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

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**AGENDA**  
**August 31, 2021**

- I. INFORMATIONAL REPORTING (Mike Batson)**
  - a. Highlights of Audit Findings and Recommendations**
  - b. Audit Reports and Reviews**
  - c. System-wide Internal Audit Updates**
  
- II. CONSENT AGENDA (Mike Batson)**
  - a. Review of Internal Audit Plans for Fiscal Year 2022**
  
- III. REVIEW OF INTERNAL AUDIT YEAR-END STATUS REPORTS FOR FISCAL YEAR 2021 (Mike Batson)**
  
- IV. REVIEW OF AUDIT COMMITTEE CHARTER, RESPONSIBILITIES, AND IIA STANDARDS (Mike Batson)**
  
- V. REVIEW OF INTERNAL QUALITY ASSURANCE SELF-ASSESSMENT (Mike Batson)**
  
- VI. NON-PUBLIC EXECUTIVE SESSION (Mike Batson)**

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: August 31, 2021

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:

Complete College Tennessee Act- Completion Reviews  
Recommendation/Finding 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 recommendations as of June 30, 2021. 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
NeSCC	8/10/2020	NeSCC FY 2019 & 2018 - Finding 3 of 3 College management needs to ensure accurate financial reporting of capital asset activity.	VP for Finance and Information Technology	6/30/2021			10/16/2020	7/30/2021	Action Complete
NaSCC	10/27/2020	NaSCC FY 2019 & 2018 - Finding 1 of 1 Nashville State Community College did not have adequate controls to ensure the accurate reporting of the dollar value of unused sick leave at June 30, 2018	VP of Finance and Administrative Services	10/27/2020	4/15/2021	2	1/4/2021	4/15/2021	Action Completed
TBR System Office	12/17/2020	TBR FY 2019 & 2018- Finding 1 of 3 The System Office did not properly report cash held for the Tennessee Colleges of Applied Technology	Director of Fiscal Services	6/17/2021			6/16/2021		Action Completed
TBR System Office	12/17/2020	TBR FY 2019 & 2018- Finding 2 of 3 The System Office did not maintain adequate controls over bank reconciliations.	Director of Fiscal Services	6/17/2021			6/16/2021		Action Completed
NeSCC	8/10/2020	NeSCC FY 2019 & 2018 - Finding 1 of 3 Northeast State Community College did not provide adequate internal controls over information technology in two areas. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> .  One of two areas has been corrected.	VP for Finance and Information Technology	6/30/2021	9/30/2021	1	10/16/2020	7/27/2021	In Progress
STCC	9/16/2020	STCC FY 2019 & 2018 - Finding 3 of 3 Southwest Tennessee Community College did not provide adequate internal controls in one area that was reported in the prior three audits. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> .	Chief Information Officer	2/20/2020	10/15/2021	1	4/20/2021		In Progress
STCC	10/23/2020	STCC FY 2019 & 2018 - Finding 1 of 3 The college does not have adequate controls in place to ensure compliance with the requirements of the Federal Work Study Program.	Vice President of Student Services	4/30/2021	8/31/2021	1	4/20/2021		In Progress
TBR System Office	12/17/2020	TBR FY 2019 & 2018- Finding 3 of 3 As noted in the prior audit, the Tennessee Board of Regents did not provide adequate internal controls in one area. Although management has taken steps since the prior audit to correct the condition, the corrective action was not sufficient. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> .	Assistant Vice Chancellor for Information Technology	6/17/2021	9/30/2021	1	6/16/2021		In Progress

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

Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
ChSCC	5/11/2021	Workforce Training Contact Hours Internal Control Review 1 of 2: Consideration of title and content suggestions for the THEC Completion Hours Internal Policy with appropriate documentation of the Vice President's approval.	Vice President, Economic and Workforce Development	5/31/2021			5/10/2021		Action Completed
ChSCC	5/11/2021	Workforce Training Contact Hours Internal Control Review 2 of 2: Continuation of the development of virtual class participant documentation standards to ensure consistency across the division.	Vice President, Economic and Workforce Development	5/31/2021			5/10/2021		Action Completed
CoSCC	3/12/2018	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	6/29/2018		0	8/14/2018	6/7/2021	Action Completed
CoSCC	6/17/2020	The financial aid director should implement an independent review of the return to title IV calculations to ensure accurate calculation and timely return of title IV funds.	Director, Financial Aid	8/30/2020		0	10/7/2020	6/7/2021	Action Completed
DSCC	9/28/2020	It is recommended that internal controls be improved to ensure that all sick leave is reported correctly and timely in the Human Resources department. When Family Medical Leave time is involved, it is recommended that the employee be required to work out some type of advance schedule with his or her supervisor and that these arrangements are documented thoroughly.	Vice President for Finance and Administrative Services, Director of HR	12/31/2020			1/28/2021	6/30/2021	Action Completed
DSCC	9/28/2020	It is recommended that internal controls be improved in the Human Resources department to ensure that proper policies and procedures are followed with regard to processing of all records, including Family Medical Leave Act records, alternate work schedule agreements, and requests for changes to benefits. It is also recommended that all steps and procedures regarding the documentation of Family Medical Leave Act filings be written in a more formalized manner or in a policy designated for this purpose. Alternate work schedule processes should be followed, appropriate forms should be submitted weekly and changes to employee benefits should follow DSCC policy.	Vice President for Finance and Administrative Services, Director of HR	12/31/2020			1/28/2021	6/30/2021	Action Completed
NeSCC	4/30/2020	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.	Chief Advancement Officer, Coordinator of Advancement Activities	4/30/2021	6/30/2021	1	4/20/2021	7/27/2021	Action Completed



**TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges**  
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RSCC	4/30/2020	Review job responsibilities of the faculty member who manages the 2 theaters and determine appropriate release time for his theater management in the summer semester.	Vice President, Student Learning; Dean, Humanities Division	9/30/2020			7/31/2020	8/17/2020	Action Completed
RSCC	4/30/2020	Ensure all full-time faculty are assigned at least 15 calculated workload hours per semester with the exception of teaching more in the fall to have calculated workload adjusted downward in the spring semester by the fall overload. Additionally, 12 month faculty should be assigned 15 calculated workload hours during the summer.	Vice President, Student Learning; Deans	12/31/2020			7/31/2020	8/17/2020	Action Completed
ChSCC	12/18/2020	TCAT Transportation Repair Technology Client Services and Inventory 3 of 6: As a best practice, supply inventory and equipment listings should be verified by Program Instructors at the end of each semester and reviewed by the Department Head to control supply ordering costs and in preparation for the annual fixed asset review.	Executive Vice President - Technical College	5/31/2021			2/1/2021	7/26/2021	Completed
ChSCC	12/18/2020	TCAT Transportation Repair Technology Client Services and Inventory 5 of 6: TCAT Management should explore and obtain an electronic work order system for each program. Assistance from the Technology Division should be used to identify current software restrictions and capabilities available to build an in-house work order system for the programs.	Executive Vice President - Technical College	8/1/2021	12/31/2021	1	2/2/2021	7/26/2021	In Progress
CoSCC	6/7/2021	CoSCC-FU-Financial Aid-06072021  Strengthen Control Environment - Formalize the process and establish accountability to ensure the college submits timely updates to the Department of Education by mapping communication flows, assigning responsibility for timely initiation and submission of ECAR updates, and implementing a periodic review of the ECAR of record.  Establish accountability for obtaining Lower Tier Contractor forms and document retention standards, including the location of, access to, and disposal date of the documents.	Director, Financial Aid	6/30/2021					In Progress
DSCC	6/30/2021	Further HR departmental documentation is needed on the tracking and processing of FMLA and Sick leave, as well as many other HR departmental processes and tasks. The process of rewriting job descriptions in the Human Resources department has begun but was not finalized at the time of this review.	Vice President for Finance and Administrative Services, Director of HR	12/31/2021			1/15/2022		In Progress
JSCC	3/29/2019	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	9/30/2019		0		4/20/2021	In Progress

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JSCC	3/29/2019	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	9/30/2019		0		4/20/2021	In Progress
JSCC	7/16/2019	JSCC -INV19-01-Timekeeping - Recommendation 1 of 3: Supervisors and employees should be trained on time sheet procedures.	Director of Athletics and Director of Human Resources	1/17/2020		0		4/20/2021	In Progress
JSCC	7/16/2019	JSCC -INV19-01-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	1/17/2020		0		4/20/2021	In Progress
JSCC	7/16/2019	JSCC-INV19-01-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	1/17/2020		0		4/20/2021	In Progress
MSCC	5/4/2018	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 10/1/20 - Special Assistant to the President	11/4/2018	5/15/2020	7	12/19/2018	4/8/2021	In Progress

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MSCC	6/29/2018	Access and diversity scholarships should only be awarded to individuals that meet the stated criteria developed by Motlow State Community College and approved by the Tennessee Board of Regents Office of Organizational Effectiveness and Strategic Initiatives. Written procedures should be developed regarding the process of selecting access and diversity scholarship awardees, and sufficient documentation must be maintained to support the selection of the awardees by the committee based on the approved criteria.	Executive Vice President of Academic Affairs and Student Success, Dean of Students 10/1/20 - Special Assistant to the President	12/24/2018	1/1/2021	8	10/2/2019	4/9/2021	In Progress
MSCC	6/29/2018	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 10/21/19 - Compliance Officer	12/24/2018	1/1/2021	8	10/2/2019	4/9/2021	In Progress
MSCC	4/12/2019	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 7/1/20 - Title Change - Executive Vice President of Workforce and Community Development	9/30/2019	11/30/2020	5	12/16/2020	6/29/2021	In Progress
MSCC	4/12/2019	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 7/1/20 - Title Change - Executive Vice President of Workforce and Community Development	9/30/2019	11/30/2020	5	12/16/2020	6/29/2021	In Progress

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NaSCC	8/2/2019	Form a Conflicts of Interest Committee to receive, review, and issue a recommendation to management for disclosed conflicts of interest.	Director of Human Resources	January 2020	9/30/2020	0	2/6/2020	7/21/2020	In Progress
NaSCC	4/30/2020	The Foundation should ensure that all board members review and acknowledge the Code of Ethics annually	Executive Director of Foundation	6/30/2020	10/31/2020	0	6/30/2020	11/16/2020	In Progress
NaSCC	4/30/2020	The Foundation should develop policies and procedures to ensure compliance with donor intent and conditions	Executive Director of Foundation	6/1/2020	10/31/2020	1	6/1/2020	11/16/2020	In Progress
NaSCC	4/30/2020	The Foundation should develop policies and procedures in regard to disclosure of gift records	Executive Director of Foundation	6/1/2020	10/31/2020	1	6/1/2020	11/16/2020	In Progress
NaSCC	4/30/2020	The Foundation should develop policies and procedures on procurement and contracting activities	Executive Director of Foundation	6/1/2020	10/31/2020	0	6/1/2020	11/16/2020	In Progress
NaSCC	6/24/2020	Management should take corrective actions to mitigate security risk.	Vice President of Finance and Administrative Services, Associate Vice President of Accounting and Finance, Executive Director of Operations, and Director of Safety and Security	10/31/2020	10/31/2020	1	10/31/2020	10/31/2020	In Progress
NaSCC	8/2/2019	Begin collecting positive confirmation from all employees of the existence or non-existence of a potential conflict of interest.	Director of Human Resources	01/31/2020	9/30/2020	0	2/6/2020	7/21/2020	In Progress
RSCC	2/26/2020	Foundation - Completion of missing COI forms for board members	Foundation Executive Director; Foundation Coordinator	9/30/2020		1	3/30/2020	7/29/2021	In Progress
RSCC	2/26/2020	Foundation - Review information requested on COI forms	Foundation Executive Director; Foundation Coordinator	9/30/2020		1	3/30/2020	7/29/2021	In Progress

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RSCC	2/26/2020	Foundation - Review Records Retention Policy and delete records not maintained at the Foundation	Foundation Executive Director; Foundation Coordinator	11/30/2020		1	3/30/2020	7/29/2021	In Progress
RSCC	4/30/2020	Review contracts, job descriptions and responsibilities of the Clinical Coordinators to determine whether each position should be a 9, 10, or 12 month position.	Vice President, Student Learning; Dean, Health Sciences Division	12/31/2020	12/31/2021		7/31/2020	6/22/2021	In Progress
RSCC	4/30/2020	Review positions of Clinical Coordinators and determine an objective method of calculating workload.	Vice President, Student Learning; Dean, Health Sciences Division	12/31/2021			7/31/2020	6/22/2021	In Progress
CoSCC	10/29/2020	CoSCC-FU Workforce Development Controls Review-10292020  College leadership and departmental management can strengthen the college control environment through improvements to processes that <ul style="list-style-type: none"> <li>• Ensure workforce development objectives are tied to and directed by the college's mission and strategic plan,</li> <li>• Ensure college policies are current and reflect the existing operating environment and expectations,</li> <li>• Support employee competency and accountability with job descriptions specific to the employee's role, and</li> <li>• Ensure all employees complete orientation, receive job specific training, and are fully aware of policies that specifically impact the employee's job responsibilities.</li> </ul>	Vice President, Williamson Campus and External Affairs Operations Manager, Workforce and Continuing Education	2/28/2021		0	1/6/2021		No Progress
CoSCC	10/29/2020	CoSCC-FU Workforce Development Controls Review-10292020  <ul style="list-style-type: none"> <li>• Strengthen Control Activities by: Clearly identify and prioritize departmental strategic objectives and establish key progress indicators (KPIs) so that departmental expectations are clear to management and staff, and accountability is clear and measurable.</li> <li>• Develop job specific onboarding that provides new employees with the knowledge and resources (for example, process instructions, accountability measurements and timelines, project prioritization, and role-specific policies) to be successful in their role.</li> </ul>	Vice President, Williamson Campus and External Affairs Operations Manager, Workforce and Continuing Education	2/28/2021		0	1/6/2021		No Progress
CoSCC	6/7/2021	CoSCC-FU-Financial Aid-06072021  Ensure GLBA safeguards are established. (Initial Outcome from CoSCC-IAR-Financial Aid-03122018)	Vice President for Information Technology	5/30/2021				6/7/2021	No Progress

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CISCC	4/13/2021	When setting or reducing budgets management should consider requirements for different programs, if any, set forth by outside regulatory boards and agencies, to ensure the requirements can be met.	VP of Academic Affairs and VP of Finance and Administration	7/1/2021					Not Yet Due
CISCC	5/10/2021	The TAF actual spending plan should be reconciled to the general ledger at the end of each year and any discrepancies resolved	Director of Information Technology	7/30/2021					Not Yet Due
CISCC	6/16/2021	Management should complete the upgrading of exterior doors in a timely manner.	VP of Finance and Operations	1/31/2021					Not Yet Due
JSCC	11/15/2016	JSCC-IAR-Payroll -Recommendation 1 of 1: 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. <i>Updated:</i> Management should develop an institutional approval process for the compensation plan (equity) salary increases including appropriate documentation with signatures and dates.	Payroll Supervisor and Director of Human Resources	5/15/2017	12/31/2021	1	12/3/2019	8/27/2020	Not Yet Due
JSCC	9/20/2018	JSCC-INV18-03-Club Account Review Recommendation 1 of 3: Guidelines for fundraising events including cash management procedures should be developed and included in the JSCC Student Life Handbook. Guidelines may also include an approval process and any restrictions or limitations (e.g. raffles). <i>Updated:</i> Management reviewed and updated petty cash procedures and implemented an online approval system for events. Due to staff changes in key positions and the impact of COVID-19 on student events, the recommendations have not been fully implemented.	Vice President for Student Services	3/30/2019	9/1/2021	1		3/5/2021	Not Yet Due
JSCC	9/20/2018	JSCC-INV18-03-Club Account Review Recommendation 2 of 3: Training should be provided periodically and the JSCC Student Life Handbook should be distributed to club advisors and club officers. Increased communication between student activities and the club advisors could be beneficial and provide benefits to the student clubs. <i>Updated:</i> Management provided training on student events and fundraising to club and event sponsors in the fall of 2018 and 2019. There were no club events in 2020 due to COVID-19. The JSCC Student Life Handbook was under review in 2019 but not finalized. Management plans to complete the handbook review by the beginning of the 2021	Vice President for Student Services	3/30/2019	9/1/2021	1		3/5/2021	Not Yet Due

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JSCC	9/20/2018	JSCC-INV18-03-Club Account Review Recommendation 3 of 3: The JSCC Student Life Handbook should be reviewed annually and updated (if needed). <i>Updated</i> : Due to changes with key staff positions and COVID-19 during 2020, the JSCC Student Life Handbook has not been reviewed or updated for distribution. Management plans to review and update the handbook to be available at the beginning of the 2021 fall semester.	Vice President for Student Services	3/30/2019	9/1/2021	1		3/5/2021	Not Yet Due
JSCC	2/17/2020	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. <i>Updated</i> : Management is in the process of developing foundation policies and procedures for review and approval by the foundation board.	Director of Community Development & Foundation	8/31/2020	7/1/2021	1	12/15/2020	12/15/2020	Not Yet Due
JSCC	2/17/2020	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. <i>Updated</i> : Management is in the process of developing a budget and priority listing for review and approval by the foundation board.	Director of Community Development & Foundation	8/31/2020	7/1/2021	1	12/15/2020	12/15/2020	Not Yet Due
STCC	6/17/2021	Audit resources allocated to safeguarding of assets will be increased.	Internal Audit	6/30/2022					Not Yet Due
STCC	6/29/2021	Increase Internal Controls over Data Entry	Human Resources	12/30/2021					Not Yet Due
STCC	6/29/2021	Increase Internal Control over the Employment of Adjunct Faculty	Academic Affairs	12/30/2021					Not Yet Due
STCC	6/29/2021	Increase Internal controls over Timekeeping	Finance	12/30/2021					Not Yet Due
VSCC	3/16/2021	The college should ensure that federal work study students use sign-in sheets so hours may be tracked and monitored as prescribed in the Volunteer State College Work Study Program booklet.	Financial Aid	11/1/2021					Not Yet Due
VSCC	3/16/2021	The college should ensure that students receiving a work component award do not work during class time. Additionally, the federal work study students should have an approved work schedule that ensures the student is not scheduled to work during class time.	Financial Aid	11/1/2021					Not Yet Due
VSCC	3/16/2021	The college should award the ambassador scholarships in the correct amount. The scholarship award should cover full in-state tuition and fees plus a \$300 book stipend.	Financial Aid	11/1/2021					Not Yet Due
VSCC	3/16/2021	The campus access fee should not be deducted from federal work study student payroll. The students pay this fee through the student fee assessment.	Payroll Services	11/1/2021					Not Yet Due

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VSCC	3/16/2021	Evaluations should be completed for all federal work study students and academic service scholarship students.	Financial Aid	11/1/2021					Not Yet Due
VSCC	3/16/2021	The college should accurately report the participant and federal wage amounts of community service activities on the Department of Education FISAP report.	Financial Aid	11/1/2021					Not Yet Due



TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
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PSCC	10/9/2020	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	12/31/2020	5/31/2021	1	3/29/2021	5/27/2021	Action Completed
PSCC	3/3/2021	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	3/31/2021			6/28/2021		Action Completed
ChSCC	4/12/2016	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 and President's Cabinet	10/3/2016	6/30/2021	6	7/14/2017	3/30/2021	In Progress
CISCC	4/6/2015	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	12/1/2015	6/30/2019	5	7/14/2017	1/5/2021	In Progress
CISCC	6/29/2018	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.  Five of seven areas have been corrected.	Chief Information Officer	11/30/2018	3/31/2019	1	2/4/2019	1/20/2021	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	2/5/2019	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.  Nine of ten areas have been corrected.	Associate VP for IT	8/31/2019		0	10/17/2019	3/12/2021	In Progress
MSCC	4/15/2016	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	10/14/2016	12/31/2018	3	7/14/2017	3/30/2021	In Progress
MSCC	1/11/2021	Motlow State Community College did not provide adequate internal controls in eight areas. Ineffective internal controls increases the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.  Four of eight areas have been corrected.	Chief Information Officer	5/30/2021		0		6/23/2021	In Progress
NaSCC	8/15/2016	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	4/28/2017	12/31/2018	2	7/14/2017	3/30/2021	In Progress
NaSCC	3/22/2021	Nashville State Community College 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.  Four of nine areas have been corrected.	Chief Information Officer	12/31/2021		0		6/23/2021	In Progress

TBR SWIA - Status Report on Internal Audit Recommendations- Information Systems (Reports sorted by Status, Institution, Report Release Date)									
Institution	Report Release Date	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
NeSCC	2/17/2017	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.  Nine of twelve areas have been corrected.	Chief Information Officer	5/1/2017	6/30/2021	6	7/14/2017	5/13/2021	In Progress
NeSCC	1/27/2021	Northeast State Community College did not provide adequate internal controls in three 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.  Two of three areas have been corrected.	Assistant Vice President, Chief Information Officer, & Director of Human Resources	1/31/2022			7/27/2021		In Progress
PSCC	9/3/2014	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	3/31/2015	12/31/2020	6	7/14/2017	3/30/2021	In Progress
PSCC	2/14/2020	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 Vice President of Business and Finance	9/30/2020	9/30/2021	2	9/17/2020	3/30/2021	In Progress
RSCC	4/17/2015	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	7/31/2015	12/31/2020	8	7/14/2017	3/30/2021	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	4/13/2018	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 of eight areas have been corrected.	Chief Information Officer	10/12/2018	9/30/2020	3	2/12/2019	1/8/2021	In Progress
VSCC	5/13/2016	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	11/30/2016	12/31/2020	4	7/14/2017	3/30/2021	In Progress
PSCC	6/28/2021	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	8/31/2021					Not Yet Due

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: August 31, 2021

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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Federal Audits

The Audit Committee will review executive summaries for the federal audit reports issued from April 1, 2021, to June 30, 2021.

Chattanooga State Community College  
– Department of Defense- Institutional Compliance Program Review

Miscellaneous External Reviews

The Audit Committee will review executive summaries for the miscellaneous external reviews (reports issued by entities other than Internal Audit, State Audit, or Federal agencies) issued from April 1, 2021, to June 30, 2021.

Chattanooga State Community College  
– NJCAA- Softball Eligibility Review

Jackson State Community College  
– Tennessee Small Business Development Center- Financial Review  
– Tennessee DOL – Adult Education Monitoring Review

Roane State Community College  
– TSAC Financial Aid Audit

## Internal Audit

The Audit Committee will receive executive summaries for the internal audit reports issued from April 1, 2021, to June 30, 2021, as well as reports issued after June 30, 2021, which contain information considered to be time-sensitive for the Audit Committee's consideration\*/\*\*. Below is a listing of the internal audit and investigation reports completed during the reporting period, grouped by type of review. Highlights from these reports were reviewed in agenda item I.a.

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

CISCC	Review of Nursing Adjunct Hours	Page 37
CISCC	Technology Access Fee	Page 39
DSCC	Cash Counts	Page 40
STCC	Employee/Vendor Payment Address Match Review	Page 41
STCC	Ghost Employee Audit	Page 42
STCC	Cash Count	Page 45
WSCC	NACHA Audit	Page 46
Crossville	President's Expense Audit for FY 2020	Page 48
Elizabethton	President's Expense Audit for FY 2020	Page 50

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

ChSCC	CCTA- Completion	Page 53
CISCC	CCTA- Completion	Page 54
DSCC	CCTA- Completion	Page 55
NeSCC	CCTA- Completion	Page 56
PSCC	Physical Security of Computer Center	Page 57
PSCC	CCTA- Completion	Page 58
STCC	CCTA- Completion	Page 59
WSCC	CCTA- Completion	Page 60

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

ChSCC	Workforce Training Hours Internal Control Review	Page 63
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### Internal Audit Reports for Informational Purposes- Athletics

DSCC	Athletic Eligibility Audit	Page 65
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### Internal Audit Reports for Informational Purposes- Student Services

JSCC	Veterans Affairs Student Records- Enrollment Data and Tuition and Fees Chapter 33 and 35 FY 2020	Page 67
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### Internal Audit Reports for Informational Purposes- Investigations

ChSCC	INV 21-03: Faculty Website	Page 69
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### Internal Audit Reports for Informational Purposes- Follow-up

CISCC	Follow-up to the Campus Safety and Security Review	Page 71
CoSCC	Follow-up to the Financial Aid Outcomes	Page 72
DSCC	Follow-up on INV 20-02: Allegation of Improper FMLA and Sick Leave Procedures	Page 73
JSCC	Follow-up on INV 18-03: Club Accounts Review	Page 74
MSCC	Follow-up to the Foundation Audit	Page 77
NaSCC	Follow-up to the State Audit Report for FY 2019 & 2018	Page 79
STCC	Follow-up to the State Audit Report for FY 2019 & 2018	Page 80
STCC	Follow-up to the Foundation Audit	Page 81

\* Limited Official Use Only reports for Pellissippi State Community College- PSDB Server, Degree Works Vulnerability Assessment; Southwest Tennessee Community College- Follow-up to the LOU State Audit Report for FY 2019 & 2018; and TBR System Office- Follow-up to the LOU State Audit Report for FY 2019 & 2018. These reports will be shared in the Audit Committee Executive Session.

\*\* Internal Quality Self-Assessment Review full reports will be shared in Section V of the materials.

**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

***Federal Audit Reports***



**Chattanooga State Community College**  
**United States Department of Defense: Voluntary Education Institutional Compliance**  
**Program 2020 – Page 1 of 5**  
**Period Coverage: Program Year 2020**  
**November 30, 2020**  
**Executive Summary**

<b>Introduction</b>	<p>The vision of the Department of Defense (DoD) Voluntary Education (VolEd) program is to shape quality educational experiences that result in meaningful value for Service members, the Military Services, and society.</p> <p>Consistent with that vision, VolEd developed the Institutional Compliance Program (ICP), using best practices from across industry and government to ensure a rigorous and transparent assessment of educational institutions, focusing on compliance with the tenets of the DoD VolEd Partnership Memorandum of Understanding (MOU).</p>
<b>Methodology</b>	<p>This report is intended to provide each institution with specific feedback on the results of the DoD VolEd compliance assessment, along with general findings from across the population of 250 institutions under consideration.</p> <p>Institutions were selected as part of the assessment in one of two ways:</p> <ul style="list-style-type: none"> <li>• 50 institutions were selected through the application of pre-selected risk factors analysis. The 50 highest scores were selected for ICP.</li> <li>• 200 institutions were selected at random from the remaining population of institutions with an active MOU with the DOD.</li> </ul> <p>This report will provide feedback in four main sections:</p> <ol style="list-style-type: none"> <li>1. Recruiting, Marketing, and Advertising</li> <li>2. Financial Matters</li> <li>3. Accreditation and Credentialing Requirements</li> <li>4. Academic Counseling and Post-Graduation Job Opportunities</li> </ol>
<b>Finding/ Recommendation</b>	<p><b><u>Recruiting, Marketing, and Advertising:</u></b></p> <ul style="list-style-type: none"> <li>• Per DoDI 1322.25, Voluntary Education Programs, paragraph 1.c.(1)(b), “all educational institutions providing education programs through the DoD Tuition Assistance (TA) Program will not use unfair, deceptive, and abusive recruiting practices.”  <b>Finding:</b> None  <b>Recommendation:</b> None</li> <li>• Per DoD MOU, paragraph 3.j.(2), institutions are required to “Refrain from providing any commission, bonus, or other incentive payment based directly or indirectly on securing enrollments or federal financial aid (including Tuition Assistance funds) to any persons or entities engaged in any student recruiting, admission activities, or making decisions regarding the award of student financial assistance.”  <b>Finding:</b> Evidence provided does not clearly articulate policies consistent with the ban against providing commission, bonus or other incentive payment based directly or indirectly on securing Service member enrollments.</li> </ul>

**Chattanooga State Community College**  
**United States Department of Defense: Voluntary Education Institutional Compliance**  
**Program 2020 – Page 2 of 5**  
**Period Coverage: Program Year 2020**  
**November 30, 2020**  
**Executive Summary**

<p><b>Cont. Finding/ Recommendation</b></p>	<p><b>Recommendation:</b> Institution must provide a clearly articulated policy banning the use of commissions, bonuses, or other incentive payment programs given to employees or contractors for the purpose of securing enrollments of Service members. Please provide a written policy, or a formal training guide or Standard Operating Procedure (SOP) that prevents this practice.</p> <ul style="list-style-type: none"> <li>● Per DoD MOU, paragraph 3.j.(3), institutions are required to "Refrain from high-pressure recruitment tactics such as making multiple unsolicited contacts (3 or more), including contacts by phone, email, or in-person, and engaging in same-day recruitment and registration for the purpose of securing Service member enrollments."</li> </ul> <p><b>Finding:</b> Evidence provided does not clearly articulate policies consistent with the ban against high-pressure recruitment tactics.</p> <p><b>Recommendation:</b> Institution must provide a clearly articulated policy banning high-pressure recruitment tactics for the purpose of securing enrollments of Service members. Please provide a written policy, or a formal training guide or Standard Operating Procedure (SOP) that prevents this practice.</p> <ul style="list-style-type: none"> <li>● Per DoD MOU, paragraph 4.e.(2)-(3), "DoD personnel are entitled to consideration for all forms of financial aid that educational institutions make available to students at their home campus. Educational institution financial aid officers will provide information and application processes for Title IV student aid programs, scholarships, fellowships, grants, loans, etc., to DoD Tuition Assistance (TA) recipients... [and that] Service members identified as eligible DoD TA recipients... will have their TA benefits applied to their educational institution's account prior to the application of their Pell Grant funds to their account."</li> </ul> <p><b>Finding:</b> None.</p> <p><b>Recommendation:</b> None.</p> <ul style="list-style-type: none"> <li>● Per DoD MOU, paragraph 4.d.(1), "If an eligible Service member decides to use Tuition Assistance (TA), educational institutions will enroll him or her only after the TA is approved by the individual's Service."</li> </ul> <p><b>Finding:</b> Evidence provided does not clearly articulate that prospective students are directed to receive approval from the student's ESO, military counselor or Service prior to enrollment.</p> <p><b>Recommendation:</b> Institutions should ensure policies are in place that direct eligible Service members receive approval from an Educational Services Officer (ESO) or counselor within the Military Service prior to enrolling. Please provide an institutional policy that instructs your personnel to direct service members to their ESO or Military Service. Additionally, links on your public-facing website to inform the students will support this requirement.</p>
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**Chattanooga State Community College**  
**United States Department of Defense: Voluntary Education Institutional Compliance**  
**Program 2020 – Page 3 of 5**  
**Period Coverage: Program Year 2020**  
**November 30, 2020**  
**Executive Summary**

<p><b>Cont. Finding/ Recommendation</b></p>	<p><b><u>Recruiting, Marketing, and Advertising:</u></b></p> <ul style="list-style-type: none"> <li> <p>• Per DoD MOU, paragraph 3.h.(1) and (4), “Before offering, recommending, arranging, signing-up, dispersing, or enrolling Service members for private student loans, provide Service members access to an institutional financial aid advisor who will make available appropriate loan counseling, including... Providing a clear and complete explanation of available financial aid, including Title IV of the Higher Education Act of 1965, as amended... [and] explaining that students have the ability to refuse all or borrow less than the maximum student loan amount allowed.”  <b>Finding:</b> None  <b>Recommendation:</b> None</p> </li> <li> <p>• Per Sec. 132 (h)(1) of the Higher Education Opportunity Act (HEOA) of 2008, “institutions must make available on their websites a net price calculator. The institution may use the template provided by the Department of Education or may develop a customized version that must include, at a minimum, the same elements as the Department's version.”  <b>Finding:</b> None  <b>Recommendation:</b> None</p> </li> <li> <p>• Per DoDI 1322.25, Voluntary Education Programs, paragraph 3.d.(1)(a), institutions will “Provide meaningful information to students on the financial cost of attendance at an educational institution so military students can make informed decisions on where to attend school,” [and] DoD MOU, paragraph 3.n.(5) requires that institutions “Disclose basic information about the educational institution’s programs and costs, including tuition and other charges to the Service member. This information will be made readily accessible without requiring the Service member to disclose any personal or contact information.”  <b>Finding:</b> None  <b>Recommendation:</b> None</p> </li> <li> <p>• Per DoD MOU, paragraph 3.h.(3), “Before offering, recommending, arranging, signing-up, dispersing, or enrolling Service members for private student loans, provide Service members access to an institutional financial aid advisor who will make available appropriate loan counseling, including... Disclosing the educational institution’s student loan Cohort Default Rate (CDR), the percentage of its students who borrow, and how its CDR compares to the national average. If the educational institution’s CDR is greater than the national average CDR, it must disclose that information and provide the student with loan repayment data.”  <b>Finding:</b> Evidence provided does not clearly demonstrate the management controls in place that will help ensure that your institution will disclose the rate in the event the CDR rises above the national average.</p> </li> </ul>
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**Chattanooga State Community College**  
**United States Department of Defense: Voluntary Education Institutional Compliance**  
**Program 2020 – Page 4 of 5**  
**Period Coverage: Program Year 2020**  
**November 30, 2020**  
**Executive Summary**

<p><b>Cont. Finding/ Recommendation</b></p>	<p><b>Recommendation:</b> The institution should provide management controls (written policy, training guide, or SOP) in place that will help ensure that your institution will disclose the rate in the event the CDR rises above the national average.</p> <ul style="list-style-type: none"> <li>• Per DoD MOU, paragraph 4.f.(2)(d), institutions are required to “Have an institutional policy that returns any unearned TA funds on a proportional basis through at least the 60 percent portion of the period for which the funds were provided. TA funds are earned proportionally during an enrollment period, with unearned funds returned based upon when a student stops attending. In instances when a Service member stops attending due to a military service obligation, the educational institution will work with the affected Service member to identify solutions that will not result in a student debt for the returned portion.”</li> </ul> <p><b>Finding:</b> None.  <b>Recommendation:</b> None.</p> <p><b><u>Accreditation and Credentialing Requirements:</u></b></p> <ul style="list-style-type: none"> <li>• Per DoD MOU, paragraph 3.b and 3.1, institutions are required to “Be accredited by a national or regional accrediting agency recognized by ED... [and] obtain the approval of their accrediting agency for any new course or program offering, provided such approval is required under the substantive change requirements of the accrediting agency... before the enrollment of a Service member into the new course or program offering.”</li> </ul> <p><b>Finding:</b> The institution’s website does not include a page listing the institution’s accreditation.  <b>Recommendation:</b> The institution should take steps to help ensure that it has the appropriate national or regional accreditation, and that such accreditation appears on its public facing website.  <b>Finding:</b> The institutional accrediting agency’s website does not verify the accreditation status of the institution.  <b>Recommendation:</b> The institution should take steps to help ensure that its accreditation is verifiable by its partner accrediting agency.</p> <p><b><u>Academic Counseling and Post-Graduation Job Opportunities:</u></b></p> <ul style="list-style-type: none"> <li>• Per DoD MOU, paragraph 4.c.(1) and (4), institutions are required to “Disclose general degree requirements for the Service member’s educational program (evaluated educational plan) to the member and his or her Service before the enrollment of the Service member at the educational institution...[and] Degree requirements in effect at the time of each Service member’s enrollment will remain in effect for a period of at least 1 year beyond the program’s standard length, provided the Service member is in good academic standing and has been continuously enrolled or received an approved academic leave of absence.”</li> </ul>
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**Chattanooga State Community College**  
**United States Department of Defense: Voluntary Education Institutional Compliance**  
**Program 2020 – Page 5 of 5**  
**Period Coverage: Program Year 2020**  
**November 30, 2020**  
**Executive Summary**

<p><b>Cont. Finding/ Recommendation</b></p>	<p><b>Finding:</b> None.  <b>Recommendation:</b> None.</p> <ul style="list-style-type: none"> <li>• Per DoD MOU, paragraph 3.n.(1), institutions are required to “Disclose its transfer credit policies and articulated credit transfer agreements before a Service member’s enrollment. Disclosure will explain acceptance of credits in transfer is determined by the educational institution to which the student wishes to transfer and refrain from making unsubstantiated representations to students about acceptance of credits in transfer by another institution.”  <b>Finding:</b> None.  <b>Recommendation:</b> None.</li> <li>• Per DoD MOU, paragraph 3.g, institutions are required to “Designate a point of contact or office for academic and financial advising, including access to disability counseling, to assist Service members with completion of studies and with job search activities.”  <b>Finding:</b> None.  <b>Recommendation:</b> None.</li> <li>• Per DoD MOU, paragraph 3.i.(1), institutions are required to “Have a readmission policy for Service members that allows Service members and reservists to be readmitted to a program if they are temporarily unable to attend class or have to suspend their studies due to service requirements.”  <b>Finding:</b> Evidence provided does not clearly articulate information pertaining to the readmissions policy that allows Service members and reservists to be readmitted to a program if they are temporarily unable to attend class or must suspend their studies due to service requirements.  <b>Recommendation:</b> The institution should provide its readmissions policy for Service members and ensure that it aligns with Chapter 3 of Volume 2 of the Federal Student Aid Handbook.</li> </ul>
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**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

***Miscellaneous External  
Reviews***

**Chattanooga State Community College  
National Junior College Athletics Association  
Period Coverage: Spring 2021  
April 2021  
Executive Summary**

<b>Introduction</b>	Per the NJCAA’s new audit process only 20% of the student-athletes are randomly reviewed in an audit. If the 20% is cleared the audit is cleared. If the 20% is not cleared the audit is reviewed in its entirety.
<b>Conclusion</b>	<p>The softball eligibility audit has been reviewed. All documentation was included and in order for these student-athletes. Therefore, based on the 20% reviewed this eligibility audit has been cleared.</p> <p>Clearance of an eligibility audit does not verify or approve a student-athlete's amateur status nor has this audit been reviewed or cleared for any information regarding LOIs or scholarship info. If questions or documentation concerning the status of a student-athlete's eligibility, amateur status, or scholarship information surfaces, the NJCAA reserves the right to require further information and impose sanctions if necessary.</p> <p>Clearance of an audit does not relinquish a member college’s responsibility for situations that occur outside of the audit review’s scope, including but not limited to amateurism, previous participation, or school attendance, etc.</p>
<b>Findings/ Recommendations</b>	None

**Jackson State Community College**  
**Tennessee Small Business Development Center Financial Review**  
**Period Coverage: January 1, 2019 – December 31, 2019**  
**December 15, 2020**  
**Executive Summary**

<b>Introduction</b>	The purpose of this review is to assist in accomplishing the management oversight function of the Tennessee Small Business Development Lead Center under the Small Business Administration (SBA) Office of Small Business Development Cooperative Agreement. The review was conducted on November 25, 2020, by the Financial Reporting and Accounting Manager.
<b>Conclusion</b>	Based upon our limited testing of the data available, we have determined that the center:  1. is adequately monitoring the financial aspects of their operations; 2. is in compliance with cash disbursement requirements; 3. is in compliance with indirect cost requirements; 4. is in compliance with in-kind cost requirements; and 5. is in compliance with program income requirements.
<b>Findings/ Recommendations</b>	None



**Jackson State Community College**  
**Tennessee Department of Labor & Workforce Development**  
**Adult Education Monitoring Report – Page 1 of 6**  
**Period Coverage: July 1, 2019 – June 30, 2020**  
**February 23, 2021**  
**Executive Summary**

<b>Introduction</b>	<p>The following report details the findings and recommendations resulting from the recent monitoring of the Jackson State Community College (JSCC) adult education program, conducted by the Tennessee Department of Labor and Workforce Development (TDLWD). The review is presented in five parts.</p>
<b>Conclusion</b>	<p><b><u>PART 1 – FISCAL</u></b></p> <p><b>Finding 1: One specific issue needs improvement.</b></p> <p>The specific details of this issue were discussed with and given to staff at Jackson State Community College. According to Section 10-7-504(i), Tennessee Code Annotated, the details of the finding are considered confidential and have been omitted; however, management has been informed of the details of this finding.</p> <p><b><u>PART 2 – PROGRAM</u></b></p> <p><b>Finding 1: Data Integrity. There were discrepancies between hard-copy data records (student files) and electronic data records (Jobs4TN).</b></p> <p>While reviewing the registration/application forms of sample files, there were elements that were entered in the data management system (Jobs4TN), but no supported document was in the student hard file. There were instances student assessment results were recorded in Jobs4TN, but no assessment document was found in the student’s hard file.</p> <p><b>Finding 2: Data Integrity. Jobs4TN data entry standards not met.</b></p> <p>As a data entry requirement, student information must be entered in the data management system within 10 (ten) business days of receiving the information. Due to the discrepancies found where attendance hours for several students were not entered within the 10-day window, this standard was not met.</p> <p><b>Finding 3: Personnel Files. Missing training verification form and degree verification.</b></p> <p>In accordance with the Instructor Qualification policy, personnel records lacked evidence of instructor staff’s requirement to have a bachelor’s degree. The personnel files that were reviewed had some waivers, but five instructors’ files were missing evidence of a bachelor’s degree. In accordance with the Assessment policy and Student Data policy, several personnel files also lack evidence of TABE certification, Assessment Verification, and Jobs4TN Training Verification.</p>

**Jackson State Community College  
Tennessee Department of Labor & Workforce Development  
Adult Education Monitoring Report – Page 2 of 6  
Period Coverage: July 1, 2019 – June 30, 2020  
February 23, 2021  
Executive Summary**

<b>Cont. Conclusion</b>	<p><b>Finding 4: Tracking of Purchased Items.</b></p> <p>At the time of monitoring, it did not appear that Jackson State Community College (JSCC) adult education program had an internal process for tracking purchased items. State policy requires local programs to have in place a process for identifying, tracking and surplusing purchased items. JSCC will need to develop internal controls to make sure they are reviewing items on hand periodically and that items are accounted for.</p> <p><b><u>PART 3 – RECOMMENDATIONS</u></b></p> <p><b>FISCAL</b></p> <p><b>1. Reporting needed improvement.</b></p> <p>The close-out report for contract LWH20F191AESD20 was not submitted timely. The grant between Tennessee Department of Labor and Workforce Development (TDLWD) and Jackson State Community College (JSCC) requires a close-out report be submitted within 45 days of the Grant Agreement end date. However, the monthly expenditure reports beginning July 1, 2020, appear to be submitted timely. Since it appears that Jackson State Community College has improved their process and submitted monthly expenditure reports timely for the current contract, this is being reported as an observation.</p> <p><b>2. Jackson State Community College appears not to use a consistent date for the purchase / acquisition date for new equipment.</b></p> <p>For some of the items reviewed, the invoice date was used as the purchase date. In other cases, staff stated they were using the date ordered. The entity should have supporting documentation (invoice date, order date, etc.) and consistently utilize the same item for documentation of purchase date. Additionally, tag # ae6477 was purchased at a cost of \$91.79 according to the invoice. This item was listed on the inventory listing with a cost of \$129.99. The amount of equipment or assets should be listed at the actual purchase price.</p> <p>Section E.3 State Interest in Equipment of grant agreements LWH20F191AESD20 and LWH20F201AESD21 between Jackson State Community College and TDLWD states that an inventory of equipment “must include, at a minimum... d. Acquisition date, cost...”</p>
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**Jackson State Community College**  
**Tennessee Department of Labor & Workforce Development**  
**Adult Education Monitoring Report – Page 3 of 6**  
**Period Coverage: July 1, 2019 – June 30, 2020**  
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<b>Cont. Conclusion</b>	<p><b>DATA INTEGRITY</b></p> <p>Based on feedback from the interviews with data entry staff and sample files that were reviewed, we offer the following recommendations:</p> <ol style="list-style-type: none"> <li>1. As stated in the Student Data policy, local providers should establish internal data quality processes to ensure compliance. JSCC may need to develop a thorough checklist of data that is entered in the system and should select someone on their data team to check for errors periodically in Jobs4TN. This can be the director since JSCC AE team have a small staff.</li> <li>2. JSCC should develop a process to ensure that data entry staff members are thoroughly trained on data collection and processing and follow the guidelines outlined in the Student Data policy. Jobs4TN training videos are available on TDLWD staff portal.</li> <li>3. JSCC should ensure that student’s attendance hours are entered as exact hours and minutes in Jobs4TN as it is reflected on the physical or digital attendance sheets.</li> </ol> <p><b>OVERALL PROGRAM DESIGN</b></p> <ol style="list-style-type: none"> <li>1. JSCC may need to design a virtual intake process for new students that outlines the steps for intake to best accommodate students’ needs. From our discussions, this design will allow JSCC adult education to serve additional students by utilizing a well-defined virtual approach for those who cannot attend in-person orientation.</li> <li>2. After reviewing JSCC performance data, it does not indicate that the program is on target to meet the state’s performance targets in MSG and participant enrollment. We encourage JSCC to strategically plan for service expansion through providing more distance education class offerings, reviewing performance data regularly with staff and making data informed changes, buying more materials, including computers, to assist in expanding virtual options for student and teacher, and increase marketing and outreach efforts in your service area.</li> </ol> <p><b>CURRICULUM &amp; INSTRUCTION</b></p> <p>Two of our key recommendations are:</p> <ol style="list-style-type: none"> <li>1. When appropriate and as demand increases, increase the availability of distance education tools, approaches, and platforms, alongside an increased focus on improving students’ digital literacy skills; and</li> <li>2. Increase focus on a workforce preparation mindset, through inclusion of workforce preparation concepts informally in interactions with students, as well as through class activities.</li> </ol>
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**Jackson State Community College**  
**Tennessee Department of Labor & Workforce Development**  
**Adult Education Monitoring Report – Page 4 of 6**  
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<b>Cont. Conclusion</b>	<p><b>Other C&amp;I recommendations:</b></p> <ul style="list-style-type: none"> <li>• Both students and teachers commented on the need for easier/closer options for HiSET testing. Beyond the virtual option, please let us know if we can help facilitate in this regard and/or reach out to existing test centers to help make sure your needs are met.</li> <li>• Teachers need upgraded Zoom accounts so they can use breakout rooms during class.</li> <li>• Adult Education instructors also noted that there are challenges with attendance and engagement, a common theme across the state during the pandemic. Again, if there is a way the state office can assist you in this regard (with outreach or otherwise) please let us know.</li> </ul> <p><b>WIOA ALIGNMENT</b></p> <p>The JSCC Adult Education program coordinator understood the importance of referring students to receive other WIOA services; however, there is the need to utilize the AJC more effectively for training components, workforce preparation, and other services offered by these centers. This includes ensuring staff and students understand the specific services available and how to do co-enrollments strengthening the program’s workforce development aspect.</p> <p><b>PERSONNEL</b></p> <ol style="list-style-type: none"> <li>1. JSCC should keep personnel files up to date to stay in compliance with not just the federal, but state regulations. We recommend that the program leadership and staff spend some time reviewing the critical policies posted on the AE staff portal so that they can be better informed about the necessary requirements. We suggest creating a new hire orientation packet that contains all the necessary forms that employees need to complete and a check list of the items that must be included in the employee file. These include evidence of instructor qualifications (bachelor’s degree plus educator licensure or waiver) and training verifications for (TABE, CASAS, and/or Jobs4TN, as applicable).</li> <li>2. Title VI verification: There was no evidence to indicate that all employees received the required trainings or certification. No adult education employee files had proof of completion, and interview with the program coordinator indicates that it was not a common practice to complete trainings in this area. We would encourage the program to make this part of its annual trainings to inform all staff about Title VI requirements.</li> </ol>
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**Jackson State Community College  
Tennessee Department of Labor & Workforce Development  
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Period Coverage: July 1, 2019 – June 30, 2020  
February 23, 2021  
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<b>Cont. Conclusion</b>	<p><b>TRACKING OF PURCHASED ITEMS</b></p> <p>1. JSCC needs to establish a process for lending items to employees. They may want to consider utilizing sign out logs to help track items that employees are using at off-site locations. We also recommend tagging sensitive items and making sure you have a process in place for transfer items.</p> <p><b><u>PART 4 – SUCCESSFUL PRACTICES</u></b></p> <p><b>OVERALL PROGRAM DESIGN</b></p> <p>1. The staff members are excellent advocates for the program. They are effective with developing partnerships and collaborations with other agencies and referring students for services.</p> <p>2. JSCC staff has been positively responding to program challenges, transition to DE testing, and virtual learning. They are also utilizing a document that they update weekly to inform their instructional staff about student data in an effort to provide targeted instruction to improve student progress.</p> <p><b>CURRICULUM &amp; INSTRUCTION</b></p> <p>1. JSCC teachers are highly experienced, devoted, knowledgeable, and caring. They are providing highly individualized teaching and are meeting the needs of students at different levels with targeted and differentiated instruction. Due to the small class sizes currently (due to COVID and related conditions), teachers are able to give a high level of individualized attention to students.</p> <p>2. There was ample evidence of strong follow-up practices to reach out to students and keep students engaged, and to ensure students are scheduling to test, when ready, for their HSE.</p> <p>3. In addition, teachers have a strong focus on academic and test preparedness, and demonstrate they are specifically targeting and improving subject-specific gaps in student knowledge. In addition, student reviews were highly positive about teachers’ helpfulness, preparedness, and availability.</p> <p>4. Curriculum and instruction are based on CCRS-aligned curricula, as outlined in the Curriculum Framework Plan, and as described by instructors.</p> <p><b>FACILITIES, LOCATIONS, &amp; SCHEDULES</b></p> <p>1. The program provides classes in many locations within the individual counties that are at different times to accommodate varying schedules and reach more of the potential student population.</p>
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**Jackson State Community College**  
**Tennessee Department of Labor & Workforce Development**  
**Adult Education Monitoring Report – Page 6 of 6**  
**Period Coverage: July 1, 2019 – June 30, 2020**  
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<b>Cont. Conclusion</b>	<p><b><u>PART 5 – SURVEY RESPONSES</u></b></p> <p>As part of the program monitoring, surveys and interviews were conducted with several instructors and students to help the reviewer better understand experiences and ideas about the program. Responses were anonymous and were included in a separate document that was attached with the report.</p>
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**Jackson State Community College**  
**Tennessee Student Assistance Corporation (TSAC)- Program Review**  
**Period Coverage: Award Year 2020**  
**April 5, 2021**  
**Executive Summary**

<b>Introduction</b>	<p>The review consisted of an examination of the institution’s procedures for administering its financial aid programs and a review of the records of a sample of recipients of State and Lottery funded programs. Administrative procedures for the application process, disbursement of aid, student status verification, and institutional refunds were considered.</p> <p>Due to the limited time of the review, the review was not meant to be all-inclusive. The absence of statements in this report regarding specific practices and procedures followed by the institution should not be construed as acceptance, approval, or endorsement of the same and does not lessen the institution’s obligation to comply with all laws and regulations pertaining to its financial aid program.</p>
<b>Conclusion</b>	<p><b>Determination of Financial Aid Eligibility</b>  This area of the review examines student records to ensure that eligibility for Tennessee Student Assistance Corporation awards has been determined and that all required documentation has been maintained. All records reviewed were found to be organized in an efficient and consistent manner.</p> <p><b>Disbursements</b>  The institution’s procedures for negotiating checks/electronic funds transfers and posting payments to student accounts are acceptable.</p> <p><b>Academic Records</b>  Current administrative and operational procedures for monitoring academic progress comply with TSAC regulations.</p> <p><b>Institutional Liability</b>  Financial liabilities were not found in the overall administration of the Tennessee Student Assistance Corporation financial aid programs for the 2019-2020 award year.</p>
<b>Findings/ Recommendations</b>	None

**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

***Internal Audit Reports  
Financial Management***



**Cleveland State Community College**  
**Review of Nursing Adjunct Hours – Page 1 of 2**  
**July 2020 through January 2021**  
**April 15, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Nursing Director	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	On February 10, 2021, Internal Audit was asked to look into the unexpected expenses above the nursing adjunct budget, the accountability of nursing adjunct time, and best practices for nursing adjunct pay.		
<b>Objectives</b>	The objectives of the review were to determine the cause of the nursing adjunct budget overage, methods for ensuring adjunct accountability and identify the best method for paying nursing adjuncts.		
<b>Audit Results</b>	<p>Based on the interviews it was determined that several issues created the overrun in the nursing adjunct budget. For the nursing adjunct budget, the department originally asked for approximately \$197,000 but received approximately \$156,000. During October budget revisions, the budget was reduced to \$104,000. While expenses for nursing adjunct pay would have outpaced the budget due to increased program enrollment and the need for more clinics of reduced size due to COVID-19 social distancing requirements, the budget cuts contributed to the budget deficit significantly.</p> <p>The interviews also revealed there are four different accountability touchpoints for nursing adjuncts. These are:</p> <ul style="list-style-type: none"> <li>• Nursing Adjuncts are required to fill out timesheets monthly.</li> <li>• Nursing students are not allowed on the clinical floors without a clinical supervisor from the college being present.</li> <li>• The adjuncts have regular meetings with the lead nursing instructor.</li> <li>• The clinical sites are surveyed concerning how the clinical supervisor for Cleveland State performed.</li> </ul> <p>Concerning compensation of nursing adjuncts, a survey conducted of other TBR institutions by both the Human Resources Director and Head of Nursing revealed that all other TBR institutions paid their nursing adjuncts by the hour through web-time entry. Cleveland State started paying their nursing adjuncts this way beginning Spring Semester 2021.</p>		
<b>Recommendation</b>	When setting or reducing budgets management should consider requirements for different programs, if any, set forth by outside regulatory boards and agencies, to ensure the requirements can be met.		

**Cleveland State Community College**  
**Review of Nursing Adjunct Hours – Page 2 of 2**  
**July 2020 through January 2021**  
**April 15, 2021**  
**Executive Summary**

<b>Managements Response</b>	I will continue to work with the Nursing Director and Dean to propose sufficient adjunct budgets for this program based on accreditation requirements and student enrollment. The addition of the timesheet requirement that I requested be implemented this spring, along with the other methods of accountability that you noted, provide a comprehensive approach and are in keeping with standard practices at other institutions.
<b>Conclusion</b>	The primary reason for the significant budget overrun was that budget cuts failed to take into consideration the Board of Nursing and the ACEN requirements concerning clinicals. As of spring 2021, the college is paying nursing adjuncts by the same method as all other TBR colleges.

**Cleveland State Community College  
Technology Access Fee  
Period Ending June 30, 2020  
April 30, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	Director of Information Technology	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	An internal audit of the Technology Access Fee (TAF) expenditures has been completed for the fiscal year ended June 30, 2020. The Technology Access Fee is regulated by the Tennessee Board of Regents (TBR) guidelines. TAF is levied by each TBR institution for the purpose of providing students access to computers and similar current technologies. Each year the institution prepares a proposed spending plan through the Information Technology Committee. The Committee also ensures the planned expenditures are in compliance with TBR guidelines. At the end of the fiscal year, a report is prepared that summarizes actual revenue and expenditures for the year.		
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. To evaluate the internal controls over the TAF.</li> <li>2. To determine whether expenditures of the TAF are in accordance with TBR Guidelines.</li> <li>3. To determine the accuracy of the TAF Reports.</li> </ol>		
<b>Audit Conclusions</b>	The TAF expenditures reviewed directly benefited the students by upgrading student labs or providing students easier access to computers. However, the year-end expenditure report did not agree with the general ledger.		
<b>Recommendation</b>	The TAF actual spending plan should be reconciled to the general ledger at the end of each year and any discrepancies resolved.		
<b>Management's Response</b>	Cleveland State IT will work with the Cleveland State Finance office to develop a procedure to reconcile expenditures at year-end to ensure the TAF expenditure report matches the general ledger. The first reconciliation will be for the 2020-21 fiscal year.		

**Dyersburg State Community College**  
**Year End Cash Counts and Bank Confirmations**  
**May 31, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Business and Student Financial Services Manager: Account Clerk II, Business Office	<b>Internal Auditor</b>	Sandra Pruett, Director of Internal Audit
<b>Introduction</b>	A cash count of all petty cash balances was performed by the Dyersburg State Community College, DSCC, Internal Audit department as a way of continuous monitoring of cash in accordance with the annual audit plan. DSCC currently maintains ten cash funds totaling \$3,668.45. In addition, a review of all bank accounts is performed, and bank confirmation forms are prepared and forwarded to the Legislative Auditor with the Tennessee Division of State Audit.		
<b>Objectives</b>	To verify that all cash banks issued are accounted for and that all issued funds are present at year-end and to review and forward all bank confirmation forms to State Audit.		
<b>Scope</b>	The audit covered the June 2020 petty cash beginning balances and any pertinent FY2021 postings to the general ledger petty cash account. All petty cash balances were reconciled as of May 31, 2021, petty cash banks were counted, and cash handling controls were reviewed.		
<b>Conclusion</b>	All petty cash bank counts were performed and reconciled to the general ledger and found to be in order. Cash handling controls and procedures relative to the petty cash banks were reviewed and found to be sufficient at this time. No recommendations were made as a result of this review.		

**Southwest Tennessee Community College  
Employee/ Vendor Payment Address Match  
December 2020 – January 2021  
May 13, 2021  
Executive Summary**

<p><b>Key Staff Person:</b> Director of Application Services</p>	<p><b>Auditor:</b> Charlotte Johnson, Internal Auditor</p>
<p><b>Introduction</b></p>	<p>This audit was performed to search for duplicated physical address matches between employee database maintained by the Human Resources department and the vendor database maintained by the Finance department. The Human Resources and Finance departments at Southwest Tennessee Community College maintain their vendor and employee address data in their respective modules of the College’s Banner database. The performance of the audit was conducted in accordance with generally accepted government audit standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusion based on our audit objective.</p>
<p><b>Objective</b></p>	<p>The objective of the audit was to review data for the risk of fictitious vendors and/or payments that an employee could direct to themselves using his/her home address. The test compared physical or registered addresses of vendors in the vendor master file to physical addresses of employees in the employee master file to detect those which were the same.</p>
<p><b>Scope</b></p>	<p>The scope of this audit included an examination of all vendor addresses and employee addresses for payrolls and vendor payments processed in December 2020 and January 2021.</p>
<p><b>Result of Current Audit</b></p>	<p>IT performed a data mining process to produce a report showing a match between the vendor payment file and the employee address file. Ninety matches were identified and researched. These duplicates were reviewed with no indication of inappropriate activity found.</p>
<p><b>Conclusion</b></p>	<p>Matches between employee and vendor addresses were examined to identify potentially fraudulent payments. Based on the monitoring exercises performed, ninety matches of addresses were found and researched without any indication of fraud.</p>

**Southwest Tennessee Community College**  
**Ghost Employee Audit – Page 1 of 3**  
**June 29, 2021**  
**Executive Summary**

<b>Key Staff Person:</b> Director of Application Services	<b>Auditor:</b> Charlotte Johnson, Internal Auditor
<b>Introduction</b>	<p>The purpose of the Ghost Employee audit was to evaluate the effectiveness of internal controls over data processing and maintenance of employee information in the Human Resources and Payroll systems, specifically as it relates to preventing the creation of ghost employees.</p> <p>Ghost employees are individuals included in the payroll register, who are not providing services, but who are receiving payroll checks or direct deposits. This audit was performed based upon previous instances in which employees received payroll payments in error after their employment ended.</p>
<b>Objectives</b>	<p>The objectives of the audit engagement focused on determining if internal controls are operating effectively related to employee information in the Banner software application to prevent the falsification of personnel or payroll records to generate ghost employees. More specifically, the objectives of the audit were to:</p> <ul style="list-style-type: none"> <li>• Detect and eliminate fraud by searching for discrepancies such as duplicate names, bank accounts, and social security numbers in the payroll process.</li> <li>• Determine if time and attendance records were properly completed, reviewed, and approved for the payroll process in a timely manner.</li> <li>• Identify HR policies, procedures, and information related to new hire on-boarding, terminations, and employee changes in the payroll system.</li> </ul>
<b>Scope</b>	<p>Southwest Tennessee Community College (STCC) Human Resources and Payroll records for the period December 1, 2020, through January 31, 2021, were reviewed. The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by the Institute of Internal Auditors. The review included tests of the records and other procedures considered necessary to achieve the audit objectives.</p>
<b>Results of Current Audit</b>	<p>For the 877 employees maintained in the STCC population, IT provided reports to test for duplication of names, bank accounts, and social security numbers. All duplications were researched, and no fraud was detected.</p> <p>Attendance records at the present time are not properly reviewed and approved in a timely manner. The Finance Department has created a timekeeping task force to review the processes.</p> <p>Current internal controls in place over data entry, and authorization of changes being made to personnel data are ineffective.</p> <p>STCC had several overpaid employees due to weak internal controls in the termination process. This resulted in overpayments of employees ranging from \$591.04 to \$19,144.41.</p>

**Southwest Tennessee Community College**  
**Ghost Employee Audit – Page 2 of 3**  
**June 29, 2021**  
**Executive Summary**

<p><b>Conclusion</b></p>	<p>Based upon the results of procedures performed, there were no instances of ghost employees identified in the Banner system during the audit period. However, opportunities for internal control improvements in effectiveness relating to segregation of duties over data processing and maintenance and approval of employee information were evident, as described in the following recommendations.</p>
<p><b>Recommendations</b></p>	<p><b>Recommendation 1</b></p> <p><i>Increase Internal Control over Data Entry</i></p> <p>Current internal controls in place over data entry and authorization of changes being made to personnel data are ineffective. Segregation of procedures should be put in place so no one person has authority over data entry or data change. A monthly report should be created summarizing changes made to personnel records. A person with no authority to change personnel records should review the original source documents and compare it to the monthly report.</p> <p>TBR has software to produce this report from the college’s Banner database and the Director of IT is ready to work with HR to create the monthly change log.</p> <p><b>Management’s Response</b></p> <p>We concur. Human Resources is working with Information Technology to produce a monthly report summarizing changes made to personnel records. The report will be reviewed by an appropriate HR employee and changes will be validated to supporting documentation.</p> <p><b>Recommendation 2</b></p> <p><i>Increase Internal Control over the Employment of Adjunct Faculty</i></p> <p>HR is the only department authorized to enter Adjunct employees into the Banner System and to make personnel data changes to their records. The on-boarding procedures for Adjunct Faculty need updating for a final review to ensure that all classes assigned to Adjunct Faculty meet the required enrollment for the class to be offered in the semester.</p>

**Southwest Tennessee Community College**  
**Ghost Employee Audit – Page 3 of 3**  
**June 29, 2021**  
**Executive Summary**

<p><b>Cont. Recommendations</b></p>	<p><b>Management’s Response</b></p> <p>We concur and beginning in Fall 2021, the Division of Academic Affairs will run reports in the Banner Faculty Load and Compensation (PHLAC) program to ensure all Adjunct Faculty are teaching their respective classes. They will coordinate with Payroll and/or Human Resources if there are changes after the initial contract. Human Resources will update the forms used to process actions and train staff on the entry of the forms. We will consider adding additional controls, including: 1) Locking the Banner Scheduling System to departments on the first day of class, requiring changes to be made by Academic Affairs. This will trigger another review of faculty assigned to the class to prevent an overpayment. 2) Academic Affairs will receive daily reports of class cancellations beginning with the first day of class for validation that appropriate adjunct contract have been cancelled.</p> <p><b>Recommendation 3</b></p> <p><i>Increase Internal Control over Timekeeping</i></p> <p>Recommendations from prior audits pertaining to approval of employee timecards have not been implemented. A new deadline should be set for implementation.</p> <p><b>Management’s Response</b></p> <p>We concur that the report initially discussed was not created and implemented. IT, HR, and Finance will work together to implement additional controls determined to be warranted. These controls will be implemented no later than December 2021.</p>
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**Southwest Tennessee Community College**  
**Cash Count**  
**June 30, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Director of Cashiers	<b>Internal Auditor</b>	Director of Internal Audit
<b>Introduction</b>	A Cash Count was performed by Internal Audit as a continuous monitoring of cash in accordance with the annual audit plan. Southwest Tennessee Community College maintains twelve petty cash funds of \$8,676 and eleven change funds ranging from \$40.50 to \$312.00.		
<b>Objectives</b>	To ascertain that the college is properly handling petty cash and change funds and that adequate controls and safeguards are in place to prevent misuse or theft of these funds.		
<b>Scope</b>	The audit included cash balance for the period June 30, 2020, for the Macon Campus Safe that has funds totaling \$6,586.00, for Southwest Tennessee Community College.		
<b>Results</b>	Petty Cash for Southwest Tennessee Community Colleges largest petty cash fund was reviewed. The cash count resulted in funds totaling \$6,586.00.		
<b>Conclusion</b>	Based on audit tests performed, controls over cash handling are generally adequate and the amounts are in balance with the college's general ledger. A written set of Internal controls and procedures have been created to ensure cash collected on a quarterly basis follows generally accepted accounting principles.		

**Walters State Community College**  
**Compliance with NACHA Operating Rules – Page 1 of 2**  
**May 6, 2021**  
**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 are adequate to protect consumer financial information.</li> <li>3. Determine if risk management practices and procedures 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>Scope</b>	<p>This audit was focused on Information and Educational Technologies systems, Budgeting and Business Services' sending of direct deposit data files and federal tax payments to First Horizon Bank, and the Cashier Office's sending of financial aid and institutional refunds by direct deposit payments to First Horizon Bank.</p> <p>This 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 included tests of records and other procedures considered necessary to achieve the objectives.</p>		
<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 Colleges of Applied Technology-Crossville**  
**Audit of President's Expenses – Page 1 of 2**  
**For the Period July 1, 2019 – June 30, 2020**  
**June 16, 2021**  
**Executive Summary**

<b>President</b>	President	<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, 2020; to determine compliance with institutional and Tennessee Board of Regents policies regarding expenses; to identify and report all expenses incurred by, at the direction of, or for the benefit of the President regardless of the funding source; and to search for and report any expenses not disclosed on expense schedules prepared by the institution.																																																																
<b>Scope</b>	The audit scope included all accounts under the direct budgetary control of the President and expenses funded by institutional funds, foundations, or vendors and any expenses made by, at the direction of, or for the benefit of the President during the fiscal year. The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> , issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary.																																																																
<b>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, 2020:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">TCAT Crossville</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;">\$108,492</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$108,492</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">\$4,149</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$4,149</td> </tr> <tr> <td>Business Meals &amp; Hospitality</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>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;">\$75,823</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$75,823</td> </tr> <tr> <td>Travel</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>Other Operating</td> <td style="text-align: right;">\$3,585</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$3,585</td> </tr> <tr> <td><b>Total Expenses</b></td> <td style="text-align: right;"><b>\$192,049</b></td> <td style="text-align: center;"><b>-</b></td> <td style="text-align: center;"><b>-</b></td> <td style="text-align: right;"><b>\$192,049</b></td> </tr> </tbody> </table> <p>In addition, the following were provided to the President during the year. Use of the expense allowance was not included in tests performed during the audit because each of the presidents elected for the allowance to be paid as taxable income. Any personal use value of the vehicle is reported to the President as taxable income.</p> <table border="1" style="width: 50%; margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tbody> <tr> <td>Expense Allowance</td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Housing Allowance</td> <td style="text-align: right;">\$6,000</td> </tr> <tr> <td>Vehicle Allowance</td> <td style="text-align: right;">\$8,400</td> </tr> </tbody> </table>					TCAT Crossville	Foundation	Vendor	Total	<b>President (1):</b>					Salary	\$108,492	-	-	\$108,492	Travel	\$4,149	-	-	\$4,149	Business Meals & Hospitality	-	-	-	-	Other	-	-	-	-	<b>Office (2):</b>					Salaries & Benefits	\$75,823	-	-	\$75,823	Travel	-	-	-	-	Other Operating	\$3,585	-	-	\$3,585	<b>Total Expenses</b>	<b>\$192,049</b>	<b>-</b>	<b>-</b>	<b>\$192,049</b>	Expense Allowance	\$2,000	Housing Allowance	\$6,000	Vehicle Allowance	\$8,400
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**Tennessee Colleges of Applied Technology-Crossville**  
**Audit of President's Expenses – Page 2 of 2**  
**For the Period July 1, 2019 – June 30, 2020**  
**June 16, 2021**  
**Executive Summary**

<b>Conclusion</b>	The audit of the President's Expenses for the Tennessee College of Applied Technology-Crossville for the period July 1, 2019, through June 30, 2020, revealed no significant deficiencies in internal controls, no large or unusual expenditures, and the expenditures were in compliance with TBR purchasing policies and regulations.
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**Tennessee Colleges of Applied Technology-Elizabethton**  
**Audit of President's Expenses – Page 1 of 2**  
**For the Period July 1, 2019 – June 30, 2020**  
**June 16, 2021**  
**Executive Summary**

<b>President</b>	President	<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, 2020; to determine compliance with institutional and Tennessee Board of Regents policies regarding expenses; to identify and report all expenses incurred by, at the direction of, or for the benefit of the President regardless of the funding source; and to search for and report any expenses not disclosed on expense schedules prepared by the institution.																																																																	
<b>Scope</b>	The audit scope included all accounts under the direct budgetary control of the President and expenses funded by institutional funds, foundations, or vendors and any expenses made by, at the direction of, or for the benefit of the President during the fiscal year. The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> , issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary.																																																																	
<b>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, 2020:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">TCAT Elizabethton</th> <th style="text-align: center;">Foundation</th> <th style="text-align: center;">Vendor</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td colspan="5">President (1):</td> </tr> <tr> <td>Salary</td> <td style="text-align: right;">\$120,537</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$120,537</td> </tr> <tr> <td>Travel</td> <td style="text-align: right;">\$1,895</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$1,895</td> </tr> <tr> <td>Business Meals &amp; Hospitality</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>Other</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td colspan="5">Office (2):</td> </tr> <tr> <td>Salaries &amp; Benefits</td> <td style="text-align: right;">\$74,575</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: right;">\$74,575</td> </tr> <tr> <td>Travel</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>Other Operating</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><b>Total Expenses</b></td> <td style="text-align: right;"><b>\$197,007</b></td> <td style="text-align: center;"><b>-</b></td> <td style="text-align: center;"><b>-</b></td> <td style="text-align: right;"><b>\$197,007</b></td> </tr> </tbody> </table> <p>In addition, the following were provided to the President during the year. Use of the expense allowance was not included in tests performed during the audit because each of the presidents elected for the allowance to be paid as taxable income. Any personal use value of the vehicle is reported to the President as taxable income.</p> <table border="1" style="width: 50%; margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tbody> <tr> <td>Expense Allowance</td> <td style="text-align: right;">\$2,000</td> </tr> <tr> <td>Housing Allowance</td> <td style="text-align: right;">\$6,000</td> </tr> <tr> <td>Vehicle Allowance</td> <td style="text-align: right;">\$8,400</td> </tr> </tbody> </table>						TCAT Elizabethton	Foundation	Vendor	Total	President (1):					Salary	\$120,537	-	-	\$120,537	Travel	\$1,895	-	-	\$1,895	Business Meals & Hospitality	-	-	-	-	Other	-	-	-	-	Office (2):					Salaries & Benefits	\$74,575	-	-	\$74,575	Travel	-	-	-	-	Other Operating	-	-	-	-	<b>Total Expenses</b>	<b>\$197,007</b>	<b>-</b>	<b>-</b>	<b>\$197,007</b>	Expense Allowance	\$2,000	Housing Allowance	\$6,000	Vehicle Allowance	\$8,400
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**Tennessee Colleges of Applied Technology-Elizabethton**  
**Audit of President's Expenses – Page 2 of 2**  
**For the Period July 1, 2019 – June 30, 2020**  
**June 16, 2021**  
**Executive Summary**

<b>Conclusion</b>	The audit of the President's Expenses for the Tennessee College of Applied Technology-Elizabethton for the period July 1, 2019, through June 30, 2020, revealed no significant deficiencies in internal controls, no large or unusual expenditures, and the expenditures were in compliance with TBR purchasing policies and regulations.
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**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

***Internal Audit Reports  
Institutional Support***

**Chattanooga State Community College  
Complete College Tennessee Act (CCTA)  
Completion Outcomes  
Academic Year 2019 - 2020  
June 30, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	Director Records; Graduation Specialist	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	<p>The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>		
<b>Objective</b>	<p>The objective of the audit was to determine whether Chattanooga State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>		
<b>Scope</b>	<p>This audit reviewed degree and certificate completion data from the 2019 – 2020 academic year.</p>		
<b>Conclusion</b>	<p>Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Chattanooga State Community College for the 2012 – 2013 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2019 – 2020 academic year for the college by degree or certificate type for all students were 1,164 Associate Degrees, 115 – 2 Year Certificates and 194 &lt; 1 Year Certificates.</p>		
<b>Recommendation</b>	<p>None</p>		



**Cleveland State Community College  
Complete College Act Completion Outcomes  
Academic Year 2019-2020  
June 14, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	Registrar	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	<p>The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>		
<b>Objectives</b>	<p>The objective of the audit was to determine whether Cleveland State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>		
<b>Scope</b>	<p>The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The audit included tests of records and other procedures considered necessary to achieve the objectives. This audit reviewed completion data used in the 2019-2020 funding formula. This included degrees and long-term certificates awarded in the Summer 2019, Fall 2019, and Spring 2020 terms.</p>		
<b>Conclusion</b>	<p>Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Cleveland State Community for the 2019 – 2020 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations. The completion outcomes reported by THEC for the 2019 – 2020 academic year for the college/university by degree or certificate type for all students were 462 Associate Degrees, 253 1 – 2 Year Certificates, and 432 &lt; 1 Year Certificates.</p>		

**Dyersburg State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes**  
**Academic Year 2019 – 2020**  
**June 30, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Director of Admissions and Records; Director of Institutional Research	<b>Internal Auditor</b>	Sandra Pruett, Director of Internal Audit
<b>Introduction</b>	The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.		
<b>Objectives</b>	The objective of the audit was to determine whether Dyersburg State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.		
<b>Scope</b>	This audit reviewed degree and certificate completion data from the 2019 – 2020 academic year.		
<b>Conclusion</b>	<p>Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Dyersburg State Community College for the 2019 – 2020 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2019 – 2020 academic year for the college by degree or certificate type for all students were 365 Associate Degrees, 29 – 2 Year Certificates, and 86 &lt; 1 Year Certificates.</p>		
<b>Recommendations</b>	None		

**Northeast State Community College  
Complete College Tennessee Act (CCTA)  
Completion Outcomes  
Academic Year 2019 – 2020  
June 25, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	Graduation Specialist; Registrar; VP for Institutional Excellence and Student Success	<b>Internal Auditor</b>	Christopher L. Hyder, Director Internal Audit
<b>Introduction</b>	The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.		
<b>Objective</b>	The objective of the audit was to determine whether Northeast State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.		
<b>Scope</b>	This audit reviewed degree and certificate completion data from the 2019 – 2020 academic year.		
<b>Conclusion</b>	<p>Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Northeast State Community College for the 2019 – 2020 academic year used for completion outcomes appeared accurate. In addition, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2019 – 2020 academic year for the college by degree or certificate type for all students were 989 Associate Degrees, 218 1 – 2 Year Certificates, and 231 &lt; 1 Year Certificates.</p>		
<b>Recommendation</b>	None		

**Pellissippi State Community College**  
**Review of Computer Center Physical Security**  
**April – May 2021**  
**June 9, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Vice President of Business and Finance; Vice President of Information Services	<b>Internal Auditor</b>	Jason Patterson, Senior Network and Technical Security Auditor Suzanne L. Walker, Director of Internal Audit
<b>Introduction</b>	Physical security related to the operation of the college’s computer center was reviewed to determine that proper controls and safeguards are in place. Although emphasis continues to be placed on software controls in the information technology environment, physical security continues to present risks that need to be evaluated routinely by management, as well as internal audit.		
<b>Objectives</b>	The primary objectives of this audit were to obtain a general understanding of how the computer center operates, evaluate the layout of the facilities, to determine if controls over access were adequate, and to document any hazards related to environmental issue.		
<b>Conclusion</b>	During the current audit, several issues were noted that were discussed with management at the exit conference. Two of the issues discussed with management could potentially rise to the level of being included in the audit report if they continued to exist. However, management provided assurance to internal audit that these issues would be immediately addressed so that findings were not considered to be warranted at this time. Additionally, significant improvement was noted in physical security controls since the prior audit was conducted.		

**Pellissippi State Community College  
Complete College Tennessee Act (CCTA)  
Completion Outcomes for Academic Year 2019-2020  
June 21, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	Registrar	<b>Internal Auditor</b>	Suzanne L. Walker, Director of Internal Audit
<b>Introduction</b>	<p>The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>		
<b>Scope</b>	<p>This audit reviewed degree and certificate completion data from the 2019 – 2020 academic year. Future audits will focus on the other outcome measures used in the funding formula.</p>		
<b>Objective</b>	<p>The objective of the audit was to determine whether Pellissippi State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>		
<b>Conclusion</b>	<p>Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Pellissippi State Community College for the 2019 – 2020 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2019 – 2020 academic year for the college/university by degree or certificate type for all students were 1,644 Associate Degrees, sixteen 1 – 2 Year Certificates, and 529 &lt; 1 Year Certificates.</p>		

**Southwest Tennessee Community College  
Complete College Tennessee Act (CCTA)  
Completion Outcomes  
Academic Year 2019-2020  
Executive Summary**

<b>Key Staff Personnel</b>	Registrar, Admissions; System Analyst	<b>Internal Auditor</b>	Charlotte Johnson Director Internal Audit
<b>Introduction</b>	<p>The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures, and other important institutional factors.</p>		
<b>Objective</b>	<p>The objective of the audit was to determine whether Southwest Tennessee Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to THEC was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>		
<b>Scope</b>	<p>This audit reviewed degree and certificate completion data from the 2019 – 2020 academic year.</p>		
<b>Conclusion</b>	<p>Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Southwest Tennessee Community College for the 2019 – 2020 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.</p> <p>The completion outcomes reported by THEC for the 2019 – 2020 academic year for the college by degree or certificate type for all students were 955 Associate Degrees, 32 – 2 Year Certificates, and 120 &lt; 1 Year Certificates.</p>		
<b>Recommendation</b>	<p>None</p>		

**Walters State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2019 – 2020 – Page 1 of 2**  
**June 22, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Dean of Student Records & Veterans Affairs Officer; Coordinator of Graduation Analysis	<b>Internal Auditor</b>	Mark Ortlieb, CPA
<b>Introduction</b>	<p>The CCTA of 2010 (the Act) charged the Tennessee Higher Education Commission (THEC) with developing a statewide master plan for the state’s public higher education institutions and for directing those institutions to be accountable for increasing the educational attainment levels of Tennesseans. In implementing the plan, the Act requires that THEC use an outcomes-based model for making funding recommendations. The outcome measures identified for use in the funding formula are different for universities and community colleges and are further distinguished by weighting the measures by institutional mission. The outcomes may be grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p>		
<b>Objectives</b>	<p>The objective of the audit was to determine whether Walters State Community College’s internal controls provide reasonable assurance that the student completion data, specifically degrees and certificates earned, reported to the TBR was accurate and in compliance with the reporting instructions provided by TBR based on the institution’s supporting records.</p>		
<b>Scope</b>	<p>This audit reviewed completion data used in the 2019 – 2020 funding formula. This included an assigned sample of 150 degrees and awarded in the Summer 2019, Fall 2019 and Spring 2020 terms as defined in Tennessee Higher Education Commission data definitions. Subsequent audits will focus on the other outcome measures used in the funding formula.</p> <p>The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors. The audit included tests of records and other procedures considered necessary to achieve the objectives.</p>		

**Walters State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Completion Outcomes for Academic Year 2019 – 2020 – Page 2 of 2**  
**June 22, 2021**  
**Executive Summary**

<b>Conclusion</b>	Based on audit tests performed on a sample of students, the degrees and certificates reported to the TBR and subsequently to THEC by the TBR for Walters State Community College for the 2019 – 2020 academic year used for completion outcomes appeared accurate. Also, the review of the system of internal controls over student data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported. The audit did not reveal matters warranting audit findings or observations.
<b>Recommendations</b>	None



**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

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

**Chattanooga State Community College**  
**Complete College Tennessee Act (CCTA)**  
**Workforce Training Contact Hours Internal Control Review**  
**March 2021**  
**May 11, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Vice President, Economic and Workforce Development	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	<p>Workforce training contact hours are part of the outcome measures for the Complete College Tennessee Act of 2010 (the Act). The Act requires that the Tennessee Higher Education Commission (THEC) use an outcomes-based model for making funding recommendations for public higher education institutions. The outcome measures identified for use in the funding formula for community colleges are distinguished by weighting the measures by the institutional mission. The outcomes represent the broad range of activities conducted at community colleges and are grouped into student progression, student completion (degrees and certificates awarded), efficiency measures and other important institutional factors.</p> <p>For outcomes tracked outside the Banner system, such as Workforce Training, each community college collects the necessary data and provides that data directly to THEC.</p>		
<b>Objectives</b>	<p>The objective of the review was to determine whether Chattanooga State Community College’s internal controls provide reasonable assurance that the workforce training contact hours outcome measure reported to THEC will be accurate and in compliance with the reporting instructions provided by THEC/TBR based on the institution’s supporting records.</p>		
<b>Conclusion</b>	<p>The ChSCC workforce training contact hours internal controls are well defined and provide adequate controls to ensure accurate reporting of workforce contact training hours in compliance with the reporting instructions. However, the review did note two opportunities for improvement concerning departmental policies and virtual class participant documentation.</p>		
<b>Recommendation</b>	<p>Based on performed procedures, Internal Audit recommends:</p> <ul style="list-style-type: none"> <li>• Consideration of title and content suggestions for the THEC Completion Hours Internal Policy with appropriate supporting documentation of the Vice President’s approval.</li> <li>• Continuation of the development of virtual class participant documentation standards to ensure consistency across the division.</li> </ul>		
<b>Management Response</b>	<p>Management concurs with the auditor’s findings and has completed the recommendations. The completed internal procedural documents have been made accessible to all members of the EWD staff. Additionally, the staff received training for these procedures and guidelines on May 6, 2021.</p>		

**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

***Internal Audit Reports  
Athletics***

**Dyersburg State Community College**  
**Athletic Eligibility Audit**  
**July 1, 2019 – June 30, 2020**  
**June 30, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	DSCC Athletic Director; Dean of Student Services	<b>Internal Auditor</b>	Sandra Pruett, DSCC Director of Internal Audit
<b>Introduction</b>	<p>An Internal Audit of Athletic Eligibility for the period of July 1, 2019, through June 30, 2020, was conducted by the Dyersburg State Community College (DSCC) Internal Audit department. This audit was performed to determine compliance of Dyersburg State Community College with National Junior College Athletic Association (NJCAA) eligibility rules, Tennessee Board of Regents (TBR) policies/guidelines, and DSCC policies.</p> <p>There are various guidelines and regulations covering athletics. Dyersburg State Community College is a member of the NJCAA and the Tennessee Community College Athletic Association, (TCCAA). Compliance with NJCAA rules is the expressed responsibility of the member colleges. DSCC participates in five intercollegiate sports. These are men’s and women’s basketball, men’s baseball, women’s softball, and women’s soccer. At the beginning of the audit, the Athletic Director resigned and was replaced as of July 2020. The previous Athletic Director was in place during the scope of this audit and was also the men’s basketball coach, as is the new Athletic Director.</p>		
<b>Objectives</b>	<p>The objectives of the Athletic Eligibility Audit were:</p> <ul style="list-style-type: none"> <li>• To determine the adequacy of the existing system of internal control.</li> <li>• To determine if student-athletes were admitted in accordance with Dyersburg State Community College and National Junior College Athletic Association requirements.</li> <li>• To determine that student athletes met the eligibility criteria of the NJCAA.</li> <li>• To determine if student athletes were enrolled in courses in accordance with the DSCC course catalog and were making appropriate academic progress in respect to DSCC and NJCAA guidelines.</li> </ul>		
<b>Scope</b>	The examination covered Athletic Eligibility for the period July 1, 2019, through June 30, 2020.		
<b>Conclusion</b>	Dyersburg State Community College is in compliance with the NJCAA requirements, TBR policies/guidelines and DSCC policies for the period July 1, 2019, through June 30, 2020. No recommendations for improvement were noted at this time.		

**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

***Internal Audit Reports  
Student Services***

**Jackson State Community College  
Veterans Affairs Student Records  
Fiscal Year 2019-20  
February 12, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	School Certifying Official (SCO)	<b>Internal Auditor</b>	Angie Brown, Internal Auditor
<b>Introduction</b>	A request was made by the institutional SCO to review Veterans Affairs (VA) student records upon recommendation from the Tennessee Higher Education Commission (THEC) to enhance compliance. A recommendation for a review of two primary areas of concern was included in a THEC review in December 2017.		
<b>Objectives</b>	The audit was designed to review VA student records related to enrollment data and tuition and fees for Chapter 33 and 35 students and determine compliance with THEC VA guidelines.		
<b>Scope</b>	<p>A sample of VA student records from the fall 2019 and spring 2020 under Chapter 33 and 35 were reviewed. The Compliance Survey Training document provided by THEC was used for guidance. Certification information provided to the Department of Veterans Affairs was verified to institutional data. The audit was limited to enrollment data and tuition and fees for Chapter 33 and 35 students based upon the area of primary concern.</p> <p>The audit was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors. The audit included tests of records and other procedures considered necessary to achieve the objectives.</p>		
<b>Conclusion</b>	Based upon the results of the audit tests performed for the fiscal year 2019-20, adequate controls are in place to ensure compliance with the Department of Veterans Affairs guidelines for enrollment data and tuition and fees reporting for Chapter 33 and 35 students.		
<b>Recommendations</b>	The report does not include any observations or recommendations.		

**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

***Internal Audit Reports  
Investigations***

**Chattanooga State Community College**  
**Investigation 2021-03: Faculty Website**  
**Spring 2021**  
**June 16, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Dean, Engineering and Information Technologies; Assistant Vice President, Enrollment Services	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Objectives</b>	The objective of this investigation was to determine the validity of the allegations concerning the posting of student projects on a Faculty member’s personal website and determine if a Family Educational Rights and Privacy Act (FERPA) violation occurred.		
<b>Scope</b>	The examination was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> , and accordingly included such tests and other investigative procedures as considered necessary.		
<b>Analysis of Issues</b>	<p>Chattanooga State Community College’s Internal Audit received a complaint concerning student classroom activities posted on a Faculty member’s personal website and the possibility of a FERPA violation.</p> <p>The auditor examined the links provided to the Faculty member’s website and noted the posting of student projects. Through conversations with the Faculty member, the auditor learned that the projects were part of the Student Research and Creative Showcase and were posted for public review on the College’s Library webpage. Discussions with the HIP Specialist, revealed that the showcase was moved online in Fall 2020 due to the pandemic. As part of the transition to a virtual environment, an acknowledgement was added to the showcase application for the student to attest to an understanding that the project would be visible to students, faculty, staff, as well as the community.</p> <p>Internal Audit’s investigation determined that the complaint was partially substantiated as the Faculty member did have student showcase projects posted on their personal website. However, since permission was granted by the student as part of the showcase application to publicly share the project, there was not a FERPA violation.</p>		
<b>Actions taken by Management</b>	Management requested that the Faculty member disable the student showcase links on their personal website and the Faculty member immediately complied.		
<b>Recommendation</b>	None		



**Tennessee Board of Regents  
Audit Committee  
August 31, 2021**

***Internal Audit Reports  
Follow-ups***

**Cleveland State Community College**  
**Campus Safety and Physical Security Follow-up**  
**July 2018 through June 2020**  
**June 01, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	VP of Finance and Operations	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	<p>In March 2016, Tennessee Board of Regents (TBR) created the Campus Safety and Security Task Force to be proactive in maintaining campus safety across the Tennessee Board of Regents System. Based on a TBR administered Faculty and Staff Campus Safety Climate survey, the Task Force determined three of the most beneficial safety measures to consider related to locking mechanisms on classroom and building doors. (<i>TBR Safety &amp; Security Task Force, 2016</i>). The Tennessee State Building Commission allocated a total of \$7,950,000 To be spent Across TBR Colleges for fiscal years ending June 30, 2018, 2019, and 2020.</p> <p>The college was allocated \$42,780 each year for the fiscal years 2018, 2019, and 2020 for a total of \$128,340. The top priorities of CISCC were classroom doors and replacing of handle-type panic bars on exterior doors. At the time of the first review the old-style panic had not been installed.</p>		
<b>Objectives</b>	<p>The objectives of the internal audit engagement focused on ascertaining whether the college expended the campus safety and security allotment as intended by legislation and whether access and classroom doors meet the security requirements outlined by the Campus Security Task Force 2016.</p>		
<b>Audit Results</b>	<p>A walk through CLSCC Campus buildings revealed that most panic handlebars had been replaced on the majority of the doors. It was noted that 18 sets of doors leading to the exterior of the building still had the old bars. Eight sets were in a building scheduled for a renovation expected to begin in 2022.</p>		
<b>Conclusion</b>	<p>Cleveland State’s spending of the dollars appropriated by the state legislature for upgrading door hardware security was within the legislature’s intent following purchasing policies and guidelines. The upgrades meet the security requirements outlined by the task force. However, it was noted that eighteen sets of doors had not been upgraded.</p>		
<b>Recommendation</b>	<p>Management should complete the upgrading of exterior doors as soon as possible.</p>		

**Columbia State Community College**  
**Follow-up on Financial Aid**  
**March 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Associate Vice President Business Services; Director, Financial Aid; Associate Vice President, Information Technology	<b>Internal Auditor</b>	Erica V. Smith, CIA, CPA
<b>Introduction</b>	Columbia State Internal Audit released two reports focused on the financial aid internal control environment: <i>Financial Aid</i> in March 2018 and <i>Follow-up to State Audit FYE2018.2017 in June 2020</i> . Internal Audit conducted this follow-up engagement to determine the status of management’s actions to remedy the root causes identified.		
<b>Objectives</b>	The objectives of the internal audit engagement focused on ascertaining the internal controls implemented by management to address the Internal Audit engagement outcomes and assessing whether those controls were in place and functioning.		
<b>Scope</b>	The auditor verified controls in place at the time of review.		
<b>Conclusion</b>	Except as noted, the engagement outcomes reflect management has completed or is progressing toward agreed upon actions, and the implemented controls are in place and operational at the time of review.		
<b>Recommendation</b>	<p><b>Strengthen the Control Environment – Establish Formal Responsibilities</b></p> <p>Formalize the process and establish accountability to ensure the college submits timely updates to the Department of Education by mapping communication flows, assigning responsibility for timely initiation and submission of ECAR updates, and implementing a periodic review of the ECAR of record.</p> <p>Establish accountability for obtaining Lower Tier Contractor forms and document retention standards, including the location of, access to, and disposal date of the documents.</p>		

**Dyersburg State Community College**  
**Follow-up on Internal Audit Investigation 20-02**  
**Human Resources Department – Allegation of Improper FMLA and Sick**  
**Leave Procedures**  
**June 30, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Director of Human Resources	<b>Internal Auditor</b>	Sandra Pruett, Director of Internal Audit
<b>Introduction</b>	<p>Dyersburg State Community College (DSCC) Internal Audit Department performed an investigative audit of an allegation of improper Family Medical Leave Act (FMLA) and Sick Leave procedures in the Human Resources Department in September 2020. This audit resulted in one finding and two recommendations. Since the time of this investigative audit, the Human Resources Department has been restructured. The previous Assistant Director of Human Resources position, which was responsible for the processing and tracking of FMLA leave time during the last audit, has been eliminated. In addition, the Human Resources Director is retiring as of June 30, 2021.</p> <p>This audit is a follow-up audit on the September 2020 audit finding and recommendations, as well as a review of the current practices related to these issues. The current status of the audit recommendations has been reviewed and are presented in the Results of the Current Audit section of the audit report.</p>		
<b>Objectives</b>	<p>The objectives of this follow-up audit were to determine whether adequate corrective actions have been taken to address the previous audit finding and implement the audit recommendations listed in the September 2020 investigative report.</p>		
<b>Scope</b>	<p>This follow-up audit included a review of the current status of actions taken by the DSCC Human Resources Department to correct deficiencies reported in the September 2020 investigative report, <i>Human Resources Department – Allegation of Improper FMLA and Sick Leave Procedures</i>, issued by the DSCC Internal Audit department. The follow-up audit also included a review of the recommendations listed in that report.</p>		
<b>Conclusion</b>	<p>Based on the results of the current follow-up review, management has taken adequate actions to address the investigation finding regarding inadequate adherence to FMLA and Sick Leave Reporting policies in the Human Resources Department. In addition, the recommendation regarding advance notice and scheduling of FMLA and Sick Leave has been successfully addressed. DSCC policy 6:02:08:00, Family, Medical and Service Member Leave Policy, has been updated to provide further clarification on FMLA and Sick Leave procedural requirements. However, further HR departmental documentation is needed to outline the details of the tasks of the department, including how the FMLA and Sick Leave requests are tracked and processed.</p>		

**Jackson State Community College  
Club Accounts Review Follow-up  
Internal Audit Investigation 18-03 – Page 1 of 3  
Fiscal Year 2019-20  
March 5, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	Vice President for Student Services	<b>Internal Auditor</b>	Angie Brown, Internal Auditor
<b>Introduction</b>	<p>An investigation was conducted due to two allegations received related to a student club event.</p> <p>The first allegation was that a student’s personal bank account was being used to process debit/credit charges for a fundraiser. The allegation was substantiated.</p> <p>The second allegation was that club proceeds were held in a petty cash fund operated by the club. The allegation was not substantiated.</p> <p>Account transactions were reviewed for the fiscal year 2017-18 and a report was issued on September 20, 2018. The report included three recommendations.</p>		
<b>Objectives</b>	To determine whether management implemented adequate corrective actions to address recommendations provided in the Club Account Review dated September 20, 2018.		
<b>Scope</b>	The follow-up review covered the fiscal year 2019-20. The review was conducted in accordance with the <i>International Standards for the Professional Practice of Internal Auditing</i> , issued by the Institute of Internal Auditors.		
<b>Conclusion</b>	Based upon interviews and documentation provided by management, some progress has taken place, but more work is needed to fully satisfy recommendations. Management is reviewing progress and developing a plan of action to be implemented by the beginning of the 2021 fall semester. A second follow-up will be scheduled at a later date.		
<b>Recommendations</b>	<p><b>Recommendation 1:</b>  Guidelines for fundraising events including cash management procedures should be developed and included in the JSCC Student Life Handbook. Guidelines may also include an approval process and any restrictions or limitations (e.g., raffles).</p> <p><b>Management’s Response 1:</b>  Management Concurs.</p>		

**Jackson State Community College  
Club Accounts Review Follow-up  
Internal Audit Investigation 18-03 – Page 2 of 3  
Fiscal Year 2019-20  
March 5, 2021  
Executive Summary**

<p><b>Cont. Recommendations</b></p>	<p>Cash management guidelines have been instituted that require dual control during all fundraising activity. A new online system has been put in place that requires all fundraising activity to be approved by a direct supervisor, the director of athletics and the vice president of student services. Guidelines for fundraising have been updated in the student life handbook.</p> <p><b>Current Status 1:</b> Management reviewed and updated petty cash procedures and implemented an online approval system for events. Due to staff changes in key positions and the impact of COVID-19 on student events, the recommendations have not been fully implemented.</p> <p><b>Recommendation 2:</b> Training should be provided periodically and the JSCC Student Life Handbook should be distributed to club advisors and club officers. Increased communication between student activities and the club advisors could be beneficial and provide benefits to the student clubs.</p> <p><b>Management’s Response 2:</b> Management Concur.</p> <p>All club advisors will be required to attend annual training on fundraising guidelines and cash management prior to being allowed to host events on campus. This training will occur during the Fall semester of each academic year. All club advisors and club officers will be provided a copy of the student life handbook. All events other than a normal club meeting must be communicated through the online Event and Fundraiser Request system requiring a minimum of three approvals.</p> <p><b>Current Status 2:</b> Management provided training on student events and fundraising to club and event sponsors in the fall of 2018 and 2019. There were no club events in 2020 due to COVID-19. The JSCC Student Life Handbook was under review in 2019 but not finalized. Management plans to complete the handbook review by the beginning of the 2021 fall semester in order to provide the club and event sponsors with training and the updated handbook.</p>
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**Jackson State Community College  
Club Accounts Review Follow-up  
Internal Audit Investigation 18-03 – Page 3 of 3  
Fiscal Year 2019-20  
March 5, 2021  
Executive Summary**

<p><b>Cont. Recommendations</b></p>	<p><b>Recommendation 3:</b> The JSCC Student Life Handbook should be reviewed annually and updated (if needed).</p> <p><b>Management’s Response 3:</b> Management Concur.</p> <p>The JSCC Student Life Handbook will be reviewed each Spring semester by a four-person committee made up of: two faculty members, a student services representative and one student representative. This committee will recommend changes to the Director of Athletics/Student Activities and the Vice President of Student Services for consideration. Any recommended changes to fundraising or funds management will be brought to the attention of the Vice President for Finance and Administrative Affairs for consideration in addition to the VPSS and the Director of Athletics/Student Activities.</p> <p><b>Current Status 3:</b> Due to changes with key staff positions and COVID-19 during 2020, the JSCC Student Life Handbook has not been reviewed or updated for distribution. Management plans to review and update the handbook to be available at the beginning of the 2021 fall semester.</p>
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**Motlow State Community College**  
**Foundation Audit Follow-Up – Page 1 of 2**  
**June 4, 2021**  
**Executive Summary**

<b>Auditee</b>	Executive Vice President of Finance and Administration	<b>Auditor</b>	Tammy Wiseman, Internal Auditor
<b>Objectives</b>	The objective of the review was to determine whether adequate corrective actions have been taken to address the recommendations.		
<b>Scope</b>	This follow-up review describes the current status of actions taken by Motlow State Community College management to correct deficiencies reported. The review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The review included tests of the records and other procedures considered necessary to achieve the audit objective.		
<b>Conclusion</b>	Based on the results of tests and procedures performed, management has taken adequate actions to address and implement the audit recommendations.		
<b>Current Status of 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, Foundations.</p> <p><b>Current Status</b>  The recommendation is cleared.</p>		



**Motlow State Community College**  
**Foundation Audit Follow-Up – Page 2 of 2**  
**June 4, 2021**  
**Executive Summary**

<p><b>Current Status of 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, Foundations:</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>Current Status</b>  The recommendation is cleared.</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>. It is also recommended that a process be developed for clearly documenting all required disclosures regarding potential conflicts of interest.</p> <p><b>Current Status</b>  The recommendation is cleared.</p>
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**Nashville State Community College**  
**Follow-up to the State Audit Financial and Compliance Report**  
**For the Years Ended June 30, 2019, and June 30, 2018**  
**April 15, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Vice President of Finance and Administrative Services, Associate Vice President of Accounting and Finance	<b>Internal Auditor</b>	Henry Ho, CPA, CGFM
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit report of Nashville State Community College for the fiscal years ended June 30, 2019, and June 30, 2018, on October 27, 2020. The audit included one finding identified as significant deficiency in internal control.		
<b>Objective</b>	The objective of our follow-up engagement was to determine if the College has taken corrective actions to address the state audit finding.		
<b>Scope</b>	The follow-up activities included review of the current status of actions taken by the College to correct the deficiencies reported by the Division of State Audit.		
<b>Results of Follow-up Engagement</b>	<p><u>State Audit Finding</u></p> <p>Nashville State Community College did not have adequate controls to ensure the accurate reporting of the dollar value of unused sick leave at June 30, 2018</p> <p><u>Current Status of Management's Corrective Actions</u></p> <p>The College has corrected the value of the unused sick leaves reported in the notes to the financial statements at June 30, 2018. The College has developed written procedures to review reports used in the calculation of unused\ sick leaves.</p>		
<b>Conclusion</b>	Based on our follow-up procedures, the College has taken corrective actions to address the state audit finding.		

**Southwest Tennessee Community College**  
**Follow-up to the State Audit Report – Page 1 of 2**  
**For Fiscal Years Ending June 30, 2019 and June 30, 2018**  
**April 20, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Director of Financial Aid and Chief Financial Officer	<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, 2019, and June 30, 2018, on October 23, 2020. The report included three audit findings. The current status of areas addressed in the findings is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit finding, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p><u>Current Status of State Audit Findings</u></p> <p><u>Finding 1</u></p> <p>As noted in the prior two audits, the College did not have controls in place to ensure compliance with requirements of the Federal Work Study Program.</p> <p><u>Recommendation</u></p> <p>Management should continue to pursue the new system recommended by the timekeeping taskforce.</p> <p><u>Current Status</u></p> <p>The CARES ACT stated that Federal Work Study payments may be made to “affected work-study students” unable to work due to Covid-19. Students should be paid the wage rate that they would have been paid if they were able to work the scheduled hours. According to the Director of Financial Aid, remaining Federal Work Study funds for the spring term of the 2019-2020 aid year were paid according to scheduled hours per week without required work performance due to the Covid-19 pandemic. Work Study funds for all terms in the 2020-2021 aid year were transferred to the Federal Supplemental Educational Opportunity Grants (SEOG) funds and eligible students were awarded a maximum of \$4,000 for each aid year.</p>		

**Southwest Tennessee Community College**  
**Follow-up to the State Audit Report – Page 2 of 2**  
**For Fiscal Years Ending June 30, 2019 and June 30, 2018**  
**April 20, 2021**  
**Executive Summary**

<p><b>Cont. Results of the Current Audit</b></p>	<p><u>Finding 2</u></p> <p>The college did not properly prepare bank reconciliations.</p> <p><u>Recommendation</u></p> <p>Management should follow its bank reconciliation policy and procedure, which requires</p> <ul style="list-style-type: none"> <li>• bank reconciliations to be prepared within 30 days of the month’s end,</li> <li>• reconciliations to be signed and dated by preparers and reviewers, and</li> <li>• reconciling items to be resolved timely.</li> </ul> <p><u>Current Status</u></p> <p>The bank statements for February 2021 were reviewed. All bank reconciliations were completed within 30 days, and signed, and dated.</p> <p><u>Finding 3</u></p> <p>Southwest Tennessee Community College did not provide adequate internal controls in one area that was reported in the prior three audits.</p> <p><u>Recommendation</u></p> <p>We concur. Management has taken corrective action to ensure internal controls are strengthened in the one specific area.</p> <p><u>Current Status</u></p> <p>The details of this finding are confidential pursuant to Section 10-7-501(i). Management has implemented or plans to implement corrective actions to mitigate the risks noted in the finding.</p>
<p><b>Conclusion</b></p>	<p>Based on the results of tests and procedures performed, management has taken adequate actions, or plans to take adequate corrective actions by August 31, 2021, to address the audit findings, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>

**Southwest Tennessee Community College**  
**Follow-Up System-wide Internal Audit – Foundation – Page 1 of 2**  
**April 30, 2021**  
**Executive Summary**

<p><b>Key Staff Person:</b> 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>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 objectives of this follow-up review were to determine whether adequate corrective actions have been taken to address the recommendations.</p>
<p><b>Scope</b></p>	<p>This audit consisted of a follow-up review of the status of actions taken by STCC management to correct deficiencies reported by Southwest Internal Audit January 29, 2020. The audit was conducted in accordance with the <i>Internationals Standards for the Professional Practice of Internal Auditing</i> issued by the Institute of Internal Auditors. The audit included tests of the records and other procedures necessary to achieve the audit objective. The report included a review of records for July 1, 2020, through February 15, 2021.</p>
<p><b>Results of the Current Audit</b></p>	<p><u>Recommendation 1</u>  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.</p> <p><u>Management’s Response</u>  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.</p> <p><u>Current Status</u>  A formal annual report for the Foundation for the 2019-2020 Fiscal Year was placed on the Foundation’s website on April 26, 2021.</p>

**Southwest Tennessee Community College**  
**Follow-Up System-wide Internal Audit – Foundation – Page 2 of 2**  
**April 30, 2021**  
**Executive Summary**

<p><b>Cont. Results of the Current Audit</b></p>	<p><u>Recommendation 2</u>  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.</p> <p><u>Management’s Response</u>  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.</p> <p><u>Current Status</u>  Board Members reviewed and acknowledged the Foundation’s code of ethics for Fiscal Year ending June 30, 2020.</p> <p><u>Recommendation 3</u>  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.</p> <p><u>Management’s Response</u>  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.</p> <p><u>Current Status</u>  The Foundation’s reconciled bank statements were completed with 30 days of month end.</p>
<p><b>Conclusion</b></p>	<p>Based on the results of tests and procedures, management has taken adequate actions to address the audit findings, implemented the audit recommendations and mitigate the risks that errors for fraud could occur and not be detect in a timely manner.</p>

**Tennessee Board of Regents – System Office**  
**Follow-up to the State Audit Report – Page 1 of 2**  
**For the Fiscal Years Ending June 30, 2019, and June 30, 2018**  
**June 16, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Director of Fiscal Services; AVC for Information Technology	<b>Internal Auditors</b>	Mike Batson, Chief Audit Executive; Don Fritts, Information Systems Auditor
<b>Introduction</b>	The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of Tennessee Board of Regents – System Office for the fiscal years ended June 30, 2019, and June 30, 2018, on December 17, 2020. The report included three audit findings. One finding was identified in the audit report as a material weakness, and two were identified as significant deficiencies. The current status of each finding is presented in the Results of the Current Audit section below.		
<b>Objectives</b>	The objectives of the review were to determine whether adequate corrective actions have been taken to address the audit findings, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.		
<b>Results of the Current Audit</b>	<p><b><u>Current Status of State Audit Findings</u></b></p> <p><u>Finding 1:</u> The System Office did not properly report cash held for the Tennessee Colleges of Applied Technology</p> <p><u>Current Status:</u> <i>Complete. The corrective actions planned by management have been implemented.</i></p> <p><u>Finding 2:</u> The System Office did not maintain adequate controls over bank reconciliations</p> <p><u>Current Status:</u> <i>Complete. We reviewed all 16 bank reconciliations prepared for January through April 2021. All reconciliations were prepared and reviewed within 30 days of the end of the month. All reconciliations were signed and dated by both the preparer and reviewer.</i></p> <p><u>Finding 3:</u> As noted in the prior audit, the Tennessee Board of Regents did not provide adequate internal controls in one area.</p>		

**Tennessee Board of Regents – System Office**  
**Follow-up to the State Audit Report – Page 2 of 2**  
**For the Fiscal Years Ending June 30, 2019, and June 30, 2018**  
**June 16, 2021**  
**Executive Summary**

<p><b>Cont. Results of the Current Audit</b></p>	<p><u>Current Status:</u>  <i>Partially complete. Management is implementing the corrective action plan. The planned procedures are scheduled to be completed in September 2021.</i></p>
<p><b>Audit Conclusion</b></p>	<p>Based on the results of tests and procedures performed, management has taken adequate actions to address the audit findings, implement the audit recommendations, and mitigate the risks that errors or fraud could occur and not be detected in a timely manner.</p>



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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: August 31, 2021

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:

- TBR System Office Performance Review
- Internal Audit July Training
- Alvin Bishop Retirement
- Denise Callais- Director of Internal Audit, Cleveland State Community College
- Internal Audit October Conference

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Fiscal Year 2022 Internal Audit Plans

DATE: August 31, 2021

PRESENTER: Mike Batson

ACTION REQUIRED: Roll Call Vote

STAFF'S  
RECOMMENDATION: Approve

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The committee will review and consider for approval internal audits planned for the system institutions for Fiscal Year 2022\* as required by the Audit Committee Charter, TBR Policy 4:01:05:00, *Internal Audit*, and the Institute of Internal Auditors *International Professional Practices Framework*.

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

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

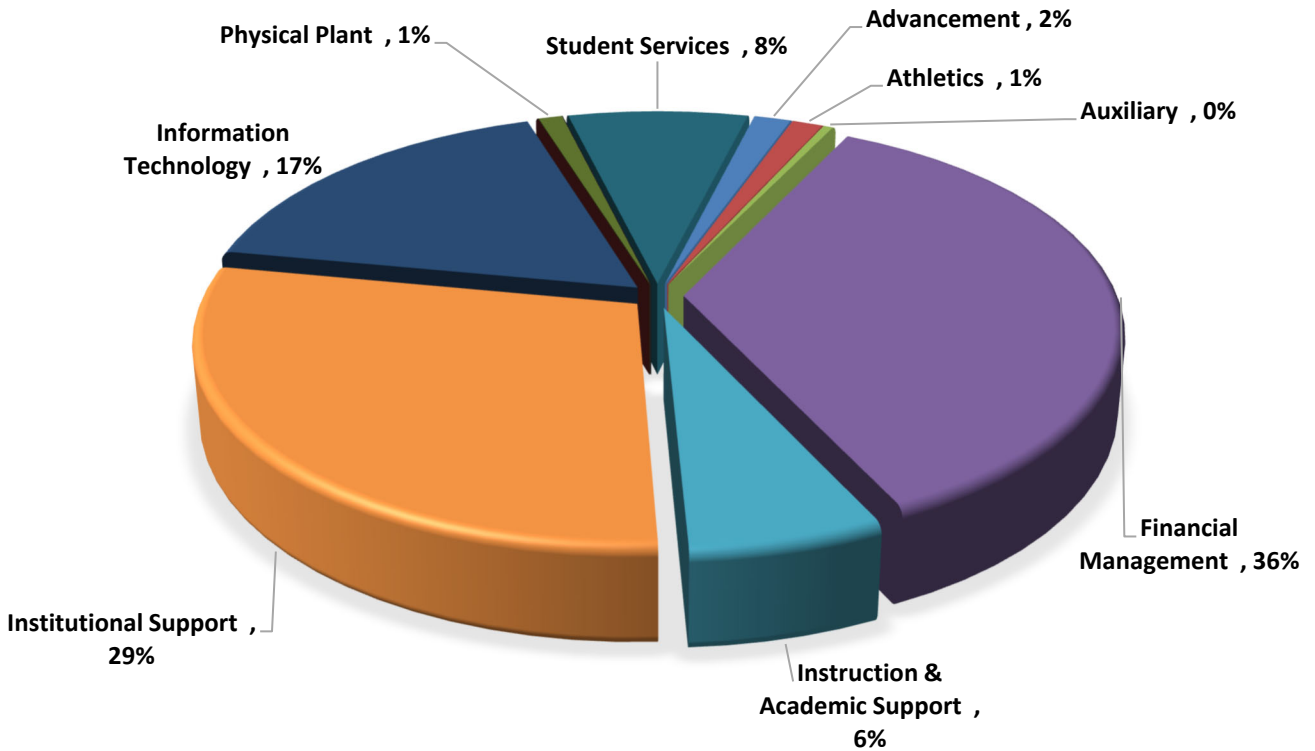
Risk-based audits are determined through a risk analysis process. Risk analysis is a planning tool to help determine which areas within the institution should be audited. Each auditable area's key risk factors are quantified and weighted to come up with the risk ranking. Areas with the highest totals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

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

Planned Audits by Major Functional Area  
Planned Audits by Audit Type

\*A FY2022 audit plan is not included for the TBR System Office due to the removal of the Director position at the system office.

**Tennessee Board of Regents  
Planned Audit Hours by Functional Area  
Fiscal Year 2022**



**Highlights:**

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

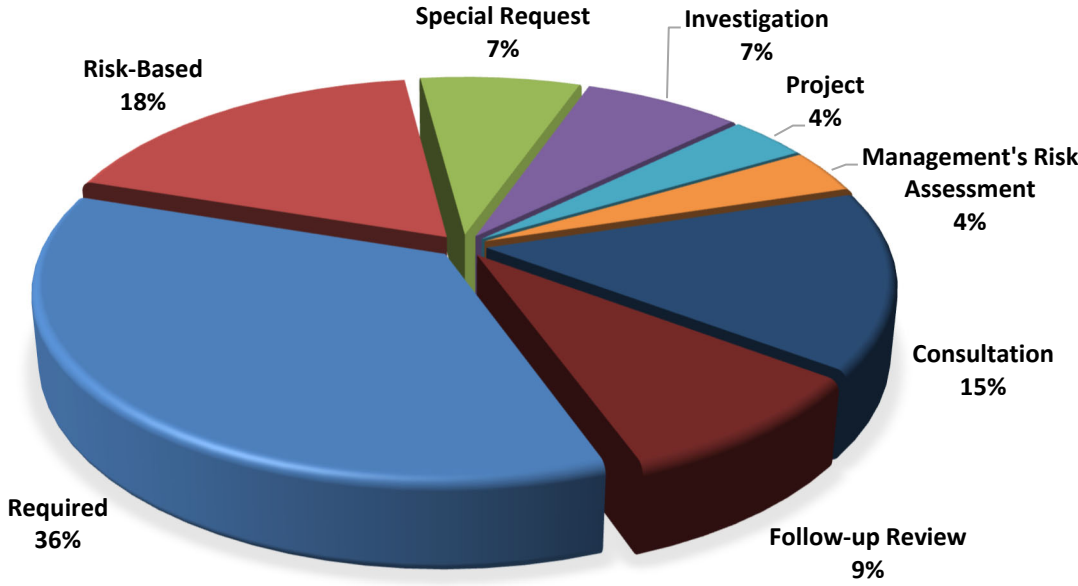
*Institutional Support* includes audits of various activities in support of other institutional operations, such as human resources; leave reporting; certain compliance audits (Clery, Title IX); and emergency preparedness. It also includes projects of the audit offices, such as the quality assurance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

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

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

	<u>Planned Audits</u>		<u>Planned Audit Hours</u>	
Community Colleges	194	84.72%	14,428	80.48%
SWIA (INV, IS)	15	6.55%	2,250	12.55%
TCATS	20	8.73%	1,250	6.97%
	<u>229</u>		<u>17,928</u>	

**Tennessee Board of Regents  
Planned Audit Hours by Type  
Fiscal Year 2022**



**Highlights:**

*Required* audits are those determined by statutes, the system office or others. These audits frequently have a system-wide focus. There is a 9% increase in planned required audits for the year. This year’s required audits include CARES Act reviews, CCTA, and President’s and Chancellor’s Expense Audits. Required audits do include year-end cash counts and inventories in support of financial statement audits.

*Special Requests* are audits requested by the Audit Committee, management, or others to address specific concerns or activities. This category is planned as 4% lower than the prior year.

Other categories are consistent with previous years.

**Internal Audit Plans  
By Institution  
Fiscal Year Ending June 30, 2022**

**Chattanooga State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Management Advisory Services	IS	C	100.0	Jul-21
5.0	State Audit Assist/Follow-up	FM	F	75.0	Jul-21
5.0	Follow up Reviews	IS	F	75.0	Jul-21
5.0	Unscheduled Investigations	IS	I	100.0	Jul-21
5.0	Developing Investigations-Assist TBR	IS	I	20.0	Jul-21
5.0	INV-2020-02	IS	I	25.0	Jan-20
5.0	Enterprise Risk Assessment	IS	M	35.0	Nov-21
5.0	YE Procedures FYE 2021	FM	S	10.0	Jun-21
5.0	YE Procedures FYE 2022	FM	S	15.0	Jun-22
5.0	CCTA Element Audit	SS	R	100.0	May-22
5.0	Cares Act	FM	R	125.0	Mar-22
5.0	IAR-NACHA-2019	IT	S	70.0	Aug-21
5.0	Faculty Credentials	IA	S	50.0	Nov-21
3.4	Procurement Card Purchases	FM	A	25.0	May-21
3.3	Technology Access Fee (TAFT Fund)	IT	A	100.0	Feb-22
3.1	Campus Safety Equipment Inventory	PP	A	75.0	Dec-21

**Total: 1000.0**

Estimated Available Hours For Audits = 1,000

**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

**Cleveland State Community College**  
**Internal Audit Plan**  
**Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	NaCHA 2022	FM	S	75.0	Apr-22
5.0	CCTA	IA	R	150.0	May-22
5.0	Cares ACT	FM	R	175.0	Mar-22

**Total: 400.0**

Estimated Available Hours For Audits = **400.0**

**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



**Columbia State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	State Audit Year End Work	FM	R	7.5	PY
5.0	State Audit Year End Work	FM	R	22.5	May-22
5.0	CARES Act Review	FM	R	150.0	Apr-21
5.0	Complete College Tennessee Act - Progression	FM	R	150.0	Oct-21
5.0	Complete College Tennessee Act - Element	FM	R	150.0	Feb-22
5.0	GLBA Outcome Follow-up	IT	F	37.5	Oct-21
5.0	WF/CE IA Engagement Follow-up	IA	F	37.5	Jan-22
5.0	Financial Aid IA Engagement FU	SS	F	22.5	Sep-21
5.0	Review Management's Risk Assessment	FM	M	22.5	Nov-20
4.0	Privacy Policy & Language Compliance Check	IS	C	37.5	Sep-21
3.3	DoD MOU Compliance Check	SS	C	22.5	Aug-21
3.3	PPA Compliance Check	SS	C	22.5	Aug-21
3.3	Business Process Review: Records	SS	C	75.0	Oct-21
2.2	Records Retention	IS	C	75.0	Aug-21
1.4	Engagement Follow-up/Monitoring	IS	F	22.5	Aug-21
1.4	IA Data Analytics	IS	P	120.0	May-20
	Title IX Gender Equity Assessment	AT	C	22.5	PY
	Informal Consulting	IS	C	52.5	Jul-21
<b>Total:</b>				<b>1050.0</b>	

Estimated Available Hours For Audits = **1050**

**Functional Areas:**

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

**Audit Types:**

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

**Dyersburg State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	Follow-up to State Audit	FM	F	40.00	Feb-22
	Year End Bank Confirmations	FM	R	30.00	Jun-22
	PII Review	IS	P	60.00	Jul-21
	General Consultation	IS	C	75.00	Jul-21
	Human Resources	IS	A	50.00	Aug-21
	Cash Handling	FM	A	40.00	Sep-21
	ChSCC President's Expense Audit	FM	R	140.00	Oct-21
	Athletic Camps, Clinics and Fundraising	AT	A	60.00	Dec-21
	Risk Assessment	IS	M	60.00	Oct-21
	Follow-up Audits	IS	F	75.00	Jul-21
	Records Mgmt and Retention	FM	A	80.00	Apr-22
	Unscheduled Investigations	IS	I	75.00	Jul-21
	CCTA	SS	R	145.00	Jun-21
	CARES Act	SS	R	120.00	May-22

**Total: 1050.0**

Estimated Available Hours For Audits = 1,050

**Functional Areas:**

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

**Audit Types:**

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

**Jackson State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	CCTA Element Audit- Completion	IA	R	50.0	In Progress
	CARES Act	IS	R	200.0	February 2022
	CCTA Element Audit	IA	R	150.0	January 2022
	Payroll Follow up	FM	F	100.0	January 2022
	Workforce Development Follow up	IA	F	75.0	In Progress
	Inv 18-03 Follow up	SS	F	75.0	September 2021
	Inv 19-01 Follow up	AT	F	75.0	In Progress
	Foundation Follow up	AD	F	95.0	October 2021
	CCTA Element Audit -Completion Follow up	IA	F	55.0	January 2022
	Risk Assessment	IS	M	40.0	December 2021
	Business Continuity Plan and Risk Assessments (IT and Financial Aid)	IS	M	150.0	In Progress
	Year-end Procedures	FM	R	40.0	July 2022
	General Consultation	IS	C	45.0	As needed
	Unscheduled Investigations and Special	IS	I	50.0	As needed

**Total: 1200.0**

Estimated Available Hours For Audits = **1200.0**

**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

**Motlow State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
4.8	Procurement Card/Continuous Monitoring	FM	A	150.0	Aug-21
4.8	Equipment/Inventory Management	FM	A	50.0	Nov-21
4.7	Athletics	AT	A	50.0	Feb-22
4.7	Admissions & Records	SS	A	60.0	Jan-22
	CARES Funding	FM	R	100.0	Jan-22
	CCTA Completion	IS	R	30.0	Jul-21
	CCTA Element Audit	IS	R	75.0	Apr-22
	Faculty Credentials	IA	S	100.0	Jul-21
	President's Expense Review (TBR)	FM	R	75.0	Aug-21
	President's Expense Review (MSCC)	FM	S	40.0	Nov-21
	Risk Assessment	IA	M	30.0	Nov-21
	Follow Up Workforce Development	IA	F	30.0	Jul-21
	Follow Up INV 1604	AT	F	30.0	Oct-21
	Follow Up INV 1801	SS	F	30.0	Jul-21
	Follow Up INV 1802	IA	F	20.0	Jul-21
	Follow Up Access and Diversity	FM	F	50.0	Sep-21
	General Consultation	FM	C	60.0	Jul-21
	State Audit Assistance - Yr End	FM	R	20.0	Jul-21
	Unscheduled Investigations	IS	I	50.0	Jul-21

**Total: 1050.0**

Estimated Available Hours For Audits = **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

**Nashville State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
3.3	President's Expense Audit - VSCC	FM	R	75.0	Sep-21
3.7	CARES Act	FM	R	100.0	Mar-22
3.9	CCTA Element (Completion)	IA	R	37.5	Jul-21
3.8	Police Department	IS	A	100.0	Oct-21
3.4	Travel	FM	A	100.0	Aug-21
3.4	Purchase Card / Procurement	FM	A	112.5	Apr-22
3.3	Cash Collection	FM	A	100.0	May-22
3.4	Consulting Activities (Grant Policies and Procedures)	IS	C	100.0	Jan-22
3.0	Founation Audit Follow Up	AD	F	37.5	Jul-21
3.7	CCTA Element	IS	R	112.5	Feb-22
3.0	Consulting Activities (Other)	IS	C	75.0	As Needed
4.3	Physical Security / Campus Safety Follow Up	IS	F	100.0	Nov-21
<b>Total:</b>				<b>1050.0</b>	

Estimated Available Hours For Audits = **1050**

**Functional Areas:**

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

**Audit Types:**

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

**Northeast State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	CARES Act Funding Audit	FM	R	75.0	Jan-21
5.0	Single Audit Follow-Up	FM	R	100.0	Jul-21
5.0	Gramm Leach Bliley Act Program	IS	S	40.0	Jul-21
5.0	NorCard Procurement Cards	FM	A	40.0	Sep-21
5.0	HEERF Round 1	IS	S	100.0	Oct-21
5.0	HEERF Round 2	IT	S	100.0	Feb-21
5.0	HEERF Round 3	FM	S	100.0	Apr-21
5.0	Complete College Tennessee Act Element	SS	R	100.0	Jan-21
5.0	Developing Investigations-Assist TBR	IS	I	30.0	Jul-21
5.0	Unscheduled Investigations	IS	I	50.0	Jul-21
5.0	State Audit Assistance - Year End	FM	R	30.0	Jun-22
5.0	Special Requests and Projects	IS	S	100.0	Jul-21
5.0	Other Audit Follow-Up	IS	F	50.0	Jul-21
5.0	Risk Assessment	IS	M	35.0	Oct-21
5.0	Management Advisory Services	IS	C	100.0	Jul-21

**Total: 1050.0**

Estimated Available Hours For Audits = 1050

**Functional Areas:**

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

**Audit Types:**

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

**Pellissippi State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Cares Act Funding	IS	R	225.0	Jan-22
5.0	Year End Inventory & Cash Counts	FM	R	15.0	Jul-21
5.0	Funding Formula	IS	R	112.5	Mar-22
5.0	Audit Follow-Ups	FM	F	37.5	Feb-22
5.0	Risk Assessment (including Financial Aid)	IS	M	37.5	Nov-21
5.0	Faculty Credentials	IA	S	105.0	Oct-21
5.0	Review of Compliance Assist	IA	S	37.5	Dec-21
5.0	Advancement Management Advisory Services, Consultation, etc.	AD	C	52.5	Jul-21
5.0	Finance Management Advisory Services, Consultation, etc.	FM	C	37.5	Jul-21
5.0	Institutional Support Management Advisory Services, Consultation, etc. (includes Covid-19 MAS)	IS	C	150.0	Jul-21
5.0	Unscheduled Investigations and Special Requests	IS	I	45.0	Jul-21
5.0	IT Audit Management Advisory Service - Phishing Campaign & Building Security Review	IT	C	195.0	Jul-21
5.0	IT Audit Management Advisory Service - General Review	IT	C	165.0	Jul-21
5.0	IT Audit Management Advisory Service - PCI & ACH Review	IT	C	120.0	Jul-21
4.0	Vulnerability Assessment - Banner Server	IT	A	187.5	Jul-21
3.9	Vulnerability Assessment - PS3	IT	A	187.5	Sep-21
3.7	Technology Access Fee	FM	A	150.0	Aug-21
3.5	Computer Center - Disaster Recovery	IT	A	150.0	Dec-21
3.4	Vulnerability Assessment - password.pstcc.edu.server	IT	A	187.5	Feb-22
3.4	Vulnerability Assessment - pscas.pstcc.edu.server	IT	A	187.5	Apr-22

**Total: 2385.0**

Estimated Available Hours For Audits = 2352.5

**Functional Areas:**

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

**Audit Types:**

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

**Roane State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	CCTA	AD	R	75.0	Jan-22
5.0	CCTA - Graduation	AD	R	25.0	Jul-21
5.0	State Audit Follow-up	FM	F	75.0	Jul-21
5.0	IAR Audit Follow-up	FM	F	75.0	Jul-21
5.0	Unscheduled Investigations	FM	I	90.0	Jul-21
5.0	Year End Cash Counts	FM	R	45.0	May-22
5.0	CARES Act	FM	R	75.0	Jan-22
5.0	Management Advisory Services	IS	C	142.5	Jul-21
5.0	Enterprise Risk Assessment	IS	M	75.0	Aug-21
5.0	Campus Safety & Security	IS	R	10.0	Jul-21
4.7	Foundation - Restricted Funds	AX	S	75.0	Jul-21
4.4	Nursing Program Review	IA	S	75.0	Jul-21
3.7	Equipment Inventory & Tagging	FM	A	65.0	Jan-22
3.6	Grants	FM	A	75.0	Aug-21
3.5	Sick Leave Bank	IS	A	50.0	Jul-21
3.1	Police/Safety Equipment Inventory	IA	R	22.5	Jul-21

**Total: 1050.0**

Estimated Available Hours For Audits = **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



**Southwest Tennessee Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	IAR-Cash Count	FM	A	55.5	Jun-23
	Out of State Tuition	SS	S	76.5	Jan-23
	FU-Account Payable Vendor	FM	F	37.5	Feb-23
	FU-Campus Safety Audit	IS	F	55.5	Mar-22
	Review of Driver License	FM	S	55.5	Aug-22
	FU-Whitehaven Federal Work Study	FM	F	37.5	Apr-23
	FU-Review of Ghost Employee	FM	S	37.5	Dec-22
	INV-20-3 Investigation of Clubs	FM	I	52.5	Jul-22
	FU-State Audit	IT	F	37.5	Nov-22
	IAR-Risk Management	IS	A	30.0	Sep-22
	FU-Internal Audit Follow UP	IS	F	40.5	Jul-22
	IAR-General Consultant	SS	C	67.5	Jul-22
	Unscheduled Investigation	FM	I	67.5	Jul-22
	ACM-Software	FM	P	60.0	Jul-22
	INV-20-4 Investigation of Cafeteria	FM	I	24.0	Oct-22
	INV-20-1 Investigation Employee Overpaid	PP	I	30.0	Jun-23
	Review of Radiology Acceptance	IA	P	97.5	Jul-22
	CCTA	SS	R	87.5	Jun-23
	CARES Act	FM	R	97.5	Jun-23

**Total: 1047.5**

Estimated Available Hours For Audits = **1047.5**

**Functional Areas:**

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

**Audit Types:**

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

**Volunteer State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	CCTA Completion Element	SS	R	100.0	May-21
4.2	Procurement Card Review - Science Dept	FM	P	100.0	Aug-21
4.5	Cash Receipts	FM	A	175.0	Oct-21
5.0	Management Risk Assessment	IS	M	100.0	Oct-21
5.0	CARES Act	IS	R	175.0	Jan-22
8.1	CCTA Funding Formula Outcomes	SS	R	175.0	Apr-22
5.0	State Audit Year-End Work	FM	R	40.0	Jun-22
5.0	IIA QAR Self-Assessment	IS	P	30.0	Jul-21
5.0	Follow-Up Activities	IS	F	40.0	Jul-21
5.0	General Consultation	IS	C	100.0	Jul-21
5.0	Unscheduled Investigations	IS	I	40.0	Jul-21

**Total: 1075.0**

Estimated Available Hours For Audits = 908

**Functional Areas:**

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

**Audit Types:**

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

**Walters State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Management Advisory Services/Consulting	IS	C	150.0	Jul-21
5.0	State Audit Assist/Follow-up	FM	F	12.0	Oct-21
5.0	IAR-CARES Act Review 2021	IS	R	40.0	Feb-22
5.0	WSCC Risk Assessment T/B/A	IS	R	22.5	May-21
5.0	WSCC Enterprise-wide Risk Assessment	FM	R	22.5	May-21
5.0	WSCC IET and Fin Aid Risk Assessments	IS	R	37.5	Dec-21
5.0	IAR-CCTA-T/B/D	SS	R	105.0	Mar-22
5.0	YE Procedures FYE 2021	FM	R	22.5	Jun-22
5.0	YE Procedures FYE 2022	FM	R	22.5	Jul-21
5.0	IAR-NACHA-2022	IT	R	75.5	Jan-22
5.0	Unscheduled Investigations	IS	R	105.0	Jul-21
5.0	IT Governance	IT	A	80.0	Sep-21
5.0	Accounts Receivable	FM	M	75.0	Sep-21
5.0	Business Continuity Planning	IS	A	75.0	Jun-22
5.0	Leave Time Keeping	IS	S	75.0	Nov-21
4.8	Travel Reimbursements	FM	A	60.0	Feb-22
4.8	Physical Plant/Maintenance	PP	A	40.0	Apr-22

**Total: 1020.0**

Estimated Available Hours For Audits = **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

**TBR- Information Systems  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	WSCC Information Security	IT	R	150.0	Mar-21
5.0	DSCC Information Security	IT	R	150.0	Apr-21
5.0	RSCC Information Security	IT	R	150.0	Jul-21
5.0	NeSCC Information Security	IT	R	150.0	Jul-21
5.0	PSCC Information Security	IT	R	150.0	Oct-21
5.0	CISCC Information Security	IT	R	150.0	Dec-21
5.0	VSCC Information Security	IT	R	150.0	Feb-22
5.0	STCC Information Security	IT	R	150.0	Apr-22

**Total: 1200.0**

Estimated Available Hours For Audits = **1200**

**Functional Areas:**

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

**Audit Types:**

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

**Tennessee Board of Regents - Investigations  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	Consultation with Campus Auditors	IS	C	200.0	Jul-21
	Investigation Management	IS	P	200.0	Jul-21
	State Audit Follow-up for TBR	IS	R	75.0	Jul-21
	Unscheduled Investigations	FM	I	480.0	Jul-21
	INV TBR 21-04	IS	I	20.0	Feb-21
	INV TBR 21-05	PP	I	37.5	Feb-21
	INV TBR 21-06	FM	I	37.5	Apr-21

**Total: 1050.0**

Estimated Available Hours For Audits = **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

**TCAT  
Internal Audit Plan  
Fiscal Year Ending June 30, 2022**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
NA	FY 20 TCAT Risk Assessment	FM	R	100.0	Oct-21
NA	FY 20 TCAT Consultation	FM	C	250.0	Jul-21
NA	FY 20 TCAT Year End Procedures	FM	C	50.0	Jun-22
NA	FY 20 TCAT Audit Program	FM	C	150.0	Jul-21
5.0	FY 21 TCAT Memphis Controls Review	FM	A	75.0	Sep-21
5.0	FY 21 TCAT McMinnville Controls Review	FM	A	37.5	Jul-21
4.7	FY 20 TCAT Knoxville President's Expense	FM	R	37.5	Jul-21
4.7	FY 19 TCAT Murfreesboro President's Expense	FM	R	37.5	Aug-21
4.6	FY 19 TCAT Nashville President's Expense	FM	R	37.5	Jan-21
4.6	FY 20 Nashville-IAR-Equipment/Security Review	FM	A	37.5	Jan-21
3.7	FY 19 TCAT Jackson/Whiteville President's Expense	FM	R	37.5	Oct-21
3.2	FY 20 TCAT Hohenwald President's Expense	FM	R	37.5	Oct-21
2.7	FY 20 TCAT Ripley President's Expense	FM	R	37.5	Feb-21
2.7	FY 20 TCAT Pulaski President's Expnese	FM	R	37.5	Mar-21
2.6	FY 20 TCAT Newbern President's Expense	FM	R	37.5	Feb-21
2.6	FY 20 TCAT Oneida President's Expense	FM	R	37.5	Jul-21
2.6	FY 20 TCAT Crump President's Expense	FM	R	37.5	May-21
2.1	FY 20 TCAT Jacksboro President's Expense	FM	R	37.5	Mar-21
1.3	FY 20 TCAT Chattanooga President's Expense	FM	R	37.5	May-21
NA	FY 21 Cosmetology Controls Review	FM	A	100.0	Aug-21
<b>Total:</b>				<b>1250.0</b>	

Estimated Available Hours For Audits = 1248

**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

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Year-End Status Reports for  
Fiscal Year 2021

DATE: August 31, 2021

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

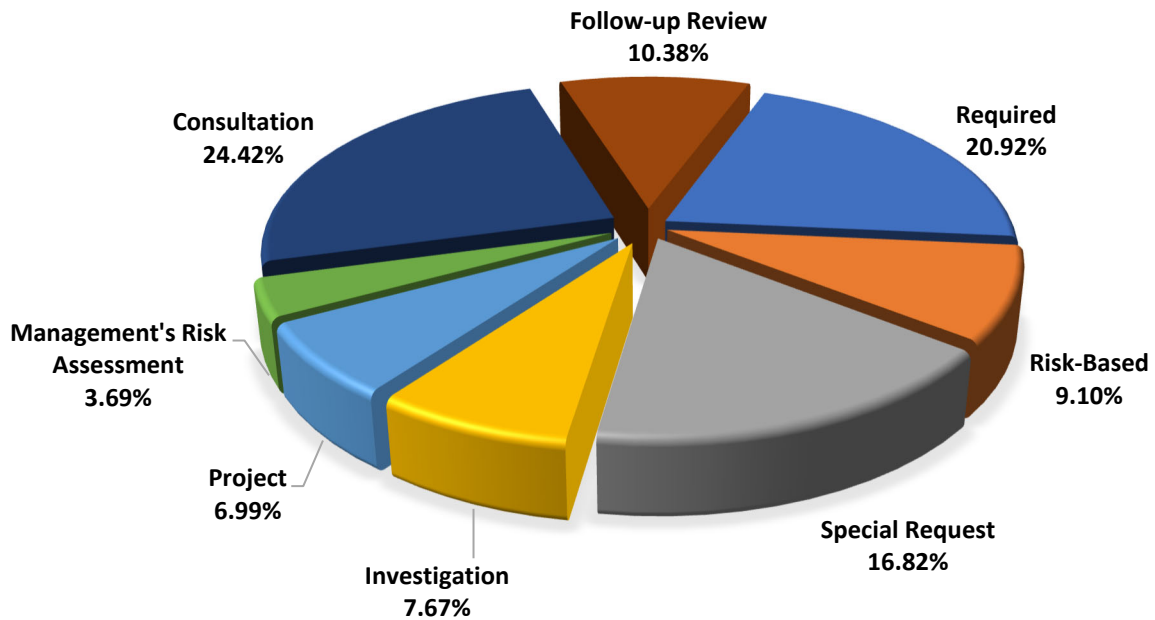
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The committee will review the year-end status of the internal audit plans for the system institutions for Fiscal Year 2021. This item includes the following summary information on system audit activities for the year.

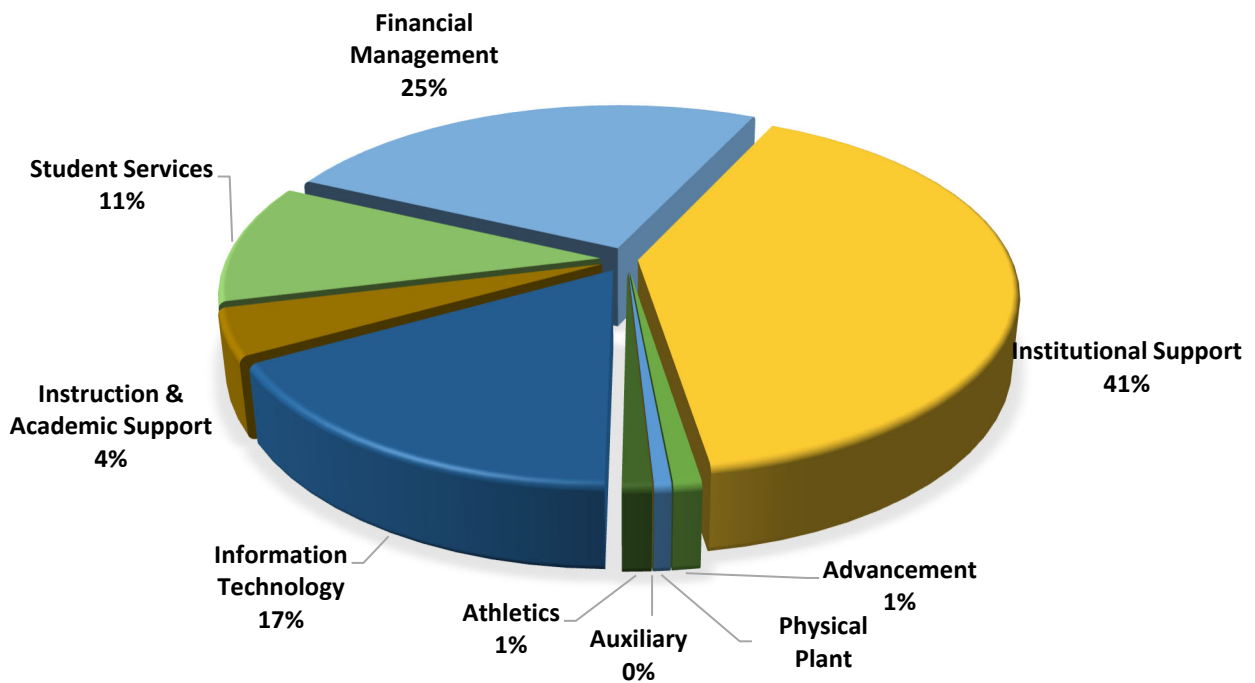
Audit Hours by Audit Type and Functional Area  
Planned vs. Actual Audit Hours  
Audit Activity Three-year Trend Analysis  
Investigation Activity

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

**FY 2021 TOTAL AUDIT HOURS FOR COMPLETED AUDITS BY  
AUDIT TYPE**



**FY 2021 TOTAL AUDIT HOURS FOR COMPLETED AUDITS BY  
FUNCTIONAL AREA**





**Tennessee Board of Regents  
Planned vs. Actual Audit Hours  
Fiscal Year 2021**

Institution	Planned Audit Hours	Actual Audit Hours	% of Planned Hours Achieved
ChSCC	1050.0	952.0	90.67%
CISCC	1085.0	688.0	63.41%
CoSCC	1050.0	918.1	87.44%
DSCC	1093.0	1091.0	99.82%
JSCC	1650.0	1189.5	72.09%
MSCC	1140.0	868.4	76.18%
NaSCC	712.5	480.0	67.37%
NeSCC	1065.0	1033.0	97.00%
PSCC	2517.5	2298.0	91.28%
RSCC	1050.0	837.0	79.71%
STCC	1136.0	1131.5	99.60%
VSCC	1050.0	879.0	83.71%
WSCC	1039.5	850.0	81.77%
TBR-Investigations	1050.0	1041.0	99.14%
TBR-Information Systems	750.0	495.0	66.00%
TBR-TCATs	1212.5	1321.0	108.95%

**Notes:**

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

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

3- 3.0 actual hours for MSCC, 2.0 actual hours for NeSCC, 4.5 actual hours for STCC, 30.0 actual hours for WSCC, and 9.0.0 actual hours for TBR-INV were spent on Removed Audits and are not included in these numbers.

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

<b>Type of Audit</b>	<b>FY2021</b>	<b>FY2020</b>	<b>FY2019</b>	<b>Average</b>
Required	25%	28%	26%	26%
Risk-Based	6%	7%	5%	6%
Investigation	9%	10%	15%	11%
Consultation	15%	16%	8%	13%
Project	7%	1%	11%	6%
Follow-up Audit	17%	20%	11%	16%
Management's Risk Assessment	6%	6%	8%	7%
Special Request	13%	12%	15%	13%
Other	1%	0%	2%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

<b>By Functional Area</b>	<b>FY2021</b>	<b>FY2020</b>	<b>FY2019</b>	<b>Average</b>
Advancement	1%	14%	1%	5%
Athletics	1%	1%	1%	1%
Auxiliary	0%	1%	0%	0%
Financial Management	25%	31%	32%	29%
Instruction and Academic Support	4%	6%	10%	7%
Institutional Support	41%	33%	46%	40%
Information Technology	17%	10%	1%	9%
Marketing & Campus Activities	0%	0%	1%	0%
Physical Plant	1%	2%	0%	1%
Research	0%	0%	1%	0%
Student Services	11%	2%	8%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

**Tennessee Board of Regents  
Summary of Investigation Activity FY 2021  
As of June 30, 2021**

**Allegations**

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

**Investigations**

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

<b>Complaints Received</b>	<b>Community Colleges</b>	<b>Technology Colleges</b>	<b>System Office</b>	<b>Total</b>
Tennessee Comptroller	4	4	0	8
System-wide Internal Audit	15	10	4	29
Campus Internal Audit	9	0	0	9
<b>Total Complaints</b>	<b>28</b>	<b>14</b>	<b>4</b>	<b>46</b>
Referred, Duplicative, or Not Viable	19	11	3	27
Under Preliminary Review/Consultation	2	1	0	3
Designated as assistance – not an investigation	1	0	1	2
<b>Cases Opened</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>8</b>
<b>Investigations</b>	<b>Community Colleges</b>	<b>Technology Colleges</b>	<b>System Office</b>	<b>Total</b>
Open Cases at July 1, 2020	11	2	0	13
Cases opened from new complaints or previous preliminary review items	6	2	0	8
<b>Total Cases</b>	<b>17</b>	<b>4</b>	<b>0</b>	<b>21</b>
Under further review or referred	0	0	0	0
Cases Completed, Reports Issued	7	1	0	8
Cases Administratively Closed	4	2	0	6
<b>Open Cases at June 30, 2021</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>7</b>

**Tennessee Board of Regents  
Summary of Investigation Activity  
Fiscal Year 2021 as of June 30, 2021**

<b>Institution</b>	<b>Reports Issued</b>
ChSCC	INV 20-03: Police Department Duty Status and Pay Structure
DSCC	INV 20-02: HR Department FMLA and Sick Leave
MSCC	TBR INV 20-03: MSCC Chief of Staff
STCC	INV 21-01: Abuse of Power
STCC	INV 21-02: Digital Learning Guidelines Conflict of Interest
WSCC	INV 20-03: Cash Payments for Public Safety Specialty Courses
Chattanooga	ChSCC INV 20-01: TCAT Collision Center
Hohenwald	TBR INV 21-01: Cosmetology Program Allegations

**Year-End Status Reports**  
**By Institution**  
**Fiscal Year Ending June 30, 2021**

**Chattanooga State Community College**  
**Year-End Status Report**  
**Fiscal Year Ended June 30, 2021**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	F	State Audit Assist/Follow-up	5.0	40.0	40.0	0.0	0%		22.0	18.0	Jun-21	Completed
FM	S	YE Procedures FYE 2020	5.0	10.0	10.0	0.0	0%		10.0	0.0	Jul-20	Completed
IA	M	Barbering Program Inventory	5.0	0.0	25.0	25.0	100%	1	25.0	0.0	Sep-20	Completed
IA	S	TCAT Auto Client Services	5.0	40.0	40.0	0.0	0%		44.0	-4.0	Dec-20	Completed
IA	S	Faculty Credentials	5.0	100.0	100.0	0.0	0%		102.0	-2.0	Jan-21	Completed
IS	C	Management Advisory Services	5.0	120.0	95.0	-25.0	-21%	1	90.0	5.0	Jun-21	Completed
IS	F	Follow up Reviews	5.0	75.0	75.0	0.0	0%		61.0	14.0	Jun-21	Completed
IS	I	Developing Investigations-Assist TBR	5.0	15.0	40.0	25.0	167%	3	37.0	3.0	Jun-21	Completed
IS	I	INV-2020-03	5.0	40.0	40.0	0.0	0%		41.0	-1.0	Jul-20	Completed
IS	I	INV-2021-03	5.0	0.0	25.0	25.0	100%	3	21.0	4.0	Jun-21	Completed
IS	M	Enterprise Risk Assessment	5.0	35.0	35.0	0.0	0%		31.0	4.0	Jan-21	Completed
IS	P	QAR Self Assessment	5.0	60.0	60.0	0.0	0%		50.0	10.0	Jun-21	Completed
IS	R	Campus Safety	5.0	40.0	40.0	0.0	0%		43.0	-3.0	Jul-20	Completed
IS	S	Campus Safety Task Force Recommendations	5.0	40.0	40.0	0.0	0%		39.0	1.0	Sep-20	Completed
IT	S	IAR-NACHA-2020	5.0	60.0	60.0	0.0	0%		59.0	1.0	Dec-20	Completed
SS	R	Workforce Training Hours Controls	5.0	100.0	60.0	-40.0	-40%	3	59.0	1.0	May-21	Completed
SS	R	CCTA Outcome Measure	5.0	0.0	75.0	75.0	100%	2	70.0	5.0	Jun-21	Completed
FM	A	Procurement Card Purchases	3.4	100.0	100.0	0.0	0%		60.0	40.0		In Progress
FM	S	YE Procedures FYE 2021	5.0	15.0	15.0	0.0	0%		18.0	-3.0		In Progress
IS	I	INV-2020-02	5.0	60.0	75.0	15.0	25%	3	70.0	5.0		In Progress
FM	R	CARES Act Funding	5.0	0.0	0.0	0.0	100%	2	0.0	0.0		Removed
IS	I	Unscheduled Investigations	5.0	100.0	0.0	-100.0	-100%	4	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>1050.0</b>	<b>0.0</b>			<b>952.0</b>	<b>98.0</b>		
Estimated Available Audit Hours =				1050.0								
<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 - Added request from TCAT Management and reduced hours for management advisory services. FN2 - Removed request for CARES Act due to delays in guidance and added CCTA Outcome Measure. FN3 - Adjustments to facilitate addition of investigations and other requests.. FN4- Removed placeholder. Hours distributed to items noted in FN3.												

**Cleveland State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	A	Travel	1T	125.0	125.0	0.0	0%		70.5	54.5	Nov-20	Completed
FM	A	Technology Access Fee	1T	120.0	120.0	0.0	0%		94.5	25.5	May-21	Completed
FM	R	Preidents Audit Columbia	5.0	120.0	120.0	0.0	0%		118.5	1.5	Oct-20	Completed
FM	R	Campus Safety and Physical Security	5.0	15.0	15.0	0.0	0%		12.0	3.0	Jul-20	Completed
FM	S	YE Procedures FYE 2021	5.0	10.0	10.0	0.0	0%		8.0	2.0	Jun-21	Completed
FM	S	NACHA 2021	5.0	75.0	75.0	0.0	0%		58.0	17.0	Apr-21	Completed
FM	S	Nursing Adjunct hours	5.0	0.0	100.0	100.0	N/A	1	95.0	5.0	Apr-21	Completed
IA	R	CCTA-Completion	5.0	0.0	175.0	175.0	N/A	1	82.0	93.0	Jun-21	Completed
IS	C	Manger Advisory Services	5.0	50.0	50.0	0.0	0%		37.5	12.5	Jun-21	Completed
IS	F	State Audit\Assist Follow-up	5.0	75.0	75.0	0.0	0%		19.5	55.5	Jun-21	Completed
IS	F	Follow-up Reviews	5.0	75.0	75.0	0.0	0%		34.5	40.5	Jun-21	Completed
IS	I	Unscheduled Investigations	5.0	50.0	50.0	0.0	0%			50.0	Jun-21	Completed
IS	M	Enterprise Risk Assessment	5.0	35.0	35.0	0.0	0%		8.5	26.5	Jan-21	Completed
IS	R	QAR Self Review	5.0	0.0	60.0	60.0	N/A	1	49.5	10.5	Jun-21	Completed
FM	R	CaresAct	5.0	175.0	0.0	-175.0	-100%	1		0.0		Removed
IA	R	Work Force Training Hours	5.0	120.0	0.0	-120.0	-100%	1		0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1045.0</b>	<b>#####</b>	<b>40.0</b>			<b>#####</b>	<b>397.0</b>		

Estimated Available Audit Hours = 1085.0

**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

**Status:**

- Scheduled
- In Progress
- Completed
- Removed

1. Audits postponed or removed from schedule due them being postponed and other required audits being added.
2. Place Holder

**Columbia State Community College  
Year End Status Report  
Fiscal Year Ending June 30, 2021**

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		
AD	F	Foundation Engagement Follow-up	5.0	Jul-20	7.5	1.6	-5.9	-79%	2	1.6	0.0	July 2020	Completed
FM	F	State Audit Findings FU	5.0	Jun-20	0.0	1.6	1.6	100%		1.6	0.0	July 2020	Completed
FM	M	Review Management's Risk Assessment	5.0	Jan-21	22.5	14.0	-8.5	-38%	2	13.8	0.3	January 2021	Completed
FM	S	President's Expense - CISCC	5.0	Oct-20	75.0	66.0	-9.0	-12%	2	66.1	0.0	October 2020	Completed
IA	C	Workforce & Community Development	0.0	Apr-21	0.0	5.0	5.0	0%		5.0	0.0	April 2021	Completed
IA	F	WF/CE IA Engagement Follow-up	5.0	Jul-20	22.5	35.0	12.5	56%	2	34.2	0.9	November 2020	Completed
IS	C	Informal Consulting		Jul-19	75.0	100.0	25.0	33%	2	82.4	17.6	June 2021	Completed
IS	C	Complaint Processing		Aug-20	0.0	4.0	4.0	100%	2	3.50	0.5	August 2020	Completed
IS	C	COVID Value-Added Services		Aug-20	0.0	265.0	265.0	100%	1	261.20	3.8	May 2021	Completed
IS	F	Engagement Follow-up/Monitoring	5.0	Aug-20	60.0	22.5	-37.5	-63%	5	16.6	5.9	Oct, Jan, May	Completed
IS	F	Policy Review Engagement FU	5.0	Jul-20	15.0	36.0	21.0	140%		35.7	0.3	March 2021	Completed
IS	F	Conflict of Interest FU	5.0	Jul-20	0.0	4.0	4.0	100%	4	4.00	0.0	March 2021	Completed
IS	P	Awareness & Education		Dec-20	105.0	30.0	-75.0	-71%	2	28.22	1.8	June 2021	Completed
IS	P	Quality Assurance Review - 3yr		Aug-20	52.5	60.0	7.5	14%	2	62.25	-2.3	March 2021	Completed
IT	F	SWIA LOU Follow-up	5.0	Jul-20	52.5	86.0	33.5	64%	2	86.0	0.0	March 2021	Completed
PP	R	Campus Safety & Security	5.0	Jul-20	37.5	37.5	0.0	0%	2	35.8	1.8	November 2020	Completed
SS	C	Financial Aid 2019	5.0	May-19	0.0	11.0	11.0	100%	6	2.25	8.8	February 2021	Completed
SS	F	Financial Aid (3rd Party Risk Mgmt) IA Engagement FU	5.0	Dec-20	22.5	54.5	32.0	142%	2	54.5	0.0	June 2021	Completed
AT	C	Title IX Gender Equity Assessment	3.5	Aug-20	75.0	52.5	-22.5	-30%	2/10	56.1	-3.6		In Progress
FM	R	State Audit Year End Work	5.0	May-21	22.5	22.5	0.0	0%	10	15.3	7.3		In Progress
IS	P	Data Analytics - QAIP		Nov-20	202.5	74.0	-128.5	-63%	2/9	44.0	30.0		In Progress
SS	R	CCTA-Progression	5.0	Jan-21	52.5	67.3	14.8	28%	3/8	8.3	59.1		In Progress
FM	R	CARES Act Review	5.0	Apr-21	150.0	0.0	-150.0	-100%	7		0.0		Removed
<b>Total Planned Audit Hours:</b>					<b>1050.0</b>	<b>1050.0</b>	<b>0.0</b>			<b>918.1</b>	<b>131.9</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

FN1 - Value-added services during COVID-19  
 FN2 - Adjustments to meet needs of engagements  
 FN3 - Audit Renamed - SWIA changed focus from WFD to Progression; increased audit hours to accommodate new focus  
 FN4 - Separated from Policy Review FU  
 FN5 - Adjusted Follow-up Process; individually listed engagements  
 FN6 - Administratively Close September 2019; document not previously filed with SWIA  
 FN7 - Removed by SWIA  
 FN8 - Start delayed to September 2021  
 FN9 - QAIP Project  
 FN10 - Completed July 2021



**Dyersburg State Community College**  
**Year-End Status Report**  
**Fiscal Year Ended June 30, 2021**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
AT	A	Athletics Eligibility		25.0	50.0	25.0	100%		58.0	-8.0	Jun-21	Completed
FM	R	Year End Bank Confirmations		30.0	30.0	0.0	0%		33.0	-3.0	Jun-21	Completed
IS	C	General Consultation		100.0	90.0	-10.0	-10%		122.0	-32.0	Jun-21	Completed
IS	I	INV 20-02: HR Dept FMLA and Sick Leave		80.0	80.0	0.0	0%		109.0	-29.0	Jun-21	Completed
IS	P	QAR Self Assessment		60.0	106.0	46.0	77%		127.0	-21.0	Jun-21	Completed
IS	M	Risk Assessment		80.0	65.0	-15.0	-19%		65.0	0.0	Dec-20	Completed
IS	F	Follow-up Audits		16.0	6.0	-10.0	-63%		0.0	6.0	Jun-21	Completed
IS	F	Follow-up on Foundation Audit		54.0	54.0	0.0	0%		54.0	0.0	Dec-20	Completed
IS	F	Follow-up on Inv Report of HR Dept		30.0	30.0	0.0	0%		39.0	-9.0	Jun-21	Completed
PP	R	Physical Security/Campus Safety		20.0	42.0	22.0	110%		42.0	0.0	Aug-20	Completed
SS	R	CCTA Completion Audit		0.0	65.0	65.0	100%		145.0	-80.0	Jun-21	Completed
FM	A	Cash Handling		45.0	45.0	0.0	0%		38.0	7.0		In Progress
FM	A	Records Management and Retention		95.0	80.0	-15.0	-16%		33.0	47.0		In Progress
IS	A	Human Resources		65.0	150.0	85.0	131%		97.0	53.0		In Progress
IS	P	PII Review		60.0	90.0	30.0	50%		97.0	-7.0		In Progress
PP	R	Building Security and Keys Audit		110.0	110.0	0.0	0%		32.0	78.0		In Progress
AD	R	Workforce Development Contact Hours		38.0	0.0	-38.0	-100%	1	0.0	0.0		Removed
AT	A	Athletics, Camps, Clinics & Fundraising		65.0	0.0	-65.0	-100%	2	0.0	0.0		Removed
IS	I	Unscheduled Investigations		80.0	0.0	-80.0	-100%	3	0.0	0.0		Removed
SS	R	CARES Act		120.0	0.0	-120.0	-100%	4	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1173.0</b>	<b>1093.0</b>	<b>-80.0</b>			<b>1091.0</b>	<b>2.0</b>		

Estimated Available Audit Hours = 1093.0

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

Scheduled  
 In Progress  
 Completed  
 Removed

FN1- Audit removed at the recommendation of SWIA, will possibly be completed in FY2022.  
 FN2- Audit postponed until FY2022 due to addition of CCTA Completion audit.  
 FN3- Removed placeholder.  
 FN4- Audit postponed until FY2022 at recommendation of SWIA.

**Jackson State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

				Revised to Original				Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
AD	F	Foundation Follow up		140.0	55.0	-85.0	-61%		55.0	0.0	Jan-21	Completed
FM	F	Access and Diversity Follow up		125.0	109.5	-15.5	-12%		109.5	0.0	Oct-20	Completed
FM	F	Payroll Follow up		100.0	115.5	15.5	16%		116.5	-1.0	Aug-20	Completed
FM	R	Year-end Procedures		40.0	40.0	0.0	0%		6.5	33.5	Jun-21	Completed
IS	C	General Consultation		150.0	150.0	0.0	0%		130.5	19.5	Jun-21	Completed
IS	F	Conflict of Interest Follow up		125.0	31.5	-93.5	-75%		31.5	0.0	Sep-20	Completed
IS	F	EMP Follow-up		0.0	20.0	20.0	0%	1	20.0	0.0	Jun-20	Completed
IS	M	Risk Assessment		40.0	101.5	61.5	154%		106.5	-5.0	Jan-21	Completed
IS	P	Quality Assurance Review - Year 3		0.0	150.0	150.0	0%	3	36.0	114.0	Jun-21	Completed
SS	F	Inv 18-03 Follow up		140.0	140.0	0.0	0%		61.0	79.0	Mar-21	Completed
SS	S	Veterans Affairs Student Records		125.0	125.0	0.0	0%		126.5	-1.5	Feb-21	Completed
AT	F	Inv 19-01 Follow up		140.0	140.0	0.0	0%		48.5	91.5		In Progress
IA	F	Workforce Development Follow up		75.0	150.0	75.0	100%		125.5	24.5		In Progress
IA	R	CCTA Element Audit		150.0	150.0	0.0	0%		115.0	35.0		In Progress
IS	M	Business Continuity Plan and Risk Assessments (IT and Financial Aid)		0.0	172.0	172.0	0%	2	101.0	71.0		In progress
IS	I	Unscheduled Investigations and Special Requests		100.0	0.0	-100.0	-100%	2		0.0		Removed
IS	R	CARES Act		200.0	0.0	-200.0	-100%	4		0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1650.0</b>	<b>1650.0</b>	<b>0.0</b>			<b>1189.5</b>	<b>460.5</b>		

Estimated Available Audit Hours = 1650.0

**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: EMP Audit completed in prior fiscal year with time spent on work paper documentation in the current year.  
 FN2: Unscheduled investigation budgeted hours were used to support work on management's Business Continuity Plan and Risk Assessments.  
 FN3: An internal Quality Assurance Audit (QAR) was added as required by TBR/IIA.  
 FN4: CARES Act audit moved to FY 2022.

**Motlow State Community College**  
**Year-End Status Report**  
**Fiscal Year Ended June 30, 2021**

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
AD	F	Follow Up Foundation		40.0	40.0	0.0	0%		32.8	7.2	Jun-21	Completed
AD	I	INV 20-03		50.0	25.0	-25.0	-50%		16.0	9.0	Jun-21	Completed
FM	C	General Consultation		50.0	100.0	50.0	100%		107.2	-7.2	Jun-21	Completed
FM	P	Data Analytics Project		75.0	50.0	-25.0	-33%		17.5	32.5	Jun-21	Completed
FM	R	State Audit Assistance - Yr End		20.0	10.0	-10.0	-50%		9.2	0.8	Jun-21	Completed
IA	M	Risk Assessment		30.0	35.0	5.0	17%		41.6	-6.6	Jan-21	Completed
IS	I	Unscheduled Investigations		50.0	150.0	100.0	200%		177.7	-27.7	Jun-21	Completed
IS	P	IIA Quality Assurance Self-Assessment		20.0	40.0	20.0	100%		27.9	12.1	Jun-21	Completed
SS	F	Follow Up Access and Diversity #2		40.0	85.0	45.0	113%	FN 1	84.9	0.1	Oct-20	Completed
AD	R	Workforce Development and Follow Up		80.0	60.0	-20.0	-25%		39.9	20.1		In Progress
AT	F	Follow Up INV 1604		30.0	30.0	0.0	0%		1.0	29.0		In Progress
AT	F	Follow Up INV 1802		30.0	20.0	-10.0	-33%		17.4	2.6		In Progress
IA	A	Faculty Credentials	5.0	100.0	100.0	0.0	0%		45.1	54.9		In Progress
IS	R	CCTA Audit - Completion		0.0	60.0	60.0	N/A	FN6	74.6	-14.6		In Progress
IT	A	Information Technology - Follow Up		20.0	15.0	-5.0	-25%		10.6	4.4		In Progress
SS	F	Follow Up INV 1801		30.0	120.0	90.0	300%	FN 2	98.7	21.3		In Progress
SS	F	Follow Up Access and Diversity #3		40.0	75.0	35.0	88%	FN5	66.3	8.7		In Progress
FM	R	CARES Funding		125.0	0.0	-125.0	-100%	FN4	0.0	0.0		Removed
IS	A	Compliance - Trainings and Disclosures	4.9	80.0	5.0	-75.0	-94%		0.0	5.0		Removed
PP	R	Security - Physical Observation - Supplemental		75.0	0.0	-75.0	-100%	FN3	3.0	-3.0		Removed
FM	S	President's Expense Review (Special Request)		75.0	40.0	-35.0	-47%		0.0	40.0		Scheduled
SS	A	Admissions & Records	5.0	80.0	80.0	0.0	0%		0.0	80.0		Scheduled
<b>Total Planned Audit Hours:</b>				<b>1140.0</b>	<b>1140.0</b>	<b>0.0</b>			<b>871.4</b>	<b>268.6</b>		

Estimated Available Audit Hours = 1140.0

**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 Access and Diversity Follow Up #2 actual hours exceeded budgeted hours.  
 FN2 Follow Up on INV 1801 has exceeded budgeted hours and is ongoing.  
 FN3 Review by external agency that will cover physical security review  
 FN4 Required TBR audit being rescheduled for next fiscal year  
 FN5 Access and Diversity Follow Up #3 has exceeded budgeted hours and is ongoing.  
 FN6 Audit added as required audit by TBR

**Nashville State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	F	State Audit Follow Up	3.6	37.5	37.5	0.0	0%		37.5	0.0	Apr-21	Completed
IS	C	Consulting Activities	3.0	37.5	37.5	0.0	0%		37.5	0.0	Jun-21	Completed
IS	R	Internal QAR Assessment	3.0	0.0	75.0	75.0	N/A		75.0	0.0	Jun-21	Completed
IT	A	Confidentiality of Student Records	3.9	112.5	112.5	0.0	0%		112.5	0.0	Mar-21	Completed
FM	A	Travel	3.4	75.0	75.0	0.0	0%	2	52.5	22.5		In Progress
FM	A	Purchase Card / Procurement	3.4	112.5	112.5	0.0	0%	2	30.0	82.5		In Progress
FM	A	Payroll/ Time and Leave	3.4	75.0	75.0	0.0	0%	2	30.0	45.0		In Progress
IA	R	CCTA Element (Completion)	3.7	112.5	112.5	0.0	0%	2	75.0	37.5		In Progress
IS	A	Disaster Recovery/Continuity of Operations Plan (COOP)	4.2	75.0	75.0	0.0	0%	2	30.0	45.0		In Progress
AD	F	Foundation Audit Follow Up	3.0	0.0	0.0	0.0	N/A	1	0.0	0.0		Removed
FM	A	Cash Collection	3.3	100.0	0.0	-100.0	-100%	1	0.0	0.0		Removed
FM	R	CARES Act	3.7	112.5	0.0	-112.5	-100%	1	0.0	0.0		Removed
IS	A	Police Department	3.4	100.0	0.0	-100.0	-100%	1	0.0	0.0		Removed
IS	F	Physical Security / Campus Safety Follow Up	4.3	100.0	0.0	-100.0	-100%	1	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>712.5</b>	<b>-337.5</b>			<b>480.0</b>	<b>232.5</b>		
Estimated Available Audit Hours =				1050.0								
<b>Functional Areas:</b>								<b>Status:</b>				
AD - Advancement								Scheduled				
AT - Athletics								In Progress				
AX - Auxiliary								Completed				
FM - Financial Management								Removed				
IA - Instruction & Academic Support												
IS - Institutional Support												
IT - Information Technology												
MC - Marketing and Campus Activities												
PP - Physical Plant												
RS - Research												
SS - Student Services												
FN1 Moved to FY2022												
FN2 Carry forward to FY2022												

**Northeast State Community College  
Year-End Status Report  
Fiscal Year Ending June 30, 2021**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	State Audit Follow-Up	5.0	60.0	100.0	40.0	67%	2	99.5	0.5	Feb-21	Completed
FM	R	State Audit Assistance - Year End	5.0	30.0	30.0	0.0	0%		30.0	0.0	Jun-21	Completed
IS	C	QAR Self-Study	5.0	75.0	75.0	0.0	0%		81.0	-6.0	May-21	Completed
IS	C	Management Advisory Services	5.0	100.0	150.0	50.0	50%	3	160.5	-10.5	Jun-21	Completed
IS	F	Other Audit Follow-Up	5.0	50.0	50.0	0.0	0%		40.5	9.5	Jun-21	Completed
IS	M	Risk Assessment	5.0	50.0	50.0	0.0	0%		51.0	-1.0	Jan-21	Completed
IS	R	Campus Safety	5.0	50.0	50.0	0.0	0%		53.5	-3.5	Sep-20	Completed
IS	S	Special Requests and Projects	5.0	100.0	100.0	0.0	0%		109.0	-9.0	Jun-21	Completed
IT	S	Access Termination	5.0	35.0	83.0	48.0	137%	2	89.5	-6.5	Jan-21	Completed
SS	R	Complete College Tennessee Act: Completion	5.0	0.0	100.0	100.0	100%		105	-5.0	Jun-21	Completed
FM	A	NorCard Procurement Cards	5.0	75.0	150.0	75.0	100%	2	124.0	26.0		In Progress
IS	S	Gramm Leach Bliley Act Program	5.0	100.0	125.0	25.0	25%	2	89.5	35.5		In Progress
FM	R	CARES Act Funding Audit	5.0	150.0	0.0	-150.0	-100%	1	0.0	0.0		Removed
IS	I	Unscheduled Investigations	5.0	100.0	0.0	-100.0	-100%	3	0.0	0.0		Removed
SS	R	Workforce Development Training Hours	5.0	75.0	2.0	-73.0	-97%	1	2.0	0.0		Removed

**Total Planned Audit Hours:                    1050.0      1065.0            15.0    1035.0      30.0**

Estimated Available Audit Hours =      1065.0

**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: Removed by TBR. Hours allocated to expand the scopes of other projects.

Footnote 2: Hours increased due to complexity

Footnote 3: Hours reallocated to/from other projects

**Pellissippi State  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
AD	C	Advancement Management Advisory Services, Consultation, etc.	5.0	52.5	52.5	0.0	0%		22.0	30.5	Jun-21	Completed
FM	C	Finance Management Advisory Services, Consultation, etc.	5.0	37.5	37.5	0.0	0%		37.0	0.5	Jun-21	Completed
FM	F	Audit Follow-Ups	5.0	15.0	15.0	0.0	0%		33.5	-18.5	Jun-21	Completed
FM	R	Year End Inventory & Cash Counts	5.0	15.0	15.0	0.0	0%		5.0	10.0	Jun-21	Completed
IA	S	Faculty Credentials	5.0	105.0	105.0	0.0	0%		91.5	13.5	Jan-21	Completed
IA	S	Review of Compliance Assist	5.0	37.5	37.5	0.0	0%		37.5	0.0	Mar-21	Completed
IS	C	Institutional Support Management Advisory Services, Consultation, etc. (includes Covid-19 MAS)	5.0	445.0	445.0	0.0	0%		355.0	90.0	Jun-21	Completed
IS	I	Unauthorized Change to Bank Routing and ACH Information	5.0	30.0	150.0	120.0	400%	FN1	142.5	7.5	Nov-20	Completed
IS	M	Risk Assessment	5.0	22.5	22.5	0.0	0%		25.0	-2.5	Jan-21	Completed
IS	R	Funding Formula - Completion	5.0	75.0	120.0	45.0	60%	FN6	89.0	31.0	Jun-21	Completed
IS	R	QAR Self Assessment	5.0	75.0	75.0	0.0	0%		65.0	10.0	Nov-20	Completed
IT	A	Computer Center - Physical Security	3.5	202.5	202.5	0.0	0%		201.0	1.5	Jun-21	Completed
IT	A	Vulnerability Assessment - Print Servers	3.5	187.5	210.0	22.5	12%		211.0	-1.0	Oct-20	Completed
IT	A	Vulnerability Assessment - BDMS (scanned documents from Finance, HR and Student)	3.5	187.5	187.5	0.0	0%		184.0	3.5	Mar-21	Completed
IT	A	Vulnerability Assessment - PSDB (store degree works data and Luminis Information)	3.4	187.5	187.5	0.0	0%		167.0	20.5	Jun-21	Completed
IT	C	IT Audit Management Advisory Service - Phishing Campaign	5.0	52.5	202.5	150.0	286%	FN4	173.0	29.5	Jun-21	Completed
IT	C	IT Audit Management Advisory Service - General Security Review	5.0	165.0	165.0	0.0	0%		191.5	-26.5	Jun-21	Completed
IT	C	IT Audit Management Advisory Service - PCI & ACH Review	5.0	150.0	100.0	-50.0	-33%	FN3	103.5	-3.5	Jun-21	Completed
IT	S	Vulnerability Assessment - Electronic Key System	5.0	187.5	187.5	0.0	0%		164.0	23.5	Dec-20	Completed
IS	R	Cares Act Funding	5.0	200.0	0.0	-200.0	-100%	FN5	0.0	0.0	Removed	Removed
IT	A	Computer Center - Disaster Recovery	3.6	112.5	0.0	-112.5	-100%	FN2	0.0	0.0	Removed	Removed
<b>Total Planned Audit Hours:</b>				<b>2542.5</b>	<b>2517.5</b>	<b>-25.0</b>			<b>2298.0</b>	<b>219.5</b>		
Estimated Available Audit Hours =				2515.0								

**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** - Item was originally place holder for unplanned investigation. Item listed occurred in August of 2020 and was joint investigation with the Information Services Division of the College. College policy requires that Chief Information Officer be the lead investigator on this type of review therefore an internal audit report on this will not be issued.

**FN2** - This audit was removed from the audit plan because of the amount of time spent reviewing unauthorized changes made to payroll bank routing and ACH information.

**FN3** - Planned hours were reduced because office has received fewer request for assistance from Bursars office than in the past.

**FN4** - This originally started out as IT Audit Management Advisory Service related to building security. However, due to limited building access in FY21 it was changed to a Phishing Campaign. This campaign was coordinated with the Network and Technical Services Department of the college and involved internal audit designing the campaign as well as implementing the campaign. Prior to conducting the campaign extensive testing was performed by internal audit as well as Network and Technical Services. Because this was the first campaign conducted extra time was required to design, test and determine proper deployment techniques.

**FN5** - This audit was removed from the audit plan because federal guidance related to it had not been finalized as of April of 2021. Since complete guidance was not available at this time it was determined by the Tennessee Board of Regents that this audit would be postponed.

**FN6** - Audit was changed from funding formula workforce development to completion so hours were increased to reflect approximate time this audit took the last time it was completed.

**Roane State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	F	State Audit Follow-up	5.0	52.5	52.5	0.0	0%		37.5	15.0	Jun-21	Completed
FM	F	IAR Audit Follow-up	5.0	70.0	70.0	0.0	0%		60.0	10.0	Jun-21	Completed
FM	I	Unscheduled Investigations	5.0	90.0	90.0	0.0	0%		0.0	90.0	Jun-21	Completed
FM	R	Year End Cash Counts	5.0	45.0	45.0	0.0	0%		30.0	15.0	Jun-21	Completed
FM	R	President's Expense - PSTCC	5.0	60.0	60.0	0.0	0%		60.0	0.0	Nov-20	Completed
IS	C	Management Advisory Services	5.0	142.5	142.5	0.0	0%		122.5	20.0	Jun-21	Completed
IS	M	Enterprise Risk Assessment	5.0	75.0	40.0	-35.0	-47%	4	40.0	0.0	Jan-21	Completed
IS	R	QAR - Self-Review	5.0	22.5	22.5	0.0	0%		22.5	0.0	Jul-21	Completed
AX	S	Foundation - Restricted Funds	4.1	80.0	110.0	30.0	38%	8	75.0	35.0		In Progress
AX	S	Foundation - Data Security Consulting	5.0	0.0	100.0	100.0	N/A	3	110.0	-10.0		In Progress
FM	A	Grants	3.4	75.0	85.0	10.0	13%	9	75.0	10.0		In Progress
IA	S	Nursing Program Review	5.0	0.0	140.0	140.0	N/A	1	124.5	15.5		In Progress
IS	A	Sick Leave Bank	3.5	22.5	32.5	10.0	44%	7	25.0	7.5		In Progress
IS	R	Campus Safety & Security	5.0	0.0	22.5	22.5	N/A		20.0	2.5		In Progress
SS	R	Workforce Development	5.0	75.0	37.5	-37.5	-50%	6	35.0	2.5		In Progress
FM	R	CARES Act	5.0	75.0	0.0	-75.0	-100%	5	0.0	0.0		Removed
IA	A	International Education	3.4	60.0	0.0	-60.0	-100%	2	0.0	0.0		Removed
IA	S	Healthcare Programs Admissions	4.0	105.0	0.0	-105.0	-100%	1	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>1050.0</b>	<b>0.0</b>			<b>837.0</b>	<b>213.0</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

- 1 Added Nursing Program Review at Management's Request and removed Healthcare Admissions.
- 2 Removed International Education Audit ue to trip cancellations Related to Covid
- 3 Added Foundation Data Security Consulting Review and increased hours
- 4 Moved additional hours from Enterprise Risk Assessment to Nursing Program Review
- 5 Removed the CARES Act Audit to be scheduled next fiscal year
- 6 Reduction in scope of Workforce Development audit (CCTA Completion Audit)
- 7 Added hours due to difficulty in obtaining information
- 8 Added hours due to complexity of Foundation donor agreements
- 9 Added hours due to complexity of grant documents

**Southwest Tennessee Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	A	IAR-Cash Count		37.5	7.5	-30.0	-80%		7.5	0.0	Jun-21	Completed
FM	F	FU-State Audit		90.0	74.5	-15.5	-17%		74.5	0.0	Apr-21	Completed
FM	F	FU-IT Audit		20.0	36.0	16.0	80%		36.0	0.0	Dec-20	Completed
FM	P	ACM-Audit Software		60.0	60.0	0.0	0%		60.0	0.0	Jun-21	Completed
FM	R	IAR-President Audit		0.0	80.5	80.5	N/A		80.5	0.0	Oct-20	Completed
FM	S	Review of Accounts Payable Vendors		97.5	89.5	-8.0	-8%		89.5	0.0	May-21	Completed
FM	S	Review of Ghost Employees		87.5	153.5	66.0	75%		153.5	0.0	Jun-21	Completed
FU	R	FU-Foundation Audit		22.5	19.5	-3.0	-13%		19.5	0.0	Apr-21	Completed
FU	S	FU-Time Sheet Preparation		22.5	54.5	32.0	142%		54.5	0.0	Dec-20	Completed
IA	I	INV-21-01 Abuse of Power		0.0	48.0	48.0	N/A		48.0	0.0	Sep-20	Completed
IA	I	INV 21-02 Digital Learning Guidelines		0.0	22.5	22.5	N/A		22.5	0.0	Sep-20	Completed
IS	A	IAR Risk Assessment		34.5	17.0	-17.5	-51%		17.0	0.0	Jan-21	Completed
IS	P	QAIR Report		0.0	19.5	19.5	N/A		19.5	0.0	Jun-21	Completed
IS	R	Campus Safety Audit		97.5	171.0	73.5	75%		171.0	0.0	Dec-20	Completed
SS	C	IAR-General Consultant		82.5	83.5	1.0	1%		83.5	0.0	Jun-21	Completed
SS	R	CCTA Outcome		0.0	35.5	35.5	N/A		35.5	0.0	Jun-21	Completed
FM	I	INV-Investigation of Clubs		45.5	151.5	106.0	233%		151.5	0.0		In Progress
PP	I	Inv-Employee Over Paid		0.0	7.5	7.5	N/A		7.5	0.0		In Progress
FM	F	FU-Whitehaven Federal Work Study		45.0	2.5	-42.5	-94%	Fn2	2.5	0.0		Removed
FM	I	Unscheduled Investigation		62.5	0.0	-62.5	-100%	Fn4	0.0	0.0	Jun-21	Removed
FM	I	INV-Investigation of Cafeteria		35.0	0.0	-35.0	-100%	Fn3	0.0	0.0		Removed
FM	R	Cares Act		0.0	0.0	0.0	N/A	Fn1	0.0	0.0		Removed
FM	S	Review of Driver License		97.5	0.0	-97.5	-100%	Fn3	0.0	0.0		Removed
IS	F	FU-Internal Audit Follow Up		15.0	0.0	-15.0	-100%	Fn4	0.0	0.0	Jun-21	Removed
SS	R	Workforce Development Audit		97.5	2.0	-95.5	-98%	Fn1	2.0	0.0		Removed
SS	S	Out of State Tuition		97.5	0.0	-97.5	-100%	Fn3	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1147.5</b>	<b>1136.0</b>	<b>-11.5</b>			<b>1136.0</b>	<b>0.0</b>		

Estimated Available Audit Hours = 1136.0

**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

**Status:**

- Scheduled
- In Progress
- Completed
- Removed

FN1: Workforce Development was removed from the audit plan and the Care Act was scheduled for audit.  
 FN2: Work Study funds were transferred to the Federal Supplemental Educational Opportunity Grands funds.  
 FN3: Moved to the FY22 Plan.  
 FN4: Removed placeholder.



**Volunteer State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	State Audit Year-End Work	5.0	40.0	40.0	0.0	0%		25.5	14.5	Jun-21	Completed
IS	C	General Consultation	5.0	75.0	75.0	0.0	0%		48.0	27.0	Jun-21	Completed
IS	M	Management Risk Assessment	5.0	40.0	95.0	55.0	138%		95.0	0.0	Jan-21	Completed
IS	P	IIA QAIP Self Assessment	5.0	100.0	100.0	0.0	0%		106.5	-6.5	Apr-21	Completed
IS	R	Security Funding Allocation	5.0	100.0	30.0	-70.0	-70%		29.5	0.5	Jul-20	Completed
IS	R	Follow-up Activities	5.0	50.0	50.0	0.0	0%		5.5	44.5	Jun-21	Completed
SS	S	Work Component Financial Aid	8.5	175.0	460.0	285.0	163%	(1)	460.5	-0.5	Mar-21	Completed
IA	R	CCTA Funding Formula Elements	7.4	200.0	200.0	0.0	0%		108.5	91.5		In Progress
FM	A	Cash Receipts	4.7	175.0	0.0	-175.0	-100%	(4)	0.0	0.0		Removed
IS	I	Unscheduled Investigations	5.0	40.0	0.0	-40.0	-100%	(3)	0.0	0.0		Removed
IS	R	CARES Act	5.0	175.0	0.0	-175.0	-100%	(2)	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1170.0</b>	<b>1050.0</b>	<b>-120.0</b>			<b>879.0</b>	<b>171.0</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) Audit was expanded to include scholarships with a work component instead of only the federal work study program.  
 Footnote (2) Audit was postponed by TBR SWIA.  
 Footnote (3) There were no unscheduled investigations in FY 2021.  
 Footnote (4) Audit will be included in the FY 2022 audit plan.

**Walters State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	S	YE Procedures FYE 2020	5.0	22.5	22.5	0.0	0%		22.5	0.0	Jul-20	Completed
IS	I	Unscheduled Investigations	5.0	105.0	105.0	0.0	0%		82.5	22.5	Jun-21	Completed
IS	C	Management Advisory Services/Consulting	5.0	300.0	275.0	-25.0	-8%		277.5	-2.5	Jun-21	Completed
IS	M	WSCC Risk Assessment - Student Success	5.0	22.5	22.5	0.0	0%	3	22.5	0.0	Dec-20	Completed
IS	P	IAR-QAR Self & External	5.0	22.5	37.5	15.0	67%		37.5	0.0	Jun-21	Completed
IS	R	IAR-NeSCC President's Expenses Audit 2021	5.0	90.0	90.0	0.0	0%		90.0	0.0	Oct-20	Completed
IT	S	IAR-NACHA-2021	5.0	75.5	105.0	29.5	39%		105.0	0.0	May-21	Completed
SS	R	IAR-CCTA-Completion	5.0	0.0	82.5	82.5	N/A	2	82.5	0.0	Jun-21	Completed
IT	A	IT Governance	5.0	105.0	105.0	0.0	0%		40.0	65.0		In Progress
FM	A	Accounts Receivable	5.0	45.0	62.0	17.0	38%		45.0	17.0		In Progress
FM	S	YE Procedures FYE 2021	5.0	22.5	22.5	0.0	0%		15.0	7.5		In Progress
IS	R	IAR-CARES Act Review 2021	5.0	40.0	80.0	40.0	100%		30.0	50.0		In Progress
FM	F	State Audit Assist/Follow-up	5.0	12.0	0.0	-12.0	-100%	1	0.0	0.0		Removed
IS	M	WSCC IET and Fin Aid Risk Assessments	5.0	37.5	0.0	-37.5	-100%		0.0	0.0		Removed
IS	M	WSCC Enterprise-wide Risk Assessment	5.0	22.5	0.0	-22.5	-100%	3	0.0	0.0		Removed
SS	F	IAR-FU-CCTA-Workforce Training Hours 2019	5.0	22.5	0.0	-22.5	-100%	2	0.0	0.0		Removed
SS	R	IAR-CCTA-Workforce Training Hours 2021	5.0	105.0	30.0	-75.0	-71%	2	30.0	0.0		Removed

**Total Planned Audit Hours: 1050.0      1039.5      -10.5      880.0      159.5**

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

- 1 - Since State Audit issued no findings with respect to the bi-annual audit of WSCC, no State Audit follow-up is needed.
- 2 - IAR-CCTA-Workforce Training Hours was initially deferred and then tabled indefinitely, ultimately being replaced by IAR-CCTA-Progression 2021.
- 3 - The Enterprise-side Risk Assessment was performed as an inherent part of the Student Success Risk Assessment.

**Tennessee Board of Regents - Investigations  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
AT	S	INV TBR 21-03		0.0	75.0	75.0	N/A		75.0	0.0	Dec-20	Completed
FM	I	INV TBR 21-01		0.0	187.5	187.5	N/A		187.5	0.0	Mar-21	Completed
IS	C	Consultation with Campus Auditors		200.0	68.5	-131.5	-66%		68.5	0.0	Jun-21	Completed
IS	I	State Audit Follow-up for TBR		75.0	10.0	-65.0	-87%		10.0	0.0	Jun-21	Completed
IS	I	INV TBR 20-03		75.0	41.5	-33.5	-45%		41.5	0.0	Sep-20	Completed
IS	I	INV TBR 20-04		75.0	21.0	-54.0	-72%		21.0	0.0	Sep-20	Completed
IS	O	INV TBR 21-02		0.0	75.0	75.0	N/A		75.0	0.0	Dec-20	Completed
IS	P	Investigation Management		200.0	300.0	100.0	50%		300.0	0.0	Jun-21	Completed
FM	I	INV TBR 21-06		0.0	37.5	37.5	N/A		37.5	0.0		In Progress
IS	S	INV TBR 21-04		0.0	75.0	75.0	N/A		75.0	0.0		In Progress
PP	I	INV TBR 21-05		0.0	150.0	150.0	N/A		150.0	0.0		In Progress
FM	I	Unscheduled Investigations		347.5	0.0	-347.5	-100%	2	0.0	0.0		Removed
FM	I	INV TBR 19-06		20.0	2.0	-18.0	-90%	1	2.0	0.0		Removed
IS	I	INV TBR 19-07		20.0	2.0	-18.0	-90%	1	2.0	0.0		Removed
SS	I	INV TBR 19-03		37.5	5.0	-32.5	-87%	1	5.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>1050.0</b>	<b>0.0</b>			<b>1050.0</b>	<b>0.0</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:**

In Progress  
 Completed  
 Removed

FN 1 - After additional review, deemed not Fraud, Waste, or Abuse and no additional work necessary.

FN 2 - Unscheduled investigation hours moved to investigations as they are opened.

**TBR- Information Systems  
Year-End Status Report  
Fiscal Year Ended June 30, 2021**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IT	R	MSCC Information Security	5	150.0	150.0	0.0	0%		96.0	54.0	Jan-21	Completed
IT	R	NSCC Information Security	5	150.0	150.0	0.0	0%		148.0	2.0	Mar-21	Completed
IT	R	WSCC Information Security	5	150.0	150.0	0.0	0%		117.0	33.0		In Progress
IT	R	RSCC Information Security	5	150.0	150.0	0.0	0%		12.0	138.0		In Progress
IT	R	DSCC Information Security	5	150.0	150.0	0.0	0%		122.0	28.0		In Progress
IT	R	VSCC Information Security	5	150.0	0.0	-150.0	-100%	1	0.0	0.0		Removed
IT	R	CISCC Information Security	5	150.0	0.0	-150.0	-100%	2	0.0	0.0		Removed
IT	R	PSCC Information Security	5	150.0	0.0	-150.0	-100%	3	0.0	0.0		Removed

**Total Planned Audit Hours: 1200.0      750.0      -450.0      495.0      255.0**

Estimated Available Audit Hours = 750.0

**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

**Status:**

- Scheduled
- In Progress
- Completed
- Removed

- FN1- VSCC information security audit was removed due to Azure migration and ongoing state audit.
- FN2- CISCC information security audit was removed due to Azure migration and ongoing state audit.
- FN3- PSCC information security audit was removed due to Azure migration.

**TCAT**  
**Year-End Status Report**  
**Fiscal Year Ended June 30, 2021**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	A	FY 19 TCAT Harriman Security Review	NA	0.0	0.0	0.0	N/A	FN2	12.5	-12.5	9/10/2020	Completed
FM	C	FY 20 TCAT Consultation	NA	200.0	222.5	22.5	11%	FN5	253	-30.5	6/30/2021	Completed
FM	C	FY 20 TCAT Audit Program	NA	75.0	125.0	50.0	67%	FN3	136.5	-11.5	6/30/2021	Completed
FM	C	FY 20 TCAT Year End Procedures	NA	50.0	50.0	0.0	0%		54	-4.0	6/30/2021	Completed
FM	R	FY 20 TCAT Risk Assessment	NA	75.0	100.0	25.0	33%	FN5	134	-34.0	5/7/2021	Completed
FM	R	FY 19 TCAT Elizabethton President's Expense	4.7	37.5	37.5	0.0	0%		50.5	-13.0	5/27/2021	Completed
FM	R	FY 20 TCAT Livingston President's Expense	3.9	37.5	37.5	0.0	0%		39.5	-2.0	3/21/2021	Completed
FM	R	FY 19 TCAT Morristown President's Expense	3.2	15.0	15.0	0.0	0%	FN2	28.5	-13.5	8/10/2020	Completed
FM	R	FY 20 TCAT Crossville President's Expense	3.1	37.5	37.5	0.0	0%		48.5	-11.0	6/7/2021	Completed
FM	R	FY 20 TCAT Shelbyville President's Expense	2.6	22.5	22.5	0.0	0%		44.5	-22.0	3/22/2021	Completed
FM	R	FY 19 TCAT Hartsville President's Expense	1.7	22.5	22.5	0.0	0%		37.5	-15.0	11/4/2020	Completed
FM	R	FY 19 TCAT Athens President's Expense	1.6	22.5	22.5	0.0	0%		37.5	-15.0	12/7/2020	Completed
FM	S	FY 20 TCAT Murfreesboro Controls Review	NA	0.0	37.5	37.5	100%		38	-0.5	5/25/2021	Completed
FM	A	FY 21 TCAT McMinnville Controls Review	5.0	15.0	15.0	0.0	0%	FN1	37.5	-22.5		In Progress
FM	A	FY 20 Nashville-IAE-Equipment/Security Review	4.6	15.0	15.0	0.0	0%	FN1	0	15.0		In Progress
FM	R	FY 20 TCAT Foundation	NA	37.5	37.5	0.0	0%		0	37.5		In Progress
FM	R	FY 20 TCAT Knoxville President's Expense	4.7	37.5	37.5	0.0	0%	FN1	45.5	-8.0		In Progress
FM	R	FY 19 TCAT Murfreesboro President's Expense	4.7	37.5	37.5	0.0	0%	FN1	29.5	8.0		In Progress
FM	R	FY 19 TCAT Nashville President's Expense	4.6	37.5	37.5	0.0	0%	FN1	33	4.5		In Progress
FM	R	FY 19 TCAT Jackson/Whiteville President's Expense	3.7	37.5	37.5	0.0	0%	FN1	38	-0.5		In Progress
FM	R	FY 20 TCAT Hohenwald President's Expense	3.2	37.5	37.5	0.0	0%	FN1	32.5	5.0		In Progress
FM	R	FY 20 TCAT Ripley President's Expense	2.7	22.5	22.5	0.0	0%	FN1	24.5	-2.0		In Progress
FM	R	FY 20 TCAT Pulaski President's Expense	2.7	37.5	62.5	25.0	67%	FN4	46.5	16.0		In Progress
FM	R	FY 20 TCAT Newbern President's Expense	2.6	37.5	37.5	0.0	0%	FN1	25	12.5		In Progress
FM	R	FY 20 TCAT Oneida President's Expense	2.6	22.5	22.5	0.0	0%	FN1	43.5	-21.0		In Progress
FM	R	FY 20 TCAT Crump President's Expense	2.6	37.5	37.5	0.0	0%	FN1	25	12.5		In Progress
FM	R	FY 20 TCAT Jacksboro President's Expense	2.1	22.5	22.5	0.0	0%		26	-3.5		In Progress
FM	A	FY 20 Perkins Audit	NA	100.0	0.0	-100.0	-100%		0	0.0		Removed
FM	A	FY 20 TCAT Dickson SFA Review	2.5	22.5	0.0	-22.5	-100%		0	0.0		Removed
FM	A	FY 21 TCAT Memphis Controls Review	5.0	37.5	0.0	-37.5	-100%	FN1	0	0.0		Removed
FM	R	FY 20 TCAT Chattanooga President's Expense	1.3	22.5	22.5	0.0	0%	FN1	0	22.5		Scheduled
<b>Total Planned Audit Hours:</b>				<b>1212.5</b>	<b>1212.5</b>	<b>0.0</b>			<b>1321.0</b>	<b>-108.5</b>		

**Functional Areas:**

- AD - Advancement
- AT - Athletics
- AX - Auxiliary
- FM - Financial Management
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- IT - Information Technology
- MC - Marketing and Campus Activities
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**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: These audits will be carried forward due to campus access issues  
 FN2: Security Review was added in during the President's Review

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  
 FN5: Additional hours were needed to address questions regarding the new RA format and other items.

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

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

DATE: August 31, 2021

PRESENTER: Mike Batson

ACTION REQUIRED: Roll Call Vote

STAFF'S  
RECOMMENDATION: Approve

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**BACKGROUND INFORMATION:**

The Audit Committee Charter is reviewed annually, as required by the charter, to consider any needed revisions. Upon approval of any changes by the Audit Committee and Board, the charter is submitted to the Comptroller of the Treasury for review and approval. The Audit Committee Charter was last revised by the Audit Committee on September 1, 2020, and subsequently approved by the Comptroller of the Treasury.

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

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

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

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

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

### **Purpose**

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

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

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

### **Audit Standards**

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

### **Authority and Scope**

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



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

### **Organization and Reporting Structure**

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

### **Role and Responsibilities**

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

#### Tennessee Comptroller of the Treasury Audits

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

#### External Audits

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

#### Internal Audit Activities

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

#### Internal Audit Administration

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

#### Risk, Internal Control and Compliance

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

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

#### Fraud

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

#### Other

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

### **Membership**

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

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

## **Independence**

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

## **Education**

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

## **Meetings**

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

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

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

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**Source: Committee on Audit Meeting, November 23, 2004; Committee on Audit Meeting, June 29, 2006; Committee on Audit Meeting, September 11, 2007; Committee on Audit Meeting, November 17, 2009; Committee on Audit Meeting, November 16, 2010; Committee on Audit Meeting, November 25, 2014; Committee on Audit Meeting, November 15, 2016; Committee on Audit Meeting, November 13, 2018; Committee on Audit Meeting, September 1, 2020.**

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

<i>Responsibilities for Governance and Oversight</i>		
	<b>Performed</b>	<b>Requirement</b>
A standing committee of the Board to meet as necessary, but at least annually.	Quarterly	S/C
Assist the Board by providing oversight and accountability on financial reporting and related disclosures, internal controls, and all other aspects of operations.	Ongoing	S/G/C
Maintain independence to avoid even the appearance of a conflict that would interfere with independent judgment (annual disclosure).	Ongoing	S/C
Review and assess the adequacy of the Audit Committee charter. Obtain approval of the Board and Comptroller.	Annually	S/G/C
<i>Responsibilities for Internal Audit Activities</i>		
Review and approve the charter of the System-wide Internal Audit (SWIA) and campus internal audit functions.	Annually	S/G/C
Provide a process for confidential complaints of suspected fraud, waste, or abuse.	Ongoing	S/G/C
Review and approve the annual and revised audit plans of SWIA and campus audit functions, including management requests for unplanned assignments.	Annually / Quarterly	C/P
Facilitate audits and investigations from initiation to resolution, including advising auditors of pertinent information received.	Ongoing	S/G/C
Review reports and audits of expenses of the chancellor and presidents.	Annually	S/P
Review significant results of internal audit work performed.	Quarterly	C
Review the internal auditor's report of audit activity at least annually.	Annually	S/C/P
Review reports on the internal audit function's quality assurance and improvement program to monitor and ensure compliance with the IIA <i>Standards</i> .	Annually	S/C/P
<i>Responsibilities for External Audit Activities</i>		
Review results of the Comptroller's audits of financial statements and other matters.	Quarterly	S/C
Meet with the Comptroller or State auditors upon request.	As Needed	S/C
Review significant results of any external auditors or regulators.	As Needed	C
<i>Responsibilities for Management's Control Activities</i>		
Review and evaluate management's assessment of risk and fraud, assuring internal controls are in place to mitigate significant risks.	Annually	S/C/G/P
Reiterate to the Board, management, and staff their responsibility for preventing, detecting, and reporting fraud, waste, and abuse.	Annually	S/G/C
Promptly notify the Comptroller of the Treasury of any indications of fraud.	As Needed	S/G/C
Review with management and general counsel any legal matters (including pending litigation) that may have a material impact on the financial statements, and any material reports or inquiries from regulatory or governmental agencies.	As Needed	S/C
Review the Board's policies regarding employee conduct to ensure they are available to all employees, easy to understand and implement, enforced and provide a confidential means of reporting violations.	As Needed	G/C
Review the Board's policy regarding conflict of interest to ensure that it is clearly defined and comprehensive and conflicts are adequately resolved and documented.	As Needed	G/C
<i>Responsibilities for Internal Audit Personnel and Resources</i>		
Employ a qualified internal auditor (CAE) reporting directly to the audit committee and Board, removable only for cause by a majority vote of the Board.	Ongoing	S/C/P
Review CAE's administrative reporting relationship to assure independence and adequate budget and staff resources to perform duties effectively.	Annually	C
Review and approve appointment, compensation, reassignment, or dismissal of CAE.	Annually	S/C/P
Review and approve compensation or termination of system office internal auditors.	Annually	C/P
Review compensation of campus internal auditors. Review and approve termination of campus internal auditors.	Annually	S/C/P
<b>Legend:</b>		
S – State Statute	P – TBR Internal Audit Policy, 4-01-05-00	
C – TBR Audit Committee Charter	G – Guidance for Audit Committees by Comptroller 138	

*Tennessee Board of Regents  
Audit Committee Meeting – August 31, 2021  
Summary of International Standards for the Professional Practice  
of Internal Auditing (Standards)*

**Attribute Standards (1100 – 1300)**

**1000 – Purpose, Authority, and Responsibility**

The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *Standards*, and the Definition of Internal Auditing). The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

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

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

**1100 – Independence and Objectivity**

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

*1110 – Organizational Independence*

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

*1111 – Direct Interaction with the Board*

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

*1112 – Chief Audit Executive Roles Beyond Internal Auditing*

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

*1120 – Individual Objectivity*

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

1130 – Impairment to Independence or Objectivity

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

**1200 – Proficiency and Due Professional Care**

Engagements must be performed with proficiency and due professional care.

1210 – Proficiency

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

1220 – Due Professional Care

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

1230 – Continuing Professional Development

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

**1300 – Quality Assurance and Improvement Program**

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

1310 – Requirements of the Quality Assurance and Improvement Program

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

1311 – Internal Assessments

*Internal assessments must include:*

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

1312 – External Assessments

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

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

1320 – Reporting on the Quality Assurance and Improvement Program

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



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

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

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

1322 – Disclosure of Nonconformance

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

**Performance Standards (2000 – 2600)**

**2000 – Managing the Internal Audit Activity**

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

2010 – Planning

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

2020 – Communication and Approval

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

2030 – Resource Management

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

2040 – Policies and Procedures

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

2050 – Coordination and Reliance

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

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

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

2070 – External Service Provider and Organizational Responsibility for Internal Auditing  
*When an external service provider serves as the internal audit activity, the provider must make the organization aware that the organization has the responsibility for maintaining an effective internal audit activity.*

## **2100 – Nature of Work**

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

### 2110 – Governance

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

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

### 2120 – Risk Management

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

### 2130 – Control

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

## **2200 – Engagement Planning**

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

### 2201 – Planning Considerations

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

- *The strategies and objectives of the activity being reviewed and the means by which*

*the activity controls its performance.*

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

#### 2210 – Engagement Objectives

*Objectives must be established for each engagement.*

#### 2220 – Engagement Scope

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

#### 2230 – Engagement Resource Allocation

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

#### 2240 – Engagement Work Program

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

### **2300 – Performing the Engagement**

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

#### 2310 – Identifying Information

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

#### 2320 – Analysis and Evaluation

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

#### 2330 – Documenting Information

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

#### 2340 – Engagement Supervision

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

### **2400 – Communicating Results**

Internal auditors must communicate the results of engagements.

2410 – Criteria for Communicating

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

2420 – Quality of Communications

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

2421 – Errors and Omissions

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

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

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

2431 – Engagement Disclosure of Nonconformance

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

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

2440 – Disseminating Results

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

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

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

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

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

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

### 2450 – Overall Opinions

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

### **2500 – Monitoring Progress**

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

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

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

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

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

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Internal Quality Assurance Self-Assessment

DATE: August 31, 2021

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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**BACKGROUND INFORMATION:**

The Committee will review the results of the recent internal quality assurance reviews (QAR) performed as a self-assessment by each of the internal audit offices in the system. The self-assessments were performed as part of the system-wide audit function's quality assurance and improvement program (QAIP). Independent, external assessments are required every five years; the Tennessee Board of Regents system's last external assessment was completed in December 2018; the next external assessment is due in 2023. A summary of the key results from the internal assessments is included, followed by the report from each office.

**Quality Assurance and Improvement Program (QAIP)**

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

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

### ***Internal Assessments***

Internal quality assurance reviews or self-assessments are performed periodically by internal audit staff and may include:

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

### ***External Assessments***

External quality assurance reviews are performed by a qualified, independent reviewer or team and must include either:

- An external review of the audit function to determine conformance with the IIA *Standards, Definition of Internal Auditing* and *Code of Ethics*, or
- An external validation of a self-assessment, which would include sufficient reviews by the external reviewer to validate the self-assessment or propose an alternative report.

**Tennessee Board of Regents**  
**System-wide Internal Audit**  
**Summary of Internal Quality Assurance Reviews**  
**2021**

The internal audit offices within the Tennessee Board of Regents system conducted an Internal Quality Assurance Review (QAR), a self-assessment, of the internal audit activity in 2021. As part of System-wide Internal Audit's Quality Assurance and Improvement Program, the principal objective of the self-assessments was to determine the internal audit activity's overall conformity to The Institute of Internal Auditors' (The IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, the *Definition of Internal Auditing* and the *Code of Ethics*.

The overall opinion is that the Tennessee Board of Regents internal audit activity Generally Conforms to The IIA's *Standards, Definition of Internal Auditing, and Code of Ethics*. The internal audit activity is well-structured and progressive, and audit management is endeavoring to provide useful audit tools and implement appropriate practices. The report for each institution is included following this summary report.

**Observations**

The concept of general conformance to the IIA *Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This summary contains a number of observations that should not be taken collectively to undermine the overall conclusion. Among the opportunities noted in these reports, the following stand out as the most significant in relation to the IIA *Standards* or have the highest potential to improve the program.

*Standard 1200 – Proficiency and Due Professional Care*

Increase access to and experience with technology-based audit tools to enhance the value and efficiency of the internal audit function. Data analysis can be used to test a wider range of a given population and can be more effective than the limited sample size testing normally used in audit engagements. It is recommended that the internal audit consider the use of technology-based audit and other data analysis techniques in conducting risk analysis, planning, and execution of all engagements.

*Standard 1300 – Quality Assurance and Improvement Program*

It is recommended that the internal audit activity expand ongoing monitoring by obtaining feedback from audit customers and other stakeholders through surveys to assess effectiveness and opportunities for improvement.

*Standard 2000 – Managing the Internal Audit Activity*

Improve the risk assessment process supporting the annual audit plan.



*Standard 2060 – Reporting to Senior Management and the Board*

Compliance with this standard could be enhanced by the Director of Internal Audit presenting periodically at the monthly staff updates and by requesting to present at least annually to the President's Cabinet to provide updates on audit issues and to address any questions or concerns.

*Standard 2100 – Nature of Work*

The Office of Internal Audit can help improve the College's governance processes by proactively raising awareness of internal controls and risk management throughout the College.

*Standard 2110 – Governance*

Obtain a better understanding of the institution's technology governance, and the institution's ethics objectives, programs, and activities.

*Standard 2340 – Engagement Supervision*

The Chief Audit Executive (CAE) reviews the work papers and reports for the Systemwide Internal Audit staff. This includes email comments, editing reports and notes, and work paper comments. However, the CAE has initiated a review of this process to provide more standardized review documentation.

*Standard 2420 – Quality of Communications*

Internal audit should strive to perform and complete audit engagements and to communicate those results timelier to allow management to take the necessary corrective actions. Timely communications are opportune and expedient, depending on the significance of the issue, allowing management to take appropriate corrective action in a timely manner. The internal audit activity should continue to seek process adjustments that lead to increased timeliness of audit feedback and reports.

*Standard 2500 – Monitoring Progress:*

The Office of Internal Audit should develop a timeline to monitor management's corrective actions and conduct regular follow-ups with management.

# Chattanooga State

Office of Internal Audit

Report on Quality Self-Assessment Review

June 2021



**Internal Audit Department**  
4501 Amnicola Highway • Chattanooga, TN 37406  
423.697.4400 • [www.chattanoogastate.edu](http://www.chattanoogastate.edu)

June 28, 2021

Dear Dr. Ashford:

In accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, issued by the Institute of Internal Auditors (IIA), as well as the *IIA Definition of Internal Auditing* and *Code Ethics*, we implemented a Quality Assurance and Improvement Program for the Office of Internal Audit. As required by the *Standards*, this program must include periodic external reviews and internal self-assessments, as well as ongoing internal monitoring covering all aspects of the internal audit activity.

Periodic self-assessments are designed to assess the audit activity's conformance with the *Standards*, *Definition of Internal Auditing*, and *Code of Ethics* and to assess the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders. Ongoing monitoring of internal audit activities are performed as part of the policies and practices of our office. Our Quality Assurance and Improvement Program requires an internal review be performed between external reviews.

This report is to inform you of the results of a recent internal review, a periodic self-assessment was performed as part of the quality assurance program. The review was performed in May and June of 2021 to determine if the internal audit activity is in conformance with the IIA requirements. The results of our assessment indicate we overall generally conform to the *Standards*, *Definition of Internal Auditing*, and *Code of Ethics*; however, opportunities for improvement were noted. These opportunities are discussed in the report.

The *Standards* require an external quality assurance review performed every five years, the Tennessee Board of Regents Office of System-wide Internal Audit will coordinate the next external quality assurance review for the system in fiscal year 2023.

Please contact me should you have any questions regarding this review.

Sincerely,



Kimberly Clingan  
Director, Internal Audit

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**EXECUTIVE SUMMARY**

<p><b>Key Staff Personnel</b></p>	<p>Chattanooga State Community College Internal Audit</p>	<p><b>Internal Auditor</b></p>	<p>Kimberly Clingan Director, Internal Audit</p>
<p><b>Overall Assessment</b></p>	<p>The Chattanooga State Community College Office of Internal Audit conducted a quality self-assessment of the internal audit activity during May and June 2021. The principal objective of the quality self-assessment was to determine the internal audit activity’s conformity to The Institute of Internal Auditors’ (IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i>, the <i>Definition of Internal Auditing</i>, and the <i>Code of Ethics</i>.</p> <p>The overall opinion is that the Chattanooga State Community College’s internal audit activity generally conforms to The IIA’s <i>Standards</i>, <i>Definition of Internal Auditing</i>, and <i>Code of Ethics</i>. The internal audit activity is well structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.</p> <p>As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and prior self-assessment recommendations.</p>		
<p><b>Opportunity for Continuous Improvement</b></p>	<p>The concept of general conformance to the <i>IIA Standards</i> recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains two opportunities for continuous improvement that should not be taken collectively to undermine the overall conclusion that Chattanooga State Community College’s Internal Audit generally conforms to the <i>Standards</i>.</p> <p><i>Standard 1220.A2 – Due Professional Care:</i> Increase access to and experience with technology based audit tools to enhance the value and efficiency of the internal audit function.</p> <p><i>Standard 2060 – Reporting to Senior Management and the Board:</i> Compliance with this standard could be enhanced by the Director of Internal Audit presenting periodically at the monthly staff updates and by requesting to present at least annually to the President’s Cabinet to provide updates on audit issues and to address any questions or concerns.</p>		

## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by The *IIA Standards*, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states that “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes, and prior self-assessment recommendations.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Chattanooga State Community College’s internal audit activity generally conforms to The IIA’s *Standards, Definition of Internal Auditing, and Code of Ethics*. The internal audit activity is well-structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

For a detailed list of conformance to individual standards, please see Attachment A to the report.

## **OPPORTUNITY FOR CONTINUOUS IMPROVEMENT**

The concept of general conformance to the *IIA Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains two opportunities for continuous improvement that should not be taken collectively to undermine the overall conclusion that Chattanooga State Community College's Internal Audit generally conforms to the *Standards*.

### *Standard 1200.A2 – Due Professional Care – Generally Conforms*

This standard requires the auditor to consider the use of technology based audits and other data analysis in exercising due professional care. The internal auditor considers the use of technology based audit techniques when planning an engagement. However, the availability and proficiency of such techniques have been limited. Increased access to and experience with technology based audit tools would enhance the value and efficiency of the internal audit function.

### *Standard 2060 – Reporting to Senior Management and the Board – Generally Conforms*

This standard requires the campus/system-wide Chief Audit Executive report periodically to senior management on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan, including significant risk exposure and control issues. Including fraud risks, governance issues and other matters needed or requested by senior management. The Director of Internal Audit meets with the college President, serves on the Policy Review Board, and attends monthly staff updates.

Even though the Director of Internal Audit is not a member of the President's Cabinet, the Director can be invited or requested to attend as needed. Impromptu meetings with members of senior management are frequent and welcomed. Compliance with this standard could be enhanced by the Director of Internal Audit presenting periodically at the monthly staff updates and by requesting to present at least annually to the President's Cabinet to provide updates on audit issues and to address any questions or concerns.

**ATTACHMENT A - CONFORMITY WITH THE STANDARDS**

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

PC = **Partially Conforms** and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

DNC = **Does Not Conform** and means deficiencies in practice are judged to be so significant as to seriously impair or preclude IA from performing adequately in all or in significant areas of its responsibilities.

NA = **Not applicable** Standard does not apply.

<i>Attribute Standards</i>		GC	PC	DNC	NA
<u>1000 - Purpose, Authority and Responsibility</u>		X			
<u>1100 - Independence and Objectivity</u>					
1110	Organizational Independence	X			
1111	Direct Interaction with the Board	X			
1120	Individual Objectivity	X			
<u>1130 – Impairments to Independence or Objectivity</u>		X			
<u>1200 - Proficiency and Due Professional Care</u>					
1210	Proficiency	X			
1220	Due Professional Care	X			
1230	Continuing Professional Development	X			
<u>1300 - Quality Assurance Improvement Program</u>					
1310	Quality Program Assessments	X			
1311	Internal Assessments	X			
1312	External Assessments	X			
1320	Reporting on the Quality Program	X			
1321	Use of "Conformity with the Standards"	X			
1322	Disclosure of Noncompliance	X			
<i>Performance Standards</i>					
<u>2000 - Managing the Internal Audit Activity</u>					
2010	Planning	X			
2020	Communication and Approval	X			
2030	Resource Management	X			
2040	Policies and Procedures	X			
2050	Coordination	X			
2060	Reporting to the Board and Senior Management	X			
2070	External Service Provider & Organizational Responsibility				X
<u>2100 - Nature of Work</u>					
2110	Governance	X			
2120	Risk Management	X			
2130	Control	X			
<u>2200 - Engagement Planning</u>					
2201	Planning Considerations	X			
2210	Engagement Objectives	X			
2220	Engagement Scope	X			
2230	Engagement Resource Allocation	X			
2240	Engagement Work Program	X			
<u>2300 - Performing the Engagement</u>					
2310	Identifying Information	X			
2320	Analysis and Evaluation	X			
2330	Documenting Information	X			
2340	Engagement Supervision	X			
<u>2400 - Communicating Results</u>					
2410	Criteria for Communication	X			
2420	Quality of Communications	X			
2421	Errors and Omissions	X			
2440	Disseminating Results	X			
2430	Use of "Conformity with the Standards"	X			
2431	Engagement Disclosure of Noncompliance				X
2450	Overall Opinions	X			
<u>2500 - Monitoring Progress</u>		X			
<u>2600 - Management's Acceptance of Risks</u>		X			



# Cleveland State

## COMMUNITY COLLEGE

*OFFICE OF INTERNAL AUDIT*

*Report on Quality Self-Assessment Review  
June 2021*

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**Cleveland State Community College  
Report on Quality Self-Assessment Review  
June 30, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	Office of Internal Audit	<b>Internal Auditor</b>	Alvin Bishop
<b>Introduction</b>	The Office of Internal Audit is required by the Institute of Internal Auditors' (IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i> to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance to the <i>Standards</i> and the <i>Code of Ethics</i> . To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.		
<b>Objectives</b>	The Office of Internal Audit conducted a quality self-assessment of the internal audit activity. The principal objective of the quality self-assessment is to determine the internal audit activity's conformity to the <i>IIA Standards</i> and the <i>Code of Ethics</i> .		
<b>Conclusion</b>	<p>The overall opinion is that the internal audit activity generally conforms to the <i>IIA Standards</i> and <i>Code of Ethics</i>. The internal audit activity is well-structured and progressive, and audit management is endeavoring to provide useful audit tools and implement appropriate practices. Efforts to conform to the spirit and intent of the <i>IIA Standards</i> are evident.</p> <p>The concept of general conformance to the <i>IIA Standards</i> recognizes that there may still be room for improvement, and quality assurance reviews provide a natural process for identifying these opportunities. These items should not be taken to undermine the overall conclusion that the internal audit activity generally conforms to the <i>Standards</i>. Opportunities noted for improvement include data analysis activities (Standard 1200).</p>		

## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by the Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)* to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance to the *Standards* and the *Code of Ethics*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within the standards are Attribute and Performance standards. The Attribute standards address the characteristics of the personnel conducting internal audit activities, and the Performance standards provide criteria for the internal audit work. The IIA describes that conformance with the *Standards* and the *Code of Ethics* will align the internal audit activity with the *Definition of Internal Auditing* and the *Core Principles for the Professional Practice of Internal Auditing*.”

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The rating definitions used in the self-assessment are described below:

GC – “Generally Conforms” means the evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual *Standards* or element of the *Code of Ethics* in all material respects. Further, general conformance means that there is general conformity to a majority of the individual *Standards* or elements of the *Code of Ethics* and at least partial conformity to the others.

PC – “Partially Conforms” means the evaluator has concluded that the activity is making good-faith efforts to comply with the requirements of the individual *Standards* or element of the *Code of Ethics*, but falls short of achieving some major objectives.

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

Attachment A provides a detailed list of conformance to the individual standards.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the internal audit activity generally conforms to the IIA *Standards* and *Code of Ethics*. The internal audit activity is well-structured and progressive, and audit management is endeavoring to provide useful audit tools and implement appropriate practices. Efforts to conform to the spirit and intent of the IIA *Standards* are evident.

The concept of general conformance to the IIA *Standards* recognizes that there may still be room

for improvement, and quality assurance reviews provide a natural process for identifying these opportunities. These items should not be taken to undermine the overall conclusion that the internal audit activity generally conforms to the *Standards*. Opportunity noted for improvement include data analysis activities (Standard 1200).

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# COLUMBIA STATE COMMUNITY COLLEGE

*Office of Internal Audit*  
*Report on Quality Assurance Self-Assessment*  
*March 2021*



**COLUMBIA**  
**STATE** COMMUNITY  
COLLEGE

***Internal Audit Department***  
**1665 Hampshire Pike • Columbia, TN 38401**  
**931.540.2722 • [www.ColumbiaState.edu](http://www.ColumbiaState.edu)**

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**Restrictions on Report Use:** *The sole intent of this report is the internal use of the Tennessee Board of Regents and Columbia State Community College. The report has no other authorized purpose. Although the report is a matter of public record, Columbia State Community College, Office of Internal Audit must approve distribution of the report to external parties. The external party is required to handle the report in accordance with institutional policies.*

## EXECUTIVE SUMMARY

Columbia State's Office of Internal Audit completed a quality assurance self-assessment of the internal audit activity March 2021. The principal objective of the quality self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (The IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, the *Definition of Internal Auditing* and the *Code of Ethics*.

The overall opinion is that Columbia State's internal audit activity generally conforms to The IIA's *Standards, Definition of Internal Auditing, and Code of Ethics*. The internal audit activity is well structured and progressive, and audit management continues to improve practices and implement efficiencies. [Appendix A – Evaluation of Conformity](#) details conformity by individual standard.

### OBSERVATIONS

The concept of general conformance to the IIA *Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement, and quality assurance reviews provide a natural process for identifying these opportunities. This report contains a number of recommendations that collectively do not undermine the overall conclusion. Among the opportunities noted in this report, the following stand out as most significant in relation to the IIA *Standards* and/or have the highest potential to improve the program.

1. Continue the implementation and improvement of data analysis and computer-aided audit techniques. (Carried forward from June 2016 self-assessment) [Standard 1200 – Proficiency and Due Professional Care – Generally Conforms](#)
2. Improve the risk assessment process supporting the annual audit plan. [Standard 2000 – Managing the Internal Audit Activity – Generally Conforms](#)
3. Obtain a better understanding of the institution's technology governance, and the institution's ethics objectives, programs, and activities. (Carried forward from June 2016 self-assessment) [Standard 2110 – Governance – Partially Conforms](#)
4. Improve the timeliness of engagement communication. (Carried forward from June 2016 self-assessment) [Standard 2400 – Communicating Results – Generally Conforms](#)



## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The IIA *Standards* require an audit activity to have a quality assurance and improvement program, which includes periodic internal and external quality assessments, and ongoing internal monitoring for conformance with the *Standards*. The Tennessee Board of Regents System-Wide Internal Audit *Internal Audit Manual* directs the college internal audit activity to conduct a self-assessment at least twice every five-years, and undergo an external peer review every fifth year.

Adherence to the *Standards* is essential for the professional practice of internal auditing. The IIA states, “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”

## **SELF-ASSESSMENT PERFORMED**

Columbia State’s Office of Internal Audit completed a quality assurance self-assessment of the internal audit activity March 2021. The principal objective of the self-assessment was to determine the internal audit activity’s conformity to The Institute of Internal Auditors’ (The IIA) *International Standards for the Professional Practice of Internal Auditing* (Standards), the *Definition of Internal Auditing* and the *Code of Ethics*.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that Columbia State’s internal audit activity generally conforms to The IIA’s *Standards*, *Definition of Internal Auditing*, and *Code of Ethics*. The internal audit activity is well structured and progressive, and audit management continues to improve practices and implement efficiencies.

## **OBSERVATIONS**

### Conformance Gaps

#### *Standard 2100 – Nature of Work – Generally Conforms*

Standard 2110, *Governance* requires the internal audit activity to “evaluate the design, implementation, and effectiveness of the organization’s ethics-related objectives, programs, and activities” (Standard 2110.A1), and to “assess whether the information technology governance of the organization supports the organization’s strategies and objectives” (Standard 2110.A2).

The internal audit activity has historically relied upon the Tennessee Board of Regents (TBR) System-wide Internal Audit (SWIA) information systems auditor to evaluate technology governance. The internal audit activity considers information technology risks and incorporates appropriate fieldwork when conducting reviews of non-information technology areas. However, considering the speed of information technology and cybersecurity risk, and the college’s dependence on information technology for efficient

and effective operations, the campus auditor could add value to College operations and improve the internal audit activity's conformance through increased coverage of information technology governance.

The auditor has not evaluated the design, implementation, or effectiveness of ethics-related objectives, programs, or activities. To enhance conformance, the audit activity will consider these types of engagements as the risk environment indicates and audit resources allow.

#### *Standard 2300 – Performing the Engagement – Generally Conforms*

Standard 2340, *Engagement Supervision* requires engagements be “properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.”

Full conformance with the standard is difficult due to management of the internal audit activity by a single individual. The internal audit activity incorporates engagement templates and wrap-up checklists, frequent communication with the President, management's direct involvement in report development, and College Cabinet review of reports as compensating controls to support the assessment of general conformance. Additionally, the internal audit activity functionally reports to the Tennessee Board of Regents (TBR) Audit Committee through the Tennessee Board or Regents System-Wide Internal Audit (SWIA). The TBR SWIA Chief Audit Executive directs system-level audit engagements, reviews the campus internal audit activity's official reports prior to submission to the Audit Committee, and serves the internal audit activity as the centralized line of communication with the Audit Committee.

#### Enhancement Opportunities

#### *Standard 1100 – Independence and Objectivity – Generally Conforms*

Standard 1111, *Direct Interaction with the Board* requires the chief audit executive to “communicate and interact directly with the board.”

The internal auditor serves the College as the chief audit executive under the umbrella of the Tennessee Board of Regents (TBR) System-Wide Internal Audit (SWIA) Activity. The SWIA chief executive auditor holds responsibility for direct contact and interaction with the Tennessee Board of Regents and the Audit Committee. At the College level, the internal auditor directly communicates with College Cabinet (the College's Board) as requested by the President and through the internal audit activity reporting and outcomes monitoring processes. The internal audit activity could enhance compliance with this standard by increasing governance, risk, fraud, and ethics communication with College Cabinet.

#### *Standard 1200 – Proficiency and Due Professional Care – Generally Conforms*

Standard 1210, *Proficiency* requires internal auditors have “sufficient knowledge of key information technology (IT) risks and controls and available technology-based audit techniques to perform their assigned work.” Standard 1210.A1 requires internal auditors “have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization...”

The auditor does not have proficiency in all areas of the College's operations, or the College's fraud awareness programs or methods for managing fraud. Columbia State's internal audit activity consists of one auditor, and relies heavily on TBR System-wide Internal Audit to conduct information technology-related engagements. The audit activity has not fully implemented data analysis and computer-aided audit techniques. The internal audit activity can improve effectiveness and efficiency through continued implementation and improvement of data analysis and computer-aided audit techniques, through continued education on IT risks and fraud, and by gaining a better understanding of the College's fraud awareness and management programs.

*Standard 2000 – Managing the Internal Audit Activity – Generally Conforms*

Standard 2010, *Planning* requires the internal auditor plan of engagements be “based on a documented risk assessment, undertaken at least annually”, and consider “input of senior management and the board.”

The internal audit activity seeks input from College Cabinet (College Board) and directly involves the President in the audit planning process. The input is informal and often provides an incomplete perspective of the College's risk profile. A formalized and documented risk profile would enhance the audit planning process and may add value to the College enterprise-risk assessment process.

*Standard 2400 – Communicating Results – Generally Conforms*

Standard 2420, *Quality of Communications* requires audit communication to “be accurate, objective, clear, concise, constructive, complete, and timely.”

The internal audit activity continues to seek process and communication adjustments that lead to increased timeliness of audit feedback and reports.

Enhancements Implemented

*Standard 1200 – Proficiency and Due Professional Care – Generally Conforms*

Standard 1230, *Continuing Professional Development* requires auditors to “enhance their knowledge, skills, and other competencies through continuing professional development.”

The College supports continuing professional education by establishing minimum professional development expectations and providing both budget and learning resources to employees. The culture of continual learning supported the auditor's achievement of Certified Internal Auditor in 2021.

*Standard 2000 – Managing the Internal Audit Activity – Generally Conforms*

Standard 2010, *Planning* guides the internal audit activity to consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the organization's operations.

During the COVID-19 pandemic, the internal audit activity adjusted the audit plan tempo so that management could focus on transitioning the college to the new operating environment, and offered management opportunities to engage the internal audit activity through consulting engagements. Consulting engagements undertaken in 2020-2021 covered areas such as research, instruction, and customer service.

Standard 2020, *Communication and Approval* requires the internal audit activity to communicate “activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval”, and “communicate the impact of resource limitations.”

The internal audit activity regularly communicates the audit plan and associated resources to College Cabinet and the Tennessee Board of Regents (Board). The internal audit activity discusses resource limitations with the President during audit plan development. Quarterly communications to the Board include significant interim changes to the plan. The President receives monthly updates and College Cabinet receives a biannual update on the plan’s status. Additional communication improvements include a communication matrix, annual audit awareness survey, and centralized communication with College Cabinet through OneNote.

Standard 2040, *Policies and Procedures* requires the internal audit activity “establish policies and procedures to guide the internal audit activity.”

Although the internal audit activity follows the policies and procedures established by Tennessee Board of Regent’s System-Wide Internal Audit, the internal audit activity developed a *Columbia State Internal Audit Manual* that outlines campus specific policies and procedures such as communicating results, professional development, records retention, and conducting and documenting audit engagements. The manual also supports campus succession and staff training.

Upon TBR SWIA’s termination of the electronic audit software application in 2020, the internal audit activity identified and implemented free resources for electronic audit engagement documentation. The internal audit activity has streamlined communication with management, College Cabinet and external assessors, and has reduced document duplication in email storage by developing centralized electronic communication methods.

Standard 2050, *Coordination and Reliance* establishes a responsibility for the internal audit activity to “share information, coordinate activities, and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimize duplication of efforts.”

The internal audit activity continues to improve conformance by communicating with campus constituents and external engagement providers. Awareness efforts have resulted in increased engagement with external evaluators and increased report sharing by campus constituents.

*Standard 2400 – Communicating Results – Generally Conforms*

Standard 2420, *Quality of Communications* requires internal audit activity communications be “accurate, objective, clear, concise, constructive, complete, and timely.”

The internal audit activity has increased report clarity and readability by converting report language from passive to active tense, and ensuring official reports and web communications meet accessibility guidelines.

*Standard 2500 – Monitoring Progress – Generally Conforms*

Standard 2500.A1 requires the internal audit activity “establish and maintain a system to monitor the disposition of results communicated to management”.

The internal audit activity historically monitored management progress through quarterly progress updates from management and biannual status updates to College Cabinet. The internal audit activity began to notice a decline in management progress on action plans. Through discussion with the President, the internal audit activity established a formal follow-up engagement timeline and increased the number of progress updates to College Cabinet.

Appendix A summarizes the internal audit activity’s self-assessment of conformance by *Standard*. The following definitions are important when reviewing [Appendix A](#).

**Generally Conforms** – a judgment that the internal audit activity meets the spirit and intent of the IIA *Standards* with some potential opportunities for improvement.

**Partially Conforms** – a judgment that the internal audit activity has deficiencies in practice that deviate from the spirit and intent of the IIA *Standards*, but these deficiencies did not preclude the internal audit activity from performing its responsibilities.

**Does Not Conform** – a judgment that the internal audit activity has deficiencies in practice that are significant enough to preclude the internal audit activity from adequately performing in all or in significant areas of its responsibilities.

**Not applicable** - the *Standard* does not apply.

<u>1000 – Purpose, Authority and Responsibility</u>	Generally Conforms
<u>1100 – Independence and Objectivity</u>	Generally Conforms
1110 Organizational Independence	Generally Conforms
1111 Direct Interaction with the Board	Generally Conforms
1112 Chief Audit Executive Roles Beyond Internal Audit	Generally Conforms
1120 Individual Objectivity	Generally Conforms
<u>1130 – Impairments to Independence or Objectivity</u>	Generally Conforms
<u>1200 – Proficiency and Due Professional Care</u>	Generally Conforms
1210 Proficiency	Generally Conforms
1220 Due Professional Care	Generally Conforms
1230 Continuing Professional Development	Generally Conforms
<u>1300 – Quality Assurance Improvement Program</u>	Generally Conforms
1310 Quality Program Assessments	Generally Conforms
1311 Internal Assessments	Generally Conforms
1312 External Assessments	Generally Conforms
1320 Reporting on the Quality Program	Generally Conforms
1321 Use of “Conforms with the” <i>Standards</i>	Generally Conforms
1322 Disclosure of Noncompliance	Generally Conforms
<u>2000 – Managing the Internal Audit Activity</u>	Generally Conforms
2010 Planning	Generally Conforms
2020 Communication and Approval	Generally Conforms
2030 Resource Management	Generally Conforms
2040 Policies and Procedures	Generally Conforms
2050 Coordination	Generally Conforms
2060 Reporting to the Board and Senior Management	Generally Conforms
2070 External Service Provider / Organizational Responsibility	Not Applicable
<u>2100 – Nature of Work</u>	Generally Conforms
2110 Governance	<a href="#">Partially Conforms</a>
2120 Risk Management	Generally Conforms
2130 Control	Generally Conforms
<u>2200 – Engagement Planning</u>	Generally Conforms
2201 Planning Considerations	Generally Conforms
2210 Engagement Objectives	Generally Conforms
2220 Engagement Scope	Generally Conforms
2230 Engagement Resource Allocation	Generally Conforms
2240 Engagement Work Program	Generally Conforms
<u>2300 – Performing the Engagement</u>	Generally Conforms
2310 Identifying Information	Generally Conforms
2320 Analysis and Evaluation	Generally Conforms
2330 Documenting Information	Generally Conforms
2340 Engagement Supervision	<a href="#">Partially Conforms</a>
<u>2400 – Communicating Results</u>	Generally Conforms
2410 Criteria for Communication	Generally Conforms
2420 Quality of Communications	Generally Conforms
2421 Errors and Omissions	Generally Conforms
2430 Use of “Conforms with the” <i>Standards</i>	Generally Conforms
2431 Engagement Disclosure of Noncompliance	Not Applicable
2440 Disseminating Results	Generally Conforms
2450 Overall Opinions	Generally Conforms
<u>2500 – Monitoring Progress</u>	Generally Conforms
<u>2600 – Management’s Acceptance of Risks</u>	Generally Conforms
<u>Code of Ethics</u>	Generally Conforms



# **DYERSBURG STATE COMMUNITY COLLEGE**

*Office of Internal Audit  
Report on Quality Self-Assessment Review  
June 8, 2021*



Dyersburg State  
Community College  
[www.dsc.edu](http://www.dsc.edu)

Department of Internal Audit  
1510 Lake Road, Dyersburg, TN 38024  
Telephone (731) 286-3237

June 8, 2021

Dr. Karen A. Bowyer, President  
Dyersburg State Community College  
1510 Lake Road  
Dyersburg, TN 38024

Dr. Bowyer,

In accordance with the International Standards for the Professional Practice of Internal Auditing (Standards), issued by the Institute of Internal Auditors (IIA), as well as the IIA Definition of Internal Auditing and Code Ethics, we implemented a Quality Assurance and Improvement Program for the Office of Internal Audit. As required by the Standards, this program must include periodic external reviews and internal self-assessments, as well as ongoing internal monitoring covering all aspects of the internal audit activity.

The *Standards* require an external quality assurance review performed every five years. Our previous external review occurred in the summer of 2018 and the next will be performed in fiscal year 2023. Our Quality Assurance and Improvement Program requires an internal review be performed between external reviews. Ongoing monitoring procedures of internal audit activities are performed as part of the policies and practices of our office.

Periodic self-assessments are designed to assess the audit activity's conformance with the internal audit charter, the IIAs Definition of Internal Auditing, *Standards* and the Code of Ethics and to assess the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders.

This letter is to inform you our periodic internal self-assessment was performed in March through May of 2021. The results of the assessment will indicate we overall generally conform to the internal audit charter, IIA's Definition of Internal Auditing, *Standards*, and Code of Ethics and if any opportunities for improvement were noted. A summary of the self-assessment checklist is attached.

Please contact me at extension 3237 if you have any questions or comments regarding this audit.

Sincerely,

Sandra Pruet, CPA, CIA  
Director of Internal Audit

cc: Mike Batson, System-wide Chief Audit Executive



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**Restrictions on Report Use:** *This report is intended solely for the internal use of the Tennessee Board of Regents and Dyersburg State Community College. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by Dyersburg State Community College, Office of Internal Audit and handled in accordance with institutional policies; however, this report is a matter of public record.*

## EXECUTIVE SUMMARY

The Dyersburg State Community College, Office of Internal Audit, conducted a quality self-assessment of the internal audit activity in March through May of 2021. The principal objective of the quality self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, the *Definition of Internal Auditing* and the *Code of Ethics*.

The overall opinion is that the Dyersburg State Community College's internal audit activity generally conforms to The IIA's *Standards, Definition of Internal Auditing* and *Code of Ethics*. The internal audit activity is well structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and a sample of working papers and reports.

### OBSERVATIONS

The concept of general conformance to the *IIA Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains two recommendations for continuous improvement that should not be taken collectively to undermine the overall conclusion that the DSCC Internal Audit Office generally conforms to the *IIA Standards*. Among the opportunities noted in this report, the following stand out as most significant in relation to the *IIA Standards* and have the highest potential to improve the program.

1. IIA Standard 1220.A2 – Due Professional Care - In exercising due professional care, internal auditors must consider the use of technology-based audit and other data analysis techniques.
2. IIA Standard 2420 – Quality of Communication – Improve the timeliness of engagement communication.

## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by The *IIA Standards*, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states "Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be."

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The principal objective of the self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* (Standards), the *Definition of Internal Auditing* and the *Code of Ethics*.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Dyersburg State Community College's internal audit activity generally conforms to The IIA's *Standards*, *Definition of Internal Auditing* and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

## **OBSERVATIONS**

- 1. Standard 1220.A2 – Due Professional Care - In exercising due professional care, internal auditors must consider the use of technology-based audit and other data analysis techniques.**

**Continuous Improvement:** Internal auditors should continue to strive to make use of any available computer aided audit tools to provide for a more effective basis for audit conclusions. Data analysis can be used to test a wider range of a given population and can be more effective than the limited sample size testing normally used in audit engagements. The DSCC Internal Audit Office does use some technology-based software to assist in the selection of samples, but does not regularly use data analytic tools. Increased training and use of these tools is strongly advised.

**2. IIA Standard 2420 – Quality of Communications – Improve the timeliness of engagement communication.**

**Standard 2420, *Quality of Communications* requires internal audit activity communications be “accurate, objective, clear, concise, constructive, complete, and timely”.**

**Continuous Improvement:** Internal audit should strive to perform and complete audit engagements and to communicate those results more timely to allow management to take the necessary corrective actions. Timely communications are opportune and expedient, depending on the significance of the issue, allowing management to take appropriate corrective action in a timely manner. The internal audit activity continues to seek process adjustments that lead to increased timeliness of audit feedback and reports.

## ATTACHMENT A - CONFORMITY WITH THE STANDARDS

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

PC = **Partially Conforms** and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

DNC = **Does Not Conform** and means deficiencies in practice are judged to be so significant as to seriously impair or preclude IA from performing adequately in all or in significant areas of its responsibilities.

NA = **Not applicable** Standard does not apply.

		GC	PC	DNC	NA
<b>Attribute Standards</b>					
<u>1000 - Purpose, Authority and Responsibility</u>					
<u>1100 - Independence and Objectivity</u>					
1110	Organizational Independence	X			
1111	Direct Interaction with the Board	X			
1120	Individual Objectivity	X			
<u>1130 – Impairments to Independence or Objectivity</u>					
<u>1200 - Proficiency and Due Professional Care</u>					
1210	Proficiency	X			
1220	Due Professional Care	X			
1230	Continuing Professional Development	X			
<u>1300 - Quality Assurance Improvement Program</u>					
1310	Quality Program Assessments	X			
1311	Internal Assessments	X			
1312	External Assessments	X			
1320	Reporting on the Quality Program	X			
1321	Use of "Conformity with the Standards"	X			
1322	Disclosure of Noncompliance				X
<b>Performance Standards</b>					
<u>2000 - Managing the Internal Audit Activity</u>					
2010	Planning	X			
2020	Communication and Approval	X			
2030	Resource Management	X			
2040	Policies and Procedures	X			
2050	Coordination	X			
2060	Reporting to the Board and Senior Management	X			
2070	External Service Provider & Organizational Responsibility				X
<u>2100 - Nature of Work</u>					
2110	Governance	X			
2120	Risk Management	X			
2130	Control	X			
<u>2200 - Engagement Planning</u>					
2201	Planning Considerations	X			
2210	Engagement Objectives	X			
2220	Engagement Scope	X			
2230	Engagement Resource Allocation	X			
2240	Engagement Work Program	X			
<u>2300 - Performing the Engagement</u>					
2310	Identifying Information	X			
2320	Analysis and Evaluation	X			
2330	Documenting Information	X			
2340	Engagement Supervision				X
<u>2400 - Communicating Results</u>					
2410	Criteria for Communication	X			
2420	Quality of Communications	X			
2421	Errors and Omissions	X			
2440	Disseminating Results	X			
2430	Use of "Conformity with the Standards"	X			
2431	Engagement Disclosure of Noncompliance	X			
2450	Overall Opinions	X			
<u>2500 - Monitoring Progress</u>					
<u>2600 - Management's Acceptance of Risks</u>					
		X			



# **Jackson State** **Community College**

*Office of Internal Audit*  
*Report on Quality Self-Assessment Review*

June 4, 2021



2046 North Parkway | Jackson, TN 38301

June 4, 2021

Dr. George Pimentel, President  
Jackson State Community College  
2046 North Parkway  
Jackson, TN 38301

and

Mr. Mike Batson, System-wide Internal Audit Chief Executive  
Tennessee Board of Regents  
1 Bridgestone Park  
Nashville, Tennessee 37214

Dear President Pimentel and Mr. Batson:

In accordance with the International Standards for the Professional Practice of Internal Auditing (Standards), issued by the Institute of Internal Auditors (IIA), as well as the IIA Definition of Internal Auditing and Code of Ethics, we initiated a Quality Assurance and Improvement Program for the Office of Internal Audit. As required by the Standards, this program must include periodic internal and external reviews and ongoing internal monitoring covering all aspects of the internal audit activity.

This report is to inform you of the results of a recent internal review, a self-assessment of our internal audit activities performed as part of the quality assurance program. The review was performed during May 2021 to determine if the internal audit activity is in conformance with the IIA requirements. The results of our review indicate we are generally in conformance with the Standards, Definition of Internal Auditing and Code of Ethics; however, opportunities for improvement were noted and these are discussed in the report. Progress was also noted with the addition of the part-time audit position during the 2016-17 through 2020-21 fiscal years.

Ongoing monitoring procedures of internal audit activities are performed as part of the policies and practices of our office. Because the Standards require an external quality assurance review every five years, the Tennessee Board of Regents, Office of System-wide Internal Audit, will coordinate the next external quality assurance review in 2023.

Please contact me at (731) 424-3520, ext. 52611, should you have any questions regarding this review.

Sincerely,

A handwritten signature in black ink that reads "Chrystal Pittman".

Chrystal Pittman  
Director of Internal Audit

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**Jackson State Community College**  
**Report on Quality Self Assessment Review**  
**June 4, 2021**  
**Executive Summary**

<b>Key Staff Personnel</b>	Office of Internal Audit	<b>Internal Auditor</b>	Chrystal Pittman
<b>Introduction</b>	<p>In accordance with the <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i>, issued by the Institute of Internal Auditors (IIA), as well as the IIA <i>Definition of Internal Auditing and Code of Ethics</i>, JSCC Internal Audit initiated a Quality Assurance and Improvement Program for the Office of Internal Audit. As required by the <i>Standards</i>, this program includes periodic internal and external reviews and ongoing internal monitoring covering all aspects of the internal audit activity.</p> <p>As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements.</p>		
<b>Objectives</b>	<p>The principal objective of the quality self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i>, the <i>Definition of Internal Auditing</i> and the <i>Code of Ethics</i>.</p>		
<b>Scope</b>	<p>The review was conducted in accordance with <i>the International Standards for the Professional Practice of Internal Auditing</i>, issue by The Institute of Internal Auditors.</p>		
<b>Conclusion</b>	<p>The overall opinion is that the Jackson State Community College's internal audit activity generally conforms to The IIA's <i>Standards, Definition of Internal Auditing and Code of Ethics</i>. The internal audit activity is well-structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.</p>		

## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by The *IIA Standards*, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within the *IIA Standards* are Attribute and Performance Standards. The IIA states that “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Jackson State Community College’s internal audit activity generally conforms to The IIA’s *Standards, Definition of Internal Auditing* and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

### Progress from Previous Assessment

#### July 2016 – Information Technology

The March 2013 self-assessment included an observation that improvements could be made by expanding the internal auditor’s knowledge of information technology resources. In response, training seminars have been selected for continuing education that includes information technology topics when available. Some of the seminars include cyber security, audit software training, and data privacy.

Training efforts continued through the July 2016 self-assessment timeframe and are ongoing to date.

## July 2016- Part-Time Position

A recommendation was made in May 2012 to consider a part-time or full-time position to provide for additional risk-based audit coverage. The observation noted in the May 2012 self-assessment included the impact of resource limitations being communicated to management according to the IIA Standard 2020 on Communication and Approval. The recommendation was discussed with management and funds were not available at the time. However, management was supportive of the need for additional resources.

During the 2015-16 fiscal year, the possibility of a part-time audit position was discussed with management and supported. The funding was approved to be included in the 2016-17 fiscal year.

For the period fiscal years 2016-17 through 2020-21, management funded and supported a part-time internal auditor position. The additional position resulted in improvement to the internal audit activity including a reduction of outstanding recommendations.

### **OBSERVATIONS**

#### *1. Standard 1210 – Proficiency – Generally Conforms*

Section A2 of the standard addresses the internal auditor's knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work.

The previous self-assessment included an observation that improvements could be made by expanding the auditor's knowledge of information technology resources. Although an effort has been made to seek training in information technology resources, the auditor will continue to pursue training to enhance knowledge in information technology.

#### *2. Standard 2200 – Engagement Planning – Generally Conforms*

##### *Standard 2210 – Engagement Objectives – Generally Conforms*

Section A4 of the standards require auditors to document their preliminary assessment of the risks relevant to the activity to be reviewed, establish engagement objectives based on this assessment, establish a scope of work sufficient to meet the objectives, and develop and document work programs to achieve the engagement objectives.

Although improvements have been made, the audit function will seek to make further improvements in documentation for engagement planning. The addition of audit related software would be helpful in achieving this requirement.

## ATTACHMENT A - CONFORMITY WITH THE STANDARDS

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

PC = **Partially Conforms** and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

DNC = **Does Not Conform** and means deficiencies in practice are judged to be so significant as to seriously impair or preclude IA from performing adequately in all or in significant areas of its responsibilities.

NA = **Not applicable** Standard does not apply.

### Attribute Standards

- 1000 - Purpose, Authority and Responsibility
- 1100 - Independence and Objectivity
  - 1110 Organizational Independence
  - 1111 Direct Interaction with the Board
  - 1120 Individual Objectivity
- 1130 – Impairments to Independence or Objectivity
- 1200 - Proficiency and Due Professional Care
  - 1210 Proficiency
  - 1220 Due Professional Care
  - 1230 Continuing Professional Development
- 1300 - Quality Assurance Improvement Program
  - 1310 Quality Program Assessments
  - 1311 Internal Assessments
  - 1312 External Assessments
  - 1320 Reporting on the Quality Program
  - 1321 Use of "Conformity with the Standards"
  - 1322 Disclosure of Noncompliance

### Performance Standards

- 2000 - Managing the Internal Audit Activity
  - 2010 Planning
  - 2020 Communication and Approval
  - 2030 Resource Management
  - 2040 Policies and Procedures
  - 2050 Coordination
  - 2060 Reporting to the Board and Senior Management
  - 2070 External Service Provider & Organizational Responsibility
- 2100 - Nature of Work
  - 2110 Governance
  - 2120 Risk Management
  - 2130 Control
- 2200 - Engagement Planning
  - 2201 Planning Considerations
  - 2210 Engagement Objectives
  - 2220 Engagement Scope
  - 2230 Engagement Resource Allocation
  - 2240 Engagement Work Program
- 2300 - Performing the Engagement
  - 2310 Identifying Information
  - 2320 Analysis and Evaluation
  - 2330 Documenting Information
  - 2340 Engagement Supervision
- 2400 - Communicating Results
  - 2410 Criteria for Communication
  - 2420 Quality of Communications
  - 2421 Errors and Omissions
  - 2440 Disseminating Results
  - 2430 Use of "Conformity with the Standards"
  - 2431 Engagement Disclosure of Noncompliance
  - 2450 Overall Opinions
- 2500 - Monitoring Progress
- 2600 - Management's Acceptance of Risks

GC	PC	DNC	NA
X			
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X			
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# MOTLOW STATE

## COMMUNITY COLLEGE

Office of Internal Audit  
Report on Quality Self-Assessment Review  
June 30, 2021

*This report is intended solely for the internal use of Motlow State Community College and the Tennessee Board of Regents (TBR). It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by the Office of Internal Audit.*



**P.O. Box 8500  
Lynchburg, TN 37352  
www.mscc.edu**

June 30, 2021

Dr. Michael Torrence, President  
Motlow State Community College  
P.O. Box 8500  
Lynchburg, TN 37352

Dear Dr. Torrence and Mr. Baston:

In accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, issued by the Institute of Internal Auditors (IIA), as well as the IIA *Definition of Internal Auditing* and *Code of Ethics*, a Quality Assurance and Improvement Program for the Office of Internal Audit at Motlow State Community College was initiated. As required by the *Standards*, this program must include periodic internal and external reviews and ongoing internal monitoring covering all aspects of the internal audit activity.

This report is to inform you of the results of a recent internal review, a self-assessment of the internal audit activities performed as part of the quality assurance program. The review was performed May – June 2021, to determine if the internal audit activity is in conformance with the IIA requirements. The results of the review indicate that the internal audit function is generally in conformance with the *Standards*, *Definition of Internal Auditing*, and *Code of Ethics*; however, opportunities for improvement were noted, and these are discussed in the report.

Ongoing monitoring procedures of internal audit activities are performed as part of the policies and practices of the office. Because the *Standards* require an external quality assurance review every five years, the Tennessee Board of Regents Office of System-wide Internal Audit will coordinate the next external quality assurance review for the system in fiscal year 2023.

Respectfully submitted,

Tammy Wiseman  
Internal Auditor

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## **EXECUTIVE SUMMARY**

The Motlow State Community College, Office of Internal Audit, conducted a quality self-assessment of the internal audit activity during May – June, 2021. The principal objective of the quality self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, the *Definition of Internal Auditing*, and the *Code of Ethics*.

The overall opinion is that Motlow State Community College's internal audit activity generally conforms to The IIA's *Standards, Definition of Internal Auditing*, and *Code of Ethics*. The internal audit activity is well-structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, and engagement and management processes.

## **OPPORTUNITY FOR CONTINUOUS IMPROVEMENT**

The concept of general conformance to the *IIA Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains recommendations that should not be taken collectively to undermine the overall conclusion. Among the opportunities noted in this report, the following stand out as most significant in relation to the *IIA Standards* and have the highest potential to improve the program.

1. Consider the use of technology-based audit and other data analysis techniques in conducting risks analysis, planning, and execution of all engagements. (*Standard 1220.A2 – Due Professional Care – Generally Conforms*)
2. Expand ongoing monitoring by obtaining feedback from audit customers and other stakeholders through surveys to assess effectiveness and opportunities for improvement. (Carried forward from June 2016 self-assessment) (*Standard 1300 – Quality Assurance and Improvement Program – Generally Conforms*)
3. Develop a risk assurance map to demonstrate a formalized and documented risk profile to enhance the audit planning process. (*Standard 2410.A1 – Planning – Generally Conforms*)



## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by The *IIA Standards*, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states that “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, and engagement and management processes.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that Motlow State Community College’s internal audit activity generally conforms to The IIA’s *Standards, Definition of Internal Auditing* and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

## **OPPORTUNITY FOR CONTINUOUS IMPROVEMENT**

Conformance to Standards – Operating Improvements – The items presented are suggested enhancements to internal auditing operations.

### ***Standard 1220.A2 – Due Professional Care – Generally Conforms***

In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.

## **Recommendation**

It is recommended that the internal audit consider the use of technology-based audit and other data analysis techniques in conducting risk analysis, planning, and execution of all engagements.

## **Plan of Action**

The internal auditor has just completed extensive training in data science theories and techniques and is working to apply those practices in planning and execution in consideration of assessing risks and planning and conducting engagements. Additional professional development in data analytics is planned for the next fiscal year to incorporate into practice. Increased access to and experience with technology-based audit tools will greatly enhance the value added, efficiency, and effectiveness of the internal audit function.

***Standard 1300 – Quality Assurance and Improvement Program – Generally Conforms***

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

**Recommendation**

It is recommended that the internal audit activity expand ongoing monitoring by obtaining feedback from audit customers and other stakeholders through surveys to assess effectiveness and opportunities for improvement.

**Plan of Action**

The internal auditor is evaluating various survey and information collection tools to utilize in developing surveys and obtaining and analyzing results for continuous improvement and ensuring the internal audit activity is meeting the needs of the institution.

***Standard 2010.A1 – Planning – Generally Conforms***

The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

**Recommendation**

It is recommended the internal audit activity develop a risk assurance map to demonstrate a formalized and documented risk profile to enhance the audit planning process.

**Plan of Action**

The internal audit activity conducts an annual risk analysis on the audit universe of the institution in determining the highest risk-based areas in developing the audit plan. The internal audit activity seeks input from the President's Cabinet and the President in the audit planning process. Management also conducts a risk assessment annually on a chosen strategic initiative. However, these activities often provide an incomplete perspective of the institution's risk profile. The internal audit activity will begin development of a risk assurance map based on knowledge and observations of the internal audit activity and seek ongoing information from the institution to develop a formalized and documented risk profile for use in the audit planning process.

## ATTACHMENT A - CONFORMITY WITH THE STANDARDS

***Attribute Standards***

1000 - Purpose, Authority and Responsibility

GC	PC	DNC	NA
X			

1100 - Independence and Objectivity

- 1110 Organizational Independence
- 1111 Direct Interaction with the Board
- 1120 Individual Objectivity

X			
X			
X			
X			

1130 – Impairments to Independence or Objectivity

1200 - Proficiency and Due Professional Care

- 1210 Proficiency
- 1220 Due Professional Care
- 1230 Continuing Professional Development

X			
X			
X			

1300 - Quality Assurance Improvement Program

- 1310 Quality Program Assessments
- 1311 Internal Assessments
- 1312 External Assessments
- 1320 Reporting on the Quality Program
- 1321 Use of "Conformity with the Standards"
- 1322 Disclosure of Noncompliance

X			
X			
X			
X			
X			
X			

***Performance Standards***

2000 - Managing the Internal Audit Activity

- 2010 Planning
- 2020 Communication and Approval
- 2030 Resource Management
- 2040 Policies and Procedures
- 2050 Coordination
- 2060 Reporting to the Board and Senior Management
- 2070 External Service Provider & Organizational Responsibility

X			
X			
X			
X			
X			
X			
			X

2100 - Nature of Work

- 2110 Governance
- 2120 Risk Management
- 2130 Control

X			
X			
X			

2200 - Engagement Planning

- 2201 Planning Considerations
- 2210 Engagement Objectives
- 2220 Engagement Scope
- 2230 Engagement Resource Allocation
- 2240 Engagement Work Program

X			
X			
X			
X			
X			

2300 - Performing the Engagement

- 2310 Identifying Information
- 2320 Analysis and Evaluation
- 2330 Documenting Information
- 2340 Engagement Supervision

X			
X			
X			
X			

2400 - Communicating Results

- 2410 Criteria for Communication
- 2420 Quality of Communications
- 2421 Errors and Omissions
- 2430 Use of "Conformity with the Standards"
- 2431 Engagement Disclosure of Noncompliance
- 2440 Disseminating Results
- 2450 Overall Opinions

X			
X			
X			
X			
			X
X			
X			
X			

2500 - Monitoring Progress

X			
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*Attribute Standards*

2600 - Management's Acceptance of Risks

GC	PC	DNC	NA
X			

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

PC = **Partially Conforms** and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

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NA = **Not applicable** Standard does not apply.



*Report on Quality Self-Assessment Review*

*June 30, 2021*

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Nashville State Community College  
Office of Internal Audit  
120 White Bridge Road, Nashville, TN 37209  
(615) 353-3231  
<https://www.nsc.edu/legal/consumer-information/internal-audit>



June 30, 2021

Dr. Shanna L. Jackson, President  
Nashville State Community College  
120 White Bridge Road  
Nashville, TN 37209

and

Mike Batson, CPA  
System-Wide Chief Audit Executive  
Tennessee Board of Regents  
1 Bridgestone Park  
Nashville, TN 37214

Dear Dr. Jackson and Mr. Batson,

The Nashville State Community College, Office of Internal Audit, conducted a quality self-assessment review of the internal audit activity during the period December 1, 2019, through June 30, 2021. The objective of the review was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, the *Definition of Internal Auditing* and the *Code of Ethics*.

The overall opinion is that the College's internal audit activity generally conforms to The IIA's *Standards, Definition of Internal Auditing* and *Code of Ethics*. We have identified four areas where opportunities for improvement exist, and these are discussed further in the report.

Should you have any questions about this review, please feel free to let me know.

Sincerely,

Henry Ho, CPA, CGFM  
Internal Auditor

Nashville State Community College  
Report on Quality Self-Assessment Review  
June 30, 2021

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**Restrictions on Report Use:** *This report is intended solely for the internal use of the Tennessee Board of Regents and Nashville State Community College. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by Nashville State Community College, Office of Internal Audit and handled in accordance with institutional policies; however, this report is a matter of public record.*

Nashville State Community College  
 Report on Quality Self-Assessment Review  
 June 30, 2021

**EXECUTIVE SUMMARY**

<b>Key Staff Personnel</b>	Office of Internal Audit	<b>Internal Auditor</b>	Henry Ho, CPA, CGFM
<b>Introduction</b>	<p>The Nashville State Community College, Office of Internal Audit, conducted a quality self-assessment review of the internal audit activity during the period December 1, 2019, through June 30, 2021. The objective of the review was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i>, the <i>Definition of Internal Auditing</i> and the <i>Code of Ethics</i>.</p>		
<b>Conclusion</b>	<p>The overall opinion is that the College's internal audit activity generally conforms to The IIA's <i>Standards, Definition of Internal Auditing</i> and <i>Code of Ethics</i>. The internal audit activity is well-structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Appendix A to the report.</p>		
<b>Opportunities for Improvement</b>	<p><i>Standard 1200 – Proficiency and Due Professional Care</i>        The Office of Internal Audit can improve audit effectiveness and efficiency by utilizing technology-based audit and data analysis techniques. The internal auditor can achieve proficiency through trainings.</p> <p><i>Standard 2100 – Nature of Work</i>        The Office of Internal Audit can help improve the College's governance processes by proactively raising awareness of internal controls and risk management throughout the College.</p> <p><i>Standard 2300 – Performing the Engagement</i>        The Office of Internal Audit should utilize engagement templates and checklists to ensure quality and consistency are met.</p> <p><i>Standard 2500 – Monitoring Progress</i>        The Office of Internal Audit should develop timeline to monitor management's corrective actions and conduct regular follow-ups with management.</p>		



Nashville State Community College  
Report on Quality Self-Assessment Review  
June 30, 2021

## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)* requires an internal audit office to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards* and the *Code of Ethics*. The Tennessee Board of Regents System-Wide Internal Audit's *Internal Audit Manual* directs the college internal audit office to conduct a self-assessment at least twice every five-years, and undergo an external peer review every fifth year.

Adherence to the *Standards* is essential for the professional practice of internal auditing. The IIA states, "Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be."

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement management processes and a sample of working papers and reports.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that Nashville State Community College's internal audit activity generally conforms to the IIA's *Standards*, *Definition of Internal Auditing* and *Code of Ethics*. The internal audit activity is well structured and progressive, and audit management continues to improve practices and implement efficiencies. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

## **OPPORTUNITIES FOR IMPROVEMENT**

### *Standard 1200 – Proficiency and Due Professional Care – Generally Conforms*

Standard 1220, *Due Professional Care*, requires internal auditors to apply the care and skill expected of a reasonably prudent and competent internal auditor. Standard 1220.A2 states, "In exercising due professional care, internal auditors must consider the use of technology-based audit and other data analysis techniques. The Office of Internal Audit can improve audit effectiveness and efficiency by utilizing technology-based audit and data analysis techniques. The internal auditor can achieve proficiency through trainings.

### *Standard 2100 – Nature of Work – Generally Conforms*

Standard 2100, *Nature of Work*, states, "The internal audit activity must evaluate and contribute to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach." The Office of Internal Audit can help

Nashville State Community College  
Report on Quality Self-Assessment Review  
June 30, 2021

improve the College’s governance processes by proactively raising awareness of internal controls and risk management throughout the College.

*Standard 2300 – Performing the Engagement – Generally Conforms*

Standard 2340, *Engagement Supervision*, states, “Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.” The College’s Office of Internal Audit consists of one internal auditor. The internal auditor reports functionally to the Tennessee Board of Regents Audit Committee through the System-Wide Chief Audit Executive. The System-Wide Chief Audit Executive reviews system-wide internal audit activities and reports to the Audit Committee. The Office of Internal Audit should utilize engagement templates and checklists to ensure quality and consistency are met.

*Standard 2500 – Monitoring Progress – Generally Conforms*

Standard 2500, *Monitoring Progress*, states, “The chief audit executive must establish a system to monitor the disposition of results communicated to management.” The Office of Internal Audit should develop timeline to monitor management’s corrective actions and conduct regular follow-ups with management.

Nashville State Community College  
 Report on Quality Self-Assessment Review  
 June 30, 2021

**APPENDIX A - CONFORMITY WITH THE STANDARDS**

<b>Attribute Standards</b>		<b>GC</b>	<b>PC</b>	<b>DNC</b>	<b>NA</b>
1000	Purpose, Authority and Responsibility (Charter)	X			
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	X			
1100	Independence and Objectivity	X			
1110	Organizational Independence	X			
1111	Direct Interaction with the Board	X			
1112	Chief Audit Executive Roles Beyond Internal Auditing	X			
1120	Individual Objectivity	X			
1130	Impairment to Independence or Objectivity	X			
1200	Proficiency and Due Professional Care	X			
1210	Proficiency	X			
1220	Due Professional Care	X			
1230	Continuing Professional Development	X			
1300	Quality Assurance Improvement Program	X			
1310	Requirements of the Quality Assurance and Improvement Program	X			
1311	Internal Assessments	X			
1312	External Assessments	X			
1320	Reporting on the Quality Assurance and Improvement Program	X			
1321	Use of "Conducted in Accordance with Standards"	X			
1322	Disclosure of Noncompliance	X			

**References:**

The Institute of Internal Auditors: International Standards for the Professional Practices of Internal Auditing, the Code of Ethics, and the Definition of Internal Auditing

**Definitions:**

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

PC - "Partially Conforms" means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude the internal audit activity from performing its responsibilities.

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

NA – "Not Applicable" means the standard does not apply.

Nashville State Community College  
 Report on Quality Self-Assessment Review  
 June 30, 2021

Performance Standards		GC	PC	DNC	NA
2000	Managing the Internal Activity	X			
2010	Planning	X			
2020	Communication and Approval	X			
2030	Resource Management	X			
2040	Policies and Procedures	X			
2050	Coordination and Reliance	X			
2060	Reporting to Senior Management and the Board	X			
2070	External Service Provider and Organizational Responsibility for Internal Auditing				X
2100	Nature of Work	X			
2110	Governance	X			
2120	Risk Management	X			
2130	Control	X			
2200	Engagement Planning	X			
2201	Planning Considerations	X			
2210	Engagement Objectives	X			
2220	Engagement Scope	X			
2230	Engagement Resource Allocation	X			
2240	Engagement Work Program	X			
2300	Performing the Engagement	X			
2310	Identifying Information	X			
2320	Analysis and Evaluation	X			
2330	Documenting Information	X			
2340	Engagement Supervision	X			
2400	Communicating Results	X			
2410	Criteria for Communicating	X			
2420	Quality of Communications	X			
2421	Errors and Omissions	X			
2430	Use of Conducted in Conformance with the IPPF	X			
2431	Engagement Disclosure of Noncompliance	X			
2440	Disseminating Results	X			
2450	Overall Opinions	X			
2500	Monitoring Progress	X			
2600	Communicating the Acceptance of Risks	X			



**NORTHEAST STATE**

**NORTHEAST STATE COMMUNITY  
COLLEGE**

*Office of Internal Audit  
Report on Quality Self-Assessment Review  
May 28, 2021*

May 28, 2021

Dr. Bethany H. Bullock, President  
Northeast State Community College  
2425 Highway 75, P.O. Box 246  
Blountville, Tennessee 37617

Dear Dr. Bullock:

This report covers the Quality Self-Assessment Review performed by the Northeast State Community College Internal Audit department during May of 2021. The principal objective of the quality self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, and the Code of Ethics.

The conclusion resulting from this review is on page 1 of this report.

Sincerely,



Christopher L. Hyder, CIA  
Director, Internal Audit  
Northeast State Community College

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**Restrictions on Report Use:** *This report is intended solely for the internal use of the Tennessee Board of Regents and Northeast State Community College. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by Northeast State Community College, Office of Internal Audit and handled in accordance with institutional policies; however, this report is a matter of public record.*

**Northeast State Community College**  
**Report on Quality Self-Assessment Review**  
**May 28, 2021**  
**Executive Summary**

<p><b>Key Staff Personnel</b></p>	<p>Northeast State Community College Internal Audit</p>	<p><b>Internal Auditor</b></p>	<p>Christopher L. Hyder Director of Internal Audit</p>
<p><b>Overall Assessment</b></p>	<p>The Northeast State Community College Office of Internal Audit conducted a quality self-assessment of the internal audit activity during May 2021. The principal objective of the quality self-assessment was to determine the internal audit activity’s conformity to The Institute of Internal Auditors’ (IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i>, the <i>Definition of Internal Auditing</i> and the <i>Code of Ethics</i>.</p> <p>The overall opinion is that the Northeast State Community College’s internal audit activity generally conforms to The IIA’s <i>Standards</i>, <i>Definition of Internal Auditing</i> and <i>Code of Ethics</i>. The internal audit activity is well structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.</p> <p>As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements.</p>		
<p><b>Opportunity for Continuous Improvement</b></p>	<p>The concept of general conformance to the <i>IIA Standards</i> recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains two opportunities for continuous improvement that should not be taken collectively to undermine the overall conclusion that NeSCC generally conforms to the <i>Standards</i>.</p> <p>Opportunity 1: Increase access to and experience with technology based audit tools that would enhance the value and efficiency of the internal audit function.</p> <p>Opportunity 2: The Director of Internal Audit should request to present at a President’s Cabinet meeting at least annually to provide an update on audit issues and to address any questions and concerns the cabinet members may have.</p>		



## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by The *IIA Standards*, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states that “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Northeast State Community College’s internal audit activity generally conforms to The IIA’s *Standards, Definition of Internal Auditing* and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident

## **OPPORTUNITY FOR CONTINUOUS IMPROVEMENT**

### *Standard 1220.A2 – Due Professional Care – Generally Complies*

This standard requires the auditor to consider the use of technology-based audits and other data analysis in exercising due professional care. The internal auditor does consider the use of technology based audit techniques when planning an engagement. However, the availability and proficiency of such techniques have been limited. Increased access to and experience with technology based audit tools would enhance the value and efficiency of the internal audit function.

*Standard 2060 – Reporting to Senior Management and the Board – Generally Complies*

This standard requires the campus/system-wide Chief Audit Executive report periodically to senior management on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan, including significant risk exposure and control issues. Including fraud risks, governance issues and other matters needed or requested by senior management. The Director of Internal Audit regularly meets with the college president. The Director served on the President's Council and was a member of the Expanded Executive Council prior to their dissolution under reorganization and consolidation. Though both councils were dissolved, the Director of Internal Audit can be invited or request to attend the President's Cabinet meetings if necessary. In the future, the Director should request to present at a cabinet meeting at least annually to provide an update on audit issues and to address any questions and concerns the cabinet members may have. Impromptu meetings with members of senior management are frequent and welcome.

## ATTACHMENT A - CONFORMITY WITH THE STANDARDS

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

PC = **Partially Conforms** and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

DNC = **Does Not Conform** and means deficiencies in practice are judged to be so significant as to seriously impair or preclude IA from performing adequately in all or in significant areas of its responsibilities.

NA = **Not applicable** Standard does not apply.

<i>Attribute Standards</i>		GC	PC	DNC	NA
<u>1000 - Purpose, Authority and Responsibility</u>		X			
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	X			
<u>1100 - Independence and Objectivity</u>		X			
1110	Organizational Independence	X			
1111	Direct Interaction with the Board	X			
1112	Chief Audit Executive Roles Beyond Internal Auditing	X			
1120	Individual Objectivity	X			
<u>1130 - Impairments to Independence or Objectivity</u>		X			
<u>1200 - Proficiency and Due Professional Care</u>		X			
1210	Proficiency	X			
1220	Due Professional Care	X			
1230	Continuing Professional Development	X			
<u>1300 - Quality Assurance Improvement Program</u>		X			
1310	Quality Program Assessments	X			
1311	Internal Assessments	X			
1312	External Assessments	X			
1320	Reporting on the Quality Program	X			
1321	Use of "Conformity with the Standards"	X			
1322	Disclosure of Noncompliance	X			
<i>Performance Standards</i>					
<u>2000 - Managing the Internal Audit Activity</u>		X			
2010	Planning	X			
2020	Communication and Approval	X			
2030	Resource Management	X			
2040	Policies and Procedures	X			
2050	Coordination	X			
2060	Reporting to the Board and Senior Management	X			
2070	External Service Provider & Organizational Responsibility	X			
<u>2100 - Nature of Work</u>		X			
2110	Governance	X			
2120	Risk Management	X			
2130	Control	X			
<u>2200 - Engagement Planning</u>		X			
2201	Planning Considerations	X			
2210	Engagement Objectives	X			
2220	Engagement Scope	X			
2230	Engagement Resource Allocation	X			
2240	Engagement Work Program	X			
<u>2300 - Performing the Engagement</u>		X			
2310	Identifying Information	X			
2320	Analysis and Evaluation	X			
2330	Documenting Information	X			
2340	Engagement Supervision	X			
<u>2400 - Communicating Results</u>		X			
2410	Criteria for Communication	X			
2420	Quality of Communications	X			
2421	Errors and Omissions	X			
2440	Disseminating Results	X			
2430	Use of "Conformity with the Standards"	X			
2431	Engagement Disclosure of Noncompliance	X			
2450	Overall Opinions	X			
<u>2500 - Monitoring Progress</u>		X			
<u>2600 - Communicating the Acceptance of Risks</u>		X			

**PELLISSIPPI STATE COMMUNITY COLLEGE**

*Office of Internal Audit  
Report on Quality Self-Assessment Review  
November 20, 2020*



November 20, 2020

L. Anthony Wise, President  
Pellissippi State Community College  
P.O. Box 22990  
Knoxville, TN 37933-0990

and

Mike Batson, System-wide Internal Audit Chief Audit Executive  
Tennessee Board of Regents  
1 Bridgestone Park  
Nashville, Tennessee 37214

Dear Dr. Wise and Mr. Batson:

In accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*, issued by the Institute of Internal Auditors (IIA), as well as the *IIA Definition of Internal Auditing* and *Code of Ethics*, we initiated a Quality Assurance and Improvement Program for the Office of Internal Audit. As required by the *Standards*, this program must include periodic internal and external reviews and ongoing internal monitoring covering all aspects of the internal audit activity.

This report is to inform you of the results of a recent internal review, a self-assessment of our internal audit activities performed as part of the quality assurance program. The review was performed September through November of 2020 to determine if the internal audit activity is in conformance with the IIA requirements. The results of our review indicate we are generally in conformance with the *Standards*, *Definition of Internal Auditing* and *Code of Ethics*; however, opportunities for improvement were noted, and these are discussed in the report.

Ongoing monitoring procedures of internal audit activities are performed as part of the policies and practices of our office. Because the *Standards* require an external quality assurance review every five years, the Tennessee Board of Regents Office of System-wide Internal Audit will coordinate the next external quality assurance review for the system in FY23.

Please contact me at (865) 694-6648 should you have any questions regarding this review.

Sincerely,

Suzanne L. Walker  
Director of Internal Audit

**PELLISSIPPI STATE COMMUNITY COLLEGE**

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**Restrictions on Report Use:** *This report is intended solely for the internal use of the Tennessee Board of Regents and Pellissippi State Community College. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by Pellissippi State Community College, Office of Internal Audit and handled in accordance with institutional policies.*

## EXECUTIVE SUMMARY

The Pellissippi State-Office of Internal Audit conducted a quality self-assessment of the internal audit activity during September – November 2020. The principal objective of the quality self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, the *Definition of Internal Auditing* and the *Code of Ethics*.

The overall opinion is that the Pellissippi State's internal audit activity generally conforms to The IIA's *Standards*, *Definition of Internal Auditing* and *Code of Ethics*. The internal audit activity is well-structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and a sample of working papers and reports.

### OPPORTUNITY FOR CONTINUOUS IMPROVEMENT

The concept of general conformance to the *IIA Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement, and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains two opportunities and recommendations that should not be taken collectively to undermine the overall conclusion that the PSCC internal audit office generally conforms to the *Standards*. The opportunity that has the highest potential to improve the internal audit program at Pellissippi State noted in this report relates to use of data analytics. The recommendation is that internal audit staff should attend training related to the use of data analytics by internal audit departments. The other opportunity relates to documenting engagement supervision by the director position and this issue was corrected during the course of the self-assessment.

## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by The *IIA Standards* to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states that “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and a sample of working papers and reports.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Pellissippi State’s internal audit activity generally conforms to The IIA’s *Standards*, *Definition of Internal Auditing* and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.



## OPPORTUNITY FOR CONTINUOUS IMPROVEMENT

Conformance to Standards – Operating Improvements {PSCC internal auditing conforms to IIA Standards noted below; the items presented are a suggested enhancement to internal auditing operations.}

### 1. Due Professional Care

The Office of Internal Audit does exercise due professional care as required by the *Standards*. The office exercises due professional care by considering the following:

- Extent of work needed to achieve the engagement’s objectives.
- Relative complexity, materiality, or significance of matters to which assurance procedures are applied.
- Adequacy and effectiveness of governance, risk management, and control processes.
- Probability of significant errors, fraud, or noncompliance.
- Cost of assurance in relation to potential benefits.
- Significant risk that might affect objectives, operations, or resources.

However, the Office of Internal Audit has not demonstrated the use of technology based audit and other data analysis techniques. The office does use some technology-based software to assist in the selection of samples, but has not used data analytic tools. Standard 1220.A2 states: “In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.” Data analytic tools have not been used because the director has not had training in the use of various tools available to internal audit.

**Recommendation:** To further the use of data analytics the Internal Audit staff should attend training related to data analytics use by internal audit.

**Plan of Action:** The Senior Network and Technical Security Auditor attended training on November 5, 2020, that was offered by John Hall. If funds are available he will plan to attend additional training related to analytics in the future. Additionally, both audit staff attended training related to data analytics provided by the Board in October of 2020.

## 2. Engagement Supervision

The Director of Internal audit does properly supervise engagements to ensure that audit objectives are achieved, quality is assured, and that audit staff receive the appropriate tools necessary to develop audit skills.

However, when the Senior Network and Technical Security Auditor was hired the documentation maintained as evidence of supervision was lacking. Initially most supervision was verbal conversations between the Director and the auditor. However, after several months documentation was more formalized and on the last audit conducted a standardized form was used to document changes needed to audit work papers.

**Recommendation:** The Director of Internal Audit must continue to use a standardized approach to document the review of audits conducted by the Senior Network and Technical Security Auditor.

**Plan of Action:** The Internal Audit Director will continue to use a standardized approach to conducting work paper review.

**ATTACHMENT A – EVALUATION SUMMARY AND RATING DEFINITIONS**

	GC	PC	DNC
<b>Overall Evaluation</b>	<b>X</b>		

<b>Attribute Standards (1000 through 1300)</b>		GC	PC	DNC
1000	Purpose, Authority, and Responsibility	<b>X</b>		
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	<b>X</b>		
1100	Independence and Objectivity	<b>X</b>		
1110	Organizational Independence	<b>X</b>		
1111	Direct Interaction with the Board	<b>X</b>		
1112	Chief Audit Executive Roles Beyond Internal Auditing	<b>X</b>		
1120	Individual Objectivity	<b>X</b>		
1130	Impairment to Independence or Objectivity	<b>X</b>		
1200	Proficiency and Due Professional Care	<b>X</b>		
1210	Proficiency	<b>X</b>		
1220	Due Professional Care	<b>X</b>		
1230	Continuing Professional Development	<b>X</b>		
1300	Quality Assurance and Improvement Program	<b>X</b>		
1310	Requirements of the Quality Assurance and Improvement Program	<b>X</b>		
1311	Internal Assessments	<b>X</b>		
1312	External Assessments	<b>X</b>		
1320	Reporting on the Quality Assurance and Improvement Program	<b>X</b>		
1321	Use of “Conforms with the <i>International Standards for the Professional Practice of Internal Auditing</i> ”	<b>X</b>		

1322	Disclosure of Nonconformance	X		
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Performance Standards (2000 through 2600)		GC	PC	DNC
2000	Managing the Internal Audit Activity	X		
2010	Planning	X		
2020	Communication and Approval	X		
2030	Resource Management	X		
2040	Policies and Procedures	X		
2050	Coordination and Reliance	X		
2060	Reporting to Senior Management and the Board	X		
2070	External Service Provider and Organizational Responsibility for Internal Auditing	X		
2100	Nature of Work	X		
2110	Governance	X		
2120	Risk Management	X		
2130	Control	X		
2200	Engagement Planning	X		
2201	Planning Considerations	X		
2210	Engagement Objectives	X		
2220	Engagement Scope	X		
2230	Engagement Resource Allocation	X		
2240	Engagement Work Program	X		
2300	Performing the Engagement	X		
2310	Identifying Information	X		
2320	Analysis and Evaluation	X		

2330	Documenting Information	X		
2340	Engagement Supervision	X		
2400	Communicating Results	X		
2410	Criteria for Communicating	X		
2420	Quality of Communications	X		
2421	Errors and Omissions	X		
2430	Use of “Conducted in Conformance with the <i>International Standards for the Professional Practice of Internal Auditing</i> ”	X		
2431	Engagement Disclosure of Nonconformance	X		
2440	Disseminating Results	X		
2450	Overall Opinions	X		
2500	Monitoring Progress	X		
2600	Communicating the Acceptance of Risks	X		

Code of Ethics		GC	PC	DNC
	Code of Ethics	X		

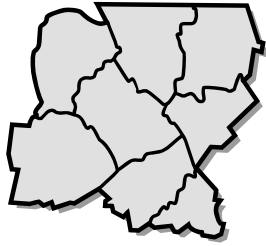
**RATING DEFINITIONS**

**GC – “Generally Conforms”** means that the assessor or the assessment team has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual standard or element of the Code of Ethics and at least partial conformity to the others within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the *Standards* or the Code of Ethics and has not applied them effectively or has not achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

**PC – “Partially Conforms”** means that the assessor or assessment team has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics, or a section or major category, but falls short of achieving some

major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or the Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

**DNC – “Does Not Conform”** means that the assessor or assessment team has concluded that the internal audit activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many or all of the objectives of the individual standard or element of the Code of Ethics, or a section or major category. These deficiencies will usually have a significantly negative impact on the internal audit activity’s effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.



***Roane State***  
***COMMUNITY COLLEGE***

*Office of Internal Audit*

***Report on Quality Self-Assessment Review***

***July 12, 2021***



276 Patton Lane Harriman, TN 37748-5011  
(865) 882-4529 Fax (865) 882-4601

[www.roanestate.edu](http://www.roanestate.edu)

*Office of Internal Audit*

July 12, 2021

Dear Dr. Whaley:

In accordance with the International Standards for the Professional Practice of Internal Auditing (Standards), issued by the Institute of Internal Auditors (IIA), as well as the IIA Definition of Internal Auditing and Code of Ethics, we implemented a Quality Assurance and Improvement Program for the Office of Internal Audit. As required by the Standards, this program must include periodic external reviews and internal self-assessments, as well as ongoing internal monitoring covering all aspects of the internal audit activity.

Periodic self-assessments are designed to assess the audit activity's conformance with the Standards, Definition of Internal Auditing, and Code of Ethics, and to assess the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders. Ongoing monitoring of internal audit activities are performed as part of the policies and practices of our office. Our Quality Assurance and Improvement Program requires an internal review be performed between external reviews.

This report is to inform you of the results of a recent internal review, a periodic self-assessment was performed as part of the quality assurance program. The review was performed in June and July of 2021 to determine if the internal audit activity is in conformance with the IIA requirements. The results of our assessment indicate we overall generally conform to the Standards, Definition of Internal Auditing, and Code of Ethics; however, opportunities for improvement were noted. These opportunities are discussed in the report.

The Standards require an external quality assurance review be performed every five years. The Tennessee Board of Regents Office of System-wide Internal Audit will coordinate the next external quality assurance review for the system in fiscal year 2023.

Please contact me should you have any questions regarding this review.

Sincerely,

Cynthia L. Cortesio, CIA  
Director of Internal Audit

Cc: Mike Batson, Chief Audit Executive, Tennessee Board of Regents



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**EXECUTIVE SUMMARY**

<p><b>Key Staff Personnel</b></p>	<p>Roane State Community College Internal Audit</p>	<p><b>Internal Auditor</b></p>	<p>Cynthia Cortesio Director, Internal Audit</p>
<p><b>Overall Assessment</b></p>	<p>The Roane State Community College Office of Internal Audit conducted a quality self-assessment of the internal audit activity during June and July 2021. The principal objective of the quality self-assessment was to determine the internal audit activity’s conformity to The Institute of Internal Auditors’ (IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i>, the <i>Definition of Internal Auditing</i>, and the <i>Code of Ethics</i>.</p> <p>The overall opinion is that the Roane State Community College’s internal audit activity generally conforms to The IIA’s <i>Standards, Definition of Internal Auditing</i>, and <i>Code of Ethics</i>. The internal audit activity is well structured, progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.</p> <p>As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and prior self-assessment recommendations.</p>		
<p><b>Opportunity for Continuous Improvement</b></p>	<p>The concept of general conformance to the <i>IIA Standards</i> recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains two opportunities for continuous improvement that should not be taken collectively to undermine the overall conclusion that Roane State Community College’s Internal Audit generally conforms to the <i>Standards</i>.</p> <p><i>Standard 1230 – Continuing Professional Development:</i> Pursue opportunities for enhancing skills in developing audit programs, utilizing technology for data analysis, and education in emerging trends in the internal audit field.</p> <p><i>Standard 2060 – Reporting to Senior Management and the Board:</i> Compliance with this standard could be enhanced by the Director of Internal Audit requesting to present more frequently at the Administrative Council meetings and by continuing to present periodically to the President’s Cabinet to provide updates on audit issues and to address any questions or concerns.</p>		

## **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by The *IIA Standards*, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states that “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”

## **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes, and prior self-assessment recommendations.

## **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Roane State Community College’s internal audit activity generally conforms to The IIA’s *Standards*, *Definition of Internal Auditing*, and *Code of Ethics*. The internal audit activity is well-structured and progressive. Audit management endeavors to provide useful audit tools and implement appropriate practices. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

For a detailed list of conformance to individual standards, please see Attachment A to the report.

## **OPPORTUNITY FOR CONTINUOUS IMPROVEMENT**

The concept of general conformance to the *IIA Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains two opportunities for continuous improvement that should not be taken collectively to undermine the overall conclusion that Roane State Community College's Internal Audit generally conforms to the *Standards*.

### *Standard 1230 – Continuing Professional Development – Generally Conforms*

This standard requires the auditor to enhance knowledge, skills and other competencies through continuing professional development. To remain a Certified Internal Auditor a person must complete 40 hours of continuing professional education. The State of Tennessee and the Tennessee Board of Regents also require this of the internal auditors in the TBR system. Professional development should include opportunities for enhancing skills in developing audit programs, utilizing technology for data analysis, and education in emerging trends in the internal audit field. The best sources of this kind of professional development include state conferences (such as the Tennessee Higher Education Internal Audit Conference), ACUA (Association of College and University Auditors) conferences, and IIA conferences.

### *Standard 2060 – Reporting to Senior Management and the Board – Generally Conforms*

This standard requires the campus/system-wide Chief Audit Executive report periodically to senior management on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan, including significant risk exposure and control issues. Including fraud risks, governance issues and other matters needed or requested by senior management. The Director of Internal Audit meets monthly with the college president, meets monthly with the Vice President for Business and Finance, and attends monthly Administrative Council meetings. Meetings with other senior level management are scheduled as necessary to discuss matters related to their areas of authority.

Even though the Director of Internal Audit is not a member of the President's Cabinet, the director can be invited or requested to attend as needed. Impromptu meetings with members of senior management are frequent and welcomed. Compliance with this standard could be enhanced by the Director of Internal Audit requesting to present more frequently at the Administrative Council meetings and by continuing to present periodically to the President's Cabinet to provide updates on audit issues and to address any questions or concerns.

**ATTACHMENT A - CONFORMITY WITH THE STANDARDS**

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

PC = **Partially Conforms** and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

DNC = **Does Not Conform** and means deficiencies in practice are judged to be so significant as to seriously impair or preclude IA from performing adequately in all or in significant areas of its responsibilities.

NA = **Not applicable** Standard does not apply.

		GC	PC	DNC	NA
<b>Attribute Standards</b>					
<u>1000 - Purpose, Authority and Responsibility</u>					
		X			
<u>1100 - Independence and Objectivity</u>					
1110	Organizational Independence	X			
1111	Direct Interaction with the Board	X			
1120	Individual Objectivity	X			
<u>1130 – Impairments to Independence or Objectivity</u>					
		X			
<u>1200 - Proficiency and Due Professional Care</u>					
1210	Proficiency	X			
1220	Due Professional Care	X			
1230	Continuing Professional Development	X			
<u>1300 - Quality Assurance Improvement Program</u>					
1310	Quality Program Assessments	X			
1311	Internal Assessments	X			
1312	External Assessments	X			
1320	Reporting on the Quality Program	X			
1321	Use of "Conformity with the Standards"	X			
1322	Disclosure of Noncompliance	X			
<b>Performance Standards</b>					
<u>2000 - Managing the Internal Audit Activity</u>					
2010	Planning	X			
2020	Communication and Approval	X			
2030	Resource Management	X			
2040	Policies and Procedures	X			
2050	Coordination	X			
2060	Reporting to the Board and Senior Management	X			
2070	External Service Provider & Organizational Responsibility				X
<u>2100 - Nature of Work</u>					
2110	Governance	X			
2120	Risk Management	X			
2130	Control	X			
<u>2200 - Engagement Planning</u>					
2201	Planning Considerations	X			
2210	Engagement Objectives	X			
2220	Engagement Scope	X			
2230	Engagement Resource Allocation	X			
2240	Engagement Work Program	X			
<u>2300 - Performing the Engagement</u>					
2310	Identifying Information	X			
2320	Analysis and Evaluation	X			
2330	Documenting Information	X			
2340	Engagement Supervision	X			
<u>2400 - Communicating Results</u>					
2410	Criteria for Communication	X			
2420	Quality of Communications	X			
2421	Errors and Omissions	X			
2440	Disseminating Results	X			
2430	Use of "Conformity with the Standards"	X			
2431	Engagement Disclosure of Noncompliance				X
2450	Overall Opinions	X			
<u>2500 - Monitoring Progress</u>					
		X			
<u>2600 - Management's Acceptance of Risks</u>					
		X			



*Office of Internal Audit*  
*Report on Quality Self-Assessment Review*  
*June 17, 2021*

**Southwest Tennessee Community College**

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# SOUTHWEST

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**TENNESSEE COMMUNITY COLLEGE**

P.O. Box 780 • Memphis, TN 38101-0780 • (901) 333-5000 • [www.southwest.tn.edu](http://www.southwest.tn.edu)

June 17, 2021

Dr. Tracy Hall, President  
Southwest Tennessee Community College  
5983 Macon Cove  
Memphis, Tennessee 38134

Dear Dr. Hall:

The enclosed report is an internal quality assessment review (QAR) of the Southwest Tennessee Community College, Office of Internal Audit as required periodically by the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (the IIA Standards)*. The objectives of the QAR were:

1. To assess conformance to the IIA Standards
2. To assess the effectiveness and efficiency of the Internal Audit activity in providing services to the institution; and
3. To identify opportunities for improvement of the Internal Audit program.

The overall opinion is that the Office of Internal Audit generally conforms to the IIA Standards, Opportunities for Improvement that will enhance conformance to the Standards and improve the efficiency and effectiveness of the college's internal audit program are describe in the report.

Sincerely,



Charlotte Johnson  
Internal Auditor Director

cc: Tennessee Board of Regents Audit Committee

**Southwest Tennessee Community College  
Report on Quality Self-Assessment Review  
June 17, 2021  
Executive Summary**

<b>Key Staff Person:</b> Office of Internal Audit	<b>Auditor:</b> Charlotte Johnson, Internal Auditor
<b>Introduction</b>	<p>The Southwest Tennessee Community College, Office of Internal Audit, conducted a quality self-assessment of the internal Audit activity June 2021. The office of Internal Audit is required by The <i>IIA Standards</i>, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the <i>Standards</i>. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.</p> <p>As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk and analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and a sample of working papers and reports.</p>
<b>Objectives</b>	<p>The objective of the quality self-assessment was to determine the internal audit activity's conformity to the Institute of Internal Auditors' (IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i>, the <i>Definition of Internal Auditing</i> and the <i>Code of Ethics</i>.</p>
<b>Observations</b>	<p>The concept of general conformance to the <i>IIA Standards</i> recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. Based on the audit tests performed on a sample of supporting data and efficiency and other outcome measures reported to THEC by the TBR for Southwest Tennessee Community college appeared accurate. Also, the review of the system of internal controls over this data indicated that the college has established controls to provide reasonable assurance that the data is accurately reported.</p>



Southwest Tennessee Community College  
Report on Quality Self-Assessment Review  
June 17, 2021

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**Restrictions on Report Use:** *This report is intended solely for the internal use of the Tennessee Board of Regents and Columbia State Community College. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by Columbia State Community College, Office of Internal Audit and handled in accordance with institutional policies; however, this report is a matter of public record.*

Southwest Tennessee Community College  
Report on Quality Self-Assessment Review  
June 17, 2021

The Office of Internal Audit is required by The *IIA Standards*, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states that "Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be."

#### **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes and a sample of working papers and reports.

#### **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Southwest Tennessee Community College's internal audit activity generally conforms to The IIA's *Standards, Definition of Internal Auditing* and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

#### **OBSERVATIONS**

Standard 2130 – Nature of Work - Partially Conforms

The Standard encompasses evaluating the adequacy and effectiveness of controls in responding to risk within the organization's governance, operations and information system regarding the safeguarding of assets. Audit resources allocated to the safeguarding of assets will be increased.

Southwest Tennessee Community College  
Report on Quality Self-Assessment Review  
June 17, 2021

**ATTACHMENT A - CONFORMITY WITH THE STANDARDS**

GC = Generally Conforms and means that IA has a charter, policies and procedures that are judged to meet the spirit and intent of the IIA Standards with some potential opportunities for improvement.

PC = Partially Conforms and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

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

NA = Not applicable Standard does not apply.

**Attribute Standards**

1000 - Purpose, Authority and Responsibility

1100 - Independence and Objectivity

- 1110 Organizational Independence
- 1111 Direct Interaction with the Board
- 1120 Individual Objectivity

1200 - Proficiency and Due Professional Care

- 1210 Proficiency
- 1220 Due Professional Care
- 1230 Continuing Professional Development

1300 - Quality Assurance Improvement Program

- 1310 Quality Program Assessments
- 1311 Internal Assessments
- 1312 External Assessments
- 1320 Reporting on the Quality Program
- 1321 Use of "Conformity with the Standards"
- 1322 Disclosure of Noncompliance

**Performance Standards**

2000 - Managing the Internal Audit Activity

- 2010 Planning
- 2020 Communication and Approval
- 2030 Resource Management
- 2040 Policies and Procedures
- 2050 Coordination
- 2060 Reporting to the Board and Senior Management
- 2070 External Service Provider & Organizational Responsibility

2100 - Nature of Work

- 2110 Governance
- 2120 Risk Management
- 2130 Control

2200 - Engagement Planning

- 2201 Planning Considerations
- 2210 Engagement Objectives
- 2220 Engagement Scope
- 2230 Engagement Resource Allocation
- 2240 Engagement Work Program

2300 - Performing the Engagement

- 2310 Identifying Information
- 2320 Analysis and Evaluation
- 2330 Documenting Information
- 2340 Engagement Supervision

2400 - Communicating Results

- 2410 Criteria for Communication
- 2420 Quality of Communications
- 2421 Errors and Omissions
- 2440 Disseminating Results
- 2430 Use of "Conformity with the Standards"
- 2431 Engagement Disclosure of Noncompliance
- 2450 Overall Opinions

2500 - Monitoring Progress

2600 - Management's Acceptance of Risks

GC	PC	DNC	NA
X			

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**Report on Quality Self-Assessment Review  
April 28, 2021**

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**VOLUNTEER STATE COMMUNITY COLLEGE**

Office of Internal Audit

1480 Nashville Pike

Gallatin, Tennessee 37066-3188

**Volunteer State Community College**  
**Report on Quality Self-Assessment Review**  
**Of the Office of Internal Audit**

**April 28, 2021**

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*This report is intended solely for the internal use of Volunteer State Community College and the Tennessee Board of Regents. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by the Office of Internal Audit and handled in accordance with institutional policies.*



1480 Nashville Pike ♦ Gallatin, TN 37066-3188  
615-452-8600 ♦ 615-741-3215 ♦ 1-888-335-VSCC (8722)  
[www.volstate.edu](http://www.volstate.edu)

April 28, 2021

Jerry L. Faulkner, PhD.  
President  
Volunteer State Community College  
1480 Nashville Pike  
Gallatin, Tennessee 37066

Dr. Faulkner:

Transmitted herewith is the self-assessment quality review of the Office of Internal Audit to determine conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)* and the *Code of Ethics*.

The IIA *Standards* require an external quality assurance review every five years. The latest external review for the Tennessee Board of Regents system was 2018.

Sincerely,

Nancy Batson  
Internal Audit

**Volunteer State Community College  
Report on Quality Self-Assessment Review  
April 28, 2021**

**Executive Summary**

<b>Key Staff Personnel</b>	Office of Internal Audit	<b>Internal Auditor</b>	Nancy Batson
<b>Introduction</b>	<p>The Office of Internal Audit is required by the Institute of Internal Auditors' (IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i> to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance to the <i>Standards</i> and the <i>Code of Ethics</i>. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.</p>		
<b>Objectives</b>	<p>The Office of Internal Audit conducted a quality self-assessment of the internal audit activity. The principal objective of the quality self-assessment is to determine the internal audit activity's conformity to the <i>IIA Standards</i> and the <i>Code of Ethics</i>.</p>		
<b>Conclusion</b>	<p>The overall opinion is that the internal audit activity generally conforms to the <i>IIA Standards</i> and <i>Code of Ethics</i>. The internal audit activity is well-structured and progressive, and audit management is endeavoring to provide useful audit tools and implement appropriate practices. Efforts to conform to the spirit and intent of the <i>IIA Standards</i> are evident.</p> <p>The concept of general conformance to the <i>IIA Standards</i> recognizes that there may still be room for improvement, and quality assurance reviews provide a natural process for identifying these opportunities. These items should not be taken to undermine the overall conclusion that the internal audit activity generally conforms to the <i>Standards</i>. Opportunities noted for improvement include technology based auditing and data analysis activities (Standard 1200).</p>		

**Volunteer State Community College  
Report on Quality Self-Assessment Review  
April 28, 2021**

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**Volunteer State Community College**  
**Report on Quality Self-Assessment Review**  
**April 28, 2021**

**Requirement for Quality Assessments**

The Office of Internal Audit is required by the Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)* to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance to the *Standards* and the *Code of Ethics*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within the standards are Attribute and Performance standards. The Attribute standards address the characteristics of the personnel conducting internal audit activities, and the Performance standards provide criteria for the internal audit work. The IIA describes that conformance with the *Standards* and the *Code of Ethics* will align the internal audit activity with the *Definition of Internal Auditing* and the *Core Principles for the Professional Practice of Internal Auditing*.

**Procedures Performed**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The rating definitions used in the self-assessment are described below:

GC – “Generally Conforms” means the evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual *Standards* or element of the *Code of Ethics* in all material respects. Further, general conformance means that there is general conformity to a majority of the individual *Standards* or elements of the *Code of Ethics* and at least partial conformity to the others.

PC – “Partially Conforms” means the evaluator has concluded that the activity is making good-faith efforts to comply with the requirements of the individual *Standards* or element of the *Code of Ethics*, but falls short of achieving some major objectives.

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

Attachment A provides a detailed list of conformance to the individual standards.

### **Opinion as to the Conformity to the *Standards***

The overall opinion is that the internal audit activity generally conforms to the IIA *Standards* and *Code of Ethics*. The internal audit activity is well-structured and progressive, and audit management is endeavoring to provide useful audit tools and implement appropriate practices. Efforts to conform to the spirit and intent of the IIA *Standards* are evident.

The concept of general conformance to the IIA *Standards* recognizes that there may still be room for improvement, and quality assurance reviews provide a natural process for identifying these opportunities. These items should not be taken to undermine the overall conclusion that the internal audit activity generally conforms to the *Standards*. Opportunities noted for improvement include technology based auditing and data analysis activities (Standard 1200).

Attribute Standards		GC	PC	DNC	N/A
1000	Purpose, Authority and Responsibility	x			
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	x			
1100	Independence and Objectivity	x			
1110	Organizational Independence	x			
1111	Direct Interaction with the Board	x			
1112	Chief Audit Executive Roles Beyond Internal Auditing	x			
1120	Individual Objectivity	x			
1130	Impairment to Independence or Objectivity	x			
1200	Proficiency and Due Professional Care	x			
1210	Proficiency	x			
1220	Due Professional Care	x			
1230	Continuing Professional Development	x			
1300	Quality Assurance and Improvement Program	x			
1310	Requirements of the Quality Assurance and Improvement Program	x			
1311	Internal Assessments	x			
1312	External Assessments	x			
1320	Reporting on the Quality and Assurance and Improvement Program	x			
1321	Use of “ <i>Conforms with the International Standards for the Professional Practice of Internal Auditing</i> ”	x			
1322	Disclosure of Nonconformance	x			

Performance Standards		GC	PC	DNC	N/A
2000	Managing the Internal Audit Activity	x			
2010	Planning	x			
2020	Communication and Approval	x			
2030	Resource Management	x			
2040	Policies and Procedures	x			
2050	Coordination and Reliance	x			
2060	Reporting to Senior Management and the Board	x			
2070	External Service Provider and Organizational Responsibility for Internal Auditing				x
2100	Nature of Work	x			
2110	Governance	x			
2120	Risk Management	x			
2130	Control	x			
2200	Engagement	x			
2201	Planning Considerations	x			
2210	Engagement Objectives	x			
2220	Engagement Scope	x			
2230	Engagement Resource Allocation	x			
2240	Engagement Work Program	x			
2300	Performing the Engagement	x			
2310	Identifying Information	x			
2320	Analysis and Evaluation	x			
2330	Documenting Information	x			
2340	Engagement Supervision	x			
2400	Communicating Results	x			
2410	Criteria for Communication	x			
2420	Quality of Communication	x			
2421	Errors and Omissions	x			
2430	Use of “Conducted in Conformance with the International Standards for the Professional Practice of Internal Auditing”	x			
2431	Engagement Disclosure of Nonconformance	x			
2440	Disseminating Results	x			
2450	Overall Opinions				x
2500	Monitoring Progress	x			
2600	Communicating the Acceptance of Risks	x			

# **WALTERS STATE COMMUNITY COLLEGE**

*Office of Internal Audit  
Report on Quality Self-Assessment Review  
June 23, 2021*



OFFICE OF INTERNAL AUDIT

June 23, 2021

Mr. Mike Batson, CPA  
Chief Audit Executive  
Tennessee Board of Regents  
1 Bridgestone Park  
Nashville, TN 37214

Re: WSCC's Office of Internal Audit Report on Quality Self-Assessment Review

Dear Mr. Batson:

Enclosed is my Walters State Community College Office of Internal Audit Report on Quality Self-Assessment Review performed to determine conformity with The IIA *Standards* and the *Code of Ethics*.

One observation was noted as a result of this review.

Please contact me by phone at (423) 585-6794 or by e-mail at [Mark.Ortlieb@ws.edu](mailto:Mark.Ortlieb@ws.edu) if you have any questions concerning the accompanying materials or need any additional information.

Best regards,

Mark A. Ortlieb, CPA  
Internal Auditor

CC via e-mail: Dr. Tony Miksa, President, WSCC

Enclosures

Walters State Community College  
Report on Quality Self-Assessment Review  
June 23, 2021

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Walters State Community College  
Report on Quality Self-Assessment Review  
June 23, 2021

**EXECUTIVE SUMMARY**

The Walters State Community College, Office of Internal Audit, conducted a quality self-assessment of the internal audit activity during the period from July 2020 – June 2021. The principal objective of the quality self-assessment was to determine the internal audit activity's conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*, the *Definition of Internal Auditing* and the *Code of Ethics*.

The overall opinion is that the Walters State Community College's internal audit activity generally conforms to The IIA's *Standards*, *Definition of Internal Auditing* and *Code of Ethics*. The internal audit activity is well-structured and progressive and audit management is endeavoring to provide useful audit tools and implement appropriate practices. For a detailed list of conformance to individual standards, please see Attachment A to the report.

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement management processes and a sample of working papers and reports.

**OBSERVATION**

The concept of general conformance to the *IIA Standards* recognizes that there may still be room for improvement. Auditors strive for continuous improvement and Quality Assurance Reviews provide a natural process for identifying these opportunities. This report contains a recommendation that should not be construed as undermining the overall conclusion. That observation has a high potential to improve the program and consists of a recommendation to implement data analytics software.



Walters State Community College  
Report on Quality Self-Assessment Review  
June 23, 2021

**REQUIREMENT FOR QUALITY ASSESSMENTS**

The Office of Internal Audit is required by The *IIA Standards*, to have a quality assurance and improvement program, which includes periodic internal and external quality assessments and ongoing internal monitoring for conformance with the *Standards*. To better prepare for an external quality assessment, the internal audit activity should complete an internal self-assessment prior to undergoing an external quality assessment.

Adherence to the *Standards* is essential for the professional practice of internal auditing. Within The *IIA Standards* are Attribute and Performance Standards. The IIA states that "Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be."

**PROCEDURES PERFORMED**

As part of the quality assessment, the Office of Internal Audit prepared a self-study of conformance to the IIA requirements. The Office of Internal Audit also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement management processes and a sample of working papers and reports.

**OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Walters State Community College's internal audit activity generally conforms to The IIA's *Standards, Definition of Internal Auditing* and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

Walters State Community College  
Report on Quality Self-Assessment Review  
June 23, 2021

**OBSERVATION**

**Attribute Standard 1220 – Due Professional Care – Generally Conforms**

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

1220.A1 – Internal auditors must exercise due professional care by considering the:

- Extent of work needed to achieve the engagement’s objectives.
- Relative complexity, materiality, or significance of matters to which assurance procedures are applied.
- Adequacy and effectiveness of governance, risk management, and control processes.
- Probability of significant errors, fraud, or noncompliance.
- Cost of assurance in relation to potential benefits.

1220.A2 – In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.

The Office of Internal Audit does exercise due professional care in the performance of engagements as required by the *IIA Standards*; however, the use of technology-based audit and other data analysis techniques has not been demonstrated. Although the office does use some technology-based software in the selection of sample items, data analytics software has not been used due to a lack of access and training.

**RECOMMENDATION**

The Tennessee Board of Regent’s Office of State-wide Internal Audit should seek funding for system-wide use of data analytics software and provide access and training for all internal auditors who report thereto.

Walters State Community College  
Report on Quality Self-Assessment Review  
June 23, 2021

**ATTACHMENT A -  
CONFORMITY WITH THE  
STANDARDS**

*Attribute Standards*

GC = Generally Conforms and means that IA has a charter, policies and procedures that are judged to meet the spirit and intent of the IIA Standards with some potential opportunities for improvement.

PC = Partially Conforms and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

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

NA = Not applicable Standard does not apply.

1000 - Purpose, Authority and Responsibility

1100 - Independence and Objectivity

- 1110 Organizational Independence
- 1111 Direct Interaction with the Board
- 1120 Individual Objectivity
- 1130 Impairments to Independence or Objectivity

1200 - Proficiency and Due Professional Care

- 1210 Proficiency
- 1220 Due Professional Care
- 1230 Continuing Professional Development

1300 - Quality Assurance Improvement Program

- 1310 Quality Program Assessments
- 1311 Internal Assessments
- 1312 External Assessments
- 1320 Reporting on the Quality Program
- 1321 Use of "Conformity with the Standards"
- 1322 Disclosure of Noncompliance

*Performance Standards*

2000 - Managing the Internal Audit Activity

- 2010 Planning
- 2020 Communication and Approval
- 2030 Resource Management
- 2040 Policies and Procedures
- 2050 Coordination
- 2060 Reporting to the Board and Senior Management
- 2070 External Service Provider & Organizational Responsibility

2100 - Nature of Work

- 2110 Governance
- 2120 Risk Management
- 2130 Control

2200 - Engagement Planning

- 2201 Planning Considerations
- 2210 Engagement Objectives
- 2220 Engagement Scope
- 2230 Engagement Resource Allocation
- 2240 Engagement Work Program

2300 - Performing the Engagement

- 2310 Identifying Information
- 2320 Analysis and Evaluation
- 2330 Documenting Information
- 2340 Engagement Supervision

2400 - Communicating Results

- 2410 Criteria for Communication
- 2420 Quality of Communications
- 2421 Errors and Omissions
- 2440 Disseminating Results
- 2430 Use of "Conformity with the Standards"
- 2431 Engagement Disclosure of Noncompliance
- 2450 Overall Opinions
- 2500 Monitoring Progress

2600 - Management's Acceptance of Risks

GC	PC	DNC	NA
X			

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# Tennessee Board of Regents – System Office

## Report on Quality Assurance Self-Assessment

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August 13, 2021

Audit Conducted by:  
Mike Batson

**Tennessee Board of Regents System Office  
Report on Quality Assurance Self-Assessment**

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THE COLLEGE SYSTEM  
of TENNESSEE

Office of System-wide Internal Audit

1 Bridgestone Park, Third Floor  
Nashville, Tennessee 37214  
615-366-4496 OFFICE 615-366-1517 FAX

tbr.edu

August 13, 2021

Dr. Flora Tydings, Chancellor  
Tennessee Board of Regents  
1 Bridgestone Park  
Nashville, Tennessee 37214

Dear Chancellor Tydings:

Enclosed is the self-assessment quality review of the Office of System-wide Internal Audit for the Tennessee Board of Regents System Office to determine conformity to The Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)* and the *Code of Ethics*.

The IIA *Standards* require periodic internal and external reviews and ongoing internal monitoring covering all aspects of the internal audit activity.

This report is to inform you of the results of a recent internal review, a self-assessment of our internal audit activities performed as part of the quality assurance program. The results of the review indicate we are generally in conformance with the *Standards, Definition of Internal Auditing, and Code of Ethics*.

Ongoing monitoring procedures of internal audit activities are performed as part of the policies and practices of our office. Because the *Standards* require an external quality assurance review every five years, our office will coordinate the next external quality assurance review for the system in FY 2023.

Sincerely,

Mike Batson, CPA  
Chief Audit Executive

cc: Tennessee Board of Regents Audit Committee  
Mr. Danny Gibbs, Vice Chancellor of Business and Finance

**Tennessee Board of Regents – System Office  
Report on Quality Assurance Self-Assessment  
August 13, 2021  
Executive Summary**

<b>Key Staff Personnel</b>	Office of System-wide Internal Audit Staff	<b>Internal Auditor</b>	Mike Batson, Chief Audit Executive
<b>Introduction</b>	<p>The Tennessee Board of Regents (TBR) – System Office’s Office of System-wide Internal Audit completed a quality assurance self-assessment of the internal audit activity June 2021. The principal objective of the quality self-assessment was to determine the internal audit activity’s conformity to The Institute of Internal Auditors’ (The IIA) <i>International Standards for the Professional Practice of Internal Auditing (Standards)</i>, the <i>Definition of Internal Auditing</i>, and the <i>Code of Ethics</i>.</p>		
<b>Requirements for Quality Assessments</b>	<p>The IIA <i>Standards</i> require an audit activity to have a quality assurance and improvement program, which includes periodic internal and external quality assessments, and ongoing internal monitoring for conformance with the <i>Standards</i>. The TBR Office of System-Wide Internal Audit <i>Internal Audit Manual</i> directs the college internal audit activity to conduct a self-assessment at least twice every five-years, and undergo an external peer review every fifth year.</p> <p>Adherence to the <i>Standards</i> is essential for the professional practice of internal auditing. The IIA states, “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.”</p>		
<b>Conclusion</b>	<p>The overall opinion is that the Tennessee Board of Regents’ internal audit activity generally conforms to The IIA’s <i>Standards, Definition of Internal Auditing, and Code of Ethics</i>. The internal audit activity is well structured and progressive, and audit management continues to improve practices and implement efficiencies. <i>Appendix A – Evaluation of Conformity</i> details conformity by individual standard.</p>		

<b>Observations</b>	<p>The concept of general conformance to the IIA <i>Standards</i> recognizes that there may still be room for improvement. Auditors strive for continuous improvement, and quality assurance reviews provide a natural process for identifying these opportunities. This report contains recommendations that collectively do not undermine the overall conclusion. The opportunities noted in this report include improving the process for documenting review of work papers at the System Office and enhancing data analysis capabilities. Planning and implementation of these opportunities have been in process prior to this review.</p>
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# **Tennessee Board of Regents – System Office**

## **Report on Quality Assurance Self-Assessment**

### **REQUIREMENT FOR QUALITY ASSESSMENTS**

The Institute of Internal Auditors (IIA) *Standards* require an audit activity to have a quality assurance and improvement program, which includes periodic internal and external quality assessments, and ongoing internal monitoring for conformance with the *Standards*.

Adherence to the *Standards* is essential for the professional practice of internal auditing. The IIA states, “Standards are the criteria by which the operations of an internal audit department are evaluated and measured. They are intended to represent the practice of internal auditing as it should be.” According to the IIA, conformance with the *Standards* and *Code of Ethics* will help to ensure that the audit activity meets the *Definition of Internal Auditing* and is aligned with the *Core Principles for the Professional Practice of Internal Auditing*.

### **PROCEDURES PERFORMED**

As part of the quality assessment, the Office of System-wide Internal Audit (The Office) prepared a self-study of conformance to the IIA requirements. The Office also reviewed the risk analysis and audit planning processes, audit tools and methodologies, engagement and staff management processes, and a sample of working papers and reports.

### **OPINION AS TO CONFORMITY TO THE STANDARDS**

The overall opinion is that the Tennessee Board of Regents internal audit activity generally conforms to The IIA’s *Standards*, *Definition of Internal Auditing*, and *Code of Ethics*. Efforts to conform to the spirit and intent of the *IIA Standards* are evident.

### **OPPORTUNITIES FOR CONTINUOUS IMPROVEMENT**

The concept of general conformance to the IIA *Standards* recognizes that there may still be room for improvement. The staff performing internal audit activities strive for continuous improvement, and quality assurance reviews provide a natural process for identifying these opportunities. This report contains two observations that should not be taken collectively to undermine the overall conclusion.

#### **1. Standard 1200 – Proficiency and Due Professional Care – Generally Conforms**

This *Standard* requires that internal auditors must have sufficient knowledge of key information technology (IT) risks and controls and available technology-based audit techniques to perform their work. The Office of System-wide Internal Audit hired an Information Security Auditor in October 2020. This position will provide knowledge and experience with key IT risks and controls. System-wide Internal Audit will continue to seek opportunities to add IT audit analysis tools and training to increase audit effectiveness.

2. Standard 2340 – Engagement Supervision

The Chief Audit Executive (CAE) reviews the work papers and reports for the System-wide Internal Audit staff. This includes email comments, editing reports and notes, and work paper comments. However, the CAE has initiated a review of this process to provide more standardized review documentation.

## APPENDIX A - CONFORMITY WITH THE STANDARDS

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

**PC = Partially Conforms** and means there are deficiencies in practice that are judged to deviate from the spirit and intent of the IIA Standards, but these deficiencies did not preclude IA from performing its responsibilities

**DNC = Does Not Conform** and means deficiencies in practice are judged to be so significant as to seriously impair or preclude IA from performing adequately in all or in significant areas of its responsibilities.

**NA = Not applicable Standard** does not apply.

### Attribute Standards

1000 - Purpose, Authority and Responsibility

GC	PC	DNC	NA
X			

1100 - Independence and Objectivity

- 1110 Organizational Independence
- 1111 Direct Interaction with the Board
- 1120 Individual Objectivity

X			
X			
X			
X			

1130 - Impairments to Independence or Objectivity

X			
X			
X			

1200 - Proficiency and Due Professional Care

- 1210 Proficiency
- 1220 Due Professional Care
- 1230 Continuing Professional Development

X			
X			
X			
X			
X			
X			

1300 - Quality Assurance Improvement Program

- 1310 Quality Program Assessments
- 1311 Internal Assessments
- 1312 External Assessments
- 1320 Reporting on the Quality Program
- 1321 Use of "Conformity with the Standards"
- 1322 Disclosure of Noncompliance

### Performance Standards

2000 - Managing the Internal Audit Activity

- 2010 Planning
- 2020 Communication and Approval
- 2030 Resource Management
- 2040 Policies and Procedures
- 2050 Coordination
- 2060 Reporting to the Board and Senior Management
- 2070 External Service Provider & Organizational Responsibility

X			
X			
X			
X			
X			
X			
			X

2100 - Nature of Work

- 2110 Governance
- 2120 Risk Management
- 2130 Control

X			
X			
X			

2200 - Engagement Planning

- 2201 Planning Considerations
- 2210 Engagement Objectives
- 2220 Engagement Scope
- 2230 Engagement Resource Allocation
- 2240 Engagement Work Program

X			
X			
X			
X			
X			

2300 - Performing the Engagement

- 2310 Identifying Information
- 2320 Analysis and Evaluation
- 2330 Documenting Information
- 2340 Engagement Supervision

X			
X			
X			
X			

2400 - Communicating Results

- 2410 Criteria for Communication
- 2420 Quality of Communications
- 2421 Errors and Omissions
- 2440 Disseminating Results
- 2430 Use of "Conformity with the Standards"
- 2431 Engagement Disclosure of Noncompliance
- 2450 Overall Opinions

X			
X			
X			
X			
X			
X			
			X
X			
X			

2500 - Monitoring Progress

2600 - Management's Acceptance of Risks