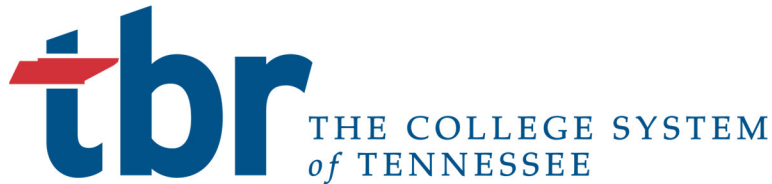


TENNESSEE BOARD OF REGENTS
Committee on Audit

AGENDA
March 5, 2024

- 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. ACTION ITEMS (Mike Batson)**
- a. Review of Revisions to FY 2024 Revised Internal Audit Plans**
 - b. Review of Internal Audit Charters**
- III. NON-PUBLIC EXECUTIVE SESSION (Mike Batson)**

- This meeting will include members of the Tennessee Board of Regents who are participating by electronic means of communication and will be live-streamed and archived on the TBR website at: <https://www.tbr.edu/board/march-2024-committee-chair-and-audit-committee-meetings>.
- Persons who want to request to address the Board may follow the process authorized by [TBR Policy 1.02.12.00 – Requests to Address the Board](#).



BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: March 5, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The following items will be discussed with the Audit Committee:

Miscellaneous External Reviews
Comptroller's Audits
Federal Audits
Internal Audits
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 Fiscal Review Committee. An executive summary of each follow-up audit is included in the Audit Committee's quarterly materials.

Internal Audit Reports - Following is a summary of the status of previously reported findings and recommendations as of December 31, 2023. Campus auditors conduct follow up procedures to determine if management has taken adequate corrective action and include their conclusions on the summary log. A follow-up report may be issued by the campus auditor if adequate corrective action has not been taken by management.

TBR SWIA - Status Report on 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
ChSCC	12/15/2022	NACHA 2022 1 of 1: A review of the TouchNet SOC II report should be performed annually to ensure third party vendor risks are identified in a timely manner.	Executive Vice President - Business and Finance, Interim Vice-President - Technology	Business and Finance, Technology	8/31/2023	12/31/2023	1	9/6/2023		Action Completed
STCC	4/20/2022	Each student employed in a Federal Work study position should have an individual job description.	Student Services	Policy and Strategy	5/31/2022	1/30/2024	3	8/1/2023		Action Completed
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	1/30/2024	3	8/1/2023		Action Completed
ChSCC	10/3/2022	Campus Safety Equipment Inventory 1 of 6: The definition of sensitive equipment should be expanded to include Police Department equipment in the Sensitive Equipment Policy.	Executive Vice President - Business and Finance	Business and Finance	2/1/2023	5/31/2024	3	10/26/2022	10/26/2022 - Submitted policy language to Policy Review Committee for Spring session. 4/27/2023 - Policy to be on agenda for Summer Policy Review Committee/Board meetings. 6/12/2023 - Summer Policy Review Board meeting cancelled. The Fall Meeting will be held in November. 10/2/2023 - The newly appointed Interim VP Business and Finance is making additional changes to the policy and will complete the revisions during the Spring 2024 policy review cycle.	In Progress
ChSCC	10/3/2022	Campus Safety Equipment Inventory 6 of 6: A procedures manual should be developed to define and document the processes for inspection, replacement, and inventory of Fire Extinguishers, AEDs, and other safety equipment and ensure compliance with college, TBR, and federal/state OSHA requirements.	Executive Vice President - Business and Finance	Business and Finance	12/31/2023	3/31/2024	1	11/18/2022	10/3/2022 - Completion date depends on date of hire for new coordinator. 11/18/2022 - Coordinator hired November 2022. 4/27/2023 - Auditor to review progress at end of May 2023 6/7/2023 - The procedures manual is twenty-five percent complete. 9/19/2023 - Project over sixty percent complete. 1/24/2024 - Manual in draft. Awaiting Mgt approval.	In Progress
ChSCC	12/21/2023	NACHA 2023 1 of 2: Management's review of the TouchNet SOC II report should be completed in a timely manner to ensure third party vendor risks are properly identified.	Vice President - Business and Finance, Vice-President - Technology	Business and Finance, Technology	2/29/2024			12/21/2023	12/21/2023 - TouchNet SOC II report received in December 2023.	In Progress
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			1/17/2023	01/17/2023 -IA notified the SCO in January 2023 of the upcoming follow-up. A copy of the audit was provided. The SCO provided some documentation needed for the follow-up. The SCO requested additional time due to Spring registration and other tasks. Planned timeframe to continue the follow-up is late February.	In Progress
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			1/17/2023	01/17/2023 -IA notified the SCO in January 2023 of the upcoming follow-up. A copy of the audit was provided. The SCO provided some documentation needed for the follow-up. The SCO requested additional time due to Spring registration and other tasks. Planned timeframe to continue the follow-up is late February.	In Progress

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

Institution	Report Release Date	Recommendation	Responsible Staff	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
RSCC	5/4/2023	Personnel should work with IT to develop automated ways to show an accounts receivable listing with true payment due dates	Bursar	Business and Finance	9/15/2023	4/1/2024	2	5/31/2023	5/31/23 - Requested anticipated completion date. 6/7/23 - Met w/VP of Business & Finance explaining urgency of AR matter. 7/26/23 - Email from Bursar indicates that they are still in the testing stage. The goal for them is to move toward billing through Banner instead of sending manual letters/notices. 9/27/23 - Met w/VP. New Bursar has been hired. She said work is continuing and requested a revised completion date of 12/1/23. 10/19/23 - Met w/ new Bursar & Dir of Accounting to discuss importance of A/R recommendations. 12/7/23 - Met to discuss status of A/R. Bursar, Dir of Acct planning trip to another college to discuss that college's procedures, reports, etc. for managing A/R. 1/24/24 - Met with VP and she requested that the due date be moved out to 4/1/24. RSCC has visited with another college.	In Progress
RSCC	5/4/2023	RSCC should continue to work with IT to develop monitoring reports from data in Banner which will show the progression of an account from the payment due status to the first invoice being sent	Bursar	Business and Finance	8/15/2023	4/1/2024	2	5/31/2023	5/31/23 - Requested anticipated completion date. 6/7/23 - Met w/VP of Business & Finance explaining urgency of AR matter. 7/26/23 - Email from Bursar indicates that they are still in the testing stage. The goal for them is to move toward billing through Banner instead of sending manual letters/notices. 9/27/23 - Met w/VP. New Bursar has been hired. She said work is continuing and requested a revised completion date of 12/1/23. 10/19/23 - Met w/ new Bursar & Dir of Accounting to discuss importance of A/R recommendations. 12/7/23 - Met to discuss status of A/R. Bursar, Dir of Acct planning trip to another college to discuss that college's procedures, reports, etc. for managing A/R. 1/24/24 - Met with VP and she requested that the due date be moved out to 4/1/24. RSCC has visited with another college.	In Progress
STCC	6/17/2021	Audit resources allocated to safeguarding of assets will be increased.	Internal Audit	Business and Finance	3/30/2023	2/28/2024	7	8/1/2023	1/31/2024 This program is being reviewed during the month of February 2024 and the report will be issued in March 2024.	In Progress
STCC	9/29/2022	Management should create a system to collect required data to be used to ensure students with the highest grade point averages are the students admitted into the Special Admission Process Programs.	Academic Affairs	Policy and Strategy	5/30/2023	3/30/2024	5	9/3/2023	1/31/2024 Request for documentation has been issued to each director and the report is scheduled to be completed in February 2024.	In Progress
ChSCC	12/21/2023	NACHA 2023 2 of 2: Conduct disaster recovery testing and revise the college's plan to include lessons learned and NIST best practices.	Vice-President - Technology	Technology	6/30/2024					Not Yet Due
VSCC	9/25/2023	The expenditure report for September 2020 could not be located and is not included on the Volunteer State CARES Act webpage. Management should prepare a report for this quarter.	Business and Finance	Business and Finance	6/30/2024					Not Yet Due
VSCC	9/25/2023	The June 2022 report should contain explanatory notes to clarify expenses within the reporting categories.	Business and Finance	Business and Finance	6/30/2024					Not Yet Due
VSCC	9/25/2023	The HEERF quarterly reports should utilize the proper naming convention established by the U.S. Department of Education.	Business and Finance	Business and Finance	6/30/2024					Not Yet Due
VSCC	9/25/2023	The HEERF reports should include quarterly expenses rather than cumulative amounts. Management should restate any reports of cumulative expenses to reports of quarterly expenses.	Business and Finance	Business and Finance	6/30/2024					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
VSCC	9/25/2023	The amount of EFA payments to students per the HEERF report reconciles, but does not agree, to the amounts posted on the college website. Likewise, there is a difference in the number of students both qualifying and receiving HEERF payments that is posted on the website and the college records. Management should review these items and provide any necessary adjustments.	Business and Finance	Business and Finance	6/30/2024					Not Yet Due
VSCC	9/25/2023	Beginning June 2022, the HEERF reports should contain a link to the annual report information on the U.S. Department of Education portal.	Business and Finance	Business and Finance	6/30/2024					Not Yet Due

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

Institution	Report Release Date	Recommendation	Responsible Staff	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
TCAT Chattanooga	10/25/2023	TCAT Massage Therapy Tips 1 of 6: Massage Therapy Instructors should cease the collection of any form of compensation beyond the standard service fee set by the college for Massage Therapy student services to ensure compliance with the policies and rules of ChSCC, TCAT, TBR, and the Tennessee Massage Licensure Board.	Interim Vice President - Technical College	Business and Finance	10/25/2023			10/25/2023		Action Completed
TCAT Chattanooga	10/25/2023	TCAT Massage Therapy Tips 3 of 6: TCAT Management should provide training to all college personnel concerning the receipt and deposit of funds and conflict of interest policies.	Interim Vice President - Technical College	Business and Finance	10/25/2023			10/25/2023		Action Completed
TCAT Hohenwald	6/23/2023	CoSCC-TCAT Hohenwald Veteran's Affairs-06232023 Improve Data Security	School Certifying Official	Student Services	8/31/2023					In Progress
TCAT Hohenwald	6/23/2023	CoSCC-TCAT Hohenwald Veteran's Affairs-06232023 Improve Management Oversight	School Certifying Official	Student Services	8/31/2023					In Progress
TCAT Chattanooga	6/28/2023	TCAT HVAC Surplus and Scrap 2 of 4: TCAT Management should review the TCAT Live Work Policy to ensure it corresponds to current procedures and update the policy as needed.	Interim Vice President - Technical College	Business and Finance	9/30/2023	5/31/2024	1	9/19/2023	9/19/2023 - Policy review meetings have been scheduled with program instructors.	In Progress
TCAT Chattanooga	10/25/2023	TCAT Massage Therapy Tips 2 of 6: TCAT Management and the Massage Therapy Instructors should explore options through the college's class fee and purchasing processes to ensure instructors are not responsible for collecting or paying any money for the CPR Trainer.	Interim Vice President - Technical College	Business and Finance	9/1/2024			10/25/2023	10/25/2023 - A campus taskforce is being formed to evaluate CPR Training provided on campus.	In Progress
TCAT Chattanooga	10/25/2023	TCAT Massage Therapy Tips 4 of 6: TCAT Management should review TBR Guideline A-030: Instructional Projects Exhibit A and consider adopting the stipulation for no direct payment or tipping for services of students or instructors.	Interim Vice President - Technical College	Business and Finance	1/31/2024					In Progress
TCAT Chattanooga	10/25/2023	TCAT Massage Therapy Tips 5 of 6: If a no tip policy is enacted, Management should consider signage concerning tips and how program donations can be made through the Chattanooga State Community College Foundation.	Interim Vice President - Technical College	Business and Finance	3/31/2024					In Progress
TCAT Chattanooga	10/25/2023	TCAT Massage Therapy Tips 6 of 6: TCAT Client Service Agreement liability language should be updated to reflect the current TBR Instructional Projects Guideline language or adopt the service agreement example provided within the guideline.	Interim Vice President - Technical College	Business and Finance	3/31/2024					In Progress
TCAT McKenzie	8/7/2023	The TCAT 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/Enrollment Manager. During periods when a second reviewer is unavailable, the SCO should consider utilizing self-review techniques, such as a checklist, to assist in ensuring data submitted to the VA is accurate.	School Certifying Official	Student Services	2/7/2024					Not Yet Due
TCAT Oneida/Huntsville	10/25/2023	The TCAT 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/Enrollment Manager. During periods when a second reviewer is unavailable, the SCO should consider utilizing self-review techniques, such as a checklist, to assist in ensuring data submitted to the VA is accurate.	President	Academics	6/30/2024					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
CISCC	8/3/2023	CISCC FY 2022 & 2021- Finding 1 of 1 College staff did not prepare timely bank reconciliations.	VP of Finance and Operations	Business and Finance	8/15/2023	4/30/2024		2/2/2024	2/2/24-Follow-up report issued. Corrective actions have not been implemented.	In Progress
STCC	10/20/2022	STCC FY 2019 & 2018 - Finding 1 of 1 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	12/30/2023	4	12/13/2023	12/13/2023 Corrective actions have not been fully implemented.	In Progress
STCC	8/18/2022	STCC FY 2021 & 2020 - Finding 3 of 3 The college incurred over \$10,000 in unnecessary payroll costs for an employee who stopped reporting to work.	Associate Vice President of Human Resources	Business and Finance	7/30/2023	2/28/2024	2	1/31/2024	1/31/2024 Follow-up report is being reviewed and new procedures and policies have been put in place.	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	12/15/2022	CoSCC Information Security Review: Columbia 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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Associate VP for IT	Business and Finance	5/31/2023			3/30/2023	10/31/2023	Action Completed
JSCC	6/1/2023	JSCC ITGCR: Jackson 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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	9/30/2023			8/15/2023	10/10/2023	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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session. Thirteen of seventeen areas have been corrected.	Chief Information Officer	Business and Finance	12/31/2022	12/31/2023	1	8/10/2022	10/31/2023	In Progress
CISCC	6/1/2023	CISCC Information Security Review: Cleveland 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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session. One of six areas has been corrected.	Chief Information Officer	Business and Finance	1/31/2024			12/1/2023		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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session. Five of six areas have been corrected.	Chief Information Officer	Business and Finance	12/31/2022			8/10/2022	7/5/2023	In Progress
STCC	12/15/2023	STCC ITGCR: Southwest Tennessee 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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	3/31/2024					Not Yet Due

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

Institution	Report Release Date	Recommendation	Responsible Staff	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
TBR System Office and TCATs	12/21/2023	TBR System Office and TCATs ITGCR: The TBR System Office and TCATs 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), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	9/20/2024					Not Yet Due

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: March 5, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

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 October 1, 2023 to December 31, 2023.

Southwest Tennessee Community College
– Tennessee Department of Safety and Homeland Security
Driver Education Program Review

TCAT Shelbyville
– TSAC
Financial Aid Review

Comptroller's Office

The Comptroller of the Treasury, Division of State Audit, under the authority of TCA 4-3-304, performs financial and compliance audits of each Tennessee Board of Regents community college and the system office, typically every other year. The Comptroller's Office also conducts performance audits of the Tennessee Board of Regents operations, as needed. The Audit Committee will review executive summaries for the state audit reports issued before December 31, 2023.

FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS

Jackson State Community College

– FYE June 30, 2022 and June 30, 2021

OFFICE OF RESEARCH AND EDUCATION ACCOUNTABILITY

TN Promise Evaluation

Federal Audits

The Audit Committee will review executive summaries for the federal audit reports issued before December 31, 2023.

Roane State Community College

– Department of Defense

Institutional Compliance Program Review

Southwest Tennessee Community College

– Department of Veterans Affairs

Compliance Survey

Internal Audit

The Audit Committee will receive executive summaries for the internal audit reports issued from October 1, 2023, to December 31, 2023, as well as reports issued after December 31, 2023, 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

ChSCC	NACHA Audit	Page 29
NeSCC	HEERF III Student Distributions	Page 31

Internal Audit Reports for Informational Purposes- Student Services

TCAT Oneida/Huntsville	Veterans Affairs Review	Page 33
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Internal Audit Reports for Informational Purposes- Follow-up

STCC	Follow-up to INV 20-03 Club and Organization Review	Page 35
STCC	Additional Follow-up to the Special Review of the Federal Work Study Program	Page 37

Internal Audit Reports for Informational Purposes- Investigations

TCAT Chattanooga	INV 2023-06: Massage Therapy Tips	Page 40
TCAT Chattanooga	INV 2023-01 and 2023-04: Cosmetology Hair Show Fees and Hair Braiding Certificates	Page 42

* Limited Official Use Only reports for Southwest Tennessee Community College- LOU-Information Systems and TBR System Office- LOU-Information Systems were completed during this period. These reports will be shared in the Audit Committee Executive Session.

**Tennessee Board of Regents
Audit Committee
March 5, 2024**

*Miscellaneous External
Reviews*

Southwest Tennessee Community College
Tennessee Department of Safety and Homeland Security (TDOSHS)
Driver Education Program Monitoring
November 21, 2023
Executive Summary

Introduction	The purpose of this review was to monitor the Driver Education Program. The review was conducted on November 15, 2023 by the TDOSHS Internal Auditor.
Objectives	Program Monitoring objectives were: <ul style="list-style-type: none">• To review agency files to ensure compliance with TDOSHS Rules.• To review instructor files to ensure standards set in TDOSHS Rules are met.• To review student files to determine their completeness and accuracy.• To review required training to ensure minimum standards are followed.
Findings	There were no findings of noncompliance identified during the monitoring review.

Tennessee College of Applied Technology- Shelbyville
Tennessee Student Assistance Corporation
Financial Aid Programs Review
September 29, 2023
Executive Summary

Introduction	The Tennessee Student Assistance Corporation (TSAC) has the statutory responsibility to review and evaluate the administration of each financial assistance program at participating postsecondary institutions to ensure the programs are administered according to applicable laws, rules, and regulations. Pursuant to this responsibility, from September 18, 2023, through September 20, 2023 a program compliance review of the institution’s use of TSAC financial aid programs for the 2022-2023 academic year was conducted. A Senior Compliance Officer reviewed a random sample of student records of the institution’s financial aid recipients.
Warnings	<p>Warnings</p> <ul style="list-style-type: none"> • Failure to adhere to the Tennessee Board of Regents (TBR) Residency Policy • Error in Certifying Tennessee Promise Scholarship
Conclusion	TSAC received and approved the response to the discrepancies identified in the review as outlined in the Program Review Report. Therefore, the TSAC program review of the 2022-2023 academic year was closed.

**Tennessee Board of Regents
Audit Committee
March 5, 2024**

*Comptroller's Office
TN Promise Evaluation*



SNAPSHOT

TENNESSEE PROMISE EVALUATION

January 2024

Erin Brown | *Research Analyst* | Erin.Brown@cot.tn.gov
Robert Quittmeyer | *Research Analyst* | Robert.Quittmeyer@cot.tn.gov

In 2014, the General Assembly passed the Tennessee Promise Scholarship Act to provide recent high school graduates the opportunity to earn an associate degree, credential, or diploma free of tuition and mandatory fees. Tennessee Promise is a last-dollar scholarship that pays for tuition and mandatory fees after all other gift aid is applied, but it does not cover other costs such as textbooks, supplies, tools, lab fees, and program-specific fees. Public Chapter 900 (2014) requires the Comptroller’s Office of Research and Education Accountability (OREA) to evaluate the effectiveness of the Tennessee Promise scholarship program.

To conduct the evaluation, OREA obtained quantitative data from the Tennessee Higher Education Commission (THEC) for all Promise applicants, including those who did and did not become Promise students. OREA conducted interviews with all 13 of Tennessee’s community colleges, faculty and staff at four Tennessee Colleges of Applied Technology (TCATs), high school counselors and district personnel, and leadership at THEC, the Tennessee Board of Regents (TBR), tnAchieves, and the Ayers Foundation Trust. At the conclusion of the interview process, OREA crafted one survey for postsecondary employees and another for K-12 faculty and staff.

Conclusions

Promise students earn more credits, are retained, and earn awards at higher rates than students who enroll at the same schools but are not Promise-eligible.

A Promise student at a community college may pay at least \$1,000 per year in out-of-pocket expenses. At TCATs, out-of-pocket expenses per year may reach \$3,100.

While the Promise program is effective overall, enrollment, retention, and attainment gaps exist among students.

Most Promise students at community colleges do not complete a terminating degree within the program’s five-semester limit. This is especially the case for nursing students.

The most common reason applicants are not eligible for Promise is a failure to meet the initial community service deadline.

Additional conclusions are included in the full report.

Policy options

To make the application process more efficient, the Tennessee Student Assistance Corporation and TBR should explore ways to combine the Promise and college applications.

To improve affordability, the General Assembly could expand the reach of Tennessee Promise dollars or guarantee a minimum Promise payment.

To increase community college credential attainment, the General Assembly could extend Tennessee Promise eligibility for some or all community college students.

To increase the number of applicants who become Promise students, the General Assembly could eliminate the initial community service requirement.

To improve retention and completion for Promise students, the General Assembly could adjust the continuous, full-time enrollment requirement.

Tennessee Promise partnering organizations should consider providing more training to volunteer Promise mentors.

To read the full report, visit the Comptroller’s OREA website at tncot.cc/orea.



OFFICE OF RESEARCH AND EDUCATION ACCOUNTABILITY

TENNESSEE PROMISE EVALUATION: EXECUTIVE SUMMARY



JANUARY 2024



ERIN BROWN
Research Analyst

ROBERT QUITMEYER
Research Analyst



JASON E. MUMPOWER
Comptroller of the Treasury

Tennessee Promise Program Overview

In 2014, the General Assembly passed the Tennessee Promise Scholarship Act, providing recent high school graduates an opportunity to earn an associate degree, certificate, or technical diploma free of tuition and mandatory fees. To date, nine cohorts of Promise students have enrolled in eligible programs at postsecondary institutions. Tennessee high school students apply for Promise in the fall of their senior year. To become a Promise student, they must meet several requirements and enroll in an eligible institution the fall semester immediately following high school graduation. Students can receive the scholarship for up to five semesters or eight trimesters, or until they have earned a credential.

TCA 49-7-708(f) requires the Comptroller’s Office of Research and Education Accountability (OREA) to review, study, and determine the effectiveness of Tennessee Promise. This summary includes key conclusions and policy options from OREA’s full report.

Tennessee Promise Overview					
Steps to become a Promise student	Fill out a Tennessee Promise application in the fall of senior year	Attend mandatory meeting with partnering organization	File the Free Application for Federal Student Aid (FAFSA)	Complete and report eight hours of community service	Enroll in an eligible postsecondary program immediately following graduation
Tennessee Promise by the numbers	429,859	123,204	23,923	2	8
	Total applicants (cohorts 1-7)	Total enrolled Promise students (cohorts 1-7) ^A	Total awards to Promise students (cohorts 1-6) ^B	Partnering organizations – the Ayers Foundation Trust and tnAchieves	The number of community service hours Promise students must complete each semester ^C
	59	\$186,555,370	\$1,062	\$361M	80.9
	Total Promise-eligible institutions ^D	Total amount paid out for Promise scholarships since 2015	Average payment per Promise student (\$0 payments excluded)	The initial investment into the Promise endowment fund	Percent of Promise students enrolled at a community college

^A Of this number, 8,245 students did not immediately enroll the fall semester after high school graduation due to leaves of absence or other appeals. The remaining 114,959 are those that immediately enrolled and comprise the population for which OREA conducted its analysis.

^B OREA does not have complete data for the fall 2022 semester, but this figure includes the students in cohort 6 who earned a terminating award before their final semester of eligibility.

^C Promise students may complete up to four hours of community service virtually.

^D There are a total of 59 Promise-eligible institutions: 13 community colleges, two public universities, 19 private universities, and 25 Tennessee Colleges of Applied Technology (TCATs).

Key Conclusions

Promise students earn more credits, are retained, and earn awards at higher rates than students who enroll at the same schools but are not Promise-eligible.

At community colleges and Tennessee Colleges of Applied Technology (TCATs), Promise students earn more credits than non-Promise students. On average, around 46 percent of Promise students earn a minimum of 24 credits their first year at a community college compared with approximately 18 percent of non-Promise students. At TCATs, nearly 48 percent of Promise students earn a minimum of 1,170 clock hours (which is the equivalent of three full-time trimesters with allowed absences) compared with around 26 percent of non-Promise students.

Promise students are also retained at a higher rate than non-Promise students. The higher rate for Promise students held after controlling for race, gender, first-generation-to-attend-college status, and adjusted gross income (AGI). For example, Pell-eligible Promise students are retained at a higher rate than Pell-eligible students who do not participate in Promise.


Promise students earn awards at a higher rate than non-Promise students. At community colleges, the proportion of Promise students who earn an award within the Promise-eligible time frame of five semesters is 14.5 percentage points higher than for non-Promise students. At TCATs, the proportion is 14.4 percentage points higher. Similar to retention, Pell-eligible Promise students earn an award at a higher rate than Pell-eligible students who do not participate in Promise.

A Promise student at a community college may pay at least \$1,000 per year in out-of-pocket expenses. At TCATs, out-of-pocket expenses per year may reach \$3,100.

Tennessee Promise pays for tuition and mandatory fees after all other gift aid is applied, but it does not cover other costs such as textbooks, supplies, tools, lab fees, and program-specific fees. Students are financially responsible for such costs.

Through interviews, surveys, and institution websites, OREA determined that a community college student may pay at least \$1,000 in out-of-pocket expenses per year for books, fees, and supplies not covered by the Tennessee Promise scholarship. Students at TCATs may pay up to \$3,100 per year for similar items.

In 2021, the General Assembly funded a \$1 million pilot program to provide completion grants for Pell-eligible Promise students who have an “immediate financial need . . . that may prevent the student from completing a postsecondary degree or credential.” The grants have helped students pay for books, supplies, and course-specific fees, which are not covered by Promise. (Completion grants may also be used for food, housing, and transportation-related costs.) Pell-eligible Promise students can apply for a grant through their partnering organization (tnAchieves or the Ayers Foundation) and request up to \$1,000 per semester or \$625 per trimester.



During the first year of the pilot, the Ayers Foundation Trust awarded over 150 grants and tnAchieves awarded over 1,100, depleting available funds within 10 weeks. In 2022, the General Assembly funded a completion grant expansion of \$14.5 million to tnAchieves for grants and to expand the organization's coaching initiative. By December 2022, tnAchieves had administered \$1.48 million of the \$1.6 million budgeted for the 2022-23 school year in completion grants to 2,855 students. The organization allocated \$1.3 million of the expansion money to coaching for the 2022-23 school year.

Affording postsecondary education may remain a challenge for some Promise students. As noted above, out-of-pocket expenses for community college students may be at least \$1,000 per year or up to \$3,100 per year for TCAT students. Pell-eligible students may request up to \$1,000 per semester or \$625 per trimester in completion grant funding, but if the maximum completion grant amount is used for tools or supplies, no funding remains to help pay for food, housing, and transportation-related costs that can also be barriers to staying in school and earning an award.

Promise students just above the Pell eligibility threshold are not eligible for completion grants but may have similar financial needs that can prevent them from continuing their education and completing their academic program.

While the Promise program is effective overall, enrollment, retention, and attainment gaps exist among students.

Black students who attend Promise-eligible institutions are less likely to enroll as Promise students than their White peers. Of all students who apply for Promise and attend a Promise-eligible institution, but are not eligible for the Promise program, 56.5 percent are White and 32 percent are Black. Of all those who apply for Promise and enroll in an eligible institution as a Promise student, however, 75.9 percent are White and 14.4 percent are Black.

Promise participants have better outcomes than their non-Promise peers; therefore, closing this gap by increasing Black students' participation in Promise would help more students earn credits, stay in school, and earn a degree or credential.

Among other racial groups (Asian American and Pacific Islander, American Indian/Alaskan Native, multiracial, and Hispanic), the percentage who enroll as Promise students and those who enroll without Promise is similar.

There are racial disparities in retention and attainment among Promise students as well. Promise students who are Asian American and Pacific Islander (AAPI) are retained without an award throughout their first year of postsecondary education at the highest rate of any racial group at 70.2 percent. Promise students who are Hispanic had the second highest retention rate among racial groups at 61.4 percent. White Promise students were retained at just under 60 percent (59.8). American Indian and Alaskan Native, Black, and multiracial Promise students are retained at less than 55 percent.

Attainment data shows a similar gap. White students had the highest attainment rate, at 26.6 percent, of any racial group. Asian American and Pacific Islander (AAPI) students have an attainment rate of 22.9 percent. The attainment rate for Hispanic students was 19.2 percent. For Black and multiracial students, the attainment rate was around 12 percent.

Narrowing the racial gaps between application and enrollment, as well as throughout retention and credential attainment, would increase Tennessee's overall attainment rate and produce a more competitive workforce.

Female Promise students earn on-time awards at lower rates than male students, despite higher rates of fall-to-fall retention.

Female Promise students are retained without an award, across all cohorts, at a rate of 62.1 percent. Male Promise students are retained without an award at a 55.8 percent rate, a difference of approximately 6.3 percentage points. However, female students earn an award on time at a rate lower than male students by 4.3 percentage points.

Most Promise students at community colleges do not complete a terminating degree within the program's five-semester limit. This is especially the case for nursing students.

Approximately 78.5 percent of Promise students at community colleges did not earn a terminating degree within the five Promise-funded semesters, which equates to 64,408 students without an award and 17,685 students with an award. Some of these students go on to earn a degree after expiration of Promise eligibility. In the first four Promise cohorts, 3,467 students (6.3 percent of those cohorts) earned a terminating award one semester after their program eligibility expired. Another 3,857 students (7.1 percent of those cohorts) earned a terminating award two to four semesters after.

In interviews, community college officials indicated nursing students in particular have difficulty completing a degree within the Promise program's five-semester limit. Over 9 percent of late awards (673 degrees) in cohorts 1 through 4 were nursing related. In cohorts 1 through 6, nursing degrees made up 1 percent of terminating awards earned on time (183 degrees).

Approximately a quarter of high school students who apply for Promise successfully enroll at an eligible institution as a Promise student. For various reasons, the other three-quarters of high school students who apply do not become Promise students.

Many students who apply for Promise do not intend to use the scholarship or enroll in a Promise-eligible institution. For example, students may attend high schools that strongly encourage them to complete the Promise application. Although they complete the application, these students may plan to attend an ineligible institution, join the workforce directly out of high school, or enlist in the military.

Other students, however, apply for Promise and go on to enroll in an eligible institution but never become Promise students for failure to meet a program requirement. For cohorts 1 through 7, there were nearly 23,000 such students. Students who do not participate in Promise are less likely to stay in school and earn an award.

Additionally, OREA learned of two emerging trends: homeschool students not applying for Promise and students without social security numbers applying but being unable to qualify for eligibility.

The most common reason applicants are not eligible for Promise is a failure to meet the initial community service deadline.

Approximately 50 percent of students who applied did not receive Promise upon enrollment because they missed the community service requirement.^E Students may overlook the requirement or assume Promise, like other scholarships, does not include a community service requirement. K-12 and postsecondary interviewees pointed out that no other public scholarship in Tennessee includes a community service requirement.

Students who do not overlook the requirement may still fail to meet it. A lack of transportation *very often* or *somewhat often* contributed to students not meeting the community service requirement and losing their Promise eligibility, according to roughly 77 percent of K-12 survey respondents.

Students who lose Promise and go on to attend a Promise-eligible institution are less likely than Promise students to stay in school, earn an award, and increase the state's attainment rate.

Work and family responsibilities contribute to students losing Promise.

In interviews, postsecondary employees indicated that students struggle to balance school with work and family responsibilities. To remain eligible for Promise, students must maintain full-time enrollment and a minimum 2.0 GPA. Approximately 75 percent of postsecondary survey respondents indicated work-related pressures contribute to students falling below the 2.0 GPA requirement, and nearly 82 percent indicated the same for students dropping below full time.

Family responsibilities were also cited, as 71 percent of respondents indicated that family-related pressures contribute to students falling below the GPA requirement. Seventy-six percent indicated the same for students dropping below full time.

There is limited awareness of completion grants among postsecondary officials and students.

The General Assembly funded the completion grant pilot program in 2021 to provide additional financial aid for eligible Promise students who have an “immediate financial need ... that may prevent the student from completing a postsecondary degree or credential.” Completion grants are administered by the Tennessee Promise partner organizations, tnAchieves and the Ayers Foundation Trust. Pell-eligible Promise students may request a completion grant to help pay for food, housing, transportation, books/supplies, and class-specific fees. Eligible Promise students can apply for up to \$1,000 per semester (or \$625 per trimester) through their partner organization's website.

Slightly over half of community college and TCAT officials indicated on OREA's survey, administered in October of 2022, that they were not aware of completion grants. Of those who were aware of the grants, however, three-quarters indicated that the grants help students cover additional costs.

^E This number excludes the fall 2020 cohort (cohort 6) since the requirement was waived due to COVID-19. Up to four of the required eight hours of community service can be completed virtually via webinar.

Reviews of partnering organizations are generally positive, with some concerns about mentorship quality.

In OREA's surveys of K-12 and postsecondary stakeholders, respondents were asked to rate their designated partnering organization's (the Ayers Foundation Trust or tnAchieves) assistance in a number of categories. Respondents rated the two organizations on how well they help students transition to college, maintain Promise eligibility, access academic resources, access community service opportunities, and address non-course related barriers to success, among other things.

Among K-12 respondents, on a scale of *excellent*, *fair*, *poor*, and *unsure*, the Ayers Foundation Trust received exclusively *excellent* and *fair* ratings (*excellent* being the highest possible rating); tnAchieves received ratings of *excellent* or *fair* from the majority of respondents.

At the postsecondary level, on a scale of *good*, *fair*, *poor*, and *unsure*, the majority of those that work with the Ayers Foundation Trust and tnAchieves rated both organizations as *good* or *fair*, (*good* being the highest possible rating). The proportion of *fair* ratings for tnAchieves was significantly greater than that for the Ayers Foundation Trust – tnAchieves received an average of 36.7 percent *good* ratings and 20.7 percent *fair* ratings, and the Ayers Foundation Trust received an average of 55.1 percent *good* ratings and 9.2 percent *fair* ratings.

Knowledge of the Promise program varies among tnAchieves mentors and, as a result, so does the quality of mentorship provided, according to both K-12 and postsecondary interviewees.

Policy Options

The following policy options are drawn from this evaluation's key conclusions. Increased access to Promise, retention of Promise students, and higher credential attainment through the Promise program are all addressed. Some options would involve additional disbursements of Promise dollars and extending eligibility for the program. There may be tradeoffs between such options and the goal for Tennessee Promise to become financially self-sustaining.

1. To make the application process more efficient, the Tennessee Student Assistance Corporation and the Tennessee Board of Regents should explore ways to combine the Promise and college applications.
2. To improve affordability, the General Assembly could expand the reach of Tennessee Promise dollars or guarantee a minimum Promise payment.
3. To increase community college credential attainment, the General Assembly could extend Tennessee Promise eligibility for some or all community college students.
4. To increase the number of applicants who become Promise students, the General Assembly could eliminate the initial community service requirement.
5. To improve retention and completion for Promise students, the General Assembly could adjust the continuous, full-time enrollment requirement.
6. Tennessee Promise partnering organizations should consider providing more training to volunteer Promise mentors.



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**Tennessee Board of Regents
Audit Committee
March 5, 2024**

Federal Audit Reports

Roane State Community College
U.S. Department of Defense
Voluntary Education Institutional Compliance Program Review
November 16, 2023
Executive Summary

Introduction	The compliance process plays a key role in U.S. Department of Defense policy to develop quality partnerships, best support Service members, and ensure that partner schools comply with the terms of their Memorandum of Understanding (MOU) as well as the Principles of Excellence enunciated in Executive Order 13607.
Results	The institution has successfully completed the review process and no further actions are required.

Southwest Tennessee Community College
U.S. Department of Veterans Affairs
Veterans Benefits Certification
December 14, 2023
Executive Summary

<p>Introduction</p>	<p>A routine on-site compliance survey was conducted at Southwest Tennessee Community College (STCC) on November 14, 2023, as required by Title 38, USCS Section 3693. The entrance briefing was conducted with the Advising and Career Services Manager and the VA Coordinator. The survey was conducted by the VA Education Compliance Survey Specialists.</p> <p>Purpose: The student records included in the sample were reviewed to determine compliance with VA laws and regulations, the accuracy of processing by the Regional Processing Office, and compliance with approval criteria.</p> <p>Sample Size: 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 101 VA beneficiaries. The names of the students whose records were reviewed were obtained from VA-ONCE and TIMS and/or Coin EDU 289.</p> <p>The sample size was proportioned among the various chapters based on national benefit usage.</p>
<p>Discrepancies</p>	<p>Type: VA Form 22-1934, Line 6- The facility accurately and promptly reported enrollment, tuition and fees, lessons serviced, flight training hours or APP/OJT hours (38 CFR 21.4203(e)(f)(g), 21.4204, 21.7156, 21.9735)</p> <p>Evaluation: Late reporting over 30 days for referrals for two students.</p> <p>Recommendation: Upon completion of corrective action by the other VA element, the memorandum should be endorsed and returned to the ESU (Education Services Unit). Work-in-progress controls should be established by the ESU to ensure that corrective action is completed within 30 days.</p> <p>Recommendation: RPO Referral (ECSS Initiated) - In accordance with the February 17, 2017, Procedural Advisory - Compliance Survey Corrections, the surveyor submitted the compliance survey referral correction using the Compliance Survey Referral template.</p> <p>Corrective Actions: The college submitted the referrals during the compliance survey.</p>

**Tennessee Board of Regents
Audit Committee
March 5, 2024**

***Internal Audit Reports
Financial Management***

Chattanooga State Community College
NACHA Security Audit – Page 1 of 2
December 2023
December 21, 2023
Executive Summary

Key Staff Personnel	Bursar and Executive Director, Information Management	Internal Auditor	Kimberly Clingan, Director Internal Audit
Introduction	<p>NACHA (National Automated Clearing House Association) is a not-for-profit association that oversees the Automated Clearing House (ACH) Network, an electronic payment network. NACHA provides the legal foundation for the ACH Network through the development and enforcement of the <i>NACHA Operating Rules & Guidelines</i> that establish a set of requirements in order to provide a minimum amount of protection for WEB entries. WEB entries are internet-initiated entries that NACHA defines as “a debit entry to a Consumer Account initiated by an Originator pursuant to an authorization that is obtained from the Receiver via the Internet.”</p> <p><i>NACHA Operating Rules & Guidelines</i> obligate Originators to:</p> <ul style="list-style-type: none"> • Obtain the consumer’s written authorization prior to initiating a debit entry • Mitigate risks associated with Internet-based payments by: <ul style="list-style-type: none"> ○ Authenticating the identity of the Receiver ○ Employing a fraudulent transaction detection system ○ Establishing secure Internet sessions ○ Verifying the Receiving Depository Financial Institution’s routing number ○ Reviewing security control procedures 		
Objectives	<p>The objectives of the audit were to determine the college’s compliance with <i>NACHA Operating Rules & Guidelines</i> for WEB entries related to:</p> <ul style="list-style-type: none"> • Authorization requirements • Formatting requirements • Risk management requirements to adequately protect consumer financial information 		
Conclusion	<p>ChSCC complies with the authorization, formatting, and risk management requirements of the <i>NACHA Operating Rules & Guidelines</i>. However, Internal Audit did note opportunities for improvement resulting in two recommendations to enhance compliance with the due diligence guidance and improve compliance with the NACHA Operating Rules & Guidelines.</p>		
Recommendation	<p>Based on the performed audit procedures, Internal Audit recommends</p> <ul style="list-style-type: none"> • Management’s review of the TouchNet SOC II report be completed in a timely manner to ensure third party vendor risks are properly identified. • Conduct disaster recovery testing and revise the college’s plan to include lessons learned and NIST best practices. 		

Chattanooga State Community College
NACHA Security Audit – Page 2 of 2
December 2023
December 21, 2023
Executive Summary

Management Response	Management concurs. We will complete the review and documentation TouchNet SOC II report by February 29, 2024 and perform a disaster recovery exercise by June 30, 2024.
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**Northeast State Community College
HEERF III Student Distributions
October 30, 2023
Executive Summary**

Key Staff Personnel	Bursar; VP of Finance and IT	Internal Auditor	Christopher Hyder, Director NeSCC Internal Audit
Introduction	<p>The American Rescue Plan (ARP) Act, signed into law in March of 2021, provided Department of Education (ED) funds to award to institutions of higher education to provide students with financial aid grants, which may be used for any component of the student's cost of attendance or for emergency costs that arise due to the coronavirus, such as tuition, food, housing, health care (including mental health care) or childcare. The funding was provided to colleges and universities by the Higher Education Emergency Relief Fund III, or HEERF III.</p> <p>Northeast State Community College (NeSCC) distributed a total of \$7,431,606 of HEERF III funds to the student population in two allocations as refund checks, direct deposits, or as elected payments to their outstanding balance. In the Fall 2021 semester, \$3,577,927 was dispersed among 2,383 students, followed by an additional \$3,853,679 among 2,574 students in the Spring 2022 semester.</p>		
Objectives	The objectives of the audit were to verify that student payments complied with the criteria and guidelines set by the Department of Education at the time of payment distributions.		
Scope	This audit reviewed payments made to students by Northeast State Community College under the ARP Act of 2021, known as HEERF III.		
Conclusion	The review of the college's processing of HEERF III student relief payments as refunds indicated that the college has responsibly managed the distribution of the funds entrusted by the ED. All students in the tested sample appeared to meet the eligibility criteria per ED guidance at the time their HEERF III relief payments were processed.		
Recommendations	None		

**Tennessee Board of Regents
Audit Committee
March 5, 2024**

***Internal Audit Reports
Student Services***

**TCAT Oneida/Huntsville
Veterans Affairs Benefit Certification
Academic Year 2021-2022
October 25, 2023
Executive Summary**

Key Staff Personnel	President Student Services Coordinator School Certifying Official	Internal Auditor	Helen Vose
Introduction	<p>The Servicemen’s Readjustment Act of 1944, commonly known as the GI Bill, provides funding for the 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.</p>		
Objectives	<p>The objectives of the audit were:</p> <ul style="list-style-type: none"> • 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 the Department of Veterans Affairs. <p>To determine receipt and proper accounting of the Annual Reporting Fee (ARF).</p>		
Conclusion	<p>TCAT Oneida/Huntsville’s VA processes are well defined and provide adequate internal controls for maintaining compliance with U.S. Department of Veterans Affairs education benefit requirements. However, one exception and one recommendation were noted.</p>		
Exception	<p>One exception was noted for three students who received Chapter 33 benefits where Reconnect was incorrectly calculated. The SCO failed to deduct aid before certifying tuition and fees to the VA. The amount of \$2,010 will be returned.</p>		
Recommendation	<p>The TCAT 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/Enrollment Manager. During periods when a second reviewer is unavailable, the SCO should consider utilizing self-review techniques, such as a checklist, to assist in ensuring data submitted to the VA is accurate.</p>		

**Tennessee Board of Regents
Audit Committee
March 5, 2024**

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

Southwest Tennessee Community College
Follow up to the Investigation STCC 20-03, Club and Organization Review – Page 1 of 2
October 31, 2023
Executive Summary

Key Staff Person: Deputy Chief Financial Officer, Finance	Auditor: Charlotte Johnson, Internal Auditor
Introduction	Internal Audit for Southwest Tennessee Community College (STCC) issued a report, <i>Investigation 20-03 Club and Organization Review</i> , on March 28, 2023. The report included five recommendations.
Objective	The objective of this review was to determine whether adequate corrective actions have been taken to address the recommendations.
Scope	The audit reviewed the current status of actions taken by Southwest Tennessee Community College management to correct deficiencies found by Internal Audit in the March 28, 2023 audit. The audit was conducted in accordance with <i>The International Standards for the Professional Practice of Internal Auditing</i> issued by The Institute of Internal Auditors. The audit included tests of records and other procedures considered necessary to achieve the audit objective.
Results of Prior and Current Audits	This section includes the published recommendations and responses from management. This information is followed by the auditor’s comments on the current status of the recommendations based on management’s corrective actions.
Recommendation 1	Southwest Tennessee Community College policy <i>Student Organizations: Official Registration Policy No: 3:01:01:00/4</i> should be updated to contain a statement that club advisors are prohibited from operating external bank accounts for the clubs.
Management’s Response	A statement will be added to Southwest Tennessee Community College policy <i>3:01:01:00/4, Student Organizations: Official Registration</i> , that states that club advisors are prohibited from operating external bank accounts. The responsible party for the policy is the Vice President of Student Affairs, (VPSA). In addition to advising the VPSA of the policy revision, the policy will be shared with governance groups across the campus during the next scheduled meetings and during the next President’s Cabinet meeting in February of 2023.
Current Status	A statement was added to Southwest Tennessee Community College Policy <i>3:01:01:00/4 Student Organizations: Official Registration</i> , stating, “Neither advisors nor students may, under any circumstance, open, operate, or maintain an external bank account using student organization funds.”
Recommendation 2	The Deputy Chief Financial Officer shall start providing each club advisor, club officer, and the Director of Student Development with a monthly statement showing income and distributions for each club.
Management’s Response	Monthly financial statements are now provided to each club advisor as well as to the club student officers via email distribution. In addition, the Director of Student Development receives a report for each club. Clubs with current year activity receive a detailed list of all transactions for the time period reported. This report distribution began in November 2022.

Southwest Tennessee Community College
Follow up to the Investigation STCC 20-03, Club and Organization Review – Page 2 of 2
October 31, 2023
Executive Summary

Current Status	The Director of Student Leadership & Engagement confirmed that the Deputy Chief Financial Officer sends out financial reports to the club advisors monthly.
Recommendation 3	The Deputy Chief Financial Officer may want to consider periodic training for club advisors regarding the financial controls in place and how to properly make requests for expenditures of funds.
Management's Response	Finance representatives have generally conducted training for the club advisors on an annual basis. We will ensure this training continues annually.
Current Status	The Director of Student Leadership & Engagement confirmed that the Finance Department provided annual training for the club advisors. The last training was conducted in February 2023.
Recommendation 4	All check requests, including travel advances made payable to the club advisor, must be reviewed to ensure proper supporting documentation is attached to the check request. For travel advances, documentation should be submitted within 30 days of completed travel.
Management's Response	Accounts Payable procedures currently include proper review of check request and travel advance support prior to disbursement. Proper approval is currently required for all payment requests. Per Southwest's current signature requirements guideline, Department Chair or Director approval is required for all Payment Requests, Travel authorizations and Travel Reimbursement Claims. Travel advances are regularly reconciled.
Current Status	The Deputy Chief Financial Officer provided a financial report confirming that advances are reviewed, and proper documentation is submitted.
Recommendation 5	The Phi Theta Kappa Club advisor did not close the club's existing bank account and maintained a petty cash fund for twenty months after the President's directive. The President may want to consider disciplinary actions for the Phi Theta Kappa advisor for not closing the chapter's bank account at the requested date and for maintaining a petty cash account.
Management's Response	Declining to follow the referenced directive for twenty months is concerning and will be addressed. Relevant Southwest policies will be considered, as well as reprimands for similar offenses. Thereafter, a determination will be made regarding the Phi Theta Kappa Club advisor. The auditor will receive notice of the reprimand.
Current Status	Management indicated they considered the recommendation and made decisions on how to proceed.
Conclusion	Adequate corrective actions have been put in place to address the five audit recommendations.

Southwest Tennessee Community College
Additional Follow-up to the Special Review of the Federal Work Study Program –
Page 1 of 2
December 13, 2023
Executive Summary

Key Staff Person:	Financial Aid Specialist	Auditor:	Charlotte Johnson, Director
Introduction	<p>Internal Audit for Southwest Tennessee Community College (STCC) issued a <i>Special Review of Federal Work Study Program</i> report for the period July 1, 2013 through June 30, 2014, on May 13, 2015. The report included one finding regarding Federal Work Study (FWS) students working during class time. A follow-up review by Internal Audit was issued May 30, 2017, for the Academic year 2015-2016. The follow-up disclosed a continued deficiency in the payroll records of the audit sample. Twelve of 40 (30%) student records reviewed reported hours worked during a scheduled class. An additional follow-up report was issued January 3, 2018, for the spring semester of 2017. Ten of 43 (23%) student records reviewed reported hours worked during a scheduled class. The follow-up report issued March 6, 2019, for the 2018 fall semester, reported six of 35 (17%) students worked during a scheduled class time. An additional Follow-up to the Special Review of the Federal Work Study Program was issued on February 27, 2020, for the fall semester of 2019. Three of 30 (10%) student records reviewed reported hours worked during a scheduled class.</p> <p>In addition, the State Comptroller’s audit of fiscal years 2014 and 2015, released June 28, 2017, also found a lack of controls in place at STCC to ensure compliance with the requirements of the FWS program.</p> <p>Southwest Tennessee Community College changed to a virtual environment during the Coronavirus pandemic. Students did not have the opportunity to work on campus. The Coronavirus Aid, Relief and Economic Security (CARES) act allowed colleges and universities the option to transfer leftover Federal Work Study funding to the Federal Supplemental Education Opportunity Grants program. This allowed financial aid offices to award money to students as grants and emergency financial aid. The Federal Work Study Program resumed on campus for the Fall 2022 semester.</p>		
Objective	The objective of the review was to determine whether adequate corrective actions have been taken to address the finding.		
Prior Findings May 13, 2015	Internal controls for monitoring students’ work time must be improved to ensure compliance with Federal Work Study Program regulations.		
Management Response	Management concurs with the finding and recommendation of the audit report rendered by the Department of Internal Audit. The Financial Aid Specialist responsible for the FWS Program will continue to provide training, updates, time sheet monitoring, and notification to FWS supervisors of any infractions or changes in procedures.		

Southwest Tennessee Community College
Additional Follow-up to the Special Review of the Federal Work Study Program –
Page 2 of 2
December 13, 2023
Executive Summary

Current Result	Based on the results of tests and procedures performed, five of 22 (23%) students tested for the 2023 spring semester reported hours worked during a scheduled class. This increased the error rate from 10% to 23%. Management should ensure hiring managers have sufficient training in the management of Federal Work Study students and provide repercussions should hiring managers fail to monitor the students' schedules for appropriate work hours.
Management Response	<p>The Financial Aid Office will continue to provide Federal Work Study training for Hiring Managers. Hiring Managers who fail to monitor students working during class time or working excessive hours will be placed on a probationary period for one semester. A successive violation will result in the loss of hiring Federal Work Study students for one academic year for that Manager.</p> <p>The Financial Aid Office will coordinate with the Payroll Office to allow Hiring Managers 48 hours to review Federal Work Study time entry prior to approval of the student's time sheet.</p> <p>The Financial Aid Office is in consultation with Enterprise Application Services (EAS), UKG, and Ellucian to create an Application Program Interface (API) which would prevent students from entering work time during scheduled class time.</p>

**Tennessee Board of Regents
Audit Committee
March 5, 2024**

***Internal Audit Reports
Investigations***

Tennessee College of Applied Technology - Chattanooga
Investigation 2023-06: Massage Therapy Tips – Page 1 of 2
October 25, 2023
Executive Summary

Auditee	Interim Vice President –Technical College; Dean – TCAT; Director – TCAT Medical Programs	Auditor	Kimberly Clingan, Director Internal Audit
Objective	The objective of this investigation was to determine if the collection of Massage Therapy tips was in accordance with Chattanooga State Community College (ChSCC), Tennessee College of Applied Technology – Chattanooga (TCAT), and Tennessee Board of Regents (TBR) policies and guidelines.		
Scope	This examination was made in accordance with <i>International Standards for the Professional Practice of Internal Auditing</i> , and accordingly included reviews of applicable policies and procedures, inquiries of College employees and other auditing procedures as considered necessary to achieve the objectives. The examination reviewed TCAT Massage Therapy tip processes during fiscal year 2023.		
Questioned Costs	Massage Therapy Tip Revenue		
Results of Investigation	<p>ChSCC Internal Audit received a complaint that Massage Therapy Instructors at the TCAT – Chattanooga were collecting cash tips received by the students as part of the program’s client services activities. Additional concerns were noted about Instructors co-mingling the tip funds with personal funds.</p> <p>Client services are performed under the TCAT Policy 14:04:00 – Live Work and client services fees are processed through TouchNet Marketplace. TouchNet Marketplace only accepts card transactions.</p> <p>Internal Audit’s investigation determined the collection of tips as part of the Massage Therapy Program violated the ChSCC Receipt and Deposit of Funds policy and the Rules of the Tennessee Massage Licensure Board. Additionally, Instructor activities involving the comingling of business and personal transactions created the appearance of a conflict-of-interest policy violation. Six recommendations have been provided to ensure the Massage Therapy Program and its Instructors comply with ChSCC/TBR policies and the Rules of the Tennessee Massage Licensure Board.</p>		

Tennessee College of Applied Technology - Chattanooga
Investigation 2023-06: Massage Therapy Tips – Page 2 of 2
October 25, 2023
Executive Summary

<p style="text-align: center;">Recommendations</p>	<p>Based on investigative procedures performed, Internal Audit recommends:</p> <ul style="list-style-type: none"> • Massage Therapy Instructors should cease the collection of any form of compensation beyond the standard service fee set by the college for Massage Therapy student services to ensure compliance with the policies and rules of ChSCC, TCAT, TBR, and the Tennessee Massage Licensure Board. • TCAT Management and the Massage Therapy Instructors should explore options through the college’s class fee and purchasing processes to ensure instructors are not responsible for collecting or paying any money for the CPR Trainer. • TCAT Management should provide training to all college personnel concerning the receipt and deposit of funds and conflict of interest policies. • TCAT Management should review TBR Guideline A-030: Instructional Projects Exhibit A and consider adopting the stipulation for no direct payment or tipping for services of students or instructors. • If a no tip policy is enacted, Management should consider signage concerning tips and how program donations can be made through the Chattanooga State Community College Foundation. • TCAT Client Service Agreement liability language should be updated to reflect the current TBR Instructional Projects Guideline language or adopt the service agreement example provided within the guideline.
<p style="text-align: center;">Management Response</p>	<p>TCAT Management concurs and will address the recommendations through the following actions:</p> <ul style="list-style-type: none"> • During the TCAT Divisional Meeting held on August 15, 2023, the Massage Therapy instructors as well as other program instructors were informed of cash related policies and that no cash in any form should be collected other than in accordance with these policies. • Policy training was provided at the TCAT Divisional Meeting held on August 15, 2023. These concepts will be reinforced at least semi-annually through future Divisional Meetings. • TCAT Management will explore CPR Training solutions with a resolution to be determined by March 2024 and executed for TCAT programs in Fall 2024. • No tipping signs will be posted in client service areas by January 31, 2024. Signs will explain the reason for no cash as well as no tips. Clients will also receive this message via email prior to coming to class for services. It will also be stated in messages to clients through the scheduling app Fresha. • TCAT Management will explore program donation signage options with the Chattanooga State Community College Foundation and execute any viable option by March 31, 2024. • The TCAT Client Service Agreement liability language will be evaluated as part of the Live Work policy review being performed by a committee headed by the TCAT Dean. Determined revisions to the Client Service Agreements will be completed by March 31, 2024.

Tennessee College of Applied Technology - Chattanooga
Investigation 2023-01 & 23-04: TCAT Cosmetology Hair Show Fees
and Hair Braider Certificate Concerns – Page 1 of 2
November 27, 2023
Executive Summary

Auditee	TCAT - Chattanooga Cosmetology	Auditor	Kimberly Clingan, Director Internal Audit
Objective	The objective of this investigation was to determine the type of fees collected by Cosmetology instructors, the collection methods, and any compliance violations of Chattanooga State Community College (ChSCC), Tennessee College of Applied Technology – Chattanooga (TCAT), and/or Tennessee Board of Regents (TBR) policies and guidelines.		
Scope	The examination was made in accordance with <i>International Standards for the Professional Practice of Internal Auditing</i> , and accordingly included reviews of applicable policies and procedures, inquiries of college employees and other auditing procedures as considered necessary to achieve the objectives. The examination included TCAT fee collection activities for the Birmingham Hair Show and other activities conducted by TCAT instructors.		
Questioned Costs	Birmingham Hair Show and Hair Braider Certificate Fees		
Analysis of Issues	<p>Internal Audit received two complaints concerning the collection of fees by Tennessee College of Applied Technology (TCAT) - Chattanooga Cosmetology instructors. The complaints involved fees for tickets to the Birmingham Hair Show and charging students for instruction relating to a Hair Braider certificate.</p> <p>Fifty-eight Birmingham Hair Show tickets at \$50 each totaling \$2,900 were purchased with the Cosmetology Night Instructor’s personal credit card. The cash collected from the students was deposited into the Cosmetology Night Instructor’s personal bank account and a cash app account. The Cosmetology Night Instructor was given permission by TCAT Management to be the designated contact with the Birmingham Hair Show. However, Management was expecting a representative to sell tickets directly to students as in the past. An instructor collecting cash from students by any method or for any reason violates the ChSCC Receipt and Deposit of Funds policy.</p> <p>The Cosmetology Night Instructor violated college policies while assisting students in the attainment of a Hair Braider Certificate through the use of ChSCC educational materials and other resources for financial benefit, the exploitation of students by charging them for the hair braider certificate activity while a ChSCC student, and by not properly reporting their salon business.</p>		

Tennessee College of Applied Technology - Chattanooga
Investigation 2023-01 & 23-04: TCAT Cosmetology Hair Show Fees
and Hair Braider Certificate Concerns – Page 2 of 2
November 27, 2023
Executive Summary

<p style="text-align: center;">Analysis of Issues</p>	<p>During the course of this review and TCAT Management’s discussions with instructors concerning the collection of fees in the classroom, the Executive Vice President – Technical College became aware of a fee being collected from Licensed Practical Nursing (LPN) students for a class composite photo. Based on the detailed records of the photo fee spreadsheet, Internal Audit suggested that these funds be returned to the students. The TCAT Director of Medical Programs contacted all students and completed the refunds within approximately two weeks. Additional discussions with TCAT Management and Business and Finance have resulted in funding being provided to purchase the class picture from the divisional/departmental budget to align with the process for the college’s traditional credit medical programs.</p> <p>Internal Audit’s investigation substantiated the two complaints surrounding the Birmingham Hair Show fees and the Hair Braider Certificate activities. An additional policy violation in the LPN program was noted during the review of the issues. The review of these activities noted policy violations for Receipt and Deposit of Funds, Conflict of Interest and/or Commitment, and Outside Employment/Consulting.</p>
<p style="text-align: center;">Recommendations</p>	<p>Based on investigative procedures performed, Internal Audit recommends:</p> <ul style="list-style-type: none"> • TCAT Management should provide training to all college personnel concerning the receipt and deposit of funds, the conflict of interest and or/commitment, and the outside employment/consultant policies. • Appropriate disciplinary action for the Cosmetology Night Instructor’s violation of college policies should be considered to ensure that students will not be harmed by unreported or unapproved activities. TCAT Management should consult with the Office of Organizational Culture and Engagement in determining and documenting these actions.
<p style="text-align: center;">Management Response</p>	<p>Management concurs and has addressed the recommendations through the following actions.</p> <ul style="list-style-type: none"> • Policy training was provided at the TCAT Divisional Meeting held on August 15, 2023 and included the policies that were violated. The policy concepts will be reinforced at least semi-annually through future Divisional Meetings. • The TCAT has taken appropriate corrective actions related to the activities of the Cosmetology Night Instructor.

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: March 5, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

Mike Batson will give brief updates for the following items:

- Open Internal Auditor Positions Update
- Management's Risk Assessment Update

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: University Updates

DATE: March 5, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S
RECOMMENDATION: Accept Report

The Chief Audit Executive will provide an update regarding audit activities for locally governed universities covered 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 State University Foundation

— FYE June 30, 2021

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Revisions to Fiscal Year 2024 Audit Plans

DATE: March 5, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Roll-Call Vote

STAFF'S
RECOMMENDATION: Approve

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

A summary of significant revisions to the plans from July 1, 2023 to December 31, 2023 is attached, followed by the revised plan for each of the audit offices.

Revised plans for the following institutions are not included due to vacancies in the Director of Internal Audit position at each institution:

Columbia State Community College
Dyersburg State Community College
Jackson State Community College
Motlow State Community College

System-wide Internal Audit is working with these colleges to cover critical audit areas.

**Tennessee Board of Regents
Summary of Revisions
Fiscal Year 2024 Audit Plans**

Overview of Significant Revisions: Below are revisions to the audit plans created in July 2023, reflecting changes which occurred from July 1, 2023, to December 31, 2023. Changes in audit priorities result in most revisions to audit plans. Investigations and special projects occur and sometimes replace risk-based or other planned audits. However, time budgets may also be increased or decreased depending on circumstances encountered during an audit and the time needed to achieve the audit objectives.

Institution	Significant Revisions to Audit Plans Since July 1, 2023
ChSCC	Added TCAT Auto Service Deficiency Consultation and Comp Time Processes.
NeSCC	Added Job Placement Reporting Consultation. Removed Grant Development and Student Accounts.
STCC	Added FU- Federal Work Study Program Whitehaven and Cashier Office Shortage. Removed FU- State Audit.
TBR-INV	Added INV-TBR-24-01 and INV-TBR-24-02.
TBR-TCAT	Added Risk Assessment and Crossville Cosmetology Investigation.

Chattanooga State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	C	Management Advisory Services	5.0	Jul-23	110.0	80.0	-30.0	-27%	1	50.0	30.0		In Progress
FM	F	State Audit Assist/Follow-up	5.0	Jul-23	60.0	60.0	0.0	0%		5.0	55.0		In Progress
IS	F	Follow up Reviews	5.0	Jul-23	70.0	70.0	0.0	0%		40.0	30.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-23	100.0	50.0	-50.0	-50%	3	0.0	50.0		Scheduled
IS	I	Developing Investigations-Assist TBR	5.0	Jul-23	15.0	15.0	0.0	0%		3.0	12.0		In Progress
IS	I	INV-2023-01	5.0	Sep-22	15.0	15.0	0.0	0%		22.0	-7.0	Nov-23	Completed
IS	I	INV-2023-04	5.0	Dec-22	15.0	15.0	0.0	0%		22.0	-7.0	Nov-23	Completed
IS	I	INV-2023-06	5.0	May-23	30.0	30.0	0.0	0%		34.0	-4.0	Oct-23	Completed
IS	M	Enterprise Risk Assessment -FY2023	5.0	Apr-23	10.0	10.0	0.0	0%		11.0	-1.0	Aug-23	Completed
IS	M	Enterprise Risk Assessment -FY 2024	5.0	Jan-24	35.0	35.0	0.0	0%		2.0	33.0		In Progress
FM	S	YE Procedures FYE 2023	5.0	Jun-23	10.0	10.0	0.0	0%		10.0	0.0	Aug-23	Completed
FM	S	YE Procedures FYE 2024	5.0	Jun-24	15.0	15.0	0.0	0%		0.0	15.0		Scheduled
SS	R	CCTA Element Audit	5.0	Apr-24	100.0	100.0	0.0	0%		0.0	100.0		Scheduled
FM	R	HEERF	5.0	Jun-23	75.0	75.0	0.0	0%		16.0	59.0		In Progress
SS	R	TCAT-Athens Veteran's Benefit Certification	5.0	Feb-23	40.0	40.0	0.0	0%		30.0	10.0		In Progress
AT	S	Basketball Tournament Event Processes	5.0	Jan-23	20.0	20.0	0.0	0%		12.0	8.0	Nov-23	Completed
IT	S	IAR-NACHA-2023	5.0	Oct-23	70.0	70.0	0.0	0%		70.0	0.0	Dec-23	Completed
IA	S	Faculty Credentials	5.0	Feb-24	50.0	50.0	0.0	0%		0.0	50.0		Scheduled
IA	A	TCAT Timeclock Hours Reporting	3.4	Feb-24	100.0	100.0	0.0	0%		0.0	100.0		Scheduled
IT	A	Sensitive Equipment Student Loaner Processes	3.3	Mar-24	90.0	90.0	0.0	0%		0.0	90.0		Scheduled
IA	C	Follow-up to DOT report for CDL Program	3.2	Sep-23	20.0	35.0	15.0	75%	2	25.0	10.0		In Progress
IA	C	TCAT Auto Service Deficiency Consult	5.0	Aug-23	0.0	40.0	40.0	100%	1	40.0	0.0	Sep-23	Completed
IS	S	Comp Time Processes	5.0	Feb-24	0.0	50.0	50.0	100%	3	0.0	50.0		

Total Planned Audit Hours: 1050.0 1075.0 25.0 392.0 683.0

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

FN1 Reduced general consulting hours to add specific consulting project.
FN2 Additional hours added to attend follow-up meetings with the Vice President - TCAT and Examiner.
FN3 Reduced Unscheduled Investigations to add audit request with a high priority.

Cleveland State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	C	Management Advisory Services	5.0	Jul-23	100.0	100.0	0.0	0%		140.0	-40.0		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-23	90.0	90.0	0.0	0%		33.0	57.0		In Progress
FM	R	CARES Act/HEERF	5.0	Jul-23	50.0	50.0	0.0	0%		45.0	5.0		In Progress
IS	F	Follow-up to State Audit finding	5.0	Aug-23	100.0	100.0	0.0	0%		140.0	-40.0	Jan-24	Completed
IS	A	Campus Safety and Physical Security	4.5	Apr-24	40.0	40.0	0.0	0%			40.0		Scheduled
IS	A	Building Security/Key Control	5.0	Apr-24	60.0	60.0	0.0	0%			60.0		Scheduled
FM	R	NACHA 2023 Audit	5.0	Nov-23	90.0	90.0	0.0	0%		100.0	-10.0	Jan-24	Completed
FM	A	Bank Reconciliations	5.0	May-24	200.0	200.0	0.0	0%			200.0		Scheduled
SS	S	VA Audit 2023-24	5.0	Feb-24	90.0	90.0	0.0	0%		2.0	88.0		In Progress
FM	M	Accounts Payable (Disbursements)	4.5	Mar-24	180.0	180.0	0.0	0%			180.0		Scheduled
FM	S	YE Procedures FYE 2024, including cash counts	5.0	Jun-24	15.0	15.0	0.0	0%			15.0		Scheduled
Total Planned Audit Hours:					1015.0	1015.0	0.0			460.0	555.0		

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

Nashville State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	C	Internal Control Awareness	3.0	Oct-23	150.0	150.0	0.0	0%		60.0	90.0		In Progress
IS	R	CCTA	3.4	TBD	150.0	150.0	0.0	0%		0.0	150.0		Scheduled
FM	R	President's Expenses Audit	3.2	Aug-23	150.0	150.0	0.0	0%		150.0	0.0	Oct-23	Completed
IS	C	Consulting Activities	3.0	As Needed	100.0	100.0	0.0	0%		30.0	70.0		In Progress
IS	M	Management Risk Assessment	3.5	Mar-24	100.0	100.0	0.0	0%		0.0	100.0		Scheduled
IT	R	TBR IS Audit	3.7	Mar-24	100.0	100.0	0.0	0%		0.0	100.0		Scheduled
FM	A	Travel Expenses	3.2	Feb-24	150.0	150.0	0.0	0%		0.0	150.0		Scheduled
PP	A	Campus Safety and Security	3.3	Jan-24	150.0	150.0	0.0	0%		0.0	150.0		Scheduled
Total Planned Audit Hours:					1050.0	1050.0	0.0			240.0	810.0		

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

Northeast State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
SS	R	Complete College Tennessee Act Element	5.0	Apr-24	100.0	100.0	0.0	0%		0.0	100.0		Scheduled
IS	S	Apprenticeships Consultation	5.0	Aug-24	100.0	76.5	-23.5	-24%	1	76.5	0.0	Oct-23	Completed
IA	S	Attendance Reporting	5.0	Jul-24	100.0	123.5	23.5	24%	1	107.0	16.5		In Progress
FM	S	HEERF III Student Distributions	5.0	Jul-24	20.0	20.0	0.0	0%		22.5	-2.5	Nov-23	Completed
IA	A	Faculty Credentials	3.6	Oct-24	100.0	100.0	0.0	0%		29.5	70.5		In Progress
IS	A	Grant Development	3.6	Feb-24	90.0	0.0	-90.0	-100%	3	0.0	0.0		Removed
FM	A	Student Accounts	3.4	Dec-24	90.0	0.0	-90.0	-100%	2	0.0	0.0		Removed
IS	C	Job Placement Reporting Consultation	5.0	Oct-24	0.0	150.0	150.0	100%	2	53.5	96.5		In Progress
IS	I	Developing Investigations-Assist TBR	5.0	Jul-24	50.0	80.0	30.0	60%		31.5	48.5		In Progress
IS	I	Unscheduled Investigations	5.0	Jul-24	50.0	50.0	0.0	0%		0.0	50.0		Scheduled
FM	R	State Audit Assistance - Year End	5.0	May-24	30.0	30.0	0.0	0%		0.0	30.0		Scheduled
IS	S	Special Requests and Projects	5.0	Jul-24	100.0	100.0	0.0	0%		74.0	26.0		In Progress
IS	F	Other Audit Follow-Up	5.0	Jul-24	60.0	60.0	0.0	0%		27.5	32.5		In Progress
IS	M	Risk Assessment	5.0	Jul-24	50.0	50.0	0.0	0%		0.0	50.0		Scheduled
IS	C	Management Advisory Services	5.0	Jul-24	100.0	100.0	0.0	0%		71.5	28.5		In Progress
Total Planned Audit Hours:					1040.0	1040.0	0.0			493.5	546.5		

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
 In Progress
 Completed
 Removed

FN1 Remaining hours moved from Apprenticeships Consultation to Attendance Reporting
 FN2 Special request added with hours from removed Grants Development and Student Accounts projects.
 FN3 Removed. Hours divided among Job Placement Reporting Consultation and Developing Investigations-Assist TBR

Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
FM	R	Year End Inventory & Cash Counts	5.0	Jun-24	22.5	22.5	0.0	0%		1.0	21.5		Scheduled
FM	R	Audit Follow Up	5.0	Jul-23	30.0	30.0	0.0	0%		0.0	30.0		Scheduled
IS	R	Funding Formula	5.0	Feb-24	112.5	112.5	0.0	0%		0.0	112.5		Scheduled
IS	M	Risk Assessment	5.0	Nov-23	52.5	52.5	0.0	0%		0.0	52.5		Scheduled
IA	S	Faculty Credentials	5.0	Oct-23	150.0	150.0	0.0	0%		138.5	11.5		In Progress
IA	S	Compliance Assist Review	5.0	Jan-24	37.5	37.5	0.0	0%		10.0	27.5		In Progress
AD	C	Advancement Management Advisory Services	5.0	Jul-23	22.5	22.5	0.0	0%		15.0	7.5		In Progress
FM	C	Finance Management Advisory Services, Consultation	5.0	Jul-23	37.5	45.0	7.5	20%		8.0	29.5		In Progress
FM	R	Cleveland State President's Expense Audit	5.0	Aug-23	150.0	150.0	0.0	0%		146.0	4.0	Oct-23	Completed
IS	C	Institutional Support Management Advisory Services, Consultation	5.0	Jul-23	75.0	75.0	0.0	0%		29.5	45.5		In Progress
IT	C	IT Audit Management Advisory Service - Phishing Campaign & Building Security Review	5.0	Jul-23	150.0	150.0	0.0	0%		24.5	125.5		In Progress
IT	A	PaperCut Vulnerability Assessment	3.9	Mar-24	150.0	150.0	0.0	0%		0.0	150.0		Scheduled
IS	I	Unscheduled Investigations and Special Requests	5.0	Jul-23	37.5	37.5	0.0	0%		0.0	37.5		Scheduled
IT	C	IT Audit Management Advisory Service - PCI & ACH Review	5.0	Jul-23	150.0	150.0	0.0	0%		31.5	118.5		In Progress
IS	I	Investigation - Use of Audio Production Equipment.	5.0	Jun-23	30	30	0.0	0%	FN1	30	0.0	Aug-23	Completed
IT	A	IT PS3 File Share Vulnerability	3.6	Apr-24	150.0	150.0	0.0	0%		0.0	150.0		Scheduled
Total Planned Audit Hours:					1357.5	1365.0	7.5			434.0	923.5		

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
 In Progress
 Completed
 Removed

FN1 - On June , 1 2023 Internal Audit was asked to investigate the Video Production Equipment Inventory.

Southwest Tennessee Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
SS	S	Out of State Tuition		Jun-24	67.5	67.5	0.0	0%		0.0	67.5		Scheduled
FM	S	Review of Driver's License		May-24	35.0	35.0	0.0	0%		0.0	35.0		Scheduled
AT	A	Athletic General Compliance		Jan-24	67.5	45.5	-22.0	-33%		0.0	45.5		Scheduled
FM	A	Cash Count		May-24	36.0	34.0	-2.0	-6%		7.5	26.5		Scheduled
FM	S	Review Internal Controls Cashier Office		Aug-23	50.0	50.0	0.0	0%		16.5	33.5		In Progress
FM	A	Capitalized Equipment-Annual fixed Asset Review		Jul-23	61.0	61.0	0.0	0%		15.0	46.0		In Progress
IS	A	Risk Management		Dec-23	50.0	50.0	0.0	0%		31.0	19.0		In Progress
FM	I	Inv 24-1 Cafeteria Concerns		Jul-23	45.5	45.5	0.0	0%		37.0	8.5		In Progress
FM	R	JSCC President's Expense Audit		Sep-23	190.0	190.0	0.0	0%		108.5	81.5	23-Oct	Completed
IS	F	FU-Campus Safety		Jul-23	60.0	60.0	0.0	0%		0.0	60.0		Scheduled
IA	F	FU-Medical programs with Special Admissions		Sep-23	50.0	50.0	0.0	0%		0.0	50.0		Scheduled
IS	F	FU-Federal Work Study		Oct-23	50.0	79.0	29.0	58%		79.0	0.0	23-Dec	Completed
FM	F	FU-Investigation 20-03 Club Investigation		Nov-23	30.0	53.0	23.0	77%		52.5	0.5	23-Oct	Completed
IT	F	FU-State Audit		Jan-24	30.0	0.0	-30.0	-100%	FN1	0.0	0.0		Removed
IS	F	FU-Internal Audit Follow Up		Jul-23	30.0	10.0	-20.0	-67%		0.0	10.0		In Progress
FM	P	ACM Software		Jul-23	75.0	75.0	0.0	0%		59.5	15.5		In Progress
SS	C	IAR-General Consultant		Jul-23	60.0	60.0	0.0	0%		16.0	44.0		In Progress
FM	I	Unscheduled Investigation		Jul-23	60.0	0.0	-60.0	-100%		0.0	0.0		In Progress
IS	F	FU-Federal Work Study Whitehaven		Oct-23	0.0	62.0	0.0	100%		62.0	0.0		In Progress
FM	S	Cashier Office Shortage		Oct-23	0.0	20.0	0.0	100%		20.5	-0.5		In Progress
Total Planned Audit Hours:					1047.5	1047.5	0.0			505.0	542.5		

Functional Areas:

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

FN1 Removed there were no findings

Audit Types:

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

Status:

Scheduled
 In Progress
 Completed
 Removed

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	R	CCTA Funding Formula	8.3	Mar-24	200.0	200.0	0.0	0%		200.0		Scheduled	
FM	R	State Audit Year-End Work	5.0	May-24	40.0	40.0	0.0	0%		40.0		Scheduled	
IS	F	Follow-Up Activities	5.0	Jul-23	60.0	60.0	0.0	0%		2.0	58.0	In Progress	
IS	C	General Consultation	5.0	Jul-23	100.0	100.0	0.0	0%		52.5	47.5	In Progress	
IS	P	IIA QAIP	5.0	Jul-23	75.0	75.0	0.0	0%		34.5	40.5	In Progress	
IS	M	Management Risk Assessment	5.0	Feb-24	100.0	100.0	0.0	0%		2.0	98.0	In Progress	
IS	I	Unscheduled Investigations	5.0	Jul-23	50.0	50.0	0.0	0%		50.0		Scheduled	
IS	R	HEERF Reporting	5.0	Jul-23	100.0	100.0	0.0	0%		128.5	-28.5	Sep-23 Completed	
FM	A	Payroll	4.6	Oct-23	180.0	180.0	0.0	0%		125.5	54.5	In Progress	
Total Planned Audit Hours:					905.0	905.0	0.0			345.0	560.0		

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
 In Progress
 Completed
 Removed

**Walters State Community College
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024**

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	C	Management Advisory Services/Consulting	5.0	Jul-23	50.0	50.0	0.0	0%			50.0		Scheduled
FM	F	State Audit Assist/Follow-up	5.0	Sep-23	22.5	22.5	0.0	0%			22.5		Scheduled
FM	R	WSCC Enterprise-wide Risk Assessment	5.0	May-24	22.5	22.5	0.0	0%			22.5		Scheduled
IS	M	WSCC IET and Fin Aid Risk Assessments	5.0	May-24	45.0	45.0	0.0	0%			45.0		Scheduled
SS	R	IAR-CCTA-T/B/A	5.0	Jan-24	105.0	105.0	0.0	0%			105.0		Scheduled
FM	S	YE Procedures FYE 2023	5.0	Jul-23	22.5	22.5	0.0	0%		22.5	0.0	Jul-23	Completed
FM	S	YE Procedures FYE 2024	5.0	Jun-24	22.5	22.5	0.0	0%			22.5		Scheduled
IT	S	IAR-NACHA	5.0	Jun-23	95.0	95.0	0.0	0%		95.0	0.0	Aug-23	Completed
IS	S	Unscheduled Investigations	5.0	Jul-23	97.5	97.5	0.0	0%		4.0	93.5		In Progress
FM	C	Business Continuity Planning	5.0	Jul-23	305.0	305.0	0.0	0%		142.0	163.0		In Progress
FM	P	Documentation of Workforce Training Operating Systems	5.0	Jul-23	82.5	82.5	0.0	0%		3.0	79.5		In Progress
FM	R	President's Expenses	5.0	Sep-23	90.0	90.0	0.0	0%		115.0	-25.0	Oct-23	Completed
IA	C	Faculty Workload Reports	4.8	Jul-23	45.0	45.0	0.0	0%			45.0		In Progress
IA	C	Department Chair Compensation Methodology	4.8	Aug-23	45.0	45.0	0.0	0%			45.0		In Progress
Total Planned Audit Hours:					1050.0	1050.0	0.0			381.5	668.5		

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
 In Progress
 Completed
 Removed

Tennessee Board of Regents - System Office
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
SS	R	VA Audit-TCAT-McKenzie		Aug-22	7.5	25.0	17.5	233%		25.0	0.0	Jul-23	Completed
SS	R	VA Audit-TCAT-TCAT TBD		Jan-24	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
IS	R	External Quality Assurance Review		Jul-23	37.5	20.0	-17.5	-47%		20.0	0.0	Jul-23	Completed
FM	S	TN eCampus		Dec-23	150.0	150.0	0.0	0%		0.0	150.0		Scheduled
IS	O	TBR Website Content Review		Sep-22	25.0	25.0	0.0	0%		19.5	5.5		In Progress
FM	S	Review of TCCTE		Jul-23	100.0	0.0	-100.0	-100%	1	0.0	0.0		Removed
IS	R	Unscheduled Audits/Audit Assistance		As needed	100.0	100.0	0.0	0%		0.0	100.0		Scheduled
FM	A	Review of Travel Claims		Feb-24	175.0	350.0	175.0	100%		248.0	102.0		In Progress
IS	C	General Consultation		As needed	350.0	275.0	-75.0	-21%		44.0	231.0		In Progress
Total Planned Audit Hours:					1020.0	1020.0	0.0			356.5	663.5		

Functional Areas:

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

Audit Types:

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

Status:

Scheduled
 In Progress
 Completed
 Removed

FN1 TCCTE Review merged with Review of Travel

**Tennessee Board of Regents - Investigations
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024**

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
IS	C	Consultation with Campus Auditors		Jul-23	125.0	125.0	0.0	0%		3.0	122.0		In Progress
IS	P	Investigation Management		Jul-23	200.0	200.0	0.0	0%		65.0	135.0		In Progress
FM	I	Unscheduled Investigations		Jul-23	400.0	71.0	-329.0	-82%		0.0	71.0		Scheduled
PP	I	INV TBR 21-05		Feb-21	40.0	40.0	0.0	0%		0.0	40.0		Scheduled
FM	I	INV TBR 22-03		Sep-21	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
IA	I	INV TBR 23-02		Aug-22	5.0	3.0	-2.0	-40%		3.0	0.0	Jul-23	Completed
IA	I	INV TBR 23-03		Sep-22	37.5	37.5	0.0	0%		0.0	37.5		Scheduled
AT	I	INV TBR 23-04		Dec-22	75.0	75.0	0.0	0%		0.0	75.0		Scheduled
IS	I	INV TBR 23-06		Jan-23	607.5	607.5	0.0	0%		311.0	296.5		In Progress
FM	I	INV TBR 23-07		Mar-23	300.0	500.0	200.0	67%		295.5	204.5		In Progress
MC	I	INV TBR 23-08		Mar-23	75.0	75.0	0.0	0%		26.0	49.0		In Progress
IA	I	INV TBR 23-09		Mar-23	10.0	16.0	6.0	60%		16.0	0.0	Jul-23	Completed
IT	I	INV TBR 24-01		Jul-23	0.0	50.0	50.0	100%		24.5	25.5		In Progress
IT	I	INV TBR 24-02		Aug-23	0.0	75.0	75.0	100%		27.0	48.0		In Progress
Total Planned Audit Hours:					1950.0	1950.0	0.0			771.0	1179.0		

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

Tennessee Board of Regents - Information Systems
Internal Audit Plan
Fiscal Year Ending June 30, 2024
Revised January 2024

Area	Type	Audit	Risk Factor	Estimated Audit Start Date	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
							Change in Hours	Change in Percentage		Actual Hours	Variance		
IT	R	MSCC Information Security	5.0	Dec-23	150.0	150.0	0.0	0%			150.0		Scheduled
IT	R	WSCC Information Security	5.0	Jan-24	150.0	150.0	0.0	0%			150.0		Scheduled
IT	R	NaSCC Information Security	5.0	Mar-24	150.0	150.0	0.0	0%			150.0		Scheduled
IT	R	DSCC Information Systems	5.0	Jun-24	150.0	150.0	0.0	0%			150.0		Scheduled
IT	R	STCC Information Security	5.0	Apr-23	150.0	150.0	0.0	0%		119.0	31.0	Dec-23	Completed
IT	R	TCAT Information Security	5.0	May-23	150.0	200.0	50.0	33%	1	139.5	60.5	Dec-23	Completed
IT	R	TBR System Office Information Security	5.0	Jun-23	200.0	200.0	0.0	0%	1	273.5	-73.5	Dec-23	Completed

Total Planned Audit Hours:	1100.0	1150.0	50.0	532.0	618.0
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Functional Areas:

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

Audit Types:

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

Status:

Scheduled
In Progress
Completed
Removed

FN1- TBR System Office and TCAT audits combined in one report.

BOARD TRANSMITTAL

MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Charters

DATE: March 5, 2024

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 charter has been revised due to a change in Campus President and is recommended for the committee's approval.



Volunteer State Community College Internal Audit Charter

Introduction

Volunteer 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. Volunteer State Community College (the College) employs an internal auditor in accordance with TBR policy.

Purpose

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the 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 the 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 the 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.

The 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 the College. In the course of its work, internal audit has complete and direct access to all the College personnel, records, physical property, and employee information related to the performance of duties and responsibilities necessary to complete any audit engagement. Internal audit accepts responsibility for the confidentiality and safeguarding of records and information and handles them in the same prudent manner that the 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. The 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.

The System-wide Chief Audit Executive will be provided access to internal audit workpapers or other internal audit files and documentation by the college as needed for review, for continuity of

audit operations, for determination of System-wide best practices, or as otherwise deemed necessary.

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, the College's administration, and the department under audit. In fulfilling their responsibilities, internal audit will:

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans and programs after consultation with the President that respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.
- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.
- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.
- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.


- Review management’s risk assessment process and advise management on the reasonableness and propriety of the assessment.
- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.
- Communicate activities and information among the board, internal auditors, external auditors, and the administration.

Quality Assurance and Improvement

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

Periodic Review of Internal Audit Charter

The Chief Audit Executive will periodically assess this charter 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
 Volunteer State Community College

 October 27, 2023

 Date



 Director of Internal Audit
 Volunteer State Community College

 October 27, 2023

 Date