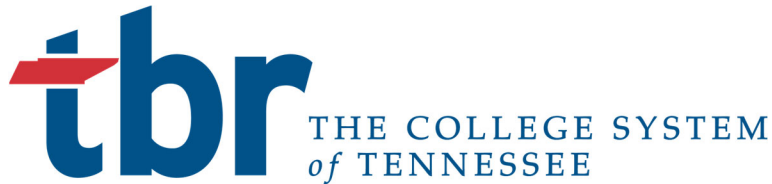**TENNESSEE BOARD OF REGENTS**
Committee on Audit

AGENDA
September 7, 2022

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

II.   CONSENT AGENDA (Mike Batson)
   a. **Review of Internal Audit Plans for Fiscal Year 2023**
   b. **Review of New Internal Audit Charters**

III. REVIEW OF INTERNAL AUDIT YEAR-END STATUS REPORTS FOR FISCAL YEAR 2022 (Mike Batson)

IV.   REVIEW OF AUDIT COMMITTEE CHARTER, RESPONSIBILITIES, AND IIA STANDARDS (Mike Batson)

V.   NON-PUBLIC EXECUTIVE SESSION (Mike Batson)

THE COLLEGE SYSTEM
of TENNESSEE

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: September 7, 2022

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The following items will be discussed with the Audit Committee:

Department of Defense – Compliance Program 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, 2022. 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.

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Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	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	Notes and Dates	Status
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. Updated 08/27/2020: 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	Business and Finance	5/15/2017	12/31/2021	1	12/3/2019	Nov/Dec 2021 IA Reviewed process. -June 15, 2022 Met with new HR Coordinator and discussed the recommendation. -08/04/2022 Management has developed an institutional approval process for compensation increases. The documentation includes signatures and dates as well as email confirmation. The recommendation is cleared.	Action Completed
JSCC	09/20/2018	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). Updated 03/05/2021: 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	Business and Finance	3/30/2019	9/1/2021	1	3/5/2021	06/30/2022- Management has updated guidelines for fundraising events including cash management procedures. The Student Life Handbook has been reviewed and approved by management. The recommendation is cleared.	Action Completed
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. Updated 03/05/2021: 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.	Vice President for Student Services	Policy and Strategy	3/30/2019	9/1/2021	1	3/5/2021	06/30/2022- Training for club advisors and club officers was conducted in fall 2021 and spring 2022. Additional training is planned for fall 2022. The Student Life Handbook has been reviewed and approved by management. The updated Handbook has been distributed to the club advisors. Club Officers will receive a copy during the upcoming fall 2022 training. The recommendation is cleared.	Action Completed
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). Updated 03/05/2021: 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	Policy and Strategy	3/30/2019	9/1/2021	1	3/5/2021	06/30/2022- The Student Life Handbook has been reviewed and approved by management. 08/04/2022 The recommendation is cleared.	Action Completed

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

		TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges (Reports sorted by Status, Institution, Report Release Date)								
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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, Foundations. All policies should be approved by the Foundation Board. Updated 12/15/2020 & 10/04/2021: Management is in the process of developing foundation policies and procedures for review and approval by the foundation board.	Director of Community Development & Foundation	External Affairs	8/31/2020	7/1/2021	1	12/15/2020	06/27/2022 Approximately 13 policies have been approved by the Foundation Board. Internal Audit will review the policies to ensure TBR Foundation required policies are included. 08/04/22 Foundation polices have been submitted and approved by the Foundation Board. The recommendation has been cleared.	Action Completed
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. Updated 12/15/2020 & 10/04/2021: 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	External Affairs	8/31/2020	7/1/2021	1	12/15/2020	06/27/2022 A budget has been submitted and approved by the Foundation. Internal Audit needs to review the budget and TBR policy. 08/04/2022 The recommendation has been cleared.	Action Completed
NaSCC	4/30/2020	The Foundation should ensure that all board members review and acknowledge the Code of Ethics annually.	Executive Director of Foundation	External Affairs	6/30/2020	10/31/2020	1	6/30/2020	06/30/2022- All foundation board members have reviewed and signed the Code of Ethics. No further action is required.	Action Completed
NaSCC	4/30/2020	The Foundation should develop policies and procedures to ensure compliance with donor intent and conditions.	Executive Director of Foundation	External Affairs	6/1/2020	10/31/2020	1	6/1/2020	06/30/2022- The Foundation board has developed and approved a policy to ensure compliance with donor intent and conditions. No further action is required.	Action Completed
NaSCC	4/30/2020	The Foundation should develop policies and procedures for disclosure of gift records.	Executive Director of Foundation	External Affairs	6/1/2020	10/31/2020	1	6/1/2020	06/30/2022- The Foundation board has developed and approved a policy for disclosure of gift records. No further action is required.	Action Completed
NaSCC	6/24/2020	Management should take corrective actions to mitigate security risks.	Vice President of Finance and Administrative Services, Associate Vice President of Accounting and Finance, Executive Director of Operations, and Director of Safety and Security	Business and Finance	10/31/2020	10/31/2020	1	10/31/2020	06/30/2022- Management has taken corrective actions to mitigate security risks. No further action is required.	Action Completed
NaSCC	5/25/2022	The Veterans Affairs specialist should create and maintain a log of Notices of Indebtedness to track the due date of each notice to ensure timely remittance of payment to the VA.	Director of Admissions and Records	Policy and Strategy	9/30/2022	9/30/2022	1	6/30/2022	06/30/2022- The Veterans Affairs specialist has created and maintained a log of Notices of Indebtedness. No further action is required.	Action Completed

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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	External Affairs	12/15/2021	6/30/2022	2	3/30/2020	5/26/22 - email from Executive Director. Policy was approved by RSF Board on 2/17/22. Records in storage were purged according to the new policy this past fall. RSF is planning biannual purge days moving forward.	Action Completed
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	Policy and Strategy	12/31/2021	6/30/2022	1	7/31/2020	6/23/22 - met with VP Student Learning & Dean Health Sciences. They outlined their decisions regarding contract length for the Clinical Coordinators in the specific disciplines having this role. 8/1/2022 Complete.	Action Completed
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	Policy and Strategy	11/1/2021	6/1/2022	1	12/15/2021	Action completed June 2022.	Action 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	Business and Finance	8/1/2021	12/31/2022	2	2/2/2021	2/3/2022 - TCAT management reported that a cost effective solution had not been identified resulting in a project request to the IT development team. However, the team lead has left the college and other projects have a greater priority. 6/28/2022- significant turnover has plagued the Technology team. The TCAT project is currently on hold.	In Progress
ClSCC	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	Business and Finance; Policy and Strategy	7/1/2021		2	2/1/2022	08/01/2022- VPAA is verifying that the budget she requested (in order to comply with outside regulatory agency for Nursing instruction) gets funded properly in the FY23 Revised October budget.	In Progress
ClSCC	6/16/2021	Management should complete the upgrading of exterior doors in a timely manner.	VP of Finance and Operations	Business and Finance	1/31/2022		2	6/29/2022	08/01/2022- As a follow-up to the 6/16/21 Safety Audit, all doors have been properly replaced except for 3 sets in the Gym.	In Progress

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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 • Ensure workforce development objectives are tied to and directed by the college's mission and strategic plan, • Ensure college policies are current and reflect the existing operating environment and expectations, • Support employee competency and accountability with job descriptions specific to the employee's role, and • Ensure all employees complete orientation, receive job specific training, and are fully aware of policies that specifically impact the employee's job responsibilities.	Vice President, Williamson Campus and External Affairs Operations Manager, Workforce and Continuing Education	Economic and Community Development	2/28/2021		0	1/6/2021	6/24/22 - high turnover of key personnel since 2020; key management in place February 2022 and management has initiated actions to resolve outcomes 7/13/2022 - IA Follow-up scheduled for September 2022	In Progress
CoSCC	10/29/2020	CoSCC-FU Workforce Development Controls Review-10292020 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. • 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.	Vice President, Williamson Campus and External Affairs Operations Manager, Workforce and Continuing Education	Economic and Community Development	2/28/2021		0	1/6/2021	6/24/22 - high turnover of key personnel since 2020; key management in place February 2022 and management has initiated actions to resolve outcomes 7/13/2022 - IA Follow-up scheduled for September 2022	In 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	Business and Finance	6/7/2021		0	12/2/2021	6/24/2022 - key personnel transition in November 2021 delayed management action. 7/13/2022 - IA Follow-up scheduled for October 2022	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	Policy and Strategy	6/30/2021		0	9/17/2021	6/24/22 - high turnover in key personnel since 2019; key management in place November 2021 and management has addressed outcome; internal audit review scheduled 7/13/2022 - IA Follow-up scheduled for August 2022	In Progress
DSCC	3/31/2022	A meeting should be held with all applicable parties, including but not limited to, Athletic department staff, coaches, other departments using group travel, and accounting and administrative services staff, to review the Athletic and Other Group Travel policy and decide on consistent practices, procedures and related paperwork to be used in processing all group travel events.	Vice President for Finance and Administrative Services	Business and Finance	9/1/2022					In Progress

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DSCC	4/22/2022	The review process for VA Benefit Certifications is not well documented, signed and dated by the person conducting the review. It is recommended that a written checklist of items needed for the student file be created and implemented and that the person conducting the review sign off on all items reviewed and note the date of the review. All appropriate certifying documentation, as well as a review of charges calculated and the beginning and ending dates reported in the VA Once system should be included in the review.	Director of Financial Aid	Policy and Strategy	9/1/2022					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	Business and Finance	1/17/2020		0		06/27/2022- Responsible parties notified of the new recommendations process. 06/27/2022- Follow up work was conducted in Spring and Fall 2021. IA needs to review the work and determine the status.	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	Business and Finance	1/17/2020		0		06/27/2022- Responsible parties notified of the new recommendations process. 06/27/2022- Follow up work was conducted in Spring and Fall 2021. IA needs to review the work and determine the status.	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	Business and Finance	1/17/2020		0		06/27/2022- Responsible parties notified of the new recommendations process. 06/27/2022- Follow up work was conducted in Spring and Fall 2021. IA needs to review the work and determine the status.	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 6/1/22- Interim Vice President for Student Success	Policy and Strategy	11/4/2018	5/31/2022	9	12/19/2018	6/30/22 - Motlow Policy: 5:10:00:00 Faculty Class Assignment, Teaching Load Including Outside Employment & Summer School Policy has been in process of revision at Motlow since 4/16/2021. The policy is currently being reviewed by the MSCC Policy Review Committee. 8/5/22 - No update. Policy continues in review process.	In Progress

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<tr><td colspan="11" align="center">TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges
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<tr>
<td>MSCC</td>
<td>6/29/2018</td>
<td>Motlow State Community College should 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.</td>
<td>Executive Director of Human Resources 10/21/19 - Compliance Officer 7/1/21 - Title Change - Executive Director of Diversity, Equity, and Inclusion</td>
<td>Policy and Strategy</td>
<td>12/24/2018</td>
<td>5/15/2022</td>
<td>9</td>
<td>10/2/2019</td>
<td>6/30/22 - An additional follow-up review is in process. 8/5/22 - Update - Follow up review conducted. Recommendation not cleared. Procedures have been developed but not consistently followed or fully documented.</td>
<td>In Progress</td>
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<td>MSCC</td>
<td>4/12/2019</td>
<td>The recommendation from the previous audit report is repeated.

Motlow State Community College should 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.</td>
<td>Chief Learning Officer, Executive Director of Workforce Development 7/1/20 - Title Change - Executive Vice President of Workforce and Community Development</td>
<td>Economic and Community Development</td>
<td>9/30/2019</td>
<td>3/31/2022</td>
<td>7</td>
<td>12/16/2020</td>
<td>6/30/22 - Recommendation not cleared. An additional follow-up review will be scheduled once the THEC Workforce Training Contact Hours 2021 - 2022 guidelines are released. 8/5/22 - Update - Received Motlow prepared THEC report due in August on 7/27/22. Follow up will be conducted to test for corrective action implementation.</td>
<td>In Progress</td>
</tr>
<tr>
<td>MSCC</td>
<td>4/12/2019</td>
<td>Motlow State Community College should 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.</td>
<td>Chief Learning Officer, Executive Director of Workforce Development 7/1/20 - Title Change - Executive Vice President of Workforce and Community Development</td>
<td>Economic and Community Development</td>
<td>9/30/2019</td>
<td>3/31/2022</td>
<td>7</td>
<td>12/16/2020</td>
<td>6/30/22 - Recommendation not cleared. An additional follow-up review will be scheduled once the THEC Workforce Training Contact Hours 2021 - 2022 guidelines are released. 8/5/22 - Update - Received Motlow prepared THEC report due in August on 7/27/22. Follow up will be conducted to test for corrective action implementation.</td>
<td>In Progress</td>
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<tr>
<td>NaSCC</td>
<td>8/2/2019</td>
<td>Form a Conflicts of Interest Committee to receive, review, and issue a recommendation to management for disclosed conflicts of interest.</td>
<td>Director of Human Resources</td>
<td>Business and Finance</td>
<td>1/1/2020</td>
<td>9/30/2020</td>
<td>0</td>
<td>2/6/2020</td>
<td>07/31/2022- Auditor is working with the Director of Human Resources on the formation of a Conflicts of Interest Committee.</td>
<td>In Progress</td>
</tr>
<tr>
<td>NaSCC</td>
<td>4/30/2020</td>
<td>The Foundation should develop policies and procedures on procurement and contracting activities.</td>
<td>Executive Director of Foundation</td>
<td>External Affairs</td>
<td>6/1/2020</td>
<td>10/31/2020</td>
<td>0</td>
<td>6/1/2020</td>
<td>07/31/2022- The former Executive Director of Foundation had been working with VP Business and Finance on developing the policies and procedures. The Director position is currently vacant; auditor will follow up once a new director is hired.</td>
<td>In Progress</td>
</tr>
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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	Business and Finance	1/1/2020	9/30/2020	0	2/6/2020	07/31/2022- Auditor is working with the Director of Human Resources on the creation of a conflict of interest confirmation.	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	Policy and Strategy	12/31/2020	6/30/2022	2	7/31/2020	6/23/22 - Met with VP Student Learning & Dean Health Sciences. They outlined their decisions regarding method of payment for Clinical Coordinators/Program Directors. I requested a written summary, which I have not received.	In Progress
STCC	3/25/2022	A system shall be established for retrieving mail when employees are not working on campus.	Veteran Affairs	Policy and Strategy	4/29/2022	12/30/2022	1		6/30/2022-Internal Audit Follow-Up will be scheduled for 2022-2023.	In Progress
STCC	4/20/2022	Each Individual student employed in a Federal Work-Study position should have an individual job description.	Student Services	Policy and Strategy	5/31/2022	12/30/2022	1		07/28/2022- The Federal Work-Study Program currently has no students in the program. A secondary follow-up will be performed.	In Progress
STCC	4/20/2022	Management should ensure Federal Work-Study students are supervised during their work hours by a Center employee.	Student Services	Policy and Strategy	5/31/2022	12/30/2022	1		07/28/2022- The Federal Work-Study Program currently has no students in the program. A secondary follow-up will be performed.	In Progress
STCC	6/17/2021	Audit resources allocated to safeguarding of assets will be increased.	Internal Audit		6/30/2022	12/30/2022	3		7/30/2022 Internal Audit will place an audit-Capitalized Equipment on the 2022-2023 Report.	In Progress
STCC	6/29/2021	Increase internal controls over data entry.	Human Resources	Business and Finance	12/30/2021	12/30/2022	3		6/30/2022 Management, IT and Internal Audit are working on a new report.	In Progress
STCC	6/29/2021	Increase internal controls over timekeeping.	Finance	Business and Finance	12/30/2021	12/30/2022	3		6/30/22 Finance is in the process of setting up new procedures.	In Progress
STCC	6/29/2021	Increase internal control over the employment of Adjunct Faculty.	Academic Affairs	Policy and Strategy	12/31/2021	6/30/2022	1	7/31/2020	6/23/2022 Management reports that the recommendation has been addressed, but the specific actions have not been reported to Internal Audit.	In Progress
STCC	3/25/2022	Annual Reporting Fees should be segregated from the General Fund.	Veteran Affairs	Business and Finance	4/29/2022	12/30/2022	1		6/30/2022-Internal Audit Follow-Up will be scheduled for 2022-2023.	In Progress
STCC	3/25/2022	Student files should be reviewed by an employee independent of the SCO.	Veteran Affairs	Policy and Strategy	4/29/2022	12/30/2022	1		6/30/22-Internal Follow-Up will be scheduled for 2022-2023.	In Progress

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JSCC	5/17/2022	JSCC-IAR- Veterans Affairs - Recommendation 1 of 2: Supporting documentation was missing from some of the student files including student fee schedules, Certificate of Eligibility (COE), Notice of Indebtedness (NOI) letters and original VA ONCE printouts showing credit hours prior to any amendments. Management should review the student files and ensure that adequate supporting documentation exists. It was recommended that a checklist be created and included in each student file.	Dean for Students/School Certifying Official	Policy and Strategy	1/31/2023		0		N/A	Not Yet Due
JSCC	5/17/2022	JSCC-IAR- Veterans Affairs - Recommendation 2 of 2: No evidence of student file review was determined. Management should implement review of a sample grouping of student files for each semester. A designated employee, such as the backup SCO, should conduct the review and initial, sign and date the newly implemented checklist in the student file. In addition, the reviewer should email the SCO a listing of the examined files at the completion of the review and include any requests for updates.	Dean for Students/School Certifying Official	Policy and Strategy	1/31/2023		0		N/A	Not Yet Due
MSCC	6/30/2022	We recommend that a budget authority for the Veterans Services operating account and Annual Reporting Fees (ARF) funds be clearly established with regular review of accounting records to ensure accuracy, completeness, review, and reconciliation. Accounts should be corrected as soon as possible to reflect appropriate and accurate expenditures and classifications.	Director of Admissions and Records, Executive Vice President of Business and Finance	Policy and Strategy	8/1/2022				N/A	Not Yet Due
MSCC	6/30/2022	We recommend that a written checklist of items needed for the student file be created and implemented and that there be regular review of files by a supervisor or other employee independent of the SCO.	Director of Admissions and Records	Policy and Strategy	10/31/2022				N/A	Not Yet Due
MSCC	6/30/2022	We recommend that the Academic Affairs unit ensure that faculty are reporting FA (failed to attend) student status on a timely basis to ensure the ability of the SCO to report to the VA on a timely basis; to avoid negative consequences for veteran students; and to be in compliance with Title IV program requirements. Discrepancies in reporting across courses for students should be investigated to ensure that appropriate dates and classifications are being used.	Executive Vice President of Academic Affairs	Policy and Strategy	8/18/2022				N/A	Not Yet Due
NaSCC	5/20/2022	The college should establish a review process by a supervisor or other employee independent of the Veterans Affairs specialist to ensure completeness of student files and to reduce risk of inaccuracies of data entered into VA Once.	Director of Admissions and Records	Policy and Strategy	9/30/2022	9/30/2022	0		N/A	Not Yet Due
VSCC	6/14/2022	The Manager of Adult Learners and Veterans Affairs (ALVA) should implement a supervisory review of the student files and VA submissions each semester to ensure accuracy and completeness.	ALVA	Policy and Strategy	2/1/2023				N/A	Not Yet Due
VSCC	6/14/2022	Management should review the current Banner reporting to determine if all changes in schedule can be identified for potential reporting to the VA.	ALVA	Policy and Strategy	2/1/2023				N/A	Not Yet Due
VSCC	6/14/2022	Management should review the eligibility of the International Education Fee for education benefits and obtain approval from the Tennessee State Approving Agency (SAA) for certification to the VA.	ALVA	Policy and Strategy	4/1/2023				N/A	Not Yet Due
VSCC	6/14/2022	Management should ensure that applicable financial aid awards are deducted from the veteran benefits	ALVA	Policy and Strategy	2/1/2023				N/A	Not Yet Due

TBR SWIA - Status Report on Internal Audit Recommendations- Community Colleges (Reports sorted by Status, Institution, Report Release Date)										
Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	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	Notes and Dates	Status
WSCC	4/22/2022	Segregation of duties can be an effective internal control. Although the SCO reports to the Executive Director of Counseling and Testing, his work is not currently being reviewed by a second party. To provide oversight, the SCO should provide the Executive Director of Counseling and Testing or another designated employee with "Read Only" access and high-level training to create familiarity with the certification process and related requirements.	Veterans Coordinator and School Certifying Official (SCO)	Policy and Strategy	10/1/2022				N/A	Not Yet Due
WSCC	4/22/2022	To address unanticipated risks, the SCO should create a Business Continuity Plan using Kuali Ready software.	Veterans Coordinator and School Certifying Official (SCO)	Policy and Strategy	10/1/2022				N/A	Not Yet Due

**TBR SWIA - Status Report on State Audit Findings** **(Reports sorted by Status, Institution, Report Release Date)**									
Institution	**Report Release Date**	**Finding**	**Responsible Staff**	**TBR Vice Chancellor Area**	**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**	**Notes & Date**	**Status**
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), *Tennessee Code Annotated.*	VP for Finance and Information Technology	Business and Finance	6/30/2021	6/30/2022	4	9/16/2021	07/01/2022- Final action in recommendation completed on 06/13/2022	Action Completed
ChSCC	10/5/2021	ChSCC FY 2020 & 2019- Finding 1 of 1 Chattanooga State Community College did not provide adequate internal controls in four areas that were reported in the prior audit	Vice President Technology	Business and Finance	12/17/2021	12/31/2022	2	2/2/2022	06/29/2022: Two areas completed and two areas in process.	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	Business and Finance	4/30/2021	7/31/2022	2	4/20/2021	07/28/2022- Southwest Tennessee Community College has not had students in the Work-Study Program for the last three years and does not presently have students in the program. A second follow-up audit will be conducted.	In Progress

Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	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
DSCC	8/2/2021	DSCC ITGCR: Dyersburg State Community College did not provide adequate internal controls in six areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Vice President of Information Technology	Business and Finance	12/31/2021	6/30/2022	1		6/14/2022	Action Completed
MSCC	1/11/2021	MSCC Information Security Review: Motlow State Community College did not provide adequate internal controls in eight areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	3/31/2021		0		2/28/2022	Action Completed
NaSCC	8/15/2016	NaSCC ITGCR: Nashville State Community College did not provide adequate internal controls in one area. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	4/28/2017	12/31/2018	2	7/14/2017	3/2/2022	Action Completed
NaSCC	3/22/2021	NaSCC ITGCR: Nashville State Community College did not provide adequate internal controls in nine areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	12/31/2021	12/31/2021	1		6/16/2022	Action Completed
NeSCC	2/17/2017	NeSCC ITGCR: Northeast State Community College did not provide adequate internal controls in twelve areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.*	Chief Information Officer	Business and Finance	5/1/2017	6/30/2021	6	7/14/2017	7/5/2022	Action Completed
PSCC	9/3/2014	PSCC ITGCR: Pellissippi State Community College did not provide adequate internal controls in one area. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	3/31/2015	12/31/2020	9	7/14/2017	8/10/2022	Action Completed

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

		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	TBR Vice Chancellor Area	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	4/17/2015	RSCC ITGCR: Roane State Community College did not provide adequate internal controls in one area. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	7/31/2015	12/31/2022	9	7/14/2017	8/10/2022	Action Completed
VSCC	5/13/2016	VSCC ITGCR: Volunteer State Community College did not provide adequate internal controls in two areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	11/30/2016	12/31/2022	5	7/14/2017	8/10/2022	Action Completed
WSCC	7/23/2021	WSCC ITGCR: Walters State Community College did not provide adequate internal controls in six areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	6/30/2022		0	12/3/2021	8/11/2022	Action Completed
ChSCC	6/10/2022	ChSCC Information Security Review: Chattanooga State Community College did not provide adequate internal controls in seventeen areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), Tennessee Code Annotated. Details will be provided to the Board during Audit Committee Executive Session.\n\nThree of seventeen areas have been corrected.	Chief Information Officer	Business and Finance	12/31/2022			8/10/2022		In Progress
ClSCC	4/6/2015	ClSCC ITGCR: Cleveland State Community College did not provide adequate internal controls in one area. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	12/1/2015	12/31/2022	6	7/14/2017	6/13/2022	In Progress
ClSCC	6/29/2018	ClSCC Information Security Review: Cleveland State Community College did not provide adequate internal controls in seven areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.\n\nFive of seven areas have been corrected.	Chief Information Officer	Business and Finance	11/30/2018	12/31/2022	5	2/4/2019	6/13/2022	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**	**TBR Vice Chancellor Area**	**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	CoSCC Information Security Review: Columbia State Community College did not provide adequate internal controls in ten areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session. Nine of ten areas have been corrected.	Associate VP for IT	Business and Finance	8/31/2019	12/31/2022	1	10/17/2019	8/10/2022	In Progress
NeSCC	1/7/2022	NeSCC ITGCR: Northeast State Community College did not provide adequate internal controls in ten areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Three of ten areas have been corrected.	Chief Information Officer	Business and Finance	6/30/2022	12/31/2022	1	8/9/2022		In Progress
PSCC	2/14/2020	Pellissippi State Community College did not provide adequate internal controls in one area. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer and Vice President of Business and Finance	Business and Finance	9/30/2020	9/30/2022	3	9/17/2020	6/27/2022	In Progress
RSCC	1/7/2022	RSCC ITGCR: Roane State Community College did not provide adequate internal controls in nine areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session. Four of nine areas have been corrected.	Chief Information Officer	Business and Finance	12/31/2022				8/10/2022	In Progress
VSCC	6/10/2022	VSCC ITGCR: Volunteer State Community College did not provide adequate internal controls in six areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated.* Details will be provided to the Board during Audit Committee Executive Session. One of six areas have been corrected.	Chief Information Officer	Business and Finance	12/31/2022			8/10/2022		In Progress

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BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: September 7, 2022

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Federal Audits

The Audit Committee will review executive summaries for the federal audit reports issued before June 30, 2022.

Dyersburg State Community College
– Department of Veterans Affairs
Compliance Survey
Dyersburg State Community College
– Department of Defense
Compliance Program Review
Motlow State Community College
– Department of Defense
Compliance Program Review
Pellissippi State Community College
– Department of Defense
Compliance Program Review
Volunteer State Community College
– Department of Veterans Affairs
Compliance Survey
Volunteer State Community College
– Department of Labor
OSHA Student Survey Audit
TCAT Murfreesboro
– Department of Veterans Affairs
Compliance Survey

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, 2022, to June 30, 2022.*

Chattanooga State Community College
– Tennessee Small Business Development Center (TSBDC)
Programmatic Review
Columbia State Community College
– National Junior College Athletic Association (NJCAA)
Women's Soccer Eligibility Audit
Roane State Community College
– Tennessee Small Business Development Center (TSBDC)
Program Review
Southwest Tennessee Community College
– Tennessee Bureau of Investigation
Quality Assurance Review of TIBRS Data
TCAT McMinnville
– Tennessee Higher Education Commission (THEC)
Veterans Affairs Compliance Survey

*A Limited Official Use Only report for Motlow State Community College- TN Department of Safety & Homeland Security- Physical Security Assessment will be shared in the Audit Committee Executive Session.

Internal Audit

The Audit Committee will receive executive summaries for the internal audit reports issued from April 1, 2022, to June 30, 2022, as well as reports issued after June 30, 2022, 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

PSCC	Capitalized Equipment	Page 41
STCC	Review of Federal Work Study Program- Whitehaven	Page 42
STCC	Cash Count	Page 44
Hohenwald	President's Expense Audit FY 2021	Page 45
Jacksboro	President's Expense Audit FY 2021	Page 46

Internal Audit Reports for Informational Purposes- Institutional Support

NeSCC	Gramm-Leach-Bliley Act Program Review	Page 48

Internal Audit Reports for Informational Purposes- Student Services

ClSCC	Veterans Affairs Audit	Page 50
JSCC	Veterans Affairs Audit	Page 51
MSCC	Veterans Affairs Audit	Page 53
NaSCC	Veterans Affairs Audit	Page 56
VSCC	Veterans Affairs Audit	Page 58

** Limited Official Use Only reports for Chattanooga State Community College- LOU Information Systems was completed on June 16, 2022; Pellissippi State Community College- LOU BDMS Vulnerability Assessment was completed on June 30, 2022; and Volunteer State Community College- LOU Information Systems was completed on June 16, 2022. These reports will be shared in the Audit Committee Executive Session.

Tennessee Board of Regents
Audit Committee
September 7, 2022

Federal Audit Reports

Introduction	A routine remote compliance survey was conducted (the review of records began) at this main-campus facility on June 7, 2021, as required by Title 38, USCS Section 3693. The Entrance Briefing was conducted on April 29, 2021, by phone with the Primary VA School Certifying Official (SCO)/Financial Aid Counselor, and with the Financial Aid Counselor.
Scope	The scope of the survey included VA-assigned extension campus facility codes 14X01842 and 14X1742 for the Covington and Trenton campuses, respectively.
	The sample size consisted of 10 VA beneficiaries. This is in accordance with the compliance survey requirements specified in current Approval, Compliance, and Liaison (AC&L) Compliance Survey Guidance. In EForce, the "Active Student Count" reflected 44 VA beneficiaries. The names of the students whose records were reviewed were obtained from VA-ONCE. The sample size was proportioned among the various chapters based on national benefit usage [i.e., CH33 – 80% (min of 80%) and Non-CH33 – 20% (selecting records one at a time in the following order CH35, CH30, CH1606, CH1607 until minimum number of records is selected)].
Discrepancies and Recommendations	**Facts:** The facility reported incorrect tuition/fees amounts and/or hours enrolled to VA for two Chapter 33 beneficiaries/enrollment periods. **Recommendation:** RPO Referral (SCO Initiated) - In accordance with the February 17, 2017, Procedural Advisory - Compliance Survey Corrections, the Certifying Official submitted the required compliance survey referral corrections using VA-ONCE on the date of the Exit Briefing. **Fact:** The facility reported incorrect term-end dates (i.e., the last date of the enrollment period) for multiple full-term enrollment periods in every file reviewed. SCOs report enrollment period commencement/ending dates that match SAA-approved, published institution academic calendars. In the files reviewed, the SCO used the "last day of XX Semester classes" for full-semester enrollments. **Recommendation.** Starting with the next full semester (Fall 2021), unless specified otherwise in guidance published subsequent to this findings letter: • Use the last day of the final exams period as published on the institution's academic calendar as the "blanket" last date of the enrollment period for all full-semester VA enrollments. • For full-semester enrollments reported for TN E-campus courses, use the last day of the final exam period from that academic calendar if different from the DSCC calendar. • In rare cases where the SCO may know in advance that the last day of classes is indeed the last day of participation (that the program the student is enrolled in does not require finals, for example) use the last day of classes date as published on the academic calendar. • For all other non-standard term enrollment periods, use the last day of classes as published on the academic calendar.

Cont. Discrepancies and Recommendations	**Facts:** In three of the files reviewed, it appeared that the SCO should have chosen a different reason for changes in enrollment than what was reported to VA. **Recommendation:** Starting immediately, the SCO has been instructed to choose "Withdrawal during drop" as the reason when reporting such changes in future enrollments. In the cases reviewed, no additional action is needed. The discrepancies did not result in payment errors.

Introduction	The Voluntary Education (VolEd) program provides Service members with educational opportunities to advance their professional development and education. The institutions assessed during this year's cycle provided educational services to nearly 15,000 Service members. The goal of the ICP is to provide oversight to reduce collective risk while increasing opportunities for Service members, institutions, and the Department of Defense (DoD) on the whole. 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.
Findings and Recommendations	1. 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." **Finding:** No evidence was provided that clearly articulates that prospective students are directed to receive approval from the student's ESO, military counselor or Service prior to enrollment. **Recommendation**: 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. 2. 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." **Finding:** No evidence was provided that clearly demonstrates 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. **Recommendation:** 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.

Cont.
Findings and
Recommendations
	3. Per DoD MOU, paragraph 3.b and 3.l, 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."
	
	    Finding: No evidence was provided that clearly discloses conditions imposed by state, federal, or commercial entities, or other additional requirements related to obtaining credentials in a given field.
	    Recommendation: The institution should help ensure that students are aware of all conditions or additional requirements necessary to obtain credentials in a given program.

Introduction	The Voluntary Education (VolEd) program provides Service members with educational opportunities to advance their professional development and education. The institutions assessed during this year's cycle provided educational services to nearly 15,000 Service members. The goal of the ICP is to provide oversight to reduce collective risk while increasing opportunities for Service members, institutions, and the Department of Defense (DoD) on the whole. 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.
Findings and Recommendations	1. 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." **Finding:** Evidence provided does not clearly articulate policies consistent with the ban against high-pressure recruitment tactics. **Recommendation**: 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. 2. 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." **Finding:** 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. **Recommendation:** 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.

Cont. **Findings and** **Recommendations**	3. 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." **Finding:** Evidence provided does not clearly detail the institution's return policy for TA funds, in the event a military-connected student is unable to complete a course. **Recommendation**: The institution should provide an institutional policy that details how your institution provides refunds for unearned TA funds on a graduated scale, in the event a military-connected student is unable to complete a course. The institution's refund policy should include, at a minimum, the point in time when the refund amount is no longer 100%, the point in time when the refund amount is 0%, and the refund amount when the course is 60% complete. 4. 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." **Finding:** 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 have to suspend their studies due to service requirements. **Recommendation**: 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.

Introduction	The Voluntary Education (VolEd) program provides Service members with educational opportunities to advance their professional development and education. The institutions assessed during this year's cycle provided educational services to nearly 15,000 Service members. The goal of the ICP is to provide oversight to reduce collective risk while increasing opportunities for Service members, institutions, and the Department of Defense (DoD) on the whole. 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.
Findings and Recommendations	1. Per DoD MOU paragraph 4.h.(3), "Educational institutions will provide, where available, electronic access to their main administrative and academic center's library materials, professional services, relevant periodicals, books, and other academic reference and research resources in print or online format that are appropriate or necessary to support the courses offered. Additionally, educational institutions will ensure adequate print and non-print media resources to support all courses being offered, are available at base or installation library facilities, on-site Institution resource areas, or via electronic transmission." **Finding:** Some instances in which unauthorized DoD or Military Service insignias or logos appeared, possibly including but not limited to, testimonies suggesting that a Military Service or commander (in or out of uniform) endorses the institution. **Recommendation**: Department of Defense and Military Seals are protected by law from unauthorized use, and these seals may not be used for non-official purposes. There is no substitute for the Department of Defense Seal, and there is no optional graphic that would represent the Department of Defense. Each Military Service has a Trademark Licensing Program Office that manages its many trademarks, both graphics and word marks. These protected marks may not be used without prior written permission. Recommend you review Important Information and Guidelines About the Use of Department of Defense Seals, Logos, Insignia, and Service Medals. Consult the appropriate Military Service Trademark Licensing Program Office for a written determination regarding your request to use Military Service insignia. 2. Per DoD MOU paragraph 3.4.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." **Finding:** Minor issues relating to designating 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.

Cont.
Findings and
Recommendations
	Recommendation: The institution needs to provide evidence of the training and qualifications of any points of contact for Service members seeking information on the Tuition Assistance program, Title IV funding, or VA education benefits and familiar with institutional services to Service members who are seeking information about academic counseling, financial aid counseling, job search support, or other student support services at the educational institution.
	
	3. Per DoD MOU paragraph 4.e.(2), "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."
	    Finding: Insufficient evidence demonstrating an explanation of the process for applying for TA.
	    Recommendation: The DoD VolEd office recommends that institutions who opt to mention/reference the Tuition Assistance (TA) program on their public facing website clearly and accurately explain the process of applying for TA funds and then direct the Service member to visit the respective Military Service's education portal for additional information.
	
	4. 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."
	    Finding: Insufficient evidence demonstrating prospective students are directed to receive approval from the student's ESO, military counselor or Service.
	    Recommendation: Institutions should ensure policies in place that direct eligible Service members receive approval from an Educational Service Officer (ESO) or counselor within the Military Service prior to enrolling.
	    Finding: Insufficient evidence demonstrating that there are links to respective Military Service education portals.
	    Recommendation: Institutions should provide links to the respective Military Services' education portals on any public facing websites that contain information on the TA program.

Cont. **Findings and Recommendations**	5. 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."
	Finding: No evidence, or significantly flawed evidence, regarding the training or qualifications of the required financial aid officer. If policies exist, material offered in evidence did not clearly annotate the appropriate policy.
	Recommendation: The institution needs to provide evidence of the training and qualifications of any financial aid advisors who interact with Service members prior to offering, recommending, arranging, signing-up, dispersing, or enrolling in Federal or private student loan programs.
	Finding: A lack of information relating to the financial aid process, including the lack of a timeline for applying for financial aid.
	Recommendation: The public facing website should include a detailed explanation of the financial aid application process, including a timeline for applying.
	6. DoDI 1322.25 paragraph 3.d.(1)(a) requires institutions to, "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."
	Finding: Minor issues relating to access to the price of books and other course material on the public facing website.
	Recommendation: The public facing website should include estimated price of books and other course material.
	Finding: Minor issues relating to the access to program cost information, including but not limited to tuition, estimated fees, price of books and other course material, or room and board.
	Recommendation: The public facing website should include the total estimated yearly program cost, including tuition, fees, and other living expenses.

Cont. **Findings and** **Recommendations**	7. Per DoD MOU paragraph 3.(2).b, institutions must, "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." **Finding:** Lack of disclosure relating to conditions imposed by State, Federal, or commercial entities, or other additional requirements related to obtaining credentials in a given field. **Recommendation**: The institution should ensure that students are aware of all conditions or additional requirements necessary to obtain credentials in a given program.

Volunteer State Community College
U.S. Department of Veterans Affairs- Compliance Survey
Coverage Period: June 1, 2020 – January 4, 2022
January 21, 2022
Executive Summary

Introduction	A routine compliance survey was conducted at this campus on January 4, 2022, as required by Title 38, USCS Section 3693. The Entrance Briefing was conducted on January 4, 2022, and an exit briefing was held on January 4, 2022, with ETI officials.
Scope	As part of the Compliance Survey, both general and student specific records were reviewed.
	General Records. The following general records were reviewed to establish program/degree requirements, applicable tuition and fees, academic term dates, grading, attendance, and refund policies, and compliance with all applicable provisions of Title 38, United States Code (USC) administered by VA.
	• ETI Catalog Information (extending back three academic years)
	• Tuition and Fee Schedule (extending back three academic years)
	• Academic Year Calendar (extending back three academic years)
	• Attendance Policy
	• Grading Policy
	• Refund Policy
	• Title 38 USC 3679 Compliance
	• Tuition and Specific Scholarships or Waivers Available to All Students
	• Advertising Materials (including social media, catalogs, ETI website, etc.)
	• Yellow Ribbon Agreement
	• Completed 85/15 Statement of Assurance (extending back three academic years)
	• SCO Training Certificates
	• Annual Reporting Fees (ARF)Documentation
	• Contractual Agreements (if applicable)
	Student Specific Records. Student Sampling: The Active Student Count was 126. A survey sample of 15 VA beneficiaries was selected for review. Additionally, one non-VA beneficiaries record was randomly selected for review to ensure that the tuition and fees charged to VA beneficiaries was the same for similarly circumstanced students.
Discrepancies and Recommendations	None.

Volunteer State Community College
U.S. Department of Labor- OSHA Student Survey Audit
June 8, 2022
Executive Summary

Introduction	All OTI Education Centers (OTIECs) are responsible for collecting and maintaining student surveys per OSHA policy and procedures. Student surveys are a means to produce helpful feedback for instructors and OTI Education Centers to improve the quality of instruction. OTI Education Centers must use student surveys that capture student responses on a five-point scale.
Conclusion	OSHA recently reviewed the information provided by Volunteer State Community College (VSCC) during FY 2022 Q2. VSCC followed all required program policies and procedures.

Introduction	A routine compliance survey was conducted at this campus on August 24 and 25, 2021, as required by Title 38, USCS Section 3693. The Entrance Briefing was conducted on August 24, 2021, and an exit briefing was held on August 25, 2021.
Scope	The sample size consisted of 10 VA beneficiaries. This is in accordance with the compliance survey requirements specified in current Approval, Compliance, and Liaison (AC&L) Compliance Survey Guidance. In EForce, the "Active Student Count" reflected 44 VA beneficiaries. The names of the students whose records were reviewed were obtained from VA-ONCE. The sample size was proportioned among the various chapters based on national benefit usage [i.e., CH33 – 80% (min of 80%) and Non-CH33 – 20% (selecting records one at a time in the following order CH35, CH30, CH1606, CH1607 until minimum number of records is selected)].
Discrepancies and Recommendations	**Facts:** The enrollment information (term end dates for one specific enrollment period) reported for two beneficiaries was found to be incorrect (not matching the published academic calendar). **Recommendation:** The nature of this payment-related error affects not only these two beneficiaries, but all VA beneficiaries certified during that same enrollment period. The VA Education Approval Compliance, Liaison & Compliance Survey Specialist's (ECSS) Supervisor concurred with the recommendation that the appropriate corrective action was as follows: RPO Referrals for the two cases - In accordance with the February 17, 2017, Procedural Advisory - Compliance Survey Corrections, the ECSS submitted the two compliance survey referral corrections referenced above using the Compliance Survey Referral template. Additionally, the SCO was instructed to identify all other affected beneficiaries to submit 1999(b)'s in VA ONCE to amend the term end dates for each affected beneficiary, and to complete submitting those corrections by September 17, 2021, and provide documentation of completion to the ECSS. The SCO amended 17 additional enrollment certifications by September 17, 2021, as requested. **Facts:** The documents that the SCO provided as attendance records were simply a copy of an unofficial transcript with the total scheduled/earned hours and absent hours for each term highlighted. That attendance format did not meet the level of detail required by VA; for example, daily records reflecting scheduled hours/times, sign-in/sign-out or clock-in/clock-out evidence, instructor notes regarding tardies and early departures, excused/unexcused absences, notes regarding any mitigating circumstances, daily accumulative totals of scheduled/actual hours attended and absent, etc. **Recommendation:** No additional action is needed. The discrepancy did not result in a payment error. The ECSS submitted a referral concerning this issue to the Tennessee State Approving Agency (SAA) on October 20, 2021.

Cont. **Discrepancies and** **Recommendations**	**Facts:** During the survey preparation, the ECSS noted that the last date of re-approval by the SAA (i.e., full catalog reviewed) as reflected in the VA Web-approval Management System (WEAMS) was February 20, 2019. Since this date is older than 24 months earlier than the date of the survey, the ELR was provided written notification on August 2, 2021. The ELR notified the TN SAA of the discrepancy via e-mail that same day and requested a full review to include the current catalog as per the SAA Cooperative Agreement. **Recommendation:** The ECSS' ability to complete all survey actions and meet timeliness deadlines is hindered by the SAA's delay in completing the overdue review of the facility's catalog. Recommend the SAA complete the requested catalog review ASAP and all other reviews in accordance with VA guidelines. UPDATE -As of December 2, 2021, the SAA has indicated to the ELR that the catalogs have been received and are under review.

Tennessee Board of Regents
Audit Committee
September 7, 2022

Miscellaneous External
Reviews

Chattanooga State Community College
Tennessee Small Business Development Center Programmatic Review
Period Coverage: January 1, 2021 – November 30, 2021
November 30, 2021
Executive Summary

Introduction	The purpose of this review is to assist in accomplishing the programmatic review of the Tennessee Small Business Development Lead Center under the Small Business Administration (SBA) Office of Small Business Development Cooperative Agreement. The review was conducted on November 30, 2021, by the State Executive Director and the Associate State Director.
Findings	None
Recommendations	None

Columbia State Community College
National Junior College Athletics Association
Women's Soccer Eligibility Review
September 29, 2021
Executive Summary

Introduction	The National Junior College Athletics Association (NJCAA) conducted an eligibility audit for the Women's Soccer Program.
Scope	Per the NJCAA's audit process, 20% of the student-athletes were randomly reviewed. If 20% are cleared, the audit is cleared.
Conclusion	The women's soccer eligibility audit was completed. All documentation was included and in order for the student-athletes. Therefore, based on the 20% reviewed this eligibility audit has been cleared.
Findings/ Recommendations	None

Roane State Community College
Tennessee Small Business Development Center Programmatic Review
Period Coverage: January 1, 2021 – November 30, 2021
December 1, 2021
Executive Summary

Introduction	The purpose of this review is to assist in accomplishing the programmatic review of the Tennessee Small Business Development Lead Center under the Small Business Administration (SBA) Office of Small Business Development Cooperative Agreement. The review was conducted on November 17, 2021, by the State Executive Director.
Findings	None
Recommendations	Suggested additional in-kind resources via satellite office locations in the service area by locating in Chamber of Commerce facilities, e.g., Campbell County. The in-kind value would be based on a letter from the Chamber as to the market value of the office space used by the TSBDC. In addition, any clerical support staff time provided by the Chamber to set appointments would count as in-kind based on the compensation rate of that employee providing assistance.

Southwest Tennessee Community College
Tennessee Bureau of Investigation
TIBRS Data – Quality Assurance Review
Period Coverage: January 1, 2021 – December 31, 2021
May 5, 2022
Executive Summary

Introduction	The Tennessee Bureau of Investigation conducted a Quality Assurance Review of Tennessee Incident Based Reporting System (TIBRS) data being submitted by Southwest Tennessee Community College (STCC). The review was conducted on April 27, 2022, by the West Tennessee CJIS Support Specialist.
Findings	During the audit there was one incident that was entered with a location code of Convenience Store and School-College/University when the incident occurred at the bookstore. This location should be reported as Specialty Store and School-College/University as this is a more accurate location.
Recommendations	Edit location code from Convenience Store to Specialty Store as this is a more accurate description for the bookstore.

TCAT McMinnville
Tennessee Higher Education Commission
U.S. Department of Veterans Affairs Education Compliance Survey
June 1, 2022
Executive Summary

Introduction	The Tennessee State Approving Agency (SAA) conducted a routine U.S. Department of Veterans Affairs (VA) Education Compliance Survey for TCAT McMinnville on May 9, 2022.
Scope	Ten VA students' records were reviewed during this compliance survey. Of those ten records, four discrepancies were noted during the compliance survey.
Reference and Future Use Notes	1. For reference and future use, Title 38 Code of Federal Regulation, Section 21.4253, states, in part, schools must maintain a written record of previous education and training which clearly indicates appropriate credit has been given for previous training with the training period shortened proportionately. 2. For reference and future use, Title 38 Code of Federal Regulation, Section 21.4203, states, in part, schools must accurately report enrollment and tuition and fees to VA and promptly notify VA when students terminate enrollment periods.

Tennessee Board of Regents
Audit Committee
September 7, 2022

Internal Audit Reports
Financial Management

Pellissippi State Community College
Capitalized Equipment
Fiscal Year Ended June 30, 2021
June 1, 2022
Executive Summary

Key Staff Personnel	Vice President of Business and Finance	**Internal Auditor**	Suzanne L. Walker, Director of Internal Audit
Introduction	The audit of capitalized equipment and capital leases was performed based upon the results of the annual audit risk assessment.		
Objectives	To ascertain that all appropriate TBR and institutional policies and procedures are being followed; that capitalization amounts were appropriately recorded; and to make recommendations for correcting deficiencies or improving operations.		
Scope	The audit of capitalized equipment was performed based upon the results of the annual audit risk assessment and included items capitalized in fiscal year 2020-2021.		
Conclusion	During this audit, some minor discrepancies were noted in test work, but none were considered to be material enough to warrant an audit finding. The discrepancies noted did not affect the dollar value of capitalized equipment.		

Key Staff Person:	Financial Aid Specialist	Auditor:	Charlotte Johnson, Director
Introduction	Internal Audit for Southwest Tennessee Community College (STCC) issued a *Special Review of Federal Work Study Program* report for the Fall 2019 semester on February 24, 2020. Twenty-eight departments on campus employed Federal Work Study (FWS) students. The Whitehaven Center employed 19 Work Study students, which was 29.2% of all students employed for the quarter. STCC has seven campuses. The Whitehaven Center has 7.17% of total employees. A special review was conducted to ensure all 19 Work Study students were in compliance with Federal Work Study program regulations.		
Objective	The objective of the review was to determine whether the Whitehaven Center complies with Federal Work Study program regulations.		
Scope	The audit included a review of the payroll records for the Fall 2019 semester regarding FWS student employees. The review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing,* issued by the Institute of Internal Auditing, and included tests of the records and other procedures considered necessary to achieve the audit objective.		
Results	The STCC Federal Work Study Manual states "Each department is expected to request only the number of student workers needed for the academic year." The employing department is expected to provide meaningful work and provide each student with enough working hours to earn his or her entire award. All Federal Work Study positions must have a job description. The STCC Federal Work Study Program Manual states: "All Federal Work Study Students must be supervised at all times." Individual documentation for each student was not provided, only summaries of general job descriptions. The director stated, "All students perform all duties." Individual supervisor names for each student were not provided. The requested reply stated, "All Whitehaven Center Work Study students report to the Center Director."		
Current Result	The Whitehaven Center went from nine Work Study students in the prior year to 19 Work Study students in fall 2019. The Whitehaven center utilized almost 1/3 (29.2%) of FWS hours, the largest percentage of all departments. The Whitehaven Center employs between 5 and 18 Work Study students each day. This seems excessive for a campus with 13 employees, 4 physical plant employees, and only 17 classrooms.		

Recommendation #1	Management should ensure documentation is on file and current for student employees. Each individual student employed in a Federal Work Study position should have an individual job description with: • Name of the position; department, or office in which the work study student will be employed • Location where the student will perform his/her duties • Name of the student's supervisor • Purpose/role of the position within the organization • Duties and responsibilities associated with the position and how they relate to the purpose/role
Management's Current Response	We concur with this recommendation. The Financial Aid Office, in partnership with several other campus offices (Human Resources, Information Technology, etc.) has worked to redesign the Federal Work Study process. This new process requires hiring managers to submit a position description, which is posted on Cornerstone, TBR's applicant tracking system. Students will apply through this system which is where the college posts its current job openings (faculty/staff, full-time/part-time, etc.). The department will ensure that the individual job description form prompts hiring managers to address each of the items in the bulleted list above. This review of the process/paperwork will be completed by May 31, 2022.
Recommendation #2	Management should ensure Federal Work Study students are supervised during their work hours by a Center employee who can verify the hours were worked. Documentation should be maintained of all FWS hours.
Management's Current Response	We concur with this recommendation. This recommendation has been expanded to apply to all sites and locations at which FWS students may work. The department is working with Payroll and Information Technology to create an Application Program Interface to pull student information (class schedules) into the college's time reporting platform-Kronos. As a workaround and to ensure that a college employee can verify the hours students work, the department has implemented a paper-based time reporting structure. Supervisors must review and verify the hours worked by students. This documentation must be received and reviewed by the department prior to entry into Kronos. This process meets the actions recommended here. However, as noted, the department will continue to work with campus partners to better leverage the college's technology platforms to streamline this process. It is anticipated that this second stage of development will be completed by July 31, 2022.

Southwest Tennessee Community College
Cash Count
Fiscal year Ended June 30, 2022
June 30, 2022
Executive Summary

Key Staff Personnel	Director of Cashiers	**Internal Auditor**	Charlotte Johnson, Director of Internal Audit
Introduction	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.		
Objectives	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.		
Scope	The audit included cash balance for the period June 30, 2022, for all funds over $100.00.		
Results	Petty Cash and change funds for Southwest Tennessee Community Colleges over $100.00 were reviewed. The cash count included funds totaling $9,388.00.		
Conclusion	Based on audit tests performed, controls over cash handling are generally adequate and the amounts are in balance with the college's general ledger.		

Tennessee Colleges of Applied Technology-Hohenwald
Audit of President's Expenses
For the Period July 1, 2020 – June 30, 2021
June 22, 2022
Executive Summary

President	Dr. Kelli Kea-Carroll	**Internal Auditor**	Helen Vose, TCAT Internal Auditor
Objectives	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year ended June 30, 2021; to determine compliance with institutional and Tennessee Board of Regents policies regarding expenses; to identify and report all expenses incurred by, at the direction of, or for the benefit of the President regardless of the funding source; and to search for and report any expenses not disclosed on expense schedules prepared by the institution.		
Scope	The audit scope included all accounts under the direct budgetary control of the President and expenses funded by institutional funds, foundations, or vendors and any expenses made by, at the direction of, or for the benefit of the President during the fiscal year. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing,* issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary.		
Analysis	The following is a summary of (1) certain expenses made by, at the direction of, or for the benefit of the President, and (2) salaries, benefits, and other operating expenses for the President's office during the fiscal year ended June 30, 2021:		

President	TCAT Hohenwald	Total
Salary & Benefits	$178,617	$178,617
Administrative Allowance	$2,000	$2,000
Housing Allowance	$6,000	$6,000
Vehicle Allowance	$8,400	$8,400
Cell Phone Allowance	$720	$720
Business Meals & Hospitality	$1,560	$1,560
Travel	-	-
Other	-	-
President's Office		
Salary & Benefits	$194,158	$194,158
Travel	-	-
Other	$38,199	$38,199
Total Expenses	**$429,654**	**$429,654**

The allowances were provided to the President during the year. Use of the allowances was not included in tests performed during the audit because each of the presidents elected for the allowances to be paid as taxable income.

Conclusion	The audit of the President's Expenses for the Tennessee College of Applied Technology-Hohenwald for the period July 1, 2020, through June 30, 2021, revealed no significant deficiencies in internal controls, no large or unusual expenditures, and the expenditures were in compliance with TBR purchasing policies and regulations.

Tennessee Colleges of Applied Technology-Jacksboro
Audit of President's Expenses
For the Period July 1, 2020 – June 30, 2021
May 3, 2022
Executive Summary

President	Ms. Debbie Petree	Internal Auditor	Helen Vose, TCAT Internal Auditor
Objectives	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year ended June 30, 2021; to determine compliance with institutional and Tennessee Board of Regents policies regarding expenses; to identify and report all expenses incurred by, at the direction of, or for the benefit of the President regardless of the funding source; and to search for and report any expenses not disclosed on expense schedules prepared by the institution.		
Scope	The audit scope included all accounts under the direct budgetary control of the President and expenses funded by institutional funds, foundations, or vendors and any expenses made by, at the direction of, or for the benefit of the President during the fiscal year. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing,* issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary.		
Analysis	The following is a summary of (1) certain expenses made by, at the direction of, or for the benefit of the President, and (2) salaries, benefits, and other operating expenses for the President's office during the fiscal year ended June 30, 2021:		

President	TCAT Jacksboro	Total
Salary & Benefits	$141,247	$141,247
Administrative Allowance	$2,000	$2,000
Housing Allowance	$6,000	$6,000
Vehicle Allowance	$8,400	$8,400
Cell Phone Allowance	$720	$720
Business Meals & Hospitality	-	-
Travel	$693	$693
Other	-	-
President's Office	-	-
Salary & Benefits	-	-
Travel	-	-
Other	$1,198	$1,198
Total Expenses	$160,258	$160,258

The allowances were provided to the President during the year. Use of the allowances was not included in tests performed during the audit because each of the presidents elected for the allowances to be paid as taxable income. Any personal use value of the vehicle is reported to the President as taxable income.

Conclusion	The audit of the President's Expenses for the Tennessee College of Applied Technology-Jacksboro for the period July 1, 2020, through June 30, 2021, revealed no significant deficiencies in internal controls, no large or unusual expenditures, and the expenditures were in compliance with TBR purchasing policies and regulations.

Tennessee Board of Regents
Audit Committee
September 7, 2022

Internal Audit Reports
Institutional Support

Northeast State Community College
Gramm-Leach-Bliley Act Program Review
June 30, 2022
Executive Summary

Key Staff Personnel	VP for Finance and IT	**Internal Auditor**	Christopher Hyder, Director NeSCC Internal Audit
Introduction	The Northeast State Community College (NeSCC) Vice President of Finance and Information Technology requested that Internal Audit review the current NeSCC Gramm-Leach-Bliley Act compliance program that was developed during fiscal year 2022. In 1999, the Gramm-Leach-Bliley Act (GLBA) was signed into law requiring financial institutions to maintain certain information privacy protections and safeguards over customers' personal financial information. The Federal Trade Commission (FTC) ruled that higher education institutions are considered financial institutions with regards to GLBA and are therefore must comply with GLBA requirements. Failure to comply with the privacy and security requirements could negatively impact the college's access to federal financial aid funding.		
Objectives	The objectives of the review were to determine if the GLBA compliance program provides and adequate and effective framework to monitor the college's compliance with GLBA requirements and offer any recommendations for possible improvement to the program.		
Scope	The current GLBA Program developed in FY22.		
Conclusion	The college's GLBA program consists of a general framework that includes: • the goals of the program • the party responsible for information security • an annual risk assessment of likely security and privacy risks • training for employees with access to related information • a robust information security program that annually reviews, and updates additional controls and risk assessments specifically targeted to information security. • review and evaluation of outside service providers' ability to maintain appropriate controls and safeguards. Based on the review of NESCC's GLBA program framework, the program provides reasonable assurance that the college monitors and meets the privacy and security expectations of the act. The annual reviews and updates prescribed in the program should maintain its effectiveness.		

Tennessee Board of Regents
Audit Committee
September 7, 2022

Internal Audit Reports
Student Services

Cleveland State Community College
Veterans Affairs Benefit Certification
Academic Year 2021-2022
May 17, 2022
Executive Summary

Key Staff Personnel	Director of Counseling and Support Services, direct supervisor of vacant position of Veterans Services Coordinator	Internal Auditor	Denise Callais Director of Internal Audit
Introduction	The Servicemen's Readjustment Act of 1944, commonly known as the GI Bill, provides funding for education of veterans and their dependents. The funding provided under chapters 30, 31, 33, 35 and 1606 of the GI Bill may include tuition and fees, books and supplies, and housing stipends. To obtain these benefits, an eligible veteran must notify the college's Veteran's Affairs (VA) Office that he/she (or the dependent of a veteran) wishes to receive veteran's education benefits under the GI bill and obtain a Certificate of Eligibility (COE) from the U.S. Department of Veterans Affairs. An Annual Reporting Fee (ARF) is paid to the college on a calendar year basis (38 USC 3684(c)) to reimburse some expenses of certifying veteran's education information and must be used for approved Veteran Affairs support activities.		
Objectives	The objectives of the audit were: • To determine whether internal controls provide reasonable assurance that veterans and/or dependents were appropriately certified including enrollment amendments. • To determine the accuracy and review of data entered for students with veteran's benefits. • To determine proper tracking of Notice of Indebtedness (NOI) letters to ensure the college has remitted payment to Department of Veterans Affairs. • To determine receipt and proper accounting of the Annual Reporting Fee (ARF).		
Scope	The audit examined Veterans Affairs Benefit Certification processes for academic year 2021 – 2022.		
Conclusion	Cleveland State Community College's VA processes provide adequate internal controls for maintaining compliance with U.S. Department of Veterans Affairs education benefit requirements.		
Opportunity for Improvement	• Add a checklist to the inside of each VA student's file to track processes, documentation, and supervisor's periodic review.		

Key Staff Personnel	Dean for Students / School Certifying Official	**Internal Auditor**	Chrystal Pittman Director of Internal Audit
Introduction	The Servicemen's Readjustment Act of 1944, commonly known as the GI Bill, provides funding for education of veterans and their dependents. The funding provided under chapters 30, 31, 33, 35 and 1606 of the GI Bill may include tuition and fees, books and supplies, and housing stipends. To utilize these benefits, an eligible veteran or dependent of a veteran must notify the college's Veterans Affairs Office (VAO) that he/she wishes to utilize their veteran's education benefits under the GI Bill and obtain a Certificate of Eligibility (COE) from the U.S. Department of Veterans Affairs (VA). An Annual Reporting Fee (ARF) is paid to the college on a calendar year basis (38 USC 3684(c)) to reimburse some expenses of certifying veteran's education information and must be used for approved VAO support activities.		
Objectives	The objectives of the audit were: • To determine whether internal controls provide reasonable assurance that veterans and/or dependents were appropriately certified including enrollment amendments. • To determine the accuracy and review of data entered for students with veteran's benefits. • To determine proper tracking of Notice of Indebtedness (NOI) letters to ensure the college has remitted payment to Department of Veterans Affairs. • To determine receipt and proper accounting of the Annual Reporting Fee (ARF).		
Conclusion	Jackson State Community College's VA processes are well defined and provide adequate internal controls for maintaining compliance with U.S. Department of Veterans Affairs education benefit requirements. The report contains two recommendations for improvement.		
Recommendations	**Recommendation 1** Supporting documentation was missing from some of the student files including student fee schedules, Certificate of Eligibility (COE), Notice of Indebtedness (NOI) letters and original VA ONCE printouts showing credit hours prior to any amendments. Management should review the student files and ensure that adequate supporting documentation exists. We recommend that a checklist be created and included in each student file.		

Cont. Recommendations	**Management's Response** Management concurs. The JSCC SCO will develop a checklist for the folders to ensure all required documentation is included in folders. **Recommendation 2** No evidence of student file review was determined. Management should implement review of a sample grouping of student files for each semester. A designated employee, such as the backup SCO, should conduct the review and initial, sign and date the newly implemented checklist in the student file. In addition, the reviewer should email the SCO a listing of the examined files at the completion of the review and include any requests for updates. **Management's Response** Management concurs. Each semester, the JSCC alternate SCO will randomly select a sample of folders to review and initial.

Auditee	Interim Vice President for Student Success, Director of Admissions and Records, Veteran Affairs Coordinator	**Auditor**	Tammy Wiseman, Internal Auditor
Introduction	The Servicemen's Readjustment Act of 1944, commonly known as the GI Bill, provides funding for education of veterans and their dependents. The funding provided under chapters 30, 31, 33, 35 and 1606 of the GI Bill may include tuition and fees, books and supplies, and housing stipends. To obtain these benefits, an eligible veteran must notify the college's Veterans Affairs (VA) Office that he/she (or the dependent of a veteran) wishes to receive veteran's education benefits under the GI Bill and obtain a Certificate of Eligibility (COE) from the U.S. Department of Veterans Affairs. An Annual Reporting Fee (ARF) is paid to the college on a calendar year basis (38 USC 3684(c)) to reimburse some expenses of certifying veteran's education information and must be used for approved Veterans Affairs support activities.		
Objectives	The objectives of the audit were: • To determine whether internal controls provide reasonable assurance that veterans and/or dependents were appropriately certified including enrollment amendments. • To determine the accuracy and review of data entered for students with veteran's benefits. • To determine proper tracking of Notice of Indebtedness (NOI) letters to ensure the college has remitted payment to Department of Veterans Affairs. • To determine receipt and proper accounting of the Annual Reporting Fee (ARF).		
Conclusion	Motlow State Community College's VA documentation processes are well defined and provide adequate internal controls for maintaining compliance with U.S. Department of Veterans Affairs education benefit requirements. However, there were other issues identified related to coordination between various departments on campus to ensure efficient and timely processing of benefits and funds related to veteran services. There are three recommendations.		

Recommendations	**Recommendation 1:** A budget authority for the Veterans Services operating account and Annual Reporting Fees (ARF) funds should be clearly established with regular review of accounting records to ensure accuracy, completeness, review, and reconciliation. Accounts should be corrected as soon as possible to reflect appropriate and accurate expenditures and classifications. **Management's Comment:** Management concurs with the recommendation. Access to the restricted fund has been granted to both the Veterans Affairs Coordinator and his supervisor, who is the Director of Admissions and Records. The Business Office will provide Training on Banner Self-Service to the proper budget authorities by August 1, 2022. This tool will allow constant access to fund activity to ensure accuracy, completeness, review, and reconciliation. Any questions or edits needed to the accounting records are to be communicated to the senior accountant for timely correction. **Recommendation 2:** A written checklist of items needed for the student file should be created and implemented and there should be regular reviews of files by a supervisor or other employee independent of the SCO. **Management's Comment:** The VA Coordinator will develop a checklist of items that should be present in VA student files and have it available during reviews. The Director of Admissions and Records, or their designated representative, will review a select number of enrollment certifications and student files on or around the midpoint of each semester. These reviews will be implemented and will begin in the Fall 2022 semester, with the review completed by October 31, 2022. **Recommendation 3:** The Academic Affairs unit should ensure that faculty are reporting FA (failed to attend) student status on a timely basis to ensure the ability of the SCO to report to the VA on a timely basis; to avoid negative consequences for veteran students; and to be in compliance with Title IV program requirements. Discrepancies in reporting across courses for students should be investigated to ensure that appropriate dates and classifications are being used.

Recommendations (Continued)	**Management's Comment:** The Academic Affairs unit will work to ensure that faculty are reporting FA (failed to attend) student status on a timely basis to ensure the ability of the SCO to report to the VA on a timely basis; to avoid negative consequences for veteran students; and to be in compliance with Title IV program requirements by (1) training faculty on the importance of FA reporting and (2) the Deans will hold faculty accountable to complete FA reporting in a timely manner. Discrepancies in reporting across courses for students will be investigated to ensure that appropriate dates and classifications are being used. The faculty training will occur during Fall Convocation estimated to occur the week of August 15-19, 2022.

Key Staff Personnel	Director of Admissions and Records, Veterans Affairs Specialist	Internal Auditor	Henry Ho, CPA, CGFM
Introduction	The Servicemen's Readjustment Act of 1944, commonly known as the GI Bill, provides funding for education of veterans and their dependents. The funding provided under chapters 30, 31, 33, 35 and 1606 of the GI Bill may include tuition and fees, books and supplies, and housing stipends. To obtain these benefits, an eligible veteran must notify the college's Veterans Affairs (VA) Office that he/she (or the dependent of a veteran) wishes to receive veteran's education benefits under the GI Bill and obtain a Certificate of Eligibility (COE) from the U.S. Department of Veterans Affairs. An Annual Reporting Fee (ARF) is paid to the college on a calendar year basis to reimburse some expenses of certifying veteran's education information and must be used for approved Veterans Affairs support activities.		
Objectives	The objectives of the audit were to determine: • whether internal controls provide reasonable assurance that veterans and/or dependents were appropriately certified including enrollment amendments, • the accuracy and review of data entered for students with veteran's benefits, • proper tracking of Notice of Indebtedness (NOI) letters to ensure the college has remitted payment to Department of Veterans Affairs, and • receipt and proper accounting of the Annual Reporting Fee (ARF).		
Conclusion	Nashville State Community College's VA benefit certification processes generally provide adequate internal controls for maintaining compliance with U.S. Department of Veterans Affairs education benefit requirements. We found no inaccuracies in data entered into VA Once. The College had properly accounted for student debts and had remitted payments to the VA according to the Notice of Indebtedness received. We have made recommendations to management to ensure timely remittance of payment to the VA. The College had properly accounted for and expended the Annual Reporting Fee.		

Recommendations	*Recommendation 1* The Veterans Affairs Specialist should create and maintain a log of Notice of Indebtedness to track the due date of each notice to ensure timely remittance of payment to the VA. *Recommendation 2* The college should establish a review process by a supervisor or other employee independent of the Veterans Affairs Specialist to ensure completeness of student files and to reduce risk of inaccuracies of data entered into VA Once.

Key Staff Personnel	Adult Learners and Veterans Affairs Office (ALVA)	**Internal Auditor**	Nancy Batson
Introduction	The Servicemen's Readjustment Act of 1944, commonly known as the GI Bill, provides funding for education of veterans and their dependents. The funding provided under chapters 30, 31, 33, 35, and 1606 of the GI Bill may include tuition and fees; books and supplies; and housing stipends. To obtain these benefits, an eligible veteran must notify the college that he or she (or a veteran dependent) wishes to receive education benefits under the GI Bill and obtain a Certificate of Eligibility (COE) from the U.S. Department of Veterans Affairs (VA). An Annual Reporting Fee (ARF) is paid to the college by the VA on a calendar year basis (38 USC 3684(c)) to reimburse some of the expenses of certifying the veteran's education information and must be used for approved VA support activities.		
Objectives	The objectives of the audit including the following. ▪ Determine whether internal controls provide reasonable assurance that veterans and/or dependents were appropriately certified, including enrollment amendments. ▪ Determine the accuracy of data entered to VA Once for students with veteran's benefits. ▪ Determine proper tracking of Notice of Indebtedness (NOI) letters to ensure the college has remitted payment to the Department of Veterans Affairs. ▪ Determine receipt and proper accounting of the Annual Reporting Fee (ARF).		
Scope	The audit examined the benefit certification process for the Fall 2021 semester of the 2021-2022 academic year		
Conclusion	Except as noted, the process and controls for the veteran student certifications appear adequate. Veteran student files are maintained with appropriate documentation, and enrollment information was accurately reported to the VA. Payments were remitted to the VA in accordance with debt notification letters, and the annual reporting fee was properly recorded and managed in the general ledger.		
Recommendations	1. The Manager of Adult Learners and Veterans Affairs should implement a supervisory review of the student files and VA submissions each semester to ensure accuracy and completeness. 2. Management should review the current Banner reporting to determine if all changes in schedules can be identified for potential reporting to the VA.		

| Recommendations (Continued) | 3. Management should review the eligibility of the International Education Fee for education benefits and obtain approval from the Tennessee State Approving Agency (SAA) for certification to the VA. |
| | 4. Management should ensure that applicable financial aid awards are deducted from the veteran benefit. |

Tennessee Board of Regents
Audit Committee
September 7, 2022

Internal Audit Reports
Follow-ups

Dyersburg State Community College
Follow-up #2 on Internal Audit Investigation 20-02
Human Resources Department – Allegation of Improper FMLA and Sick
Leave Procedures
April 19, 2022
Executive Summary

Key Staff Personnel	Amy West, Director of Human Resources	**Internal Auditor**	Sandra Pruett, Director of Internal Audit
Introduction	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. A follow-up audit was performed in June 2021, where it was noted that one recommendation was completely addressed, and the other recommendation was partially addressed and needed further efforts to implement the necessary corrective actions. Since the time of the June 2021 follow-up audit, the Human Resources Department has experienced turnover in the director position. The previous Director of Human Resources retired, and a new Director of Human Resources has been hired.		
	This audit is a follow-up to the June 2021 audit where it was noted that further action needed to be taken regarding one audit recommendation. The current status of this outstanding audit recommendation has been reviewed and is presented in the Results of the Current Audit section below.		
Objectives	The objective of this engagement was to determine whether adequate corrective actions have been taken to address the one remaining audit recommendation previously listed in the Follow-up on Internal Audit Investigative Report dated June 30, 2021.		
Scope	This follow-up audit included a review of the current status of actions taken by the DSCC Human Resources Department to correct deficiencies in documentation of procedures specifically related to FMLA and Sick Leave, but also including other areas in the department.		
Conclusion	Based on the results of the current follow-up review, management has taken adequate actions to address the lack of written documentation that was previously noted. Updating documentation on procedures in the Human Resources department will be an ongoing process; however, no further action is needed at this time regarding this recommendation.		

Jackson State Community College
Club Accounts Review Follow-up
Internal Audit Investigation 18-03 – Page 1 of 3
Fiscal Year 2021-22
June 30, 2022
Executive Summary

Key Staff Personnel	Vice President of Student Services / Director of Student Life	**Internal Auditor**	Chrystal Pittman, Director of Internal Audit
Introduction	An investigation was conducted due to two allegations received related to a student club event.		
	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.		
	The second allegation was that club proceeds were held in a petty cash fund operated by the club. The allegation was not substantiated.		
	Account transactions were reviewed for the fiscal year 2017-18 and a report was issued on September 20, 2018. The report included three recommendations.		
	Due to staffing changes in key positions and the impact of COVID-19 on student events, the recommendations were not addressed prior to the initial follow up. A new Vice President of Student Services was hired in March 2021 and a new Director of Student Life was hired in August 2021.		
	An initial follow up report was issued on March 5, 2021, for the fiscal year 2019-20. The recommendations were not cleared.		
Objectives	To determine whether management implemented adequate corrective actions to address recommendations provided in the Club Account Review dated September 20, 2018.		
Scope	The second follow-up review covers fiscal year 2021-22.		
	The review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.		
Conclusion	Management has implemented adequate corrective actions to address the recommendations.		

Jackson State Community College
Club Accounts Review Follow-up
Internal Audit Investigation 18-03 – Page 2 of 3
Fiscal Year 2021-22
June 30, 2022
Executive Summary

Recommendations	**Recommendation 1** 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). **Management's Response** Management Concurs. Cash management guidelines have been instituted that require dual control during all fundraising activities. A new online system has been put in place that requires all fundraising activities 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. **Current Status** Fundraising guidelines including cash management procedures have been implemented and included in the JSCC Student Life Handbook. An online approval system was created to ensure appropriate approvals for requested fundraising events. The recommendation has been cleared. **Recommendation 2** 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. **Management's Response** Management Concurs. 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.

Jackson State Community College
Club Accounts Review Follow-up
Internal Audit Investigation 18-03 – Page 3 of 3
Fiscal Year 2021-22
June 30, 2022
Executive Summary

Recommendations	**Current Status** Management provided training for club advisors and club officers on student events and fundraising activities in the fall of 2021 and spring 2022. The JSCC Student Life Handbook has been updated, approved, and distributed to club advisors. Club officers will receive a copy of the updated Handbook during the fall 2022 training. The recommendation has been cleared. **Recommendation 3** The JSCC Student Life Handbook should be reviewed annually and updated (if needed). **Management's Response** Management Concurs. 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. **Current Status** A new Director of Student Life was appointed in August 2021. The Director implemented a new review and approval process for the Student Life Handbook. The Handbook was updated by the Director of Student Life and reviewed and approved by the SGA President, Vice President for Financial and Administrative Affairs and the Vice President of Student Services in June 2022. The recommendation has been cleared.

Auditee	Executive Vice President of Workforce and Community Development, Assistant Vice President of Workforce Development	**Auditor**	Tammy Wiseman, Internal Auditor
Objectives	The objective of the review was to determine whether adequate corrective actions have been taken to address the two recommendations from the 2019 Workforce Development audit.		
Scope	This follow-up review describes the current status of actions taken for the 2020 – 2021 reporting year by Motlow State Community College management to correct deficiencies reported. The review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by The Institute of Internal Auditors. The review included tests of the records and other procedures considered necessary to achieve the audit objective.		
Conclusion	Based on the results of tests and procedures performed, management has not taken adequate actions to address and implement the audit recommendations. An additional follow-up review will be a scheduled at a future date.		
Current Status of Recommendations	**Recommendation 1** The recommendation from the previous audit report is repeated. Motlow State Community College should improve internal controls over maintaining workforce development documentation to sufficiently support training contact hours reported on the THEC Workforce Training Contact Hours report to THEC/TBR. **Management's Original Comment** Management concurs with the audit recommendation. The workforce team will continue to improve standard operating procedures which will strengthen internal controls. The procedures will clearly define the documentation to support the training contact hours. All workforce team contributors will be effectively trained to ensure accurate reporting of training contact hours. The procedures will be developed by September 30, 2019.		

Current Status of Recommendations (continued)	**Current Status** The recommendation was not cleared for the 2020 – 2021 reporting year. **New Management's Comments** In 2021, Motlow Workforce processes and internal controls were completely re-engineered by involving multiple players across the college and beyond. The new document that codifies our processes and internal controls is known as "Motlow Standards and Practices for Workforce Operations." While myriad factors delayed producing the final document, the additional time taken to build the processes collaboratively has resulted in a robust set of processes. In practice, the root cause of this open recommendation (lack of process and guidance) has already been resolved. To confirm that the processes are producing the intended internal control data for verification of workforce contact hours, the final 2021-22 Workforce Contact Hours report will be made available. The report is due to TBR/THEC by a date in mid-September: at which time, the AVP of Workforce will also provide the report to internal audit. **Recommendation 2** Motlow State Community College should 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. **Management's Original Comment** Management concurs with the audit recommendation. The team will craft a "Motlow Standards and Practices for Workforce Operations" document that we will submit for review and comment by Motlow leadership. The plan is to create the document by September 30, 2019. We will then proceed to benchmark against our peers and use those findings to improve the document as needed. **Current Status** The recommendation was not cleared for the 2020 – 2021 reporting year.

Current Status of Recommendations (continued)	**New Management's Comments** Management concurs with the audit recommendation. The "Motlow Standards and Practices for Workforce Operations" document was completed near the beginning of the current fiscal year. Throughout all of 2021-22, the standards and practices guide was followed by all areas where contact hours were recorded. Likewise, we are following a defined review and verification process over all training data that will be included in the THEC Workforce Training Contact Hours report. Verification that this open audit item has been cleared can be done in conjunction with review of the 2021-22 Workforce Contact Hours report that is due to THEC/TBR in mid-September. Along with the report will be included a copy of the verification coordination sheet to document the process followed during the review. The contact hours report, and coordination documentation will be provided by AVP of Workforce to Internal Audit during September in conjunction with the official submission.

Nashville State Community College
Follow-up to Foundation Audit
July 1, 2018 through June 30, 2019
June 30, 2022
Executive Summary

Key Staff Personnel	Executive Director of Foundation	**Internal Auditor**	Henry Ho, CPA, CGFM
Introduction	The Office of Internal Audit conducted an audit of the Nashville State Community College Foundation for the period July 1, 2018, through June 30, 2019, and issued an audit report on April 30, 2020. The auditor made four recommendations to improve the Foundation's internal control and compliance with Tennessee Board of Regent's policy. The recommendations were as follows: **Recommendation 1 -** The Foundation should ensure that all board members review and acknowledge the Code of Ethics annually. **Recommendation 2 -** The Foundation should develop policies and procedures to ensure compliance with donor intent and conditions. **Recommendation 3 -** The Foundation should develop policies and procedures for disclosure of gift records. **Recommendation 4 -** The Foundation should develop policies and procedures on procurement and contracting activities.		
Objective	The objective of this follow-up review was to determine if management has implemented corrective actions in response to the recommendations listed in the audit report.		
Scope	This review was conducted in accordance with *International Standards for the Professional Practice of Internal Auditing*, and accordingly included reviews of applicable policies and procedures, inquiries of college and foundation employees and other procedures as considered necessary to achieve the objectives.		
Conclusion	Based on our review, Foundation management has taken corrective actions in response to three of the four recommendations and is in the process of developing policy in response to one remaining recommendation. Auditor will follow up with Foundation management on the status of the remaining corrective action.		

Tennessee Board of Regents
Audit Committee
September 7, 2022

Internal Audit Reports
Investigations

Southwest Tennessee Community College
Investigation 20-04, Cafeteria Concerns
May 24, 2022
Executive Summary

Key Staff Person: Cafeteria Managers	**Auditor:** Charlotte Johnson, Internal Auditor
Introduction	Internal Audit received several allegations regarding Southwest Tennessee Community College (STCC) cafeterias. • STCC does not have a phone payment app system for purchasing food, but employees have seen a cafeteria staff member processing the payment app on their personal phone for the purchase of cafeteria food. • Cafeteria Staff leave with bags of food in the afternoon after telling paying staff the food selection is completely sold out. • Cafeteria Staff are smoking on the back loading dock. • Cafeteria employees give free food to Physical Plant employees if they are working in the cafeteria area. • An employee gets paid "on the side" for meals prepared and sold on campus using food supplies from the cafeteria. The payments were exchanged via Cash App. • Director of Cafeteria hires friends for open positions and they are not required to perform the same work duties as other staff members.
Objective	The primary objective of this review was to determine if the allegations were substantiated and to recommend improvements in procedures as needed.
Scope	Upon receiving the allegations, the Internal Audit Director interviewed the Chief Financial Officer and the two managers of Cafeteria Services. The Police Department conducted a surveillance on the STCC Macon campus cafeteria cash register.
Conclusion	On May 20, 2022, a meeting was held with the Internal Auditor, Chief Financial Officer, Director of Purchasing, Technical Clerk of Purchasing, and the two Cafeteria Managers. All six allegations were discussed. Four of the allegations could not be substantiated. It was determined that college staff smoking on the loading dock were employees from other departments. Physical Plant employees are only given free meals due to extenuating circumstances. The two Cafeteria Managers are aware of the areas of concern in their departments and stated they would closely monitor each area.

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: September 7, 2022

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Mike Batson will give brief updates for the following items:

- Pellissippi State Community College – Director of Internal Audit
- July and October 2022 Internal Auditors Training Sessions

THE COLLEGE SYSTEM
of TENNESSEE
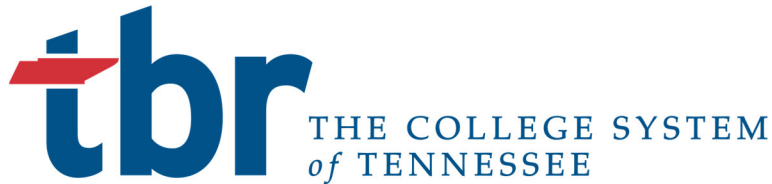
BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: University Updates

DATE: September 7, 2022

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

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

Summary of Recent Activities
- The State of Tennessee Comptroller of the Treasury released the Financial and Compliance Audit Report for the below universities.

FINANCIAL AND COMPLIANCE AUDITS –NO FINDINGS
    Tennessee Technological University
        — FYE June 30, 2021

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Fiscal Year 2023 Internal Audit Plans

DATE: September 7, 2022

PRESENTER: Mike Batson

ACTION REQUIRED: Roll Call Vote

STAFF'S
RECOMMENDATION: Approve

The committee will review and consider for approval internal audits planned for the system institutions for Fiscal Year 2023 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 Audit Type
Planned Audits by Major Functional Area

Tennessee Board of Regents
Planned Audit Hours by Type
Fiscal Year 2023

Pie chart segments:
- Special Request — 11%
- Investigation — 7%
- Project — 6%
- Risk-Based — 8%
- Management's Risk Assessment — 3%
- Consultation — 17%
- Follow-up Review — 10%
- Required — 38%
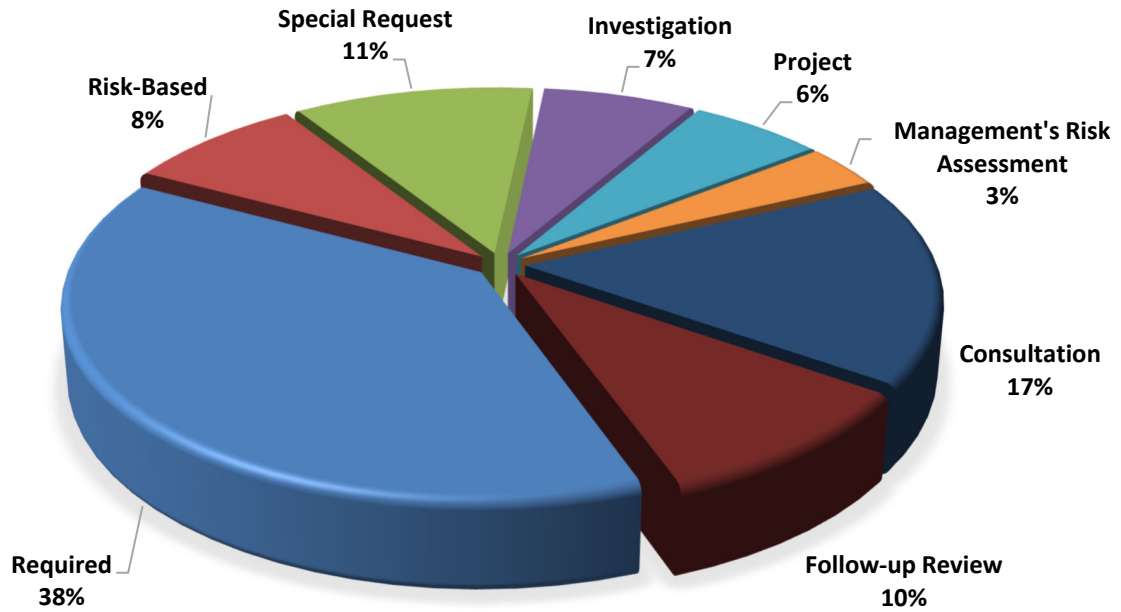
Highlights:

Risk-based audits are determined through a risk analysis process. There is a 10% decrease in planned risk-based audits for the year.

Special Requests are audits requested by the Audit Committee, management, or others to address specific concerns or activities. There is a 4% increase in planned special request audits for the year.

Other categories are consistent with previous years.

**Tennessee Board of Regents
Planned Audit Hours by Functional Area
Fiscal Year 2023**

Student Services 7%
Advancement 1%
Athletics 2%
Physical Plant 1%
Auxiliary 0%
Information Technology 12%
Financial Management 36%
Institutional Support 35%
Instruction & Academic Support 5%
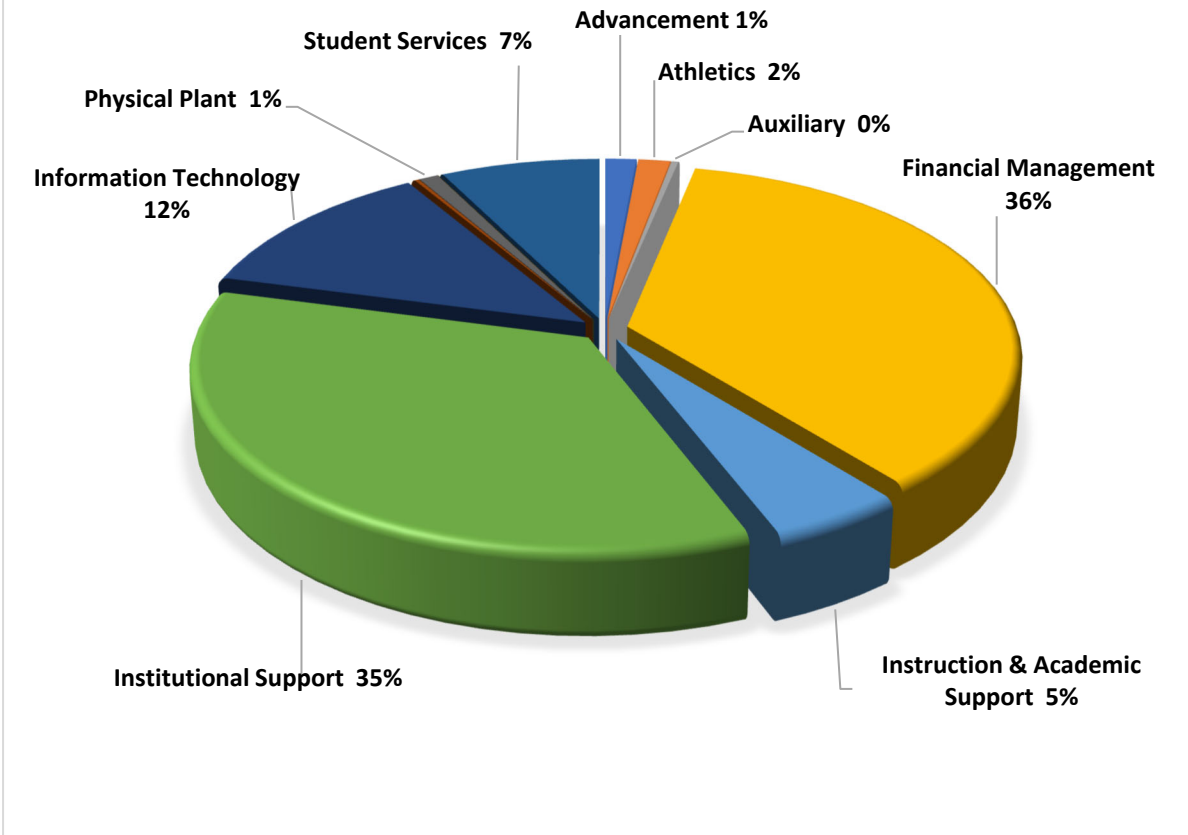
Highlights:

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.

	Planned Audits		**Planned Audit Hours**	
Community Colleges	195	83.7%	13,915	75.41%
SWIA (INV, IS, IA)	24	10.3%	3,325	18.02%
TCATS	14	6.0%	1,213	6.57%
	233		18,453	

Internal Audit Plans

By Institution

Fiscal Year Ending June 30, 2023

Chattanooga State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
5.0	Management Advisory Services	IS	C	100.0	Jul-22
5.0	State Audit Assist/Follow-up	FM	F	20.0	Jul-22
5.0	Follow up Reviews	IS	F	70.0	Jul-22
5.0	Unscheduled Investigations	IS	I	80.0	Jul-22
5.0	Developing Investigations-Assist TBR	IS	I	15.0	Jul-22
5.0	INV-2022-02	IS	I	20.0	May-22
5.0	Enterprise Risk Assessment	IS	M	35.0	Nov-22
5.0	YE Procedures FYE 2022	FM	S	10.0	Jun-22
5.0	YE Procedures FYE 2023	FM	S	15.0	Jun-23
5.0	CCTA Element Audit	SS	R	100.0	Apr-23
5.0	Cares Act	FM	R	100.0	Jan-23
5.0	QAR - Self Assessment and External	IS	R	75.0	Nov-22
5.0	Faculty Credentials	IA	S	50.0	Feb-23
5.0	IAR-NACHA-2021	IT	S	70.0	Nov-22
5.0	President's Expense Audit - Motlow	FM	R	80.0	Aug-22
5.0	Safety Security Ugrade Follow-up	IS	F	10.0	May-22
5.0	Segregation of Duties Review - Payroll/ HR	IS	S	40.0	Mar-23
3.3	Technology Access Fee (TAF Fund)	IT	A	75.0	May-22
3.1	Campus Safety Equipment Inventory	PP	A	25.0	Jan-22
3.0	Sensitive Equipment Student Loaner Process	IT	A	60.0	Jan-23
			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

Cleveland State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
5.0	Management Advisory Services	IS	C	100.0	Jul-22
5.0	State Audit-Assist Follow-up	IS	F	100.0	Jul-22
5.0	Unscheduled Investigations	IS	I	80.0	Jul-22
5.0	Campus Safety and Physical Security	IS	F	20.0	Jul-22
5.0	YE Procedures FYE 2022	FM	S	10.0	Jul-22
5.0	President's Audit-Roane State	FM	R	180.0	Aug-22
5.0	CARES Act/HEERF (Higher Ed Emergency Relief Fund)	FM	R	200.0	Jan-23
5.0	Stipend calculation/awarding procedures	FM	S	115.0	Oct-22
5.0	P-Card Usage Policies in Foundation	AD	S	80.0	Aug-22
5.0	NACHA 2023 Audit	FM	R	90.0	Jun-23
5.0	VA Audit 2023	SS	S	75.0	May-23
			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

Columbia State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
5.0	State Audit Year End Work	FM	R	22.5	May-23
5.0	CARES Act Review	FM	R	150.0	Apr-23
5.0	Complete College Tennessee Act - Element	FM	R	150.0	Oct-22
5.0	GLBA Outcome Follow-up	IT	F	37.5	Oct-22
5.0	WF/CE IA Engagement Follow-up	IA	F	37.5	Sep-22
5.0	Financial Aid IA Engagement FU	SS	F	22.5	Aug-22
5.0	Veterans Affairs FU	SS	F	10.0	PY
5.0	Financial Aid Peer Review FU	SS	F	150.0	Feb-23
5.0	Review Management's Risk Assessment	FM	M	22.5	Nov-22
5.0	5 Year Quality Assurance Review	IS	O	75.0	Oct-22
4.0	Privacy Policy & Language Compliance Check	MC	C	37.5	PY
4.0	Business Process Review: Records	SS	C	50.0	PY
3.6	PPA Compliance Check	SS	C	22.5	PY
3.3	Records Retention	IS	C	22.5	Aug-22
	Engagement Follow-up/Monitoring	IS	F	15.0	Aug-22
1.2	IA Data Analytics	IS	P	75.0	Sep-22
	Informal Consulting	IS	C	150.0	Aug-22
			Total:	1050.0	

Estimated Available Hours For Audits = **1050**

Functional Areas:	**Audit Types:**
AD - Advancement	R - Required
AT - Athletics	A - Risk-Based (Assessed)
AX - Auxiliary	S - Special Request
FM - Financial Management	I - Investigation
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	

Dyersburg State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
	CCTA Funding Formula	SS	R	90.0	Jan-22
	Year End Bank Confirmations	FM	R	30.0	Jun-22
	PII Review	IS	P	75.0	Jul-22
	General Consultation	IS	C	75.0	Jul-22
	Human Resources	IS	A	40.0	Jul-22
	Building Security and Key Control	PP	A	80.0	May-23
	Risk Assessment	IS	M	70.0	Oct-22
	Athletic Camps, Clinics, Fundraising and Scholarships	AT	A	40.0	Aug-22
	QAR External Review	IS	P	120.0	Aug-22
	Follow-up Audits	IS	F	75.0	Jul-22
	Records Mgmt and Retention	FM	A	40.0	Sep-22
	Unsceduled Investigations	IS	I	75.0	Jul-22
	HERFF Funding/Cares Act	FM	R	130.0	Nov-22
	Payroll and Payroll Deductions	FM	A	110.0	Mar-22
			Total:	**1050.0**	

Estimated Available Hours For Audits = **0.0**

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

Jackson State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
	CCTA Element Audit- Completion	IA	R	60.0	In Progress
	CARES Act	IS	R	125.0	March 2023
	CCTA Element Audit	IS	R	125.0	January 2023
	Quality Assurance Review (QAR)	IS	R	75.0	September 2022
	President's Expense - DSCC	IS	S	125.0	August 2022
	Payroll Follow up	FM	F	50.0	In Progress
	Inv 18-03 Follow up	SS	F	50.0	In Progress
	Inv 19-01 Follow up	AT	F	75.0	In Progress
	Foundation Follow up	AD	F	75.0	November 2022
	CCTA Element Audit -Completion Follow up	IA	F	50.0	March 2023
	Veterans Affairs Follow up	IS	F	50.0	February 2023
	Risk Assessment	IS	M	50.0	November 2022
	Year-end Procedures	FM	R	40.0	June 2023
	General Consultation	IS	C	50.0	As needed
	Unscheduled Investigations and Special Requests	IS	I	50.0	As needed
			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

Motlow State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
4.9	Athletics	AT	A	60	Jan-23
4.8	Human Resources	IS	A	50	Oct-22
4.8	Clearing House	FM	A	75	Dec-22
	CARES Funding	FM	R	125	Feb-23
	CCTA Completion	IS	R	40	Jul-22
	CCTA Element Audit	IS	R	75	Oct-22
	Risk Assessment	IA	M	30	Nov-22
	Follow Up Workforce Development #2	IA	F	40	Jul-22
	Follow Up INV 1604	AT	F	50	Jan-23
	Follow Up INV 1801	SS	F	40	Oct-22
	Follow Up INV 1802	IA	F	35	Jul-22
	Follow Up Access and Diversity #3	IS	F	40	Jul-22
	Follow Up Access and Diversity #4	IS	F	40	Jan-23
	Procurement Card/Continuous Monitoring	FM	P	125	Aug-22
	QAR	IS	P	75	Jul-22
	General Consultation	FM	C	50	Jul-22
	State Audit Assistance - Yr End	FM	R	20	Jul-22
	Unscheduled Investigations	IS	I	50	Jul-22
			Total:	**1020.0**	

Estimated Available Hours For Audits = 1020.0

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, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
3.4	CCTA Element	IA	R	150.0	TBD
3.7	CARES Act	FM	R	150.0	Mar-23
3.4	QAR Self-Assessment	IS	R	150.0	Oct-22
3.0	Internal Control Awareness	IS	C	150.0	Aug-22
3.3	State Audit Follow Up	FM	F	50.0	Sep-22
3.0	Consulting Activities	IS	C	150.0	As Needed
4.4	Physical Security / Campus Safety Follow Up	IS	F	150.0	Feb-23
3.5	Travel	FM	A	100.0	Jan-23
			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

Northeast State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
5.0	HEERF	FM	R	100.0	Aug-22
5.0	Walters State President Expense Audit	FM	R	100.0	Aug-22
5.0	QAR Self-Assesment	IS	P	100.0	Aug-22
5.0	State Audit Follow-Up Audits	FM	R	100.0	Oct-22
5.0	Complete College Tennessee Act Element	SS	R	100.0	Jan-23
5.0	HEERF I Student Distributions Audit	FM	S	20.0	Jul-22
5.0	HEERF II Projects Audit	FM	S	40.0	Jul-22
5.0	HEERF III Projects Audit	FM	S	40.0	Jul-22
5.0	Attendance Reporting	IS	S	75.0	Jul-22
5.0	Developing Investigations-Assist TBR	IS	I	30.0	Jul-22
5.0	Unscheduled Investigations	IS	I	30.0	Jul-22
5.0	State Audit Assistance - Year End	FM	R	30.0	May-23
5.0	Special Requests and Projects	IS	S	100.0	Jul-22
5.0	Other Audit Follow-Up	IS	F	50.0	Jul-22
5.0	Risk Assessment	IS	M	35.0	Oct-22
5.0	Management Advisory Services	IS	C	100.0	Jul-22
			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

Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
5.0	Cares Act Funding	IS	R	150.0	Jan-23
5.0	Year End Inventory & Cash Counts	FM	R	30.0	Jul-22
5.0	Funding Formula	IS	R	112.5	Mar-23
5.0	Quality Assurance Self Assessment	IS	R	112.5	Aug-22
5.0	Audit Follow-Ups	FM	F	30.0	Jul-22
5.0	Risk Assessment	IS	M	22.5	Nov-22
5.0	Faculty Credentials	IA	S	150.0	Oct-22
5.0	Review of Compliance Assist	IA	S	52.5	Apr-23
5.0	Advancement Management Advisory Services, Consultation, etc.	AD	C	22.5	Jul-22
5.0	Finance Management Advisory Services, Consultation, etc.	FM	C	22.5	Jul-22
5.0	Instittutional Support Management Advisory Services, Consultation, etc.	IS	C	75.0	Jul-22
5.0	Unscheduled Investigations and Special Requests	IS	I	37.5	Jul-22
5.0	IT Audit Management Advisory Service - Phishing Campaign & Building Security	IT	C	150.0	Jul-22
5.0	IT Audit Management Advisory Service - General Security Review	IT	C	150.0	Jul-22
5.0	IT Audit Management Advisory Service - PCI & ACH Review	IT	C	150.0	Jul-22
4.05	Vulnerability Assessment - College Website	IT	A	150.0	Jul-22
			Total:	**1417.5**	

Estimated Available Hours For Audits = 1365.0

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

Roane State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
5.0	CCTA	AD	R	65.0	Jan-23
5.0	Year End Cash Counts	FM	R	35.0	May-23
5.0	Enterprise Risk Assessment	IS	M	75.0	Aug-22
3.6	Grants	FM	A	75.0	Aug-22
5.0	CARES Act	FM	R	75.0	Jan-22
3.5	Sick Leave Bank	IS	A	50.0	Jul-22
5.0	State Audit Follow-up	FM	F	75.0	Jul-22
5.0	IAR Audit Follow-up	FM	F	75.0	Jul-22
5.0	Unscheduled Investigations	FM	I	90.0	Jul-22
5.0	Management Advisory Services	IS	C	142.5	Jul-22
4.7	Foundation - Restricted Funds	AX	S	60.0	Jul-22
4.9	Nursing Program Review	IA	S	55.0	Jul-22
3.1	Police/Safety Equipment Inventory	PP	A	22.5	Jul-22
3.7	Equipment Inventory & Tagging	FM	A	45.0	Jan-23
5.0	Campus Safety & Security	IS	R	10.0	Jul-22
5.0	CCTA - Graduation	AD	R	25.0	Jul-22
5.0	QAR - Self Assessment and External	IS	R	75.0	Jul-22
			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, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
	Out of State Tuition	SS	S	97.5	Aug-22
	Review of Driver's Licenses	FM	S	25.0	Jul-22
	Review of Medical Programs with Special Adm Process	IA	P	97.5	Mar-23
	Cares	FM	R	97.5	Feb-23
	Capitalized Equipment	FM	A	97.0	Apr-23
	QAR	FM	P	55.0	Jun-22
	Cash Count	FM	A	30.0	May-23
	Athletic General Compliance	AT	A	52.0	Jan-23
	Inv 20-3 Investigation of Clubs	FM	F	25.0	Nov-22
	Risk Management	IS	A	50.0	Dec-22
	FU-Campus Safety	IS	F	47.0	Sep-22
	FU-State Audit	IT	F	30.0	Oct-22
	FU-Review of Ghost Employee	FM	S	50.0	Nov-22
	FU Veteran's Affairs Benefit Certification	SS	R	25.0	Jul-22
	ACM Software	FM	P	75.0	Jul-22
	IAR-General Consulting	SS	C	97.0	Jul-22
	Unscheduled Investigations	FM	I	97.0	Jul-22
			Total:	**1047.5**	

Estimated Available Hours For Audits = **1047.5**

Functional Areas:	Audit Types:
AD - Advancement	R - Required
AT - Athletics	A - Risk-Based (Assessed)
AX - Auxiliary	S - Special Request
FM - Financial Management	I - Investigation
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	

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
8.3	CCTA Funding Formula	SS	R	175.0	Apr-23
6.0	President's Expense Reporting	FM	R	175.0	Aug-22
5.0	State Audit Year-End Work	FM	R	40.0	May-23
5.0	Follow-Up Activities	IS	F	50.0	Jul-22
5.0	General Consultation	IS	C	100.0	Jul-22
5.0	IIA QAIP Self Assessment	IS	P	100.0	Jun-22
5.0	Management Risk Assessment	IS	M	125.0	Oct-22
5.0	Unscheduled Investigations	IS	I	40.0	Jul-22
5.0	CARES Act	IS	R	175.0	Feb-23
			Total:	**980.0**	

Estimated Available Hours For Audits = 903

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, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
5.0	Management Advisory Services/Consulting	IS	C	50.0	Jul-22
5.0	State Audit Assist/Follow-up	FM	F	12.0	Sep-22
5.0	IAR-CARES Act HEERF 2023	IS	R	40.0	Mar-23
5.0	WSCC Risk Assessment T/B/A	FM	R	37.5	May-23
5.0	WSCC Enterprise-wide Risk Assessment	FM	R	7.5	May-23
5.0	WSCC IET and Fin Aid Risk Assessments	IS	M	37.5	Dec-22
5.0	IAR-CCTA-T/B/D	SS	R	105.0	Mar-23
5.0	YE Procedures FYE 2022	FM	S	22.5	Jul-22
5.0	YE Procedures FYE 2023	FM	S	22.5	Jun-23
5.0	IAR-NACHA-2022	IT	S	75.5	Oct-22
5.0	Unscheduled Investigations	IS	S	105.0	Jul-22
5.0	QAR Self-Assessment	IS	R	75.0	Sep-22
5.0	Business Continuity Planning	FM	C	225.0	Jul-22
5.0	IT Governance	IT	M	75.0	Jul-22
5.0	Accounts Receivable	FM	M	65.0	Jul-22
5.0	Faculty Workload Reports	IA	C	75.0	Jul-22
5.0	Veterans Affairs Benefits	SS	F	20.0	Sep-22
			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

Tennessee Board of Regents - Investigations
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
	Consultation with Campus Auditors	IS	C	125.0	Jul-22
	Investigation Management	IS	P	200.0	Jul-22
	Unscheduled Investigations	FM	I	400.0	Jul-22
	INV TBR 21-05	PP	I	40.0	Feb-21
	INV TBR 22-03	FM	I	75.0	Sep-21
	INV TBR 23-01	IA	I	22.5	Jul-22
	Application Data Review	IS	S	75.0	Jul-21
	Presidents Expense Audit - VSCC	FM	R	112.5	Sep-21
			Total:	**1050.0**	

Estimated Available Hours For Audits = 1,050.0

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

Tennessee Board of Regents - Information Systems
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
5.0	CISCC Information Security	IT	R	150.0	Dec-22
5.0	COSCC Information Security	IT	R	150.0	Jul-22
5.0	JSCC Infromation Security	IT	R	150.0	Mar-23
5.0	PSCC Information Security	IT	R	150.0	Oct-21
5.0	STCC Information Security	IT	R	150.0	Apr-23
5.0	TCAT Information Security	IT	R	350.0	May-23
5.0	TBR System Office Information Security	IT	R	150.0	Jun-23
			Total:	**1250.0**	

Estimated Available Hours For Audits = **1250.0**

Functional Areas:	Audit Types:
AD - Advancement	R - Required
AT - Athletics	A - Risk-Based (Assessed)
AX - Auxiliary	S - Special Request
FM - Financial Management	I - Investigation
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	

Tennessee Board of Regents - Internal Audit Director
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
	VA Audit-TCAT-TCAT TBD	SS	R	75.0	Aug-22
	VA Audit-TCAT-TCAT TBD	SS	R	75.0	Sep-22
	State Audit Follow Up FY 2020 and 2021	FM	R	45.0	Sep-22
	Cash Disbursements	FM	S	150.0	Nov-22
	Internal Quality Assurance Review	IS	R	30.0	Jan-23
	TBR Website Content review	IS	O	225.0	Sep-22
	Tn eCampus	FM	S	150.0	Mar-22
	Audit of President's Expenses-VSCC	FM	R	75.0	Aug-22
	General Consultation	IS	C	200.0	Jul-22
			Total:	**1025.0**	

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

Tennessee Board of Regents - TCAT
Internal Audit Plan
Fiscal Year Ending June 30, 2023

Risk	Audit	Area	Type	Hours Planned	Audit Start Date
NA	FY 23 Risk Assessment	FM	R	200.0	Oct-22
NA	FY 23 TCAT Consultation	FM	C	250.0	Jul-22
NA	FY 23 TCAT Year End Procedures	FM	C	50.0	Jun-22
NA	FY 23 Audit Program	FM	C	75.0	Jul-22
5.0	FY 23 TCAT Memphis Controls Review	FM	A	75.0	Sep-22
5.0	FY 23 TCAT McMinnville Controls Review	FM	A	37.5	Jul-22
4.7	FY 23 Oneida VA Audit	FM	R	75.0	Jul-22
4.7	FY 23 Jacksboro VA Audit	FM	R	75.0	Aug-22
4.6	FY 21 TCAT Nashville President's Expense	FM	R	75.0	Jan-23
2.6	FY 21 TCAT Oneida President's Expense	FM	A	37.5	Jan-23
3.7	FY 21 TCAT Jackson/Whiteville President's Expense	FM	R	75.0	Oct-22
2.7	FY 21 TCAT Ripley President's Expense	FM	R	37.5	Oct-22
1.3	FY 22 TCAT Chattanooga President's	FM	R	75.0	Feb-23
1.3	FY 21 Cosmetology Controls Review	FM	R	75.0	Jul-22
			Total:	**1212.5**	

Estimated Available Hours For Audits = **1212.50**

Functional Areas:

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

Audit Types:

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

THE COLLEGE SYSTEM
of TENNESSEE

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Charters

DATE: September 7, 2022

PRESENTER: Mike Batson

ACTION REQUIRED: Roll Call Vote

STAFF'S
RECOMMENDATION: Approve

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

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

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

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

Northeast State Community College

Internal Audit Charter

Introduction

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

Purpose

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

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

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

Page 1 of 4

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

Audit Standards

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

Authority and Scope

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

Organizational Status/Reporting Structure

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

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

Page 2 of 4

Independence and Objectivity

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

Responsibility and Role

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

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

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

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

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

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

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

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

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

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

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

Page 3 of 4

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

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

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

Quality Assurance and Improvement

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

Periodic Review of Internal Audit Charter

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

President, Northeast State Community College   5/19/2022
Date

Auditor, Northeast State Community College   5/19/2022
Date

Cleveland State Community College

Internal Audit Charter

Introduction

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

Purpose

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_____   8/18/2022
President, Cleveland State Community College   Date

E. Denise R. Callais   8/5/2022
Auditor, Cleveland State Community College   Date

THE COLLEGE SYSTEM
of TENNESSEE

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Year-End Status Reports for
                        Fiscal Year 2022

DATE: September 7, 2022

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The committee will review the year-end status of the internal audit plans for the system institutions for Fiscal Year 2022. 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 2022 TOTAL AUDIT HOURS FOR COMPLETED AUDITS BY FUNCTIONAL AREA
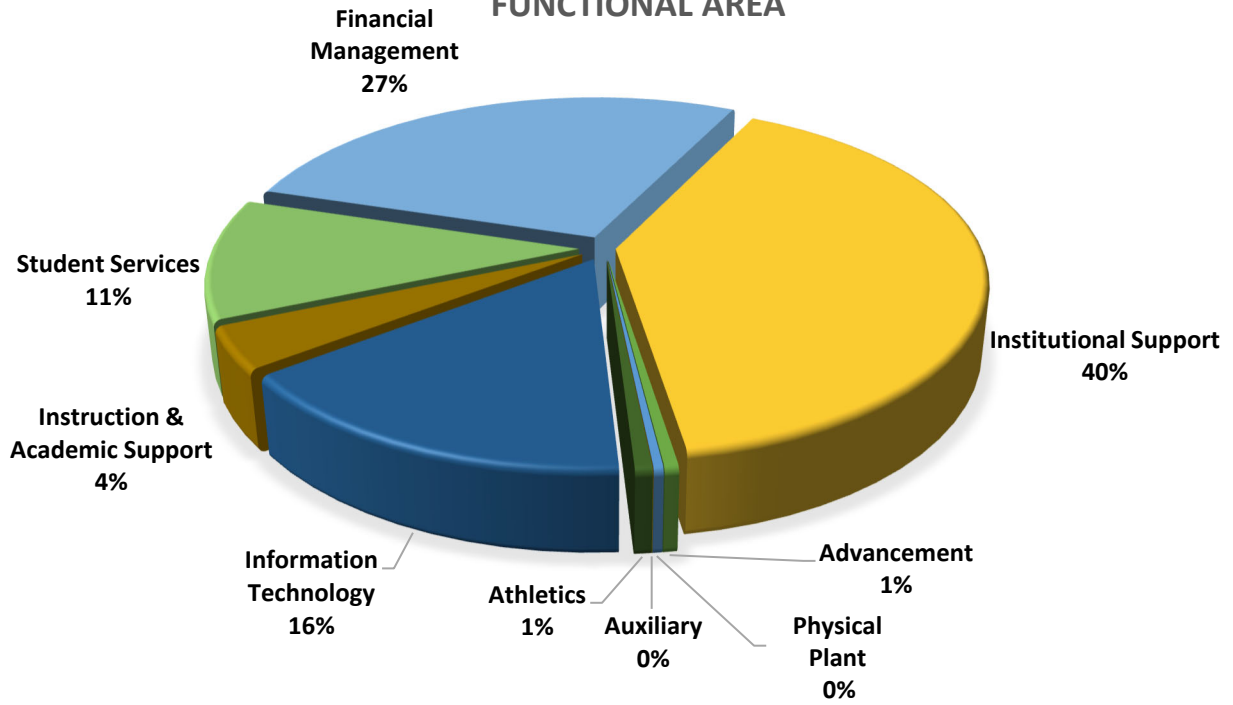
- Financial Management 27%
- Institutional Support 40%
- Student Services 11%
- Instruction & Academic Support 4%
- Information Technology 16%
- Athletics 1%
- Auxiliary 0%
- Physical Plant 0%
- Advancement 1%

FY 2022 TOTAL AUDIT HOURS FOR COMPLETED AUDITS BY AUDIT TYPE

- Follow-up Review 7.47%
- Consultation 23.55%
- Required 35.99%
- Management's Risk Assessment 6.10%
- Project 4.57%
- Investigation 8.16%
- Special Request 5.65%
- Risk-Based 8.51%
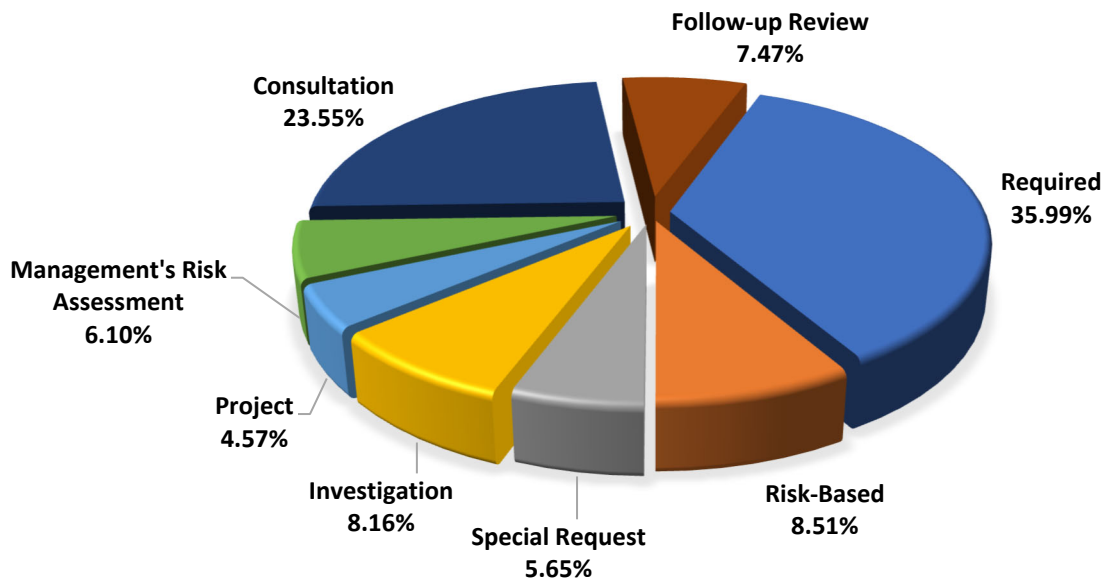
Tennessee Board of Regents
Planned vs. Actual Audit Hours
Fiscal Year 2022

Institution	Planned Audit Hours	Actual Audit Hours	% of Planned Hours Achieved
ChSCC	1000.0	810.0	81.00%
ClSCC	162.0	162.0	100.00%
CoSCC	1050.0	507.1	48.29%
DSCC	1050.0	1041.0	99.14%
JSCC	1000.0	982.0	98.20%
MSCC	846.5	718.8	84.91%
NaSCC	560.0	460.0	82.14%
NeSCC	1000.0	994.5	99.45%
PSCC	2347.5	2147.0	91.46%
RSCC	1050.0	852.5	81.19%
STCC	992.0	833.0	83.97%
VSCC	1020.0	1015.0	99.51%
WSCC	1055.0	800.0	75.83%
TBR-Investigations	1050.0	1050.0	100.00%
TBR-Information Systems	1025.0	902.0	88.00%
TBR-TCATs	1250.0	1250.0	100.00%

Notes:

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

2- 15.0 actual hours for NaSCC and 43.5 actual hours for PSCC 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

Type of Audit	FY2022	FY2021	FY2020	Average
Required	34%	25%	28%	29%
Risk-Based	8%	7%	7%	7%
Investigation	12%	9%	10%	10%
Consultation	16%	15%	16%	16%
Project	4%	7%	1%	4%
Follow-up Audit	10%	17%	20%	16%
Management's Risk Assessment	7%	6%	6%	6%
Special Request	7%	13%	12%	11%
Other	1%	1%	0%	1%
Total	**100%**	**100%**	**100%**	**100%**

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. Required Audits and Investigations increased over the previous two years.

By Functional Area	FY2022	FY2021	FY2020	Average
Advancement	1%	1%	14%	5%
Athletics	1%	1%	1%	1%
Auxiliary	0%	0%	1%	0%
Financial Management	27%	25%	31%	28%
Instruction and Academic Support	4%	4%	6%	5%
Institutional Support	40%	41%	33%	38%
Information Technology	16%	17%	10%	14%
Marketing & Campus Activities	0%	0%	0%	0%
Physical Plant	0%	1%	2%	1%
Research	0%	0%	0%	0%
Student Services	11%	10%	2%	8%
Total	**100%**	**100%**	**100%**	**100%**

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 and Intakes FY 2022
As of June 30, 2022

Allegations

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

Investigations

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

Complaints Received	Community Colleges	Technology Colleges	System Office	Total
Tennessee Comptroller	3	5	1	9
System-wide Internal Audit	18	11	5	34
Campus Internal Audit	9	0	0	9
Total Complaints	**30**	**16**	**6**	**52**
Referred, Duplicative, or Not Viable	16	11	6	33
Under Preliminary Review/Consultation	6	3	0	9
Designated as assistance – not an investigation	0	0	0	0
Cases Opened	**8**	**2**	**0**	**10**
Investigations	**Community Colleges**	**Technology Colleges**	**System Office**	**Total**
Open Cases at July 1, 2021	7	1	0	8
Cases opened from new complaints or previous preliminary review items	8	2	0	10
Total Cases	**15**	**3**	**0**	**18**
Under further review or referred	0	0	0	0
Cases Completed, Reports Issued	4	0	0	4
Cases Administratively Closed	6	3	0	9
Open Cases at June 30, 2022	**5**	**0**	**0**	**5**

Note: TBR 21-04 - Investigative Assistance, not included in case totals

Tennessee Board of Regents
Investigative Reports Released
Fiscal Year 2022 as of June 30, 2022

Institution	Reports Issued
ChSCC	INV 20-02 – Engineering Concerns
STCC	INV 22-01 – Overpayment of Physical Plant Employee
STCC	INV 20-04 – Cafeteria Concerns
WSCC	INV 22-02 – Deprivation of FFCRA Benefits

Year-End Status Reports

By Institution

Fiscal Year Ending June 30, 2022

Chattanooga State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

						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	Procurement Card Purchases	3.4	25.0	25.0	0.0	0%		25.0	0.0	Aug-21	Completed
FM	F	State Audit Assist/Follow-up	5.0	75.0	75.0	0.0	0%		79.0	-4.0	Mar-22	Completed
FM	S	YE Procedures FYE 2021	5.0	10.0	10.0	0.0	0%		10.0	0.0	Jul-21	Completed
IA	S	Faculty Credentials	5.0	50.0	50.0	0.0	0%		58.5	-8.5	Feb-22	Completed
IS	C	Management Advisory Services	5.0	100.0	100.0	0.0	0%		92.0	8.0	Jun-22	Completed
IS	F	Follow up Reviews	5.0	75.0	75.0	0.0	0%		64.0	11.0	Jun-22	Completed
IS	I	Developing Investigations-Assist TBR	5.0	20.0	20.0	0.0	0%		15.0	5.0	Jun-22	Completed
IS	I	INV-2020-02	5.0	25.0	50.0	25.0	100%	2	52.5	-2.5	Nov-21	Completed
IS	I	INV-2022-01	5.0	0.0	18.0	18.0	100%	5	18.0	0.0	May-22	Completed
IS	M	Enterprise Risk Assessment	5.0	35.0	35.0	0.0	0%		38.0	-3.0	Jan-22	Completed
IT	S	IAR-NACHA-2021	5.0	70.0	70.0	0.0	0%		71.0	-1.0	Dec-21	Completed
SS	R	Veteran's Affairs Benefit Certification	5.0	0.0	80.0	80.0	100%	1	84.5	-4.5	Mar-22	Completed
FM	S	YE Procedures FYE 2022	5.0	15.0	15.0	0.0	0%		14.0	1.0		In Progress
IS	F	Safety Security Upgrade Follow-Up	5.0	0.0	75.0	75.0	100%	3	69.5	5.5		In Progress
IS	I	INV-2022-02	5.0	0.0	42.0	42.0	100%	5	45.0	-3.0		In Progress
IT	A	Technology Access Fee (TAF Fund)	3.3	100.0	60.0	-40.0	-40%	1	10.0	50.0		In Progress
PP	A	Campus Safety Equipment Inventory	3.1	75.0	75.0	0.0	0%		64.0	11.0		In Progress
FM	R	Cares Act	5.0	125.0	125.0	0.0	0%	4	0.0	125.0		Removed
IS	I	Unscheduled Investigations	5.0	100.0	0.0	-100.0	-100%	1,5	0.0	0.0		Removed
SS	R	CCTA Element Audit	5.0	100.0	0.0	-100.0	-100%	3	0.0	0.0		Removed
		Total Planned Audit Hours:		**1000.0**	**1000.0**	**0.0**			**810.0**	**190.0**		

Estimated Available Audit Hours =   1000.0

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 - Added VA Audit at the request of SWIA and reduced other project hours to facilitate.
FN2 - Additonal hours added to expand coverage of issue.
FN3 - System-wide CCTA audit delayed till FY 2023. Added audit as replacement.
FN4 - Projected delayed till 2023.
FN5 - Investigation projects added and place holder reduced.

Cleveland State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

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		
SS	R	VA Audit	5.0	0.0	150.0	150.0	100%		150.0	0.0	May-22	Completed
PP	F	Follow-Up	5.0	0.0	12.0	12.0	100%		12.0	0.0		In Progress
FM	R	Cares ACT	5.0	175.0	0.0	-175.0	-100%	1	0.0	0.0		Removed
FM	S	NACHA 2022	5.0	75.0	0.0	-75.0	-100%	1	0.0	0.0		Removed
IA	R	CCTA	5.0	150.0	0.0	-150.0	-100%	1	0.0	0.0		Removed
		Total Planned Audit Hours:		**400.0**	**162.0**	**-238.0**			**162.0**	**0.0**		

Estimated Available Audit Hours =   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
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FN1- Moved to next fiscal year plan.

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

						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	C	Title IX Gender Equity Assessment	0.0	22.50	72.0	49.5	220%	2	71.9	0.1	Oct-21	Completed
FM	M	Review Management's Risk Assessment	5.0	22.50	22.5	0.0	0%		11.0	11.5	Jan-22	Completed
FM	R	State Audit Year End Work	5.0	7.50	5.5	-2.0	-27%		5.5	0.0	Aug-21	Completed
FM	R	State Audit Year End Work	5.0	22.50	15.0	-7.5	-33%		16.5	-1.5	Jun-22	Completed
FM	R	Complete College Tennessee Act - Progression	5.0	150.00	69.0	-81.0	-54%	5	69.4	-0.3	Nov-21	Completed
IS	C	Informal Consulting	0.0	52.50	150.0	97.5	186%	1	148.5	1.6	Jun-22	Completed
IS	C	Complaint Processing	0.0	-	22.0	22.0		5	21.9	0.1	Dec-21	Completed
IS	F	Engagement Follow-up/Monitoring	1.4	22.50	22.5	0.0	0%		5.9	16.6	Jun-22	Completed
IS	P	IA Data Analytics	1.4	120.00	86.0	-34.0	-28%	5	5.4	80.6	Jun-22	Completed
SS	S	Veteran's Affairs Benefits	0.0	-	8.0	8.0		3	7.6	0.4	Dec-21	Completed
IS	C	Privacy Policy & Language Compliance Check	4.0	37.50	150.0	112.5	300%	5	3.5	146.5		In Progress
SS	C	DoD MOU Compliance Check	3.3	22.50	75.0	52.5	233%		59.8	15.3		In Progress
SS	C	PPA Compliance Check	3.3	22.50	22.5	0.0	0%		10.8	11.8		In Progress
SS	C	Business Process Review: Records	3.3	75.00	75.0	0.0	0%		31.3	43.8		In Progress
SS	F	Veteran's Affairs Benefits Follow-up	0.0	-	37.5	37.5		5	38.3	-0.8		In Progress
FM	R	CARES Act Review	5.0	150.00	0.0	-150.0	-100%	4		0.0		Removed
FM	R	Complete College Tennessee Act - Element	5.0	150.00	0.0	-150.0	-100%	4		0.0		Removed
IA	F	WF/CE IA Engagement Follow-up	5.0	37.50	52.5	15.0	40%	6		52.5		Removed
IS	C	Records Retention	2.2	75.00	75.0	0.0	0%	7		75.0		Removed
IT	F	GLBA Outcome Follow-up	5.0	37.50	52.5	15.0	40%	6		52.5		Removed
SS	F	Financial Aid IA Engagement FU	5.0	22.50	37.5	15.0	67%	6		37.5		Removed
		Total Planned Audit Hours:		1050.0	1050.0	**0.0**			507.1	543.0		

Estimated Available Audit Hours = 1050.0

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

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

Status:
In Progress
Completed
Removed

Footnotes:
1 Value-Added Service (Virtual Advising)
2 Project close-out
3 Added by SWIA in December 2021; THEC completed review December 2021 - requirement waived
4 SWIA removed from 2021-2022 plan
5 Move resources where needed
6 Progress was insufficient to conduct follow-up
7 Management did not request significant assistance; time captured in Information Consulting.

Dyersburg State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original Change in Hours	Revised to Original Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	C	General Consultation		75.00	80.0	5.0	7%		86.0	-6.0	Jun-22	Completed
IS	P	PII Review		60.00	75.0	15.0	25%		75.0	0.0	Jun-22	Completed
FM	R	Follow-up to State Audit		40.00	62.0	22.0	55%		62.0	0.0	Mar-22	Completed
FM	R	Year End Bank Confirmations		30.00	30.0	0.0	0%		41.0	-11.0	Jun-22	Completed
FM	R	ChSCC President's Expense Audit		140.00	145.0	5.0	4%		145.0	0.0	Dec-21	Completed
IS	F	Follow-up Audits		75.00	50.0	-25.0	-33%		53.0	-3.0	Jun-22	Completed
IS	I	Unsceduled Investigations		75.00	50.0	-25.0	-33%		48.0	2.0	Jun-22	Completed
IS	M	Risk Assessment		60.00	80.0	20.0	33%		92.0	-12.0	Jan-22	Completed
SS	R	Veteran's Affairs Benefits Certification		0.00	125.0	125.0	100%		144.0	-19.0	Apr-22	Completed
AT	A	Athletic Camps, Clinics and Fundraising		60.00	80.0	20.0	33%		44.0	36.0		In Progress
FM	A	Records Mgmt and Retention		80.00	100.0	20.0	25%		79.0	21.0		In Progress
IS	A	Human Resources		50.00	150.0	100.0	200%		143.0	7.0		In Progress
IS	P	QAR		0.0	23.0	23.0	100%		29.0	-6.0		In Progress
FM	A	Cash Handling		40.00	0.0	-40.0	-100%	(1)	0.0	0.0		Removed
FM	R	HERFF Funding		145.00	0.0	-145.0	-100%	(2)	0.0	0.0		Removed
FM	R	CARES Act		120.00	0.0	-120.0	-100%	(3)	0.0	0.0		Removed
		Total Planned Audit Hours:		**1050.0**	**1050.0**	**0.0**			**1041.0**	**9.0**		

Estimated Available Audit Hours =   1050.0

Functional Areas:

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

Audit Types:

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

Status:

In Progress
Completed
Removed

Footnotes:
(1) The Cash Handling audit was removed due to the addition of the Veteran's Affairs Benefits Certification audit.
(2) Audit postponed until FY2023 per SWIA.
(3) Audit postponed until FY2023 per SWIA. It will be combined with the HERFF audit.

Jackson State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
FM	R	Year-end Procedures		40.0	40.0	0.0	0%		37.0	3.0	Jun-22	Completed
IA	F	Workforce Development Follow up		75.0	80.5	5.5	7%		80.5	0.0	Aug-21	Completed
IS	C	General Consultation		45.0	273.0	228.0	507%		294.5	-21.5	Jun-22	Completed
IS	M	Risk Assessment		40.0	60.0	20.0	50%		57.5	2.5	Jan-22	Completed
IS	M	Business Continuity Plan and Risk Assessments (IT and Financial Aid)		150.0	152.0	2.0	1%		152.0	0.0	Aug-21	Completed
SS	R	Veteran's Affairs Benefits Audit		0.0	150.0	150.0	0%		187.5	-37.5	May-22	Completed
AD	F	Foundation Follow up		95.0	95.0	0.0	0%		49.5	45.5		In Progress
AT	F	Inv 19-01 Follow up		75.0	9.5	-65.5	-87%		5.5	4.0		In Progress
FM	F	Payroll Follow up		100.0	40.0	-60.0	-60%		38.0	2.0		In Progress
IA	R	CCTA Element Audit- Completion		50.0	25.0	-25.0	-50%		24.0	1.0		In Progress
SS	F	Inv 18-03 Follow up		75.0	75.0	0.0	0%		56.0	19.0		In Progress
IA	F	CCTA Element Audit -Completion Follow up		55.0	0.0	-55.0	-100%	3	0.0	0.0		Removed
IA	R	CCTA Element Audit		150.0	0.0	-150.0	-100%	2	0.0	0.0		Removed
IS	I	Unscheduled Investigations and Special Requests		50.0	0.0	-50.0	-100%	4	0.0	0.0		Removed
IS	R	CARES Act		200.0	0.0	-200.0	-100%	1	0.0	0.0		Removed
		Total Planned Audit Hours:		**1200.0**	**1000.0**	**-200.0**			**982.0**	**18.0**		

Estimated Available Audit Hours =   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

Status:

In Progress
Completed
Removed

FN(1) Audit was postponed by TBR SWIA
FN(2) Audit was postponed by TBR SWIA
FN(3) Moved to the FY23 Plan
FN(4) There were no unscheduled investigations in FY2022

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original Change in Hours	Change in Percentage	FN	Planned to Actual Actual Hours	Variance	Completion Date	Current Status
FM	C	General Consultation		60.0	60.0	0.0	0%		63.5	-3.5	Jun-22	Completed
FM	R	President's Expense Review (TBR)		75.0	75.0	0.0	0%		78.7	-3.7	Nov-21	Completed
FM	R	State Audit Assistance - Yr End		20.0	10.0	-10.0	-50%		6.5	3.5	Jun-22	Completed
FM	R	Other Internal Audit Follow Up		0.0	10.0	10.0	100%		12.0	-2.0	Jun-22	Completed
IA	F	Follow Up Workforce Development		30.0	130.0	100.0	333%		115.3	14.7	Jun-22	Completed
IA	M	Risk Assessment		30.0	20.0	-10.0	-33%		43.4	-23.4	Jan-22	Completed
IS	I	Unscheduled Investigations		50.0	125.0	75.0	150%		125.6	-0.6	Jun-22	Completed
IS	P	Quality Assurance Self Assessment		0.0	6.5	6.5	100%		6.5	0.0	Jul-21	Completed
IS	R	Veterans Affairs		0.0	125.0	125.0	100%	4	147.0	-22.0	Jun-22	Completed
AT	F	Follow Up INV 1802		20.0	20.0	0.0	0%		23.4	-3.4		In Progress
FM	A	Procurement Card/Continuous Monitoring	4.8	150.0	135.0	-15.0	-10%		26.5	108.5		In Progress
FM	F	Follow Up Access and Diversity		50.0	50.0	0.0	0%		38.5	11.5		In Progress
IS	R	CCTA Completion		30.0	50.0	20.0	67%		27.4	22.6		In Progress
SS	F	Follow Up INV 1801		30.0	30.0	0.0	0%		4.5	25.5		In Progress
AT	A	Athletics	4.7	50.0	0.0	-50.0	-100%	1	0.0	0.0		Removed
AT	F	Follow Up INV 1604		30.0	0.0	-30.0	-100%	1	0.0	0.0		Removed
FM	A	Equipment/Inventory Management	4.8	50.0	0.0	-50.0	-100%	1	0.0	0.0		Removed
FM	F	Follow Up Access and Diversity - Additional		0.0	0.0	0.0	100%	3	0.0	0.0		Removed
FM	R	CARES Funding		100.0	0.0	-100.0	-100%	2	0.0	0.0		Removed
FM	S	President's Expense Review (MSCC)		40.0	0.0	-40.0	-100%	2	0.0	0.0		Removed
IA	F	Follow Up Workforce Development - Additional		0.0	0.0	0.0	100%	3	0.0	0.0		Removed
IA	S	Faculty Credentials		100.0	0.0	-100.0	-100%	1	0.0	0.0		Removed
IS	R	CCTA Element Audit		75.0	0.0	-75.0	-100%	2	0.0	0.0		Removed
SS	A	Admissions & Records	4.7	60.0	0.0	-60.0	-100%	1	0.0	0.0		Removed
		Total Planned Audit Hours:		**1050.0**	**846.5**	**-203.5**			**718.8**	**127.7**		

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

FN1- Audit removed to add time to other engagements.
FN2- Audit moved to next fiscal year by TBR-SWIA.
FN3- Audit moved to next fiscal year.
FN4- Required audit added per TBR-SWIA request.

Nashville State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

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	Foundation Audit Follow Up	3.0	37.5	37.5	0.0	0%		37.5	0.0	Jun-22	Completed
FM	R	President's Expense Audit - VSCC	3.3	75.0	75.0	0.0	0%		75.0	0.0	Jan-22	Completed
IA	R	CCTA Element (Completion)	3.9	37.5	37.5	0.0	0%		37.5	0.0	Sep-21	Completed
IS	C	Consulting Activities (Other)	3.0	75.0	75.0	0.0	0%		75.0	0.0	Jun-22	Completed
IS	R	State Audit Assistance	3.0	0.0	30.0	30.0	100%		30.0	0.0	Jun-22	Completed
IS	R	Veteran's Affairs Benefit Certification	3.0	0.0	105.0	105.0	100%		105.0	0.0	Jun-22	Completed
FM	A	Travel	3.4	100.0	100.0	0.0	0%	3	50.0	50.0		In Progress
IS	F	Physical Security / Campus Safety Follow Up	4.3	100.0	100.0	0.0	0%	3	50.0	50.0		In Progress
FM	A	Purchase Card / Procurement	3.4	112.5	0.0	-112.5	-100%	4	0.0	0.0		Removed
FM	A	Cash Collection	3.3	100.0	0.0	-100.0	-100%	4	0.0	0.0		Removed
FM	R	CARES Act	3.7	100.0	0.0	-100.0	-100%	3	0.0	0.0		Removed
IS	A	Police Department	3.8	100.0	0.0	-100.0	-100%	4	15.0	-15.0		Removed
IS	C	Consulting Activities (Grant Policies and Procedures)	3.4	100.0	0.0	-100.0	-100%	4	0.0	0.0		Removed
IS	R	CCTA Element	3.7	112.5	0.0	-112.5	-100%	3	0.0	0.0		Removed
		Total Planned Audit Hours:		**1050.0**	**560.0**	**-490.0**			**475.0**	**85.0**		

Estimated Available Audit Hours = 1050.0

Functional Areas:

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

FN3   Moved to FY2023
FN4   Removed due to time constraints

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

Northeast State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
FM	A	NorCard Procurement Cards	5.0	40.0	40.0	0.0	0%		43.5	-3.5	Feb-22	Completed
FM	R	Single Audit Follow-Up	5.0	100.0	100.0	0.0	0%		99.5	0.5	Sep-21	Completed
FM	R	State Audit Assistance - Year End	5.0	30.0	30.0	0.0	0%		30.0	0.0	Jun-22	Completed
IS	F	Other Audit Follow-Up	5.0	50.0	50.0	0.0	0%		50.0	0.0	Jun-22	Completed
IS	I	Developing Investigations-Assist TBR	5.0	30.0	30.0	0.0	0%		36.5	-6.5	Jun-22	Completed
IS	M	Risk Assessment	5.0	35.0	35.0	0.0	0%		38.5	-3.5	Jan-22	Completed
IS	S	Gramm Leach Bliley Act Program	5.0	40.0	80.0	40.0	100%		80.0	0.0	Jun-22	Completed
IS	S	Special Requests and Projects	5.0	100.0	110.0	10.0	10%		110.0	0.0	Jun-22	Completed
SS	R	Veterans Administration Benefits	5.0	0.0	100.0	100.0	100%		107.5	-7.5	Apr-22	Completed
FM	S	HEERF Round 3	5.0	100.0	100.0	0.0	0%	4	85.5	14.5		In Progress
IS	C	Management Advisory Services	5.0	100.0	125.0	25.0	25%		125.0	0.0	Jun-22	In Progress
IS	S	HEERF Round 1	5.0	100.0	100.0	0.0	0%	2	92.5	7.5		In Progress
IT	S	HEERF Round 2	5.0	100.0	100.0	0.0	0%	3	96.0	4.0		In Progress
FM	R	CARES Act Funding Audit	5.0	75.0	0.0	-75.0	-100%	5	0.0	0.0		Removed
IS	I	Unscheduled Investigations	5.0	50.0	0.0	-50.0	-100%	6	0.0	0.0		Removed
SS	R	Complete College Tennessee Act Element	5.0	100.0	0.0	-100.0	-100%	1	0.0	0.0		Removed
		Total Planned Audit Hours:		**1050.0**	**1000.0**	**-50.0**			**994.5**	**5.5**		

Estimated Available Audit Hours =   1000.0

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. Replaced with added required Veterans Affairs Benefits Audit
2. Replaced with HEERF I Student Distributions Audit on FY23 Audit Plan
3. Replaced with HEERF II Projects Audit on FY23 Audit Plan
4. Replaced with HEERF III Projects Audit on FY23 Audit Plan
5. Replaced with HEERF Audit on FY23 Audit Plan when postponed by System-Wide Internal Audit. Hours reallocated
   to other projects
6. Unused placeholder hours removed.

Pellissippi State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

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	C	Advancement Management Advisory Services, Consultation, etc.	5.0	52.5	30.0	-22.5	-43%		21.5	8.5	Jun-22	Completed
FM	A	Technology Access Fee	3.7	150.0	150.0	0.0	0%		143.0	7.0	Nov-21	Completed
FM	C	Finance Management Advisory Services, Consultation, etc.	5.0	37.5	37.5	0.0	0%		28.5	9.0	Jun-22	Completed
FM	F	Audit Follow-Ups	5.0	37.5	30.0	-7.5	-20%		13.0	17.0	Jun-22	Completed
FM	R	Year End Inventory & Cash Counts	5.0	15.0	37.5	22.5	150%		28.0	9.5	Jun-22	Completed
IS	A	Equipment	3.6	0.0	180.0	180.0	100%	FN7	176.5	3.5	Jun-22	Completed
IS	C	Institutional Support Management Advisory Services, Consultation, etc. (includes Covid-19 and SACSCOC MAS)	5.0	150.0	135.0	-15.0	-10%	FN1	121.5	13.5	Jun-22	Completed
IS	I	Investigation - Referral from Equity and Compliance of issues related to Campus Police	5.0	0.0	30.0	30.0	100%		24.0	6.0	Nov-21	Completed
IS	M	Risk Assessment (including Financial Aid)	5.0	37.5	37.5	0.0	0%		31.5	6.0	Feb-22	Completed
IS	O	Cyber-Incident	5.0	0.0	750.0	750.0	100%	FN5	734.5	15.5	Jun-22	Completed
IT	A	Vulnerability Assessment - Banner Server	4.0	187.5	37.5	-150.0	-80%	FN2	32.0	5.5	Aug-21	Completed
IT	A	Vulnerability Assessment - PS3 (Employee File Share Server)	3.9	187.5	235.0	47.5	25%	FN3	232.5	2.5	Sep-21	Completed
IT	C	IT Audit Management Advisory Service - Phishing Campaign & Building Security Review	5.0	195.0	150.0	-45.0	-23%		97.5	52.5	Jun-22	Completed
IT	C	IT Audit Management Advisory Service - General Review	5.0	165.0	127.5	-37.5	-23%		137.5	-10.0	Jun-22	Completed
IT	C	IT Audit Management Advisory Internal Service - PCI & ACH Review	5.0	120.0	135.0	15.0	13%		148.5	-13.5	Jun-22	Completed
IT	S	Vulnerability Assessment - Banner Document Management Server	3.5	0.0	187.5	187.5	100%	FN8	177.0	10.5	Jun-22	Completed
IA	S	Faculty Credentials	5.0	105.0	15.0	-90.0	-86%	FN5	16.0	-1.0		Removed
IA	S	Review of Compliance Assist	5.0	37.5	0.0	-37.5	-100%	FN5	0.0	0.0		Removed
IS	I	Unscheduled Investigations and Special Requests	5.0	45.0	22.5	-22.5	-50%	FN9	10.0	12.5		Removed
IS	R	Cares Act Funding	5.0	225.0	0.0	-225.0	-100%	FN6	0.0	0.0		Removed
IS	R	Funding Formula - Progression	5.0	112.5	0.0	-112.5	-100%	FN6	0.0	0.0		Removed
IT	A	Computer Center - Disaster Recovery	3.5	150.0	0.0	-150.0	-100%	FN5	0.0	0.0		Removed
IT	A	Vulnerability Assessment - password.pstcc.edu.server	3.4	187.5	0.0	-187.5	-100%	FN5	0.0	0.0		Removed
IT	A	Vulnerability Assessment - pscas.pstcc.edu.server	3.4	187.5	20.0	-167.5	-89%	FN4	17.5	2.5		Removed
		Total Planned Audit Hours:		**2385.0**	**2347.5**	**-37.5**			**2190.5**	**157.0**		

Revised Estimated Available Audit Hours =   2240.0

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

FN1 - Item was additionally increased because President requested internal audit assistance with SACSCOC visit. Item was then decreased after the cyber incident because a specific line item was created to deal with that issue due to the extensive amount of audit resources required. Final change would not have required a footnote.

FN2 - When the initial scan was performed of this server numerous problems were encountered. Because of this a discussion was held with the Director of Network and Technical Services who thought that this server had been shut down when the college migrated to Azure. Apparently that did not occur but the server was shut down by the college the day after the Director of Internal Audit discussed this issue with the Director of Network and Technical Services. For this reason an official audit was not completed but appropriate information was provided by audit to the Vice President of Information Services as well as the President.

FN3 - During the course of the vulnerability assessment of the employee file share server the issue of sensitive content (PII) being maintained on these servers was raised by the Director of Network and Technical Services. Because of this additional hours which did not specifically related to the vulnerability assessment were charged to this audit that were not directly related to the actual vulnerability assessment audit.

FN4 - When the initial scan was performed of this server numerous problems were encountered. Because of this a discussion was held with the Director of Network and Technical Services who stated that this server was in the process of being shut down and removed from services. Due to this fact the audit was removed from the audit plan even though a small amount of audit time had already been spent on the review. It was verified that the server was removed from the college's network.

FN5 - The hours added and removed from the audit plan related to a cyber attack that occurred in December of 2021. At that time all electronic records of audits conducted and completed as well as audit plans and status reports were encrypted and lost. Some of the hours added in cyber-incident reflect where audit has provided assistance to college management in responding to the cyber attack and the other hours in this category reflect hours where audit is recreating electronic records that were lost during the attack. Audit has made a decision to try to electronically recreate records for the past two fiscal years. Some audits were removed where hours had already been charged against them. These hours were audit related but the audit was not completed.

FN6 - The Board of Regents made a decision to not make this a required audit in fiscal year 2021-2022 so this audit was removed from the audit plan.

FN7 - This item was added to the audit plan because several IT audit areas were removed due to the cyber incident and this item was one of the highest ranked areas in the audit risk assessment.

FN8 - This server contains Personally Identifiable Information and the Vice President of Administrative Affairs requested this review after the cyber incident at the college.

FN9 - This is a placeholder audit in the plan and the hours charged to this represent preliminary work done by internal audit that did not turn into a full blown investigation by internal audit.

Roane State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
						Revised to Original			Planned to Actual			
FM	F	State Audit Follow-up	5.0	75.0	75.0	0.0	0%		75.0	0.0	Jun-22	Completed
FM	F	IAR Audit Follow-up	5.0	75.0	75.0	0.0	0%		73.8	1.3	Jun-22	Completed
FM	I	Unscheduled Investigations	5.0	90.0	186.5	96.5	107%	3	155.5	31.0	Jun-22	Completed
FM	R	Year End Cash Counts	5.0	45.0	45.0	0.0	0%		43.0	2.0	Jun-22	Completed
IS	C	Management Advisory Services	5.0	142.5	196.0	53.5	38%	4	175.0	21.0	Jun-22	Completed
IS	M	Enterprise Risk Assessment	5.0	75.0	75.0	0.0	0%		70.3	4.8	Jan-22	Completed
AD	R	CCTA - Graduation	5.0	25.0	25.0	0.0	0%		20.3	4.8		In Progress
AX	S	Foundation - Restricted Funds	4.7	75.0	75.0	0.0	0%		37.8	37.3		In Progress
FM	A	Grants	3.6	75.0	75.0	0.0	0%		60.0	15.0		In Progress
FM	A	Equipment Inventory & Tagging	3.7	65.0	65.0	0.0	0%		10.0	55.0		In Progress
IA	R	Police/Safety Equipment Inventory	3.1	22.5	22.5	0.0	0%		14.5	8.0		In Progress
IA	S	Nursing Program Review	4.4	75.0	75.0	0.0	0%		71.8	3.3		In Progress
IS	A	Sick Leave Bank	3.5	50.0	50.0	0.0	0%		42.8	7.3		In Progress
IS	R	Campus Safety & Security	5.0	10.0	10.0	0.0	0%		3.0	7.0		In Progress
AD	R	CCTA	5.0	75.0	0.0	-75.0	-100%	1	0.0	0.0		Removed
FM	R	CARES Act	5.0	75.0	0.0	-75.0	-100%	2	0.0	0.0		Removed
		Total Planned Audit Hours:		**1050.0**	**1050.0**	**0.0**			**852.5**	**197.5**		

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:

In Progress
Completed
Removed

FN1   CCTA Audit moved to FY23
FN2   Cares Act Audit moved to FY23
FN3   Unscheduled Investigations has an item still in document discovery phase
FN4   More hours needed for management consultation than originally budgeted

<table>
<thead>
<tr><th colspan="14">Southwest Tennessee Community College
Year-End Status Report
Fiscal Year Ending June 30, 2022</th></tr>
<tr><th></th><th></th><th></th><th></th><th></th><th></th><th colspan="2">Revised to Original</th><th></th><th colspan="2">Planned to Actual</th><th></th><th></th></tr>
<tr><th>Area</th><th>Type</th><th>Audit</th><th>Risk Factor</th><th>Original Hours Planned</th><th>Revised Plan</th><th>Change in Hours</th><th>Change in Percentage</th><th>FN</th><th>Actual Hours</th><th>Variance</th><th>Completion Date</th><th>Current Status</th></tr>
</thead>
<tbody>
<tr><td>FM</td><td>A</td><td>IAR-Cash Count</td><td></td><td>55.5</td><td>53.0</td><td>-2.5</td><td>-5%</td><td></td><td>12.5</td><td>40.5</td><td>30-Jun</td><td>Completed</td></tr>
<tr><td>FM</td><td>F</td><td>FU-Whitehaven Federal Work Study</td><td></td><td>37.5</td><td>26.0</td><td>-11.5</td><td>-31%</td><td></td><td>26.0</td><td>0.0</td><td>20-Apr</td><td>Completed</td></tr>
<tr><td>FM</td><td>I</td><td>Inv 20/4 Investigation of Cafeteria</td><td></td><td>24.0</td><td>48.5</td><td>24.5</td><td>102%</td><td></td><td>48.5</td><td>0.0</td><td>22-May</td><td>Completed</td></tr>
<tr><td>FM</td><td>I</td><td>Unscheduled Investigation</td><td></td><td>67.5</td><td>37.5</td><td>-30.0</td><td>-44%</td><td></td><td>4.5</td><td>33.0</td><td></td><td>Completed</td></tr>
<tr><td>FM</td><td>P</td><td>ACM-software</td><td></td><td>60.0</td><td>74.5</td><td>14.5</td><td>24%</td><td></td><td>74.5</td><td>0.0</td><td>30-Jun</td><td>Completed</td></tr>
<tr><td>IS</td><td>A</td><td>IAR-Risk Management</td><td></td><td>30.0</td><td>54.0</td><td>24.0</td><td>80%</td><td></td><td>54.0</td><td>0.0</td><td>30-Jun</td><td>Completed</td></tr>
<tr><td>IT</td><td>F</td><td>FU-State Audit</td><td></td><td>37.5</td><td>25.0</td><td>-12.5</td><td>-33%</td><td></td><td>25.0</td><td>0.0</td><td>18-Aug</td><td>Completed</td></tr>
<tr><td>PP</td><td>I</td><td>Inv 20-1 Investigation Employee Overpaid</td><td></td><td>30.0</td><td>30.0</td><td>0.0</td><td>0%</td><td></td><td>24.0</td><td>24.0</td><td>30-Jul</td><td>Completed</td></tr>
<tr><td>SS</td><td>C</td><td>IAR-General Consultant</td><td></td><td>67.5</td><td>67.5</td><td>0.0</td><td>0%</td><td></td><td>53.0</td><td>14.5</td><td></td><td>Completed</td></tr>
<tr><td>SS</td><td>R</td><td>Veteran's Affairs Benefit Certification</td><td></td><td>0.0</td><td>161.0</td><td>161.0</td><td>100%</td><td>FN1</td><td>161.0</td><td>0.0</td><td>25-Mar</td><td>Completed</td></tr>
<tr><td>FM</td><td>I</td><td>Inv 20-3 Investigation of Clubs</td><td></td><td>52.5</td><td>77.5</td><td>25.0</td><td>48%</td><td></td><td>77.5</td><td>0.0</td><td></td><td>In Progress</td></tr>
<tr><td>FM</td><td>S</td><td>Review of Driver License</td><td></td><td>55.5</td><td>81.5</td><td>26.0</td><td>47%</td><td></td><td>81.5</td><td>0.0</td><td></td><td>In Progress</td></tr>
<tr><td>FM</td><td>S</td><td>FU Review of Ghost Employee</td><td></td><td>37.5</td><td>53.0</td><td>15.5</td><td>41%</td><td></td><td>53.0</td><td>0.0</td><td></td><td>In Progress</td></tr>
<tr><td>IA</td><td>P</td><td>Review of Radiology Acceptance</td><td></td><td>97.5</td><td>97.5</td><td>0.0</td><td>0%</td><td></td><td>85.0</td><td>12.5</td><td></td><td>In Progress</td></tr>
<tr><td>IS</td><td>F</td><td>FU-Campus Safety Audit</td><td></td><td>55.5</td><td>55.5</td><td>0.0</td><td>0%</td><td></td><td>32.0</td><td>23.5</td><td></td><td>In Progress</td></tr>
<tr><td>IS</td><td>F</td><td>FU-Internal Audit Follow Up</td><td></td><td>40.5</td><td>40.5</td><td>0.0</td><td>0%</td><td></td><td>21.0</td><td>19.5</td><td></td><td>In Progress</td></tr>
<tr><td>FM</td><td>F</td><td>FU-Account Payable Vendor</td><td></td><td>37.5</td><td>0.0</td><td>-37.5</td><td>-100%</td><td>FN2</td><td></td><td>0.0</td><td></td><td>Removed</td></tr>
<tr><td>FM</td><td>R</td><td>Cares</td><td></td><td>97.5</td><td>9.5</td><td>-88.0</td><td>-90%</td><td>FN3</td><td></td><td>9.5</td><td></td><td>Removed</td></tr>
<tr><td>SS</td><td>R</td><td>CCTA</td><td></td><td>87.5</td><td>0.0</td><td>-87.5</td><td>-100%</td><td>FN3</td><td></td><td>0.0</td><td></td><td>Removed</td></tr>
<tr><td>SS</td><td>S</td><td>Out of State tuition</td><td></td><td>76.5</td><td>0.0</td><td>-76.5</td><td>-100%</td><td>FN3</td><td></td><td>0.0</td><td></td><td>Removed</td></tr>
<tr><td colspan="4">Total Planned Audit Hours:</td><td>1047.5</td><td>992.0</td><td>-55.5</td><td></td><td></td><td>833.0</td><td>177.0</td><td></td><td></td></tr>
</tbody>
</table>

Estimated Available Audit Hours = 1047.50

Functional Areas:

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

Audit Types:

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

Status:

In Progress
Completed
Removed

FN 1 Added TBR Required Audit
FN2 Removed there were no recommendations
FN3 Moved to next fiscal year

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
FM	P	Procard Review- Science Dept	4.2	100.0	150.0	50.0	50%	1	151.5	-1.5	Oct-21	Completed
FM	R	State Audit Year-End Work	5	40.0	40.0	0.0	0%		35.0	5.0	Jun-22	Completed
IA	I	Investigation- Medical Assist Equip		0.0	100.0	100.0	100%	5	105.0	-5.0	Mar-22	Completed
IS	C	General Consultation	5	100.0	100.0	0.0	0%		120.0	-20.0	Jun-22	Completed
IS	F	Follow-Up Activities	5	40.0	40.0	0.0	0%		88.0	-48.0	Jun-22	Completed
IS	I	Unscheduled Investigations	5	40.0	40.0	0.0	0%		1.0	39.0	Jun-22	Completed
IS	M	Management Risk Assessment	5	100.0	100.0	0.0	0%		107.5	-7.5	Jan-22	Completed
SS	R	CCTA Completion Element	5	100.0	100.0	0.0	0%		88.5	11.5	Aug-21	Completed
SS	R	Veterans Benefits		0.0	175.0	175.0	100%	4	279.5	-104.5	Jun-22	Completed
FM	A	Cash Receipts	4.5	175.0	175.0	0.0	0%		39.0	136.0		In Progress
IS	P	IIA QAR Self-Assessment	5	30.0	0.0	-30.0	-100%	3	0.0	0.0		Removed
IS	R	CARES Act	5	175.0	0.0	-175.0	-100%	2	0.0	0.0		Removed
SS	R	CCTA Funding Formula Outcomes	8.1	175.0	0.0	-175.0	-100%	2	0.0	0.0		Removed
		Total Planned Audit Hours:		**1075.0**	**1020.0**	**-55.0**			**1015.0**	**5.0**		

Estimated Available Audit Hours = 1020.0

Functional Areas:

AD - Advancement
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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:

In Progress
Completed
Removed

Footnote 1: Adjust budget to actual hours.
Footnote 2: TBR deferred audit to FY 2023.
Footnote 3: QAR Self Assessment will be completed in FY 2023.
Footnote 4: TBR added Veterans Benefit audit to the FY 2022 plan.
Footnote 5: FWA Complaint received in FY 2022.

Walters State Community College
Year-End Status Report
Fiscal Year Ended June 30, 2022

							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 Reimbursements	4.8	60.0	60.0		0.0	0%		50.0	10.0	Jun-22	Completed
PP	A	Physical Plant/Maintenance	4.8	40.0	40.0		0.0	0%		16.0	24.0	Jun-22	Completed
FM	R	YE Procedures FYE 2021	5.0	22.5	22.5		0.0	0%		22.5	0.0	Jul-21	Completed
IS	I	Unscheduled Investigations	5.0	105.0	105.0		0.0	0%		80.0	25.0	Jun-22	Completed
IS	C	Management Advisory Services/Consulting	5.0	150.0	150.0		0.0	0%		156.5	-6.5	Jun-22	Completed
IS	R	WSCC Risk Assessment	5.0	22.5	22.5		0.0	0%		22.5	0.0	Jan-22	Completed
MC	R	WSCC Risk Assessment Inventory	5.0	22.5	2.5		-20.0	-89%		2.5	0.0	Jan-22	Completed
IS	S	Leave Time Keeping	5.0	75.0	75.0		0.0	0%		60.0	15.0	Jun-22	Completed
IT	A	IT Governance	5.0	80.0	80.0		0.0	0%		33.0	47.0		I:n Progress
IS	A	Business Continuity Planning	5.0	75.0	115.0		40.0	53%		156.0	-41.0		In Progress
IS	A	Veterans Affairs Benefits	5.0	0.0	60.0		60.0	100%		40.0	20.0		In Progress
FM	A	Accounts Receivable	5.0	75.0	75.0		0.0	0%		45.0	30.0		In Progress
PP	A	Faculty Workload Reports	4.8	0.0	60.0		60.0	100%		74.0	-14.0		In Progress
PP	A	IAR-QAR Self & External	4.8	0.0	40.0		40.0	100%		4.0	36.0		In Progress
FM	F	State Audit Assist/Follow-up	5.0	12.0	12.0		0.0	0%		4.0	8.0		In Progress
FM	R	YE Procedures FYE 2022	5.0	22.5	22.5		0.0	0%		22.5	0.0		In Progress
IS	R	WSCC IET and Fin Aid Risk Assessments	5.0	37.5	37.5		0.0	0%		4.0	33.5		In Progress
IT	R	IAR-NACHA-2022	5.0	75.5	75.5		0.0	0%		7.5	68.0		In Progress
IS	R	IAR-CARES Act Review 2021	5.0	40.0	0.0		-40.0	-100%	1	0.0	0.0		Removed
SS	R	IAR-CCTA-Progression	5.0	105.0	0.0		-105.0	-100%	1	0.0	0.0		Removed
		Total Planned Audit Hours:		**1020.0**	**1055.0**		**35.0**			**800.0**	**255.0**		

Estimated Available Audit Hours =   1055.0

Functional Areas:

AD - Advancement
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RS - Research
SS - Student Services

Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

1 - Deferred to next fiscal year's Audit Plan

Tennessee Board of Regents - TCAT
Year-End Status Report
Fiscal Year Ended June 30, 2022

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
						Revised to Original			**Planned to Actual**			
FM	A	FY 21 Cosmetology Controls Review	NA	100.0	110.5	10.5	11%		110.5	0.0	Jun-22	Completed
FM	C	FY 20 TCAT Consultation	NA	250.0	250.0	0.0	0%		250.0	0.0	Jun-22	Completed
FM	C	FY 20 TCAT Year End Procedures	NA	50.0	50.0	0.0	0%		50.0	0.0	Jun-22	Completed
FM	C	FY 20 TCAT Audit Program	NA	150.0	150.0	0.0	0%		150.0	0.0	Jun-22	Completed
FM	R	FY 20 TCAT Risk Assessment	NA	100.0	100.0	0.0	0%		100.0	0.0	Jun-22	Completed
FM	R	FY 20 TCAT Knoxville President's Expense	4.7	37.5	66.5	29.0	77%		66.5	0.0	Mar-22	Completed
FM	R	FY 19 TCAT Murfreesboro President's Expense	4.7	37.5	63.0	25.5	68%		63.0	0.0	Mar-22	Completed
FM	R	FY 20 TCAT Hohenwald President's Expense	3.2	37.5	37.5	0.0	0%		42.5	-5.0	Jun-22	Completed
FM	R	FY 20 TCAT Pulaski President's Expnese	2.7	37.5	37.5	0.0	0%		45.5	-8.0	Jan-22	Completed
FM	R	FY 20 TCAT Newbern President's Expense	2.6	37.5	37.5	0.0	0%		41.5	-4.0	Nov-21	Completed
FM	R	FY 20 TCAT Crump President's Expense	2.6	37.5	37.5	0.0	0%		39.5	-2.0	Oct-21	Completed
FM	R	FY 20 TCAT Jacksboro President's Expense	2.1	37.5	37.5	0.0	0%		42.5	-5.0	Apr-22	Completed
FM	R	TCAT Covington President's Expense	Added	0.0	37.5	37.5	0%	FN2	42.5	-5.0	Dec-21	Completed
FM	R	FY 19 TCAT Nashville President's Expense	4.6	37.5	37.5	0.0	0%		30.0	7.5		In Progress
FM	R	FY 19 TCAT Jackson/Whiteville President's Expense	3.7	37.5	75.0	37.5	100%		67.0	8.0		In Progress
FM	R	FY 20 TCAT Ripley President's Expense	2.7	37.5	37.5	0.0	0%		40.5	-3.0		In Progress
FM	R	FY 20 TCAT Oneida President's Expense	2.6	37.5	75.0	37.5	100%		58.5	16.5		In Progress
FM	S	VA Audits	Added	0.0	10.0	10.0	0%		10.0	0.0		In Progress
FM	A	FY 21 TCAT Memphis Controls Review	Removed	75.0	0.0	-75.0	-100%	FN1	0.0	0.0		Removed
FM	A	FY 21 TCAT McMinnville Controls Review	Removed	37.5	0.0	-37.5	-100%	FN1	0.0	0.0		Removed
FM	A	FY 20 Nashville-IAR-Equipment/Security Review	Removed	37.5	0.0	-37.5	-100%	FN1	0.0	0.0		Removed
FM	R	FY 20 TCAT Chattanooga President's Expense	Removed	37.5	0.0	-37.5	-100%	FN1	0.0	0.0		Removed
		Total Planned Audit Hours:		**1250.0**	**1250.0**	**0.0**			**1250.0**	**0.0**		

Estimated Available Audit Hours =   1250.0

Functional Areas:

AD - Advancement
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RS - Research
SS - Student Services

Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

FN1   Audit removed due to unforseen issues found in other areas.
FN2   Audit added since the President resides over 3 TCAT's.

Tennessee Board of Regents - Investigations
Year-End Status Report
Fiscal Year Ended June 30, 2022

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original Change in Hours	Revised to Original Change in Percentage	FN	Planned to Actual Actual Hours	Planned to Actual Variance	Completion Date	Current Status
FM	I	INV TBR 21-06		37.5	37.5	0.0	0%		37.5	0.0	Jan-22	Completed
FM	R	President's Expense Audit - STCC		0.0	112.5	112.5	100%		112.5	0.0	Nov-21	Completed
IS	C	Consultation with Campus Auditors		200.0	115.0	-85.0	-43%		115.0	0.0	Jun-22	Completed
IS	I	INV TBR 22-01		0.0	45.0	45.0	100%		45.0	0.0	Jan-22	Completed
IS	I	INV TBR 22-02		0.0	37.5	37.5	100%		37.5	0.0	Feb-22	Completed
IS	P	Investigation Management		200.0	167.5	-32.5	-16%		167.5	0.0	Jun-22	Completed
IS	S	INV TBR 21-04		20.0	20.0	0.0	0%		20.0	0.0	Nov-21	Completed
FM	I	INV TBR 22-03		0.0	125.0	125.0	100%		125.0	0.0		In Progress
IS	S	Application Data Review		0.0	300.0	300.0	100%		300.0	0.0		In Progress
PP	I	INV TBR 21-05		37.5	90.0	52.5	140%		90.0	0.0		In Progress
FM	I	Unscheduled Investigations		480.0	0.0	-480.0	-100%	1		0.0		Removed
IS	R	State Audit Follow-up for TBR		75.0	0.0	-75.0	-100%	1		0.0		Removed
		Total Planned Audit Hours:		**1050.0**	**1050.0**	**0.0**			**1050.0**	**0.0**		

Estimated Available Audit Hours =   1050.0

Functional Areas:

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

FN1- Hours moved to investigations and other projects as needed.

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

						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	WSCC Information Systems	5.0	150.0	50.0	-100.0	-67%		49.5	0.5	Jul-21	Completed
IT	R	DSCC Information Systems	5.0	150.0	75.0	-75.0	-50%		75.0	0.0	Aug-21	Completed
IT	R	NeSCC Information Systems	5.0	150.0	150.0	0.0	0%		168.0	-18.0	Jan-22	Completed
IT	R	RSCC Information Systems	5.0	150.0	150.0	0.0	0%		199.5	-49.5	Jan-22	Completed
IT	R	ChSCC Information Systems	5.0	150.0	150.0	0.0	0%		146.0	4.0	Jun-22	Completed
IT	R	VSCC Information Systems	5.0	150.0	150.0	0.0	0%		199.0	-49.0	Jun-22	Completed
IT	R	CoSCC Information Systems	5.0	150.0	150.0	0.0	0%		18.5	131.5		In Progress
IT	R	PSCC Information Systems	5.0	150.0	150.0	0.0	0%		46.5	103.5		In Progress
		Total Planned Audit Hours:		**1200.0**	**1025.0**	**-175.0**			**902.0**	**123.0**		

Estimated Available Audit Hours =   1025.0

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

THE COLLEGE SYSTEM
of TENNESSEE

BOARD TRANSMITTAL

MEETING:	Committee on Audit
SUBJECT:	Review of Audit Committee Charter, Responsibilities, and IIA Standards
DATE:	September 7, 2022
PRESENTER:	Mike Batson
ACTION REQUIRED:	Roll Call Vote
STAFF'S RECOMMENDATION:	Approve

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:

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- 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, I*nternal 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.

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Revised 09/01/2020

- 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.

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Tennessee Board of Regents
Chart of Audit Committee Responsibilities

Responsibilities for Governance and Oversight		
	Performed	**Requirement**
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
Responsibilities for Internal Audit Activities		
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 *Standards*.	Annually	S/C/P
Responsibilities for External Audit Activities		
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
Responsibilities for Management's Control Activities		
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
Responsibilities for Internal Audit Personnel and Resources		
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

Legend:
 S – State Statute   **P** – TBR Internal Audit Policy, 4-01-05-00
 C – TBR Audit Committee Charter   **G** – Guidance for Audit Committees by Comptroller

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.

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.

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.