospitality	\$1,020	\$1,160	-	\$2,180	Other	-	-	-	-	<b>Office (2):</b>					Salaries & Benefits	\$98,871	\$26,727	-	\$125,598	Other Operating	\$4,524	\$6,029	-	\$10,553	<b>Total Expenses</b>	<b>\$191,483</b>	<b>\$104,941</b>	<b>-</b>	<b>\$296,424</b>	Expense Allowance	\$2,000	Housing Allowance	\$3,000	Vehicle Allowance	\$8,400
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**Tennessee Colleges of Applied Technology-Paris/McKenzie**  
**Audit of President's Expenses and Safety & Security Funds – Page 2 of 2**  
**For the Period July 1, 2018 – June 30, 2019**  
**February 21, 2020**

<b>Conclusion</b>	The audit of the President's Expenses for the Tennessee Colleges of Applied Technology-Paris/McKenzie for the period July 1, 2018 through June 30, 2019, and the Safety and Security Fund expenditures, revealed no significant deficiencies in internal controls, no large or unusual expenditures, and they were in compliance with TBR purchasing policies and regulations.
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**Tennessee Board of Regents  
Audit Committee  
June 2, 2020**

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

**Chattanooga State Community College**  
**Faculty Credentials – Page 1 of 2**  
**Spring, Summer, and Fall Semesters 2019**  
**February 6, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Executive Director, Institutional Effectiveness, Research and Planning Dean, Academic Assessment, Accreditation and Compliance	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	The audit of faculty credentials was requested by the President of the college to ensure that all full-time and part-time faculty hired by the College meet the requirements of the College’s accrediting agency, Southern Association of Colleges and Schools (SACS). The ability to hire qualified faculty continues to be an area of concern as documented in the College’s risk assessment for instruction and academic support.		
<b>Objectives</b>	The objectives of the audit were: <ul style="list-style-type: none"> <li>• To determine the requirements necessary for compliance with SACS criteria and college policies.</li> <li>• To determine whether faculty employed meet credential requirements.</li> <li>• To determine whether documentation maintained was sufficient to document compliance.</li> </ul>		
<b>Conclusion</b>	ChSCC’s Faculty Credential policy and procedures are well defined and provide adequate internal controls to maintain compliance with SACSCOC requirements. However, the lack of completeness of all course rubrics in the Faculty Qualifications Manuals, a standardized method for documenting credential requirement compliance, and use of personnel who were not the instructor of record in Banner caused issues in determining the required faculty member credential for some programs. Including all rubrics in the Faculty Qualifications Manuals would clearly define requirements.		
<b>Recommendations</b>	Based on the performed audit procedures, Internal Audit recommends: <ul style="list-style-type: none"> <li>• The Faculty Qualifications Manuals should be reviewed to ensure they contain all courses and course rubrics.</li> <li>• The practice of including the Dean or Department Head as an instructor on SSASECT when they are not teaching should be eliminated. Only the Instructor of Record should be included on this form.</li> <li>• An electronic handbook detailing how to document compliance with credentialing standards should be developed by the Dean of Academic Assessment, Accreditation, and Compliance and provided to all academic divisions for use during the hiring of faculty and changes in faculty status.</li> </ul>		

**Chattanooga State Community College**  
**Faculty Credentials – Page 2 of 2**  
**Spring, Summer, and Fall Semesters 2019**  
**February 6, 2020**  
**Executive Summary**

<b>Management Response</b>	<p>Management concurs with the recommendations.</p> <ul style="list-style-type: none"><li>• The Faculty Qualifications Manual has been updated and completed utilizing the audit recommendations.</li><li>• The divisions have been notified that Deans, Department Heads, and/or Program Directors may not be included as course instructors in SSASECT in Internet Native Banner when they are not teaching the class.</li><li>• An electronic handbook detailing compliance with credentialing standards will be developed by the Dean of Academic Assessment, Accreditation, and Compliance and completed no later than 12/31/2020.</li><li>• For the 26 exceptions to the credentialing requirements, 20 have been resolved. The remaining 6 will be resolved by 3/1/2020.</li></ul>
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**Tennessee College of Applied Technology - Chattanooga**  
**Audit of Salon and Spa Client Services and Inventory – Page 1 of 2**  
**Fall 2019**  
**January 31, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	TCAT Department Head, Business Operations	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	<p>Chattanooga State Community College (ChSCC) Internal Audit conducted an audit of the Tennessee College of Applied Technology (TCAT) - Chattanooga Salon and Spa Client Services and Inventory for Fall 2019 at the request of TCAT Management. Salon and Spa Services consist of the Aesthetics, Barbering, Cosmetology, and Massage Therapy Programs. These programs provide client services such as haircuts, manicures, pedicures, facials and massages.</p> <p>Client Services are performed under the TCAT Policy 14:04:00 – Live Work and serve as an opportunity for students to advance the mastery of identified competencies of the program and to build the student’s self-confidence. Fees for the services are processed through Touchnet.</p>		
<b>Objectives</b>	<p>The objectives of the audit were to:</p> <ul style="list-style-type: none"> <li>• Evaluate the design and effectiveness of the internal controls over client service processes.</li> <li>• Determine inventory control procedures for program products and equipment.</li> <li>• Ensure compliance with ChSCC, TCAT, and/or TBR policies and procedures.</li> </ul>		
<b>Conclusion</b>	<p>TCAT salon and spa programs have well defined policies and procedures for client services and instructors strive to comply with the live work policies and procedures for acceptance of client service fees. However, inventory controls lack written procedures, a comprehensive supply inventory, and/or listing of equipment for most of the salon and spa programs. Comprehensive inventory lists that are revised upon receipt of incoming supplies would ensure appropriate supply orders and limit excessive ordering of supplies.</p>		
<b>Recommendations</b>	<p>Based on the performed audit procedures, Internal Audit recommends:</p> <ul style="list-style-type: none"> <li>• Salon and Spa Service departments should complete written inventory procedures and a comprehensive listing of inventory and program equipment.</li> <li>• Inventory listings should be updated as product is depleted or replenished and used to determine appropriate supply orders.</li> <li>• Inventory and Equipment listings should be verified by Program Instructors at the end of each semester and reviewed by the Department Head.</li> </ul>		

**Tennessee College of Applied Technology - Chattanooga**  
**Audit of Salon and Spa Client Services and Inventory – Page 2 of 2**  
**Fall 2019**  
**January 31, 2020**  
**Executive Summary**

<b>Management Response</b>	Management in the Tennessee College of Applied Technology (TCAT) Division agrees with the audit recommendations and have taken the following actions in the Business Operations Department: <ul style="list-style-type: none"><li>• Drafted written inventory procedures as well as completed a listing of equipment and current inventory.</li><li>• Created a system in which program faculty verify monthly inventory and submit for review to the Department Head.</li><li>• Inventory management systems are being researched to accurately update, record, and account for product inventory. It is anticipated that this system will be in place by August 31, 2020.</li></ul>
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**Tennessee College of Applied Technology - Chattanooga**  
**Audit of Commercial Truck Driving Program**  
**January 1, 2019 through December 31, 2019**  
**March 9, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Coordinator, Commercial Truck Driving	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	<p>Chattanooga State Community College (ChSCC) Internal Audit conducted an audit of the Tennessee College of Applied Technology (TCAT) - Chattanooga Commercial Truck Driving (CDL) Program for classes held from January 1, 2019 through December 31, 2019. This audit was designed to ensure continued compliance with the Federal Motor Carrier Safety Regulation 49 CFR Part 382 including no use of a driver before receipt of a negative pre-employment drug test and implementation of a random controlled substance and/or alcohol testing program.</p> <p>The CDL Program instructs students in the basic principles and skills required to operate commercial motor vehicles in accordance with federal, state, and local laws. The program consists of 222 clock hours either as a full-time day or night 7.5-week course. Students receive a TCAT Certificate upon successful completion of the program.</p>		
<b>Objectives</b>	<p>The objectives of the audit were:</p> <ul style="list-style-type: none"> <li>• To evaluate the effectiveness of internal controls over the CDL program.</li> <li>• To verify the collection of required student admission documents for the college and the DOT which includes a negative result on a DOT drug screen.</li> <li>• To ensure the use of a random controlled substance and/or alcohol testing program.</li> </ul>		
<b>Conclusion</b>	<p>The internal audit revealed that all files for students from January 1, 2019 through December 31, 2019 contained the required student admission documentation including a negative DOT drug screen report and a Class A CDL Learner Permit. Additionally, the CDL Program has continued to comply with federal regulations concerning a drug and alcohol program through the use of a third-party administrator and a program drug and alcohol policy.</p>		
<b>Recommendations</b>	None		

**Tennessee Board of Regents  
Audit Committee  
June 2, 2020**

***Internal Audit Reports  
Information Technology***



**Walters State Community College  
Compliance with NACHA Operating Rules  
December 3, 2019  
Executive Summary**

<b>Key Staff Personnel</b>	IET Director of Infrastructure and Chief Information Security Officer; Business Office Director of Financial Services; Cashier Office Director of Student Accounts and Revenue	<b>Internal Auditor</b>	Mark A. Ortlieb, CPA
<b>Introduction</b>	The National Automated Clearing House Association (NACHA) has recommended methods to address unique risk issues inherent to the Internet payment environment through requirements for added security. An annual audit is required to help ensure protection by security practices including adequate levels of: 1) physical security to protect against theft, tampering, or damage, 2) personnel and access controls to protect against unauthorized access and use, and 3) network security to ensure secure capture, transmission, storage, distribution, and destruction. This audit fulfills those requirements.		
<b>Objectives</b>	<p>The primary objective is to conduct an annual data security audit to ensure that Receivers' financial information is protected by security practices and procedures that ensure that the financial information that the Originator obtains from Receivers is protected by commercially reasonable security practices. Procedures related to the annual data security audit are as follows:</p> <ol style="list-style-type: none"> <li>1. Evaluate the College's compliance with the NACHA authorization requirements.</li> <li>2. Determine if security practices and procedures comply with NACHA's risk management requirements and adequate to protect consumer financial information.</li> <li>3. Determine if risk management practices and procedure are in compliance with NACHA requirements and are adequate to protect consumer financial information.</li> <li>4. Make recommendations for correcting deficiencies or improving operations.</li> </ol>		
<b>Findings</b>	No findings arose from this Internal Audit engagement.		
<b>Conclusion</b>	WSCC complies with the <i>NACHA Operating Rules and Guidelines</i> .		

**Tennessee Board of Regents  
Audit Committee  
June 2, 2020**

***Internal Audit Reports  
Follow-up***

**Chattanooga State Community College**  
**Follow-up to the State Audit Report**  
**For the Fiscal Years Ending June 30, 2018 and June 30, 2017**  
**April 7, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Executive Vice President, Business and Finance  Vice President, Technology	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Chattanooga State Community College for the fiscal years ended June 30, 2018 and June 30, 2017, on October 23, 2019. The report included one audit finding. The finding was identified in the audit report as a material weakness and a significant deficiency. The current status of each finding is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit finding, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p>Current Status of State Audit Findings</p> <ol style="list-style-type: none"> <li>1. Chattanooga State Community College did not provide adequate internal controls in thirteen areas  Status: Management has taken adequate corrective actions to address the audit findings for ten of the thirteen areas by implementing effective internal controls to ensure compliance and performing procedures designed for ongoing monitoring of risks and mitigating controls. The recommended corrective actions to address the remaining three areas are in process.</li> </ol>		
<b>Audit Conclusion</b>	Based on the results of tests and procedures performed, management has taken adequate corrective actions to address the majority of the audit areas noted in the finding, implement the audit recommendations, and mitigate the risks through ongoing monitoring. Management is in the process of completing corrective actions for the three remaining audit areas.		

**Cleveland State Community College**  
**Follow-up to the State Audit Report**  
**For the Fiscal Year Ending June 30, 2018 and June 30, 2017**  
**February 20, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Director of Financial Aid	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	<p>The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Cleveland State Community College for the fiscal years ended June 30, 2018 and June 30, 2017, on September 18, 2019. The report entitled, Independent Auditor’s Report on Internal Control Over Financial Statements and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, included one audit finding. The finding was similar to a finding issued in the prior audit. The current status of the finding is presented in the Results of the Current Audit section below.</p>		
<b>Objectives</b>	<p>The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit finding, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>		
<b>Results of the Current Audit</b>	<p><u>Current Status of State Audit Findings</u></p> <p><b><u>As noted in the prior audit, the timesheets of the Federal Work-Study students were not properly monitored.</u></b></p> <p>Current Status:  Additional training has been implemented to ensure that supervisors of Federal Work-Study employees properly monitor student hours and that they are aware of applicable federal requirements. All supervisors took the required online quiz and received a 100% passing grade. Documentation was obtained for any valid exception. Any hours that conflicted with class schedules, athletic events or practices, and travel away to athletic events were deducted from the supervisors’ department.</p>		
<b>Audit Conclusion</b>	<p>Based on the results of tests and procedures performed, management has taken adequate actions to address the audit findings and implement the audit recommendations.</p>		

**Dyersburg State Community College**  
**Follow-up to the State Audit Weaknesses**  
**For the Fiscal Years Ending June 30, 2018 and June 30, 2017**  
**January 31, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Vice President for Finance and Administrative Services	<b>Internal Auditor</b>	Sandra Pruett, Director of Internal Audit
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Dyersburg State Community College for the fiscal years ended June 30, 2018 and June 30, 2017 on November 19, 2019. The report entitled, <i>Independent Auditor's Report</i> , included no audit findings. There were five exceptions that were presented to the management staff of Dyersburg State Community College during the audit exit conference. The current status of these exceptions has been reviewed and is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit exceptions, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p><u>Current Status of State Audit Exceptions</u></p> <ol style="list-style-type: none"> <li>1. Exception – Statement of Cash Flows – Amount Overstated</li> <li>2. Exception – Cash – Non-timely Foundation Bank Reconciliations</li> <li>3. Exception – Investments – Total Investments Understated in Notes to Financial Statements</li> <li>4. Exception – Investments – Misclassified Investments in Notes to Financial Statements</li> <li>5. Exception – Accounts Receivables and Revenues – Incorrect Calculation of Doubtful Accounts</li> </ol> <p>Adequate corrective action has been taken on each of the five audit exceptions.</p>		
<b>Audit Conclusion</b>	Based on the results of tests and procedures performed, management has taken adequate actions to address the audit exceptions, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		

**Dyersburg State Community College**  
**Follow-Up on the Conflict of Interest Audit Report**  
**February 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Sheila Gillahan, Director of Human Resources and Andrea Franckowiak, Coordinator of English, Learning Support Writing and Orientation	<b>Internal Auditor</b>	Sandra Pruett, Director of Internal Audit
<b>Introduction</b>	<p>The Tennessee Board of Regents (TBR) Policy 1:02:03:10, <i>Conflict of Interest</i>, is intended to define the general principles, which should guide the actions of employees. The policy includes illustrations of activities which potentially constitute a conflict of interest, disclosure requirements related to conflicts of interest, a description of the process by which these disclosures shall be evaluated and decisions rendered, and a description of the appeal process regarding such decisions.</p> <p>A Conflict of Interest audit was performed by the DSCC Internal Audit department in May 2019. Three recommendations were listed as part of that audit. This audit is a follow-up audit on those previous recommendations.</p>		
<b>Objectives</b>	<p>The objectives of this review were to determine whether adequate corrective actions have been taken to address the audit observations, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>		
<b>Scope</b>	<p>This audit included a review of the current status of actions taken by DSCC management to correct items reported in the <i>Conflict of Interest Fiscal Year 2019</i> audit report.</p>		
<b>Conclusion</b>	<p>A review of internal controls indicates that the DSCC policies and procedures for handling conflict of interest disclosures and reporting are in place and are effective at this time. Based on the results of tests and procedures performed, management has taken adequate actions to address the audit observations, implement the audit recommendations and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>		
<b>Recommendations</b>	<p><b><u>Recommendation 1: Human Resources Trace File</u></b>  The Human Resources department did create a trace file to use in tracking returned required annual Conflict of Interest Disclosure forms.</p> <p><b><u>Recommendation 2: Conflict of Interest Disclosure Review Committee Should Meet Each Semester and Minutes Should be Taken and Distributed</u></b>  The Conflict of Interest Disclosure Review Committee met twice during the Fall 2019 semester and minutes were distributed.</p> <p><b><u>Recommendation 3: Conflict of Interest Policy Needs to be Updated</u></b>  The DSCC Conflict of Interest Policy, 12:05:01:00, was updated with the required changes and was approved on November 8, 2019.</p>		

**Jackson State Community College**  
**Follow-up Report: Off-Campus International Education Programs – Page 1 of 2**  
**Summer 2018 and Summer 2019**  
**January 24, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Dr. Mechel Camp, International Activities Coordinator; Mr. Tim Dellinger, Vice President for Financial and Administrative Affairs	<b>Internal Auditor</b>	Angie Brown, Internal Auditor
<b>Introduction</b>	<p>The Tennessee Board of Regents System (TBR) supports off-campus international educational programs or courses as a valid and valuable part of undergraduate and graduate education. The TBR encourages all TBR institutions to engage in international opportunities that meet the legitimate academic needs of their students and in cooperation with consortia both internal to the TBR system in which TBR institutions hold membership and those external to the system. The TBR recognizes that such programs or courses take a variety of forms in length and focus.</p> <p>At Jackson State Community College, off-campus international education programs support the institution’s strategic goal of providing innovative instruction and increasing student involvement in high impact practices.</p>		
<b>Objectives</b>	<p>A follow up was conducted of the Off-Campus International Education Program audit for the period August 1, 2014 through July 31, 2015 in April 2018. Improvements were made but more work needed to be done to implement the recommendations. A follow up review for the summer 2018 and 2019 was conducted in January 2020 to review management’s response to recommendations, perform tests to determine whether management’s responses were implemented and determine that observations noted in the audit report are resolved.</p>		
<b>Scope</b>	<p>The follow-up included the Off-Campus International Education Programs for the summer 2018 and 2019.</p>		
<b>Conclusion</b>	<p>Based upon observations, discussions with management, and the tests performed, the recommendations were implemented according to TBR Policy and the issues are resolved.</p>		

**Jackson State Community College**  
**Follow-up Report: Off-Campus International Education Programs – Page 2 of 2**  
**Summer 2018 and Summer 2019**  
**January 24, 2020**  
**Executive Summary**

<p><b>Prior Recommendations /Current Status</b></p>	<p><b>Recommendation 1:</b> Management should consider the internal control risk related to not including the international education course fee and payment on the student account.</p> <p><b>Current Status:</b> For summer 2018, the TnCIS courses were reflected on the student’s account along with scholarships and student payments. However, the institutional tuition and fees were waived instead of providing an institutional scholarship due to confusion based upon TBR Guideline A-076. The TBR Policy 2:08:10:00 was updated December 13, 2018 to include TBR Guideline A-076 which helped clarify the registration process for TnCIS programs. For summer 2019, the TnCIS courses were reflected on the student’s account along with scholarships and student payments. Tuition and fees were assessed, and an institutional scholarship was provided for tuition and fees according to TBR Policy 2:08:10:00.</p> <p><b>Recommendation 2:</b> 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.</p> <p><b>Current status:</b> As of summer 2018 and 2019, dual service contracts appear to be utilized as required by the TnCIS operational handbook and TBR Policy 2:08:10:00 and the issue is resolved.</p>
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**Southwest Tennessee Community College**  
**Follow-up to the State Audit Report**  
**For the Fiscal Year Ending June 30, 2017 and June 30, 2016**  
**January 31, 2020**  
**Executive Summary**

<b>Key Staff Personnel</b>	Executive Director, Information Systems; Vice President of Financial and Administrative Services	<b>Internal Auditor</b>	Charlotte Johnson, Internal Auditor
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit, issued a financial and compliance audit of Southwest Tennessee Community College for the fiscal years ended June 30, 2017 and June 30, 2016, on July 8, 2019. The report included five audit findings. The current status of each finding is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit findings, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p><u>Current Status of State Audit Findings</u></p> <ol style="list-style-type: none"> <li>1. <b>The college did not report fraud to the Comptroller of the Treasury.</b> The Finance Department has placed new procedures in place and incidents have been reported timely to the Internal Auditor, who reports the incidents to the TBR Chief Audit Executive.</li> <li>2. <b>Management did not approve employee timesheets prior to payroll preparation.</b> A Timekeeping Taskforce was formed November 22, 2019 to review the timesheet processes and make recommendations to eliminate non-compliance. The Taskforce recommendations should be submitted to the college President by the end of January 2020.</li> <li>3. <b>The College did not have controls in place to ensure compliance with requirements of the Federal Work Study Program.</b> A review was conducted by Internal Audit on the Federal Work Study program. Three students reported hours worked during a scheduled class. This is an improvement from prior years that showed 12 students working during scheduled classes. A Timekeeping Taskforce was created on November 22, 2019. The Taskforce recommendations will be submitted to the college President in early February 2020.</li> <li>4. <b>The College did not prepare proper bank reconciliations.</b> The Finance department has placed new procedures in place and all bank statement reconciliations are completed within 30 days.</li> <li>5. <b>The college did not provide adequate internal controls in four-specific areas that were reported in the prior-year audit.</b> Management has taken adequate actions to correct the audit findings.</li> </ol>		

**Southwest Tennessee Community College**  
**Follow-up to the Special Review of Federal Work Study Program**  
**February 24, 2020**  
**Executive Summary**

<b>Key Staff Person:</b>	Financial Aid Specialist	<b>Auditor:</b>	Charlotte Johnson, Director
<b>Introduction</b>	<p>Internal Audit for Southwest Tennessee Community College (STCC) issued a <i>Special Review of Federal Work Study Program</i> report for the period July 1, 2013 through June 30, 2014, on May 13, 2015. The report included one finding regarding a Federal Work Study (FWS) student working during class time. A follow-up review by Internal Audit was issued May 30, 2017, for the Academic year 2015-2016. The follow-up disclosed a continued deficiency in the payroll records of the audit sample. Twelve of 40 (30%) student records reviewed reported hours worked during a scheduled class. An additional follow-up report was issued January 3, 2018, for the spring semester of 2017. Ten of 43 (23%) student records reviewed reported hours worked during a scheduled class. The follow-up report issued March 6, 2019, for the 2018 fall semester, reported six of 35 (17%) students worked during a scheduled class time. In addition, the State Comptroller’s audit of fiscal years 2014 and 2015, released June 28, 2017, also found a lack of controls in place at STCC to ensure compliance with the requirement of FWS program.</p>		
<b>Objective</b>	<p>The objective of the review was to determine whether adequate corrective actions have been taken to address the findings.</p>		
<b>Prior Findings</b>	<p>Internal Controls for Monitoring Students’ Work Time Must Be Improved to Ensure Compliance with Federal Work Study Program Regulation.</p>		
<b>Management Response</b>	<p>Management concurs with the finding and recommendation of the audit report rendered by the Department of Internal Audit. The Financial Aid Specialist responsible for the FWS Program will continue to provide training, updates, time sheet monitoring, and notification to FWS supervisors of any infractions or changes in procedures.</p>		
<b>Current Result</b>	<p>Based on the results of tests and procedures performed, three of 30 (10%) students tested for this period reported hours worked during a scheduled class. The declining error rate shows improvement and that corrective action have been put in place. Management has improved their process to bring Southwest Tennessee Community College into compliance with regulations C.F.R. 675.20(d)(2)(ii), a student employed in an FWS job may not be paid for receiving instruction in a classroom, laboratory, or academic setting. Management should continue the processes to ensure that the error rate continues to decline.</p>		

**Tennessee Board of Regents  
Audit Committee  
June 2, 2020**

***Internal Audit Reports  
Investigations***

**Cleveland State Community College**  
**Investigation 20-01: Job Application Misrepresentation – Page 1 of 2**  
**January 8, 2020**

<b>Key Staff Personnel</b>	HR Director	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	Internal Audit was contacted on January 6, 2020 by the President concerning a part-time employee in Service-Learning who had misrepresented some information on her application for employment by omitting information concerning her level of education. Internal Audit was asked to determine if anything else was not represented correctly on her job application		
<b>Objectives</b>	The objectives of the audit were to determine if any other information was incorrectly reported by the employee on her job application.		
<b>Audit Results</b>	<p>Internal Audit contacted previous employers and schools to determine dates of employment or attendance. We also obtained official transcripts that had been submitted to admissions. Interviews were conducted with the employee’s supervisor and the employee with the HR Director present.</p> <p>Based on the investigation the following discrepancies were noted on her application:</p> <ul style="list-style-type: none"> <li>• Employee did not disclose she had a Masters of Education degree from Western Washington University.</li> <li>• On the application she listed TN Achieves as employment with zero salary and a job title of mentor. The TN Achieves Director of Outreach stated she was a volunteer mentor.</li> <li>• On the job application the employee stated she was employed/volunteered from April 2016 to current. TN Achieves Director of Outreach stated her volunteer work started in 2017.</li> <li>• The application stated she was employed that with Western Washington University from June 1, 2014 to December 31, 2014. Western Washington University Human Resources stated she was employed from September 2013 to September 2015. During our interview she stated it was from January 2014 to December 2014. The dates she listed on other TBR college applications either varied from these dates or were omitted.</li> <li>• During the interview the employee indicated she had held more than one job at Western Washington; however Western Washington University Human Resources stated the only job she had held was Graduate Research /Teaching Assistant.</li> </ul> <p>During the investigation interview the employee was very vague with answers stating that she did not know when asked for specific about her application for employment.</p>		

**Cleveland State Community College**  
**Investigation 20-01: Job Application Misrepresentation – Page 2 of 2**  
**January 8, 2020**

<b>Conclusion</b>	The employee's application included her certification the information provided was accurate, however the employee misrepresented information on her application. This matter will be addressed further by Human Resources and the supervisor.
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**Walters State Community College  
Investigation 19-01: Phishing Scam  
June to August 2019  
December 19, 2019  
Executive Summary**

<b>Key Staff Personnel</b>	Assistant Vice President for Information and Educational Technologies (IET)	<b>Internal Auditor</b>	Mark A. Ortlieb, CPA
<b>Introduction</b>	A successful phishing scam diverted the direct deposit of one WSCC Adjunct instructor employee's net pay of \$2,437.69 that was disbursed on July 30, 2018.		
<b>Objective</b>	The primary objective was to confirm that appropriate corrective action was taken to verify the extent of the fraud, counsel the affected employee appropriately, reimburse the employee for the loss and put appropriate safeguards in place to prevent any such scams in the future.		
<b>Conclusion</b>	WSCC management resolved the issue appropriately.		

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: June 2, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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Mike Batson will give brief updates for the following items:

- Information Systems Auditor Search
- System-wide Internal Audit Training Interruptions

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BOARD TRANSMITTAL

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MEETING: Committee on Audit  
SUBJECT: University Updates  
DATE: June 2, 2020  
PRESENTER: Mike Batson  
ACTION REQUIRED: Informational Report  
STAFF'S  
RECOMMENDATION: Accept Report

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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.

**FINANCIAL AND COMPLIANCE AUDITS –FINDINGS**

Austin Peay State University  
— FYE June 30, 2019

**FINANCIAL AND COMPLIANCE AUDITS –NO FINDINGS**

East Tennessee State University  
— FYE June 30, 2019  
Middle Tennessee State University  
— FYE June 30, 2019



**Tennessee Board of Regents  
Audit Committee  
June 2, 2020**

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

<b>Institution</b>	<b>For the Year Ended</b>	<b>Auditor's Opinion on Financial Statements</b>	<b>Report on Internal Control</b>	<b>Report on Compliance</b>	<b>Findings</b>
Austin Peay State University	June 30, 2019	Unmodified Opinion	Three internal controls finding were identified as a significant deficiency	No instances of noncompliance required to be reported	3

**Finding 1 – Austin Peay State University did not provide adequate internal controls in four areas**

Austin Peay State University did not design and monitor effective internal controls in four areas. We found internal control deficiencies that were in violation of university policies or industry accepted best practices.

Ineffective implementation and operation of internal controls increases the likelihood of errors, data loss, and unauthorized access to university information. 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. 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 these conditions are corrected by the prompt development and effective implementation of 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 when deficiencies occur.

**Management's Comment** – We concur with the findings and recommendations. Management has provided responses to the Tennessee Comptroller of the Treasury.

**Finding 2 – Management should improve procedures for review of journal entries**

Journal entries for both the university and the foundation may be initiated by various fiscal personnel who submit to the reviewer the signed and dated proposed paper journal entry as well as documentation supporting the entry. After approving the journal entry, the reviewer then signs and dates the paper copy. The reviewer then provides the approved journal entry to a third employee who records the entry in the accounting system and signs and dates the paper copy of the journal entry.

The university does not have a documented comparison of journal entries recorded in the accounting system to the approved paper journal entries. Since approval of the journal entry occurs prior to entry in the accounting system, and there is no documented comparison of the recorded entry to the approved entry, there is an increased risk that journal entries recorded do not match the approved journal entries. In addition, there is also a risk that the individuals responsible for recording journal entries in the accounting system may record unauthorized journal entries without detection.

**Recommendation** - Management should institute formal procedures to compare journal entries recorded in the accounting system to approved journal entries. This may include using electronic workflow capabilities in the accounting system or documenting the review through a manual process.

**Management's Comment** – We do not concur with the finding and recommendation. We do agree there is a risk for journal entry error to occur; however, we consider this risk minimal. Our current mitigating controls do not present a risk of material misstatement of our financial statements, nor have they resulted in a material misstatement in the past. Mitigating controls are in place to detect and correct material data entry errors and include reconciliation of account balances that may have a material impact on the financial statements. These reconciliations have been provided to the auditors with no exceptions noted. The recommended comparison of journal entries recorded in the accounting system to previously approved journal entries will not increase the likelihood that material errors may be detected and corrected in a timely manner because of implemented mitigating controls.

**Finding 3 – The foundation incorrectly recorded pledge payments**

The Austin Peay State University Foundation received a payment of \$100,000 from a donor toward an existing pledge. Staff incorrectly recorded the payment as gift and contributions revenue, instead of a reduction of the donor's pledge balance. This overstated current-year gifts and contributions revenues by \$100,000. Since the inception of the pledge, staff recorded other payments toward the pledge as gifts and contributions revenues rather than a reduction of the outstanding pledge. These errors resulted in gross pledges before discounting to net present value being overstated by \$1,011,740.69. The financial statements and notes were corrected for these errors.

**Recommendation** - University Advancement staff should record and track all pledges receivable in the foundation's pledges system.

**Management's Comment** – We concur with the finding and recommendation. Effective immediately, University Advancement staff will record and track all pledges and receivables in the Foundation's pledges system.

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Revisions to Fiscal Year 2020 Audit Plans

DATE: June 2, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Roll Call Vote

STAFF'S  
RECOMMENDATION: Approve

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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 January 1, 2020 to March 31, 2020 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 March 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.

<b>Institution</b>	<b>Significant Revisions to Audit Plans Since January 1, 2020</b>
System-wide	Workforce Development audits were postponed to fiscal year 2021 due to COVID-19 pandemic.
ChSCC	Addition of ChSCC-INV 20-01, ChSCC-INV-20-02, and ChSCC-INV 20-03.
CoSCC	Incident Response & Reporting and Disaster Recovery/Business Continuity Audits were removed from the plan due to campus leadership hiring a consultant to conduct a review of those areas.
MSCC	Student Affairs-Satisfactory Academic Progress (SAP) was removed from the plan due to an SAP revision taking place. This audit will be reconsidered in the future.
PSCC	Several audits were added as a result of hiring an IT Auditor at PSCC.
TBR- Investigations	This audit plan was added due to filling the vacant position at the TBR System Office.

\*There are no revised plan for the following due to a vacancy in Internal Audit positions:

- TBR- Information Systems

**Chattanooga State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2020**  
**Revised April 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	C	Management Advisory Services	5.0	Jul-19	120.0	120.0	0.0	0%		70.5	49.5		In Progress
FM	F	State Audit Assist/Follow-up	5.0	Jul-19	75.0	75.0	0.0	0%		43.5	31.5		In Progress
IS	F	Follow up Reviews	5.0	Jul-19	85.0	85.0	0.0	0%		50.0	35.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-19	70.0	10.0	-60.0	-86%	FN3	4.0	6.0		In Progress
IS	I	INV- 2020-01	5.0	Sep-20	0.0	5.0	5.0	100%	FN2	5.0	0.0		In Progress
IS	I	INV- 2020-02	5.0	Mar-20	0.0	50.0	50.0	100%	FN3	10.0	40.0		In Progress
IS	I	INV- 2020-03	6.0	Apr-20	0.0	60.0	60.0	100%	FN3	0.0	60.0		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%		31.0	4.0	Dec-19	Completed
SS	R	Workforce Training Hours	5.0	Jan-20	70.0	0.0	-70.0	-100%	FN4	0.0	0.0		Removed
AD	R	Foundation	5.0	Nov-19	100.0	100.0	0.0	0%		80.0	20.0	Feb-20	Completed
IS	R	Campus Safety	5.0	Apr-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%		98.0	2.0	Feb-20	Completed
IA	S	TCAT Truck Driving Program	5.0	May-20	75.0	75.0	0.0	0%		65.0	10.0	Mar-20	Completed
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	75.0	15.0	25%	FN2	50.0	25.0		In Progress
IA	S	TCAT Salon and Spa Client Services	5.0	Sep-19	0.0	60.0	60.0	0%	FN2	60.0	0.0	Jan-20	Completed
IT	A	Software License Compliance	3.5	May-18	40.0	40.0	0.0	0%		6.0	34.0		In Progress
<b>Total Planned Audit Hours:</b>					<b>1150.0</b>	<b>1150.0</b>	<b>0.0</b>			<b>734.5</b>	<b>415.5</b>		

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. Investigation concern was evaluated with these audits.

FN3 - Reduced unscheduled investigations and added project for complaint received.

FN4 - Project shifted to next year due to pandemic and system-wide IA project priorities.

Cleveland State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020  
Revised April 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	C	Management Advisory Services	5.0	Jul-19	50.0	50.0	0.0	0%		14.5	35.5		In Progress
IS	F	State Audit Assist/Follow-up	5.0	Jul-19	75.0	75.0	0.0	0%		34.0	41.0		In Progress
IS	F	Follow up Reviews	5.0	Jul-19	75.0	75.0	0.0	0%		4.0	71.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-19	40.0	17.5	-22.5	-56%			17.5		Scheduled
FM	S	YE Procedures FYE 2020	5.0	Jun-20	10.0	10.0	0.0	0%			10.0		Scheduled
FM	S	NACHA 2020	5.0	May-20	60.0	60.0	0.0	0%		4.5	55.5		In Progress
IS	M	Enterprise Risk Assessment	5.0	Nov-19	35.0	35.0	0.0	0%		21.0	14.0	Dec-19	Complete
IA	R	Workforce Training Hours	5.0	Jan-20	70.0	0.0	-70.0	-100%	1		0.0		Removed
AD	R	Foundation	5.0	Nov-19	100.0	100.0	0.0	0%		105.5	-5.5	Feb-20	Complete
IS	R	Campus Safety	5.0	Mar-20	60.0	60.0	0.0	0%			60.0		Scheduled
IS	I	Investigation 20-01		Jan-20		22.5				22.5	0.0	Jan-20	Complete
FM	A	Contracts	2.8	Sep-19	100.0	100.0	0.0	0%		143.0	-43.0	Dec-19	Complete
FM	A	Financial Revenue and Expenses	2.6	Feb-20	100.0	100.0	0.0	0%		104.5	-4.5		In Progress
<b>Total Planned Audit Hours:</b>					<b>775.0</b>	<b>705.0</b>	<b>-70.0</b>			<b>453.5</b>	<b>251.5</b>		

Estimated Available Audit Hours = 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

1 The removed audit was postponed till next audit cycle system wide

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original			Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage	FN	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	189.0	39.0	26%	4	189.3	-0.3	February 2020	Completed
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	0.0	-50.0	-100%	6		0.0		Removed
FM	M	Review Management's Risk Assessment Process	5.0	Nov-19	22.5	22.5	0.0	0%		23.5	-1.0	January 2020	Completed
FM	F	State Audit Follow-Up	5.0	Feb-20	75.0	75.0	0.0	0%			75.0		Scheduled
IT	F	SWIA IT Audit Follow-Up		Feb-20	0.0	15.0	15.0	100%	3	0.50	14.5		In Progress
IS	F	Engagement Follow-up	5.0	Jan-20	30.0	30.0	0.0	0%		21.8	8.2		In Progress
IT	A	Incident Response & Reporting	4.3	Dec-19	100.0	0.0	-100.0	-100%	5		0.0		Removed
IT	A	Disaster Recovery/Business Continuity	4.2	Dec-19	100.0	1.0	-99.0	-99%	5	1.0	0.0		Removed
IT	A	Data Stewardship/Access	4.1	Nov-19	150.0	148.5	-1.6	-1%		7.5	141.0		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	125.0	72.5	138%	4	82.8	42.2		In Progress
IS	C	Informal Consulting		Jul-19	110.0	200.0	90.0	82%	4	173.3	26.7		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	9.5	9.5	100%	1	9.5	0.0	October 2019	Completed
FM	C	Informal Complaint Processing		Oct-19	0.0	12.0	12.0	100%	1	15.5	-3.5	December 2019	Completed
<b>Total Planned Audit Hours:</b>					1050.0	1050.0	0.0			564.4	485.6		

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
- 3 Campus Auditor monitoring due to SWIA IT Audit position vacancy -
- 4 Additional time necessary to meet scope or campus needs
- 5 Removed - Campus Leadership hired consultant to conduct a review of the area
- 6 Removed by SWIA - rescheduled for 2021



**Dyersburg State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020  
Revised April 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		
FM	R	Foundations		Dec-19	90.0	110.0	20.0	22%		148.0	-38.0	2/29/2020	Completed
PP	R	Physical Security/Campus Safety		Mar-20	65.0	65.0	0.0	0%		19.0	46.0		In Progress
FM	F	Follow-up to State Audit		Jan-20	45.0	45.0	0.0	0%		52.0	-7.0	1/31/2020	Completed
IS	R	Risk Assessment - Quality		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	0.0	0.0	0%	1	0.0	0.0		Removed
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%		37.5	22.5		In Progress
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%		74.0	56.0		In Progress
IS	R	Follow-up Audits		TBD	80.0	-8.0	-88.0	-110%		0.0	-8.0		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	11/22/2019	Completed
IS	R	Follow-up on Conflict of Interest		Jan-20	0.0	19.0	19.0	0%		26.0	-7.0	2/6/2020	Completed
IS	A	Human Resources		Mar-20	120.0	120.0	0.0	0%		33.0	87.0		In Progress
FM	A	Cash Handling Procedures		Sep-19	65.0	65.0	0.0	0%		27.0	38.0		In Progress
AT	A	Athletics Eligibility		Oct-19	40.5	55.0	14.5	36%		36.0	19.0		In Progress
AT	A	Athletics - Camps and Clinics/Fundraising		Jan-20	60.0	80.0	20.0	33%			80.0		Scheduled
FM	A	Records Mgmt and Retention		Apr-20	90.0	0.0	-90.0	-100%	2		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 0.0 743.5 349.5**  
 Estimated Available Audit Hours = 1093

**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

Footnotes: (1) Workforce Dev, Contact Hours audit removed because a follow-up audit was performed in this area.  
 (2) Records Mgmt and Retention audit removed due to extra hours spent on Foundation audit and follow-up audits.

**Jackson State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2020**  
**Revised April 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		Nov-20	130.0	260.0	130.0	100%	2	369.5	-109.5	Feb-20	Completed
IS	R	Campus Safety		Mar-20	130.0	130.0	0.0	0%		2.5	127.5		In Progress
IA	R	Workforce Development			130.0	0.0	-130.0	-100%	1		0.0		Removed
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		In Progress
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%		62.5	62.5		In Progress
IA	F	Study Abroad Follow up		Nov-19	75.0	75.0	0.0	0%		123.25	-48.3	Jan-20	Completed
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%		20.5	9.5	Jan-20	Completed
FM	R	Year-end Procedures		Jun-20	30.0	30.0	0.0	0%			30.0		Scheduled
IS	C	General Consultation			75.0	75.0	0.0	0%		129.0	-54.0		In Progress
<b>Total Planned Audit Hours:</b>					<b>1695.0</b>	<b>1834.0</b>	<b>139.0</b>			<b>1145.3</b>	<b>688.8</b>		

Estimated Available Audit Hours = 1834

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

Scheduled  
 In Progress  
 Completed  
 Removed

FN1: Removed Workforce Development audit hours. Hours will be allocated in FYE21 Audit Plan  
 FN2: Available Workforce Development audit hours added to Foundation Audit hours.

**Motlow State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020  
Revised April 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		
R	AD	Foundation	5.0	Nov-19	125.0	100.0	-25.0	-20%		101.3	-1.3	Feb-20	Completed
R	PP	Campus Security	5.0	Feb-20	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
R	SS	Workforce Development and Follow Up	5.0	Mar-20	80.0	5.0	-75.0	-94%	2	4.5	0.5		Removed
M	IA	Risk Assessment - Quality	5.0	Nov-19	30.0	20.0	-10.0	-33%		18.2	1.8	Jan-20	Completed
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	50.0	-100.0	-67%		40.3	9.7		In Progress
A	SS	Student Affairs - Satisfactory Academic Progress	5.0	Apr-20	125.0	0.0	-125.0	-100%	1	0.0	0.0		Removed
I	FM	INV 1901	5.0	Aug-19	40.0	22.0	-18.0	-45%		24.0	-2.0	Oct-19	Completed
F	IA	Follow Up INV 1601	5.0	Jul-19	10.0	10.0	0.0	0%		8.0	2.0	Aug-19	Completed
F	AT	Follow Up INV 1604 #2	5.0	Nov-19	30.0	40.0	10.0	33%		8.8	31.2		In Progress
F	SS	Follow Up INV 1801	5.0	Sep-19	40.0	40.0	0.0	0%		26.5	13.5		In Progress
F	AT	Follow Up INV 1802	5.0	Aug-19	30.0	30.0	0.0	0%		11.6	18.4		In Progress
F	AT	Follow Up INV 1804	5.0	Dec-19	30.0	10.0	-20.0	-67%		6.8	3.2	Nov-19	Completed
F	FM	Follow Up Access and Diversity	5.0	Jul-19	50.0	40.0	-10.0	-20%		38.9	1.1	Oct-19	Completed
A	IT	Follow Up Information Technology	5.0	Apr-20	30.0	10.0	-20.0	-67%		0.0	10.0		Scheduled
R	IA	Study Abroad	5.0	Jul-19	40.0	40.0	0.0	0%		4.5	35.5		In Progress
C	FM	General Consultation	5.0	Jul-19	80.0	60.0	-20.0	-25%		46.1	13.9		In Progress
R	FM	State Audit Assistance - Year End	5.0	Jul-19	20.0	14.0	-6.0	-30%		4.0	10.0		In Progress
I	IS	Unscheduled Investigations	5.0	Jul-19	50.0	40.0	-10.0	-20%		25.5	14.5		In Progress
I	IS	Assist SWIA		Jul-19		200.0	200.0	N/A		186.1	13.9		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		12.0	12.0	N/A		11.5	0.5	Dec-19	Completed
F	FM	Follow Up State Audit		Mar-20		30.0	30.0	N/A		0.0	30.0		Scheduled
F	FM	Follow Up Access and Diversity # 2		Jan-20		60.0	60.0	N/A		43.7	16.3		In Progress
I	AT	INV 2001		Jan-20		40.0	40.0	N/A	3	29.5	10.5		In Progress
I	IS	INV 2002		Feb-20		80.0	80.0	N/A	3	62.2	17.8		In Progress
<b>Total Planned Audit Hours:</b>					<b>1120.0</b>	<b>1120.0</b>	<b>0.0</b>			<b>708.7</b>	<b>411.3</b>		

Estimated Available Audit Hours = 1120.0

**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 Motlow is currently undergoing a revision of Satisfactory Academic Progress (SAP). An audit will be reconsidered in the future.  
 FN 2 Due to current campus access restrictions, the Workforce Development audit and follow-up will be rescheduled for a later date.  
 FN 3 Audit hours were added for two investigations beginning this quarter.

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

							Revised to Original		FN	Planned to Actual			
Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage		Actual Hours	Variance	Completion Date	Current Status
AD	R	Foundation	5.0	1/27/2020	150.0	150.0	0.0	0%		150.0	0.0	4/27/2020	Completed
IS	R	Physical Security / Campus Safety	5.0	5/1/2020	150.0	150.0	0.0	0%		0.0	150.0		Scheduled
IA	R	Workforce Development	5.0	Removed	75.0	0.0	-75.0	-100%	1	0.0	0.0		Removed
FM	R	State Audit Assistance	5.0	1/21/2020	37.5	37.5	0.0	0%		2.0	35.5		In Progress
FM	R	Year End Procedures	5.0	6/1/2020	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%		7.5	12.5		In Progress
<b>Total Planned Audit Hours:</b>					<b>447.5</b>	<b>372.5</b>	<b>-75.0</b>			<b>159.5</b>	<b>213.0</b>		
Estimated Available Audit Hours =					447.5								
<b>Functional Areas:</b>			<b>Audit Types:</b>			<b>Status:</b>							
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													
FN1 Moved to FY2021													

Northeast State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020  
Revised April 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		
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	10/10/2019	Completed
AD	R	Foundation	5.0	Nov-19	100.0	125.0	25.0	25%	1	114.5	10.5		In Progress
IS	R	Campus Safety	5.0	Mar-20	75.0	75.0	0.0	0%		12.0	63.0		In Progress
PP	A	Key Control	4.4	Jul-19	100.0	100.0	0.0	0%		102.5	-2.5	12/31/2019	Completed
IT	SR	Access Termination	5.0	Jul-19	100.0	125.0	25.0	25%	1	91.5	33.5		In Progress
FM	A	Grants and Contracts	5.0	Jul-19	75.0	100.0	25.0	33%	1	65.5	34.5		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-19	100.0	50.0	-50.0	-50%	1		50.0		Scheduled
FM	R	State Audit Assistance - Year End	5.0	Jul-19	20.0	20.0	0.0	0%		5.5	14.5		In Progress
IS	S	Special Requests and Projects	5.0	Jul-19	85.0	85.0	0.0	0%		65.0	20.0		In Progress
IS	F	Other Audit Follow-Up	5.0	Jul-19	50.0	50.0	0.0	0%		34.0	16.0		In Progress
IS	M	Risk Assessment	5.0	Nov-19	45.0	45.0	0.0	0%		45.0	0.0	01/17/2020	Completed
IS	C	Management Advisory Services	5.0	Jul-19	100.0	100.0	0.0	0%		70.5	29.5		In Progress
<b>Total Planned Audit Hours:</b>					<b>1050.0</b>	<b>1075.0</b>	<b>25.0</b>			<b>707.0</b>	<b>368.0</b>		

Estimated Available Audit Hours = 1050.0

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

Scheduled  
 In Progress  
 Completed  
 Removed

Footnote #1: Hours adjusted due to complexity of projects

**Pellissippi State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020  
Revised April 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 as of 3/31/20	Variance		
AD	R	Foundation	5.0	Nov-19	150.0	105.0	-45.0	-30%		110.0	-5.0	Jan-20	Completed
IS	R	Campus Security	5.0	Jan-19	75.0	75.0	0.0	0%		14.5	60.5		In Progress
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	0.0	-45.0	-100%	FN6	0.0	0.0		Removed
FM	R	President's Audit - Roane State	5.0	Sep-19	0.0	100.0	100.0	100%	FN2	98.0	2.0	Oct-19	Completed
FM	F	Audit Follow-Up (including State Audit)	5.0	Jul-19	45.0	22.5	-22.5	-50%		0.0	22.5		Scheduled
IT	F	HVAC Vulnerability Assessment Follow-Up	5.0	Dec-19	0.0	82.5	82.5	100%	FN1	85.5	-3.0	Feb-20	Completed
IS	S	Review of Student Disiplinary Process in the Nursing Department	5.0	Nov-19	0.0	60.0	60.0	100%	FN4	62.5	-2.5	Dec-19	Completed
IS	M	Risk Assessment	5.0	Oct-19	22.5	22.5	0.0	0%		27.5	-5.0	Dec-19	Completed
IA	S	Faculty Credentials	5.0	Dec-19	112.5	105.0	-7.5	-7%		88.5	16.5		In Progress
IA	S	Review of Compliance Assist	5.0	Feb-19	30.0	30.0	0.0	0%		14.0	16.0		In Progress
AD	C	Advancement Management Advisory Services, Consultation, etc.	5.0	Jul-19	37.5	32.5	-5.0	-13%		25.3	7.3		In Progress
FM	C	Finance Management Advisory Services, Consultation, etc.	5.0	Jul-19	37.5	42.0	4.5	12%		40.8	1.3		In Progress
IS	C	Institutional Support Management Advisory Services, Consultation, etc.	5.0	Jul-19	105.0	82.5	-22.5	-21%		60.0	22.5		In Progress
IS	I	Unscheduled Investigations and Special Requests	5.0	Jul-19	37.5	15.0	-22.5	-60%		0.0	15.0		Scheduled
IT	C	Management Advisory Service - PCI review including monthly scans	5.0	Oct-19	0.0	150.0	150.0	100%	FN1	96.0	54.0		In Progress
IT	C	Management Advisory Service - Building Security Review	5.0	Oct-19	0.0	45.0	45.0	100%	FN1	29.0	16.0		In Progress
IT	C	Management Advisory Service - General Security Review Services	5.0	Oct-19	0.0	145.0	145.0	100%	FN1	110.0	35.0		In Progress
IT	S	Café Vulnerability Assessment	5.0	Mar-20	0.0	42.5	42.5	100%	FN7	41.5	1.0		Removed
IT	S	Bookstore Vulnerability Assessment	5.0	Jan-20	0.0	50.0	50.0	100%	FN1	48.5	1.5	Mar-20	Completed
IT	S	Security Camera System Vulnerability Assessment	5.0	Dec-19	0.0	300.0	300.0	100%	FN1	301.0	-1.0	Feb-20	Completed
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	100%	FN1	58.5	106.5		In Progress
IT	A	Physical Security Review	3.3	May-20	0.0	0.0	0.0	100%	FN6	0.0	0.0		Removed
IS	C	Covid-19 Consulting & Support	5.0	Mar-20	0.0	300.0	300.0	100%	FN5	53.5	246.5		In Progress

**Total Planned Audit Hours:** 1002.5    2069.5    1067.0    1433.0    636.5  
 Estimated Available Audit Hours = 1900

**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** - 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.  
**FN4** - Review was at the request of the President to a complaint received by the Board from a student.  
**FN5** - Consulting activities related to Covid-19 including serving on the emergency management team and providing other advice to the senior leadership of the college. Extensive work was done with Business and Finance Office Personnel related to IT needs for working remotely.  
**FN6** - Audit was removed from audit plan due to college closure related to Covid-19 and audit effort was redirected to provide assistance to management related to the closure.  
**FN7** - Audit was added as a resulting of hiring an IT Auditor and was removed from current year plan because Café is expected to be closed through June 30, 2020, due to Covid-19.

Roane State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020  
Revised April 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	110.0	5.0	5%			109.5	0.5	2/26/2020	Completed
SS	R	Workforce Development	5.0	Mar-20	60.0	20.0	-40.0	-67%	1		4.0	16.0		In Progress
FM	R	Year End Cash Counts	5.0	Jul-19	45.0	45.0	0.0	0%			7.0	38.0		In Progress
IA	A	International Education	3.4	Sep-19	52.5	35.0	-17.5	-33%	2		34.8	0.3		In Progress
IS	M	Enterprise Risk Assessment	5.0	Jul-19	75.0	33.0	-42.0	-56%	3		32.3	0.8	1/13/2020	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%			21.0	84.0		In Progress
FM	S	Accounts Receivable	4.5	Aug-19	75.0	75.0	0.0	0%			23.3	51.8		In Progress
IA	S	Workload/Release Time	3.8	Jul-19	22.5	52.0	29.5	131%	4		51.5	0.5	4/30/2020	Completed
FM	F	State Audit Follow-up	5.0	Jul-19	52.5	70.5	18.0	34%			61.3	9.3		In Progress
FM	F	IAR Audit Follow-up	5.0	Jul-19	37.5	37.5	0.0	0%			9.5	28.0		In Progress
FM	I	Unscheduled Investigations	5.0	Jul-19	90.0	60.0	-30.0	-33%	5		0.0	60.0		Scheduled
IS	C	Management Advisory Services	5.0	Jul-19	142.5	219.5	77.0	54%			190.3	29.3		In Progress
AX	S	Foundation - Restricted Funds	4.1	Aug-19	52.5	52.5	0.0	0%			44.8	7.8		In Progress
<b>Total Planned Audit Hours:</b>					<b>1050.0</b>	<b>1050.0</b>	<b>0.0</b>				<b>606.0</b>	<b>444.0</b>		

Estimated Available Audit Hours = 1050

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

Scheduled  
In Progress  
Completed  
Removed

- 1 Workforce Development Audit is being moved to FY21
- 2 Due to the Pandemic, limited onsite will be able to be done during this fiscal year.
- 3 Much less time was required for the Risk Assessment this year.
- 4 Much more work was required to complete the Workload/Release Time audit than planned.
- 5 With a quarter left in the year the hours for Unscheduled Investigations was reduced.

**Southwest Tennessee Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020  
Revised May 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		
FM	A	IAR-Cash Count		Jun-20	37.5	37.5	0.0	0%		0.0	37.5		Scheduled
SS	S	Out of State Tuition		Sep-19	97.5	97.5	0.0	0%		11.0	86.5		In Progress
FM	S	Review of Time Sheets Preparation		Jul-19	97.5	161.5	64.0	66%		161.5	0.0	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%		128.0	0.0	Jan-20	Completed
IS	R	Campus Safety Audit		Oct-19	97.5	97.5	0.0	0%		1.0	96.5		In Progress
SS	R	Workforce Development Audit		May-20	97.5	0.0	-97.5	-100%		0.0	0.0		Scheduled
FM	F	FU-State Audit		Dec-19	90.0	41.0	-49.0	-54%		41.0	0.0	Feb-20	Completed
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	109.0	19.0	21%		109.0	0.0	Feb-20	Completed
FM	S	FU-Special Review of Vendor Issues		Mar-20	22.5	12.5	-10.0	-44%		10.5	2.0	Nov-19	Completed
FM	S	FU-Conflict of Interest Year 2019		Apr-20	22.5	22.5	0.0	0%		10.0	12.5		In Progress
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	15.0	0.0	0%		6.0	9.0		Scheduled
SS	C	IAR-General Consultant		Jul-19	82.5	62.5	-20.0	-24%		41.5	21.0		Scheduled
FM	I	Unscheduled Investigation		Jul-19	82.5	7.0	-75.5	-92%		0.0	7.0		Scheduled
FM	P	ACM-Audit Software		Jul-19	60.0	60.0	0.0	0%		53.5	6.5		Scheduled
FM	I	INV-Conducting Jewelry Business		Nov-20	0.0	32.0	32.0	100%		31.5	0.5	Dec-19	Completed
FM	I	INV-Club		Feb-20	0.0	93.0	93.0	100%		91.5	1.5		In Progress
FM	I	INV-Drivers License		Feb-20	0.0	10.0	10.0	100%		6.0	4.0	Dec-19	In Progress

**Total Planned Audit Hours:** 1147.5    1147.5    0.0    757.0    390.5  
 Estimated Available Audit Hours = 1147.5

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

- Scheduled
- In Progress
- Completed
- Removed



Volunteer State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2020  
Revised April 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		
SS	S	Financial Aid Work Study	8.5	Jun-20	200.0	200.0	0.0	0%		0.0	200.0		Scheduled
IS	R	Campus Safety	8.1	Mar-20	175.0	175.0	0.0	0%		0.0	175.0		Scheduled
SD	R	Foundation	7.9	Jan-20	200.0	200.0	0.0	0%		233.0	-33.0	Mar-20	Completed
IA	R	Workforce Development	7.4	Apr-20	175.0	0.0	-175.0	-100%	1	0.0	0.0		Removed
FM	R	President's Expense- Nashville State	5.0	Aug-19	200.0	200.0	0.0	0%		238.0	-38.0	Oct-20	Completed
FM	F	State Audit Follow-Up	5.0	Nov-19	175.0	175.0	0.0	0%		107.5	67.5	Dec-20	Completed
FM	R	State Audit Year-End Work	5.0	May-20	40.0	40.0	0.0	0%		2.0	38.0		Scheduled
IS	F	Follow-Up Activities	5.0	Jul-19	75.0	75.0	0.0	0%		8.0	67.0		Scheduled
IS	C	General Consultation	5.0	Jul-19	40.0	40.0	0.0	0%		41.5	-1.5		Scheduled
IS	M	Management Risk Assessment	5.0	Jul-19	100.0	100.0	0.0	0%		59.5	40.5	Jan-20	Completed
IS	I	Unscheduled Investigations	5.0	Jul-19	40.0	40.0	0.0	0%		0.0	40.0		Scheduled
FM	A	Conflict of Interest	5.0	May-19	50.0	50.0	0.0	0%		43.0	7.0	Jul-20	Completed
<b>Total Planned Audit Hours:</b>					<b>1470.0</b>	<b>1295.0</b>	<b>-175.0</b>			<b>732.5</b>	<b>562.5</b>		
Estimated Available Audit Hours =					1295								

**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

Footnote 1. Removed Workforce Development audit from FY 2020 audit plan as instructed by SWIA.

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

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised to Original			FN	Planned to Actual		Completion Date	Current Status
						Revised Plan	Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	C	Management Advisory Services	5.0	Jul-19	300.0	300.0	0.0	0%		210.0	90.0		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	55.0	-35.0	-39%		62.5	-7.5	Jan-20	Completed
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%		37.5	2.5		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-19	105.0	140.0	35.0	33%		140.0	0.0		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%		37.5	0.0	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%		69.0	36.0		In Progress
<b>Total Planned Audit Hours:</b>					<b>1050.0</b>	<b>1050.0</b>	<b>0.0</b>			<b>811.0</b>	<b>239.0</b>		

Estimated Available Audit Hours = 1050

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

Scheduled  
 In Progress  
 Completed  
 Removed

1 - Combined with IAR-NACHA-2020

**TBR System Office - Investigative Audit Manager**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2020**  
**Revised April 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	Conflict of Interest		Jun-19	75.0	0.0	-75.0	-100%	1		0.0		Removed
IS	C	Consultation with Campus Auditors		Jul-19	275.0	100.0	-175.0	-64%			5.0	95.0	In Progress
IS	P	Investigation Management		Jul-19	275.0	100.0	-175.0	-64%			0.0	100.0	In Progress
IS	R	State Audit Follow-up for TBR		Jan-20	37.5	0.0	-37.5	-100%	2		0.0		Removed
FM	I	Unscheduled Investigations		Jul-19	100.0	100.0	0.0	0%			100.0		In Progress
SS	I	INV TBR 19-03		Apr-19	75.0	37.5	-37.5	-50%			0.0	37.5	In Progress
FM	I	INV TBR 19-04		Mar-19	100.0	20.0	-80.0	-80%			20.0	Oct-19	Completed
FM	I	INV TBR 19-06		Jul-19	37.5	20.0	-17.5	-47%			0.0	20.0	In Progress
IA	I	INV TBR 19-07		May-19	37.5	20.0	-17.5	-47%			0.0	20.0	In Progress
IS	I	INV TBR 19-08		Jul-19	37.5	20.0	-17.5	-47%			20.0	Oct-19	Completed
IS	I	INV TBR 20-03		Mar-20	0.0	82.5	82.5	N/A			124.0	-41.5	In Progress
<b>Total Planned Audit Hours:</b>					<b>1050.0</b>	<b>500.0</b>	<b>-550.0</b>				<b>129.0</b>	<b>371.0</b>	

Estimated Available Audit Hours = 500

**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

- 1- Audit removed from plan due to vacancy of position in Fall 2019.
- 2- Removed from plan. Chief Audit Executive took on this task.

**TCAT**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2020**  
**Revised April 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		
FM	A	FY 20 Perkins Audit	NA	Jan-20	100.0	100.0	0.0	0%		45.0	55.0		In Progress
FM	C	FY 20 TCAT Consultation	NA	Jul-19	250.0	250.0	0.0	0%	FN4	294.0	-44.0		In Progress
FM	R	FY 20 TCAT Risk Assessment	NA	Feb-20	75.0	75.0	0.0	0%		50.0	25.0		In Progress
FM	C	FY 20 TCAT Audit Program	NA	Jul-19	75.0	75.0	0.0	0%	FN3	150.5	-75.5		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%		79.0	21.0		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%	FN2	62.0	-16.0	1/28/2020	Completed
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		In Progress
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%		13.5	-6.0		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%		5.0	2.5		In Progress
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%	FN2	42.0	-27.0		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%	FN2	36.5	-8.5	2/21/2020	Completed
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%	FN2	56.0	-22.5		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%	FN2	46.0	-38.5		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%	FN2	50.0	-35.0		In Progress
FM	A	FY 19 TCAT Dickson SFA	2.3	Feb-20	7.5	7.5	0.0	0%		15.0	-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 77.5 970.5 217.0

Estimated Available Audit Hours = 1187.5

**Functional Areas:**

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

FN1: These audits have not been started.  
 FN2: Security Review was added in during the President's Review

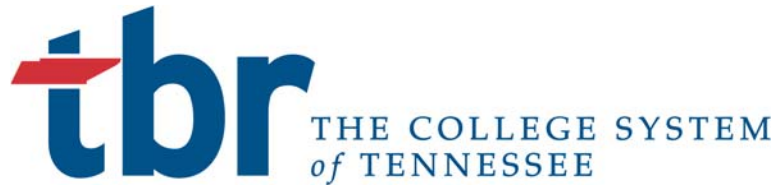
**Audit Types:**

- 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

FN3: Auditor is on the Audit Program Committee and more hours were required  
 FN4: Due to the Corona Virus, the auditor was asked to review additional policies

**Status:**

- Scheduled
- In Progress
- Completed
- Removed



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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of System-wide Internal Audit Budget for Fiscal Year 2021

DATE: June 2, 2020

PRESENTER: Mike Batson

ACTION REQUIRED: Roll-Call Vote

STAFF'S  
RECOMMENDATION: Approve

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The committee will review the Fiscal Year 2021 budget for the Office of System-wide Internal Audit. The Fiscal Year 2020-2021 budget is presented on the following page.

**Tennessee Board of Regents  
Office of System-wide internal Audit  
Operating Budget for Fiscal Year 2020-2021**

	<b>FY 2021 Budget</b>		<b>FY 2020 Budget</b>	
	<b>Amount</b>	<b>Percentage</b>	<b>Amount</b>	<b>Percentage</b>
Salaries	431,773	63%	431,733	63%
Employee Benefits	196,854	29%	195,331	28%
<b>Total Salaries and Benefits</b>	<b>628,627</b>	<b>92%</b>	<b>627,064</b>	<b>91%</b>
Travel and Professional Development				
In State Travel and Professional Development	17,500	3%	21,000	3%
Out of State Travel and Professional Development	3,000	0%	9,500	1%
<b>Total Travel and Professional Development</b>	<b>20,500</b>	<b>3%</b>	<b>30,500</b>	<b>4%</b>
<b>Operating Expenses</b>	<b>33,050</b>	<b>5%</b>	<b>30,050</b>	<b>4%</b>
<b>Total Budget</b>	<b>682,177</b>	<b>100%</b>	<b>687,614</b>	<b>100%</b>

Notes:

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

Travel and Professional Development categories include the costs for system office audit staff to travel in state for audits and investigations, meetings and other business activities. It also includes the costs of in state and out of state professional development activities and any related out of state travel costs for the training. There is a decrease in budgeted travel since SWIA-run training costs (speakers, etc.) are now included in the Operating Budget and out-of-state travel is currently prohibited through December 31, 2020.

Operating Expenses include the general operating costs for the system audit office such as copier lease, supplies, computer software, non-capitalized equipment, meeting expenses and when applicable, instructors for group training and consultants for external peer reviews. In FY 2021, a joint training retreat is planned with the audit staff of the University of Tennessee and the locally governed universities, for which TBR will share in the cost of the training (pending pandemic situation). External peer review costs are not included but will need to be reserved from the FY 2020-FY2023 funding to cover the FY2023 external peer review.