TENNESSEE BOARD OF REGENTS
Committee on Audit

June 3, 2014
AGENDA

I.   **INFORMATIONAL REPORTING (Tammy Birchett)**
   a. **Review of Comptroller's Office Audit Reports**
   b. **Update of Corrective Actions on Performance Audit Findings**
   c. **Review of Internal Audit Reports**

II. **REVIEW OF REVISIONS TO FISCAL YEAR 2014 INTERNAL AUDIT PLANS (Tammy Birchett)**

III. **REVIEW OF INTERNAL AUDIT PLANS FOR FISCAL YEAR 2015 (Tammy Birchett)**

IV. **DISCUSSION OF COMPLIANCE ACTIVITIES IN SYSTEM INSTITUTIONS (Tammy Birchett)**

V.   **NON-PUBLIC EXECUTIVE SESSION (Tammy Birchett)**

Tennessee Board of Regents
Committee on Audit

DATE: June 3, 2014

AGENDA ITEM: **Review of Comptroller's Office Audit
                                              Reports**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

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 university, community college and the system office. Universities are audited annually and community colleges and the system office are audited every other year. A description of the standards followed by the Comptroller's Office and the types of findings that may be reported follow this transmittal.

The Comptroller's Office also performs performance and other audits of the Tennessee Board of Regents and higher education operations, as needed.

The Committee will review audit reports received during the quarter; a summary of these reports is included.

FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS
        Jackson State Community College
                — FYE June 30, 2012 and June 30, 2011

FINANCIAL AND COMPLIANCE AUDITS – FINDINGS
        Tennessee State University
                — FYE June 30, 2013
        University of Memphis
                — FYE June 30, 2013

STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS

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

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

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

Types of Findings

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

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

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

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

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

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

Tennessee Board of Regents
Audit Committee
June 3, 2014
Review of Comptroller's Office Audit Reports
Financial and Compliance Audits—No Findings Reported

Institution	For the Years Ended	Fairness of Financial Statement Presentation	Report on Internal Control	Report on Compliance	Findings
Jackson State Community College	June 30, 2012 and June 30, 2011	Unqualified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	0

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

Institution	For the Year Ended	Fairness of Financial Statement Presentation	Report on Internal Control	Report on Compliance	Findings
Tennessee State University	June 30, 2013	Unmodified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	3

Finding 1 – As noted in the prior audit, the university did not provide information technology controls over the Banner computer system.

As noted in the prior audit, the university's Communications and Information Technology Office did not design and monitor adequate internal controls for the Banner computer system in two areas; resulting in violations of university policy and/or industry practices. One of these conditions is repeated from the prior audit. The wording of this finding does not identify specific vulnerabilities that could allow exploitation of the university systems.

Management's Comment – Management concurred and stated the Vice President for Administration will ensure the two conditions identified are remedied by June 1, 2014.

Finding 2 – The Bursar's Office did not properly report student status changes to the contracted Perkins loan servicer, resulting in delayed conversions to repayment status for certain students.

The Bursar's office did not properly report status changes to the contracted Perkins loan servicer, resulting in delayed conversions to repayment status for those student borrowers who dropped below half-time enrollment without graduating. Testwork revealed that for 6 of 25 records of student borrowers tested (24%) who dropped below half-time status, management did not notify the loan servicer of the status change for an average of 140 days after it happened, and gave the loan servicer incorrect dates to begin the grace periods of the six borrowers.

Management's Comment – Management concurred and stated a report of students who have Perkins loans who have either withdrawn or have ceased to be enrolled on at least a half-time basis will be reviewed weekly and communicated to the loan servicer within 30 days. Additionally, monthly clearinghouse reports from the loan servicer will be reconciled to Banner and the weekly reports. The loan manager will approve these monthly reviews and the loan servicer will be notified immediately of differences.

Finding 3 – University staff did not always promptly return financial aid refunds caused by unofficial withdrawals.
Refunds owed to the U.S Department of Education were not always promptly returned throughout the fiscal year. Of the thirteen students tested who withdrew and had received Title IV aid, seven withdrew at a point in the semester which would have required a Return of Title IV Funds calculation. Of those seven, four were not performed within the 45 day time frame, ranging from 88 to 267 days late.

Management's Comment – Management concurred and stated a detailed plan has been implemented to ensure compliance with this regulation.

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

Institution	For the Year Ended	Fairness of Financial Statement Presentation	Report on Internal Control	Report on Compliance	Findings
University of Memphis	June 30, 2013	Unmodified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	2

Finding 1 – The university's data security policies should be strengthened.

Information Technology Services did not design and monitor adequate internal controls over access to its Banner computer system. The lack of proper access controls across the university's computing environment increases the risk of unauthorized system activity, including fraud or error. The wording of this finding does not identify specific vulnerabilities that could allow exploitation of the university system.

Management's Comment – Management did not concur that this issue rises to the level of a finding; however they did agree that data security policies could be strengthened in some areas and will consider the recommended changes and implement such changes that are appropriate to strengthen controls over data.

Finding 2 – The university did not report student status change dates correctly, resulting in excessive grace periods for repayment of Perkins loans.

Management did not ensure that proper notification procedures were followed for graduates with Perkins loans. As a result, the graduates received grace periods of more than a year, instead of the proper nine months, before beginning repayment of their Perkins loans. Of the twenty five Perkins loan recipients tested, two were not required to begin repayment for over a year. Testwork was expanded to sixty students, eleven of which did not begin repayment for over a year. All eleven students were law students that graduated in May 2012. This occurred because the Registrar at the law school did not enter spring graduates into Banner timely.

Management's Comment – Management concurred and stated controls have been implemented to ensure that all law student status changes are timely reported to the loan servicer. The law school is now reporting expected graduation dates so that these status changes will be identified earlier.

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

		TBR SWIA -- State Audit Finding Status Summary (Reports sorted by Date of Final Report)				
Institution	Date of Final Report	Finding	Responsible Unit	Follow-up Review Scheduled	Follow-up Review Completed	Status of Finding
UOM FY 2013	3/26/2014	**Finding 1 of 2:** The university's data security policies should be strengthened.	Chief Information Officer	8/1/14		
UOM FY 2013	3/26/2014	**Finding 2 of 2:** The university did not report status change dates correctly resulting in excessive grace periods for repayment of Perkins loans.	Director of Financial Aid	8/1/14		
TSU FY 2013	3/21/2014	**Finding 1 of 3: As noted in the prior audt,** the university did not provide adequate information technology controls over the Banner computer system.	Vice President for Administration	7/1/14		
TSU FY 2013	3/21/2014	**Finding 2 of 3:** The Bursar's Office did not properly report student status changes to the contracted Perkins loan servicer, resulting in delayed conversions to repayment status for certain students.	Information Technology and the Bursar's Office	7/1/14		
TSU FY 2013	3/21/2014	**Finding 3 of 3:** The university did not always promptly return financial aid refunds caused by unofficial withdrawals.	Director of Financial Aid	7/1/14		
APSU FY 2013	1/2/2014	**Finding 1 of 3:** The university needs to improve its system of internal control for the preparation of the financial statements.	Vice President for Business and Finance and Assistant Vice President of Finance	5/1/14	4/22/14	Actions Completed by TBR
APSU FY 2013	1/2/2014	**Finding 2 of 3:** The university did not properly report gifts pledged to its foundation.	Executive Director of University Advancement and Assistant VP of Finance	5/14/14	5/22/14	Actions Completed
APSU FY 2013	1/2/2014	**Finding 3 of 3:** The university did not provide adequate information technology controls over the Banner computer system.	Director of Information Technology	5/14/14	5/22/14	Actions Completed
APSU FY 2012	8/19/2013	**Finding 1 of 3:** The university needs improved preparation and review procedures to prevent errors in its financial statements.	Executive Director of University Advancement, VP of Business and Finance and Assistant VP of Finance	3/27/14	3/25/14	Actions Completed
APSU FY 2012	8/19/2013	**Finding 2 of 3**: The Office of University Advancement did not maintain adequate documentation to support the classification of endowments for the university.	Vice President of Business and Finance and Assistant Vice President of Finance	3/27/14	3/25/14	Actions Completed

Institution	Date of Final Report	TBR SWIA -- State Audit Finding Status Summary (Reports sorted by Date of Final Report)	Responsible Unit	Follow-up Review Scheduled	Follow-up Review Completed	Status of Finding
		Finding				
APSU FY 2012	8/19/2013	**Finding 3 of 3:** The Student Financial Aid Office did not always perform Title IV return-of-funds calculations, did not always properly verify documents, incorrectly awarded Title IV funds, and did not always comply with satisfactory academic progress policies, resulting in federal questioned dollars of $4,486.50.	Director of Student Financial Aid and Veterans Affairs	3/27/14	3/25/14	Actions Completed

Status Legend:

No Progress	- Management has not implemented the actions stated in their response to this finding.
In Progress	- Management has implemented some, but not all, of the the actions stated in their response to this finding.
Actions Completed	- Management has implemented the actions stated in their response to this finding.

Tennessee Board of Regents
Committee on Audit

DATE: June 3, 2014

AGENDA ITEM: **Update of Corrective Actions on**
                                       Performance Audit Findings

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

During 2013, the Comptroller's Office conducted a performance audit of the
Tennessee Board of Regents in accordance with the Tennessee Governmental
Entity Review Law, Section 4-29-111 of *Tennessee Code Annotated*. The report
was issued in January 2014 and included nine findings and related
recommendations for the TBR system. The purpose of the audit was to aid the
Joint Government Operations Committee of the General Assembly in determining
whether the Tennessee Board of Regents should be continued, restructured, or
terminated. The board was scheduled to terminate June 30, 2014; in a hearing on
February 10, 2014, the Committee recommended continuing the TBR system for
four years. Legislation has been enacted to extend the Tennessee Board of Regents
until June 30, 2018.

To ensure satisfactory resolution of the findings, the TBR system office is in the
process of implementing corrective actions. The status of the corrective actions
will be provided and discussed with the Audit Committee.

Tennessee Board of Regents
Committee on Audit

DATE: June 3, 2014

AGENDA ITEM: **Review of Internal Audit Reports**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

The following internal audit reports were completed during the quarter; an executive summary of each report is attached. The first group listed will be reviewed with the committee. The other reports will not be reviewed unless the members have questions or comments about the reports.

Internal Audit Reports for Review with the Committee

ETSU	Curriculum and Instruction Procurement Investigation	Page 2-6
PSCC	Improper Use of FMLA	Page 7
TBR	IT General Controls Review	Page 8-9
TBR	Tennessee Foreign Language Institute (TFLI) – Review of Internal Controls over Business Operations	Page 10

Internal Audit Reports for Informational Purposes

ETSU	NCAA Compliance FY2012	Page 12
ETSU	NACHA Data Security	Page 13
MTSU	Athletics Gifts-In-Kind	Page 14
ChSCC	NACHA Security	Page 15
Dickson	Focused Review of Operations	Page 16
Harriman	Focused Review of Operations	Page 17
Livingston	Focused Review of Operations	Page 18
McMinnville	Focused Review of Operations	Page 19
Murfreesboro	Focused Review of Operations	Page 20
Whiteville	Focused Review of Operations	Page 21

Internal Audit Follow-Up Reports for Informational Purposes

Internal Audit Investigations for Informational Purposes

Status Summary for Previously Issued Internal Audit Reports

Following the executive summaries of internal audit reports is a summary on the status of previously reported Internal Audit findings and observations as of April 30, 2014. Campus auditors will 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.

Tennessee Board of Regents
Audit Committee
June 3, 2014

Internal Audit Reports
To be Reviewed with the Audit Committee

Responsible Department: Curriculum and Instruction	**Auditor:** Martha Stirling and Becky Lewis

Introduction: An investigation of East Tennessee State University's (ETSU) Department of Curriculum and Instruction (CUAI) for the period July 2008 to July 2013 was conducted by the University audit personnel due to the appearance of inappropriate purchases noted during a University-wide procard audit. It appeared that the Executive Aide in CUAI (Executive Aide) made personal purchases using the University procard card. Additional issues were discovered during the course of the review.

Objective: The primary objectives were to investigate the validity of the issues identified during the review, determine the extent of any violations of University or TBR policies and evaluate the adequacy of internal controls over the procurement card/purchasing functions within CUAI.

Total Questioned Cost/Losses: Personal/No Business Purpose - $11,131.57 Sales Tax Paid - $253.69	**Total Recoveries:** Personal/No Business Purpose - $398.24
Total Wasteful Spending: $6,940.32	

Results of the Review:

Issue 1: While performing a University-wide procard audit, several purchases made by the Executive Aide in CUAI appeared personal in nature.

Conclusion 1: The identified issue was verified; the Executive Aide was interviewed and admitted, in a signed affidavit, to $315.70 in personal purchases on the University procard between July 2008 and July 2013.   These purchases included such things as an online dating subscription, song download, DVDs, a Christmas ornament, and an iPhone/iPod armband. In addition, procard charges to Netflix, movie/television streaming service, totaling $17.54 were reimbursed immediately after Internal Audit requested supporting documentation for these charges. The Executive Aide indicated the Netflix charges were personal and were reimbursed prior to the interview with Internal Audit. After being interviewed, the Executive Aide repaid the $315.70 as well as an additional charge totaling $32.84 for an online dating subscription made to the procard in October 2013. In summary, personal charges which the Executive Aide reimbursed totaled $366.08.

Issue 2: During the course of the investigation, additional purchases made by CUAI appeared personal in nature.

Conclusion 2: The identified issue was verified; based on interviews with various faculty, staff, and student workers as well as a review of supporting documentation, personal purchases were made from CUAI's state account and the various items purchased were given to several individuals.

In a signed affidavit, the Secretary in CUAI (Secretary) stated that the Executive Aide purchased items for the Secretary during the 2013 calendar year totaling $723.81. These included such things as a Bose Sound Docking System, Nintendo Wii Game System and accessories, Soul Headset by Ludacris, and a HP Photosmart Printer. Furthermore, the Secretary indicated that ETSU apparel purchased totaling $358.67 at the University Bookstore in June 2013 was for herself or the Executive Aide.

The Chair of CUAI indicated that an iPhone cover had been purchased for her personal cell phone totaling $32.16 including shipping.

Based on a review of supporting documentation and interviews conducted, it was discovered that the Chair authorized the purchase of blankets ($519.60) containing a University logo for faculty and staff members. If CUAI wanted to purchase these types of items, they would need to do so either through a foundation account or through personal funds. In addition, it was discovered that the Chair authorized the purchase of sweater vests with the CUAI logo ($2,548.58) for faculty and staff members to wear when representing the department at student recruiting visits and other professional representations of the department. If CUAI wanted to purchase these items for their employees, they should be purchased through a foundation account rather than a state funded account.

Additional purchases were made by the Executive Aide including textbooks for two graduate assistants and an iPhone case for the Secretary. These amounts were not determinable but should have been purchased with personal funds.

Issue 3: While reviewing CUAI's procard transactions for the period July 2008 to July 2013, charges were identified which did not appear to have a business purpose or appeared wasteful.

Conclusion 3: The identified issue was verified; based on interviews with both the Chair and the Executive Aide as well as a review of supporting documentation, purchases were made using the University procard totaling $7,979.82 which had no apparent business purpose and should have been purchased using personal funds. In addition, there were several purchases totaling $4,391.74 which would appear wasteful by a reasonably prudent person.

Items purchased which had no apparent business purpose and should have been purchased with personal funds included such things as snacks, coffee, gifts, and miscellaneous supplies. In addition, five coffee makers have been purchased within the past five years including three Keurig machines. Traditionally, departments contribute personal funds for appliances and items such as coffee, candy, and gifts. According to *ETSU Financial Procedures*, Purchasing (FP-4), XXXI. Prohibited Transactions, "No personal items shall be purchased through the University or from funds of the University for any employee of the University, or any relative of any employee."

Furthermore, purchases that appeared wasteful included items bought at excessive prices or in excessive quantities as well as purchases made that bypassed University policies.

A more detailed listing of items purchased that appeared personal with no apparent business purpose as well as a listing of purchases which appeared wasteful is located in Appendix A of this audit report.

Issue 4: During the course of the investigation, it was alleged that the Coordinator in the Educational Technology Resource Center (ETRC) received items purchased with state funds as compensation for teaching a course.

Conclusion 4: The issue identified was verified; based on interviews with the Coordinator and the Chair as well as supporting documentation, it appears the Coordinator did receive items purchased through CUAI's state account as compensation for teaching a course. These items totaled $1,151.43 and included a PlayStation3 Video Game Bundle with Controllers, PlayStation Handheld Vita video device and games, and a Kindle Fire with cover.

Issue 5: An inventory of all iPads, iPods, and Kindles indicated that some items might be unaccounted for.
Conclusion 5: The issue identified was verified; there were several iPads, iPods, and Kindles which could not be located during an inventory conducted by Internal Audit.
As of the date of this report, there are ten Kindles, eight iPods, and seven iPads which could not be located. According to the Chair, five faculty members were allowed to keep their Kindles when they retired from the University. These were not included in the ten missing Kindles mentioned above.

Overall Conclusion: Based on the investigation performed, unauthorized personal purchases totaling $2,000.32 were made on the University procard or through eBucs, ETSU's electronic purchasing system. This includes the following:

Personal purchases made by the Executive Aide (Issue 1)	$ 366.08
Personal purchases made for the Secretary (Issue 2)	723.81
ETSU apparel made for Executive Aide & Secretary (Issue 2)	358.67
Personal purchases made for the Chair (Issue 2)	32.16
Blankets purchased for faculty and staff (Issue 2)	519.60
Total	**$ 2,000.32**

This does not include the GAs' textbooks or the Secretary's iPhone case since these amounts were undetermined. As of the audit report date, $398.24 of the $2,000.32 has been recovered.

In addition, a review of procard receipts between July 2008 and July 2013, as discussed in Issue 3 of this report, revealed expenditures which appear to have either no business purpose or wasteful spending totaling $12,371.56. Of this amount, **$7,979.82** appeared to have no business purpose and, therefore, should have been paid using personal funds. The remainder, totaling *$4,391.74,* appeared to be a wasteful use of funds. Although proper procard and eBucs procurement policies were established by Procurement, individual departments should implement controls and procedures to ensure compliance and to prevent violations from occurring. An additional *$2,548.58* of wasteful purchases of sweater vests was made through eBucs (Issue 2).

Furthermore, it appears the items totaling **$1,151.43** were purchased for the Coordinator in lieu of compensation for teaching CUAI during the Spring 2012 semester.

In conclusion, the total purchases made which were personal or had no business purpose equal **$11,131.57** (sum of $2,000.32, $7,979.82 and $1,151.43). This amount will be classified as questioned cost for the purposes of this report. Total amount of recovery as of the date of the audit report was $398.24. The amount classified by Internal Audit as wasteful spending, and not included in questioned cost for the purposes of this report, totaled *$6,940.32* (sum of $4,391.74 and $2,548.58).
In addition to the apparent personal and wasteful purchases, a few were made that bypassed procard policies or procedures. Additionally, unreimbursed sales tax paid totaling $253.69 was identified.
While conducting the inventory of electronic devices, ten Kindles, eight iPods, and seven iPads could not be located. Furthermore, according to the Chair, five faculty members were allowed to keep their Kindles when they retired from the University. These were not included in the ten missing Kindles mentioned above.

Recommendation: The recommendations described below pertain specifically to the department under investigation, Curriculum and Instruction. The university-wide procard audit from which this investigation sprung revealed, in a separate audit report, minimal discrepancies within the procard program.

Curriculum and Instruction should adhere to the University procard and procurement policies in order to ensure purchases are appropriate, properly authorized, and supported by adequate documentation. Monthly procard statements and supporting documentation should be reviewed and approved by the appropriate level of management in CUAI. The supervisors within CUAI should be made aware of their responsibilities for monitoring and approving procard transactions.

Management and all employees within the Department of Curriculum and Instruction should be made aware of the appropriate use of state money. Internal controls and management oversight over the use of state funds needs to be strengthened within the department. State funds should not be used to purchase items considered personal or wasteful by a reasonably prudent person. An employee should not receive items in lieu of compensation for duties performed. All electronic devices and other equipment should be maintained in the department when employees retire, resign, or are terminated. Management over the Department of Curriculum and Instruction should take the appropriate personnel action deemed necessary.

Management's Comments:

The administration for the Clemmer College of Education has carefully reviewed the completed internal audit report on East Tennessee State University's Department of Curriculum and Instruction for the period July 2008 to July 2013. We concur with the recommendations stated in the report. The following actions have or will be implemented to address the recommendations:

- Procards issued to the Executive Aide have been cancelled. A new procard for the department has been issued and all procard transactions for the Department of Curriculum and Instruction are currently being handled by the college's Financial Analyst in adherence to the University procard and procurement policies. Monthly procard statements and supporting documentation will be reviewed and approved by the college's Interim Dean.

- When the procard is returned to the department, supervisors within Curriculum and Instruction will be required to complete procard and procurement training to become aware of their responsibilities for monitoring and approving procard transactions and to become aware of the appropriate use of state funds.

- Complete inventory lists of all equipment and electronic devices will be maintained within the department. All electronic devices and/or equipment issued to faculty and staff will be returned to the department upon the employee's retirement, resignation, or termination.

5

The following actions have or will be implemented in reference to personnel in the Department of Curriculum and Instruction:

- The Executive Aide reimbursed the university for personal charges in the amount of $366.08.

- The Executive Aide was terminated November 21, 2013.

- The Department Chair reimbursed the university for personal charges in the amount of $32.16.

- The audit report indicates that the Department Chair inadequately and/or inappropriately engaged in the management of procard and procurement transactions and the management and use of state funds; thus, the Department Chair will be removed from her administrative position as department chair effective May 31, 2014. The Chair's twelve-month contract will be converted to a nine-month faculty contract effective August 1, 2014 with a start date of August 15, 2014. In keeping with the ETSU policy – *Provision for Retaining of Stipend when Relinquishing Position of Academic Chair*, the Chair will retain eighty percent (80%) of her chair's stipend.

The completed audit report on East Tennessee State University's Department of Curriculum and Instruction for the period July 2008 to July 2013 concluded *additional purchases made by CUAI appeared personal in nature*. The Educational Technology Resource Center Coordinator (Coordinator) and the Secretary for the Department of Curriculum and Instruction (Secretary) were identified as recipients of these personal items; however, both the college and university administration did not find either to be culpable in obtaining the items identified as personal in nature. The items received by the Coordinator appear to have been a unique, yet inappropriate form of compensation to her for co-teaching a course in the Department of Curriculum and Instruction.

Therefore, no punitive action will be administered; however, she will be required to complete procard and procurement training to become aware of the policies and procedures for purchasing and use of state funds. This training must be completed by April 30, 2014. The items received by the Secretary appear to have been gifts to her purchased by the former departmental Executive Aide.

There is no evidence that the Secretary requested the items, or that she was complicit in their acquisition. Therefore, no punitive action will be administered; however, she is required to return all items by March 31, 2014. Additionally, she is required to complete procard and procurement training to become aware of the policies and procedures for purchasing and use of state funds. This training must be completed by April 30, 2014.

Pellissippi State Community College
Special Review of Allegation Related to Family Medical Leave
Executive Summary

Auditor: Suzanne L. Walker	**Title:** Director of Internal Audit

Background: On February 27, 2014, the Department of Internal Audit received an allegation that a nursing department employee was on paid sick leave under the Family Medical Leave Act (FMLA), but at the same time was working as a faculty member at a private college in North Carolina. The informant did not provide the name of the college.

Objectives: To determine if applicable policies and procedures were followed; to determine if the employee was working outside the College while on FMLA-based sick leave; and to determine if there are any weaknesses in internal controls over extended sick leave or FMLA leave.

Total Questioned Costs/Losses: $ 9,116.49	**Total Recoveries: None**

Audit Conclusions: The investigation determined that the nursing department employee was working at the Methodist University in Fayetteville, NC. The employee was listed as a full-time faculty member on the Methodist University website and also was listed as the instructor of record for a 5-hour nursing class on Wednesday, with clinicals also being a part of this class.

It appears that he began working at the university during spring semester 2014. The Human Resource Office at Methodist University confirmed that he was a full-time employee to the Pellissippi State Human Resource Office.

He submitted a request for eight weeks of sick leave under the FMLA on January 27, 2014. The U.S. Department of Labor *Certification of Health Care Provider* form submitted by the nursing department employee stated that the nursing department employee was "… unable to perform all of his job duties due to the medical condition. Additionally, the employee will be incapacitated for single continuous time because of his medical condition with estimated incapacity being from January 16, 2014 – March 21, 2014." The employee was paid for 32.5 hours of sick leave in January and 135 of sick leave in February. He resigned on February 28, 2014.

Contact: Chief Information Officer, TBR	Auditor: IT Auditor, System-wide Internal Audit

INTRODUCTION

A comprehensive information technology General Controls Review was performed at the TBR System Office. The TBR Office of Information Technology (IT), supplemented by 5 Ellucian employees who maintain the Banner system and other key associated application systems, serve the universities and community colleges by providing common technical services and computing solutions. Processing for Banner and the other key application systems has been outsourced to the State of Tennessee, Office of Information Resources (OIR). The system office email system was recently migrated to "cloud" processing.

TBR has an IT Sub-Council made up of institutional chief information officers (CIO) or senior technical officers, as applicable for each university and community college and representatives from other key functional areas.

OBJECTIVES

To determine the effectiveness and efficiency of IT functions and processes on operations; test the reliability and integrity of data and IT controls; and ensure compliance with applicable policies, procedures, laws, and regulations and to ensure adequate controls are in place to mitigate risks to acceptable levels.

SCOPE

The audit focused on the functional areas within the TBR IT System Office. Nineteen of the 21 IT functional areas were evaluated. The remaining two functional areas (1), Business Continuity and Logical Access Security Practices, will be audited in separate audits scheduled later.

Information Technology

Administration	Operations	Security
Policies, Procedures, Standards	Data Integrity/User Insight	Network Administration
Governance	*Hardware Management*	*Logical Access Security (1)*
Organizational Structure	Software Management	Security Awareness Program
Strategic Planning	*Change Management*	*Physical Security of IT Assets*
Risk Assessment	Data and System Back-ups	Logging and Monitoring
Vendor Management	*Business Continuity (1)*	*Incident Response*
Regulatory Compliance		
Addressing Prior Audit Issues		

RESULTS OF THE REVIEW

The review resulted in 16 recommendations to strengthen controls and improve compliance with industry best practices and regulations and to reduce risk to acceptable levels.

Information Technology Administration
1. For system-wide use, develop a comprehensive Board policy regarding an information security program that defines both business and security processes, including the designation of an Information Security Officer and development of a security awareness and training program.
2. Develop a change management procedure, for use by the system office, which identifies how management maintains and documents the maintenance of hardware, software and the network through patching, anti-virus, help desk and general maintenance functions.
3. Establish and coordinate a process at the system office where IT policies are reviewed, updated and approved periodically.
4. Ensure system office personnel sign an acknowledgement of the TBR policy, *Information Technology Resources,* regarding acceptable usage and a new Information Security Policy when policies are updated.

Information Technology Administration (continued)

5. Evaluate and reconsider the existing governance structure for IT and the IT Sub-Council to ensure that it meets the expectations of the Board, campuses and management.
6. Improve and expand the existing vendor management process at the system office to all key IT vendors with access to sensitive TBR information.
7. Implement an Incident Response Procedure at the TBR system office so that unauthorized access attempts or any information breaches are documented and handled according to requirements.

Information Technology Operations

8. Distribute instructions to key system office staff regarding establishing, modifying and deleting access privileges for users and consider additional training on system applications.
9. Implement encryption software on the TBR system office hard drives of assigned laptops.
10. Consider implementing at the TBR system office, a mobile device service agreement for users assigned a mobile device and with access to personally identifiable information.
11. Improve procedures and documentation of software licenses at the system office to document compliance with license agreements.
12. Document file restoration activities at the TBR system office to demonstrate the success of data recovery from backed up media.

Information Technology Security

13. Eliminate administrative access for TBR system office users' assigned workstations to prevent users from turning off key control features on the devices.
14. Consider periodic network penetration testing and vulnerability scans to identify possible areas for configuration adjustment and to reduce unauthorized network intrusions and exploitation of vulnerabilities.
15. Maintain the documentation regarding network maintenance activities, reports on anti-virus definition deployment, and intrusion detection reports from NetTN.
16. Reassess and document the process for logging and monitoring system utilization data and alerts.

MANAGEMENT'S COMMENTS

Management provided positive responses to the recommendations and indicated appropriate actions would be taken to evaluate the governance structure of information technology within the TBR system, implement and maintain needed policies and procedures, improve procedures and documentation of procedures performed, develop and provide training opportunities as needed for system applications and security and consider testing for network vulnerabilities.

Restriction on Use of Report *– This report is intended solely for the internal use of the Tennessee Board of Regents and its management. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by the Office of System-wide Internal Audit.*

Tennessee Foreign Language Institute
Review of Internal Controls over Business Operations
Executive Summary
April 2014

Contact: TFLI Executive Director	**Auditor:** Assistant Director of TBR System-wide Internal Audit

Background	The Tennessee Foreign Language Institute (TFLI) is an agency of the State of Tennessee and, by state statute, is administratively attached to the Tennessee Board of Regents (TBR). The TFLI Fund Inc. is a 501(c)(3) non-profit created to support the programs of the TFLI. The two entities have common interests but are separate legal entities and have separate boards of directors. In early 2013, TBR management was made aware the TFLI was experiencing significant financial challenges. The Chairman of the TFLI Board and the TBR Vice Chancellor for Business and Finance requested that the TBR Office of System-wide Internal Audit (SWIA) perform a review and provide specific recommendations to improve TFLI business operations.
Scope and Objectives of Review	This review was conducted in two phases (February 2013 to May 2013 and November 2013 to December 2013.) It included reviewing the internal control procedures for the areas of governance, general business operations, cash and cash receipting, accounts payable, disbursements, grants, and contracts.

Results of the Review	This report contains 17 separate recommendations to improve the internal controls over TFLI business operations, summarized into five key areas.
	
	Governance
	   1. Update the administrative services agreement with TBR.
	   2. Request an Attorney General's opinion on the employment status of TFLI employees.
	   3. Take steps to comply with the Financial Integrity Act.
	   4. Establish a detailed budgeting and financial reporting process.
	   5. Update the TFLI business procedures manual.
	
	General Business Operations
	   6. Educate employees as to the rules and laws governing surplus property.
	   7. Consider adding a Senior Accountant position.
	   8. Define, approve and monitor tuition discounts.
	   9. Develop a disaster recovery and business resumption plan.
	   10. Document employee requests for leave consistently.
	
	Revenue and Cash Handling Procedures
	   11. Safeguard cash and revenue.
	   12. Segregate cash handling duties and recordkeeping duties.
	   13. Reconcile daily receipts to the enrollment management system.
	   14. Improve the classification of TFLI data in the accounting system.
	   15. Deposit revenue timely.
	
	Disbursements
	   16. Document and approve purchases in advance.
	
	Grants and Contracts
	   17. Ensure a bright line between the TFLI and the TFLI Fund Inc. is maintained.
	
	Management concurred with each recommendation and indicated they are in the process of implementing each item. Because of the administrative attachment of TFLI to TBR, TBR management also provided responses to some of the recommendations. A follow-up review will be performed during fiscal year 2015.

Tennessee Board of Regents
Audit Committee
June 3, 2014

Internal Audit Reports
For Informational Purposes

East Tennessee State University
NCAA Compliance – Academic Eligibility
July 1, 2011 – June 30, 2012
Executive Summary

Key Staff Person: Dr. Richard Sander	**Auditor:** Martha Stirling

Introduction:
An audit of East Tennessee State University's (ETSU) NCAA Compliance of Student-Athlete Academic Eligibility was conducted by Internal Audit personnel according to the Annual Audit Plan. ETSU is a member of the National Collegiate Athletic Association (NCAA), Division I, and the Atlantic Sun Conference.

Objectives:
1. To determine the adequacy and effectiveness of internal controls over the academic eligibility of student-athletes.
2. To determine whether the Intercollegiate Athletics Department has policies and procedures in place to determine and monitor student-athlete eligibility based on NCAA and ETSU academic and general regulations.
3. To recommend appropriate actions to correct deficiencies or improve operations.

Total Questioned Costs or Losses: None	**Total Recoveries:** Not Applicable

Findings:
There were no findings from this audit.

Audit Conclusion:
Based on the testing performed it appears that all departments responsible for academic eligibility of student-athletes are complying with the Bylaws and Guidelines contained in the *2011-2012 NCAA Division I Manual*, as well as the *ETSU Financial Procedures Manual* and policies and guidelines set forth by the Tennessee Board of Regents. The objectives of the audit were met.

East Tennessee State University
NACHA Web Transactions Data Security Audit
For the Period from March 3, 2014 to May 5, 2014
Executive Summary

<table>
<tr><td>Title of Key Staff Person: OIT Associate Vice President/CIO</td><td>Auditor: Richard Scheuch, CISSP</td></tr>
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Background:

The National Automated Clearing House Association (NACHA) sets forth recommended methods to address unique risk issues inherent to the Internet payment environment through requirements for added security. An audit is required to be conducted at least once a year to ensure protection by security practices including adequate levels of: 1) physical security to protect against theft, tampering, or damage, 2) personnel and access controls to protect against unauthorized access and use, and 3) network security have been implemented. This audit is pursuant to fulfilling those requirements.

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Objectives:

1. To determine that adequate levels of data security comply with the *NACHA Operating Rules for WEB Entries* for ACH operations.
2. To ensure financial information is protected by commercially reasonable and sound business security practices and procedures.

</td></tr>
<tr><td>Total Questioned Costs/Losses: None</td><td>Total Recoveries: N/A</td></tr>
<tr><td colspan="2">

Findings:

There were no findings in this audit.

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Audit Conclusions:

ETSU appears to be in compliance with the *NACHA Operating Rules for WEB Entries*.

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Middle Tennessee State University
Review of Athletic Gifts in Kind
For the Period July 1, 2012 through June 30, 2013
Executive Summary

Introduction:
A review of the Middle Tennessee State University (MTSU) Athletic Gifts in Kind for the period July 1, 2012 through June 30, 2013 was requested by the Tennessee Board of Regents Audit Committee.

Objectives:
To determine whether the gift in kind process is properly established; to determine whether all gift in kind transactions are processed in accordance with the policy; to determine whether non-cash donations are approved according to policy or contract; to determine if a monitoring process exists for all non-cash donations that documents receipt and use of the goods or services; and to make recommendations for correcting deficiencies or improving operations.

Estimated Loss: N/A   **Total Recoveries:** N/A

Results of the Review:
Finding 1: Improved Compliance is Needed with the Sports Marketing Contract

MTSU has a license agreement with a sports marketing firm granting the firm "*the right to exploit marketing, sponsorship, merchandising, and similar opportunities*" with respect to the sports properties of the MTSU athletic department. The agreement defines the relationship and dictates the calculation and distribution of net profit. It also allows for the solicitation and acceptance of in-kind or trade revenue. Improved monitoring is needed to ensure compliance with the terms of the contract including the following: approval of trade revenue in writing by the Associate Athletic Director; net profit and distribution of royalties calculated according to the contract; trade revenue personally benefiting MTSU or sports marketing firm employees not accepted; and expenses paid for items directly related to the performance of the license agreement not for purchases requested by MTSU that circumvented MTSU purchasing policies.

Management is currently monitoring the sports marketing contract and has strengthened controls and procedures related to the contract.

Finding 2: Monitoring of Trade Revenue Should be Improved

Trade revenue of $609,653 was obtained from 47 sponsor agreements with the sports marketing firm for the 2012-2013 fiscal year. The business use of all trade revenue was not confirmed because the monitoring process did not account for all types of trade revenue received. A process was in place for requesting and approving the use of hotel rooms and food trade. Trade revenue that needs additional monitoring includes but is not limited to apartments, medical supplies, printing, T-shirts, and cell phone service discounts. A process should be developed to ensure all trade revenue is received and the use is properly monitored, documented, and reported. Items of value such as gift cards or parking passes should be properly safeguarded and controlled with usage documented.

Management has consolidated the monitoring of the trade revenue to a central area. The Trade Authorization form was revised to document all trade and the form and written procedures were distributed to appropriate staff. Procedures for safeguarding and documenting the use of gift cards, certificates or passes were also revised.

Key Staff Personnel	Greg Jackson, AVP ITS; Jackie Stephenson, Director Systems Development & Operations; Lisa Hancock, Bursar and Brandye Polisky, Information Processing Specialist – Bursar Office.	**Internal Auditor**	W. Jude Weidner Audit Specialist

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

Objectives	To determine Chattanooga State Community College's (ChSCC) compliance with *NACHA Operating Rules & Guidelines* for WEB entries related to: • Authorization requirements • Risk management requirements • (PCI) Payment Card Industry (DSS) Data Security Standards requirements		
Conclusion	ChSCC is in compliance with the authorization, formatting and risk management requirements of the *NACHA Operating Rules & Guidelines*. However, Internal Audit suggests two recommendations to ensure continued compliance with the *NACHA Operating Rules & Guidelines.*		
Recommendations	Based on the performed audit procedures, Internal Audit recommends: • Information Technology Services should be vigilant in their effort to complete the off-site Disaster Recovery test as scheduled for August 2014. • ITS policy drafts 08:21:00 – Information Technology Services IT Service Desk Support and 08:25:00 – Information Technology Projects should be finalized and approved.		
Management Response	Management concurs with Internal Audit's recommendations and will complete the recommendations by September 30, 2014.		

Tennessee College of Applied Technology at Dickson
Focused Operational Review
Executive Summary

College Director: Mr. Mark Powers	Internal Auditor: Helen Vose, CIA, CFE
Report Date: May 8, 2014	Audit Period: Fiscal Year Ending June 30, 2013

Purpose and Scope:	To assess the adequacy of management's system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:
	
	• Cash Receipts
	• Cash Deposits
	• Livework Projects
	• Accounts Receivable
	
	• Federal Financial Aid
	  − Title IV Eligibility
	  − Title IV Refunds
	  − Student Award Process
	• Pell reconciliation to FISAP
	• Lottery reconciliation to TSAC

Prior Audit Results:	The operational audit released June 14, 2012, included three observations. The first observation reported that letters notifying students a debt was owed to the school were not sent within 30 days of incurring the debt. The second observation reported that the signage for the Comptrollers office hotline was not displayed. The third observation noted that the TCAT had not established a conflict of interest committee. The letters notifying students of debt are scheduled and sent out immediately, the Comptrollers office hotline signage is properly displayed in several areas and the conflict of interest committee was established immediately after the last audit visit.
Current Audit Results:	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management's systems of internal controls appear generally adequate except as noted in the observation below. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted. However, one opportunity for improvement was noted.

Audit Results

1. Accounts Receivable

    Four of 6 (67%) receivable items tested were not in compliance with the TBR Guideline B-010 in which the delinquent letters should be dispersed at 30 day intervals.

    TBR Guideline B-010, *Collection of Accounts Receivable*, section II.C. states, "A minimum of three billings or letters of contact shall be sent by the institution at thirty day intervals once an account becomes delinquent."

    Corrective Action: Management proactively hired additional staff to help with the increase in business office duties.

Other Comments

1. Cash Receipts and Deposits

    Cash receipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the general ledger, reviewed by management and deposits were made timely, within TBR Policy 4:01:01:10.

2. Livework

    Livework forms were properly logged, approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable

    Students who owe monies to the college were not always notified in the required time period. See observation above. If necessary, more than one collection letter was sent. The accounts receivable account maintained by the college is reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation is reviewed and the review is documented periodically if not monthly by management.

4. Financial Aid - Federal Title IV and Lottery

    Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The process to award and notify the student of financial aid eligibility and award was adequate. The fiscal year 2013 Federal Fiscal Operations Report and Application to Participate (FISAP) was reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

Tennessee College of Applied Technology at Harriman
Focused Operational Review
Executive Summary

College Director: Ms. Danice Turpin	Internal Auditor: Helen Vose, CIA, CFE
Report Date: April 15, 2014	Audit Period: Fiscal Year Ending June 30, 2013

Purpose and Scope:	To assess the adequacy of management's system of internal controls for specific areas identified as higher risk during the past operational reviews of all College of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:
	
	• Cash Receipts • Federal Financial Aid
	• Cash Deposits − Title IV Eligibility
	• Livework Projects − Title IV Refunds
	• Accounts Receivable − Student Award Process
	    • Pell reconciliation to FISAP
	    • Lottery reconciliation to TSAC

Prior Audit Results:	**Best Practice:** The TCAT Harriman had a best practice for requiring non-students and visitors to sign-in and obtain a name badge prior to proceeding on campus.
Current Audit Results:	Based on observations, discussions with management, and the testwork performed in several areas listed above for the period covered, management's systems of internal controls appear generally adequate. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted. However, two opportunities for improvement were noted.

Observation

1. Accounts Receivable

    Four of 5 (80%) receivable items tested were not in compliance with the TBR Guideline B-010 in which the delinquent letter should indicate that the account will be referred to a collection agency if payment is not made within a specified date for amounts over $100. Also, the subsequent letters maintained the original date, which should be modified to reflect the actual timing of the second and third letter notifications to students.

    TBR Guideline B-010, 2.C. states, "A minimum of three billings or letters of contact shall be sent by the institution at thirty day intervals once an account becomes delinquent. For debts greater than $100, the third letter should indicate that the account will be referred to a collection agency if payment is not made within a specified date. An account becomes delinquent based on the payment criteria established by the institution for the type of debt involved."

    Corrective Action: Management has revised the collection letter to include the notification that accounts with balances over $100 would be sent to a collection agency within a reasonable time if arrangements were not made for repayment of the debt. Also, the second and third notification letters will be stamped with the date the letter is sent and copies retained as evidence of collection attempts.

2. Accounts Receivable

    Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.

    Corrective Action: The Director will sign and date the accounts receivable reconciliation to document their review.

Audit Results

1. Cash Receipts and Deposits

    Cash receipts traced to the deposits and were properly recorded.   Bank statements were promptly reconciled with the checkbook or general ledger and deposits were made timely, within TBR Policy 4:01:01:10.

2. Livework

    Livework forms were properly logged, approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable

    Students who owe monies to the college were notified in the required time period, but subsequent letters could not be determined. The accounts receivable account maintained by the college was reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation is reviewed but the review is not documented by management.

4. Financial Aid - Federal Title IV and Lottery

    Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The process to award and notify the student of financial aid eligibility and award was adequate. The fiscal year 2012 Pell disbursements were reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

Tennessee College of Applied Technology at Livingston
Focused Operational Review
Executive Summary

College Director: Dr. Myra West	Internal Auditor: Helen Vose, CIA, CFE
Report Date: April 14, 2014	Audit Period: Fiscal Year Ending June 30, 2013

Purpose and Scope:	To assess the adequacy of management's system of internal controls for specific areas identified as higher risk during the past operational reviews of all College of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas: • Cash Receipts • Cash Deposits • Livework Projects • Accounts Receivable • Federal Financial Aid − Title IV Eligibility − Title IV Refunds − Student Award Process • Pell reconciliation to FISAP • Lottery reconciliation to TSAC
Prior Audit Results:	The TCAT Livingston had three observations during the operational audit released May 20, 2010. The first observation noted the lack of segregation of duties for logging checks and deposit preparation. The second observation noted that check numbers were not noted on the receipt. The third observation noted that letters notifying students a debt was owed to the school were not dispersed within 30 days of incurring the debt. The duty for preparing the deposit was reassigned and other duties are sufficiently segregated. Also, check numbers are now noted on the receipts and the last day of each month has been set aside to send out the debt notification letters.
Current Audit Results:	Based on observations, discussions with management, and the testwork performed in several areas listed above for the period covered, management's systems of internal controls appear generally adequate except as noted in the finding below. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, or significant deficiency in operations except as noted in the finding below.

Finding

1. <u>Accounts Receivable</u> – Defaulted student accounts should be referred to a collection agency. TCAT Livingston has not submitted defaulted student accounts to a collection agency in several years, resulting in a balance at June 30, 2013 of $58,436.38.

   According to management, TCAT Livingston has not submitted defaulted student accounts to a collection agency in several years. To assist with the evaluation of accounts receivable appropriate for write-off, management should also age the accounts receivables at least once each year. Maintaining an electronic subsidiary ledger will allow management to readily track the status of accounts and produce an aging schedule.   At June 30, 2013, the majority of the receivable was more than a year old, with accounts ranging from one to eight years old.

   TBR Guideline B-010, II.D. *Collection of Accounts Receivable*, instructs institutions to refer "receivables of $100 or more to a collection agency if the institutions collections are unsuccessful". Additionally, for defaulted accounts, "the accounts should be submitted to the [collection] agency within a reasonable time after the final collection letter is sent…" The guideline also requires the aging of accounts receivable at least annually.

   Corrective Action: Management will utilize the collection agencies to pursue further collection efforts, establish an electronic subsidiary ledger, and age accounts annually.

Other Comments

1. <u>Cash Receipts and Deposits</u>
   Cash receipts traced to the deposits and were properly recorded.   Bank statements were promptly reconciled with the checkbook or general ledger and deposits were made timely, within TBR Policy 4:01:01:10.

2. <u>Livework</u>
   Livework forms were properly logged, approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. <u>Accounts Receivable</u>
   Students who owe monies to the college were notified in the required time period and, if necessary, more than one collection letter was sent. The accounts receivable account was reconciled to the lead institution monthly. The accounts receivable reconciliation was reviewed and the review documented each month by management. However, see finding in this report regarding utilizing the collection agency.

4. <u>Financial Aid</u> - Federal Title IV and Lottery
   Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The process to award and notify the student of financial aid eligibility and award was adequate. The fiscal year 2013 Federal Fiscal Operations Report and Application to Participate (FISAP) was reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

Tennessee College of Applied Technology at McMinnville
Focused Operational Review
Executive Summary

College Director: Dr. Warren Laux	Internal Auditor: Helen Vose, CIA, CFE
Report Date: May 19, 2014	Audit Period: Fiscal Year Ending June 30, 2013

Purpose and Scope:	To assess the adequacy of management's system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:
	
	• Cash Receipts
	• Cash Deposits
	• Livework Projects
	• Accounts Receivable
	• Pell reconciliation to FISAP
	
	• Federal Financial Aid
	  − Title IV Eligibility
	  − Title IV Refunds
	  − Student Award Process
	• Lottery reconciliation to TSAC

Prior Audit Results:	The TCAT McMinnville had two observations during the operational audit released April 15, 2011. The first observation noted that 3 servers were fully funded with TAF funds when only 50% is allowed. The second observation noted that the Fraud, Waste and Abuse pamphlet was not covered during orientation or included in the student handbook. Management transferred funds to reimburse the TAF account for the 50% used for the server purchase. Also, the Fraud, Waste and Abuse pamphlet was added to the new employee orientation checklist and included in the student handbook.
Current Audit Results:	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management's systems of internal controls appear generally adequate. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted. However, one opportunity for improvement was noted.

Observation

1. Accounts Receivable – Management should document the review of the student accounts receivable reconciliation.
    Management should review the reconciliation and supporting information to ensure its accuracy and completeness. The reconciliation should be signed and dated to document the review.
    Corrective Action: Management has started documenting the accounts receivable review by initialing and dating the reconciliation.

Other Comments

1. Cash Receipts and Deposits
    Cash receipts traced to the deposits and were properly recorded.   Bank statements were promptly reconciled with the general ledger and deposits were made timely, within TBR Policy 4:01:01:10.
2. Livework
    Livework forms were properly logged, approved by the instructor, signed and dated; related receipts traced to the bank deposit.
3. Accounts Receivable
    Students who owe monies to the college were notified, in most cases tested, in the required time period and, if necessary, more than one collection letter was sent. The accounts receivable account maintained by the college was reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation was reviewed, but see the observation above, regarding documenting the review.
4. Financial Aid - Federal Title IV and Lottery
    Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The processes to award and notify students of financial aid eligibility and awards were adequate. The fiscal year 2013 Federal Fiscal Operations Report and Application to Participate (FISAP) was reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

Tennessee College of Applied Technology at Murfreesboro
Focused Operational Review
Executive Summary

College Director: Dr. Lynn Kreider	Internal Auditor: Helen Vose, CIA, CFE
Report Date: May 19, 2014	Audit Period: Fiscal Year Ending June 30, 2013
Purpose and Scope:	To assess the adequacy of management's system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas: • Cash Receipts • Federal Financial Aid • Cash Deposits − Title IV Eligibility • Livework Projects − Title IV Refunds • Accounts Receivable − Student Award Process • Pell reconciliation to FISAP • Lottery reconciliation to TSAC
Prior Audit Results:	The operational audit released August 21, 2012, included two observations. The first observation noted letters notifying students a debt was owed to the school were not sent within 30 days of incurring the debt. The second observation reported that the supporting documentation for purchases did not include Banner account coding. The letters notifying students of debt are scheduled and consistently sent out each month. The banner account coding is placed on all purchase requisitions.
Current Audit Results:	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management's systems of internal controls appear generally adequate. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted.

Audit Results

1. Cash Receipts and Deposits
   Cash receipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the general ledger, reviewed by management and deposits were made timely, within TBR Policy 4:01:01:10.

2. Livework
   Livework forms were properly logged, approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable
   Students who owe monies to the college were notified in the required time period and, if necessary, more than one collection letter was sent. The accounts receivable account maintained by the college was reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation was reviewed and the review documented each month by management.

4. Financial Aid - Federal Title IV and Lottery
   Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The process to award and notify the student of financial aid eligibility and award was adequate. The fiscal year 2013 Federal Fiscal Operations Report and Application to Participate (FISAP) was reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

Tennessee College of Applied Technology at Whiteville
Focused Operational Review
Executive Summary

College Director: Ms. Carolyn Beverly	Internal Auditor: Helen Vose, CIA, CFE
Report Date: April 21, 2014	Audit Period: Fiscal Year Ending June 30, 2013

Purpose and Scope:	To assess the adequacy of management's system of internal controls for specific areas identified as higher risk during the past operational reviews of all Colleges of Applied Technology. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:
	
	• Cash Receipts
	• Cash Deposits
	• Livework Projects
	• Accounts Receivable
	
	• Federal Financial Aid
	  − Title IV Eligibility
	  − Title IV Refunds
	  − Student Award Process
	• Pell reconciliation to FISAP
	• Lottery reconciliation to TSAC

Prior Audit Results:	The TCAT Whiteville had one observation during the operational audit released January 3, 2013. The individual preparing the petty cash checks was also the statement reconciler and a signatory on the account. An alternate signer was designated when the signatory must also prepare the checks.
Current Audit Results:	Based on observations, discussions with management, and the testwork performed in the areas listed above for the period covered, management's systems of internal controls appear generally adequate. Management monitors key controls on a regular basis. The audit revealed no significant issues of noncompliance with TBR or institutional policies, nor was any significant deficiency in operations noted. However, one opportunity for improvement was noted.

Audit Results

1. Accounts Receivable

   The Director should document the monthly review of the accounts receivable reconciliation.

   Corrective Action: Management will document the review of the monthly accounts receivable reconciliation.

Other Comments

1. Cash Receipts and Deposits

   Cash reeipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the checkbook or general ledger and deposits are made timely, within TBR Policy 4:01:01:10.

2. Livework

   Livework forms were properly logged, approved by the instructor, signed and dated; related receipts traced to the bank deposit.

3. Accounts Receivable

   Students who owe monies to the college were notified in the required time period and, if necessary, more than one collection letter was sent. The accounts receivable account maintained by the college is reconciled monthly to Banner, which is maintained by the lead institution. The accounts receivable reconciliation is reviewed. However, see observation in this report regarding periodically documenting the review.

4. Financial Aid - Federal Title IV and Lottery

   Students were determined by the college to be eligible for financial aid prior to requesting funds. If applicable, Title IV and Lottery refunds were returned to the grantors within the required time frame. The processes to award and notify students of financial aid eligibility and awards were adequate. The fiscal year 2012 Federal Fiscal Operations Report and Application to Participate (FISAP) was reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

Tennessee Board of Regents
Audit Committee
June 3, 2014

Internal Audit Follow-Up Reports
For Informational Purposes

Executive Summary

Key Staff Person: Various	Auditor: Jacqueline Struckmeyer
Objective: The objective of this review was to determine if management has implemented corrective actions for the findings noted in the Division of State Audit's audit report for the fiscal year ended June 30, 2012.	
Total Questioned Costs: $4,486.50	**Total Recoveries: N/A**
Findings: **1. The institution needs improved preparation and review procedures to prevent errors in its financial statements** Status: Management has taken the steps noted in the management response to ensure that Austin Peay State University accounting and supervisory personnel exercise additional care in preparing and reviewing the financial statements. 2. **The Office of University Advancement did not maintain adequate documentation to support the classification of endowments for the university, increasing the risk that endowments could be misclassified on the statements of net assets, as well as increasing the risk that the intentions of donors could be misunderstood** . Status: Management has taken steps to ensure that endowments are adequately supported. **The Student Financial Aid Office did not always perform Title IV return-of-funds calculations, did not always properly verify documents, incorrectly awarded Title IV funds, and did not always comply with satisfactory academic progress policies, resulting in federal questioned costs of $4,486.50** Status: The university has revised and implemented policies and procedures that should improve compliance with the Student Financial Aid Cluster.	
Audit Conclusions: Based upon our review, it appears that management has taken corrective actions that address the issues identified in the audit findings. It appears that these actions will reduce the risks that errors could occur and not be corrected prior to completion of the unaudited financial statements, ensure that endowments are adequately supported, and ensure that the Financial Aid office complies with provisions of the Student Financial Assistance regulations.	

Contact: Assistant Vice President for Finance	**Auditor:** Assistant Director of System-wide Internal Audit
Introduction	In March 2014, the Vice President for Finance at Austin Peay State University (APSU) requested the Office of System-wide Internal Audit (SWIA) perform a follow-up review to a repeat finding in the fiscal year ended June 30, 2013, audit report issued by the Division of State Audit.
Objectives and Scope	The objective of the audit was to provide the Tennessee Board of Regents (TBR) and APSU management with reasonable assurance that adequate corrective action has been taken to address the issues noted in Finding 1 of the June 30, 2013, audit report issued by the Division of State Audit. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.
Summary of Finding 1	<u>Finding</u> – The institution needs to improve its system of internal control for the preparation of the financial statements. Similar to the prior report, this audit discovered significant reporting errors in the information presented in APSU's financial statements and the accompanying notes to the financial statements. These reporting errors show the need to improve the preparation and review process to minimize the risk of material misstatements in the institution's financial statements and accompanying notes. <u>Recommendation</u> - The audit recommended APSU accounting and supervisory personnel evaluate and strengthen controls in preparing and reviewing the financial statements and notes. <u>Management's Response</u> - Management concurred and stated they would take the following actions to address the issues noted in the finding: 1. Training in the areas noted as problems will be provided to accounting staff. 2. Meetings will be conducted by the Assistant Vice President of Finance to discuss the implementation and impact of new Governmental Accounting Standards Board pronouncements with accounting staff. 3. The year end task schedule will be reviewed and modified so that the draft financial statements are developed with additional time allowed for review.
Results of the Follow-up Review	<u>Increased Training for Accounting Staff</u> After a similar finding for the fiscal year ended June 30, 2012, the Assistant Vice President for Finance provided some additional training for some accounting staff. In response to the 2013 finding, all accounting staff involved with the creation and review of financial statements are registered for a webinar in May 2014, entitled "Understanding, Developing, and Implementing Effective Internal Controls." The accounting staff are also registered for the June 2014 TBR System Office sponsored

Results of Review *continued*	Increased Training for Accounting Staff (continued) annual training event that specifically deals with financial statement presentation. Additionally, the Assistant Vice President for Finance is planning to send all accounting staff to the fall 2014 annual Southern Association of College and University Business Officers (SACUBO) workshop training event. The Assistant Vice President for Finance stated he will continue to seek out training opportunities for the accounting staff. Increased Meetings with Staff Several of the new tasks added to the year end task schedule are periodic meetings with accounting staff to discuss issues pertinent to the financial statements. However, the Assistant Vice President for Finance stated the meeting agendas, minutes and attendance are not always documented. Revision of the Year End Task Schedule The Assistant Vice President for Finance made several enhancements to the year end task schedule. In addition to adding several tasks designed to ensure the accuracy of the financial statements, due dates have been adjusted to allow the Assistant Vice President for Finance an additional two weeks to review the financial statements and accompanying notes. The Assistant Vice President for Finance also evaluated other TBR universities year end task schedules but his evaluation did not result in any revisions to APSU's year end task schedule.
Conclusion	Management has taken some steps and has plans to take additional actions to address the issues noted in the finding. It should be noted that since the release of the June 30, 2013, State Audit report, management has not prepared financial statements; therefore, this follow-up review was limited to the steps taken by management in planning for the preparation of the June 30, 2014 financial statements. These steps should improve the process for preparing the financial statements. To ensure successful preparation of the financial statements, the Assistant Vice President for Finance should continue to: • Seek out relevant training opportunities for accounting staff, • Hold periodic staff meetings to address financial statement preparation issues, documenting attendance and topics discussed, and • Monitor year end activities to determine the year end schedule is adhered to and enhance the schedule when the need arises.
Restriction on Use of the Report	*This report is intended solely for the internal use of the management of Austin Peay State University and the Tennessee Board of Regents. It is not intended to be and should not be used for any other purpose. The distribution of the report to external parties must be approved by the TBR, Office of System-wide Internal Audit.*

Austin Peay State University
Follow Up to the State Audit Report
For The Fiscal Year Ended June 30, 2013
Executive Summary

Key Staff Person: Various	**Auditor:** Jacqueline Struckmeyer

Objective:

The objective of this review was to determine if management has implemented corrective actions for findings noted in the Division of State Audit's audit report for the fiscal year ended June 30, 2013.

Total Questioned Costs: N/A	**Total Recoveries: N/A**

Findings:

1. **The institution needs to improve its system of internal control for the preparation of the financial statements**

   Status: A separate report was issued on this finding by the Tennessee Board of Regents, Office of System-wide Internal Audit.

2. **The university did not properly report gifts pledged to its foundation**.

   Status: Management has taken the steps to ensure that gifts pledged are properly reported.

3. **The university did not provide adequate information technology controls over the Banner computer system**

   Status: The Director of Information Technology has implemented policies and procedures to address the control issues noted in the detailed information provided to the university.

Audit Conclusions:

Based upon our review, it appears that management has taken corrective actions that address the issues identified in the audit findings. It appears that these actions will reduce the risks that errors could occur and not be corrected prior to completion of the unaudited financial statements, ensure that pledges are accurately reported, and ensure that effective information technology controls are in place.

University of Memphis
Extra Compensation Audit– Follow Up
March 7, 2014
Executive Summary

Title of Key Staff Persons:	**Auditors:**
Provost, Vice-President of Business and Finance and Assistant Vice-President and Chief Human Resources Officer	Paul Gogonelis, Financial Compliance Auditor and Jesse Pierce, Sr. IT and Network Security Auditor

Background:

Internal Audit recently completed a follow-up review of the Extra Compensation audit for faculty and staff to determine whether management has adequately addressed the prior audit recommendation to improve internal controls over the review of how services performed by the employee are properly documented and clearly defined to ensure compliance with University of Memphis (UOM) Policy UM1490- *Extra Compensation and Outside Employment"*

Policy UM1490 states as follows *"Full-time employment with The University of Memphis demands an individual's full-time professional expertise, commitment, and energies. The assignable load of an academic year/9-month term faculty member, in combination with teaching, research, administration, and service constitutes a full-time assignment."*

"The University of Memphis also recognizes the value to its students, its personnel, and to the citizens of Tennessee arising from outside consulting and other professional experiences in which members of faculty and staff may engage. Such activities contribute to the quality of instruction, enhance the competency of the individual, contribute to the economic development of the State, and bring credit to the institution. Therefore, under certain circumstances, faculty and administrative/professional staff may need to perform additional assignments for which extra compensation may be warranted."

The prior audit report was issued April 19, 2013 and contained one observation. This audit performed a follow up regarding the recommendation and management's response for this observation.

Objective:

The objective of the audit is to determine if the Finance Office and the Provost Office have reviewed the request form and the extra compensation process and have made any changes that resulted in improved documentation of how the services will comply with the definition for extra compensation as defined in the Policy UM1490 based upon Management's response in the prior audit.

Findings:

The current audit resulted in no new significant issues or observations.

Conclusion:

Management has taken steps to improve the process and oversight. Since the current audit report was issued, management has improved the documentation and the review and approval process for extra compensation. In addition, management has provided two new training opportunities related to the new format and requirements.

Tennessee Board of Regents
Audit Committee
June 3, 2014

Internal Audit Investigations
For Informational Purposes

Austin Peay State University
CASE RESOLUTION REPORT
April 23, 2014

Department:_____Theatre_____   Unit:_____

1.   Date of the loss:_____March 13, 2014_____

2.   Reported by:_____Scene Shop Coordinator_____

3.   Investigation unit: _____Campus Police/Internal Audit_____

4.   Description of the loss:___Fender Passport 300 Pro Portable PA System_____

     _____

     _____

5.   Total amount of loss: ___699.99__ Total amount of recovery: _____

6.   Was employee misconduct discovered? Yes_____   No__X_____

7.   Name(s) of employee(s) involved:_____N/A_____

8.   Action taken:_____N/A_____

9.   Methodology used to determine loss:_____Original Purchase Receipt_____

10. Internal control weaknesses found:_____ The door to the storage area had a classroom style lock that could be unlocked inadvertently when opening the door. Several departments had access to the storage unit._____
     _____

11. Actions taken to resolve weaknesses:___Theatre personnel had a latch protection plate installed on the door to the storage area where the PA system was stored. They installed a combination pad lock and are considering changing the lock style to storeroom style which remains in a locked mode when opening the door. The department is considering restricting access so that other departments needing equipment will be required to notify the department in advance._____

Key Staff : Director of the George L. Carter Railroad Museum	Auditor: Christopher Hyder

Introduction

An investigative review of the George L. Carter Railroad Museum (Museum) at East Tennessee State University (ETSU) was conducted as a result of allegations received in two anonymous letters. The letters were sent to the Chancellor of the Tennessee Board of Regents (TBR). The allegations included concerns of preferential treatment and misuse of university facilities and services. TBR requested that these allegations be investigated by ETSU Internal Audit.

Objectives

The primary objectives were to investigate the validity of the allegations, determine the extent of any violations of University or TBR policies, and evaluate the adequacy of internal controls, policies, and procedures.

Total Losses: $0	Total Recoveries: Not Applicable

Details of the Review

Allegation 1: The Mountain Empire Modular Railroaders (Club) does not pay rent for either the Museum space or Brown Hall classroom space used for monthly Club meetings.

Allegation 2: The ETSU Motor Pool stores and maintains a trailer that belongs to the Club.

Allegation 3: The Club has opened a railroad library in the Museum and ETSU pays an employee to work in it. The letter also alleges the location of the collection restricts student access to the materials and incurs additional state costs.

Allegation 4: The Club members unfairly receive free parking privileges at ETSU.

Allegation 5: The Club is operating for profit bus tours off the University property.

Audit Conclusion

Conclusion 1: The allegation does not appear to violate ETSU policy. Per a Memorandum of Understanding (MOU) between ETSU and the Club date February 27, 2007, the Museum is entitled to rent free space to operate. The room used by the Club for monthly meetings is a teaching lab and not considered a classroom. There is no charge to reserve a lab in Brown Hall regardless of ETSU affiliation according to the Equipment Tech in the Biology Department.

Conclusion 2: The trailer in question was titled to ETSU and added to inventory; as such the university's Motor Pool is an appropriate storage location and maintenance facility. It appears Motor Pool does not store and maintain a non-university owned trailer for either the Museum or the Club.

Conclusion 3: The Museum, not the Club, maintains a reference library of materials related solely to railroad history and model railroading. The materials for the library were donated and are available for loan to anyone, including faculty, staff and students as well as the local community. Due to the limited subject matter, the Museum appears to be an appropriate location for such a library. The library is maintained by the Director and non-paid volunteers from the Club. The Museum's funds are used to compensate two ETSU employees. The Director, who is also an ETSU faculty member, receives a monthly stipend for Museum duties and the Station Master, who is a

Audit Conclusion (cont'd)

part-time employee, hosts the children's activity room each Saturday.

Conclusion 4: The allegation was not verified. It appears no unfair parking privileges appear to have been given to the Club members that volunteer in the Museum. Parking Services issues volunteer parking passes to any department that makes a request.

Conclusion 5: The allegation was partially verified; however, it does not appear to violate policy or create a conflict of interest. The Museum and the Society occasionally co-sponsor railroad related excursions available for anyone to attend. Per the Director, the purpose of the excursions is to provide community outreach and to generate public interest in both the Museum and the Society. The excursions utilize an ETSU parking lot as a place for participants to meet the charter bus and park their vehicles. The excursions occur on weekends when parking regulations are not enforced. At the direction of Parking Services, the bus rendezvous and participant parking are located in an outlying lot that is not typically utilized over weekends. There does not appear to be a policy that prohibits such activities. Parking Services stated that both affiliated and non-affiliated groups often request, and are allowed to use, of parking lots as campus activities permit.

Additional Issues Identified by the Review: During the course of the investigation, it was discovered that policies and procedures regarding volunteers were not always followed.   Based on discussions with personnel and documentation gathered during the investigation, the following weaknesses in the internal controls were discovered: (1) Statement of Understanding/Agreement Forms between ETSU and the volunteers were not always completed and/or current. (2) Controls over volunteer parking passes need improvement. The passes should be controlled or maintained by the Director.

Recommendations: Management should take appropriate steps to ensure that annual Statement of Understanding/Agreement Forms are completed and current for all Museum volunteers. These statements should be maintained in Human Resources.

Controls over volunteer parking passes should be improved. The Director of the Museum should be the only person with access and authority over volunteer parking passes.

Management's Comment: We concur with the recommendations. Through discussions with the Vice President of Health Sciences in 2011, the Museum Director became aware that Statement of Understanding/Agreement Forms were available for university volunteers and initiated their use at that time. After the audit of these forms came to the Museum Director's attention, current volunteer forms were obtained at the November 18 and 19, 2013 Club and Society meetings. The Museum Director believes that all current volunteers at the George L. Carter Railroad Museum have completed such forms which are on file with Human Resources. Management will strive to continue this best practice and keep them current annually. Secondly, the volunteer parking passes are now being controlled by the Museum Director and every effort is being made to account for each of them.

Key Staff Person: JoAnne Paty, Associate Athletic Director, and Shea Renfro, Director of Advancement Services	**Auditor:** Becky Lewis, Director of Internal Audit

Introduction or Background

In January 2014, thirty-eight undeposited checks were discovered in Intercollegiate Athletics totaling $3,055.00. Two of these checks, dated July 2013, were donations to the Buccaneer Athletic Scholarship Association (BASA). The remaining 36 checks, dated October/November 2013, were for the tennis program and consisted of both court time fees as well as monetary gifts to the program.

Objectives

To examine documentation related to any recovery and/or loss from the undeposited checks, to review the internal controls over cash receipts, and to make recommendations for correcting deficiencies.

Findings:

This report does not contain any findings.

Total Questioned Costs: $3,055.00	**Recoveries:** $1,975.00

Conclusion

In order to provide good donor relations and customer service, Intercollegiate Athletics contacted the individuals prior to depositing the checks. Checks totaling $1,975.00 were deposited at the individuals' requests. The remaining $1,080.00 was voided either at the donor's request or after failing to reach the individual.

Intercollegiate Athletics installed a drop box which the coaches are to utilize daily when collecting fees/donations in order to improve controls. This drop box will be checked each day by the Athletic Ticket Office prior to preparing the deposit. Internal Audit plans on conducting a follow-up review of Intercollegiate Athletics/BASA. At this time, current procedures and internal controls will be reviewed.

THE UNIVERSITY OF MEMPHIS **Office of Internal Audit**

CASE RESOLUTION REPORT **May 13, 2014**
Music Department – Case # 14-008

Date of incident: January 27, 2014

Reported by: UOM Hotline

Investigation conducted by: Internal Audit & Human Resources

Description of Incident:
Reported as potential misuse of University resources in connection with operating two personal business (cosmetics and diet products) and also an additional allegation that department records were in disarray. There was also a previous hotline report (case # 14-002) in the Music Department which was investigated and a report issued on 09/18/2013. Some of the allegations in case # 14-002 were repeated in this new allegation. There was no new information or evidence provided in this new allegation.

Total amount of loss: None

Was employee dishonesty discovered? No

Action taken: Internal Audit reviewed financial and electronic documentation, interviewed employees and discussed with Management.

Methodology used to determine loss: N/A

Internal control weaknesses found: No

Actions taken by Management:
It was found that an employee in the Music Department was operating two personal businesses as reported. Evidence was noted that indicated there was some limited use of the University email system connected with these businesses. Management has initiated disciplinary action with the employee with assistance from Human Resources. There was no evidence noted to substantiate the allegation of department records in disarray. There was no new information or evidence provided to justify re-opening of the previous investigation. It was also noted in this investigation and in the previous investigation there are a variety of employee relation issues in this Department which are continuing to be addressed by Management and Human Resources.

Byron Morgan

Byron Morgan
Director Internal Audit

CASE RESOLUTION REPORT   **May 15, 2014**
Lambuth Campus –   Case # 14-010

Date of incident: April 16, 2014

Reported to: TBR Hotline

Description of Incident:

Reported as:
 "Money wasted on empty unused four story buildings with air conditioning and heat and all of lights on, need to have timers or conserve energy better by turning off lights in daytime hours. Some building such as, Sprague Hall, Spangler Hall, Harris Hall, Oxley Apartments have been empty, unoccupied for nearly three years.

Action taken: Referred to University Management

Response by Management: (Vice President of Business and Finance)

The goal on the Lambuth campus is to jointly conserve energy and also protect buildings. This issue was reviewed by Physical Plant management. The HVAC systems are operated at a minimum in vacant buildings to prevent mold and mildew from forming in buildings and to keep corrosion form forming in piping. We do have timers and the lighting is controlled by timers and light sensors to conserve energy. A minimum amount of lighting is left on at night in some of the vacant buildings in the interior for security purposes. UOM took possession of the Lambuth Campus in January 2012.

Byron Morgan

Byron Morgan
Director Internal Audit

Cleveland State Community College
Special Review of Waste in Asset Disposal
Executive Summary

Key Staff Person: Vice President, Finance and Administration	**Auditor:** Investigative Auditor, System-wide Internal Audit

Background: An anonymous complaint of waste was received of the Cleveland State Community College Maintenance Department stating that the Interim Director had sold surplus property and equipment still in use to a scrap metal company, rather than follow Tennessee Board of Regents policy.

Objectives: The primary objectives of this review were to determine if the allegation is substantiated, the extent of any violation of college or TBR policy, and whether the system of internal controls over the disposal of surplus property is adequate.

Allegation: Surplus property and equipment still in use were improperly sold as scrap.

Total Loss: Indeterminable	**Total Recovery:** N/A

Conclusion: The allegation of waste was substantiated. The Interim Director, as a new employee, was unaware of the correct procedure, and appeared to be averse to listening to the Surplus Property Custodian. As a result, equipment that should not have been disposed of was sold to a scrap metal company. Although the possible loss is indeterminable, $1,276 was received in the proceeds of the sale. The Interim Director stated he accepted full responsibility for the mishap.

- Internal controls are in place with official policy and procedures for disposing of assets.
- The Purchasing Department, as the responsible authority for equipment transactions, could enhance controls by ensuring employees, especially new employees, are aware of the correct procedure for disposing of surplus property.

Management's Comments: Management concurs with the findings in this report. Management will ask the Purchasing Department to share with all new employees the applicable policy and procedures and will send an email to all employees on an annual basis outlining these applicable policies and procedures.

Key Staff Person: SNAPS Club Faculty Advisor Fall 2013	**Auditor:** Suzanne L. Walker, Director of Internal Audit

Background: The Internal Audit Office was asked by the President to review a situation where student dues collected fall semester 2013 from the SNAPS club had not been deposited into their agency fund at the college.

Objectives: To determine what happened to the student dues collected and if institutional policies and procedures were followed.

Total Questioned Costs/Losses: $690.00	**Total Recoveries: None**

Audit Conclusions: The investigation determined that the nursing department employee who was the SNAPS Club Faculty Advisor did, in fact, collect dues during fall semester 2013 and that the funds were not deposited with the college in the SNAPS club account as of February 27, 2014. The faculty advisor stated in an email to the acting dean of the nursing department on February 28, 2014, that he had placed the funds in an envelope and left them in his desk in his office. He further conveyed that "he did not get the funds into the account due to circumstances surrounding the end of last semester with my grandmother dying, the business at the end of semester, and the hostile, harassing, and discriminatory work environment he was placed under." He added that all records related to the SNAPS club were also in a notebook left in his office. The faculty advisor was out on FMLA when the investigation began and subsequently resigned on February 28, 2014. Numerous individuals would have access to the faculty advisor's office, including several nursing department employees, maintenance, security, housekeeping personnel, and also the site dean. The office in question was searched, and no funds and/or records related to the SNAPS club were found. The amount of the loss was determined by requesting the current faculty advisor's help in obtaining the names of the students who had paid dues fall semester. Since the funds were stored in an unsecure method and not handled in accordance with college policy, it is impossible to determine the exact timing of the loss or how the loss occurred.

Recommendation: The Student Life Office should stress to all club officers as well as to faculty advisors the importance of maintaining and receipting all funds received and then depositing these funds in a timely manner in accordance with college policy. Policy 05:10:01 entitled receipting monies collected outside of a cashier area state the following:

> *All parties submitting monies to Pellissippi State must receive a receipt. Monies collected outside of a cashier area will be receipted with an official Pellissippi State receipt. Receipt books are available at the cashier office at all locations. Students may receipt monies for student club (agency) accounts but must follow all procedures. All monies must be deposited either with a cashier at one of the site campuses within one working day of receipt of funds or must be deposited with the cashier at the Pellissippi Campus within two days of receipt of funds.*

Additionally all club advisors sign an agreement with the Student Life Office that states they will "Maintain financial records and the responsibility of all transactions of the organization." Also, the student club manual that is provided to all club advisors via the faculty website states that all non-fundraising deposits should be made within 5 business days of receipt. In this instance, since no funds were ever deposited, it is obvious that the college policy as well as the instructions in the club manual were not followed. Additionally the club manual should be revised to comply with college deposit requirements per policy 05:10:01. It would also be recommended that the Student Life Office annually email all club advisors and officers of record that a club manual is available on the college's website and that all club activities must be handled in accordance with Pellissippi State and Tennessee Board of Regents policies and guidelines and include the links to these items.

Also, it would be recommended that the Student Life Office consider the possibility of having members of student clubs pay their membership dues directly to the cashier's office. This would strengthen internal controls over the collection of funds by clubs.

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities (Reports sorted by Institution, Date of Report)				
ETSU	3/20/14	**Curriculum and Instruction Procurement Investigation** **1 of 2:** Controls over purchasing practices (including procurement cards) need to be improved.	Dean of College of Education	4/30/14		In Progress
ETSU	3/20/14	**Curriculum and Instruction Procurement Investigation** **2 of 2:** Inventory records over personal computing devises and other electronics need to be properly maintained.	Dean of College of Education	4/30/14		In Progress
ETSU	3/5/14	**George L. Carter Railroad Museum Investigation** **1 of 2:** Annual Statement of Understanding/Agreement need to be completed and up to date for all volunteers.	Museum Director	8/30/14		In Progress
ETSU	3/5/14	**George L. Carter Railroad Museum Investigation** **2 of 2:** Controls over volunteer parking passes should be improved.	Museum Director	8/30/14		In Progress
ETSU	2/21/14	**Complete College of Tennessee Act Progression Outcomes** 1 of 1: Institutional management should consult with THEC via TBR System Office management to determine the siginificance of the risk of inaccurate progression outcomes resulting from certain timing differences and whether the risk warrent mitigating actions.	Registrar	Ongoing		In Progress
ETSU	12/17/13	**Procurement Card Program** **1 of 1:** Several charges violated procurement card policies and/or ETSU financial procedures.	Director of Procurement & Contract Services	8/30/14		In Progress
ETSU	8/12/13	**Buccaneer Athletic Scholarship Association Gift-In-Kind** **1 of 3:** Policies and procedures over BASA's Gift-In-King process need improvement.	Associate Athletic Director for Development/ Executive Director of BASA	4/30/14		In Progress

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
ETSU	8/12/13	**Buccaneer Athletic Scholarship Association Gift-In-Kind** **2of 3:** The basis for gift-in-kind medical services credit is unknown.	Associate Athletic Director for Development/ Executive Director of BASA	4/30/14		In Progress
ETSU	8/12/13	**Buccaneer Athletic Scholarship Association Gift-In-Kind** **3 of 3:** Gift-in-kind donations need to be entered into NeuLion in a more timely fashion.	Associate Athletic Director for Development/ Executive Director of BASA	4/30/14		In Progress
ETSU	7/15/13	**University School Student Activity Funds** **1 of 3:** Record disposal policies and guidelines were not followed by University School.	Dean of College of Education	12/31/13		In Progress
ETSU	7/15/13	**University School Student Activity Funds** **2 of 3:** Cash receipting procedures need improvement.	Dean of College of Education	12/31/13		In Progress
ETSU	7/15/13	**University School Student Activity Funds** **3 of 3:** Accountability over student activity funds needs improvement.	Dean of College of Education	12/31/13		In Progress
ETSU	5/29/13	**Advancement Services and Buccaneer Athletic Scholarship Association Cash Receipts Process** **1 of 1:** Cash receipting procedures need improvement.	Director of Advancement Services and Associated Athletic Director	9/30/13		In Progress
ETSU	8/28/12	**COM Residency Program Investigation** **1 of 3:** An environment of low morale and a perception of favoritism did exist in the residency program under the Program Director.	Associate Dean for Graduate Medical Education	1/31/14	5/6/14	Actions Completed

The table is titled:

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

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities (Reports sorted by Institution, Date of Report)				
ETSU	8/28/12	**COM Residency Program Investigation** **2 of 3:** Policies and procedures did not exist for various activities including elective assignments, call and back-up call schedules, program meeting locations/times, resident recruitment processes, resident awards, chief resident selections, and resident rounds conducted outside normal duty hours. GMEC policies and procedures to enroll observers were not always followed by the Program Director.	Associate Dean for Graduate Medical Education	1/31/14	5/6/14	Actions Completed
ETSU	8/28/12	**COM Residency Program Investigation** **3 of 3:** A conflict of interest did exist between the Program Director and a resident who was renting residential property owned by the Program Director.	Associate Dean for Graduate Medical Education	1/31/14	5/6/14	Actions Completed
MTSU	3/13/13	**Special Review of Classroom Technology July 1, 2010 - June 30, 2012 Recommendation 1 of 3:** Establish an inventory system for computer monitors and peripheral supply items.	ITD Classroom Technology	9/30/2013		
MTSU	3/13/13	**Special Review of Classroom Technology July 1, 2010 - June 30, 2012 Recommendation 2 of 3:** Ensure employees are knowledgeable of work time requirements and leave policies & procedures.	ITD Classroom Technology	9/30/2013		
MTSU	3/13/13	**Special Review of Classroom Technology July 1, 2010 - June 30, 2012 Recommendations 3 of 3:** ITD is seeking reimbursement for former employee's personal use of the department vehicle and establishing a process for monthly reviewing and reporting of vehicle mileage.	ITD Classroom Technology	9/30/2013		
MTSU	3/27/13	**Review of Procurement Cards FY2012** **Finding 1 of 1:** Written policies and guidance for the procurement card program need updating	Business and Finance Services and Procurement Services	3/31/14	4/30/14	Actions Completed

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities (Reports sorted by Institution, Date of Report)				
MTSU	5/17/13	**Special Review of Dance Program** **4 of 4: (Other 3 findings addressed)** The dance program needs to improve cash receipting procedures.	MTSU Dance Program Management	1/14/14		
MTSU	3/12/14	**Review of Athletic Gifts in Kind FY 2013** **Finding 1 of 2:** Improved Compliance is Needed with the Sports Marketing Contract	Athletic Department	3/31/15		
MTSU	3/12/14	**Review of Athletic Gifts in Kind FY 2013** **Finding 2 of 2:** Monitoring of Trade Revenue Should be Improved	Athletic Department	3/31/15		
TSU	1/28/13	**Falsification of Student Travel Expenses:** **1 of 1:** Recommendation for disciplinary action and reimbursement for the overpayment of $1,073.82.	Student Affairs and Travel Office	4/30/14		In Progress
TTU	11/15/13	**Personnel:** **1 of 8:** Policy Revisions. Several sections of the TTU Human Resources written policies and procedures need to be updated.	Interim Co-Directors of Human Resources	7/31/2014		
TTU	11/15/13	**Personnel:** **2 of 8:** Employemnt Contracts. Of 33 new hires reviewed, 8 had signed the employment contract after their employment date.	Interim Co-Directors of Human Resources	7/31/2014		
TTU	11/15/13	**Personnel:** **3 of 8:** Employment Eligibility Verification (I-9's). Of 33 new hires reviewed, 4 of the I-9's were signed after the hire date.	Interim Co-Directors of Human Resources	7/31/2014		
TTU	11/15/13	**Personnel:** **4 of 8:** Telecommuting. Four of five employees who were telecommuting did not have an approved telecommuting agreement on file.	Interim Co-Directors of Human Resources	7/31/2014		

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		TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities (Reports sorted by Institution, Date of Report)				
TTU	11/15/13	**Personnel:** **5 of 8:** Application Procedures. The successful cadidate for a faculty position had not completed the application procedure as required.	Interim Co-Directors of Human Resources	7/31/2014		
TTU	11/15/13	**Personnel:** **6 of 8:** Limited English Proficiency Postings. The Limited English Proficiency postings had not been distributed and displayed as required.	Interim Co-Directors of Human Resources	7/31/2014		
TTU	11/15/13	**Personnel:** **7 of 8:** Discrimination and Harassment Complaints. Notice of delays in completion of investigation reports is not always made in writing as required.	Interim Co-Directors of Human Resources	7/31/2014		
TTU	11/15/13	**Personnel:** **8 of 8:** Non-Discrimination Notice. The non-discrimination policy has not been included in all TTU publications as required.	Interim Co-Directors of Human Resources	7/31/2014		
TTU	10/3/13	**Athletic Gifts-In-Kind** **1 of 2:** Sales tax was not excluded from GIK valuations.	Athletics Department Director for Development	2/28/2014	2/10/2014	Actions Completed
TTU	10/3/13	**Athletic Gifts-In-Kind** **2 of 2**: Vehicles provided to athletics staff were not acknowledged.	Athletics Department Director for Development	2/28/2014	2/10/2014	Actions Completed
TTU	6/20/12	**Physical Plant** **1 of 3:** Key inventory. The campus key inventory is not verified/updated on an annual basis and employees are not required to present a completed Request for Transferal of Form for keys during the exit interview as required in the TTU Key Control Regulations.	Facilities and Business Services	I. 6/30/13 II. 5/31/14	5/28/2013	

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		TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities (Reports sorted by Institution, Date of Report)				
UOM	11/6/12	**Athletics Tiger Scholarship Fund Gifts In-Kind** **1 of 1:** The gift-in-kind (GIK) process is not formally authorized by current policy and procedures resulting in a weakened control structure that allowed an over-extension of GIK credit for some goods or services, inadequate documentation to support some GIK valuations, and inadequate evidence of regular review and reauthorization of GIK services.	Athletics Department Director and Associates	11/30/13	11/14/13	Actions Completed
UOM	5/10/13	**Charges to Sponsored Agreements Research 1 of 1:** Management should provide and promote training and communications on a regular basis throughout the year to PIs and Business Officers regarding this key control to ensure reviews are conducted as noted in the policy. The training and communication should include information about the report developed by Financial Management in Banner ePrint for the purposes of monitoring administrative charges.	Vice-President Business and Finance and Provost	1/31/14	12/2/13	Actions Completed
UOM	4/19/13	**Extra Compensation – Faculty and Staff 1 of 1:** Management should review the current request form and the process for reviewing these requests to ensure that the documentation submitted for extra compensation requests clearly describes how the services will comply with the definition for extra compensation as defined in the policy.	Vice-President Business and Finance and Provost	3/31/14	3/7/14	Actions Completed

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities (Reports sorted by Institution, Date of Report)				
UOM	4/18/14	**School of Nursing Audit:** **1 of 3** - School of Nursing staff should complete the required annual physical inventory confirmation of all tagged assets that is currently in progress and ensure that all items are accounted for and all location information is accurate. **2 of 3** - University Accounting management should: A-Incorporate guidance for the assignment of account codes into the Inventory and Control Program for Equipment Policy as it is being revised. B - Provide training on the revised policy and the use of account codes to educate staff concerning this issue. C - Set a procedure to periodically review transactions in various supplies expense accounts for items that may need to be tagged as capital assets or sensitive items. School of Nursing staff should continue the effort to identify untagged capital assets and sensitive equipment items during the annual inventory confirmation. **3 of 3** - Both the UOM Office of Legal Counsel and School of Nursing management should take steps to ensure that all financial managers and designees complete the COI acknowledgment as required by the UOM policy.	University Management (School Management and University Accounting Management) and Legal Counsel	on or before 3/15/2015. Some have already been implemented.		In Progress

Status Legend for Management's Action:

No Progress - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

In Progress - Management has implemented some of the the actions stated in their response to this recommendation. Additional review scheduled.

Actions Completed - Management has implemented the actions stated in their response to this recommendation. Issue closed.

TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges						
(Reports sorted by Institution, Date of Report)						
Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
ChSCC	5/29/13	**Follow up to Travel Expenditure Audit for June, 30, 2010** **1 of 3:** • The Business Office should follow the guidance in TBR Policy 4:03:03:50 Athletic and Other Group Travel that "each institution shall develop and enforce guidelines for athletic and other group travel consistent with the provisions of this policy. Institutional guidelines should include working procedures and be presented in such detail as to ensure a thorough understanding of the provisions by all affected personnel".	Business Office and Athletic Director	12/31/13	4/30/2014 Draft Issued	In Progress
ChSCC	5/29/13	**Follow up to Travel Expenditure Audit for June, 30, 2010** **2 of 3:** • Internal Audit suggests that these policies require that group rosters and itineraries be included with all group travel requests, including meal advances, transportation and lodging expenditures. The itineraries should provide sufficient detail to determine the location(s), date(s) and time(s) of the activity in which the group is to participate.	Business Office and Athletic Director	12/31/13	4/30/2014 Draft Issued	In Progress
ChSCC	5/29/13	**Follow up to Travel Expenditure Audit for June, 30, 2010** **3 of 3:** • The Athletic Department or Group Advisor should investigate and maintain documentation of cost alternatives for lodging as required by TBR policy 04:03:03:50.	Business Office and Athletic Director	12/31/13	4/30/2014 Draft Issued	In Progress
ChSCC	1/31/14	**Enrollment Services Center Employee Incident** **1 of 4:** • The Human Resources Department should develop a written policy for when background checks should be performed during the hiring process. The policy should include a listing of departments/positions which require a background check such as for employees who handle cash or working with children in the day care center. The policy should comply with TBR policy as well as Federal and State Regulations for usage of background checks.	Human Resources Director	6/30/14		
ChSCC	1/31/14	**Enrollment Services Center Employee Incident** **2 of 4:** • A reconciliation report for night receipts should be developed by the ESC and performed by the department supervisor during times of the year when the ESC is open late for student registration.	ESC management	3/1/14		

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges (Reports sorted by Institution, Date of Report)				
ChSCC	1/31/14	**Enrollment Services Center Employee Incident** **3 of 4:** • The safe in the ESC should be bolted to the floor due to its small size and ease of removal from the department.	ESC management	3/1/14		
ChSCC	1/31/14	**Enrollment Services Center Employee Incident** **4 of 4:** • The purchase of a small drop style safe should be evaluated by the ESC Management. This type of safe would allow employees to drop receipts taken after the Bursar's Office closes without the need for the safe combination thus limiting the number of employees with access to the ESC safe.	ESC management	6/30/14		
ChSCC	2/6/14	**Equipment** **1 of 5:** Business Office Management should modify the program script which generates Banner Inventory List to achieve a more accurate and efficient reconciliation of equipment to the general ledger.	System Accountant	12/31/14		
ChSCC	2/6/14	**Equipment** **2 of 5:** Bar code technology should be considered for sensitive equipment to achieve greater inventory management efficiencies.	Chief Information Officer	12/31/14		
ChSCC	2/6/14	**Equipment** **3 of 5:** Instances of stolen property reported by Campus Police should be reported to Internal Audit in accordance with TBR Guideline P-080.	Business Office management	12/31/14		
ChSCC	2/6/14	**Equipment** **4 of 5:** Written loan agreements with the artist(s) or owner(s) for the Art Work on Loan to the College should be executed.	Business Office management	12/31/14		
ChSCC	2/6/14	**Equipment** **5 of 5:** A listing of Art Work on Loan should be submitted to the State of Tennessee's Department of Risk Management to properly insure these items.	Business Office management	12/31/14		
ChSCC	4/1/14	**NACHA** **1 of 2:** Information Technology Services should be vigilant in their effort to complete the off-site Disaster Recovery test as scheduled for August 2014.	Assistant Vice President - ITS	9/30/14		

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
ChSCC	4/1/14	**NACHA** **2 of 2:** ITS policy drafts 08:21:00 – Information Technology Services IT Service Desk Support and 08:25:00 – Information Technology Projects should be finalized and approved.	Director Systems Development & Operations	9/30/14		
ClSCC	12/17/12	**Missing Money at Athens Campus** **1 of 3:** Key box and key code book is not secure.	Director of Budget and Finance	3/31/14		
ClSCC	12/17/12	**Missing Money at Athens Campus** **2 of 3:** Key request logs not up to date.	Director of Budget and Finance	3/31/14		
ClSCC	12/17/12	**Missing Money at Athens Campus** **3 of 3:** Cashier's Office is not secure.	Director of Budget and Finance	3/31/14		
ClSCC	10/18/13	**Misuse of State Funds in Maintenance Department** **1 of 3:** Procedures need to be developed for hauling off scrap metal.	Director of Maintenance and Plant Operations	3/31/14		
ClSCC	10/18/13	**Misuse of State Funds in Maintenance Department** **2 of 3:** No procedures exist for the issuing of credit cards or review of purchases on charge accounts.	Director of Maintenance and Plant Operations	3/31/14		
ClSCC	10/18/13	**Misuse of State Funds in Maintenance Department** **3 of 3:** Fuel logs are not maintained properly.	Director of Maintenance and Plant Operations	3/31/14		
DSCC	2/18/14	**CCTA Progression Audit** **1 of 1:** Institutional and TBR management should consult with THEC to evaluate the effect of certain timing differences on progression outcomes	Vice President of Business and Administrative Services	4/30/14		
JSCC	10/11/12	**IT Governance:** **Observation 1 of 1:** The process for technology purchases, maintenance agreements, and the equipment location and design that cross over both departments may need to be reviewed to ensure that resources are effectively managed for the benefit of the institution.	Dana Nails, Director of Information Technology	6/30/13		
JSCC	4/2/13	**Data Security:** **Observation 1 of 2:** The data security policy may need to be reviewed and updated to provide more complete guidance regarding the collection, access, transmission, storage, and disposal of personally identifiable information.	Dana Nails, Director of Information Technology	10/31/13		

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

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges (Reports sorted by Institution, Date of Report)				
JSCC	4/2/13	**Data Security:** **Observation 2 of 2:** Training should be provided for employees to ensure compliance with the data security policy and other regulations including Family Educational Rights and Privacy Acts, Federal Trade Commission Red Flags Rule, and Gramm-Leach-Bliley Act. Representatives from each area of data security responsibility should be included in the development of training.	Dana Nails, Director of Information Technology	10/31/13		
NeSCC	1/2/14	**Data Security FY 2013** **1 of 1:** Information Technology Resources policy is not being followed as stated in Policy 1:08:00:00.	Director of Information Technology	9/30/14		In Progress
NeSCC	2/19/14	**Complete College of Tennessee Act: Progression and Dual Enrollment Outcomes** **1 of 2:** Consult with TBR/THEC to evaluate the risk level of inaccurate outcomes resulting from timing differences	Vice President for Academic Affairs	6/30/14		In Progress
NeSCC	2/19/14	**Complete College of Tennessee Act: Progression and Dual Enrollment Outcomes** **2 of 2:** Management to consult with TBR if special reporting circumstances occur and review assigned course numbers to ensure proper credit recognition for formula funding purposes	Vice President for Academic Affairs	6/30/14		In Progress
RSCC	2/5/14	**Complete College Tennessee Act Progression and Dual-Enrollment Ourcomes Academic Year 2011-2012** **Observation 1 of 1:** College administration should consult with TBR to determine if the effects of incomplete and repeated courses warrant corrective action.	Ms. Karen Bruner, Vice President for Institutional Effectiveness, Planning and Research	8/15/14		In progress
VSCC	4/19/13	**Audit of Key Controls** **1 of 2:** Communication should be enhanced between Human Resources, Campus Police, and the Locksmith for exiting employees.	Campus Police and Locksmith	4/30/14	5/5/14	Actions completed
VSCC	4/19/13	**Audit of Key Controls** **2 of 2:** The Keystone software system is not utilizing internal control best practices.	Campus Police and Locksmith	4/30/14	5/5/14	In Progress

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges (Reports sorted by Institution, Date of Report)				
VSCC	12/18/13	**Audit of International Education Fee** **1 of 5:** Management should record the emergency reserve allocation in the International Education Fee fund.	Office of International Education and Business Office	6/30/14		
VSCC	12/18/13	**Audit of International Education Fee** **2 of 5:** Management should consider adding the Director of International Education and the Coordinator of International Education as Ex-Officio members of the International Education Committee.	Office of International Education and Business Office	6/30/14		
VSCC	12/18/13	**Audit of International Education Fee** **3 of 5:** Management should ensure that student payments for travel are applied to the international education expenses.	Office of International Education and Business Office	6/30/14		
VSCC	12/18/13	**Audit of International Education Fee** **4 of 5:** Management should consider addressing the attendance of a spouse or personal guest at a business meal and whether they contribute to the guest entertainment in the Purchase of Business Meals and Events policy. Management should also consider how this information should be disclosed on the Meal Reimbursement Request Form and whether any additional approvals are needed beyond the applicable Vice President.	Office of International Education and Business Office	6/30/14		
VSCC	12/18/13	**Audit of International Education Fee** **5 of 5:** Management should reconcile the expenses in the Banner accounting system to ensure the accuracy of the fund.	Office of International Education and Business Office	6/30/14		
TBR	6/5/13	**Travel Expenses July 1, 2012 - December 9, 2012** **Finding 1 of 1:** Business Office review of travel expenses should be improved.	Vice Chancellor of Business and Finance and Director of Fiscal Services	5/31/14		

Status Legend for Management's Action:

No Progress - Management has not implemented the actions stated in their response to this recommendation. Additional review scheduled.

In Progress - Management has implemented some of the actions stated in their response to this recommendation. Additional review scheduled.

Actions Completed - Management has implemented the actions stated in their response to this recommendation. Issue closed.

TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems (Reports sorted by Institution, Date of Report)						
Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TBR	5/23/14	**IT General Controls Review:** **Recommendation 1 of 16:** For system-wide use, develop a comprehensive Board policy regarding an information security program that defines both business and security processes, including the designation of an Information Security Officer and development of a security awareness and training program.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 2 of 16:** Develop a change management procedure, for use by the system office, which identifies how management maintains and documents the maintenance of hardware, software and the network through patching, anti-virus, help desk and general maintenance functions.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 3 of 16:** Establish and coordinate a process at the system office where IT policies are reviewed, updated and approved periodically.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 4 of 16:** Ensure system office personnel sign an acknowledgement of the TBR policy, *Information Technology Resources,* regarding acceptable usage and a new Information Security Policy when policies are updated.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 5 of 16:** Evaluate and reconsider the existing governance structure for IT and the IT Sub-Council to ensure that it meets the expectations of the Board, campuses and management.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 6 of 16:** Improve and expand the existing vendor management process at the system office to all key IT vendors with access to sensitive TBR information.	CIO - Tom Danford	TBD		

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems (Reports sorted by Institution, Date of Report)				
TBR	5/23/14	**IT General Controls Review:** **Recommendation 7 of 16:** Implement an Incident Response Procedure at the TBR system office so that unauthorized access attempts or any information breaches are documented and handled according to requirements.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 8 of 16:** Distribute instructions to key system office staff regarding establishing, modifying and deleting access privileges for users and consider additional training on system applications.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 9 of 16:** Implement encryption software on the TBR system office hard drives of assigned laptops.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 10 of 16:** Consider implementing at the TBR system office, a mobile device service agreement for users assigned a mobile device and with access to personally identifiable information.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 11 of 16:** Improve procedures and documentation of software licenses at the system office to document compliance with license agreements.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 12 of 16:** Document file restoration activities at the TBR system office to demonstrate the success of data recovery from backed up media.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 13 of 16:** Eliminate administrative access for TBR system office users' assigned workstations to prevent users from turning off key control features on the devices.	CIO - Tom Danford	TBD		

		TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems (Reports sorted by Institution, Date of Report)				
Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TBR	5/23/14	**IT General Controls Review:** **Recommendation 14 of 16:** Consider periodic network penetration testing and culnerability scans to identify possible areas for configuration adjustment and to reduce unauthorized network instrusions and exploitation of vulnerabilities.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 15 of 16:** Maintain the documentation regarding network maintenance activities, reports on anti-virus definition deployment, and instrusion detection reports from Net TN.	CIO - Tom Danford	TBD		
TBR	5/23/14	**IT General Controls Review:** **Recommendation 16 of 16:** Reassess and document the process for logging and monitoring system utilization data and alerts.	CIO - Tom Danford	TBD		

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Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Colleges of Applied Technology (Reports sorted by Institution, Date of Report)				
Whiteville	4/21/14	**Focused Review** **Observation 1 of 1:** The Director should document the monthly review of the accounts receivable reconciliation.	Director	(1)		
Harriman	4/15/14	**Focused Review** **Observation 1 of 2:** Collection letters for 4 of 5 receivable items tested did not include notice that the account would be referred to a collection agency if not paid.	Director	(1)		
Harriman	4/15/14	**Focused Review** **Observation 2 of 2:** Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Director	(1)		
Livingston	4/14/14	**Focused Review** **Finding 1 of 1:** Defaulted student accounts should be referred to a collection agency, which has not been done in several years.	Director	(1)		
Pulaski	7/23/13	**Operational Audit** **Finding 1 of 1:** Financial Aid Refunds and Financial Aid Student Accounts Receivable were not initiated within the required time frames.	Director	6/30/14		

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Footnotes: **(1)** -Typically TCAT reviews are performed annually. At the time of the next review, management's actions implemented to correct this matter will be evaluated.

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
		TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Foreign Language Institute (TFLI) (Reports sorted by Institution, Date of Report)				
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 1 of 17:** TBR/TFLI Agreement needs to be updated.	TFLI - Executive Director	9/30/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 2 of 17:** TFLI employee status should be clarified.	TFLI - Executive Director	6/1/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 3 of 17:** TFLI should take steps to comply with the Financial Integrity Act.	TFLI - Executive Director	5/31/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 4 of 17:** Detailed budgeting and financial reporting processes need to be established.	TFLI - Executive Director	6/30/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 5 of 17:** Business policies and procedures need to be updated.	TFLI - Executive Director	6/30/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 6 of 17:** Employees should be educated as to the rules and laws governing surplus property.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 7 of 17:** The TFLI Board should consider adding a Senior Accountant position.	TFLI - Executive Director	7/1/15		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 8 of 17:** Discounts should be defined, approved and monitored.	TFLI - Executive Director	6/30/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 9 of 17:** Disaster Recovery and Business Continuity plans need to be developed.	TFLI - Executive Director	12/31/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 10 of 17:** Requests for leave should be documented consistently.	TFLI - Executive Director	5/8/14		

Institution	Date of Report	Recommendation(s)	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit's Follow-up Review Completed	Internal Audit's Conclusion on Management's Actions
TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Foreign Language Institute (TFLI) (Reports sorted by Institution, Date of Report)						
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 11 of 17:** Cash and revenue should be properly safeguarded.	TFLI - Executive Director	6/30/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 12 of 17:** Cash handling duties and recordkeeping duties should be adequately segregated.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 13 of 17:** Daily receipts should be reconciled to the enrollment management system.	TFLI - Executive Director	5/30/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 14 of 17:** Efforts to improve the classification of TFLI data in the Banner accounting system should continue.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 15 of 17:** Deposits should be completed timely.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 16 of 17:** Purchases should be properly documented and authorized in advance.	TFLI - Executive Director	5/8/14		
TFLI	5/8/14	**Review of Internal Controls over Business Operations: Recommendation 17 of 17:** Management should ensure a bright line exists between the TFLI and TFLI Fund Inc.	TFLI - Executive Director	5/8/14		

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Tennessee Board of Regents
Committee on Audit

DATE: June 3, 2014

AGENDA ITEM: **Review of Revisions to Fiscal Year 2014**
                                              Audit Plans

PRESENTER: Tammy Gourley

ACTION REQUIRED: Voice Vote

STAFF'S RECOMMENDATION: Approval

BACKGROUND INFORMATION:

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. Audit plans for the offices listed below have been revised for this period;
each revised plan is included in this report.

Austin Peay State University   Northeast State Community College
East Tennessee State University   Pellissippi State Community College
Middle Tennessee State University   Roane State Community College
Tennessee State University   Volunteer State Community College
Tennessee Tech University   Walters State Community College
University of Memphis   Tennessee Board of Regents --
Chattanooga State Community College   System-wide Internal Audit
Cleveland State Community College   Information Systems
Columbia State Community College   Tennessee Colleges of Applied
Jackson State Community College   Technology
Motlow State Community College   Investigations
Nashville State Community College

Austin Peay State University
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised 04/30/2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	200	325	325	63%	125	330	330	2%	5	March 2014	I
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)[1]	200	200	525	0%	-	40	370	-80%	-160	August 2014	I
Required by Athletic Affiliate	R	AT	OVC Special Asst/Stud Athlete Opp Funds	125	125	650	0%	-	105	475	-16%	-20	August 2013	C
Required by State Audit	R	FM	Cash Counts & Inventories[2]	75	75	725	0%	-	10	485	-87%	-65	June 2014	I
Required by State Audit	F	FM	State Audit Follow-Up[3]	100	100	825	0%	-	90	575	-10%	-10	February 2014	I
Required by TBR	M	SS	Risk Assessment	150	150	975	0%	-	125	700	-17%	-25	May 2014	S
Required by IIA	P	IS	Quality Assessment Review	50	50	1025	0%	-	65	765	30%	15	August 2013	C
Investigation	I	IA	Investigation 14-01	50	50	1075	0%	-	40	805	-20%	-10	July 2013	C
	I	IA	Investigation 14-02	75	75	1150	0%	-	75	880	0%	0	April 2014	C
Investigation	I	IS	Unscheduled Investigations	75	75	1225	0%	-	0	880	-100%	-75	TBD	S
Special Request	S	AX	Higher Education Act Compliance	300	300	1525	0%	-	50	930	-83%	-250	February 2015	I
Special Request	S	FM	UBIT and Sales Tax reporting	200	200	1725	0%	-	45	975	-78%	-155	October 2014	I
Ongoing	P	FM	Procurement Card-Review[3,4]	150	300	2025	100%	150	295	1270	-2%	-5	Ongoing	I
Ongoing	P	FM	Travel Claim Review-Ongoing[3]	300	300	2325	0%	-	260	1530	-13%	-40	Ongoing	I
Carryforward	S	AT	Review of Athletic GIK[4]	50	50	2375	0%	-	110	1640	120%	60	August 2013	C
Carryforward	S	FM	Review of Equity Calculation[4]	50	50	2425	0%	-	75	1715	50%	25	August 2013	C
Consulting	C	IS	General Consultation[5]	250	250	2675	0%	-	250	1965	0%	0	June 2014	I
1	A	PP	Emergency Preparedness	150	150	2825	0%	-	0	1965	-100%	-150	Carryforward	S

Estimate-Hours Available For Audits = 2485 (2 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
1 Audits in planning stages
2 Hours represent previous fiscal year work
3 Audits in Progress
4 Additional hours required to complete
5 Budgeted hours represent multiple engagements

East Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by State Law	R	FM	President's Expenses (MTSU)	175	175	175	0%	-	131	131	-25%	-44	October 2013	C
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	200	200	375	0%	-	144	275	-28%	-56	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	200	200	575	0%	-	47	322	-77%	-154	After June 2014	I
Required by State Audit	R	FM	Cash Counts	40	40	615	0%	-	0	322	-100%	-40	June 2014	S
Required by CPB	R	FM	WETS-FM	250	250	865	0%	-	149	471	-40%	-101	December 2013	C
Required by Bank	R	IT	NACHA Web Transactions Data Security	125	125	990	0%	-	139	609	11%	14	May 2014	I
Required by State Audit	F	FM	State Audit Follow-Up (FN 3)	0	0	990	100%	-	0	609	100%	0	April 2014	R
	F	AD	Follow-Up Advancement Services/BASA	100	100	1090	0%	-	0	609	-100%	-100	October 2014	S
	F	IA	Follow-Up University School Student Accounts	100	100	1190	0%	-	42	651	-59%	-59	June 2014	I
	F	AX	Follow-Up Center for Physical Activity	100	100	1290	0%	-	27	677	-74%	-74	August 2013	C
	F	IA	Follow-Up Internal Medicine	75	75	1365	0%	-	80	757	7%	5	June 2014	I
	M	FM	Risk Assessment	40	40	1405	0%	-	1	758	-98%	-39	May 2014	I
	P	IS	Quality Assessment Review	100	100	1505	0%	-	44	802	-56%	-56	August 2013	C
Brought forward	I	IA	Investigation 12-04	20	20	1525	0%	-	16	818	-20%	-4	May 2014	I
Brought forward	I	IA	Investigation 12-06	100	100	1625	0%	-	124	942	24%	24	March 2014	C
Brought forward	I	IA	Investigation 13-01	40	40	1665	0%	-	29	971	-28%	-11	August 2013	C
Brought forward	I	IA	Investigation 13-02	100	100	1765	0%	-	14	985	-87%	-87	August 2013	C
Brought forward	I	IA	Investigation 13-03	120	120	1885	0%	-	141	1126	18%	21	November 2013	C
Added - Investigation	I	FM	Investigation 14-01	300	300	2185	0%	-	483	1609	61%	183	March 2014	C
Added - Investigation	I	IA	Investigation 14-02	275	325	2510	-15%	50	275	1884	-15%	-50	May 2014	I
Added - Investigation	I	AT	Investigation 14-03	0	50	2560	-100%	50	24	1908	-52%	-26	April 2014	C
Added - Investigation	I	IA	Investigation 14-04	0	50	2610	-100%	50	12	1920	-76%	-38	After June 2014	I
Added - Investigation	I	AT	Investigation 14-05	0	150	2760	-100%	150	0	1920	-100%	-150	After June 2014	S
Brought forward	S	AT	Athletics Gift-In-Kind	200	200	2960	0%	-	203	2087	2%	3	August 2013	C
Brought forward	S	AT	NCAA Compliance	250	75	3035	233%	(175)	30	2116	-61%	-46	April 2014	C
Brought forward	S	FM	Procard	250	250	3285	0%	-	271	2387	8%	21	December 2013	C
Brought forward	S	FM	University School Student Activity Acct	10	10	3295	0%	-	8	2395	-25%	-3	July 2013	C
Added - Special Request	S	AT	Athletics - Deposit Controls (FN 4)	50	0	3295	0%	(50)	0	2395	0%	0	March 2014	R
Added - Special Request	S	IA	Biomedical Sciences	0	175	3470	-100%	175	143	2537	-19%	-33	May 2014	I
	P	IA	Assistance with TBR Auditors	0	100	3570	0%	100	51	2588	100%	-49	Ongoing	I
	P	IT	PCI Compliance	125	125	3695	0%	-	119	2707	-5%	-6	Ongoing	I
	P	IT	Security Awareness	200	200	3895	0%	-	125	2832	-38%	-76	Ongoing	I
	C	IS	General Consultation	150	150	4045	0%	-	16	2848	-89%	-134	Ongoing	I
1T	A	IS	Natural History Museum	250	250	4295	0%	-	91	2939	-64%	-159	May 2014	I
1T	A	FM	Travel	250	150	4445	67%	(100)	72	3011	-52%	-78	After June 2014	I
1T (IT)	A	IT	Handheld Devices	225	225	4670	0%	-	96	3107	-57%	-129	February 2014	C
1T (IT)	A	IT	IT Governance	300	300	4970	0%	-	138	3244	-54%	-163	November 2013	C
2 (IT)	A	IT	Disaster Recovery Plan	225	225	5195	0%	-	46	3290	-80%	-180	May 2014	I
2T	A	SS	Financial Aid Administration (FN 2)	0	0	5195	100%	-	0	3290	100%	0		R
2T	A	FM	Payroll (FN 1)	0	0	5195	100%	-	0	3290	100%	0		R

Estimate-Hours Available For Audits = 4835 (4 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

FN 1 - This risk based audit was removed from the audit plan due to the addition of an unexpected investigation (14-01).
FN 2 - This risk based audit was removed from the audit plan due to the addition of an unexpected investigation (14-02) and special request.
FN 3 - This required audit was removed from the audit plan since no findings were contained in the State Audit Report.
FN 4 - This special request was reclassified as Investigation 14-03.

Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by State Audit	R	FM	Cash Counts (5)	70	100	100	43%	30	111	111	11%	11	June 2014	I
Required by State Audit	R	FM	Year-End Inventories	350	290	390	-17%	(60)	187	298	-36%	-103	**October 3, 2013**	C
Brought Forward/Required by TBR	R	SS	Funding Formula-Progression 2012 Data	200	200	590	0%	-	205	503	3%	5	**February 26, 2014**	C
Required by TBR	R	SS	Funding Formula-Completion 2013 Data	200	240	830	20%	40	63	566	-74%	-177	June 2014	I
Brought forward	P	IS	Quality Assessment Review	80	80	910	0%	-	71	637	-11%	-9	**October 9, 2013**	C
Required by TBR	M	IS	Risk Assessment	50	50	960	0%	-	15	652	-70%	-35	May 2014	I
	F	FM	State Audit Follow-Up or Assistance	50	50	1010	0%	-	2	654	-96%	-48	June 2014	S
Required by NCAA	R	AT	Football Attendance Fall 2013	250	240	1250	-4%	(10)	230	884	-4%	-10	**February 10, 2014**	C
Management Request	P	FM	Special Reviews (Cash Shortage Reviews)	50	50	1300	0%	-		884	-100%	-50	June 2014	S
Consulting	C	FM	Assisting with President's Expense Audit	50	50	1350	0%	-	44	928	-12%	-6	June 2014	I
Consulting	C	IS	Research, Fraud Presentation, Etc.	100	100	1450	0%	-	118	1046	18%	18	June 2014	I
New Consulting Project	C	IS	Blue Print Copy Shop	0	200	1650	0%	200	90	1136	-55%	-110	June 2014	I
Special Request	S	IS	Unscheduled Reviews & Investigations	300	0	1650	-100%	(300)		1136	0%	0	TBD	I
Brought forward	I	SS	Investigation L12-04	50	150	1800	200%	100	130	1266	-13%	-20	June 2014	C
Brought forward	S	AT	Athletic Gift-in-Kind (2)	200	650	2450	225%	450	646	1912	-1%	-4	**March 12, 2014**	C
Brought forward	I	IA	Investigation L13-01	50	50	2500	0%	-		1912	-100%	-50	June 2014	I
Brought forward	I	IA	Investigation L13-02	100	400	2900	300%	300	370	2282	-8%	-30	June 2014	I
Brought forward	I	IS	Investigation L13-03	120	120	3020	0%	-	2	2284	-98%	-118	June 2014	I
Brought forward	I	PP	Investigation L13-04	150	150	3170	0%	-	43	2327	-71%	-107	June 2014	I
New Investigation	I	FM	Investigation L14-01	0	70	3240	0%	70	69	2396	-1%	-1	**January 17, 2014**	C
New Investigation	I	FM	Investigation L14-02	0	400	3640	0%	400	325	2721	-19%	-75	June 2014	I
Follow-up	F	IT	Follow-up: Classroom Technology (3)	60	120	3760	100%	60	136	2857	13%	16	June 2014	I
Follow-up	F	IA	Follow-up:Dance Program Review	60	60	3820	0%	-	0	2857	-100%	-60	June 2014	S
Follow-up	F	FM	Follow-up: Procurement Card Review	40	10	3830	-75%	(30)	8	2865	-20%	-2	**April 30, 2014**	C
1	A	AT	Athletic Concessions Revenue (4)	220	0	3830	-100%	(220)	0	2865	0%	0		R
2	A	FM	Rental Property Management (4)	220	0	3830	-100%	(220)	0	2865	0%	0		R
3T	A	FM	Food Service Commissions (4)	220	0	3830	-100%	(220)	0	2865	0%	0		R
3T	A	AT	Athletic Camps and Clinics (4)	220	0	3830	-100%	(220)	0	2865	0%	0		R
3T	A	AT	Athletics (Eligibility) (4)	200	0	3830	-100%	(200)	0	2865	0%	0		R
4T	A	RS	Research Sponsored Programs (4)	200	0	3830	-100%	(200)	0	2865	0%	0		R

Estimate-Hours Available For Audits = 3828 (4 audit staff). Cumulative Budget Hours not adjusted because available audit hours may increase if contract audit hours are not used for audit work with CoSCC and MSCC.
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
(1) Budget hours increased to address additional work requested about one of the allegations.
(2) Budget hours increased to address problems found with contract monitoring and trade revenues.
(3) Budget hours increased to complete needed interviews of personnel.
(4) Project removed because budget hours needed for GIK review, special requests and investigations.
(5) Additional hours used consulting with department about cash receipting procedures.
(6) Budget hours increased to assist this new operation with their cash receipting system and procedures.
(7) Budget hours increased since first year to complete project.

Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised May 9, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by State Law	R	FM	President's Expenses	120	120	120	0%	-	125	125	4%	5	October 2013	C
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	125	125	245	0%		130	255	4%	5	December 2013	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	125	125	370	0%		35	290	-72%	-90	June 2014	I
Required by Athletic Affiliate	R	AT	NCAA Special Assistance Fund	125	125	495	0%		125	415	0%	0	September 2013	C
Required by State Audit	R	FM	Cash Counts	25	25	520	0%		10	425	-60%	-15	June 2014	I
Required by State Audit	F	FM	State Audit Follow-Up	175	175	695	0%		170	595	-3%	-5	November 2013	C
	M	SS	Risk Assessment-Institutional Support	30	30	725	0%		20	615	-33%	-10	May 2014	I
	M	FM	Risk Assessment- Instruction	30	30	755	0%		8	623	-73%	-22	May 2014	I
	M	IS	Risk Assessment- Information Technology	30	30	785	0%		20	643	-33%	-10	May 2014	I
Required by TBR	P	IS	Athletic Gift-in-kind	150	150	935	0%		75	718	-50%	-75	October 2013	C
Carry Forward	I	IA	Investigation 13-1008 (1)	100	100	1035	0%		125	843	25%	25	July 2013	C
Carry Forward	I	IS	Investigation 12-1010	20	20	1055	0%		7	850	-65%	-13	September 2013	C
Carry Forward	S	AX	Investigation 13-1003	20	20	1075	0%		20	870	0%	0	March 2014	C
Carry Forward	C	IS	Investigation 13-1006	20	20	1095	0%		20	890	0%	0	March 2014	C
	C	IA	Investigation 14-1001	150	150	1245	0%		150	1040	0%	0	January 2014	C
	C	IS	Investigation 14-1002	100	100	1345	0%		85	1125	-15%	-15	July 2014	I
	A	FM	Quality Assessment Review	40	40	1385	0%		35	1160	-13%	-5	August 2013	C
	A	AD	Unscheduled Investigations	50	50	1435	0%		75	1235	50%	25	June 2014	I
Special Request	A	IT	Ticket Office	175	175	1610	0%		0	1235	-100%	-175	June 2014	R
Follow-up	A	IT	Follow-up Investigation 13-1008	75	75	1685	0%		73	1308	-3%	-2	May 2014	I
Consultation	A	AT	General Consultation	300	300	1985	0%		280	1588	-7%	-20	June 2014	I
1	A	RS	Human Resources	225	225	2210	0%		220	1808	-2%	-5	June 2014	I
2	A	IS	Evidence Room	150	150	2360	0%		15	1823	-90%	-135	April 2014	S
3	A	FM	Information Technology	225	225	2585	0%		30	1853	-87%	-195	April 2014	R

Estimate-Hours Available For Audits = 2720 (2 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
 (1) This issue was more complex than originally estimated, and included unplanned consultation with State Audit.

Tennessee Tech University
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by State Audit	R	FM	Inventory Observations (1)	100	100	100	0%	-	54.5	54.5	-46%	-45.5	August 2013	C
Required by TBR	R	SS	Funding Formula-Progression (2012 Data) (2)	200	200	300	0%	-	210.1	264.6	5%	10.1	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	120	120	420	0%	-	25	289.6	-79%	-95	July 2014	I
Required by OVC	R	AT	Student Assistance Fund (3)	80	80	500	0%	-	44	333.6	-45%	-36	August 2013	C
Required by TBR	P	IS	Quality Assessment Review (15)	75	40	540	-47%	(35)	31.5	365.1	-21%	-8.5	August 2013	C
Required by TBR	F	FM	State Audit Follow-Up (5)	65	65	605	0%	-	69.9	435	8%	4.9	February 2014	C
Required by TBR	R	AT	Athletic Gift in Kind	100	100	705	0%	-	97.9	532.9	-2%	-2.1	October 2013	C
Required by TBR	M	FM	Risk Assessment-Financial Management	35	35	740	0%	-	15	547.9	-57%	-20	May 2014	I
Required by TBR	M	PP	Risk Assessment-Physical Plant	25	25	765	0%	-	17.5	565.4	-30%	-7.5	May 2014	I
Required by TBR	M	IS	Risk Assessment-Enterprise-wide	40	40	805	0%	-	1.5	566.9	-96%	-38.5	May 2014	I
Required by TBR	M	AT	Risk Assessment-Athletics	25	25	830	0%	-	15	581.9	-40%	-10	May 2014	I
	I	AD	Investigation 13-15 (4)	100	100	930	0%	-	96	677.9	-4%	-4	February 2014	C
	I	PP	Investigation 13-17 (6)	20	20	950	0%	-	6.5	684.4	-68%	-13.5	October 2013	C
	I	IS	Unscheduled Investigations (13)	170	50	1000	-71%	(120)	7.5	691.9	-85%	-42.5	June 2014	I
	C	IS	General Consultation	50	50	1050	0%	-	6.5	698.4	-87%	-43.5	June 2014	I
	P	FM	Procurement Card Reviews (4)(7)	190	190	1240	0%	-	127.2	825.6	-33%	-62.8	June 2014	I
	P	RS	Sponsored Program Review	100	90	1330	-10%	(10)	5	830.6	-94%	-85	June 2014	I
	S	IT	Technology Access Fee (8)	150	150	1480	0%	-	116.5	947.1	-22%	-33.5	October 2013	C
	S	IS	Personnel (9)	90	90	1570	0%	-	81.4	1028.5	-10%	-8.6	November 2013	C
	A	FM	PCI-DSS (14)	150	150	1720	0%	-	80.4	1108.9	-46%	-69.6	June 2014	I
1	A	RS	Research Procedures - labs, safety (10)	300	330	2050	10%	30	285.9	1394.8	-13%	-44.1	June 2014	I
	F	AT	Athletic Gift in Kind Follow-Up (11)	15	15	2065	0%	0	16.9	1411.7	0.13	1.9	February 2014	C
	P	IA	SACSCOC Reaccreditation Duties (12)	100	120	2185	17%	20	102.5	1514.2	-0.15	-17.5	June 2014	I
Required by TBR	R	FM	APSU President's Audit (16)	0	20	2205	100%	20	4.2	1518.4	-0.79	-15.8	October 2014	S
2	A	FM	Equipment (17)	0	50	2255	100%	50	5.5	1523.9	-0.89	-44.5	October 2014	S

Estimate-Hours Available For Audits = 2013 (2 full-time audit staff and one staff member with part-time audit/review responsibilities)
T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

Footnotes:
(1) Budget includes hours to be spent in May and June of 2014 for the 6-30-14 Inventory Observations audit. So even though the audit is completed, budgeted hours are used in the Plan Summary.
(2) Budget has been increased by 50 hours because the preliminary took more hours than anticipated - also est. completion changed to Feb. first from Aug. (Aug was a mistake) and then from Dec. because samples were delayed.
(3) SAF funds were not spent in the areas that normally take the most time to audit.
(4) Changes necessary and/or variance because audit/review/project/investigation has begun but will not be completed until later in the fiscal year.
(5) Est. completion changed because the state audit report was issued later than anticipated. The level of follow-up was more complex than anticipated requiring more hours.
(6) Investigation was administratively closed, so an audit report was not necessary; therefore less time was needed to complete.
(7) Original estimated completion date was a mistake.
(8) Department replied quickly reducing number of required hours; this audit put before funding formula because of sample delay causing est. completion to go from Dec. to Oct.
(9) It has been difficult to get and coordinate responses from various departments because of their workloads causing many more hours, increased budget, and delayed est. completion.
(10)Preliminary and continuing work indicates that the lab safety review may is somewhat decentralized, which will likely require a greater number of audit hours to complete.
(11)Follow-up could not be scheduled until audit was complete and showed that one would be necessary. It was left off last revision.
(12)Audit personnel were assigned to 2 committees for SACSCOC reaccreditation. This project will continue until September 2015.
(13)Since significant hours for unscheduled investigations have not yet been expended because of fewer reports in 2013-14, the budgeted hours have been reduced proportionate with the time left in fhe fiscal year.
(14)Along with scheduling issues, extensive administrative hours have been spent physically moving Internal Audit's office twice this fiscal year, which has delayed the estimated completion date for this audit.
(15)The majority of the work on this project fell to TBR staff and it appears that our campus will not be required to perform significant, additional work on this project this year.
(16)The scheduled President's audits were released in April 2014; while fieldwork will not begin in earnest until July 2014, some preliminary work was necessary because the APSU president is leaving in May 2014.
(17)Because of scheduling issues with other audits, preliminary work on this audit was initiated.

University of Memphis
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
1	A	FM	Review of Internal Controls - Risk Assessment Footprint - Institutional Support	300	300	300	0%	-	292	292	97%	(8)	May 2014	I
1	A	FM	Review of Internal Controls - Risk Assessment Footprint - Student Enrollment Services [4]	300	250	550	20%	(50)	246	538	82%	(4)	May 2014	I
1 - Carryover from FY13	A	FM	Accounts Payable Operations/Compliance	160	160	710	0%	-	114	652	71%	(46)	August 2013	C
2	A	IA	School of Nursing	400	400	1110	0%	-	117	769	29%	(283)	April 2014	C
3	A	IT	PCI Compliance - Limited Scope	300	300	1410	0%	-	0	769			June 2014	S
15	A	AT	Athletics- Financial Aid Student Athletes - Books [1]	200	0	1410		(200)	0	769				R
4T	C	AT	Athletics- Booster Club Process [1]	0	200	1610		200	14	783	7%	(186)	June 2014	I
4T	A	AT	Athletics-Travel Expenses (Team & Employees)	200	200	1810	0%	-	70	853	35%	(130)	June 2014	I
4T	A	IT	Data Security - Laptop Encryption and Mobile Devices - Limited Scope	200	200	2010	0%	-	0	853			June 2014	S
5 - Carryover from FY13	A	IT	Information Technology-Banner Security	210	210	2220	0%	-	190	1043	90%	(20)	May 2014	I
6	A	AT	Athletics - Review of Internal Controls - Ticket Office	200	200	2420	0%	-	159	1202			June 2014	I
8	C	RS	Research-Grants Accounting - Effort Reporting (Process Review)	120	120	2540	0%	-	116	1318	97%	(4)	May 2014	C
Follow-up	F	AT	Athletics-Tiger Fund Donations (Courtesy Cars, etc.)	100	100	2640	0%	-	92	1410	92%	(8)	December 2013	C
Follow-up	F	RS	Research-Grants Accounting - Admin Costs (DS2 Policies)	100	100	2740	0%	-	93	1503	93%	(7)	December 2013	C
Follow-up	F	FM	Payroll - Extra Compensation	100	100	2840	0%	-	0	1503	0%	(100)	March 2014	C
Ongoing	P	FM	Procurement Card [2]	350	500	3340	-30%	150	410	1913	117%	(90)	June 2014	I
Ongoing	P	FM	Payroll-W2 Control of Returned Addresses by Internal Audit [5]	120	90	3430	33%	(30)	85	1998	71%	(5)	June 2014	I
Required Bank Contract	A	IT	Information Technology-ACH (Electronic Banking Transactions)-NACHA	120	120	3550	0%	-	15	2013	13%	(105)	June 2014	I
Required State Audit	R	FM	Cash Counts and Inventory Observation-State Audit for YE FY13	150	150	3700	0%	-	162	2175	108%	12	August 2013	C
Required State Statute	R	FM	President's Expenses	120	120	3820	0%	-	112	2287	93%	(8)	November 2013	C
Required TBR	R	SS	Funding Formula-Progression (2012 Data)	140	140	3960	0%	-	122	2409	87%	(18)	February 2014	C
Required TBR	R	SS	Funding Formula-Completion (2013 Data)	120	120	4080	0%	-	86	2495	72%	(34)	July 2014	I
Required IIA Standards	P	IS	Quality Assessment Review	40	40	4120	0%	-	30	2525	75%	(10)	August 2013	C
	M	FM	Risk Assessment-Financial Management	100	100	4220	0%	-	20	2545	20%	(80)	May 2014	I
	I	IS	Unscheduled Investigations [6]	400	800	5020	-50%	400	792	3337	99%	(8)		I
	I	IS	Investigation Case # 001					-	38				September 2013	C
	I	IS	Investigation Case # 002					-	79				September 2013	C
	I	IS	Investigation Case # 003					-	153				September 2013	C
	I	IS	Investigation Case # 004					-	60				January 2014	C
	I	IS	Investigation Case # 005					-	76				January 2014	C
	I	IS	Investigation Case # 006					-	26				January 2014	C
	I	IS	Investigation Case # 007						196				January 2014	C
	I	IS	Investigation Case # 008						81				May 2014	I
	I	IS	Investigation Case # 009						78				June 2014	I
	I	IS	Investigation Case # 010						5				June 2014	I
	C	IS	General Consultation [3][6]	150	400	5420	-63%	250	332	3669	83%	(68)	June 2014	I
	C	IT	General Consultation - Information Technology	100	100	5520	0%	-	52	3721	52%	(48)	June 2014	I
							15%	720						

Estimate-Hours Available For Audits = 4,800 (4 audit staff)(2 postions vacant at beginning of fiscal year-both filled as of 10-31-2013)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
[1] Athletics - Audit replaced with another audit per risk assessment feedback from Athletics Management. (Sept 2013)
[2] Scope and hours expanded per Management request. Procurement Cards.
[3] General Consultation Includes assistance to Legal with Attorney Client Projects.
[4] Was able to obtain efficiency in time by combining review of internal controls jointly with the other RA audit.
[5] UOM converted to electronic W2s and online capability for 2013. Anticipate less returned W2s.
{6} Budget hours adjusted per instructions from TBR-SWIA Director. Due to unscheduled hotline calls and special requests from Management and Legal.

Chattanooga State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised as of April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by State Law	R	FM	President's Expenses (FN 3)	130	130	130	0%	-	105	105	-19%	-25	October 2013	C
Required by TBR	R	SS	Funding Formula-Progression (2012 Data-FN7)	200	135	265	-33%	(65)	122	227	-10%	-13	December 2013	I
Required by TBR	R	SS	Funding Formula-Completion (2013 Data - FN7)	200	150	415	-25%	(50)	32	259	-79%	-118	June 2014	I
	F	FM	State Audit Follow-Up (FN 11)	20	0	415	-100%	(20)	0	259	0%	0	As needed	S
	R	FM	Year End Cash Counts and Inv	40	40	455	0%	-	18	277	-55%	-22	June 2014	S
	R	IS	Risk Assessment - Review	50	50	505	0%	-	6	283	-88%	-44	May 2014	S
Management Request	S	IT	NACHA Security Audit (FN 9)	80	100	605	25%	20	100	383	0%	0	March 2014	I
	P	IA	TBR Training Committee	40	40	645	0%	-	5	388	-88%	-35	On Going	I
Consulting	C	IS	General Consultation	40	20	665	-50%	(20)	20	408	0%	0	TBD	I
Management Request	C	SS	Continuing Education Control Change (FN10)	0	30	695	100%	30	0	408	-100%	-30	June 2014	S
	I	IS	Unscheduled Investigations (FN6)	50	90	785	80%	40	59	467	-34%	-31	TBD	I
IIA Standards	P	IS	Quality Assessment Review (FN 4)	60	30	815	-50%	(30)	25	492	-17%	-5	August 2013	C
IIA Standards	P	IT	IT Governance Assessment	30	30	845	0%	-	28	520	-7%	-2	August 2013	C
1	A	IT	IT Disaster Recovery Plan Audit	100	100	945	0%	-	51	571	-49%	-49	June 2014	I
2; Carryforward - In Progress	A	AT	Athletic Eligibility and Financial Aid	240	240	1185	0%	-	49	620	-80%	-191	June 2014	I
3	A	IS	Equipment (FN 9)	220	220	1405	0%	-	269	889	22%	49	January 2014	C
Follow-Up	F	FM	Follow-up to Travel Audit (FN8)	70	50	1455	-29%	(20)	48	937	-4%	-2	May 2014	I
4T	A	AX	Food Services	140	140	1595	0%	-	121	1058	-14%	-19	January 2014	C
4T	C	IS	THEC Submissions (FN 5)	0	40	1635	100%	40	11	1069	-73%	-29	June 2014	I
4T	A	FM	Foundation Investments& Gifts Received (FN 2)	90	100	1735	11%	10	48	1117	-52%	-52	May 2014	I

Estimate-Hours Available For Audits = 1735 (1.5 audit staff - FN 1)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
FN 1 - Audit hours reduced from 1800 to 1735 for Staff auditor arriving on Oct. 1.
FN 2 - Investments audit removed due to reduction in audit hours in October, but added back due to hour reduction in other audits. Audit expanded to include Foundation Gifts Received.
FN 3 - President's audit was given extra time in original budget for 1st time auditor, but the time was not needed.
FN 4 - QAR budget was reduced after a better understanding of staff time needed during final phase of QAR.
FN 5 - THEC Submissions consult added in response to recent THEC documentation review.
FN 6 - Additonal hours added in case issue was to arise in Spring semester.
FN 7 - Audit hours reduced based on structure of audits and time spent on Progression.
FN 8 - Audit hours reduced to reflect new follow up procedures.
FN 9 - Audit hours increased due to new auditor and workpaper training needs.
FN10 - Management request for internal control change review due to change in management personnel.
FN11 - Eliminated due to no state follow up needed in FYE 2014.

Cleveland State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	200	200	200	0%	-	230	230	15%	30	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	200	200	400	0%		30	260	-85%		June 2014	I
Required by State Audit	R	FM	Cash Counts	50	50	450	0%			260	-100%		June 2014	S
Brought Forward	F	FM	Grant Audit Follow-Up	25	25	475	0%		30	290	20%	5	October 2013	C
Brought Forward	F	FM	Investigation 13-01 Follow-up	75	75	550	0%		70	360	-7%		May 2014	I
	M	FM	Risk Assessment-Information Technology	35	0	550	-100%		0	360	-100%		May 2014 footnote 1	R
	N	FM	Risk Assessment-Plant Operations	35	0	550	-100%			360	-100%		May 2014 footnote 1	R
	M	FM	Risk Assessment-Finance and Administration	0	50	600	-100%		15	375	-70%		May 2014	I
	M	FM	Risk Assesmsnt - Finacial Management	0	0	600	-100%				-100%		May 2014 footnote1	R
	M	IS	Risk Assessment - Institutional Support	0	30	630	-100%		15		-50%		May 2014 footnote1	I
	M	IS	TTC Risk Assessment-Enterprise-wide	25	25	655	0%		25	400	0%	0	February 2014	C
IIA Standards	P	IS	Quality Assessment Review	25	25	680	0%		30	430	20%	5	August 2013	C
Brought forward	S	IT	Nacha Web Audit 2013	100	100	780	0%		95	525	-5%	-5	December 2013	C
	S	IT	Nacha Web Audit 2014	100	100	880	0%			525	-100%		June 2014	S
Brought Forward	I	IA	Investigation 13-02	20	20	900	0%		35	560	75%	15	October 2013	C
Brought Forward	I	IA	Investigation 13-03	20	20	920	0%		22	582	10%	2	October 2013	C
	F	FM	Investigation 13-02 Follow-up	50	50	970	0%		65	647	30%	15	May 2014	I
	I	IS	Unscheduled Investigations	100	50	1020	-50%			647	-100%		TBD	S
	C	IS	General Consultation	50	50	1070	0%		40	687	-20%	-10	June 2014	I
1T	A	IT	Technology Access Fee	100	0	1070	-100%			687	-100%		March 2014	R

Estimate-Hours Available For Audits = 1042 (1 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
1. Mangement completed a three year Risk Assessment plan. Finance and administration includes Finacial Management, Information Technology and Plant Operations

Columbia State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by TBR	R	SS	Funding Formula-Progression 2012 Data (2)	170	170	170	0%	-	249	249	46%	79	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion 2013 Data	170	170	340	0%	-	98	347	-42%	-72	June 2014	S
Required by TBR	F	FM	State Audit Follow-Up FY 2012 & 2011 (1)	100	140	480	40%	40	142	489	1%	2	November 2013	C
	M	IS	CoSCC Risk Assessment	30	30	510	0%	-	1	490	-97%	-29	May 2014	S
	M	IS	Hohenwald Risk Assessment	30	30	540	0%	-	36	526	20%	6	February 2014	C
	M	IS	Pulaski Risk Assessment	30	30	570	0%	-	39	565	30%	9	February 2014	C
	C	IS	General Consultation	70	30	600	-57%	(40)	4	569	-87%	-26	June 2014	I

Audits are performed by MTSU Office of Audit and Consulting Services through an audit services contract for a maximum of 600 hours.

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
(1) Budget hours increased because follow-up review also included review of FY2013 financial statements.
(2) Actual audit time exceeded budget hours since this was the first audit of Progression.

Jackson State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014

Rank	Type	Area	Audit	Estimated Hours	Cumulative Hours	Estimated Completion Date
Required	R	SS	Funding Formula - Progression (2012 Data)	150	150	December 2013
Required	R	SS	Funding Formula - Completion (2013 Data)	150	300	June 2014
Required	R	IS	President's Expense Audt - NaSCC	150	450	October 2013
Required	R	FM	Year-end Cash Counts	40	490	June 2014
Required	M	IA	JSCC Risk Assessment-Instruction	25	515	May 2014
Required	M	IS	JSCC Risk Assessment-Institutional Support	25	540	May 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Covington	20	560	January 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Crump	20	580	January 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Jackson	20	600	January 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide-McKenzie	20	620	January 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Newbern	20	640	January 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Paris	20	660	January 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Ripley	20	680	January 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide-Whiteville	20	700	January 2014
IIA Standards	P	IS	Quality Assessment Review	40	740	August 2013
Follow-up Review	F	IT	Follow-up Review - IT Governance	30	770	June 2014
Follow-up Review	F	IT	Follow-up Review - Data Security	50	820	June 2014
Follow-up Review	F	IS	Follow-up Review - Cash Receipting Procedures	50	870	June 2014
Consulting	C	IS	General Consultation	150	1020	Ongoing
In Progress	A	PP	Emergency Preparedness	150	1170	June 2014

Estimate-Hours Available For Audits = 1160 (1 audit staff)
T--Tie

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

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

Motlow State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget		Actual Hours	Cumulative Actual Hours	Actual Vs. Budget		Estimated/Actual Completion Date	Current Status
							Percentage	Hours			Percentage	Hours		
Required by TBR	R	SS	Funding Formula-Progression 2012 Data (2)	150	180	180	20%	30	188	188	4%	8	**February 2014**	C
Required by TBR	R	SS	Funding Formula-Completion 2013 Data	150	150	330	0%	-	93	281	-38%	-57	June 2014	S
Required by TBR	F	FM	State Audit Follow-Up FY 2012 & 2011 (1)	100	165	495	65%	65	165	446	0%	0	**January 2014**	C
	M	IS	MSCC Risk Assessment	40	40	535	0%	-	0	446	-100%	-40	May 2014	S
	M	IS	McMinnville Risk Assessment	20	20	555	0%	-	31	477	55%	11	**February 2014**	C
	M	IS	Murfreesboro Risk Assessment	20	20	575	0%	-	23	500	15%	3	**February 2014**	C
	M	IS	Shelbyville Risk Assessment	20	20	595	0%	-	33	533	65%	13	**February 2014**	C
	C	IS	General Consultation	100	5	600	-95%	(95)	5	538	0%	0	June 2014	I

Audits are performed by MTSU Office of Audit and Consulting Services through an audit services contract for a maximum of 600 hours.

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
(1) Budget hours increased because follow-up review also included review of FY2013 financial statements.
(2) Budget hours increased to cover audit time needed for first time review of Progression. Hours reallocated from general consultation.

Nashville State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	150	180	180	20%	30	180	180	0%	0	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	120	120	300	0%	0	80	260	100%	-40	July 2014	I
Required by TBR	R	FM	Year-End Cash Counts and Inventories	0	40	340	100%	40	5	265	-88%	-35	June 2014	I
Required by TBR	M	IS	TCAT Risk Assessment - Nashville	40	40	380	0%	0	40	305	0%	0	February 2014	C
Required by TBR	M	IS	TCAT Risk Assessment - Dickson	40	40	420	0%	0	40	345	0%	0	February 2014	C
Required by TBR	M	IS	Risk Assessment - Enterprise	40	40	460	0%	0	0	345	-100%	-40	May 2014	S
Required by TBR	M	IS	Risk Assessment - Student Services	45	45	505	0%	0	40	385	-11%	-5	May 2014	I
Required by TBR	M	IS	Risk Assessment - Institutional Support	45	45	550	0%	0	0	385	-100%	-45	May 2014	S
4	A	FM	Bank Reconciliations	120	100	650	-17%	-20	10	395	-90%	-90	June 2014	I
IIA Standards	P	IS	Quality Assessment Review - Follow-Up	50	0	650	-100%	-50	10	405	100%	10	June 2014	I
As Assigned	I	IS	Unscheduled Investigations/Special Requests	72	72	722	0%	0	0	405	-100%	-72	TBD	S
As Assigned	C	IS	General Consultation	87	87	809	0%	0	35	440	-60%	-52	Various	I
As Assigned	F	IS	Internal Audit Follow-Up	25	25	834	0%	0	0	440	-100%	-25	Various	S

Estimate-Hours Available For Audits = 2720 (2 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:

Northeast State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	200	200	200	0%	-	188	188	-6%	-12	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	150	150	350	0%	-	22.5	210.5	-85%	-127.5	After June 30, 2014	I
Required by State Audit	R	FM	State Audit Assistance-YearEnd	40	40	390	0%	-	3	213.5	-93%	-37	June 2014	I
	M	FM	Risk Assessments-NeSCC	60	60	450	0%	-	24	237.5	-60%	-36	May 2014	I
	M	IS	TCAT Risk Assessment-Enterprise-wide (FN 1)	20	0	450	-100%	(20)	0	237.5	0%	0	February 2014	R
	P	IS	Quality Assessment Review	75	75	525	0%	-	64	301.5	-15%	-11	August 2013	C
Special Request	S	IA	Theater Services (FN2)	100	150	675	50%	50	78.5	380	-48%	-71.5	June 2014	I
Special Request	S	IS	Special Requests and Projects	100	100	775	0%	-	47.5	427.5	-53%	-52.5	Various	I
Special Request	F	IA	Follow-up to TTC Missing Equip Report (ETSU)	10	10	785	0%	-	12.5	440	25%	2.5	July 2013	C
	C	IS	General Consultation	100	100	885	0%	-	26.5	466.5	-74%	-73.5	Ongoing	I
Brought Forward	A	IT	Data Security	75	75	960	0%	-	91.5	558	22%	16.5	January 2014	C
Brought Forward	A	IA	Academic Advising	50	50	1010	0%	-	72	630	44%	22	November 2013	C
1	A	IS	Human Resources	150	150	1160	0%	-	0	630	-100%	-150	After June 30, 2014	S

Estimate-Hours Available For Audits = 1102.5 (1 audit staff) (FN 3)
T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	
M - Management's Risk Assessment	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

Footnotes:
FN 1 - TCAT Risk Assessment budgeted hours were changed to 0 because it was performed by TBR SWIA while the NeSCC auditor was out of the office on FML.
FN 2 - Expanded scope to include facility usage agreements and additional types of systems and revenue testing.
FN 3 - The Director has been on Intermittent FML starting in January 2014, and has been out of the office approximately 346 hours through the end of April relating to the adoption of a child.

Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by TBR	R	FM	Year end inventory & Cash Counts	30	30	30	0%	-	18	18	-40%	-12	June 2014	I
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	175	175	205	0%	-	40	58	-77%	-135	June 2014	I
Required by TBR	R	SS	Funding Formula-Progression (2012 Data)	125	100	305	-20%	(25)	99	157	-1%	-1	February 2014	C
Required by TBR	F	FM	Internal Audit Follow Ups	30	30	335	0%	-		157	-100%	-30	Continuous	
Required by TBR	M	IA	Risk Assessment-Instruction & Academic	40	40	375	0%	-	39	196	-3%	-1	December 2013	C
Required by TBR	M	PP	Risk Assessment-Physical Plant	20	20	395	0%	-	21	217	5%	1	October 2013	C
Required by TBR	M	IS	Risk Assessment - Enterprise Wide	0	20	415	100%	20	8	225	-60%	-12	May 2014 (5)	I
Required by TBR	M	IS	TTC Risk Assessment-Enterprise-wide	20	20	435	0%	-	17	242	-15%	-3	February 2014	C
Required by TBR	I	IA	Investigation 2014-01 (Nursing)	0	100	535	100%	100	99	341	-1%	-1	April 2014 (6)	C
Presidential Request	S	IA	Faculty Credentials	125	100	635	-20%	(25)	87	428	-13%	-13	January 2014	C
Presidential Request	S	FM	First TN - NACHA Audit	100	100	735	0%	-	91	519	-9%	-9	October 2013	C
Required by Law	I	PP	Investigation 2012-01 (Plant)	40	10	745	-75%	(30)	7	526	-30%	-3	(1)	I
Required by TBR/ Presidential Request	S	IS	Quality Assessment Review	120	120	865	0%	-	160	686	33%	40	September 2013 (2)	C
Presidential Request	C	IA	Review of Compliance Assist	40	40	905	100%	-	22	708	-45%	-18	Continuous	
Presidential Request	C	IT	Providing Assistance related to TBR IT Audit	40	40	945	100%	-	37	745	-8%	-3	December 2013	C
Presidential Request	C	IS	Lab Safety Reviews	20	20	965	100%	-	24	769	20%	4	March 2014	C
Management Request	C	SS	Review of Consumer Information Requirements	35	25	990	100%	(10)	22	791	-12%	-3	February 2014	C
Management Request	C	IA	French Exchange Program	0	50	1,040	100%	50	27	818	-46%	-23	May 2014 (4)	I
Management Request	C	PP	Review of Electrical Permiting Issue	0	25	1,065	100%	25	21	839	-16%	-4	March 2014 (4)	C
Management Request	C	IT	Banner/IT Project Issues	0	25	1,090	100%	25	23	862	-8%	-2	Continuous (4)	
2T	A	FM	Maintenance/Tuition and Related Fees	150	150	1,240	0%	-		862	-100%	-150	June 2014	S
2T	A	FM	Disbursements	175	0	1,240	-100%	(175)		862	100%	0	(3)	R
Required by TBR	F	FM	State Audit Follow-Up	40	0	1,240	-100%	(40)	0	862	0%	0	(7)	R

Estimate-Hours Available For Audits = 1162.5 (1 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:

(1) This is ongoing work related to an investigation completed in FY 12. The result of the investigation led to a termination of an employee and the college is currently involved in litigation related to this issue.

(2) These hours relate to the quality assesment review performed on Pellissippi State as well as hours spent by the Pellissippi State audit director working on reviews of 3 schools in North Carolina. Variance between budget & actual was due to TBR QAR process requiring approximately 20 more hours than estimated and the fact that I took the lead on the QAR for UNC Asheville and that required more time than just being a participant on the review team.

(3) This audit was originally scheduled to start in FYE June 30, 2014, but was not be scheduled to be completed until the following fiscal year. Audit was removed due to added consulting projects and the nursing investigation.

(4) All consultatation projects were added because of management request. Prior to adding to the audit plan the risk related to these were evaluated as well as the estimated time requirement and determined to justify immediate action on the part of the internal audit office. .

(5) Items was inadvertently omitted from original audit plan.

(6) Investigation was not planned but was performed as a result of the President asking me to look into some issues related to the nursing program.

(7) State Audit follow up was removed from the audit plan because a report from State Audit was not issued during the audit period.

Note: Even though the disaster recovery audit was ranked as the top risk based audit it will not be done in FY 14. The college is in the process of moving part of its computer operations to the state level and when this is done a significant part of disaster recovery will fall on the state instead of the college.

Roane State Community College
Internal Audit Plan
For the Fiscal Year Ended June 30, 2014
Revised 4-30-14

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by TBR	R	FM	Year End Cash Counts and inventories - 6-30-14	37.50	37.50	37.50	0%	-	-	-	-100%	(37.50)	Jun-14	S
Required by IIA	R	IS	QAR self-assessment and external validation	37.50	53.50	91.00	43%	16.00	53.50	53.50	0%	-	7/31/13	C
Required by TBR	M	SS	RSCC Risk Assessment - Administrative Support	15.00	15.00	106.00	0%	-	12.50	66.00	-17%	(2.50)	May-14	S
Required by TBR	M	IA	RSCC Risk Assessment - Instruction and Academic Support	15.00	15.00	121.00	0%	-	7.00	73.00	-53%	(8.00)	May-14	S
Required by TBR	M	IS	RSCC Risk Assessment-ERM update	7.50	7.50	128.50	0%	-	7.00	80.00	-7%	(0.50)	May-14	S
Required by TBR	M	IS	TCAT OniedaRisk Assessment-Enterprise-wide/Control assessment	5.50	8.00	136.50	45%	2.50	8.00	88.00	0%	-	2/1/14	S
Required by TBR	M	IS	TCAT Crossville Risk Assessment-Enterprise-wide/Control assessment	5.50	8.50	145.00	55%	3.00	8.50	96.50	0%	-	2/1/14	S
Required by TBR	M	IS	TCAT Harriman Risk Assessment-Enterprise-wide/Control assessment	5.50	8.50	153.50	55%	3.00	8.50	105.00	0%	-	2/1/14	S
Required by TBR	M	IS	TCAT Jacksboro Risk Assessment-Enterprise-wide/Control assessment	5.50	8.50	162.00	55%	3.00	8.50	113.50	0%	-	2/1/14	S
Required by TBR	R	IS	Funding Formula - Progression data review	200.00	218.25	380.25	9%	18.25	218.25	331.75	0%	-	2/5/14	I
Required by TBR	R	IS	Funding Formula - Completion data review	200.00	151.75	532.00	-24%	(48.25)	126.00	457.75	-17%	(25.75)	Jun-14	I
Required by TBR	F	FM	RSCC - Follow up on State Audit findings	37.50	44.25	576.25	18%	6.75	44.25	502.00	0%	-	10/23/13	C
Required by TBR	F	FM	RSCC Foundation - Follow up on State Audit findings	37.50	58.25	634.50	55%	20.75	58.25	560.25	0%	-	10/23/13	C
As needed	I	IS	Unscheduled Investigations	120.00	30.00	664.50	-75%	(90.00)	12.50	572.75	-58%	(17.50)	①	I, C
As needed	S	IS	Special requests	40.00	60.00	724.50	50%	20.00	68.75	641.50	15%	8.75	②	I, C
Ongoing projects	P	IS	Projects	40.00	40.00	764.50	0%	-	54.50	696.00	36%	14.50	③	I, C
As needed	C	IS	General consultation	40.00	110.00	874.50	175%	70.00	113.00	809.00	3%	3.00	④	I, C
1	A	FM	Grants	400.00	375.00	1,249.50	-6%	(25.00)	204.50	1,013.50	-45%	(170.50)	Jun-14	I
Estimate-Hours Available For Audits (1 audit staff)				1,249.50	1,249.50				1,013.50					

T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:

① Consists of one administrative closure.
Change in budgeted hours due to lack of complaints received in current year.

② Consists of time needed for various institutional duties and responses to various institutional questions including: new employee orientation, review of PCI/DSS contract, assistance with Chattanooga State audit of RSCC President's expenses and question regarding compliance with OSHA standards.

③ Consists of ongoing projects: Auto Audit software implementation and Internal Audit workpaper archiving

④ Consists of 3 management consulting activities: Review of RSCC Campus Police timekeeping procedures, Review of Draft Delegation of Authority/Signature Authorization policy and Review of Online auction fund rasing process
Change in budgeted hours due to increased requests for consultative services by management.

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by TBR	R	SS	Funding Formula-Progression (2012 Data) (1)	150	205	205	37%	55	204	204	0%	-1	March 2014	C
Required by TBR	R	SS	Funding Formula-Completion (2013 Data)	150	150	355	0%	-	2	206	-99%	-148	July 2014	I
Required by TBR	R	FM	State Audit Follow-Up	65	65	420	0%	-	61	267	-6%	-4	December 2013	C
Project	P	FM	Quarterly Procard Reviews (1)	125	0	420	-100%	(125)	0	267	0%	0	Removed	R
IIA Standards	P	IS	Quality Assurance and Improvement	80	80	500	0%	-	85	352	6%	5	September 2013	C
Required by State Audit	R	FM	Cash Counts	25	25	525	0%	-	6	358	-76%	-19	June 2014	S
Required by TBR	M	IS	Risk Assessment- Volunteer State	75	75	600	0%	-	0	358	-100%	-75	May 2014	S
Required by TBR	M	IS	TCAT Risk Assessment- Livingston	10	10	610	0%	-	6	364	-40%	-4	February 2014	C
Required by TBR	M	IS	TCAT Risk Assessment- Hartsville	10	10	620	0%	-	6	370	-40%	-4	February 2014	C
Consulting	C	IS	General Consultation	100	100	720	0%	-	73	443	-27%	-27	June 2014	I
	I	IS	Unscheduled Investigations and Requests	100	100	820	0%	-	46	489	-54%	-54	June 2014	I
Carryforward Request	S	IA	International Education Fee	250	250	1070	0%	-	259	748	4%	9	November 2013	C
Carryforward Request	S	IA	Faculty Credentials	150	150	1220	0%	-	12	760	-92%	-138	September 2014	I

Estimate-Hours Available For Audits = 967.5 (1 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
(1) The Quartelry Procard Review was removed from the audit plan (125 hours). These hours were added to the Funding Formula Progression Audit (based on actual hours) and to Administrative Duties.

Walters State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 30, 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by State Law	R	FM	President's Expenses (FN 2)	120	120	120	0%	-	120	120	0%	0	November 2013	C
Required by TBR	R	SS	Funding Formula-Progression Audit (2012 Data)	165	165	285	0%	-	165	285	0%	0	February 2014	C
Required by TBR	R	SS	Funding Formula-Completion Audit (2013 Data)	165	200	485	21%	35	100	385	-50%	-100	July 2014	I
Required	R	FM	Inventory Observations	25	25	510	0%	-	0	385	-100%	-25	June 2014	S
Required	R	FM	Cash Counts	15	15	525	0%	-	0	385	-100%	-15	June 2014	S
Required	R	FM	Confirmation Requests	15	15	540	0%	-	0	385	-100%	-15	June 2014	S
Required	F	FM	State Audit Follow-Up	80	80	620	0%	-	80	465	0%	0	September 2013	C
Required	M	IT	WSCC Risk Assessment-Information Technology	20	20	640	0%	-	20	485	0%	0	May 2014	I
Required	M	IT	WSCC Risk Assessment-Institutional Support	0	20	660	0%	20	15	500	-25%	-5	May 2014	I
Required	M	IT	WSCC Risk Assessment-Office of Research, Planning and Assessment	0	20	680	0%	20	15	515	-25%	-5	May 2014	I
Required	M	IT	WSCC Risk Assessment-College Advancement	0	20	700	0%	20	15	530	-25%	-5	May 2014	I
Required	M	IS	WSCC Risk Assessment-Enterprise-wide	25	25	725	0%	-	15	545	-40%	-10	May 2014	I
Required	M	IS	TCATM Risk Assessment-Enterprise-wide	25	25	750	0%	-	25	570	0%	0	February 2014	C
Required	P	IS	Quality Assessment Review	20	20	770	0%	-	20	590	0%	0	July 2013	C
Required	P	IS	Interim Self-Assessment	10	10	780	0%	-	0	590	-100%	-10	June 2014	S
Required	I	IS	Unscheduled Investigations	0	0	780	0%	-	0	590	0%	0	TBD	S
Required	C	IS	General Consultation (FN 1)	142	142	922	0%	-	160	750	13%	18	June 2014	I
Required	R	FM	NACHA Compliance Audit	60	60	982	0%	-	75	825	25%	15	November 2013	C
Required	R	IT	IT Governance Review	60	65	1047	8%	5	50	875	-23%	-15	May 2014	I
1T	A	PP	Emergency Systems & Procedures	75	75	1122	0%	-	0	875	-100%	-75	June 2014	S
1T	A	FM	PCI-DSS	100	100	1222	0%	-	40	915	-60%	-60	June 2014	S
2	A	FM	Contracts	100	0	1222	-100%	(100)	0	915	0%	0	July 2014	S

Estimate-Hours Available For Audits = 2720 (2 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:

FN 1 - General Consultation increased due to, but not limited to, reviewing numerous documents related to an upcoming SACS review, various meetings regarding U.S. Department of Education's off-site Program Review of Title IV funding for WSCC's Basic Law Enforcement Officer Program.

FN 2 - The audit of NeSCC President's Expenses was the first such audit performed by me and, as a result, involved a much greater learning curve than originally anticipated (e.g. set up and access to NeSCC's Virtual Private Network, learning and performing numerous Banner queries, reconciling NeSCC's fourth-quarter report submitted to TBR with general ledger accounts, identifying and resolving discrepancies, etc.)

Tennessee Board of Regents - System Office
Internal Audit Plan
Fiscal Year Ended June 30, 2014
Revised April 2014

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by State Law	R	FM	President's Expenses (DSCC)	100	100	100	0%	-	94.5	94.5	-6%	-5.5	November 2013	C
Required by TBR	R	FM	Cash Counts	5	5	105	0%	-	1	95.5	-80%	-4	Juy 5, 2013	C
Required by TBR	F	PP	State Audit Follow-Up - Energy	25	15	120	-67%	(10)	13	108.5	-13%	-2	July 10, 2013	C
Required by TBR	F	FM	Internal Audit Follow up Travel Expenses	50	50	170	0%	-	52.5	161	5%	2.5	Fn 1	S
Required by State Law	M	IS	Management's Risk Assessment	50	50	220	0%	-	0	161	-100%	-50	May 2014	S
Required by TBR	P	IS	Quality Assessment Review Fn 2	200	260	480	23%	60	264.5	425.5	2%	4.5	June 2014	I
Required by TBR	C	FM	Tennessee Foreign Language Institute	150	175	655	14%	25	176	601.5	1%	1	May 2014	I
Required by TBR	F	AX	Follow up to Procurement Card Review	25	10	665	-150%	(15)	0	601.5	-100%	-10	June 2014	S
	C	IS	General Consultation	100	100	765	0%	-	64	665.5	-36%	-36	On-going	-
	R	SS	DSCC CCTA phase 1 Fn 4	150	150	915	0%	-	72	737.5	-52%	-78	February 18, 2014	C
	R	SS	STCC CCTA phase 1 Fn 4	150	150	1065	0%	-	86.5	824	-42%	-63.5	February 27, 2014	C
	S	FM	APSU DSA Follow up Fn 5	0	50	1115	100%	50	53.5	877.5	7%	3.5	March 24, 2014	C
	R	SS	DSCC CCTA phase 2 Fn 3	0	150	1265	100%	150	0	877.5	-100%	-150	July 2014	S
	R	SS	STCC CCTA phase 2 Fn 3	0	150	1415	100%	150	19	896.5	-87%	-131	July 2014	I

Estimate-Hours Available For Audits = 1245 (2 audit staff)
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
Fn 1 - This follow-up review did not result in a written report.
Fn 2 - The original budget was estimated prior to the completion of the QAR. The results of the QAR require more time to address than was initially anticpated.
Fn 3 - These were erroneously not included on previous audit plans for FY2014.
Fn 4 - This audit was completed in less time than expected.
Fn 5 - This audit was requested by management in March 2014.

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Required by State Audit	M	IT	Participation in IT's Risk Assessment Process	24	24	24	0%	0	28	28	117%	4	N/A	C
Required by TBR	F	IT	Follow-up on IT Audit Issues	16	16	40	0%	0	0	28	0%	-16	June 2014	I
IT Request	C	IT	IT Request for Participation in Banner XE Upgrade & Data Warehouse Projects + OIR Migration (1)	96	80	120	17%	-16	72	100	90%	-8	June 2014	I
Special Mgmt. Request	S	IS	CCTA Process Audit (2)	0	40	160	-100%	40	54	154	135%	14	March 2014	I
Annual	C	IT	IT Consulting (1)	80	96	256	-20%	16	90	244	94%	-6	Ongoing	I
Universities for General Controls Reviews														
1	A	IT	General Controls Review - TSU	160	160	416	0%	0	24	268	15%	-136	June 2014	I
2	A	IT	General Controls Review - APSU	160	160	576	0%	0	123	391	77%	-37	May 2014	I
Community Colleges for General Controls Reviews														
1	A	IT	General Controls Review - STCC (3)	160	0	576	100%	-160	0	391	100%	0	N/A	R
3T	A	IT	General Controls Review - CISCC (3)	0	160	736	-100%	160	156	547	98%	-4	January 2014	I
2T	A	IT	General Controls Review - PSCC	160	160	896	0%	0	180	727	113%	20	October 2013	I
2T	A	IT	General Controls Review - JSCC	160	160	1056	0%	0	188	915	118%	28	November 2013	I
3T	A	IT	General Controls Review - RSCC	160	160	1216	0%	0	148	1063	93%	-12	March 2014	I
Risk-based Audits														
1	C	IT	Operations: Business Continuity Planning / IT Disaster Recovery	80	80	1296	0%	0	23	1086	29%	-57	June 2014	I
3T	A	IT	Data Security: Logical System Access (2)	80	40	1336	50%	-40	16	1102	40%	-24	June 2014	S
3T	A	IT	Application: BANNER - performed in unison with Banner upgrade above (1)	0	0	1336	0%	0	0	1102	100%	0	N/A	R
5	A	IT	General Controls Review - TBR	180	180	1516	0%	0	220	1322	122%	40	September 2013	I

Estimate-Hours Available For Audits = 1516 (1 auditor).
T--Tie

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

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

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed

Footnotes:
(1) A combination of IT request for project participation. 16 hours were removed from this item and given to IT General consulting for re-classification of project definition.
(2) CCTA Project added to schedule. Hours for project taken from Logical Access Security Project, below.
(3) STCC project replaced by CISCC due to leadership changes at CISCC.

System-wide Internal Audit
Information Systems Audit Plan
Fiscal Year Ended June 30, 2014
Revised 4/30/2014

TCAT
Internal Audit Plan
Fiscal Year Ended June 30, 2014
3rd Quarter- Feb - Apr

Current Rank	Type	Area	Audit	Previously Reported Budget Hours	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Change in Budget Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Actual Vs. Budget Hours	Estimated/Actual Completion Date	Current Status
Carryforward	A	FM	Morristown (2012-2013)	50.0	50.0	50.0	0%	-	17.5	17.5	-65%	(32.5)	June 2014	I
Carryforward	A	FM	Chattanooga (2011)	200.0	25.0	75.0	-88%	(175.0)	29.0	46.5	16%	4.0	November 11, 2013	C
Carryforward	A	FM	Pulaski	200.0	10.0	85.0	-95%	(190.0)	-	46.5	-100%	(10.0)	July 23, 2013	C
Carryforward	P	SS	Federal Financial Aid Updates (1)	100.0	25.0	110.0	-75%	(75.0)	25.0	71.5	0%	-	September 2013	C
			Focused Reviews (System-wide) (2)											
2	A	FM	Elizabethton (3)	37.5	60.0	60.0	60%	22.5	-	-	-100%	(60.0)	July 2014	S
3	A	FM	Knoxville	37.5	37.5	97.5	0%	-	-	-	-100%	(37.5)	June 2014	S
4T	A	FM	Crossville	37.5	37.5	135.0	0%	-	36.0	36.0	-4%	(1.5)	January 17, 2014	C
4T	A	FM	Hohenwald	22.5	37.5	172.5	67%	15.0	47.0	83.0	25%	9.5	November 26, 2013	C
5T	A	FM	Newbern	37.5	37.5	210.0	0%	-	54.0	137.0	44%	16.5	November 11, 2013	C
5T	A	FM	Jackson	37.5	37.5	247.5	0%	-	35.0	172.0	-7%	(2.5)	June 2014	I
5T	A	FM	McKenzie	22.5	37.5	285.0	67%	15.0	15.0	187.0	-60%	(22.5)	May 2014	I
6T	A	FM	Pulaski	37.5	37.5	322.5	0%	-	40.0	227.0	7%	2.5	June 2014	I
6T	A	FM	Shelbyville	37.5	37.5	360.0	0%	-	31.5	258.5	-16%	(6.0)	February 27, 2014	C
6T	A	FM	McMinnville	50.0	37.5	397.5	-25%	(12.5)	53.5	312.0	43%	16.0	May 2014	I
7T	A	FM	Ripley (3)	37.5	37.5	435.0	0%	-	0.5	312.5	-99%	(37.0)	July 2014	S
7T	A	FM	Murfreesboro	50.0	37.5	472.5	-25%	(12.5)	26.5	339.0	-29%	(11.0)	May 2014	I
8	A	FM	Oneida	37.5	37.5	510.0	0%	-	36.0	375.0	-4%	(1.5)	February 27, 2014	C
9T	A	FM	Hartsville	37.5	37.5	547.5	0%	-	-	375.0	-100%	(37.5)	June 2014	S
9T	A	FM	Nashville	75.0	37.5	585.0	-50%	(37.5)	23.0	398.0	-39%	(14.5)	June 2014	I
10T	A	FM	Memphis	50.0	37.5	622.5	-25%	(12.5)	41.5	439.5	11%	4.0	June 2014	I
10T	A	FM	Athens	37.5	37.5	660.0	0%	-	-	439.5	-100%	(37.5)	June 2014	S
10T	A	FM	Livingston	37.5	37.5	697.5	0%	-	46.0	485.5	23%	8.5	April 14, 2014	C
10T	A	FM	Dickson	37.5	37.5	735.0	0%	-	42.5	528.0	13%	5.0	May 2014	I
11	A	FM	Harriman	37.5	37.5	772.5	0%	-	60.0	588.0	60%	22.5	April 15, 2014	C
12T	A	FM	Jacksboro	37.5	37.5	810.0	0%	-	45.5	633.5	21%	8.0	June 2014	I
12T	A	FM	Paris	37.5	37.5	847.5	0%	-	17.0	650.5	-55%	(20.5)	June 2014	I
13T	A	FM	Covington	37.5	37.5	885.0	0%	-	58.0	708.5	55%	20.5	November 26, 2013	C
14T	A	FM	Crump	37.5	37.5	922.5	0%	-	28.5	737.0	-24%	(9.0)	June 2014	I
14T	A	FM	Whiteville	37.5	37.5	997.5	0%	-	45.0	782.0	20%	7.5	April 21, 2014	C
1	A	FM	Morristown (4)	37.5	1.0	998.5	-97%	(36.5)	-	782.0	-100%	(1.0)	NA	R
13T	A	FM	Chattanooga (5)	37.5	1.0	999.5	-97%	(36.5)	-	782.0	-100%	(1.0)	NA	R

Estimate-Hours Available For Audits = 1485 (1 audit staff)
T--Tie

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

Functional Areas:
AD - Advancement
AT - Athletics
AX - Auxiliary
FM - Financial Management
IA - Instruction & Academic Support
IS - Institutional Support
IT - Information Technology
PP - Physical Plant
RS - Research

Status
C - Completed
I - In Progress
S - Scheduled, not Started
R - Removed
W- Waiting for Operational to schedule

(1) This project was delayed due to financial aid issues at a TTC and implementation of a new financial aid payment process.
(2) This focused review will include the problem areas identified during prior periods operational audits: Financial Aid, AR, Cash Receipts and Livework.
(3) These audits were scheduled for later in the year due to extenuating circumstances, a request from the Director or schedule conflict.
(4) The prior audit was conducted later in the prior period and it was determined that an audit during the current cycle was not necessary.
(5) This school is highly integrated within the lead institution, which is audited by the Comptroller's Office. It was removed from the schedule near year-end since there was no audit need identified.

TBR SWIA
Investigation Plan
Fiscal Year Ended June 30, 2014
Revised as of April 30, 2014

Current Rank	Type	Area	Investigation	Previously Reported Budget	Current Budget Hours	Cumulative Budget Hours	Change in Budget Percentage	Hours	Actual Hours	Cumulative Actual Hours	Actual Vs. Budget Percentage	Hours	Estimated/Actual Completion Date	Current Status
Investigation	P	N/A	INVESTIGATION MANAGEMENT	180	250.0	250	-28%	70	245.5	246	-2%	-5	6/30/2014	I
Investigation	C	N/A	CONSULTATION/EVALUATION	40	125.0	375	-68%	85	105.5	351	-16%	-20	6/30/2014	I
Investigation	I	FM	TBR 08-06	25	5.0	380	400%	-20	0	351	-100%	-5	8/30/2013	C
Investigation	I	FM	TBR 09-04	20	5.0	385	300%	-15	0	351	-100%	-5	3/31/2014	C
Investigation	I	FM	TBR 10-07	15	5.0	390	200%	-10	0	351	-100%	-5	8/30/2013	C
Investigation	I	FM	TBR 10-08	40	10.0	400	300%	-30	0	351	-100%	-10	6/30/2014	I
Investigation	I	FM	TBR 10-09	15	5.0	405	200%	-10	0	351	-100%	-5	3/31/2014	C
Investigation	I	FM	TBR 12-02	15	10.0	415	50%	-5	0	351	-100%	-10	6/30/2014	I
Investigation	I	FM	TBR 12-04	40	10.0	425	300%	-30	0	351	-100%	-10	6/30/2014	I
Investigation	I	FM	TBR 12-05	20	5.0	430	300%	-15	0	351	-100%	-5	8/26/2013	C
Investigation	I	FM	TBR 13-01	0	0.0	375	-	0	44	395			6/30/2014	I
Investigation	I	FM	TBR 13-02	0	0.0	375	-	0	0	395			6/30/2014	I
Investigation	I	FM	TBR 13-03	0	10.0	385	-100%	10	3	398	-70%	-7	6/30/2014	I
Investigation	F	FM	TBR 13-04 FOLLOW-UP	150	158.0	543	-5%	8	158	556	0%	0	6/30/2014	I
Investigation	I	FM	TBR 13-05	0	0.0	543	-	0	50	606			8/16/2013	C
Investigation	I	FM	TBR 13-06	0	30.0	573	-100%	30	30	636	0%	0	4/21/2014	C
Investigation	I	FM	TBR 13-08	40	60.0	633	-33%	20	20	656	-67%	-40	6/30/2014	I
Investigation	I	FM	TBR 14-01	150	160.0	793	-6%	10	160	816	0%	0	4/30/2014	C
Investigation	I	FM	TBR 14-02	40	20.0	813	100%	-20	9.5	826	-53%	-11	5/31/2014	I
Investigation	I	FM	TBR 14-03	0	40.0	853	-100%	40	35	861	-13%	-5	5/31/2014	I
Investigation	I	FM	TBR 14-04	40	40.0	893	0%	0	4	865	-90%	-36	6/30/2014	I
Investigation	I	FM	TBR 14-05	0	28.5	922	-100%	29	28.5	893	0%	0	4/21/2014	C
Investigation	I	FM	TBR 14-06	60	120.0	1042	-50%	60	100	993	-17%	-20	6/30/2014	I
Investigation	I	FM	TBR 14-07	40	28.5	1070	40%	-11.5	28.5	1022	0%	0	4/21/2014	C
Investigation	I	FM	TBR 14-08	60	60.0	1130	0%	0	45.5	1067	-24%	-15	6/30/2014	I
Investigation	I	FM	TBR 14-12	40	25.0	1155	60%	-15	12	1079	-52%	-13	6/30/2014	I
Investigation	I	FM	TBR 14-15	0	0.0	1155	-	0	25	1104			TBD	I
			Unscheduled Investigations	192.5	12.5	13		-180						
			Total	1222.5	1222.5				1104.0					

Estimate-Hours Available For Investigations = 1222.5 (1 investigator)
T--Tie

Audit Types:	Functional Areas:	Status
R - Required	AD - Advancement	C - Completed
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	S - Scheduled, not Started
I - Investigation	FM - Financial Management	R - Removed/Referred
P - Project (Ongoing or Recurring)	IA - Instruction & Academic Support	
M - Management's Risk Assessmen	IS - Institutional Support	
C - Consultation	IT - Information Technology	
F - Follow-up Review	PP - Physical Plant	
	RS - Research	
	SS - Student Services	

DATE: June 3, 2014

AGENDA ITEM: **Review of Internal Audit Plans for
                                        Fiscal Year 2015**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Voice Vote

STAFF'S RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The committee will review and consider for approval internal audits planned
for the system institutions for Fiscal Year 2015 as required by the Audit
Committee Charter, TBR Policy 4:01:05:00, *Internal Audit*, and the Institute
of Internal Auditors *International Professional Practices Framework.*

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

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

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

hours available for audits. This methodology complies with industry standards.

The following risk factors were considered during the risk analysis:

- <u>Audit History</u> – Time since last audit, results of last audit, and external audit or monitoring coverage and results.
- <u>Internal Controls</u> – Quality of internal control system, level of decentralization for operations, management's tone and interest in controls, extent of reliance on technology and complexity of operations.
- <u>Change</u> – Key personnel or unusual turnover, organizational changes, accounting and other critical operating systems changes, rapid growth and change in mission or in programs.
- <u>Size</u> – Revenues/Expenses/Net Assets and volume of transactions.
- <u>Sensitivity</u> – Extent of government or external influence, political exposure, adverse publicity, potential liability, and inherent risk of loss of resources.
- <u>Management's Assessment of Risk</u> – Whether the audit area has been included in management's risk assessment process, results of that assessment, results of management's control assessment, and time since last assessment of the audit area.
- <u>Other</u> – Significant issues not covered in above risk factors.

This section contains system summaries of the planned audits by type of review (for example, required audits, risk-based audits, etc.) and by the major functional areas (for example, Student Services, Financial Management, etc.) at the institution. The summaries are followed by a detailed audit plan for each institution.

Tennessee Board of Regents
Planned Audit Hours by Type
Fiscal Year 2015

- Risk-Based, 44%
- Follow-up Review, 5%
- Investigation, 9%
- Management's Risk Assessment, 5%
- Required, 21%
- Special Request, 5%
- Consultation, 7%
- Project, 4%
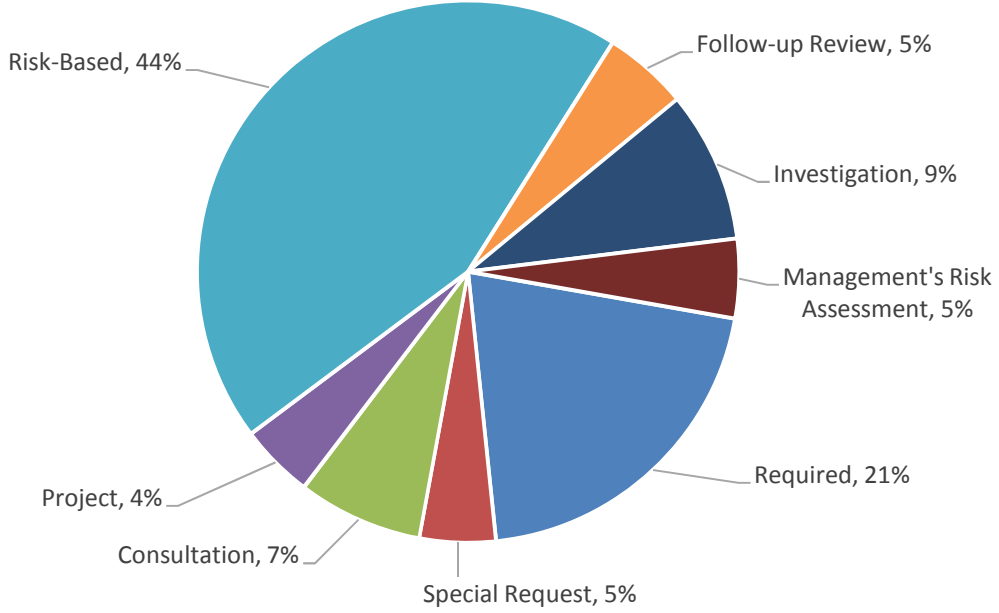
Tennessee Board of Regents
Planned Audit Hours by Functional Area
Fiscal Year 2015

- Financial Management, 35%
- Instruction & Academic Support, 3%
- Institutional Support, 18%
- Information Technology, 12%
- Physical Plant, 3%
- Research, 2%
- Student Services, 18%
- Advancement, 4%
- Athletics, 5%
- Auxiliary, 1%
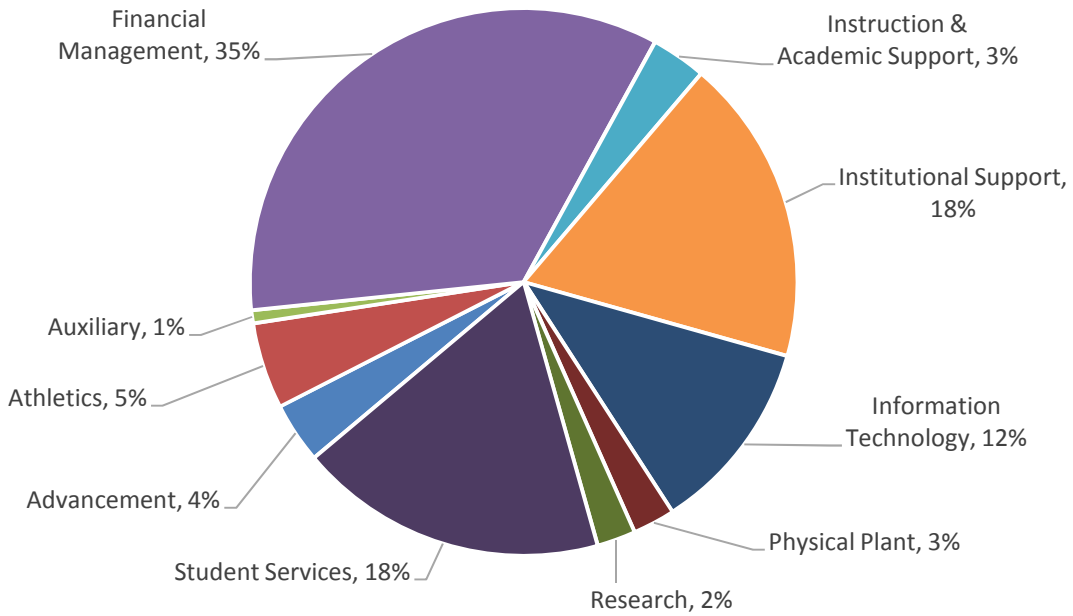
Tennessee Board of Regents
Summary of Internal Audit Plans by Type of Review
For the Year Ended June 30, 2015

Number of Audits by Type of Review

Review	Percentage	APSU	ETSU	MTSU	TSU	TTU	UOM	ChSCC	CLSCC	COSCC	DSCC (1)	JSCC	MSCC	NSCC	NeSCC	PSCC	RSCC	STCC (1)	VSCC	WSCC	TBR	TBR - Inv.	TBR IT	System TTC	TOTAL	Percentage
Required	19%	4	5	4	4	6	3	3	3	2	0	3	2	6	4	3	2	0	3	4	5	0	2	0	68	19%
Risk-Based	32%	1	12	9	3	5	13	11	2	0	0	2	0	2	2	3	3	0	0	4	1	0	9	30	112	32%
Special Request	5%	2	1	0	0	0	0	1	1	0	0	0	1	1	2	2	1	0	2	0	0	0	2	0	16	5%
Investigation	7%	1	4	2	2	1	1	1	1	0	0	0	0	1	0	0	1	0	1	1	0	7	0	0	24	7%
Project	4%	2	1	1	1	2	1	0	1	0	0	0	0	0	0	0	1	0	1	1	0	1	0	0	13	4%
Management's Risk Assessment	17%	3	1	1	3	5	1	1	2	3	0	9	4	4	2	4	8	0	2	5	1	0	0	0	59	17%
Consultation	9%	2	2	2	2	1	2	2	1	1	0	1	1	1	1	1	1	0	1	1	1	1	4	1	30	9%
Follow-up Review	8%	1	2	2	1	1	2	2	1	0	0	3	0	1	2	2	2	0	1	1	3	0	0	1	28	8%
Total Number of Planned Audits	**100%**	**16**	**28**	**21**	**16**	**21**	**23**	**21**	**12**	**6**	**0**	**18**	**8**	**16**	**13**	**15**	**19**	**0**	**11**	**17**	**11**	**9**	**17**	**32**	**350**	**100%**

Audit Hours by Type of Review	Percentage	APSU	ETSU	MTSU	TSU	TTU	UOM	ChSCC	CLSCC	COSCC	DSCC (1)	JSCC	MSCC	NSCC	NeSCC	PSCC	RSCC	STCC (1)	VSCC	WSCC	TBR	TBR - Inv.	TBR IT	System TTC	TOTAL	Percentage
Required	21%	550	715	700	625	640	310	220	525	320	0	330	300	542	440	290	237	0	450	315	620	0	28	0	8157	21%
Risk-Based	44%	150	2775	2170	625	900	3930	1165	275	0	0	400	0	325	400	525	645	0	0	587	150	0	1192	1307.5	17522	44%
Special Request	5%	500	250	0	0	0	0	85	200	0	0	0	100	50	100	200	40	0	165	0	0	0	112	0	1802	5%
Investigation	9%	150	350	650	400	200	400	80	25	0	0	0	0	100	0	0	120	0	100	80	0	920	0	0	3575	9%
Project	4%	450	250	50	50	530	80	0	25	0	0	0	0	0	0	0	40	0	100	25	0	160	0	0	1760	4%
Management's Risk Assessment	5%	225	40	50	150	145	80	40	75	100	0	280	115	120	80	90	83	0	90	105	10	0	0	0	1878	5%
Consultation	7%	400	150	200	450	50	300	150	50	180	0	100	85	75	50	20	40	0	100	80	75	160	196	50	2961	7%
Follow-up Review	5%	100	445	150	175	60	200	140	30	0	0	90	0	25	150	70	0	0	75	30	240	0	0	25	2005	5%
Total Planned Hours for Audits	**100%**	**2525**	**4975**	**3970**	**2475**	**2525**	**5300**	**1880**	**1205**	**600**	**0**	**1200**	**600**	**1237**	**1220**	**1195**	**1205**	**0**	**1080**	**1222**	**1095**	**1240**	**1528**	**1382.5**	**39660**	**100%**

(1) Internal audit position is currently vacant. No plan was prepared.

Tennessee Board of Regents
Summary of Audit Plans by Major Functional Area
For the Year Ended June 30, 2015

Number of Audits by Major Functional Area

Functional Area	Percentage	APSU	ETSU	MTSU	TSU	TTU	UOM	ChSCC	CLSCC	COSCC	DSCC (1)	JSCC	MSCC	NSCC	NeSCC	PSCC	RSCC	STCC (1)	VSCC	WSCC	TBR	TBR Inv.	TBR IT	System TTC	TOTAL	Percentage
Advancement	2%	0	1	2	0	1	1	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	7	2%
Athletics	3%	1	2	4	1	1	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	3%
Auxiliary	0%	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0%
Financial Management	36%	5	8	8	4	8	10	8	2	1	0	1	1	6	4	6	5	0	3	6	2	5	0	32	125	36%
Instruction & Academic Support	4%	2	2	0	1	0	0	1	0	0	0	0	0	0	1	2	1	0	1	1	1	1	0	0	14	4%
Institutional Support	26%	3	3	4	3	5	2	5	5	4	0	10	5	8	5	2	10	0	5	5	1	2	3	0	90	26%
Information Technology	10%	0	7	0	2	1	5	1	0	0	0	2	0	0	0	1	0	0	0	2	0	0	14	0	35	10%
Physical Plant	2%	1	1	0	1	0	0	0	0	0	0	2	1	0	0	0	1	0	0	0	1	0	0	0	8	2%
Research	1%	0	0	1	1	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	1%
Student Services	15%	4	4	2	3	3	2	4	5	1	0	3	1	2	2	3	2	0	2	3	6	1	0	0	53	15%
Total Number of Planned Audits	**100%**	**16**	**28**	**21**	**16**	**21**	**23**	**21**	**12**	**6**	**0**	**18**	**8**	**16**	**13**	**15**	**19**	**0**	**11**	**17**	**11**	**9**	**17**	**32**	**350**	**100%**

Audit Hours by Major Functional Area

Functional Area	Percentage	APSU	ETSU	MTSU	TSU	TTU	UOM	ChSCC	CLSCC	COSCC	DSCC (1)	JSCC	MSCC	NSCC	NeSCC	PSCC	RSCC	STCC (1)	VSCC	WSCC	TBR	TBR Inv.	TBR IT	System TTC	TOTAL	Percentage
Advancement	4%	0	200	500	0	25	350	0	0	0	0	0	0	0	200	150	0	0	0	0	0	0	0	0	1425	4%
Athletics	5%	125	450	970	125	75	150	130	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2025	5%
Auxiliary	1%	0	0	0	0	0	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300	1%
Financial Management	35%	825	1300	1100	650	1485	1920	725	275	170	0	30	150	647.5	325	490	467	0	265	497	190	840	0	1382.5	13734	35%
Instruction & Academic Support	3%	325	100	0	350	0	0	100	0	0	0	0	0	0	50	120	15	0	150	20	40	20	0	0	1290	3%
Institutional Support	18%	375	600	800	325	370	600	460	255	280	0	330	200	360	395	220	478	0	365	230	75	320	152	0	7190	18%
Information Technology	12%	0	1175	0	400	100	1080	85	0	0	0	60	0	0	0	20	-	0	0	265	0	0	1376	0	4561	12%
Physical Plant	3%	150	300	0	50	0	0	0	0	0	0	230	100	0	0	0	15	0	0	0	150	0	0	0	995	3%
Research	2%	0	0	250	50	205	400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	905	2%
Student Services	18%	725	850	350	525	265	500	380	675	150	0	550	150	230	250	195	230	0	300	210	640	60	0	0	7235	18%
Total Planned Audit Hours	**100%**	**2525**	**4975**	**3970**	**2475**	**2525**	**5300**	**1880**	**1205**	**600**	**0**	**1200**	**600**	**1237.5**	**1220**	**1195**	**1205**	**0**	**1080**	**1222**	**1095**	**1240**	**1528**	**1382.5**	**39660**	**100%**

(1) Internal audit position is currently vacant. No plan was prepared.

Austin Peay State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by Athletic Affiliate	R	AT	OVC Spec Asst/Stud Ath Opp Fund	125	August 2014
Required by State Audit	F	FM	State Audit Follow-Up	100	March 2015
Required by TBR	M	SS	Risk Assessment-Institutional Support	75	May 2015
Required by TBR	M	FM	Risk Assessment-Ancillary and Auxilliary	75	May 2015
Required by TBR	M	IA	Risk Assessment-Instr & Acad Support	75	May 2015
Required by IIA	R	IS	Quality Assessment Review	25	January 2015
Required by TBR	R	SS	CCTA Funding Formula-Completion	250	August 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers &	150	December 2014
Brought forward	S	SS	Higher Education Act Compliance	250	February 2015
Special Request	S	IA	Study Abroad Programs	250	November 2014
Investigation	I	IS	Unscheduled Investigations	150	TBD
Consulting	C	FM	UBIT and Sales Tax reporting	200	October 2014
Consulting	C	IS	General Consultation	200	June 2015
Ongoing	P	FM	Procurement Card-Review	150	Ongoing
Ongoing	P	FM	Travel Claim Review-Ongoing	300	Ongoing
1	A	PP	Emergency Preparedness	150	September 2014
			Total	2525	

Estimate-Hours Available For Audits = 2335 (2 audit staff)
T--Tie
TBD-To Be Determined

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

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

Note: The audit universe identified for the university includes an additional 34 programs, departments, or units that are not planned for audit during the fiscal year.

East Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by TBR	R	SS	CCTA Funding Formula-Completion (2013 Data)	100	July 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	December 2014
Required by State Audit	R	FM	Cash Counts/Inventories	40	June 2015
Required by CPB	R	FM	WETS-FM	250	December 2014
Required by Bank	R	IT	NACHA Web Transactions Data Security	125	May 2015
	F	FM	State Audit Follow-Up	20	April 2015
	F	IS	Internal Audit Follow-Ups (FN 1)	425	Various
	M	FM	Risk Assessments	40	May 2015
Brought forward	I	IA	Investigation 14-02	50	July 2014
Brought forward	I	IA	Investigation 14-04	50	July 2014
Brought forward	I	AT	Investigation 14-05	150	August 2014
	I	IS	Unscheduled Investigations	100	Various
	C	IS	General Consultation	75	Ongoing
	C	IT	IT Consulting	75	Ongoing
	P	IT	PCI Compliance Scans	250	Ongoing
Special request	S	SS	Student/University Health Billing Practices	250	October 2014
Brought forward	A	FM	Travel	250	December 2014
1T	A	AD	Professional Development	200	May 2015
1T	A	FM	Technology Access Fee	200	January 2015
1T (IT)	A	IT	Backup & Recovery of OIT Processes & Data	200	December 2014
1T (IT)	A	IT	Incident Readiness & Response	200	February 2015
2	A	AT	NCAA Compliance	300	April 2015
2 (IT)	A	IT	Web Application Security	150	January 2015
3	A	FM	Contracts & Agreements	250	June 2015
3 (IT)	A	IT	OIT Policies & Procedures Review	175	September 2014
4T	A	SS	Financial Aid Administration	300	After June 2015
4T	A	PP	Physical Plant	300	After June 2015
4T	A	FM	Cash Receipts/Bursar	250	After June 2015
			Total	4975	

Estimate-Hours Available For Audits = 4835 (3 staff auditors and 1 IT auditor)
T--Tie

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

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

Note: The audit universe identified for the university includes an additional 81 programs, departments, or units that are not planned for audit during the fiscal year.

FN 1 - Follow Ups include Advancement Services/BASA, Procards, Railroad Museum, CUAI, CCTA Progression, Biomedical Sciences, and the Natural History Museum.

Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Estimated Hours	Cumulative Hours	Estimated Completion Date
Requested by Management	R	FM	Cash Counts	50	50	June 2015
Requested by Management	R	FM	Year-End Inventory Observations	200	250	September 2014
Brought Forward/Required by TBR	R	SS	Funding Formula-Transfers & Others	200	450	December 2014
Required by TBR	M	IS	Risk Assessment	50	500	May 2015
	F	FM	State Audit Follow-Up or Assistance	50	550	June 2015
Required by NCAA	R	AT	Football Attendance Fall 2014	250	800	February 2015
Management Request	P	FM	Special Reviews (Cash Shortage Reviews)	50	850	June 2015
Consulting	C	FM	Assisting with President's Expense Audit	50	900	June 2015
Consulting	C	IS	General Consultation	150	1050	June 2015
Follow-up	F	IS	Follow-up of Prior Recommendations	100	1150	June 2015
Brought forward	I	SS	Investigation 14-02	150	1300	August 2014
Special Request	I	IS	Unscheduled Investigations	500	1800	TBD
1	A	FM	Rental Property Management	250	2050	December 2014
2	A	FM	Food Service Commissions	250	2300	December 2014
3T	A	AT	Athletic Concessions Revenue	250	2550	January 2015
3T	A	FM	Blue Print Solutions	200	2750	January 2015
4T	A	RS	Research Sponsored Programs	250	3000	March 2015
4T	A	AT	Athletic Camps and Clinics	250	3250	March 2015
5T	A	AD	Foundation	250	3500	May 2015
5T	A	AD	Development	250	3750	May 2015
6T	A	AT	Athletics (Eligibility)	220	3970	June 2015

Estimated Hours Available For Audits = 3,860 which excludes 1,200 contract audit hours. (4 audit staff)
T--Tie

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

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

Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by Athletic Affiliate	R	AT	NCAA Student Assistance Fund	125	September 2014
Required by State Audit	F	IT	State Audit Follow-Up	175	July 2014
	M	SS	Risk Assessment-Student Services	50	May 2015
	M	PP	Risk Assessment-Physical Plant	50	May 2015
	M	RS	Risk Assessment-Research	50	May 2015
	R	IS	Quality Assessment Review	25	January 2015
Brought forward	I	IS	Investigation 14-1002	100	August 2014
	P	FM	Cash Counts	50	June 2015
	I	FM	Unscheduled Investigations	300	TBD
	C	FM	Consultation-Conflict of Interest	100	June 2015
	C	IA	General Consultation	350	June 2015
Required by TBR	R	SS	CCTA Funding Formula-Completion	225	July 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	250	December 2014
1	A	IS	Evidence Room	200	October 2014
2	A	IT	Disaster Recovery	225	February 2015
3	A	FM	Payroll	200	April 2015
			Total	2475	

Estimate-Hours Available For Audits = 2490 (2 audit staff)
T--Tie
TBD-To Be Determined

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

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

Note: The audit universe identified for the university includes an additional 17 programs, departments, or units that are not planned for audit during the fiscal year.

Tennessee Tech University
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required	R	FM	President's Expenses	200	October 2014
Required	R	SS	CCTA Funding Formula-Completion (2013 Data)	120	July 2014
Required	R	SS	CCTA Funding Formula-Transfers & Other	120	December 2014
Required	F	FM	State Audit Follow-Up	60	March 2015
Required	M	RS	Risk Assessment-Research	25	May 2015
Required	M	SS	Risk Assessment-Student Services	25	May 2015
Required	M	IS	Risk Assessment-Institutional Support	35	May 2015
Required	M	IS	Risk Assessment-Enterprise-wide	35	May 2015
Required	M	AD	Risk Assessment-Advancement	25	May 2015
Required	R	IS	Follow-Up to Internal Audits	50	TBD
Required	I	IS	Unscheduled Investigations	200	TBD
Required	C	IS	General Consultation	50	TBD
In Progress	A	FM	Equipment	150	September 2014
In Progress	A	IT	Payment Card Industry	100	August 2014
Required	R	FM	Inventory Observations	75	August 2014
Required	R	AT	Student Assistance Funds	75	August 2014
Mgmt Req	P	FM	Procard Reviews	350	June 2015
Mgmt Req	P	RS	Sponsored Program Review	180	June 2015
1	A	FM	Accounts Receivable	250	January 2015
2T	A	FM	Receipts	250	April 2015
2T	A	FM	Procard	150	June 2015
			Total	2525	

Estimate-Hours Available For Audits and Reviews = 2490 (1 full-time audit staff and 1 administrative associate)
T--Tie
TBD-To Be Determined

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

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

Note: The audit universe identified for the university includes an additional 55 programs, departments, or units that are not planned for audit during the fiscal year.

University of Memphis
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
1T	A	AD	Risk Assessment-Review of Internal Controls-Risk Footprints-Advancement	350	December 2014
1T	A	IT	Risk Assessment-Review of Internal Controls-Risk Footprints-Information Technology	350	May 2015
1T	A	RS	Risk Assessment-Review of Internal Controls-Risk Footprints-Research	400	March 2015
2	A	AX	Hotel Conference Center-Management Contract (Holiday Inn & Fogelman)	300	January 2015
3T	A	FM	Data Analytics-Payroll & Accounts Payable (Continuous)	350	June 2015
3T	A	FM	Fixed Assets (Continuous)	330	June 2015
3T	A	FM	Procurement Cards (Continuous)	350	June 2015
4T	A	FM	International Travel	200	February 2014
4T	A	FM	Lambuth Campus	250	April 2015
5	A	IT	Information Technology-Data Security-Mobile Devices (Laptop Encryption, etc)	300	December 2014
6	A	IT	Information Technology-PCI Compliance (Credit Card Processing)	250	January 2015
7	A	SS	Study Abroad Program & International Area	350	February 2014
8	A	AT	Athletics Ticket Distribution - Compliance with TBR and UOM Polcies	150	June 2015
	C	IS	General Consultation (includes attorney client projects)	200	June 2015
	C	IT	General Consultation - IT	100	June 2015
	F	FM	Follow-up FY14 Audits	100	March 2015
	F	FM	Follow-up State Audit Findings FY13	100	August 2014
	I	IS	Unscheduled Investigations	400	June 2015
	M	FM	Risk Assessment-Financial Management	80	May 2015
	P	FM	W2 Process-Returned Addresses (Mang Request)	80	May 2015
	R	FM	Inventory Observation for State Auditors (Mang Request)	80	June 2015
	R	IT	Information Technology-ACH (Bank Contract)-NACHA	80	May 2015
	R	SS	CCTA Funding Formula-Part 3	150	December 2014
			Total	5,300	

Estimate-Hours Available For Audits = 5,300 (4 audit staff)
T--Tie
TBD-To Be Determined   NOTE: UOM was transitioning to a new President when the plan was prepared - Subject to Revision

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

Note: The audit universe identified for the University of Memphis includes 111 additional programs, departments, or units that are not planned for audit during the fiscal year.

Chattanooga State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by TBR	F	FM	State Audit Follow-Up	40	June 2015
Required by TBR	R	SS	CCTA Funding Formula-Completion	40	July 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	December 2014
Required by TBR	M	SS	Risk Assessment-Student Services	40	May 2015
	R	FM	Year End Cash Counts and Inv	30	June 2015
	I	IS	Unscheduled Investigations	80	TBD
	C	IS	General Consultation	50	June 2015
	F	IS	Follow-up Reviews	100	TBD
Management Request	S	IT	NACHA Security Audit	85	March 2015
Management Request	C	IA	Continuing Education Business Processes - Staffing, Fees, Class Development	100	August 2014
Brought forward	A	AT	Athletic Eligibility and Financial Aid	50	August 2014
1	A	IS	Human Resources	150	November 2014
2T	A	FM	Accounts Receivable	120	December 2014
2T	A	FM	Payroll	100	April 2015
3T	A	IS	Post Office	80	October 2014
3T	A	FM	Shipping and Receiving	80	January 2015
4T	A	AT	Athletic Camps and Clinics	80	November 2014
4T	A	FM	Grants	150	June 2015
5T	A	SS	Admissions & Registration	150	February 2015
5T	A	FM	Bank Reconciliations	80	October 2014
5T	A	FM	Maintenance/Tuition and Related Fees	125	May 2015
			Total	1880	

Estimate-Hours Available For Audits = 1880 (1.5 audit staff)
T--Tie
TBD-To Be Determined

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

Functional Areas:

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

Note: The audit universe identified for the college includes an additional 36 programs, departments, or units that are not planned for audit during the fiscal year.

Cleveland State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
	F	SS	Audit Follow-Up	30	September 2014
	M	SS	Risk Assessment-Student Services	45	May 2015
	M	IS	TCAT Risk Assessment-Enterprise-wide	30	February 2015
	P	IS	Quality Assessment Review	25	August 2014
	I	IS	Unscheduled Investigations	25	TBD
Special Request	S	SS	Title IV Compliance	200	November 2014
	C	IS	General Consultation	50	June 2015
Required by TBR	R	SS	CCTA Funding Formula-Completion	200	July 2015
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	December 2014
Required by 1st TN Bank	R	IS	Nacha Audit	125	
1T	A	FM	Cash Counts	100	October 2014
1T	A	FM	Maintenance/Tuition and Related Fees	175	September 2014
			Total	1205	

Estimate-Hours Available For Audits = 2720 (2 audit staff)
T--Tie
TBD-To Be Determined

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

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

Note: The audit universe identified for the college includes 30 additional programs, departments, or units that are not planned for audit during the fiscal year.

Columbia State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by Law	R	FM	CoSCC President Expenses FYE 6/30/14	170	October 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	December 2014
	M	IS	CoSCC Risk Assessment	40	May 2015
	M	IS	Hohenwald Risk Assessment	30	February 2015
	M	IS	Pulaski Risk Assessment	30	February 2015
	C	IS	General Consultation	180	June 2015
			Total	600	

Estimate-Hours Available For Audits = 600 for required audits or special requests.

Note: MTSU Audit & Consulting Services is on contract for 600 hours of audit services as needed and/or requested.

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

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

Jackson State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by TBR	R	SS	CCTA Funding Formula - Completion (2013 Data)	150	July 2014
Required by TBR	R	SS	CCTA Funding Formula - Transfers and Other	150	December 2014
Required by TBR	M	PP	JSCC Risk Assessment - Physical Plant	80	May 2015
Required by TBR	M	IS	TCAT Risk Assessment - Covington	25	February 2015
Required by TBR	M	IS	TCAT Risk Assessment - Crump	25	February 2015
Required by TBR	M	IS	TCAT Risk Assessment - Jackson	25	February 2015
Required by TBR	M	IS	TCAT Risk Assessment - McKenzie	25	February 2015
Required by TBR	M	IS	TCAT Risk Assessment - Newbern	25	February 2015
Required by TBR	M	IS	TCAT Risk Assessment - Paris	25	February 2015
Required by TBR	M	IS	TCAT Risk Assessment - Ripley	25	February 2015
Required by TBR	M	IS	TCAT Risk Assessment - Whiteville	25	February 2015
Required by State Audit	R	FM	Year-end Bank Confirmations	30	May 2015
Brought forward	A	PP	Emergency Preparedness	150	August 2014
Brought forward	F	IT	Follow up Review - IT Goverance	30	March 2015
Brought forward	F	IT	Follow up Review - Data Security	30	March 2015
Brought forward	F	IS	Follow up Review - Cash Receipting	30	March 2015
	C	IS	General Consultation	100	June 2015
1	A	SS	Financial Aid	250	June 2015
			Total	1200	

Estimate-Hours Available For Audits = 1200 (1 audit staff)
T--Tie
TBD-To Be Determined

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

Note: The audit universe identified for the college includes an additional 37 programs, departments, or units that are not planned for audit during the fiscal year.

Motlow State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by Law	R	FM	MSCC President Expenses FYE 6/30/14	150	October 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	December 2014
	M	IS	MSCC Risk Assessment	40	May 2015
	M	IS	McMinnville Risk Assessment	25	February 2015
	M	IS	Murfreesboro Risk Assessment	25	February 2015
	M	IS	Shelbyville Risk Assessment	25	February 2015
Management Request	S	PP	Timekeeping Review (Facilities Dept.)	100	June 2015
	C	IS	General Consultation	85	June 2015
			Total	600	

Estimate-Hours Available For Audits = 600 for required audits or special requests.

Note: MTSU Audit & Consulting Services is on contract for 600 hours of audit services as needed and/or requested.

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

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

Nashville State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by TBR	R	FM	President's Expenses	150	October 2014
Required by TBR	F	FM	State Audit Follow-Up	100	September 2014
Required by TBR	R	SS	CCTA Funding Formula-Completion	80	July 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	December 2014
Required by TBR	R	FM	Year End Work	22.5	June 2015
Required by TBR	P	IS	Quality Assessment Review - Follow-Up	40	February 2015
Risk Assessment	M	IS	Risk Assessment-Institutional Support	30	May 2015
Risk Assessment	M	IS	Risk Assessment-Information Technology	40	May 2015
Risk Assessment	M	IS	Risk Assessment-Enterprise-wide-TCATD	25	February 2015
Risk Assessment	M	IS	Risk Assessment-Enterprise-wide-TCATN	25	February 2015
VP Request	A	FM	Cash Counts at TCATs & Satellite Campuses	50	February 2015
IT	A	FM	Disbursements	175	April 2015
2T	A	FM	Maintenance/Tuition and Related Fees	150	May 2015
As Assigned	I	IS	Unscheduled Investigations	100	TBD
As Assigned	C	IS	General Consultation	75	TBD
As Assigned	F	IS	Internal Audit Follow-Up	25	June 2015
			Total	1237.5	

Estimate-Hours Available For Audits = 1237.5 (1 audit staff)
T--Tie
TBD-To Be Determined

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

Note: The audit universe identified for the college includes an additional 33 programs, departments, or units that are not planned for audit during the fiscal year.

Northeast State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by TBR	R	FM	President's Expenses Audit-CISCC	150	October 2014
Required by TBR	R	SS	CCTA Funding Formula-Completion (2013 Data)	50	July 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	December 2014
Required by State Audit	R	FM	State Audit Assistance-Yr End	40	June 2015
	F	FM	State Audit Follow-Up	75	January 2015
	F	IS	Other Internal Audit Follow-Up	75	Various
	M	FM	Risk Assessments - NeSCC	60	May 2015
	M	IS	TCAT Risk Assessment-Enterprise-wide	20	January 2015
Brought forward	S	IA	Theater Services	50	August 2014
Special Request	S	IS	Special Requests and Projects	50	Various
Special Request	C	IS	General Consultation	50	Ongoing
1	A	IS	Human Resources	200	April 2015
2	A	AD	Foundation/Advancement	200	June 2015
			Total	1220	

Estimate-Hours Available For Audits = 1122.5 (1 audit staff)
T--Tie
TBD-To Be Determined

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

Note: The audit universe identified for the college includes an additional 37 programs, departments, or units that are not planned for audit during the fiscal year.

Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required	R	SS	Funding Formula-Completion (2013 Data)	40	July 2014
Required	R	SS	Funding Formula-Transfers & Other	125	December 2014
Required	F	FM	Internal Audit Follow Ups	30	Continuous
Required	M	SS	Risk Assessment-Student Services	30	October 2014
Required	M	IT	Risk Assessment - Information Technology	20	October 2014
Required	M	FM	Risk Assessment-Financial Management	20	May 2015
Required	F	FM	State Audit Follow-Up	40	December 2014
Required	M	IS	TTC Risk Assessment-Enterprise-wide	20	February 2015
Required	R	FM	Chancellor's Expenses	125	October 2014
Presidential Request	S	IA	Faculty Credentials	100	February 2015
Presidential Request	S	FM	First TN - NACHA Audit	100	September 2014
Presidential Request	C	IA	Review of Compliance Assist	20	January 2015
1T	A	FM	Disbursements	175	December 2014
1T	A	AD	Development (Foundation)	150	April 2015
2	A	IS	Financial Aid	200	**(1)**
			Total	1195	

Estimate-Hours Available For Audits = 1162 (1 staff)
T--Tie
TBD-To Be Determined

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

Note: The audit universe identified for the college includes an additional 31 programs, departments, or units that are not planned for audit during the fiscal year.

(1) This audit is scheduld to start in FYE June 30, 2015, but will not be scheduled to be completed until the following fiscal year.

Roane State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by TBR	M	SS	RSCC Risk Assessment - Student Services	15.00	May 2015
Required by TBR	M	PP	RSCC Risk Assessment - Facility and Operations/Maintenance	15.00	May 2015
Required by TBR	M	IA	RSCC Risk Assessment - Workforce Development	15.00	May 2015
Required by TBR	M	IS	RSCC Risk Assessment-ERM update	7.50	May 2015
Required by TBR	M	IS	TCAT OniedaRisk Assessment-Enterprise-wide/Control assessment	7.50	February 2015
Required by TBR	M	IS	TCAT Crossville Risk Assessment-Enterprise-wide/Control assessment	7.50	February 2015
Required by TBR	M	IS	TCAT Harriman Risk Assessment-Enterprise-wide/Control assessment	7.50	February 2015
Required by TBR	M	IS	TCAT Jacksboro Risk Assessment-Enterprise-wide/Control assessment	7.50	February 2015
Required by TBR	R	IS	Funding Formula - Other data review	200.00	December 2014
Required by TBR	R	FM	Year End Cash Counts and inventories - 6-30-15	37.50	June 2015
Required by TBR	F	FM	RSCC - Follow up on State Audit findings	*	September 2014
Required by TBR	F	FM	RSCC Foundation - Follow up on State Audit findings	*	September 2014
As needed	I	IS	Unscheduled Investigations	120.00	
As needed	S	IS	Special requests	40.00	
Ongoing projects	P	IS	Projects	40.00	
As needed	C	IS	General consultation	40.00	
1	A	FM	Purchasing(includes contracts)	215.00	October 2014
2	A	FM	RSCC - Technology Access Fee	215.00	January 2015
3	A	SS	Financial Aid	215.00	May 2015
			Total	1,205.00	

Estimate-Hours Available For Audits = 1205 (Audit Director ONLY)
T--Tie
TBD-To Be Determined

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

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

Note: The audit universe identified for the college includes an additional 39 programs, departments, or units that are not planned for audit during the fiscal year.

* State audit report not completed. Left blank in anticipation of audit findings and related follow-up review.

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required by TBR	R	SS	CCTA Funding Formula-Completion (2013 Data)	150	July 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	December 2014
Required by TCA	R	FM	President's Expenses - Southwest Community College	150	October 2014
Required by TBR	M	IS	Risk Assessment - Volunteer State	75	May 2015
Required by TBR	M	IS	TCAT Risk Assessment - Hartsville and Livingston	15	February 2015
Follow-up Review	F	IS	Follow-up Activities	75	June 2015
Investigation	I	IS	Unscheduled Investigations	100	June 2015
Consultation	C	IS	General Consultation	100	June 2015
Project	P	FM	Periodic Procard Review	100	June 2015
Special Request	S	IA	Credentials	150	February 2015
Special Request	S	FM	Cash Counts	15	July 2014
			Total	1080	

Estimate-Hours Available For Audits = 972.5 (1 audit staff)
T--Tie
TBD-To Be Determined

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

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

Note: The audit universe identified for the college includes an additional 33 programs, departments, or units that are not planned for audit during the fiscal year.

Walters State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
	F	FM	State Audit Follow-Up	30	September 2014
	M	FM	Risk Assessment-Financial Management	20	May 2015
	M	SS	Risk Assessment-Student Affairs	20	May 2015
	M	IA	Risk Assessment-Academic Affairs	20	May 2015
	M	IS	Risk Assessment-Center for Workforce Development	20	May 2015
	M	IS	TCAT Risk Assessment-Enterprise-wide	25	February 2015
	P	IS	Quality Assessment Review	25	August 2014
	I	IS	Unscheduled Investigations	80	TBD
	C	IS	General Consultation	80	June 2015
Required by TBR	R	SS	CCTA Funding Formula-Completion	40	July 2014
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	December 2014
Required	R	FM	NACHA Compliance Audit	60	November 2014
Required	R	IT	IT Governance Review	65	September 2014
1T	A	IT	Cloud Computing	200	March 2015
Brought forward	A	FM	PCI-DSS	120	July 2014
Brought forward	A	FM	Contracts	120	July 2014
3	A	FM	Accounts Receivable	147	June 2015
			Total	1222	

Estimate-Hours Available For Audits = 1222 (1 audit staff)
T--Tie
TBD-To Be Determined

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

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

Note: The audit universe identified for the college includes an additional 47 programs, departments, or units that are not planned for audit during the fiscal year.

Tennessee Board of Regents - System Office
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Required	R	FM	President's Expenses (TSU)	150	October 24, 2014
Required	R	SS	DSCC-CCTA Funding Formula-Completion (2013 Data)	105	July 25, 2014
Required	R	SS	STCC-CCTA Funding Formula-Completion (2013 Data)	65	July 25, 2014
Required	R	SS	DSCC-CCTA Funding Formula-Transfers & Other	150	December 15, 2014
Required	R	SS	STCC-CCTA Funding Formula-Transfers & Other	150	December 15, 2014
Required	F	IA	State Audit Performance Follow-Up	40	July 15, 2014
Required	F	FM	State Audit Follow up FY2012 and FY2013	40	January 2015
Required	F	SS	Follow up (Fn 1)	160	Various
Required	M	SS	Risk Assessment-System Office	10	May 2015
	C	IS	General Consultation	75	Ongoing
1T	A	PP	Facilities	150	June 2015
			Total	1095	

Estimate-Hours Available For Audits = 1,085 (1 audit staff)

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

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

FN 1- The follow ups to be completed in FY 2015 are related to CCTA Completion, CCTA Progression, TFLI, and Travel Claims.
Note: The audit universe identified for the system office includes an additional 23 programs, departments, or units that are not planned for audit during the fiscal year.

Tennessee Board of Regents
Information Systems Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Brought forward	A	IT	Logical Access Security	72	July 2014
Brought forward	A	IT	GCR reviews-completion of FY 2014 reviews	120	September 2014
	C	IT	General Consultation	64	Ongoing
	F	IT	Follow-up on prior IT Audit recommendations	24	June 2015
	M	IT	IT Risk Assessment TBR	4	July 2014
General Control Reviews (1):					
	A	IT	RODP	100	January 2015
	A	IT	MTSU	150	November 2014
	A	IT	TTU	150	April 2015
	A	IT	CoSCC	150	August 2014
	A	IT	DSCC	150	March 2015
	A	IT	STCC	150	October 2014
	A	IT	WSCC	150	May 2015
IT / Business Projects:					
Brought forward	C	IT	Banner system "XE" up-grade and ODS data warehouse implementation	60	Ongoing
	C	IS	Business Continuity Planning / IT Disaster Recovery	48	Ongoing
Special Request from CIO	S	IT	Social engineering program	32	February 2015
	C	IS	Business Process Management (IT impact)	24	Ongoing
Special Request from CIO	S	IS	Information Dissemination Standards	80	September 2014
			Total	1528	

Estimate-Hours Available For Audits = 1521
T--Tie
TBD-To Be Determined

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

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

Note: The audit universe identified for the system office includes an additional 15 programs, departments, or units that are not planned for audit during the fiscal year.

(1) Year two of a 3 year plan to execute a General Controls review at TBR, RODP, and each of the 19 universities and community colleges.

Tennessee Colleges of Applied Technology
Internal Audit Plan
Fiscal Year Ended June 30, 2015

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Brought forward	F	FM	Morristown	25	August 2014
			Focused Review (System-Wide)		
Brought forward	A	FM	Elizabethton	25	July 2014
Brought forward	A	FM	Ripley	50	July 2014
			Focused Reviews (FN1)		
1	A	FM	Morristown	52.5	September 2014
2	A	FM	Ripley	45	September 2014
3	A	FM	Memphis	52.5	October 2015
4	A	FM	Livingston	37.5	October 2015
5	A	FM	Nashville	52.5	November 2014
6	A	FM	Harriman	37.5	November 2014
7	A	FM	Pulaski	37.5	November 2014
8	A	FM	Paris	37.5	December 2014
9T	A	FM	Jackson	52.5	December 2014
9T	A	FM	Crump	37.5	December 2014
10	A	FM	Knoxville	52.5	January 2015
11	A	FM	Oneida	37.5	January 2015
12	A	FM	Murfreesboro	52.5	January 2015
13	A	FM	Elizabethton	52.5	February 2015
14	A	FM	Covington	37.5	February 2015
15T	A	FM	McMinnville	37.5	February 2015
15T	A	FM	Dickson	52.5	March 2015
16T	A	FM	McKenzie	37.5	March 2015
16T	A	FM	Hartsville	37.5	March 2015
16T	A	FM	Shelbyville	37.5	April 2015
17	A	FM	Newbern	37.5	April 2015
18	A	FM	Crossville	37.5	April 2015
19	A	FM	Hohenwald	37.5	May 2015
20T	A	FM	Athens	37.5	May 2015
20T	A	FM	Whiteville	37.5	June 2015
21	A	FM	Jacksboro	37.5	June 2015
22	A	FM	Chattanooga	30	June 2015
	A	FM	TCAT Administration Audit Request	100	June 2015
	C	FM	TCAT Consultation	50	June 2015
			Total	1382.5	

Estimate-Hours Available For Audits = 1430 (1 audit staff)
T--Tie

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

FN1: The focused reviews conducted in FY2015 will include Directors expenses, TAF and Equipment. Audit hours include follow up of previous audit findings and observations.

<table>
<tr><th colspan="6">**TBR SWIA**
Investigation Plan
Fiscal Year Ended June 30, 2015</th></tr>
<tr><th>Rank</th><th>Type</th><th>Area</th><th>Investigation</th><th>Budget</th><th>Estimated Completion Date</th></tr>
<tr><td>Investigation</td><td>P</td><td>IS</td><td>INVESTIGATION MANAGEMENT</td><td>160</td><td>June 2015</td></tr>
<tr><td>Investigation</td><td>C</td><td>IS</td><td>CONSULTATION/EVALUATION</td><td>160</td><td>June 2015</td></tr>
<tr><td>Investigation (1)</td><td>I</td><td>SS</td><td>TBR 13-08 (MSCC/STCC)</td><td>60</td><td>TBD</td></tr>
<tr><td>Investigation (1)</td><td>I</td><td>IA</td><td>TBR 14-04 (TCAT Whiteville)</td><td>20</td><td>TBD</td></tr>
<tr><td>Investigation (1)</td><td>I</td><td>FM</td><td>TBR 14-08 (TCAT Elizabethton)</td><td>20</td><td>TBD</td></tr>
<tr><td>Investigation (1)</td><td>I</td><td>FM</td><td>TBR 14-12 (TCAT Elizabethton)</td><td>20</td><td>TBD</td></tr>
<tr><td>Investigation (1)</td><td>I</td><td>FM</td><td>TBR 14-15 (TSU)</td><td>40</td><td>TBD</td></tr>
<tr><td>Investigation (1)</td><td>I</td><td>FM</td><td>TBR 14-19 (ChSCC)</td><td>40</td><td>TBD</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>I</td><td>FM</td><td>Unscheduled Investigations</td><td>720</td><td>TBD</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td>Total</td><td>1240</td><td></td></tr>
</table>

Estimate-Hours Available For Investigations = 1240 (1 staff)
T--Tie
TBD-To Be Determined

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

(1) Brought forward from prior year.

DATE: June 3, 2014

AGENDA ITEM: **Discussion of Compliance in System
                                        Institutions**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

The Tennessee Board of Regents, Office of System-wide Internal Audit is conducting a survey of the system's universities and community colleges to determine the type of compliance oversight programs used by the campuses. Higher education institutions are faced with numerous compliance requirements from federal and state laws and regulations, accrediting agencies, athletic associations, grants and contracts. Maintaining procedures to ensure compliance with the requirements is critical to the institutions. Compliance programs have been implemented by many higher education institutions to focus attention on the importance of sufficient control procedures, to provide assurance to management and Boards that procedures are in place and to address matters where improvements are needed.

A compliance program generally includes:
1. Identification of compliance requirements from relevant federal or state regulations, accrediting agencies, athletic associations, grant or contractual agreements and policies.
2. Periodic evaluation of potential risks that would prevent meeting the requirements, including the potential likelihood and impact to the institution.
3. Establishment of sufficient monitoring and other control procedures to ensure requirements are met.
4. Providing assurance or reporting to upper management and a board committee when compliance requirements have been met or when issues arise.

The Committee will be provided and discuss a summary of the survey results.

Tennessee Board of Regents
Committee on Audit

DATE: June 3, 2014

AGENDA ITEM: **Non-Public Executive Session**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

The Committee will meet in a non-public executive session to review ongoing investigations.