TENNESSEE BOARD OF REGENTS
Committee on Audit

AGENDA
March 10, 2015

I.   **CONSENT AGENDA (Tammy Birchett)**
   a. **Review of Annual Risk Assessments for the Tennessee Colleges of Applied Technology**
   b. **Proposed Revisions to Policy 4:01:05:00, Internal Audit**
   c. **Proposed Revisions to Policy 4:01:05:50, Preventing and Reporting Fraud, Waste or Abuse**

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

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

IV. **PRESENTATION OF MKINSIGHT AUDIT SOFTWARE (Tammy Birchett and Blayne Clements)**

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

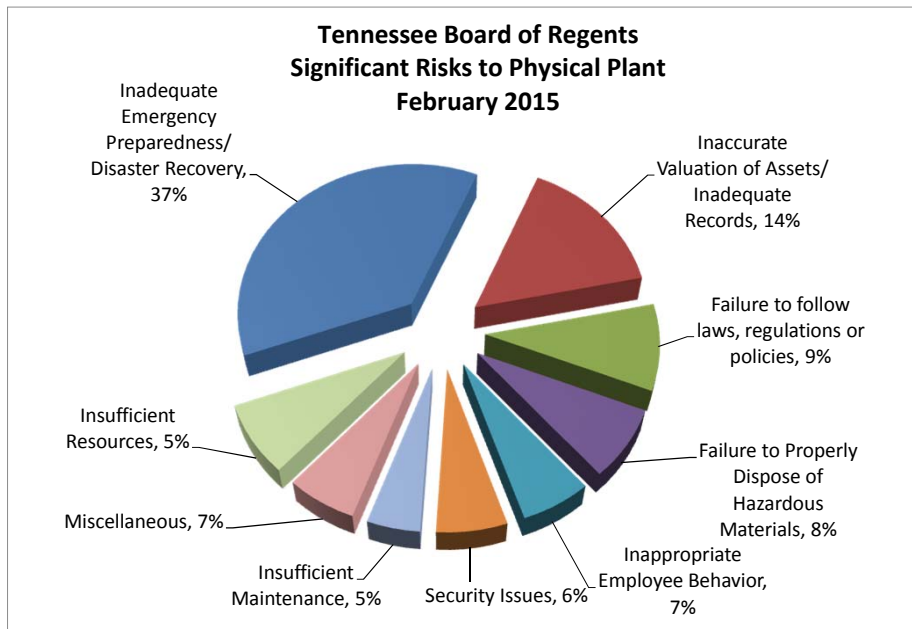|	
DATE:	March 10, 2015
AGENDA ITEM:	**Review of Risk Assessments for Tennessee Colleges of Applied Technology**
PRESENTER:	Tammy Birchett
ACTION REQUIRED:	Voice Vote
STAFF'S RECOMMENDATION:	Approval

BACKGROUND INFORMATION:

The Committee will review and consider for approval the risk assessments for the Tennessee Colleges of Applied Technology (TCATs.)

The risk assessment process for the TCATs requires an annual risk evaluation. Each year, the TCATs perform an enterprise-wide risk assessment followed by an assessment of the controls for each major process. The main difference from the universities and community colleges is that the TCATs do not evaluate risks at a sub-process level.

In addition to the risk and control footprints prepared, each TCAT director provided a letter to the Audit Committee acknowledging responsibility for the operations and giving their opinion that the risk assessment was sufficiently comprehensive for the area reviewed and supports the conclusions reached during the assessment. Each institution's internal auditor performed a limited review of the documents, concluding on the adequacy of the extent of coverage, conclusions reached and level of documentation.

We have included in this report the TCATs enterprise-wide risk footprints. For each major area, we have also included graphs of significant risks and a listing of common controls identified by management to mitigate those risks. The related control footprints prepared by management for each TCAT, as well as each Director's letter and each Internal Auditor's letter were provided and are on file.
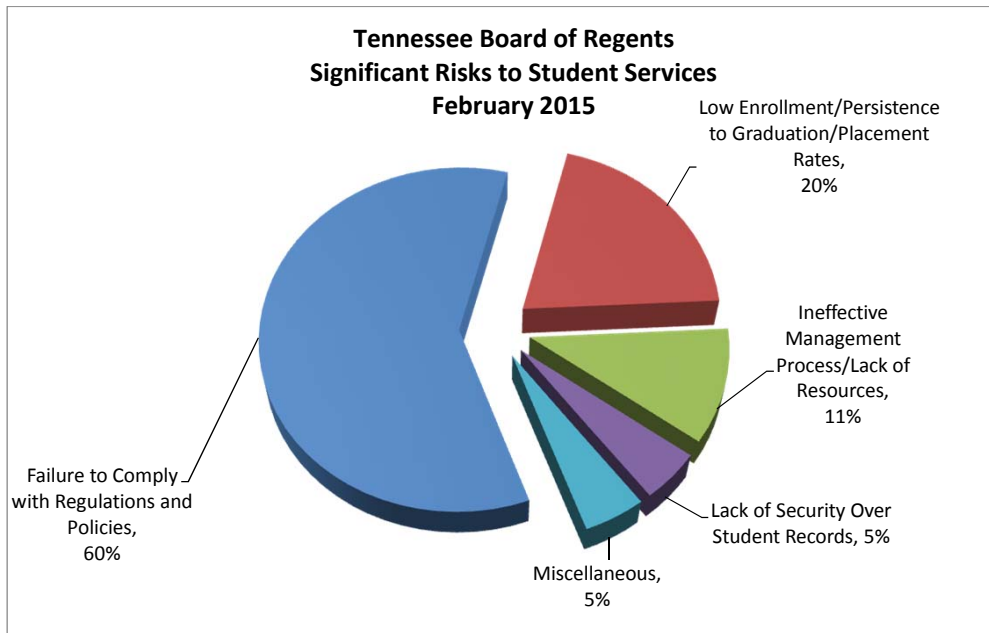
**Tennessee Board of Regents
Significant Risks to Physical Plant
February 2015**

- Inadequate Emergency Preparedness/ Disaster Recovery, 37%
- Inaccurate Valuation of Assets/ Inadequate Records, 14%
- Failure to follow laws, regulations or policies, 9%
- Failure to Properly Dispose of Hazardous Materials, 8%
- Inappropriate Employee Behavior, 7%
- Security Issues, 6%
- Insufficient Maintenance, 5%
- Miscellaneous, 7%
- Insufficient Resources, 5%

Physical Plant Summary

All of the Colleges of Applied Technology indicated at least one significant risk in this area and had some common risks. Significant risks are generally defined as those risks which management has assessed the highest. Please refer to each institution's enterprise wide risk footprint for specific details on each insititution.

No corrective action plans were submitted indicating management deemed adequate controls were in place to mitigate the risks noted.

Controls in place to mitigate significant risks:

1. Annual inventory process
2. Employee training
3. Equipment capitalization policy
4. Annual review of insurance report
5. Maintain supporting documentation
6. Emergency response plan and periodic testing of plan
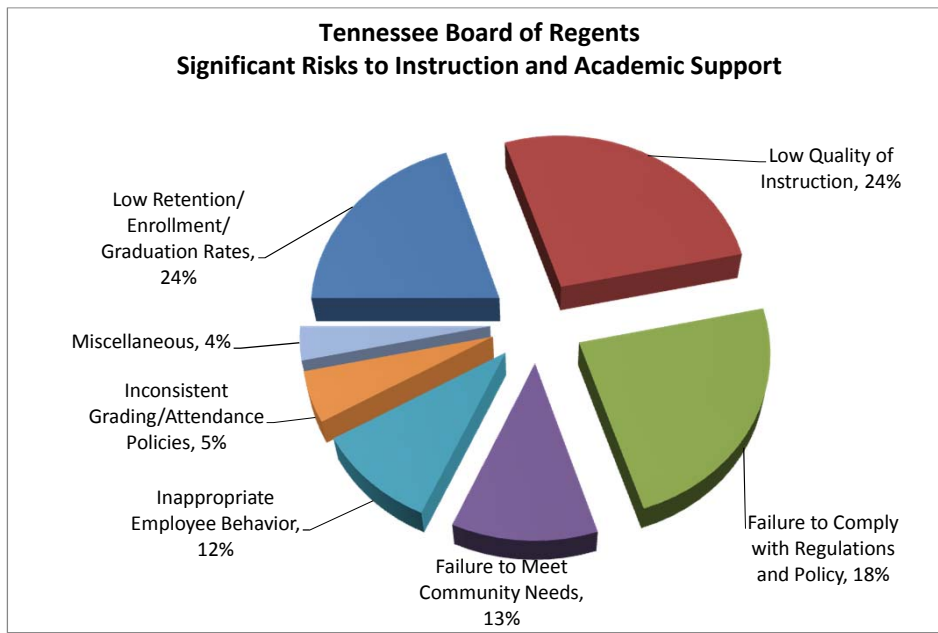7. Capital budgets
8. Management walkthroughs

**Tennessee Board of Regents
Significant Risks to Student Services
February 2015**

- Low Enrollment/Persistence to Graduation/Placement Rates, 20%
- Ineffective Management Process/Lack of Resources, 11%
- Lack of Security Over Student Records, 5%
- Miscellaneous, 5%
- Failure to Comply with Regulations and Policies, 60%

Student Services Summary

24 of the 26 Colleges of Applied Technology indicated at least one significant risk in this area and had some common risks. Significant risks are generally defined as those risks which management has assessed the highest. Please refer to each institution's enterprise wide risk footprint for specific details on each insititution.

No corrective action plans were submitted indicating management deemed adequate controls were in place to mitigate the risks noted.

Controls in place to mitigate significant risks:

1. Training of employees/faculty orientation
2. Written policies and procedures
3. Reconciliation of financial aid funds
4. Regular staff meetings
5. Cross training employees
6. Marketing and public relations plan
7. Alumni and employer surveys
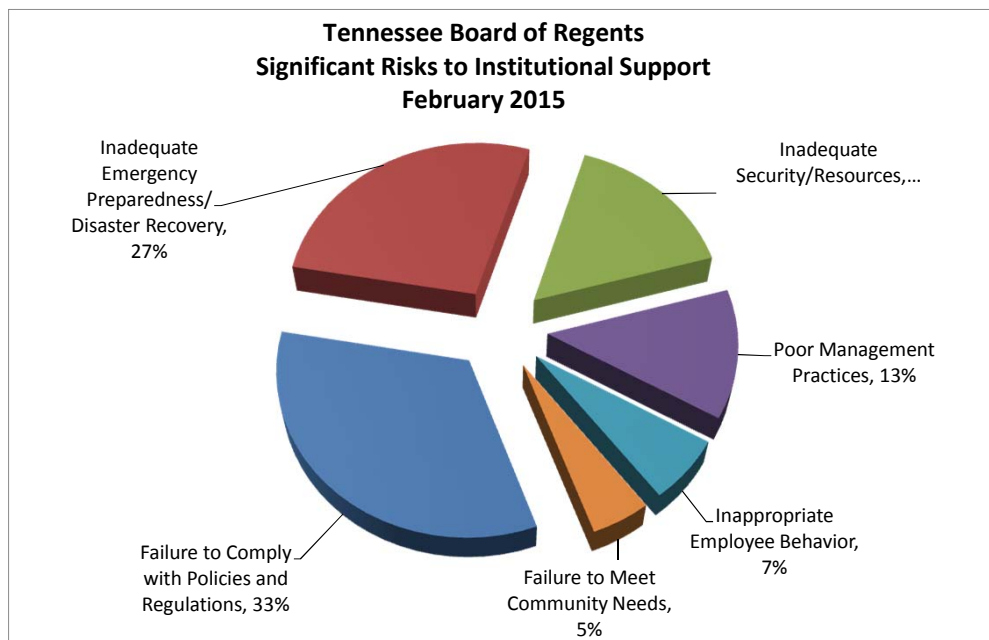8. Academic counseling sessions

Tennessee Board of Regents
Significant Risks to Instruction and Academic Support

Low Quality of Instruction, 24%

Low Retention/ Enrollment/ Graduation Rates, 24%

Miscellaneous, 4%

Inconsistent Grading/Attendance Policies, 5%

Inappropriate Employee Behavior, 12%

Failure to Meet Community Needs, 13%

Failure to Comply with Regulations and Policy, 18%

Instruction and Academic Support Control Footprint

23 of the 26 Colleges of Applied Technology indicated at least one significant risk in this area and had some common risks. Significant risks are generally defined as those risks which management has assessed the highest. Please refer to each institution's enterprise wide risk footprint for specific details on each insititution.

No corrective action plans were submitted indicating management deemed adequate controls were in place to mitigate the risks noted.

Controls in place to mitigate significant risks:

1. Committee interviewing process of applicants
2. Faculty development program
3. Background checks on new faculty
4. Survey of student needs
5. Promotion and tenure processes
6. Employee handbook packet
7. Written policies and procedures
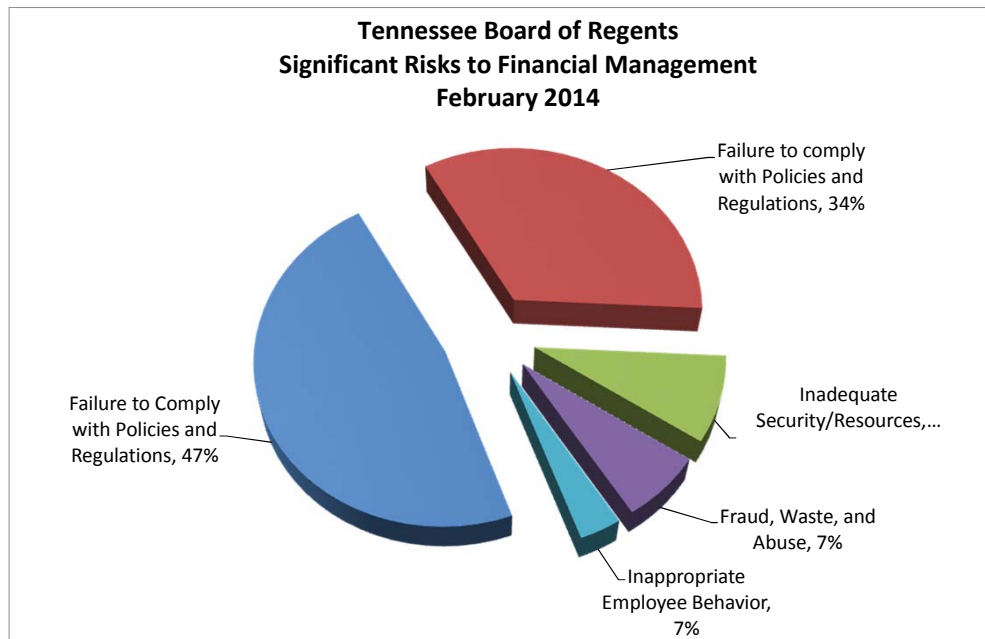8. Faculty evaluation process

**Tennessee Board of Regents
Significant Risks to Institutional Support
February 2015**

Inadequate Emergency Preparedness/ Disaster Recovery, 27%

Inadequate Security/Resources,…

Poor Management Practices, 13%

Inappropriate Employee Behavior, 7%

Failure to Meet Community Needs, 5%

Failure to Comply with Policies and Regulations, 33%

Institutional Support Summary

23 of the 26 Colleges of Applied Technology indicated at least one significant risk in this area and had some common risks. Significant risks are generally defined as those risks which management has assessed the highest. Please refer to each institution's enterprise wide risk footprint for specific details on each insititution.

No corrective action plans were submitted indicating management deemed adequate controls were in place to mitigate the risks noted.

Controls in place to mitigate significant risks:

1. Personnel and program reviews
2. Periodic emergency preparedness drills and evaluation of plans
3. Training on sexual harassment and other key issues
4. Periodic staff meetings
5. Grievance procedures and committee
6. Employer and alumni surveys
7. Involvement with community organizations
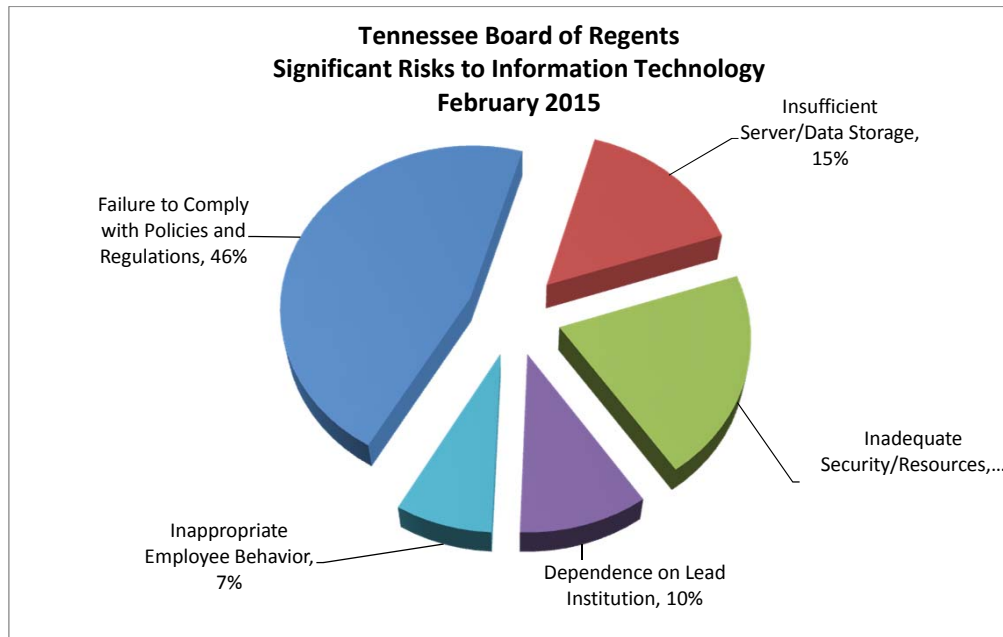8. Management and lead institution review process

Tennessee Board of Regents
Significant Risks to Financial Management
February 2014

- Failure to comply with Policies and Regulations, 34%
- Inadequate Security/Resources,…
- Fraud, Waste, and Abuse, 7%
- Inappropriate Employee Behavior, 7%
- Failure to Comply with Policies and Regulations, 47%

Financial Management Summary

15 of the 26 Colleges of Applied Technology indicated at least one significant risk in this area and had noted some common risks. Significant risks are generally defined as those risks which management has assessed the highest. Please refer to each institution's enterprise wide risk footprint for specific details on each insititution.

No corrective action plans were submitted indicating management deemed adequate controls were in place to mitigate the risks noted.

Controls in place to mitigate significant risks:

1.   Budget management
2.   Various reconciliations
3.   Segregation of duties
4.   Policies and procedures
5.   Lead institution review
6.   Cash counts
7.   Employee training
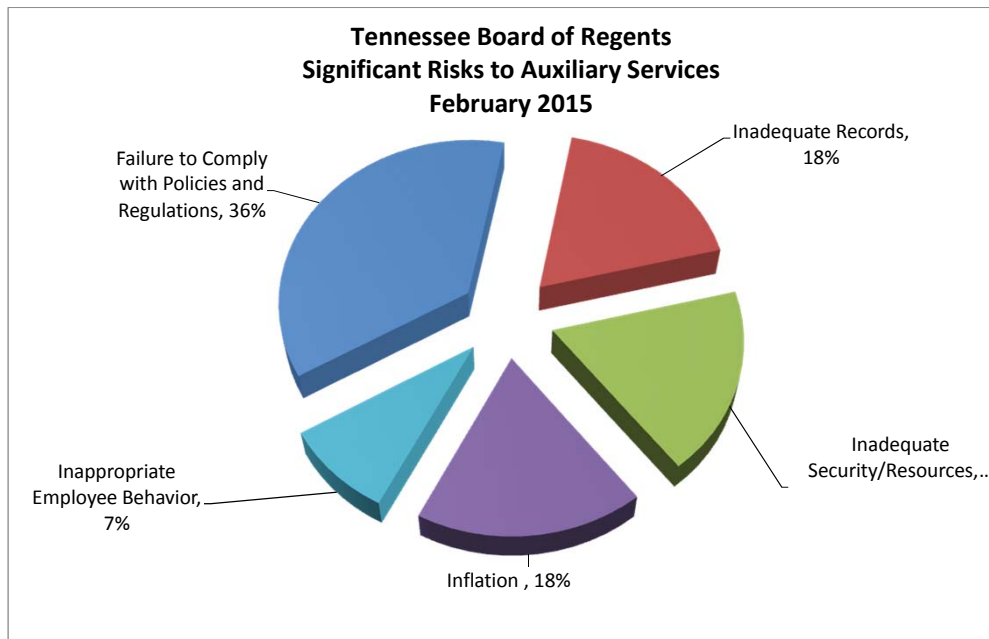8.   Annual inventory process

**Tennessee Board of Regents
Significant Risks to Information Technology
February 2015**

- Failure to Comply with Policies and Regulations, 46%
- Insufficient Server/Data Storage, 15%
- Inadequate Security/Resources,…
- Dependence on Lead Institution, 10%
- Inappropriate Employee Behavior, 7%

Information Technology Summary

15 of the 26 Colleges of Applied Technology indicated at least one significant risk in this area and had noted some common risks. Significant risks are generally defined as those risks which management has assessed the highest. Please refer to each institution's enterprise wide risk footprint for specific details on each insititution.

No corrective action plans were submitted indicating management deemed adequate controls were in place to mitigate the risks noted.

Controls in place to mitigate significant risks:

1. Emergency response plan
2. Management oversight
3. Periodic review of equipment needs
4. Training and awareness programs
5. Periodic system maintenance
6. Periodic review of log files
7. Virus protection/firewalls
8. Physical security of equipment

**Tennessee Board of Regents
Significant Risks to Auxiliary Services
February 2015**

Failure to Comply with Policies and Regulations, 36%

Inadequate Records, 18%

Inadequate Security/Resources,…

Inflation , 18%

Inappropriate Employee Behavior, 7%

Auxiliary Services Summary
7 of the 26 Colleges of Applied Technology indicated at least one significant risk in this area and had noted some common risks. Significant risks are generally defined as those risks which management has assessed the highest. Please refer to each institution's enterprise wide risk footprint for specific details on each insititution.

No corrective action plans were submitted indicating management deemed adequate controls were in place to mitigate the risks noted.

Controls in place to mitigate significant risks:

1. Annual inventory
2. Safety inspections
3. Policies and procedures
4. Employee training
5. Segregation of duties
6. Physically secured areas
7. Management walk through
8. Reports from vendors

Tennessee Board of Regents
Risk Assessment Footprint Legend

Risk Ranking Characteristics

Impact - Effect on the achievement of goals and objectives

H	High	= Showstopper/Cease operations for a period of time
M	Medium	= Inefficient or extra work
L	Low	= No effect

Probability - Likelihood of a risk occurring

H	High	= Will happen frequently
M	Medium	= Will happen infrequently
L	Low	= Will seldom happen

Risk Measurement/Outcome

HH, HM	🟥	= Extensive Risk Management & Considerable Risk Management (all Levels of Control* plus a traditional audit)
HL, MH	🟨	= Manage and Monitor (all Levels of Control but no traditional audit)
MM, ML, LH	🟩	= Monitor (only Execution Controls & Supervisory Controls)
LM, LL	⬜	= Accept (accept the risk and have no controls)

Use for Risk Management Plan

HH, HM	🟥	Audit work should be performed and the Division Director should perform the oversight controls to ensure that supervisory & execution controls are working.
HL, MH	🟨	The Division Director (or a designee) should perform oversight controls to ensure that the supervisory and execution controls are working.
MM, ML, LH	🟩	Unit heads reporting to the Division Director should perform oversight function to see that supervisory and execution controls are working.
LM, LL	⬜	Unit heads should ensure they are using supervisory controls to monitor the execution controls in their area.

Tennessee College of Applied Technology at Athens
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		RISKS 1		2		3		4		5		6		7		8
6	Institutional Support	HL	Failure to comply with Coe Accrediation Standards	HL	Inadequate preparedness for catastrophic events	ML	Failure to follow federal, state, and other rules and regulations (IRS, TBR, ADA, EEOC etc.)	ML	Failure to meet Community Need	ML	Abuse of power	ML	Excessive employee turnover/planning for transfer of knowledge due to attrition	ML	Inadequate Campus Security	LL	Inapproraite Employee Behavior
1	Instruction and Academic Support	HL	Low student retention	HL	Poor persistence to graduation/low completion rates	HL	Poor/outdated programs	ML	Failure to meet community's continuing education needs	ML	Inablility to attract and retain faculty	ML	Inconsistency of grading practices and/or attendance reporting	LL	Inappropriate faculty/staff behavior	LL	Inappropriate use of 3rd party materials usage
5	Physical Plant	HL	Inadequate disaster recovery plan	HL	Catastrophic event such as natural disaster, terrorism, or fire	ML	Inaccurate reporting of capital assets and physical facilities inventory	ML	Theft, abuse, and waste	ML	Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	ML	Failure to maintain a clean and safe environment	ML	Insufficient resources for physical plant renewals and replacements	-	
2	Student Services	HL	Failure to comply with Fed, State, TBR, THEC, and COE Regulations, Title IV guidelines	ML	Barriers to student success-course scheduling, counseling services, admissions process,etc.	ML	Failure to follow student disciplinary policies and procedures	ML	Inadequate red flag/Identity theft plan	ML	Ineffective enrollment process	ML	Lack of security of confidential student records	-		-	-
3	Financial Management	HL	Failure to perform reconciliations	ML	Fraud, Waste and Abuse	ML	Inaccurate recordkeeping	ML	Inadequate Inventory Control and Depreciation	ML	Inappropriate purchase/bid procedures	ML	Improper Payment/Cash Management	ML	Inadequate Separation of Duties	-	-
4	Information Technology	HL	Ineffective disaster recovery plan	ML	Insufficient data security measures/backups	ML	Natural Disaster/Fire	ML	Insufficient Network Security	ML	Ineffective strategic planning and management	ML	Insufficient Physical security of resources	ML	Insufficient servers, data storage, and backups	LL	Insufficient software lincense control and management
7	Auxiliary	ML	Equipment damage/malfunction	ML	Fire and Water damage	ML	Physical Injury	ML	Poor Inventory Control/Record Keeping	ML	Returned checks/credit card fraud	LL	Theft/Embezzlement	-		-	

Tennessee College of Applied Technology at Covington
Enterprise Wide Risk Footprint
February 2015

	1	2	3	4	5	6
1 Instruction and Academic Support	MH Compliance with COE on-line training program	MH Loss of accredidation	MM Failure to meet community's continuing educational needs	ML Noncompliance with FERPA/ADA/EOE	MM Fraud Waste and abuse	LL Inappropriate faculty behavior
Physical Plant	MH Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	MM Inaccurate evaluation of plant assets for state insurance coverage	ML Failure to maintain an up to date sensitive equipment inventory	ML Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	ML Failure to maintain a clean and safe environment	ML Failure to properly dispose of hazardous materials
6 Institutional Support (53 - 67)	MH Preparedness for catastrophic events	MM Inadequate and/or inconsistent application of policies & procedures	ML Records management	ML Campus security	MM Failure to follow fed, state & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	LM Continue long term planning
4 Information Technologies	HL Ineffective disaster recovery plan	ML Inadequate or ineffective telecom management	ML Insufficient IT staff	LM Ineffective strategic planning and management	LM Insufficient data security/ network measures	LM Insufficient software license control and management
2 Student Services (11 - 17)	MM Failure to comply with Federal, State, TBR, THEC, & COE Regulations	MM Failure to comply with Federal and State Guidelines for Financial Aid Administration	MM Ineffective Student Records Management	LM Failure to comply with FERPA/EEO/Americans with Disabilities Act	LM Failure to comply with Student Right to Know Information	LL Low Retention
3 Financial Management (18 - 31)	LH Budget allocations	LL Inventory Control and Depreciation	LM Separation of Duties	LL Fraud, Waste, & Abuse	LL TAF /SAFCompliance	
7 Auxiliary	ML Theft of Funds	LL Loss of revenue	LL Ineffective Damage control	LL Inventory Control		

Tennessee College of Applied Technology at Covington
Enterprise Wide Risk Footprint
February 2015

		7		8		9		10		11		12
1	Instruction and Academic Support											
6	Physical Plant	M M	Inadequate resources (staffing, supplies, equipment, facilities)	M L	Theft, abuse, waste	L L	Insufficiant resources for physical plant renewals and replacements					
6	Institutional Support (53 - 67)	LM	Failure to comply with community needs	L M	Ineffective crosstraining	L L	Failure to maintain an appropriate cultural/ethical environment	L M	Abuse of power	L L	Failure to take advantage of collaborative opportunities	
4	Information Technologies	LL	Loss of internet access									
2	Student Services (11 - 17)	LL	Improper Assessment & Security of Testing Materials	LL	Inappropriate Employee Behavior	L L	Lack of security of confidential student records	L L	Fraud, Waste & Abuse	L L	Inconsistent application of published student policies and procedures	L L	Failure to follow student disciplinary policies and procedures
3	Financial Management (18 - 31)											
7	Auxiliary											

Tennessee College of Applied Technology Crossville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		RISKS 1		2		3		4		5		6
2	Institutional Support	HL	Failure to comply with COE accreditation standards	HL	Inadequate emergency response plan	MM	Failure to comply with Cleary Act, Violence against women,	MM	Failure to comply with federal and/or state regulations and guidelines	MM	Inability to retain and attract faculty and/or staff	MM	Inadequate and/or inconsistant applications of policies and procedures
1	Instruction	HL	Failure to meet COE completion, placement, licensure standards	HL	Failure to meet community's continuing educational needs	MM	Failure to maintain an proper FTE ratio	MM	Inadequate quality of instruction	MM	Inappropriate faculty behavior	MM	Inappropriate use of third party materials
6	Physical plant	HL	Inaccurate valuation of assets	MM	Failure to follow state and federal regulations (EPA, OSHA, ADA, ect)	MM	Failure to maintain a safe and clean environment	MM	Inadequate energy conservation management	MM	Inadequate staffing, supplies, equipment, or facilities	MM	Insufficient routine or preventive maintenance
3	Student Services	HL	Failure to comply with COE regulations	MH	Failure to comply with Federal, State, THEC regulations and guidelines	MM	Failure to comply with Cleary Act, Violence against women,	MM	Failure to follow student disciplinary policies and procedures	MM	Inadequate Title IV compliance	MM	Non compliance with FERPA
4	Financial management	MM	Improper records management	MM	Inadequate inventory control and depreciation	ML	Failure to comply with federal reporting guidelines	ML	fraud, waste, and abuse	ML	Improper cash management	ML	Improper purchasing procedures
5	Information Technology	MM	Inability to meet online bandwidth requirements	MM	Insufficient data security	MM	Insufficient software license control	ML	Insufficient disaster recovery plan	ML	Insufficient security of physical resources	LH	Inadequate staffing and/or resources

Tennessee College of Applied Technology Crossville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		7		8		9		10		11
2	Institutional Support	MM	Inadequate long term planning	MM	Inadequate records management	MM	Inadequate security	LM	Failure to collaborative with local and state agencies	-	n/a
1	Instruction	MM	Inconsistant record keeping and reporting	MM	Poor/Outdated equipment	ML	Poor/Outdated programs	LM	Insufficient professional development	LL	Inappropriate faculty credentials
6	Physical plant	ML	Failure to investigate waste, fraud, and abuse	ML	Inadequate emergency response plan	-	n/a	-	n/a	-	n/a
3	Student Services	ML	Inadequate security of confidential student records	LM	Improper security of testing materials	LM	Ineffective enrollment process	LL	Ineffective recruitment procedures	-	n/a
4	Financial management	ML	Inadequate seperation of duties	LM	Inequitable budget allocations	LM	Tranaction recording errors between TTC and lead institution	LL	Inadequate registration/refund procedures	-	n/a
5	Information Technology	LM	Improper management of TAF funds	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College of Applied Technology-Crump
Enterprise Wide Footprint
January 2015

#	ACTIVITIES	RISKS	1		2		3		4		5		6		7		8		9		10		11		12
2	Student Services(1, 4, 7, 11, 12, 14, 17, 25, 28, 29, 30)	HM	LOW ENROLLMENT	HM	POOR RETENTION	MH	SMALL STAFF SIZE	MM	FAILURE TO FOLLOW GOVERNING REGULATIONS	MM	FRAUD, WASTE & ABUSE	MM	OVER AWARDING STUDENTS	ML	BREACH OF CONFIDENTIALITY	ML	FAILURE TO COMPLETE RE-ENROLLMENT REGISTRATION	ML	INACCURATE STUDENT RECORDS	ML	INADEQUATE COUNSELING	LM	CLOCK HOURS (OPEN ENROLLMENT)	LL	POOR PUBLIC RELATIONS
4	Physical Plant(9, 10, 20, 21, 23, 24, 26, 31)	HM	POOR BUILDING SECURITY	MM	FAILURE TO FOLLOW GOVERNING REGULATIONS (EXTERNAL)	MM	FAILURE TO FOLLOW POLICIES & PROCEDURES (INTERNAL)	MM	FRAUD, WASTE & ABUSE	MM	INEFFICIENT PURCHASING PROCEDURES	MM	LACK OF EMERGENCY PREPAREDNESS	MM	LACK OF ICE/SNOW REMOVAL	MM	LACK OF PROPER CLEANING	MM	POOR BUILDING MAINTENANCE	MM	POOR LANDSCAPE/YARD MAINTENANCE	-	n/a	-	n/a
3	Instruction(17, 18, 19, 27, 32, 33)	HM	FAILURE TO HIRE QUALIFIED & EFFECTIVE FACULTY	MM	FAILURE TO COMMUNICATE/COMPLY WITH INSTITUTIONAL POLICIES & PROCEDURES	MM	FAILURE TO RETAIN STUDENTS	MM	FAILURE TO STAY CURRENT IN FIELD OF EXPERTISE	MM	FRAUD, WASTE & ABUSE	MM	INEFFECTIVE CLASSROOM EVALUATION	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
1	Institutional Support(2, 3, 6, 8, 13, 15, 16, 22)	MH	LOW STAFFING	MM	BREACH OF IT SECURITY SYSTEMS	MM	FAILURE TO FOLLOW POLICIES & PROCEDURES	MM	FAILURE TO MAINTAIN ACCURATE ACCOUNTING RECORDS	MM	FAILURE TO PAY/INVOICE IN A TIMELY MANNER	MM	FRAUD, WASTE, AND ABUSE	MM	MISUSE OF TECHNOLOGY	ML	CONFLICT OF INTEREST	ML	FAILURE TO FOLLOW GOVERNING REGULATIONS	ML	INAPPROPRIATE BEHAVIOR	-	n/a	-	n/a
5	Auxiliary(5)	MM	FAILURE TO MEET SUPPLY & DEMAND OF CUSTOMER BASE	MM	FRAUD, WASTE & ABUSE	MM	INEFFECTIVE COMMUNICATIONS	MM	POOR CUSTOMER SERVICE	MM	POOR VENDOR SERVICE	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College of Applied Technology at Dickson
Enterprise Wide Risk Footprint
January 2015

RISKS

#	ACTIVITIES	1	2	3	4	5	6	7	8
1	Information Technology	HM Insufficient Data Networking physical security of resources	HM Insufficient servers and data storage	MM Insufficient level of qualified staff	ML Ineffective strategic planning and management	ML Inefficient disaster recovery plan	ML Insufficient software license control and management	ML Loss of internet access	
2	Physical Plant	HM Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	MM Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	MM Failure to properly dispose of hazardous materials	ML Failure to provide effective oversight of branch campuses	ML Inaccurate reporting of capital assets and physical facilities inventory	ML Inaccurate valuation of plant assets for state insurance coverage	LM Fraud, waste and abuse	LM Inadequate energy conservative management
4	Institutional Support	HL Inadequate preparedness for catastrophic events	MM Failure to follow fed, state and other rules and regulations (IRS, TBR, ADA, EEOC, COE)	ML Abuse of power	ML Excessive employee turnover inadequate planning for transfer of knowledge due to attrition	ML Failure to address community needs	ML Failure to maintain an appropriate culture/ethical environment	LL Inadequate or offensive external internal communications	
3	Financial Management	MM Fraud, waste and abuse	MM Improper payments/cash management	ML Inadequate documentation and recordkeeping	ML Inadequate inventory control and depreciation	ML Inadequate registration refund procedures	ML Inadequate separation of duties	ML Inappropriate purchasing bid procedures	LL Inadequate collection procedures
5	Student Services	MM Failure to comply with Fed, State TBR THEC and COE regulations	MM Ineffective enrollment processes	ML Failure to have and follow student disciplinary policies and procedures	ML Improper assessment and security of testing materials	ML Inappropriate employee behavior	ML Ineffective student records management		
6	Instruction & Academic Support	MM Failure to meet community's continuing education needs	MM Inappropriate faculty credentials behavior	ML Inability to attract and retain faculty	ML Inadequate quality of instruction	ML Insufficient professional development			
7	Auxiliary	ML Incorrect receipt procedures	ML Inventory Control	ML Loss due to weather	ML Poor environment physical conditions	ML Theft	LL Improper book return procedures		

Tennessee Technology Center at Elizabethton
Enterprise Wide Risk Footprint
February 2015

#	ACTIVITIES	RISKS 1	2	3	4	5	6	7	8	9
5	Physical Plant	HH Inadequate preparedness for a catastrophic event such as a nautral disaster or terrorism	HM Failure to follow policies and procedures	HM Failure to investigate and resolve all complaints	HM Failure to properly dispose of hazardous materials	HL Failure to follow federal, state and other rules and regulations (ADA,OSHA,EP, etc.)	HL Failure to maintain a clean and safe environment	ML Inadequate resources (staffing, supplies, equipment, facilities)	ML Inadequately trained employees	ML Insufficient routine/preventive maintenance
6	Financial Management	HM Failure to comply with Federal Reporting Guidelines	HM Inaccurate financial reporting	HM Inadequate Title IV compliance	HM Inappropriate bid procedures	HL Inaccurate record keeping	MM Fraud, waste, and abuse	MM Improper documentation for expenses and revenue	MM Inadequate cash management	ML Purchases inconsistent with goals and objectives of the TTC
4	Information Technology	HM Insufficient servers and date storage	HM Poor or insufficient backup strategy	HL Ineffective diaster recovery plan	HL Ineffective lead institution support	MM Ineffective planning and management of TAF	ML Ineffective IT staff training	ML Ineffective user training	ML Insufficient data security measures	ML Insufficient network security
1	Institutional Support	HM Inadequate campus security	HL Excessive emloyee turnover/inadequate planning for transfer of knowledge due to attrition	HL Failure to follow federal, state, and other rules and regulations (IRS,TBR,ADA, EEOC,etc)	HL Improper negligent hiring	HL Inadequate and/or inconsistent application of policies and procedures	ML Failure to address community needs	ML Failure to take advantage of collaborative opportunities	ML Inadequate fact-based decision making	ML Ineffective employee training /cross training
3	Instruction & Academic Support	HM Noncompliance with FERPA/ADA	HL Inadequate quality of instruction	HL Inappropriate faculty behavior	HL inconsistent attendance reporting	MM Inaccurate advising	ML Inability to attract and retain faculty	ML Inappropriate faculty credentials	LL Failure to meet communitys continuing education needs	LL Imbalance between full-time and adjunct faculty
2	Student Services	HL Failure to comply with American Disabilities Act	HL Failure to comply with Federal Title IV and state guidelines for Financial Aid Administration	HL Failure to comply with Federal, State, TBR, THEC, and COE requirements	HL Failure to comply with FERPA	HL Failure to have and follow student disciplinary policies and procedures	HL Lack of security of confidential student records	MM Inability to maintain high placement rate	ML Inconsistent application of published student policies and procedures catalogs, student handbooks	ML Ineffective student records management
7	Auxiliary Services	HH Fire	MM Theft	LL Overstocking	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a

Tennessee College of Applied Technology at Harriman
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES	1	2	3	4	5	6	7	8	9	10
3	Physical Plant	HM Inadequate disaster recovery plan	HL Catastrophic event such as natural disaster, terrorism, or fire	HL Inaccurate valuation of plant assests for state insurance coverage	MM Inaccurate reporting of capital assets and physical facilities inventory	MM Theft, abuse, and waste	ML Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, TBR, etc.)	ML Failure to maintain a clean and safe environment	ML Insufficient resources for physical plant renewals and replacements		
2	Information Technology	HM Inadequate disaster recovery plan	HL Natural disaster/fire	MM Insufficient network security	ML Ineffective strategic planning and management	ML Insufficient data security measures/red flag/identity theft plan	ML Insufficient physical security of resources	ML Insufficient servers, data storage, and backups	ML Insufficient software license control and management		
1	Instruction and Academic Support	HL Low student retention	HL Poor persistence to graduation/low completion rates	HL Poor/outdated programs	MM Failure to meet community's continuing education needs	MM Inability to attract and retain faculty	MM Inconsistency of grading practices and/or attendance reporting	ML Inappropriate faculty credentials	ML Inappropriate faculty/staff behavior	ML Inappropriate use of 3rd party materials	ML Inadequate red flag/identity theft plan
4	Institutional Support	HL Failure to comply with COE accreditation standards	HL Inadequate preparedness for catastrophic events	MM Failure to follow federal, state, and other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	MM Failure to meet community needs	ML Abuse of power	ML Excessive employee turnover/inadequate planning for transfer of knowledge due to attrition	ML Inadequate campus security	ML Inadequate internal auditing/monitoring review process	ML Inappropriate employee/volunteer behavior	
5	Student Services	HL Failure to comply with COE standards	HL Failure to manage student financial aid programs	ML success-course scheduling, counseling services, admissions process, etc.	ML Failure to comply with federal, state, TBR, THEC regulations	ML Failure to have and follow student disciplinary policies and procedures	ML Inadequate Red Flag/Identity Theft Plan	ML Ineffective enrollment processes	ML Lack of security of confidential student records		
6	Financial Management	ML Failure to perform reconciliations	ML Fraud, waste, and abuse	ML Inaccurate recordkeeping	ML Inadequate inventory control and depreciation	ML Inadequate payments/cash management	ML Inadequate Red Flag/Identity Theft Plan	ML Inadequate separation of duties	ML Inappropriate purchaseing/bid procedures		
7	Auxiliary	ML Equipment crash/malfunction	ML Fire and water damage	ML Physical injury	ML Poor inventory controls	ML Returned checks and credit card fraud	ML Theft/Embezzlement				

Tennessee College of Applied Technology at Hartsville
Enterprise Wide Risk Footprint
January 2015

RISKS ➡

#	ACTIVITIES	1	2	3	4	5	6	7	8
1	Information Technology	HM Ineffective Strategic Planning and Management	HM Insufficient Data Security Measures	HM Insufficient Network Security	HM Insufficient Physical Security of Resources	HM Insufficient Servers and Data Storage	HM Poor or Insufficient Backup Strategy	HL Ineffective Disaster Recovery Plan	MM Ineffective Desktop and Lab Support
2	Financial Manangement	HM Failure to Comply with Federal Reporting Guidelines	HM Inadequate Title IV Compliance	HM Non-Compliance with Accounting Guidelines	HL Inaccurate Financial Reporting	HL Inadequate Cash Management	MM Inadequate Separation of Duties	MM Inequitable Budget Allocations	ML Failure to Perform Reconcilliations
3	Student Services	HH Failure to Comply with Accreditation Standards	HM Failure to Comply with Federal Title IV and State Guidelines for Financial Aid Administration	HM Failure to Comply with Federal, State, TBR, THEC and VA Regulations	MM Failure to Comply with American Disabilities Act	MM Inability to Maintain High Placement Rate	ML Barriers to Student Success - Course Scheduling, Counseling Services, Admission Process, etc.	ML Failure to Comply with FERPA	ML Failure to Have and Follow Student Disciplinary Policies and Procedures
4	Physical Plant	HM Failure to Follow Federal, State and Other Rules and Regulations (ADA. OSHA, EPA, etc.)	HM Inaccurate Valuations of Plant Assets for State Insurance Coverage	HL Inadequate Preparedness for a Catastrophic Event Such as Natural Disaster or Terrorism	HL Insufficient Routine/Preventive Maintenance	MM Failure to Follow Policies and Procedures	MM Failure to Investigate and Resolve all Complaints	MM Inadequate Resources (Staffing, Supplies, Equipment, Facilites)	MM Insufficient Resources for Physical Plant Renewals and Replacements
6	Institutional Support	HL Failure to Follow Federal, State Regualtions (IRS, TBR, ADA, EEOC, etc.)	HL Inadequate Campus Security	HL Inadequate Preparedness for Catastrophic Events	ML Abuse of Power	ML Excessive Employee Turnover/Inadequate Planning for Transfer of Knowledge Due to Attrition	ML Failure to Comply with Community Needs	ML Failure to Maintain an Appropriate Cultural/Ethical Environment	ML Improper/Negligent Hiring
5	Instruction & Academic Support	MM Failure to Meet Community's Continuing Education Needs	MM Inability to Attract and Retain Faculty	MM Inadequate Quality of Instruction	MM Inadequate Tutoring/Learning Services/Technology Foundations	MM Inappropriate Faculty Behavior	MM Inconsistent Attendance Reporting	MM Low Student Retention	ML Imbalance Between Full-time and Adjunct Faculty
7	Auxiliary Enterprises	MM Loss of Cash	MM Loss of Inventory	MM Theft	ML Personal Injury	ML Property Damage	- n/a	- n/a	- n/a

Tennessee College of Applied Technology at Hartsville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		9		10		11		12		13		14		15
1	Information Technology	MM	Ineffective Lead institution Support	MM	Ineffective Planning and Management of TAF Funds	MM	Insufficient Software License Control and Management	ML	Ineffective IT Staff Training	ML	Ineffective User Training	-	n/a	-	n/a
2	Financial Manangement	ML	Fraud Waste & Abuse	ML	Improper Documentation for Expenses and Revenue	ML	Improper Payments	ML	Improper Records Management	ML	Inaccurate Benefit, Deduction & Taxes	-	n/a	-	n/a
3	Student Services	ML	Failure to Provide Student Due Process	ML	Failute to Conduct Background/Refernce Checks for New Employees	ML	Handling and Reporting Student Accidents	ML	Improper Assessment & Security of Testing Materials	ML	Inappropriate Employee Behavior	ML	Inconsistent Application of Published Student Policies and Procedures (Catalog/Handbook)	ML	Ineffective Student Records Management
4	Physical Plant	ML	Failure to Properly Dispose of Hazardous Materials	ML	Inaccurate reporting of Capital Assets and Physical Facilities Inventory	ML	Inadequately Trained Employees	ML	Inappropriate Employee Behavior	ML	Theft, Abuse, Waste	LL	Failure to Maintain a Clean and Safe Environment	-	n/a
6	Institutional Support	ML	Inadequate and/or Inconsistent Application of Policies and Procedures	ML	Inadequate Internal Audit/Monitoring Review Process	ML	Inadequate Long-Term Planning	ML	Inadequate or Offensive External/Internal Communications	ML	Inadequate Records Management	ML	Inappropriate Employee/Volunteer Behavior	ML	Ineffective Allocation of Personnel
5	Instruction & Academic Support	ML	Inadequate Tenure Process	ML	Inappropriate Faculty Credentials	ML	Non-Compliance with FERPA/ADA	ML	Poor/Outdated Programs	LL	Inaccurate Advising	LL	Inappropriate Use of Third Party Materials	LL	Inconsistency in Grading Practices
7	Auxiliary Enterprises	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College of Applied Technology at Hohenwald
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES	RISKS 1	2	3	4	5	6	7	8	9	10
1	Student Services	H/M – Failure to comply with Federal Title IV and state guidelines for Financial Aid Administration	H/M – Inability to maintain high placement rate	HL – Failure to comply with Fed, State, TBR, THEC, and COE Regulations	M/M – Failure to have and follow student disciplinary policies and procedures	ML – Barriers to student success - course scheduling, counseling services, admissions process, etc.	ML – Failure to comply with American Disabilities Act	ML – Failure to comply with Dept. of Human Services Regulations (Child Cae)	ML – Failure to comply with FERPA	ML – Failure to conduct background/reference checks for new students (PN & ST/ new employees	ML – Improper assessment and security of testing materials
2	Institutional Support	H/M – Inadequate preparedness for catastrophic events	M/M – Inappropriate employee/ volunteer behavior	ML – Abuse of power	ML – Excessive employee turnover/ inadequate planning for transfer of knowledge due to attrition	ML – Failure to follow fed, state & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	ML – Failure to maintain an appropriate cultural/ethical environment	ML – Improper/negligent hiring	ML – Inadequate and/or inconsistent application of policies & procedures	ML – Inadequate confidentiality of donor information	ML – Inadequate fact-based decision making
3	Physical Plant	H/M – Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	HL – Inaccurate valuation of plant assets for state insurance coverage	ML – Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	ML – Failure to follow policies and procedures	ML – Failure to investigate and resolve all complaints	ML – Failure to maintain a clean and safe environment	ML – Failure to provide effective oversight of off-site facilities	ML – Inaccurate reporting of capital assets and physical facilities inventory	ML – Inadequate resources (staffing, supplies, equipment, facilities)	ML – Inadequately trained employees
4	Financial Management	HL – Failure to Comply with Federal Reporting Guidelines	H/L – Failure to Perform Reconciliations	HL – Improper Documentation for Expenses and Revenue	HL – Improper Records Management	HL – Inaccurate Financial Reporting	HL – Inequitable/ Inadequate budget allocations	M/M – Inadequate Separation of Duties	ML – Fraud, Waste, & Abuse	ML – Improper Payments	ML – Inaccurate benefit, deduction & taxes
5	Instruction and Academic Support	HL – Insufficient or loss of accreditation	M/M – Inability to attract and retain faculty	M/M – Inadequate quality of instruction	M/M – Inadequate tutoring/ learning services	M/M – Inappropriate faulty credentials	M/M – Inconsistency of grading practices	M/M – Inconsistent attendance reporting	M/M – Poor persistence to graduation	ML – Imbalance between full-time and adjunct faculty	ML – Inadequate tenure process
6	Information Technology	M/M – Ineffective lead institution support	ML – Ineffective desktop and lab support	ML – Ineffective disaster recovery plan	ML – Ineffective IT staff training	ML – Ineffective planning and management of TAF	ML – Ineffective strategic planning and management	ML – Ineffective user training	ML – Insufficient data security measures	ML – Insufficient level of qualified staff	ML – Insufficient network resources
7	Auxiliary Enterprises	ML – Improper inventory control	ML – Inadequate database management in regard to software package	ML – Inadequate staffing	ML – Incorrect order	ML – Loss of revenue from outdated materials and overstocking	ML – Theft	LL – Inability to be an all encompassing provider/comprehensive provider	LL – Lack of space	- n/a	- n/a

Tennessee College of Applied Technology at Hohenwald
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES	11	12	13	14	15	16	17	18	19	20
1	Student Services	ML Inappropriate Employee Behavior	ML Inconsistent application of published student policies and procedures-catalogs, student handbook.	ML Ineffective enrollment processes	ML Ineffective student records management	ML Lack of security of confidential student records	ML Non-compliance with Student Right-to-Know Act	- n/a	- n/a	- n/a	- n/a
2	Institutional Support	ML Inadequate internal audit/monitoring review process	M L Inadequate long-term planning	ML Inadequate or offensive external/internal communications	ML Inadequate records management	ML Ineffective allocation of personnel	ML Ineffective employee training/cross training	LL Failure to address community needs	LL Failure to take advantage of collaborative opportunities	- n/a	- n/a
3	Physical Plant	ML Inappropriate employee behavior	ML Insufficient resources for physical plant renewals and replacements	ML Theft, abuse, waste	LL Failure to properly dispose of hazardous materials	LL Inadequate energy conservation management	LL Insufficient routine/preventative maintenance	- n/a	- n/a	- n/a	- n/a
4	Financial Management	ML Inaccurate Record Keeping	ML Inadequate Cash Management	ML Inadequate Collection Procedures	ML Inadequate external grant accounting	ML Inadequate Inventory Control and Depreciation	ML Inadequate registration & refund procedures	ML Inadequate Title IV Compliance	ML Inappropriate bid procedures	ML Non-Compliance with Accounting Guidelines	LL Purchases inconsistent with the goals and objectives of the TTC
5	Instruction and Academic Support	ML Inappropriate faculty behavior	ML Inappropriate use 3rd party materials	ML Insufficient Professional development	ML Low student retention	ML Noncompliance with FERPA/ADA	ML Poor/Outdated programs	LL Failure to meet community's continuing education needs	LL Inaccurate advising	LL Inefficient class scheduling	LL Inefficient use of classroom capacity/space
6	Information Technology	ML Insufficient network security	ML Insufficient servers and data storage	ML Insufficient software license control and management	ML Loss of internet access	ML Poor or insufficient backup strategy	ML Turnover of IT personnel	LL Insufficient physical security of resources	- n/a	- n/a	- n/a
7	Auxiliary Enterprises	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a

Tennessee College of Applied Technology at Jacksboro
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES	1	2	3	4	5	6	7	8	9	10
4	Information Technology	HM Insufficient data security measures	HL Ineffective disaster recovery plan	HL Insufficient network security	MM Ineffective planning and management of TAF	MM Insufficient software license and control and management	MM Loss of internet access	MM Poor or insufficient backup strategy	ML Insufficient servers and data storage	- n/a	- n/a
6	Institutional Support	HL Failure to comply with community needs	HL Failure to meet COE accreditation standards	HL Inadequate preparedness for catastrophic events	MM Failure to follow federal, state, and other rules and regulations (IRS, TBR, ADA, EEOC, etc.)	MM Inadequate and/or inconsistent applications of policies and procedures	MM Inadequate campus security	MM Inadequate fact based decision making	MM Ineffective allocation and/or evaluation of personnel	ML Poor external/internal communications	- n/a
5	Physical Plant	HL Catatrophic event such as a natural disaster or terrorism	HL Failure to properly dispose of hazardous materials	HL Inadequate emergency response plan	MH Deferred maintenance	MM Failure to follow federal, state, and other rules and regulatins (ADA, OSHA, EPA, etc.)	MM Failure to follow policies and procedures	MM Failure to maintain a clean and safe environment	MM Lack of space for campus expansion	- n/a	- n/a
1	Instruction and Academic Support	HL Inappropriate faculty credentials	HL Low student retention	HL Poor retention to graduation	MM Failure to meet community's continuing educational needs	MM Inability to attract and retain faculty	MM Inaccurate advising	MM Inadequate quality of instruction	MM Inconsistent student attendance reporting	- n/a	- n/a
2	Student Services	HL Failure to comply with COE standards	HL Inability to maintain high placement rates	MM Failure to comply with Title VI, Title IX, and other federal guidelines	MM Failure to comply with ADA regulations	MM Failure to comply with federal, state, TBR, and THEC regulations	MM Failure to have and follow student disciplinary policies and procedures	MM Ineffective records management	- n/a	- n/a	- n/a
3	Financial Management	MM Failure to comply with federal reporting guidelines	MM Failure to perform reconciliations	MM Fraud, waste, and abuse	MM Improper documentation of expenses and revenue	MM Improper records management	MM Inaccurate external grant accounting	MM Inaccurate finanacial reporting	- n/a	- n/a	- n/a
8	Contracted/WIA Funds	MM Poor communication with financial management	ML Accountability over recorded transactions may not be maintained	ML Fraud, waste, and abuse	ML Funds are not expended in accordance with mission, objectives, and available resources	ML Improper planning for use of all allocated funds	ML Inadequate documentation of expenses	ML Lack of payroll documentation	ML Miscoding with untimely correction	LL Inadequate contract language	LL Inadequate documentation of inventory/supplies

Tennessee College of Applied Technology at Jackson
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES	RISKS ➡ 1	2	3	4	5	6	7	8
1	Student Services	HM Low Enrollment	HL Low Retention	HL Failure of IT Hardware/Software	HL Low Placement Rates	MM Budget Reductions	MM Non-compliance with FERPA or ADA	MM Failure to follow policies/procedures (TBR, Center or Accrediting Body)	MM Inaccurate student records
2	Financial Aid	HM Failure to follow federal and state regulations	HL Fraud, waste, and abuse	MM Overawarding of financial aid	MM Insufficient documentation in student files	MM Improper professional judgment decisions	MM Failure to follow institutional policies and procedures	MM Data entry errors in financial aid award systems	ML Inadequate staffing/training of personnel
3	Instruction and Academic Support	HM Low student retention	HL Failure to meet community's educational needs	ML Inability to attract and retain faculty	ML Inadequate advising	ML Inadequate learning resources	ML Inadequate quality of instruction	ML Inappropriate faculty behavior	ML Inappropriate faculty credentials
4	Physical Plant	HM Inadequate preparedness for catastrophic event (natural diaster, terrorism, etc…)	MM Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc…)	MM Failure to follow policies and procedures	MM Failure to properly dispose of hazardous materials	MM Inadequate energy conservation management	MM Inadequate resources (staffing, supplies, equipment, facilities)	MM Inappropriate employee behavior	MM Insufficient resources for physical plant renewals and replacements
5	Financial Management	HL Fraud, waste, and abuse	HL Failure to perform reconciliations	HL Inadequate Title IV compliance	MM Inadequate registration/refund procedures	MM Ineffective lead institution support	ML Improper payments	ML Improper records management	ML Inaccurate financial reporting
6	Institutional Support	MM Inadequate records management	MM Ineffective employee training/cross-training	ML Employee turnover due to attrition	ML Failure to follow federal, state, TBR or COE rules and regulations	ML Failure to maintain an appropriate cultural/ethical environment (inappropriate behavior)	ML Inadequate and/or inconsistent application of policies & procedures	ML Inadequate campus security	ML Inadequate internal audit/monitoring review process
7	Auxiliary	MM Fraud, waste, and abuse	ML Failure to perform reconciliations	ML Inadequate Title IV compliance	ML Improper payments	ML Improper records management	ML Inaccurate financial reporting	ML Inadequate inventory control	ML Non-compliance with Accounting Guidelines

Tennessee College of Applied Technology at Jackson
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES	9		10		11		12		13		14		15
1	Student Services	ML	Inadequate training of student services personnel	ML	Failure to receive/implement updates from regulatory agencies	ML	Loss of Personnel							
2	Financial Aid	ML	Failure to reconcile fiscal and financial aid records	ML	Failure to verify student eligibility	ML	Inadequate security of student's financial information							
3	Instruction and Academic Support	ML	Inefficient use of classroom capacity/space	ML	Insufficient Professional Development	ML	Noncompliance with FERPA/ADA	ML	Inadequate or inaccurate record keeping	ML	Inadequate Network Security			
4	Physical Plant	MM	Insufficient routine/preventative maintenance	MM	Theft, abuse, waste	ML	Inaccurate valuation of plant assets for state insurance coverage	ML	Inadequately trained employees	ML	Failure to maintain a clean and safe environment	LM	Failure to investigate and resolve complaints	LL	Inaccurate reporting of capital assets and physical facilities inventory
5	Financial Management	ML	Inadeaquate budget allocations	ML	Inadequate inventory control	ML	Non-compliance with Accounting Guidelines	ML	Improper documentation for expenses and revenues	ML	Improper purchasing procedures	ML	Inadequate collection procedures		
6	Institutional Support	ML	Inadequate long-term training												
7	Auxiliary	ML	Improper documentation for expenses and revenues	ML	Improper purchasing procedures										

Tennessee College of Applied Technology at Knoxville
Enterprise Wide Risk Footprint
February 2015

RISKS

#	MAJOR ACTIVITIES	1	1	2	2	3	3	4	4	5	5	6	6	7	7	8	8	9	9	10	10
2	Financial Management	HM	Inadequate cash management	MM	Failure to comply with federal reporting guidelines	MM	Fraud, waste, & Abuse	MM	Inadequate external grant accounting	MM	Inadequate seperation of duties	MM	Inadequate Title IV reporting	MM	Inequitable budget allocation	ML	Failure to perform reconciliations	ML	Improper documentation for expenses and revenues	ML	Improper payments
1	Student Services	HM	Failure to comply with Federal Title IV & state guidelines for financial aid Administration	HL	Failure to comply with State, TBR, THEC, and CDE Regulations	MH	Failure to comply with Americans with Disabilities Act	MM	Barriers to course scheduling - counseling services, admissions process, etc.	MM	Ineffective enrollment process	MM	Ineffective student records management	MM	Lack of security of confidential student records	ML	Failure to comply with FERPA	ML	Failure to conduct background/reference checks on new employees	ML	Failure to have and follow student disciplinary policies and procedures
5	Instruction and Academic Support	HL	Inadequate quality of instruction	MH	Noncomliance with FERPA/ADA	MM	Failure to properly handle Live Work projects	MM	Inappropriate faculty behavior	MM	Inconsistency of grading practices	MM	Ineffecent class scheduling	MM	Inefficient use of classroom capacity/space	MM	Insufficient professional development	MM	Low student retention and graduation	ML	Failure to meet communities continuing education needs
3	Information Technology	HL	Ineffective disaster recovery plan	MM	Ineffective desktop and lab support	MM	Ineffective strategic planning and management	MM	Insufficient data security measures	MM	Insufficient servers and data storage	MM	Insufficient network security	MM	Insufficient physical security resources	MM	Insufficient software license and control management	ML	Poor of insufficient backup strategy	ML	Ineffective planning and management of TAF
4	Physical Plant	HL	Inadequate preparedness for a catstrophic event such as natural disaster or terrorism	MM	Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	MM	Failure to maintain a clean and safe environment	MM	Failure to properly dispose of hazardous materials	MM	Inadequately trained employees	ML	Failure to follow policies and procedures	ML	Failure to investigate and resolve complaints	ML	Inaccurate reporting of capital assests and physical facilities inventory	ML	Inaccurate valuation of plant assets for state insurance coverage	ML	Inadequate resources (staffing, supplies, equipment)
6	Institutional Support	MM	Excessive employee turnover/inadequate planning for transfer of knowledge due to attrition	MM	Failure to follow federal, state and other rules and regulations (IRS, TBR, ADA, EEOC, etc.)	MM	Inadequate preparedness for catastrophic events	MM	Ineffective employee training	ML	Abuse of Power	ML	Failure to maintain an appropriate cultural/ethical environment	ML	Failure to take advantage of collorative opportunities	ML	Improper/negligent hiring	ML	Inadequate and/or inconsistent aplication of policies and procedures	ML	Inadequate campus security

	RISKS																				
#	MAJOR ACTIVITIES	11	11	12	12	13	13	14	14	15	15	16	16	17	17	18	18	19	19	20	20
2	Financial Management	ML	Inaccurate benefit, deduction, and taxes	ML	Inaccurate Financial Reporting	ML	Inaccurate Record Keeping	ML	Inadequate collection procedures	ML	Inadequate inventory control and depreciation	ML	Inadequate registration/refund procedures	ML	Inappropriate bid procedures	ML	Non-compliance with accounting guidelines	LL	Breach of Contract	LL	Improper records management
1	Student Services	ML	Improper assessessment and security of testing materials	ML	Inability to maintain high placement rate	ML	Inappropriate employee behavior	ML	Inconsistent application of published student policies and procedures - catalogs, student handbook, etc.	ML	Non-compliance with student right-to-know act	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0
5	Instruction and Academic Support	ML	Inability to attract and retain faculty	ML	Inadequate tenure process	ML	Inappropriate use of donated and intellectual materials	ML	Inbalance between full-time and adjunct faculty	ML	Inconsistent attendance reporting	LL	Poor/outdated programs	LL	Inaccurate advertising	LL	Inappropriate faculty credentials	n/a	0	n/a	0
3	Information Technology	ML	Ineffective user training	ML	Insufficient network resources	ML	Loss of internet access	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0
4	Physical Plant	ML	Inappropriate employee behavior	ML	Insufficient resources for physical plant renewal & replacement	ML	Insufficient routine/preventative maintenance	ML	Theft, abuse, waste	LL	Inadequate energy conservation management	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0
6	Institutional Support	ML	Inadequate long term planning	ML	Inadequate or offensive external/internal communications	ML	Inadequate records management	ML	Inadquate fact based decision making	ML	Inadquate internal audit/monitoring review process	ML	Ineffective allocation of personnel	LL	Failure to meet community needs	LL	Inappropriate employee/volunteer behavior	n/a	0	n/a	0

Tennessee College of Applied Technology at Livingston
Enterprise Wide Risk Footprint
January 2014

#	ACTIVITIES		1	2	3	4	5	6	7
5	Physical Plant (44 - 52)	HH Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	HM Theft, abuse, waste	HL Failure to follow policies and procedures	M M Inadequate resources (staffing, supplies, equipment, facilities)	M M Inadequately trained employees	ML Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	ML Failure to investigate and resolve all complaints
6	Institutional Support (53 - 67)	HH Inadequate preparedness for catastrophic events	HL Failure to comply with community needs	HL Failure to follow fed, state & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	HL Inadequate and/or inconsistent application of policies & procedures	M M Excessive employee turnover / inadequate planning for transfer of knowledge due to attrition	M M Inadequate internal audit/monitoring review process	M M Inadequate long-term planning
3	Financial Management (18 - 31)	HL Failure to Comply with Federal Reporting Guidelines	HL Fraud, Waste, & Abuse	HL Inadequate Cash Management	HL Inadequate Collection Procedures	HL Inadequate registration/ refund procedures	HL Inadequate Title IV Compliance	ML Failure to Perform Reconciliations
2	Student Services (11 - 17)	HL Failure to comply with Fed, State, TBR, THEC, and COE Regulations	HL Failure to comply with Federal Title IV and state guidelines for Financial Aid Administration	HL Inability to maintain high placement rate	HL Inconsistent application of published student policies and procedures- catalogs, student handbook.	HL Ineffective enrollment processes	HL Ineffective student records management	HL Lack of security of confidential student records
4	Information Technology (32 - 43)	M M Ineffective IT training for staff	ML Ineffective disaster recovery plan	ML Ineffective lead institution support	ML Ineffective planning and management of TAF	ML Insufficient data security measures	ML Insufficient network security	ML Insufficient servers and data storage
1	Instruction and Academic Support (1 - 10)	M M Inappropriate faculty behavior	M M Inconsistency of grading practices	ML Inconsistent attendance reporting	ML Low student retention	ML Poor/Outdated programs	LL Inadequate quality of instruction	LL Inappropriate faculty credentials
7	Auxiliary	M M Poor Inventory Control	M M Theft, fraud,and embezzlement	LL Personal Injusry in Vending Areas	LL Damage to Facilities in Student Break Room			

Tennessee College of Applied Technology at Livingston
Enterprise Wide Risk Footprint
January 2014

#	ACTIVITIES		8		9		10		11		12		13		14		15
5	Physical Plant (44 - 52)	ML	Failure to maintain a clean and safe environment	ML	Failure to properly dispose of hazardous materials	ML	Failure to provide effective oversight of rental facilities	ML	Inaccurate reporting of capital assets and physical facilities inventory.	ML	Inaccurate valuation of plant assets for state insurance coverage	ML	Inappropriate employee behavior	ML	Insufficient resources for physical plant renewals and replacements	ML	Insufficient routine/ preventative maintenance
6	Institutional Support (53 - 67)	M / M	Inadequate records management	ML	Abuse of power	ML	Failure to maintain an appropriate cultural/ethical environment	ML	Failure to take advantage of collaborative opportunities	ML	Improper /negligent hiring	ML	Inadequate campus security	ML	Inadequate confidentiality of donor information	ML	Inadequate fact-based decision making
3	Financial Management (18 - 31)	ML	Improper Documentation for Expenses and Revenue	ML	Improper Payments	ML	Improper Records Management	ML	Inaccurate benefit, deduction, & taxes	ML	Inaccurate Financial Reporting	ML	Inaccurate Record Keeping	ML	Inadequate external grant accounting	ML	Inadequate Inventory Control and Depreciation
2	Student Services (11 - 17)	M / M	Barriers to success - course scheduling, counseling services, admissions process, etc.	ML	Failure to comply with American Disabilities Act	ML	Failure to comply with Dept. of Human Services Regulations (Child Care)	ML	Failure to comply with FERPA	ML	Failure to conduct background/reference checks for new employees	ML	Failure to have and follow student disciplinary policies and procedures	ML	Improper assessment & security of testing materials	ML	Inappropriate Employee Behavior
4	Information Technology (32 - 43)	ML	Loss of internet access	ML	Poor or insufficient backup strategy	ML	Insufficient Physical Secuity of Resources									
1	Instruction and Academic Support (1 - 10)	LL	Insufficient Professional Development													
7	Auxiliary															

Tennessee College of Applied Technology at McKenzie
Enterprise Risk Wide Assessment
January 2015

			RISKS												
#	ACTIVITIES		1		2		3		4		5		6		7
1	Student Services(1, 4, 7, 11, 12, 14, 22, 25, 28, 29, 30, 33)	HM	Low enrollment	HM	Poor retention	MH	Small staff size	MM	Failure to follow governing regulations	MM	Over awarding students	ML	Breach of confidentiality	ML	Failure to complete re-enrollment registration
2	Instruction(18, 27, 32)	HM	Failure to hire qualified and effective staff	MH	Failure to screen students prior to enrolling	MM	Failure to maintain retention	MM	Failure to communicate/comply with institutional policies and procedures	MM	Failure to stay current in field of expertise	MM	Ineffective classroom evaluation	MM	Students not completing programs
3	Physical Plant(9, 10, 20, 21)	HM	Unsafe building(Damage or renovation to bldg.)	MM	Low number of assigned employees	MM	Unattractive grounds & facilities	ML	Bodily Injury(Safety-ice removal)	-	n/a	-	n/a	-	n/a
4	Auxiliary(5)	HL	Mismanagement of orders(over ordering)	MM	Small staff(one employee)	LM	Increased prices (bookstore)	-	n/a	-	n/a	-	n/a	-	n/a
6	Institutional Support(2, 3, 6, 8, 13, 15, 16, 19, 23, 24, 26, 31)	MH	Low staffing	MM	Breach of IT security systems	MM	Failure to follow policies and procedures	MM	Failure to maintain accurate accounting records	MM	Failure to pay/invoice in a timely manner	MM	Fraud, waste, and abuse	MM	Misuse of technology

#	ACTIVITIES		RISKS 8		9		10		11
2	Student Services(1, 4, 7, 11, 12, 14, 22, 25, 28, 29, 30, 33)	ML	Inaccurate student records	ML	Inadequate counseling	LM	Clock hours (open enrollment)	LL	Poor public relations
3	Instruction(18, 27, 32)	ML	Failure to place students in jobs	-	n/a	-	n/a	-	n/a
4	Physical Plant(9, 10, 20, 21)	-	n/a	-	n/a	-	n/a	-	n/a
5	Auxiliary(5)	-	n/a	-	n/a	-	n/a	-	n/a
1	Institutional Support(2, 3, 6, 8, 13, 15, 16, 19, 23, 24, 26, 31)	ML	Conflict of interest	ML	Failure to follow governing regulations	ML	Inappropriate behavior	-	n/a

RISKS

#	ACTIVITIES		1		2		3		4		5		6
1	Instruction and Academic Support (1 - 10)	HM	Failure to meet community workforce development needs	HM	Inadequate quality of instruction	HL	Noncompliance with FERPA/ADA	ML	Inability to attract and retain faculty	ML	Inadequate promotion & tenure process	ML	Inappropriate faculty behavior
3	Financial Management (18 - 31)	HM	Failure to comply with federal reporting guidelines	ML	Noncompliance with accounting guidelines	ML	Fraud, Waste & Abuse	ML	Improper documentation for expenses and revenue	ML	Inadequate benefits deductions & taxes	ML	Improper records management
7	Auxiliary	HM	Fire	MM	Theft	MM	Physical liability	ML	Overstocking				
2	Student Services (11 - 17)	MH	Failure to comply with FERPA/ADA	MH	Failure to comply with Fed., State, TBR, THEC and COE regulations	MH	Failure to comply with Title IV and state guidelines for Financial Aid Admin.	MH	Non-compliance with student Right-To-Know & Campus Security Act	MH	Failure to comply with Title VI, IX & other Federal. Guidelines	ML	Failure to have and follow student disciplinary policies and procedures (student due process)
6	Institutional Support (53 - 67)	HL	Inadequate preparedness for a catastrophic event as a natural disaster or terrorism	HL	Failure to meet COE accreditation standards	ML	Abuse of power	ML	Improper hiring	ML	Failure to follow federal, state & other regulations (irs, tbr, ada, eeoc)	ML	Inadequate and/or inconsistent application of policies & procedures
5	Physical Plant (44 - 52)	HL	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	ML	Failure to properly dispose of hazardous materials	ML	Inaccurate reporting of capital assets and physical facilities inventory	ML	Inaccurate valuation of plant assets for state insurance coverage	ML	Insufficient routine/preventative maintenance	ML	Theft, abuse, waste
4	Information Technology (32 - 43)	HL	Ineffective disaster recovery plan	ML	Ineffective IT staff training	ML	Ineffective lead institution support	MM	Ineffective planning and management of TAF	ML	Ineffective strategic planning and management	ML	Ineffective user training

#	ACTIVITIES		7		8		9		10		11		12
1	Instruction and Academic Support (1 - 10)	ML	Inappropriate use of 3rd party materials	ML	Insufficient professional development	ML	Low student retention	ML	Inconsistent attendance reporting	ML	Inconsistency of grading practices		
3	Financial Management (18 - 31)	ML	Inadequate collection procedures	ML	Inadequate preparedness of catastrophic events	ML	Inadequate cash management	ML	Inadequate external grant accounting	ML	Inadequate inventory control & depreciation	ML	Inadequate separation of duties
7	Auxiliary												
2	Student Services (11 - 17)	ML	Improper assessment & security of testing materials	ML	Lack of security of confidential student records	ML	Inconsistent application of published student policies and procedures (catalog, student handbook)	ML	Noneffective student records management	ML	Ineffective enrollment procedures	ML	Fraud, Waste & Abuse
6	Institutional Support (53 - 67)	ML	Excessive employee turnover/inadequate planning for transfer of knowledge due to attrition	ML	Inadequate campus security	ML	Inadequate record management	ML	Inappropriate employee/volunteer behavior	ML	Ineffective employee training/cross training	ML	Inadequate offensive external/internal communication
5	Physical Plant (44 - 52)	ML	Failure to follow federal, state and other rules and regulations (ADA,OSHA,EPA & etc.)	ML	Failure to follow policies and procedures	ML	Failure to investigate & resolve O/M complaints	ML	Failure to provide effective oversight of rental facilities	ML	Failure to maintain a clean and safe environment	ML	Inadequate resources (staffing, supplies, equipment, facilities)
4	Information Technology (32 - 43)	ML	Insufficient data security measures	MM	Insufficient network security	ML	Insufficient level of qualified staff	ML	Insufficient network resources	ML	Insufficient software license control and management	ML	Insufficient backup strategy

Tennessee College of Applied Technology at McMinnville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		13		14		15		16		17		18
1	Instruction and Academic Support (1 - 10)												
3	Financial Management (18 - 31)	ML	Inadequate bid procedures	ML	inadequate budget allocations	ML	Inaccurate financial reporting	ML	Inadequate registration/ refund procedures	ML	Improper payments	ML	Failure to perform reconciliations
7	Auxiliary												
2	Student Services (11 - 17)	ML	Inappropriate employee behavior	ML	Unfair or inequitable enrollment procedures								
6	Institutional Support (53 - 67)	ML	Inadequate internal audit/monitoring review process	ML	Failure to take advantage of collaborate opportunities	ML	Inadequate confidentiality of donor information	ML	Failure to maintain an appropriate cultural/ethical environment	ML	Inadequate long range planning		
5	Physical Plant (44 - 52)	ML	Inadequately trained employees	ML	Inappropriate employee behavior	ML	Insufficient resources for physical plant renewals and replacements						
4	Information Technology (32 - 43)	ML	Insufficient physical security of resources	ML	Loss of internet access								

#	ACTIVITIES		1		2		3		4		5		6
1	Institutional Support	HM	Inadequate preparedness for catastrophic events	MM	Excessive employee turnover/indadequate planning for transfer of knowledge due to attrition	MM	Failure to follow federal, state & other rules and regs. (IRS, TBR, ADA, EEOC, etc…)	MM	Failure to maintain an appropriate cultural/ethical environment	MM	Inadequate and/or inconsistent application of policies & procedures	MM	Inadequate campus security
2	Physical Plant	HM	Inadequate preparedness for catastrophic event (natural diaster, terrorism, etc…)	MM	Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc…)	MM	Failure to follow policies and procedures	MM	Failure to properly dispose of hazardous materials	MM	Inadequate energy conservation management	MM	Inadequate resources (staffing, supplies, equipment, facilities)
3	Financial Management	HL	Failure to comply with Federal Reporting Guidelines	HL	Inadequate Title IV compliance	MM	Fraud, Waste and Abuse	MM	Inadequate registration/refund procedures	MM	Inadequate separation of duties	MM	Failure to perform reconciliations
4	Student Services	HL	Failure to comply with Fed, State, TBR, THEC, and COE regulations	HL	Failure to comply with Federal Title IV and state guidelines for Financial Aid Administration	HL	Non-compliance with Student "Right-to-Know" Act	MM	Inability to maintain high placement rate	MM	Inappropriate employee behavior	ML	Barriers to student success - course scheduling, counseling services, admissions processes
5	Instruction and Academic Support	HL	Low student retention	HL	Poor persistence to graduation	ML	Failure to meet community's continuing education needs	ML	Inability to attract and retain faculty	ML	Inadequate advising	ML	Inadequate quality of instruction
6	Information Technology	MM	Insufficient network security	ML	Inadequate IT staff training	ML	Ineffective disaster recovery plan	ML	Ineffective lead institution support	ML	Ineffective strategic planning and management	ML	Ineffective user training
7	Auxillary	ML	Breach of Contract/legal	ML	Student loss of access to textbooks and supplies	LL	Loss of Revenue						

#	ACTIVITIES		7		8		9		10		11		12
1	Institutional Support	MM	Inadequate fact-based decision making	MM	Inadequate or offensive external/internal communications	MM	Inappropriate employee/volunteer behavior	MM	Ineffective allocation of personnel	MM	Ineffective employee training/cross-training	ML	Abuse of Power
2	Physical Plant	MM	Inappropriate employee behavior	MM	Insufficient resources for physical plant renewals and replacements	MM	Insufficient routine/preventative maintenance	MM	Theft, abuse, waste	ML	Failure to maintain a clean and safe environment	ML	Failure to provide effective oversight of rental facilities
3	Financial Management	ML	Improper payments	ML	Improper records management	ML	Inaccurate benefit, deduction, and taxes	ML	Inaccurate financial reporting	ML	Inaccurate record keeping	ML	Inadequate inventory control and depreciation
4	Student Services	ML	Improper assessment & security of testing materials	ML	Inconsistent application of published student policies and procedures - catalogs and handbook	ML	Ineffective enrollment management processes	ML	Ineffective student records management	ML	Lack of security for confidential student records	-	n/a
5	Instruction and Academic Support	ML	Inadequate tenure process	ML	Inadequate tutoring/learning services	ML	Inappropriate faculty behavior	ML	Inappropriate faculty credentials	ML	Inappropriate use of 3rd party materials	ML	Inefficient use of classroom capacity/space
6	Information Technology	ML	Insufficient data security measures	ML	Insufficient network resources	ML	Insufficient number of qualified staff	ML	Insufficient physical security of resources	ML	Insufficient servers and data storage	ML	Insufficient software license control and management
7	Auxillary												

Tennessee College of Applied Technology at Memphis
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		13		14		15		16		17		18		19		20
1	Institutional Support	ML	Failure to comply with community needs	ML	Improper/negligent hiring	ML	Inadequate internal audit/monitoring review process	ML	Inadequate long-term planning	ML	Inadequate records management	LL	Inadequate confidentiality of donor information	-	n/a	-	n/a
2	Physical Plant	ML	Inaccurate valuation of plant assets for state insurance coverage	ML	Inadequately trained employees	LM	Failure to investigate and resolve complaints	LL	Inaccurate reporting of capital assets and physical facilities inventory	-	n/a	-	n/a	-	n/a	-	n/a
3	Financial Management	ML	Inequitable/Inadequate budget allocations	ML	Non-compliance with Accounting Guidelines	ML	Purchases inconsistent with the goals and objectives of the TCAT	LL	Improper documentation for expenses and revenue	LL	Inadequate Collection procedures	LL	Inappropriate bid procedures	-	n/a	-	n/a
4	Student Services	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
5	Instruction and Academic Support	ML	Insufficient Professional Development	ML	Noncompliance with FERPA/ADA	ML	Poor/Outdated programs	LL	Failure to conduct background and reference checks for new employees	LL	Imbalance between full-time and adjunct faculty	LL	Inconsistency of grading practices	LL	Inconsistent attendance reporting	LL	Inefficient class scheduling
6	Information Technology	ML	Poor or insufficient backup strategy	LM	Loss of Internet access	LL	Ineffective desktop and lab support	LL	Ineffective planning and management of TAF	-	n/a	-	n/a	-	n/a	-	n/a
7	Auxillary																

Tennessee Technology Center at Morristown
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		RISKS 1		2		3		4		5		6		7		8		9
1	Financial Management	HH	Inadequate Title IV Compliance	HH	Loss of Key Personnel	HH	Addition of Branch Sites	HL	Non-Compliance with Accounting Guidelines	HL	Improper Record Management	HL	Inadequate Separation of Duties	HL	Inadequate Disaster Recovery Plan	MM	Reduced State Appropriations	MM	Inaccurate Financial Reporting
2	Instruction and Academic Support	HH	Failure to Maintain Accreditation	HH	Noncompliance with FERPA/ ADA/ Title IX	HH	Inappropriate faculty behavior	HH	Loss of Key Personnel	HH	Addition of Branch Sites	HL	Imbalance between full-time and adjunct faculty	HL	Inadequate Disaster Receovery Plan	MM	Inadequate quality of instruction	MM	Failure to meet training needs of communities served
3	Information Technology	HH	Insufficient data security measures	HH	Insufficient backup strategy	HH	Loss of Key Personnel	HH	Addition of Branch Sites	HL	Dependence on WSCC IT personnel	HL	Insufficient software license control and management	HL	Ineffective disaster recovery plan	MM	Ineffective lead institution support	MM	Loss of internet access
4	Institutional Support	HH	Failure to follow federal, state & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	HH	Inadequate records management	HH	Loss of Key Personnel	HH	Addition of Branch Sites	HL	Abuse of power - Nepotism	HL	Inappropriate employee/volunteer behavior	HL	Inadequate disaster management and recovery plan	MM	Inadequate staff resources	MM	Inadequate plan to prevent theft, fraud, waste, and abuse
5	Student Services	HH	Failure to comply with internal, state, title IV, & federal regulations	HH	Loss of Key Personnel	HH	Addition of Branch Sites	HL	Inappropriate employee behavior	HL	Inadequate plan to prevent theft, fraud, waste, and abuse	MM	Inability to maintain required placement rates	MM	Competition	MM	Failure to comply with accreditation agency requirements	MM	Inadequate Emergency Preparedness Plan
6	Physical Plant	HH	Loss of Key Personnel	HH	Addition of Branch Sites	HL	Inappropriate employee behavior	HL	Inadequate disaster management and recovery plan	HL	Failure to properly dispose of hazardous waste	MM	Inadequate Emergency Preparedness Plan	MM	Failure to maintain a clean and safe environment	MM	Insufficient resources for physical plant renewals and replacements	MM	Reduced State Appropriations
7	Auxiliary	HH	Loss of Profit Margin	HL	Inadequate plan to prevent theft, fraud, waste, and abuse	HL	Improper records management	HL	Inadequate disaster management and recovery plan	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee Technology Center at Morristown
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		RISKS 10		11		12		13		14		15		16		RISKS 17
1	Financial Management	MM MM	Inadequate plan to prevent theft, fraud, waste, and abuse	MM MM	Inadequate Cash Management	MM MM	Improper Documentation for Record Keeping	LM	Inadequate Inventory Control & Depreciation	LM	Inadequate external grant accounting	-	n/a	-	n/a	-	n/a
2	Instruction and Academic Support	MM MM	Low student retention	MM MM	Low Graduation Rates	MM MM	Maintaining quality advisory committees	MM MM	Inaccurate record keeping	MM MM	Faculty recruitment and retention	MM MM	Inadequate plant ot prevent theft, fraud, waste, and abuse	MM MM	Reduced State Appropriations	LM	Insuficient professional development
3	Information Technology	MM MM	Ineffective user training	MM MM	Ineffective planning and management of TAF	MM MM	Reduced State Appropriations	LM	Insufficient network resources	LM	Inadequate plan to prevent theft, fraud, waste, and abuse	-	n/a	-	n/a	-	n/a
4	Institutional Support	MM MM	Reduced State Appropriations	LM	Inadequate or offensive external/internal communications	LM	Imporoper staff recruitment and retention policies	LM	Inconsistent application policies and procedures	LM	Failure to comply with community needs	LM	Failure to meet accreditation agency standards	LM	Inadequate strategic planning	LM	Inadequate internal audit resources
5	Student Services	MM MM	Changes in Economy and Market Conditions	MM MM	Ineffective student records management	MM MM	Reduced State Appropriations	LM	Ineffective recruitment and enrollment policies and procedures	LM	Failur to provide student due process	LM	Inconsistent application of student policies and procedures	LM	Barriers to success - scheduling, counseling, etc.	-	n/a
6	Physical Plant	LM	Inadequate plan to prevent theft, fraud, waste, and abuse	LM	Inaccurate reporting of capital assets and physical facilities inventory	LM	Failure to investigate and resolve complaints	LM	Failure to follow federal, state & other rules & regulations	LM	Insufficient routine preventative maintenance	LM	Inadequate training and professional development of staff	LM	Inadequate resources (supplies, equipment, supplies, facilities)		n/a
7	Auxiliary	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College of Applied Technology at Murfreesboro
Enterprise Wide Risk Footprint
January 2015

# ACTIVITIES	(rating)	RISK 1		2		3		4		5		6		7		8		9
3 Financial Management	H/M	Fraud, Waste, & Abuse	H/L	Inadequate preparedness for catastrophic events	M/M	Failure to Perform Reconciliations	M/M	Inadequate Cash Management	M/M	Inadequate Collection Procedures	M/L	Failure to Comply with Federal Reporting Guidelines	M/L	Failure to conduct background reference checks for new employees	M/L	Improper Documentation for Expenses and Revenue	M/L	Improper Payments
2 Student Services	H/M	Failure to comply with Federal Title IV, and state guidelines for Financial Aid Administration	H/L	Failure to comply with Fed, State, TBR, THEC, & COE Regulations	H/L	Failure to comply with Federal Title VI, Title IX and other federal guidelines.	M/M	Failure to comply with FERPA/ADA	M/M	Failure to follow student disciplinary policies and procedures (student due process)	M/L	Improper administration assessment & security of testing materials	M/L	Inappropriate Employee Behavior	M/L	Inconsistent application of published student policies and procedures-catalogs, student handbook.	M/L	Ineffective enrollment processes
6 Institutional Support	H/L	Abuse of power	H/L	Failure to follow fed, state & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	H/L	Failure to meet COE accreditation standards	H/L	Inadequate campus security	H/L	Inadequate preparedness for catastrophic events	M/L	Excessive employee turnover / inadequate planning for transfer of knowledge due to attrition	M/L	Failure to maintain an appropriate cultural/ethical environment	M/L	Failure to take advantage of collaborative opportunities	M/L	Improper/negligent hiring
5 Maintenance & Operation	H/L	Inaccurate reporting of capital assets and physical facilities inventory.	H/L	Inaccurate valuation of plant assets for state insurance coverage	H/L	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	M/M	Failure to investigate and resolve M & O complaints	M/M	Failure to maintain a clean and safe environment	M/L	Theft, abuse, waste	M/L	Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	M/L	Failure to properly dispose of hazardous materials	M/L	Inappropriate employee behavior
4 Information Technology	H/L	Ineffective disaster recovery plan	M/M	Ineffective planning and management of TAF	M/M	Ineffective user training	M/M	Insufficient software license control and management	M/L	Ineffective IT staff training	M/L	Ineffective strategic planning and management	M/L	Insufficient data security measures	M/L	Insufficient network resources	M/L	Insufficient network security
1 Instruction	HL	Failure to meet community's workforce development needs	M/M	Inadequate quality of instruction	M/M	Inappropriate use 3rd party materials	M/M	Inconsistency of grading practices	M/M	Noncompliance with FERPA/ADA	M/L	Inability to attract and retain faculty	M/L	Inadequate promotion tenure process	M/L	Inappropriate faculty credentials behavior	M/L	Inconsistent attendance reporting

Tennessee College of Applied Technology at Murfreesboro
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES	**RISKS** 10	11	12	13	14	15	16	17	18	19
3	Financial Management	M L Improper Records Management	M L Inaccurate benefit, deduction, & taxes	M L Inaccurate Financial Reporting	M L Inadequate external grant accounting	M L Inadequate Inventory Control and Depreciation	M L Inadequate registration refund procedures	ML Inadequate Separation of Duties	ML Inappropriate bid procedures	ML Inequitable budget allocations	ML Non-Compliance with Accounting Guidelines
2	Student Services	M L Ineffective student records management	M L Lack of security of confidential student records	M L Non-compliance with Student Right-to-Know Act and Campus Security Act	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a
6	Institutional Support	M L Inadequate and/or inconsistent application of policies & procedures	M L Inadequate fact-based decision making	M L Inadequate internal audit monitoring review process	M L Inadequate long-term planning	M L Inadequate or offensive external internal communications	M L Inadequate records management	ML Inappropriate employee volunteer behavior	ML Ineffective allocation and/or evaluation of personnel	ML Ineffective employee training or cross training	LL Inadequate confidentiality of donor information
5	Maintenance & Operation	M L Insufficient routine/preventative maintenance	LL Inadequate energy conservation management	LL Inadequate resources (staffing, supplies, equipment, facilities)	LL Inadequately trained employees	LL Insufficient resources for physical plant renewals and replacements	- n/a	- n/a	- n/a	- n/a	- n/a
4	Information Technology	M L Insufficient number of qualified staff	M L Insufficient servers and data storage	M L Poor or insufficient backup strategy	LL Ineffective lead institution support	LL Insufficient physical security of resources	LL Loss of internet access	- n/a	- n/a	- n/a	- n/a
1	Instruction	M L Insufficient Professional Development	ML Low student retention	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a	- n/a

Tennessee College of Applied Technology at Nashville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		RISKS 1		2		3		4		5
1	Instruction and Academic Support (1 - 10)	HH	Inconsistent attendance reporting	HM	Inconsistency of grading practices	HM	Low student retention/graduation rate	HL	Inability to attract and retain faculty	HL	Inappropriate faculty behavior
5	Physical Plant (44 - 52)	HL	Inaccurate evaluation of plant assets for state insurance coverage	HM	Inadequate energy conservation management	HL	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	HL	Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	HL	Failure to follow policies and procedures
6	Institutional Support (53 - 67)	HM	Inadequate campus security	HM	Inadequate preparedness for catastrophic events	HL	Abuse of power	HL	Excessive employee turnover / inadequate planning for transfer of knowledge due to attrition	HL	Failure to comply with community needs
3	Financial Management (18 - 31)	HL	Failure to Comply with Federal Reporting Guidelines	HL	Failure to Perform Reconciliations	HL	Fraud, Waste, & Abuse	HL	Improper Documentation for Expenses and Revenue	HL	Improper Payments
2	Student Services (11 - 17)	HM	Inability to maintain high placement rate	HL	Barriers to student success - course scheduling, counseling services, admissions process, etc.	HL	Failure to comply with American Disabilities Act	HL	Failure to comply with Fed, State, TBR, THEC, and COE Standards	HL	Failure to comply with Federal Title IV and state guidelines for Financial Aid Administration
4	Information Technology (32 - 43)	HL	Ineffective lead institution support	ML	Ineffective planning and management of TAF	ML	Insufficient data security measures	ML	Insufficient level of qualified staff	ML	Insufficient network resources
7	Auxiliary	MH	Loss of cash	MM	Improper Book Return Procedures	MM	Theft	ML	Improper ordering	ML	Inventory Control Procedures

Tennessee College of Applied Technology at Nashville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		6		7		8		9		10		11
1	Instruction and Academic Support (1 - 10)	HL	Inappropriate faculty credentials	HL	Noncompliance with FERPA/ADA/Identify Theft Policy	HL	Poor/Outdated programs	ML	Imbalance between full-time and adjunct faculty	ML	Inaccurate advising	ML	Inadequate quality of instruction
5	Physical Plant (44 - 52)	HL	Failure to properly dispose of hazardous materials	HL	Failure to provide effective oversight of branch campus	HL	Inaccurate reporting of capital assets and physical facilities inventory.	HL	Inadequate resources (staffing, supplies, equipment, facilities)	HL	Inadequately trained employees	HL	Inappropriate employee behavior
6	Institutional Support (53 - 67)	HL	Failure to follow fed, state & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	HL	Failure to maintain an appropriate cultural/ethical environment	HL	Improper /negligent hiring	HL	Inadequate and/or inconsistent application of policies & procedures	HL	Inadequate confidentiality of donor information	HL	Inadequate fact-based decision making
3	Financial Management (18 - 31)	HL	Improper Records Management	HL	Inaccurate Financial Reporting	HL	Inaccurate Record Keeping	HL	Inadequate Cash Management	HL	Inadequate Collection Procedures	HL	Inadequate external grant accounting
2	Student Services (11 - 17)	HL	Failure to comply with FERPA	HL	Failure to conduct background/reference checks for new employees	HL	Failure to have and follow student disciplinary policies and procedures	HL	Improper assessment & security of testing materials	HL	Inappropriate Employee Behavior	HL	Inconsistent application of published student policies and procedures-catalogs, student handbook.
4	Information Technology (32 - 43)	HL	Insufficient network security	MM	Insufficient physical security of resources	ML	Insufficient servers and data storage	ML	Insufficient software license control and management	MM	Ineffective disaster recovery plan	ML	Ineffective strategic planning and management
7	Auxiliary	ML	Purchasing of Outdated Books	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College of Applied Technology at Nashville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		12		13		14		15
1	Instruction and Academic Support (1 - 10)	ML	Inadequate tenure process	ML	Inadequate tutoring/learning services	ML	Inappropriate use 3rd party materials	ML	Lack of oversight of dual enrollment/off site/programming
5	Physical Plant (44 - 52)	HL	Insufficient resources for physical plant renewals and replacements	HL	Insufficient routine/preventative maintenance	HL	Theft, abuse, waste	ML	Failure to investigate and resolve all complaints
6	Institutional Support (53 - 67)	HL	Inadequate internal audit/monitoring review process	HL	Inadequate long-term planning	HL	Inadequate records management (data compromised/identity theft)	ML	Failure to take advantage of collaborative opportunities
3	Financial Management (18 - 31)	HL	Inadequate Inventory Control and Depreciation	HL	Inadequate registration/refund procedures	HL	Inadequate Separation of Duties	HL	Inadequate Title IV Compliance
2	Student Services (11 - 17)	HL	Ineffective enrollment processes	HL	Ineffective student records management	ML	Non-compliance with Student Right-to-Know Act	-	n/a
4	Information Technology (32 - 43)	ML	Ineffective desktop and lab support	MM	Ineffective IT staff training	ML	Ineffective user training	ML	Loss of internet access
7	Auxiliary	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College of Applied Technology-Newbern
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		RISKS — 1		2		3		4		5
1	Instruction and Academic Support	HH	Insufficient/Loss of Accreditation	HM	Inability to attract and retain faculty	HM	Inadequate quality of instruction	HM	Low student retention	MM	Failure to meet community's continuing education needs
4	Student Services	HM	Failure to comply with Fed, State, TBR, THEC, and COE Regulations	HM	Failure to comply with Federal Title IV and State guidelines for Financial Aid Administration	HM	Inability to maintain high placement rates	MM	Failure to comply with FERPA	MM	Failure to have and follow student disciplinary policies and procedures
5	Financial Management	HM	Failure to Comply with Federal Reporting Guidelines	HM	Inadequate Title IV Compliance	MM	Improper Records Management	MM	Inadequate Collection Procedures	MM	Inadequate registration/refund procedures
3	Information Technology	HM	Insufficient physical security of resources	HL	Ineffective disaster recovery plan	MM	Ineffective desktop and lab support	MM	Ineffective IT staff training	MM	Ineffective lead institution support
7	Auxiliary	HH	Transaction error	HM	Castastrophic inventory loss	MM	Inadequate ordering	ML	Failure to apply funding agencies' authorizations	ML	Failure to follow policies and procedures
6	Institutional Support	HL	Failure to follow Federal, state, & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	HL	Inadequate campus security	HL	Inadequate preparedness for catastrophic events	MM	Ineffective employee training/cross training	ML	Abuse of power
2	Physical Plant	HL	Inaccurate reporting of capital assets and physical facilities inventory	HL	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	MM	Inadequate resources (staffing, supplies, equipment, facilities)	ML	Failure to follow Federal, state, and other rules and regulations (ADA, OSHA< EPA, etc.)	ML	Failure to follow policies and procedures

Tennessee College of Applied Technology-Newbern
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		6		7		8		9		10
1	Instruction and Academic Support	MM	Inconsistency of grading practices	MM	Inconsistent attendance reporting	MM	Insufficient Professional development	MM	Noncompliance with FERPA/ADA	MM	Poor persistence to graduation
4	Student Services	MM	Inadequate communication with service area	MM	Inconsistent application of published student policies and procedures-catalogs, student handbook	ML	Barriers to student success-course scheduling, counseling services, admissions processes, etc	ML	Failure to comply with American Disabilities Act	ML	Failure to conduct background/reference checks for new students as required
5	Financial Management	MM	Inadequate Separation of Duties	ML	Failure to Perform Reconciliations	ML	Fraud, Waste, & Abuse	ML	Improper Documentation for Expenses and Revenue	ML	Improper Payments
3	Information Technology	MM	Ineffective user training	MM	Insufficient data security measures	MM	Insufficient network resources	MM	Insufficient network security	MM	Insufficient servers and data storage
7	Auxiliary	ML	Failure to maintain billing/credit records	ML	Inadequately trained employees	ML	Lack of inventory control	LL	Theft, abuse, wast	LL	Undervaluing
6	Institutional Support	ML	Excessive employee turnover/inadequate planning for transfer of knowledge due to attrition	ML	Failure to address community needs	ML	Failure to maintain an appropriate professional/ethical environment	ML	Inadequate and/or inconsistent application of policies & procedures	ML	Inadequate internal audit/monitoring review process
2	Physical Plant	ML	Failure to investigate and resolve all complaints	ML	Failure to maintain a clean and safe environment	ML	Failure to properly dispose of hazardous materials	ML	Inaccurate valuation of plant assets for state insurance coverage	ML	Inadequate energy conservation management

Tennessee College of Applied Technology-Newbern
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		11		12		13		14		15		16
1	Instruction and Academic Support	ML	Imbalance between full-time and part-time faculty	ML	Inadequate tenure process	ML	Inappropriate faculty behavior	ML	Inappropriate use of 3rd party materials	ML	Poor/Outdated programs	ML	Inability to Take Tennessee Promis Students on a timely basis
4	Student Services	ML	Improper assessment & security of testing materials	ML	Inappropriate Employee Behavior	ML	Ineffective enrollment processes	ML	Ineffective student records management	ML	Lack of security of confidential student records	ML	Non-compliance with Student Right-to-Know Act
5	Financial Management	ML	Inaccurate Financial Reporting	ML	Inadequate budget allocations	ML	Inadequate external grant accounting (WIA, etc)	ML	Non-Compliance with Accounting Guidelines	-	n/a	-	n/a
3	Information Technology	MM	Loss of Internet access	MM	Poor or insufficient backup strategy	ML	Ineffective strategic planning and management	ML	Insufficient level of qualified staff	ML	Insufficient software licenses control and management	-	n/a
7	Auxiliary	-		-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
6	Institutional Support	ML	Inadequate long-term planning	ML	Inadequate records management	ML	Inappropriate employee behavior	-	n/a	-	n/a	-	n/a
2	Physical Plant	ML	Inadequately trained employees	ML	Inappropriate employee behavior	ML	Insufficient resources for physical plant renewals and replacements	ML	Insufficient routine/preventative maintenance	ML	Theft, abuse, waste	-	n/a

Tennessee College of Applied Technology at Oneida/Huntsville
Enterprise Wide Risk Footprint
January 2015

RISKS

#	ACTIVITIES	1	2	3	4	5	6	7	8	9
1	Instruction and Academic Support (1-10)	HM Failure to meet community's continuing education needs	HM Poor persistence to graduation/student retention	MM Inability to attract and retain faculty	MM Inadequate quality of instruction	MM Inappropriate faculty behavior	MM Inconsistency of grading practices/attendance reporting	MM Insufficient professional development	MM Poor/Outdated programs	- n/a
4	Information Technology (32-43)	HM Insufficient data/network security measures	HM Insufficient physical security of resources	MM Ineffective planning and management of TAF	MM Insufficient network resources/data storage	MM Insufficient software license control and management	- n/a	- n/a	- n/a	- n/a
5	Physical Plant (44-52)	HL Inaccurate valuation of plant assets for state insurance coverage	HL Inadequate preparedness for catastrophic event such as natural disaster or terrorism	MH Insufficient resources for physical plant renewals and replacements	MM Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	MM Failure to maintain a clean and safe environment	MM Failure to provide effective oversight of rental facilities	MM Insufficient routine/preventive maintenance	MM Theft, abuse, waste	- n/a
3	Financial Management (18-31)	MH Failure to Comply with Federal Reporting Guidelines	MM Failure to Perform Reconciliations	MM Fraud, Waste, & Abuse	MM Improper Records Management	MM Inadequate Cash Management	MM Inadequate Inventory Control and Depreciation	MM Inappropriate Purchasing Procedures	MM Inequitable budget allocations	MM Non-Compliance with Accounting Guidelines
6	Institutional Support (53-67)	HL Failure to meet COE accreditation standards	MM Excessive employee turnover/inadequate planning for transfer of knowledge due to attrition	MM Failure to follow fed, state & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	MM Improper/negligent hiring	MM Inadequate internal audit/monitoring review process	MM Inadequate long-term planning	MM Inappropriate employee/volunteer behavior	- n/a	- n/a
2	Student Services (11-17)	HL Failure to comply with Fed., State, TBR, THEC, COE Regulations	HL Lack of security of confidential student records	MM Barriers to success-course scheduling, counseling services, admissions process, etc.	MM Failure to have and follow student disciplinary policies and procedures (student due process)	ML Ineffective enrollment processes/placement procedures	- n/a	- n/a	- n/a	- n/a

Tennessee College of Applied Technology at Paris
Enterprise Wide Risk Footprint
January 2015

#	Area	Risk 1	Risk 2	Risk 3	Risk 4	Risk 5	Risk 6	Risk 7	Risk 8	Risk 9	Risk 10	Risk 11
1	Student Services(1, 4, 7, 11, 12, 14, 25, 28, 29, 30)	H/M LOW ENROLLMENT	H/M POOR RETENTION	M/H SMALL SIZE STAFF	M/M FAILURE TO FOLLOW GOVERNING REGULATIONS	M/M INAPPROPRIATE BEHAVIOR	M/M OVERAWARDING STUDENTS	M/L BREACH OF CONFIDENTIALITY	M/L INACCURATE STUDENT RECORDS	M/L INADEQUATE COUNSELING	M/L IDENTITY THEFT	L/L POOR PUBLIC RELATIONS
2	Instruction(17, 18, 19, 27, 32, 33)	H/M FAILURE TO HIRE QUALIFIED & EFFECTIVE FACULTY	M/M FAILURE TO COMMUNICATE/COMPLY WITH INSTITUTIONAL POLICIES & PROCEDURES	M/M FAILURE TO MAINTAIN SAFETY CULTURE	M/M FAILURE TO RETAIN STUDENTS	FAILURE TO STAY CURRENT IN FIELD OF EXPERTISE	M/M INAPPROPRIATE BEHAVIOR	M/M INEFFECTIVE CLASSROOM DELIVERY & EVALUATION	- n/a	- n/a	- n/a	- n/a
3	Physical Plant(9, 10, 20, 21, 23, 24, 26, 31)	H/M BREACH OF PHYSICAL PLANT SECURITY	M/M CONFLICT OF INTEREST	M/M FAILURE TO FOLLOW POLICIES & PROCEDURES	M/M FAILURE TO FOLLOW SAFETY PRACTICES	M/M FAILURE TO MAINTAIN FACILITIES	M/M FRAUD, WASTE, AND ABUSE	M/M INAPPROPRIATE BEHAVIOR	- n/a	- n/a	- n/a	- n/a
4	Institutional Support (2, 3, 6, 8, 13, 15, 16, 22)	M/H LOW STAFFING	M/M BREACH OF IT SECURITY SYSTEMS	M/M FAILURE TO FOLLOW POLICIES & PROCEDURES	M/M FAILURE TO MAINTAIN ACCURATE ACCOUNTING RECORDS	M/M FAILURE TO PAY/INVOICE IN A TIMELY MANNER	M/M FRAUD, WASTE, AND ABUSE	M/M MISUSE OF TECHNOLOGY	M/L CONFLICT OF INTEREST	M/L FAILURE TO FOLLOW GOVERNING REGULATIONS	M/L INAPPROPRIATE BEHAVIOR	- n/a
5	Auxiliary(5)	M/H PRICE INFLATION	M/M FAILURE TO HANDLE RECEIPTS CORRECTLY	M/M FAILURE TO MAINTAIN ACCURATE INVENTORY RECORDS	M/M FAILURE TO MEET SUPPLY & DEMAND OF CUSTOMER BASE	M/M INEFFECTIVE COMMUNICATIONS	M/M POOR CUSTOMER SERVICE	M/M POOR VENDOR PERFORMANCE	M/L INAPPROPRIATE BEHAVIOR	- n/a	- n/a	- n/a

Tennessee College Of Applied Technology at Pulaski
Enterprise Wide Risk Footprint
January 2015

	Area		1		2		3		4		5		6		7
5	Physical Plant	HM	Inadequate preparedness for catastrophic event such as a natural disaster or terrorism	MM	Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	MM	Failure to follow policies and procedures	MM	Inadequate resources (staffing, supplies, equipment, facilities)	MM	Insufficient resources for physical plant renewals and replacements	MM	Theft, abuse, waste	ML	Failure to investigate and resolve all complaints
1	Instruction and Academic Support	HM	Loss/Lack program accreditation/certification	MM	Poor/Outdated programs	ML	Inability to attract and retain faculty	ML	Inadequate tenure process	ML	Inappropriate use 3rd party materials	ML	Insufficient professional development	ML	Noncompliance with FERPA/ADA
3	Financial Management	HL	Inadequate registration/refund procedures	ML	Failure to Comply with Federal Reporting Guidelines	ML	Failure to Perform Reconciliations	ML	Fraud, Waste, & Abuse	ML	Improper Documentation for Expenses and Revenue	ML	Improper Payments	ML	Improper Records Management
6	Institutional Support	HL	Inadequate preparedness for catastrophic events	MM	Failure to follow fed, state, & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	MM	Inadequate and/or inconsistent application of policies & procedures	MM	Inadequate internal audit/monitoring review process	ML	Inadequate long-term planning	ML	Abuse of power	ML	Excessive employee turnover / inadequate planning for transfer of knowledge due to attrition
4	Information Technology	ML	Ineffective desktop and lab support	ML	Ineffective disaster recovery plan	ML	Ineffective IT staff training	ML	Ineffective lead institution support	ML	Ineffective planning and management of TAF	ML	Ineffective strategic planning and management	ML	Ineffective user training
2	Student Services	MM	Failure to comply with American Disabilities Act	MM	Failure to comply with Federal Title IV and state guidelines for Financial aid Administration	ML	Barriers to student success - course scheduling, counseling services, admissions process, etc.	ML	Failure to comply with Fed, State, TBR, THEC, and COE Regulations	ML	Failure to comply with FERPA	ML	Failure to have and follow student disciplinary policies and procedures	ML	Improper assessment & security of testing materials
7	Auxiliary Enterprises	MM	Confirm exact count of bookstore deliveries	ML	End of day deposit at financial institution	ML	End of day summary of cash and charge receipts	ML	Having a key person for receiving department	ML	Theft Books/Supplies	ML	Theft of Funds	LL	Departmental Transfer of Books/Supplies

Tennessee College Of Applied Technology at Pulaski
Enterprise Wide Risk Footprint
January 2015

			8		9		10		11		12		13		14
5	Physical Plant	ML	Failure to maintain a clean and safe environment	ML	Failure to properly dispose of hazardous materials	ML	Failure to provide oversight of rental facilities	ML	Inaccurate reporting of capital assets and physical facilities inventory	ML	Inaccurate valuation of plant assets for state and insurance coverage	ML	Inadequate energy conservation management	ML	Inadequately trained employees
1	Instruction and Academic Support	ML	Poor persistence to graduation	LM	Inadequate quality to instruction	LL	Failure to meet community's continuing education needs	LL	Inaccurate advising	LL	Inadequate tutoring/learning services	LL	Inappropriate faculty behavior	LL	Inappropriate faculty credentials
3	Financial Management	ML	Inaccurate benefit, deduction, & taxes	ML	Inaccurate Financial Reporting	ML	Inaccurate Record Keeping	ML	Inadequate Budget Allocations	ML	Inadequate Cash Management	ML	Inadequate Collection Procedures	ML	Inadequate external grant accounting
6	Institutional Support	ML	Failure to maintain an appropriate professional environment	ML	Improper / negligent hiring	ML	Inadequate fact-based decision making	ML	Inadequate or offensive external/internal communications	ML	Inadequate records management	ML	Inappropriate employee/volunteer behavior	ML	Ineffective allocation of personnel
4	Information Technology	ML	Insufficient data security measures	ML	Insufficient level of qualified staff	ML	Insufficient network resources	ML	Insufficient network security	ML	Insufficient physical security of resources	ML	Insufficient servers and data storage	ML	Insufficient software license control and management
2	Student Services	ML	Inappropriate employee behavior	ML	Ineffective enrollment processes	ML	Ineffective student records management	ML	Lack of security of confidential student records	LL	Failure to conduct background checks for students in applicable programs	LL	Failure to conduct background/reference checks for new employees	LL	Inability to maintain high placement rate
7	Auxiliary Enterprises	LL	Timely Return For Credit of Discontinued Books	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College Of Applied Technology at Pulaski
Enterprise Wide Risk Footprint
January 2015

			15		16		17		18		19		20
5	Physical Plant	ML	Inappropriate employee behavior	ML	Insufficient routine/preventative maintenance	-	n/a	-	n/a	-	n/a	-	n/a
1	Instruction and Academic Support	LL	Inconsistency of grading practices	LL	Inconsistent attendance reporting	LL	Inefficient class scheduling	LL	Inefficient use of classroom capacity/space	LL	Low student retention	-	n/a
3	Financial Management	ML	Inadequate Inventory Control and Depreciation	ML	Inadequate Separation of Duties	ML	Inadequate Title IV Compliance	ML	Inappropriate bid procedures	ML	Non-Compliance with Accounting Guidelines	ML	Purchases inconsistent with the goals and objectives of the TTC.
6	Institutional Support	ML	Ineffective employee training/cross training	LM	Failure to take advantage of collaborative opportunities	LL	Failure to comply with community needs	LL	Inadequate campus security	LL	Inadequate confidentiality of donor information	-	n/a
4	Information Technology	ML	Loss of internet access	ML	Poor or insufficient backup strategy	-	n/a	-	n/a	-	n/a	-	n/a
2	Student Services	LL	Inconsistent application of published student policies and procedures-catalogs, student handbook	LL	Non-compliance with Student Right-to-Know Act	-	n/a	-	n/a	-	n/a	-	n/a
7	Auxiliary Enterprises	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College of Applied Technology at Ripley
Enterprise Wide Risk Footprint
February 2015

			RISKS									
#	ACTIVITIES		1		2		3		4		5		6
1	Instruction and Academic Support	MH	Loss of Accreditation	MH	Compliance with COE on-line training program	MM	Failure to meet community's continuing education needs	ML	Noncompliance with FERPA/ADA/EEOC	MM	Fraud, Waste, and Abuse	LL	Inappropriate faculty behavior
4	Student Services	MH	Failure to comply with Fed, State, TBR, THEC, and COE Regulations	MM	Failure to comply with Federal and State guidelines for Financial Aid Administration	MM	Ineffective student records management	LM	Failure to comply with FERPA/EEO/ADA	LM	Failure to comply with Student Right to Know Act	LL	Low retention
3	Information Technology	HL	Ineffective disaster recovery plan	ML	Inadequate or ineffective telecom management	ML	Insufficient IT staff	LM	Ineffective strategic planning and management	LM	Insufficient data security/network measures	LM	Insufficient software license control and management
2	Physical Plant	MH	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	MM	Inaccurate evaluation of plant assets for state insurance coverage	ML	Failure to maintain an up to date sensitive equipment inventory	ML	Failure to follow Federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	ML	Failure to maintain a clean and safe environment	ML	Failure to properly dispose of hazardous materials
6	Institutional Support	MH	Preparedness for catastrophic events	MM	Inadequate and/or inconsistent application of policies & procedures	ML	Records management	ML	Campus security	MM	Failure to follow Federal, state, and other rules and regulations (IRS, TBR, ADA, EEOC, etc.)	LM	Continue long term planning
7	Auxiliary	ML	Theft of funds	LL	Loss of revenue	LL	Ineffective damage control	LL	Inventory control	-	n/a	-	n/a
5	Financial Management	LH	Budget allocations	LL	Inventory control and depreciation	LM	Separation of duties	LL	Fraud, waste, and abuse	LL	TAF/SAF Compliance	-	n/a

Tennessee College of Applied Technology at Ripley
Enterprise Wide Risk Footprint
February 2015

#	ACTIVITIES		7		8		9		10		11		12
1	Instruction and Academic Support	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
4	Student Services	LL	Improper assessment and security of testing materials	LL	Inappropriate employee behaviour	LL	Lack of security of confidential student records	LL	Fraud, Waste, and Abuse	LL	Inconsistent application of published student policies and procedures	LL	Failure to follow student disciplinary policies and procedures
3	Information Technology	LL	Loss of internet access	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
2	Physical Plant	MM	Inadequate resources (staffing, supplies, equipment, facilities)	ML	Theft, abuse, waste	LL	Insufficient resources for physical plant renewals and replacements	-	n/a	-	n/a	-	n/a
6	Institutional Support	LM	Failure to comply with community needs	LM	Ineffective cross training	LL	Failure to maintain an appropriate cultural/ethical environment	LM	Abuse of power	LL	Failure to take advantage of collaborative opportunities		
7	Auxiliary	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
5	Financial Management	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee College of Applied Technology at Shelbyville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES	RISKS	1		2		3		4		5		6
1	Instruction	HM	Failure to meet community's workforce development needs	HM	Inadequate quality of instruction	HL	Noncompliance with FERPA/ADA	ML	Inability to attract and retain faculty	ML	Inadequate promotion & tenure process	ML	Inappropriate faculty credentials/behavior
2	Student Services	HL	Failure to comply with Fed, State, TBR, THEC, and COE Regulations	HL	Failure to comply with Federal Title IV and state guidelines for Financial Aid Administration	HL	Failure to comply with Federal Title VI, Title IX, and other federal guidelines	HL	Failure to comply with FERPA/ADA	HL	Non-compliance with Student Right-to-Know Act & Campus Security Act	ML	Failure to have and follow student disciplinary policies & procedures (student due process)
6	Institutional Support	HL	Failure to meet COE accreditation standards	HL	Inadequate preparedness for catastrophic events	ML	Abuse of power	ML	Excessive employee turnover / inadequate planning for transfer of knowledge due to attrition	ML	Failure to follow fed, state & other rules & regulations (IRS, TBR, ADA, EEOC, etc.)	ML	Improper /negligent hiring
5	Operation & Maintenance	HL	Inadequate preparedness for a catastrophic event such as a natural disaster or terrorism	ML	Failure to follow federal, state, and other rules and regulations (ADA, OSHA, EPA, etc.)	ML	Failure to maintain a clean and safe environment	ML	Failure to properly dispose of hazardous materials	ML	Inaccurate reporting of capital assets and physical facilities inventory.	ML	Inaccurate valuation of plant assets for state insurance coverage
3	Financial Management	ML	Failure to Comply with Federal Reporting Guidelines	ML	Failure to conduct background/reference checks for new employees	ML	Fraud, Waste, & Abuse	ML	Improper Documentation for Expenses and Revenue	ML	Improper Payments	ML	Improper Records Management
4	Information Technology	MM	Insufficient number of qualified staff	ML	Ineffective disaster recovery plan	ML	Ineffective IT staff training	ML	Ineffective lead institution support	ML	Ineffective planning and management of TAF	ML	Ineffective strategic planning and management

Tennessee College of Applied Technology at Shelbyville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		7		8		9		10		11		12		13
1	Instruction	ML	Inappropriate use 3rd party materials	ML	Insufficient professional development	ML	Low student retention	LL	Inconsistency of grading practices	LL	Inconsistent attendance reporting				
2	Student Services	ML	Inappropriate Employee Behavior	ML	Inconsistent application of published student policies & procedures- catalogs, student handbook.	ML	Ineffective student records management	ML	Lack of security of confidential student records	LL	Improper assessment & security of testing materials	LL	Ineffective enrollment processes		
6	Institutional Support	ML	Inadequate and/or inconsistent application of policies & procedures	ML	Inadequate campus security	ML	Inadequate fact-based decision making	ML	Inadequate internal audit/monitoring review process	ML	Inadequate or offensive external/internal communications	ML	Inadequate records management	ML	Inappropriate employee/volunteer behavior
5	Operation & Maintenance	ML	Inadequate energy conservation management	ML	Inadequate resources (staffing, supplies, equipment, facilities)	ML	Inadequately trained employees	ML	Inappropriate employee behavior	ML	Insufficient resources for physical plant renewals and replacements	ML	Insufficient routine/prev entative maintenance	ML	Theft, abuse, waste
3	Financial Management	ML	Inaccurate benefit, deduction, & taxes	ML	Inaccurate Financial Reporting	ML	Inadequate Cash Management	ML	Inadequate Collection Procedures	ML	Inadequate external grant accounting	ML	Inadequate Inventory Control and Depreciation		Inadequate preparedness of catastrophic events
4	Information Technology	ML	Ineffective user training	ML	Insufficient data security measures	ML	Insufficient network resources	ML	Insufficient network security	ML	Insufficient physical security of resources	ML	Insufficient servers and data storage		Insufficient software license control and management

Tennessee College of Applied Technology at Shelbyville
Enterprise Wide Risk Footprint
January 2015

#	ACTIVITIES		14		15		16		17		18		19
1	Instruction												
2	Student Services												
6	Institutional Support	ML	Ineffective allocation and/or evaluation of personnel	ML	Ineffective employee training/cross training	LL	Failure to maintain an appropriate cultural/ethical environment	LL	Failure to take advantage of collaborative opportunities	LL	Inadequate confidentiality of donor information	LL	Inadequate long-term planning
5	Operation & Maintenance	LL	Failure to investigate and resolve O/M complaints										
3	Financial Management	ML	Inadequate registration/refund procedures	ML	Inadequate Separation of Duties	ML	Inappropriate bid procedures	ML	Inequitable budget allocations	ML	Non-Compliance with Accounting Guidelines	LL	Failure to Perform Reconciliations
4	Information Technology	ML	Loss of internet access	ML	Poor or insufficient backup strategy								

#	ACTIVITIES		RISKS → 1		2		3		4		5		6		7		8		9		10		11
1	Student Services (1,4,6,10,11,22,26,27)	HL	Low Enrollment	HL	Poor Retention	MM	Limited Staff for Desegration of Duties	ML	Failure to Follow Governing Regulations	ML	Overawarding Students	ML	Breach of Confidentiality	ML	Failure to complete Re-enrollment Registration	ML	Inaccurate Student Records	ML	Inadequate Counseling	ML	Inappropriate Behavior	LL	Poor Public Relations
2	Instruction (15,16,24,25,29)	HL	Failure to hire qualified and effective faculty	ML	Failure to communicate/comply with institutional policies and procedures	MM	Failure to maintain retention	ML	Failure to stay current in field of expertise	ML	Ineffective classroom evaluation	ML	Inappropriate behavior										n/a
3	Physical Plant (8,9,17,18,23)	HL	Failure to secure building	ML	Failure to follow safety practices	ML	Fraudulent Activities	ML	Lack of preparedness for Natural Disasters & Emergencies	ML	Inappropriate behavior	ML	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a
5	Institutional Support (2,3,6,8,13,15,16,22)	MM	Limited number of staff for full desegregation of duties	ML	Breach of IT Security systems	ML	Failure to follow Policies and Procedures	ML	Failure to maintain accurate accounting records	ML	Failure to pay/invoice in a timely manner	ML	Fraudulent activities	ML	Misuse of technology	ML	Conflict of Interest	ML	Failure to follow governing regulations	ML	Inappropriate Behavior		
6	Auxiliary (5)	ML	Failure to maintain accurate inventory records	ML	Inappropriate Behavior	ML	Mishandling of cash receipts	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-	n/a

Tennessee Board of Regents
Committee on Audit

DATE: March 10, 2015

SUBJECT: **Review of Proposed Revisions to Policy**
                                               4:01:05:00, *Internal Audit*

PRESENTER: Tammy Birchett

ACTION REQUIRED: Voice Vote

STAFF'S RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The committee will review and consider approval of revisions to the Tennessee
Board of Regent's Policy 4:01:05:00, *Internal Audit*. The policy was revised to
provide clarity to various sections, including the following key changes:

Section III. D.5 – Clarified to add that if resource issues occur within internal
audit, such information should be reported both to management of the institution
and to the system-wide chief auditor.

Section III. G.2 – Clarified to align language in the policy with that in the state
statute establishing the criteria for removal of the chief auditor for cause.

Section V. – Clarified section regarding audit plans and audit activity reports to
reflect the current practice.

Internal Audit: 4:01:05:00

Policy/Guideline Area

Business and Finance Policies

Applicable Divisions

TCATs, Community Colleges, Universities, System Office, Board Members

Purpose

This policy addresses staffing, responsibilities of the internal audit function, audit planning and reporting on internal audit activities.

In addition to this policy, the Office of System-wide Internal Audit maintains an audit manual. The purpose of the audit manual is to provide for consistency, continuity, and standards of acceptable performance.

Definitions

- Definitions are provided in the body of the policy.

Policy/Guideline

I. General Statement

  A. The internal audit function contributes to the improvement of the institution's operations by providing objective and relevant assurance regarding risk management, control and governance processes to management and the Board.

  B. Management is responsible for evaluating the institution's risks and establishing and maintaining adequate controls and processes.

  C. To provide relevant information, the internal audit activity will consider the goals of the institution, management's risk assessments and other input from management in determining its risk-based audit activities.

II. Internal Audit Standards

  A. Each internal audit function shall adhere to The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing and Code of Ethics

(T.C.A. § 4-3-304(9)). The Institute of Internal Auditors, International Professional Practices Framework (IPPF), incorporates the definition of internal auditing, the International Standards for the Professional Practice of Internal Auditing and Code of Ethics into one document. It includes the following definition of internal auditing:

1. Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

B. Risk is the possibility of an event occurring that will have an impact on the achievement of an institution's goals and objectives.

1. Risk is measured in terms of the impact an event may have and the likelihood that the event will occur.

2. To optimize the achievement of the institution's goals and objectives, the Board and management acts to minimize the related risks by implementing reasonable procedures to control and monitor the risks.

C. Governance processes are~~is~~ the combination of processes and structures implemented by the Board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

1. Examples of such processes include;

   a. The organizational structure within an institution or a department;

   b. Policies, guidelines and procedures instituted by the Board or management to direct and control a particular activity such as maintenance fees or hiring practices; and

   c. Preparation and review procedures for preparing reports such as annual financial statements or federal grant or financial aid reports.

D. The IPPF includes attribute standards, which address the expected characteristics of organizations and individuals performing internal audit activities and performance standards, which describe the nature of internal audit activities and establish criteria to evaluate the performance of internal audit activities.

E. To assure compliance with the IIA Standards, internal audit offices must implement and maintain a quality assurance and improvement program that incorporates both internal and external review activities.

    1. Internal reviews include both ongoing and periodic review activities.

    2. External reviews must be performed at least every five years by a qualified, independent reviewer.

    3. Results of quality assurance reviews will be communicated to the Audit Committee and management.

III. Internal Audit Personnel

A. Universities

    1. Each university shall employ at least two individuals with full-time responsibility as internal auditors.

    2. Additional internal audit staff shall depend upon institutional size and structure.

B. Two-year Institutions

    1. Two-year institutions shall employ at least one full-time internal auditor or have an approved agreement with a university or other two-year institution to provide required audit services.

C. Titles of internal audit staff shall be consistent within the overall institutional structure.

D. Internal Audit Staff

    1. Internal audit staff must possess the professional credentials, knowledge, skills, and other competencies needed to perform their individual responsibilities.

    2. The internal audit function collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

    3. The campus Internal Audit Director and the System-wide Chief Audit Executive must be licensed as a Certified Public Accountant or a Certified Internal Auditor, maintain an active license and annually complete sufficient, relevant continuing professional education to satisfy the requirements for the professional certification held.

4. Other system auditors should annually complete sufficient, relevant continuing professional education to satisfy the requirements for their related professional certification or, at a minimum, forty hours of relevant continuing professional education.

5. Internal Audit Directors should communicate concerns to management and the System-wide Chief Audit Executive regarding the lack of sufficient resources to complete the objectives of an engagement or the audit plan.

6. Such resources may include the need for additional personnel or personnel with specialized knowledge, such as those with knowledge of fraud, information technology or other technical areas.

E. Appointments

1. The appointment of campus Internal Audit Directors as recommended by the President is subject to approval by the Chancellor or designee (T.C.A. §.49-14-106).

2. The appointment of the System-wide Chief Audit Executive is subject to review and approval by the Audit Committee of the Board of Regents (T.C.A. §.49-14-102).

F. Compensation

1. Compensation of the internal auditors is subject to review by the Audit Committee of the Board of Regents.

2. Compensation of the System-wide Chief Audit Executive and the system~~central~~ office internal auditors is subject to review and approval by the Audit Committee of the Board of Regents.

G. Termination or Change of Status

1. The termination or change of status of campus Internal Auditor Directors (T.C.A. § 49-14-106) requires the prior approval of the Chancellor and the Audit Committee of the Board of Regents.

2. The ~~termination or change of status of the~~ System-wide Chief Audit Executive (T.C.A. §.49-14-102) may be removed only for cause, which ~~or central office internal auditors~~ requires a majority vote ~~the prior approval of the Audit Committee~~ of the Board of Regents.

IV. Internal Audit Role and Scope

A. Reporting Structure

1. In accordance with T.C.A. § 49-14-102, the System-wide Chief Audit Executive reports directly to the Audit Committee and the Tennessee Board of Regents.

2. Campus internal auditors report to the respective campus President with audit reporting responsibility to the Audit Committee and the Board through the Director of System-wide Internal Audit.

3. This reporting structure assures the independence of the internal audit function.

B. The TBR, Office of System-wide Internal Audit, hosts periodic meetings and communicates with the audit directors on matters of mutual interests.

C. The Office of System-wide Internal Audit maintains an internal audit manual to guide the internal audit activity in a consistent and professional manner at each institution.

D. The internal auditors' responsibilities include:

1. Working with management to assess institutional risks and developing an audit plan that considers the results of the risk assessment.

2. Evaluating institutional controls to determine their effectiveness and efficiency.

3. Coordinating work with external auditors, program reviewers, and consultants.

4. Determining the level of compliance with internal policies and procedures, state and federal laws, and government regulations.

5. Testing the timeliness, reliability, and usefulness of institutional records and reports.

6. Recommending improvements to controls, operations, and risk mitigation resolutions.

7. Assisting the institution with its strategic planning process to include a complete cycle of review of goals and values.

8. Evaluating program performance.

9. Performing consulting services and special requests as directed by the Audit Committee, the Chancellor, or the institution's President.

E. The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The internal auditor shall have access to all records, personnel, and physical properties relative to the performance of duties and responsibilities.

F. The scope of a particular internal audit activity may be as broad or as restricted as required to meet management needs.

G. Objectivity is essential to the internal audit function. Therefore, internal audit personnel should not be involved in the development and installation of systems and procedures, preparation of records, or any other activities that the internal audit staff may review or appraise. However, internal audit personnel may be consulted on the adequacy of controls incorporated into new systems and procedures or on revisions to existing systems.

H. Management is responsible for identifying, evaluating, and responding to potential risks that may impact the achievement of the institution's objectives. Auditors continually evaluate the risk management, internal control, and governance processes. To facilitate these responsibilities, Internal Audit will receive notices or copies of external audit reviews, program reviews, fiscally related consulting reports, cash shortages, physical property losses, and employee misconduct.

V. Audit Plans and Activity Reports

A. Internal Audit shall develop an annual audit plan using an approved risk assessment methodology.

B. At the beginning of each fiscal year, after consultation with the Chancellor or President and other institution management, ~~the~~ Internal Audit ~~Director~~ will prepare an annual audit plan ~~listing proposed areas to be audited~~. The audit plan must be flexible to respond to immediate issues and will be revised for such changes during the year.

~~B.~~C. Audit plans and revisions will be reviewed by the System-wide Chief Audit Executive and approved by the Audit Committee.

  1. ~~The audit work plan must be flexible to respond to immediate requests.~~
  2. ~~The institutional Internal Audit Director will submit an electronic copy of the audit plan for review by the System-wide Chief Audit Executive and the Audit Committee.~~

3.   ~~The System-wide Chief Audit Executive will prepare an annual system-wide internal audit plan for approval by the Audit Committee.~~

4.   ~~Once approved by the Audit Committee, audit plans for all institutions will be submitted to the Comptroller's Office, Division of State Audit.~~

D.   At the end of each fiscal year, Internal Audit will prepare ~~The status of the past year's plan will also be prepared in~~ an annual activity report of ~~that should include~~ all significant audit services performed.

~~C.~~E.   Annual activity reports and approved audit plans will be provided to the Comptroller's Office, Division of State Audit.

1.   ~~The Internal Audit Director will submit an electronic copy of the annual activity report for review by the System-wide Chief Audit Executive and the Audit Committee.~~

2.   ~~Once reviewed by the Audit Committee, annual audit activity reports for all institutions will be submitted to the Comptroller's Office, Division of State Audit.~~

VI.   Audit Engagements

A.   Audit engagements will be planned to provide relevant results to management and the Audit Committee regarding the effectiveness and efficiency of processes and controls over operations. To ensure management's expectations are met, auditors will communicate with management regarding the objectives and scope of the engagement.

B.   In planning and during the engagement, auditors should consider and be alert to risks that affect the institution's goals and objectives, operations and resources. Auditors should consider risks based on the operations under review, which include but are not limited to the risk of financial misstatements, noncompliance and fraud.

C.   An audit work program will be designed to achieve the objectives of the engagement and will include the steps necessary to identify, analyze, evaluate and document the information gathered and the conclusions reached during the engagement.

D.   Working papers that are created, obtained or compiled by an internal audit staff are confidential and are not an open record (T.C.A. § 4-4-304(9)).

VII.   Communicating Audit Results

A. A written report that documents the objectives, scope, conclusions, and recommendations of the audit will be prepared for audit engagements providing assurance to the Board and management. Management will include corrective action for each reported finding.

B. Internal Audit will perform audits to follow-up on findings or recommendations included in internal audit reports, investigation reports and State Audit reports. A written report will be prepared and for any findings that have not been corrected, management will be asked to include a revised corrective action plan. The Chancellor or institution's President, along with the Audit Committee, will be notified at the conclusion of a follow-up audit if management has not corrected the reported finding or implemented the recommendation.

C. A written report that documents the objectives, scope, conclusions and recommendations will be prepared for investigations resulting from allegations or identification of fraud, waste or abuse. As appropriate in the circumstances, management will include corrective action for each reported finding. In a case where allegations are not substantiated by the review and there are no other operational concerns to report to management regarding the review, the case may be closed by writing a memo to the working paper file documenting the reasons for closing the case.

D. Reports on special studies, consulting services, and other non-routine items should be prepared as appropriate, given the nature of the assignment.

E. All internal audit reports will be signed by the institution's Internal Audit Director and transmitted directly to the Chancellor, President, or TCAT Director in a timely manner.

F. The Internal Audit Director will transmit an electronic copy of the internal audit report to the System-wide Chief Audit Executive.

G. The System-wide Chief Audit Executive will present significant results of internal audit reports to the Audit Committee quarterly.

H. The System-wide Chief Audit Executive will provide a copy of each report to the Comptroller's Office, Division of State Audit.

VIII. Exceptions

A.   Any exceptions to the policy established herein shall be subject to the approval of the System-wide Chief Audit Executive and the Audit Committee.

Sources

June 3, 1981 TBR Presidents' Meeting; July 1, 1984; May 20, 1986; February 14, 1989; November 14, 1989; August 13, 2002; February 10, 2004; November 18, 2004; Changed from Guideline B-050 at TBR Board Meeting, June 29, 2007; TBR Board Meeting, December 6, 2007; TBR Board Meeting, December 8, 2011.

Tennessee Board of Regents
Committee on Audit

DATE: March 10, 2015

AGENDA ITEM: **Proposed Revisions to Policy 4:01:05:50,**
                                                 Preventing and Reporting Fraud, Waste
                                                 or Abuse

PRESENTER: Tammy Birchett

ACTION REQUIRED: Voice Vote

STAFF'S RECOMMENDATION: Approval

BACKGROUND INFORMATION:

The committee will review and consider approval of revisions to the Tennessee
Board of Regent's Policy 4:01:05:50, *Preventing and Reporting Fraud, Waste or
Abuse.* The policy was revised to align the language in the policy to language in
state statute, as well as other minimal clarifications.

Section II. A. of the policy, regarding the responsibility of state officials with
knowledge of fraud, waste or abuse matters to report them to the Comptroller of
the Treasury immediately, was amended. The revised language provides more
specific instances of fraud, waste or abuse issues, including: a theft, forgery, credit
card fraud, or any other act of unlawful or unauthorized taking, or abuse of, public
money, property, or services, or other shortages of public funds.

Preventing and Reporting Fraud, Waste or Abuse: 4:01:05:50

Policy/Guideline Area

Business and Finance Policies
Applicable Divisions

TCATs, Community Colleges, Universities, System Office
Purpose

The Tennessee Board of Regents is committed to the responsible stewardship of its resources. Management of each TBR institution is responsible for maintaining a work environment that promotes ethical and honest behavior. Additionally, it is the responsibility of management of each TBR institution to establish and implement internal control systems and procedures to prevent and detect irregularities, including fraud, waste and abuse. Management at all levels should be aware of the risks and exposures inherent in their areas of responsibility, and should establish and maintain proper internal controls to provide for the security and accountability of all resources entrusted to them.

Definitions

- Fraud - An intentional act to deceive or cheat, ordinarily for the purpose or result of causing a detriment to another and/or bringing about some benefit to oneself or others. Fraudulent activities may include, but are not limited to the following:
  - Theft, misappropriation, misapplication, destruction, removal, or concealment of any institutional assets or resources, including but not limited to funds, securities, supplies, equipment, real property, intellectual property or data.
  - Improper use or assignment of any institutional assets or resources, including but not limited to personnel, services or property.
  - Improper handling or reporting of financial transactions, including use, acquisitions and divestiture of state property, both real and personal.
  - Authorization or receipt of compensation for hours not worked.

- Inappropriate or unauthorized use, alteration or manipulation of data, computer files, equipment, software, networks, or systems, including personal or private business use, hacking and software piracy.

- Forgery or unauthorized alteration of documents.

- Falsification of reports to management or external agencies.

- Pursuit of a personal benefit or advantage in violation of the TBR Conflict of Interest Policy.

- Concealment or misrepresentation of events or data.

- Acceptance of bribes, kickbacks or any gift, rebate, money or anything of value whatsoever, or any promise, obligation or contract for future reward, compensation, property or item of value, including intellectual property.

- Waste - Waste involves behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary business practice given the facts and circumstances. Waste is a thoughtless or careless act, resulting in the expenditure, consumption, mismanagement, use, or squandering of institutional assets or resources to the detriment or potential detriment of the institution. Waste may also result from incurring unnecessary expenses due to inefficient or ineffective practices, systems, or controls. Waste does not necessarily involve fraud, violation of laws, regulations, or provisions of a contract or grant agreement.

- Abuse - Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial interest or those of an immediate or close family member or business associate. Abuse does not necessarily involve fraud, violation of laws, regulations, or provisions of a contract or grant agreement. (U.S. Government Accountability Office, Government Auditing Standards, July 2007.)

Policy/Guideline

I.   Preventing Fraud, Waste or Abuse

A. Maintaining an Ethical Work Environment

1. Management is responsible for maintaining a work environment that promotes ethical and honest behavior on the part of all employees, students, contractors, vendors and others.

2. To do so, management at all levels must behave ethically and communicate to employees and others that they are expected to behave ethically.

3. Management must demonstrate through words and actions that unethical behavior will not be tolerated.

B. Implementing Effective Internal Control Systems

1. Management of each TBR institution has the responsibility to establish and implement internal control systems and procedures to prevent and detect irregularities, including fraud, waste and abuse.

2. Internal controls are processes performed by management and employees to provide reasonable assurance of:

   a. Safeguards over institutional assets and resources, including but not limited to cash, securities, supplies, equipment, property, records, data or electronic systems;

   b. Effective and efficient operations;

   c. Reliable financial and other types of reports; and

   d. Compliance with laws, regulations, contracts, grants and policies.

3. To determine whether internal controls are effective, management should perform periodic risk and control assessments, which should include the following activities:

   a. Review the operational processes of the unit under consideration.

   b. Determine the potential risk of fraud, waste, or abuse inherent in each process.

   c. Identify the controls included in the process (or controls that could be included) that result in a reduction in the inherent risk.

   d. Assess whether there are internal controls that need to be improved or added to the process under consideration.

e. Implement controls or improve existing controls that are determined to be the most efficient and effective for decreasing the risk of fraud, waste or abuse.

4. Most managers will find that processes already include a number of internal controls, but these controls should be monitored or reviewed for adequacy and effectiveness on a regular basis and improved as needed. Typical examples of internal controls may include, but are not limited to:

    a. Adequate separation of duties among employees.

    b. Sufficient physical safeguards over cash, supplies, equipment and other resources.

    c. Appropriate documentation of transactions.

    d. Independent validation of transactions for accuracy and completeness.

    e. Documented supervisory review and approval of transactions or other activities.

    f. Proper supervision of employees, processes, projects or other operational functions.

C. Reviews of Internal Control Systems

1. Audits or other independent reviews may be performed on various components of the internal control systems.

D. Internal Audit

1. Internal Audit is responsible for assessing the adequacy and effectiveness of internal controls that are implemented by management and will often recommend control improvements as a result of this assessment.

2. During an audit of a department or process, Internal Audit will also perform tests designed to detect fraud, waste or abuse that may have occurred.

E. External Audits

1. The Tennessee Department of Audit, Division of State Audit, performs periodic financial audits of Tennessee Board of Regents universities and community colleges.

2. One purpose of this type audit is to evaluate an institution's internal controls, which will often result in recommendations for control improvements.

3. State Audit will also perform tests designed to detect fraud, waste or abuse that may have occurred.

F. ~~F.~~ Other Reviews

    1. Various programs may be subject to audits or reviews by federal, state or other outside agencies based on the type of program, function or funding.

    2. Although audits and reviews may include assessments of internal controls, the primary responsibility for prevention and detection of fraud, waste or abuse belongs to management.

    3. Therefore, management should take steps to review internal controls whether or not audits are to be performed.

II. Reporting Fraud, Waste or Abuse

A. Responsibility for Reporting Fraud, Waste or Abuse

Any official of any agency of the state having knowledge that a theft, forgery, credit card fraud, or any other act of unlawful or unauthorized taking, or abuse of, public money, property, or services, or other shortages of public funds has occurred shall report the information immediately to the office of the Comptroller of the Treasury (TCA § 8-19-501(a)). To ensure compliance with this statute, the Tennessee Board of Regents system office provides a means for institutional employees and others to report such matters, which are subsequently reported to the Comptroller's Office.

    1. Institutional administration with knowledge of fraud, waste or abuse will report such incidents immediately.

    ~~1.~~2. Others, including ~~i~~Institutional management, faculty and staff with a reasonable basis for believing that fraud, waste or abuse has occurred are strongly encouraged to immediately report such incidents (T.C.A. § 8-50-116).

    ~~2.~~3. Students, citizens and others are also encouraged to report known or suspected acts of fraud, waste or abuse.

    ~~3.~~4. Although proof of an improper activity is not required at the time the incident is reported, anyone reporting such actions must have reasonable grounds for doing so.

4.5. Employees with knowledge of matters constituting fraud, waste or abuse, that fail to report it or employees who knowingly make false accusations may be subject to disciplinary action.

B. Protection from Retaliation

1. State law (T.C.A. § 8-50-116) prohibits discrimination or retaliation against employees for reporting allegations of dishonest acts or cooperating with auditors conducting an investigation.

2. The Higher Education Accountability Act of 2004 directs that a person who knowingly and willingly retaliates or takes adverse action of any kind against any person for reporting alleged wrongdoing pursuant to the provisions of this part commits a Class A misdemeanor.

C. Confidentiality of Reported Information

1. According to T.C.A. § 49-14-103, detailed information received pursuant to a report of fraud, waste or abuse or any on-going investigation thereof shall be considered working papers of the internal auditor and shall be confidential.

2. Although every attempt will be made to keep information confidential, circumstances such as an order of a court or subpoena may result in disclosure.

3. Also, if TBR or one of its institutions has a separate legal obligation to investigate the complaint (e.g. complaints of illegal harassment or discrimination), TBR and its institutions cannot ensure anonymity or complete confidentiality.

D. Methods for Reporting Fraud, Waste or Abuse

1. Any employee who becomes aware of known or suspected fraud, waste or abuse should immediately report the incident to an appropriate departmental official. Incidents should be reported to one of the following officials or offices:

   a. A supervisor or department head;

   b. an institutional official;

   c. the institutional internal auditor;

   d. the Office of System-wide Internal Audit at 615-366-4441 or reportfraud@tbr.edu; or

e. the Tennessee Comptroller of the Treasury's Hotline for fraud, waste and abuse at 1-800-232-5454.

2. If the incident involves their immediate supervisor, the employee should report the incident to the next highest-level supervisor or one of the officials or offices listed abovebelow. Employees should not confront the suspected individual or initiate an investigation on their own since such actions could compromise the investigation.

3. A department official or other supervisor who receives notice of known or suspected fraud, waste or abuse must immediately report the incident to the following:

   a. President/Vice President for Business and Finance/TCAT Director (or designee)

   b. Internal Audit Department

   c. Safety and Security Office/Campus Police (when appropriate)

4. The President/Vice President/TCAT Director or designee receiving such notice will immediately notify the TBR Vice Chancellor for Business and Finance and the System-wide Chief Audit Executive regarding the acknowledged or suspected fraud or misconduct.

5. TCAT Directors should also report such matters to the Vice Chancellor for Tennessee Colleges of Applied Technology and the Lead Institution Vice President for Business and Finance.

6. The System-wide Chief Audit Executive will notify the Comptroller of the Treasury of instances of fraud, waste or abuse.

7. After initial notification, each institution should refer to TBR Guideline B-080, Reporting and Resolution of Institutional Losses, for additional reporting procedures.

III. Investigations/Actions

A. Cooperation of Employees

1. Individuals involved with suspected fraud, waste or abuse should assist with and cooperate in any authorized investigation, including providing complete, factual responses to questions and either providing access to or turning over relevant documentation immediately upon request by any authorized person.

2. The refusal by an employee to provide such assistance may result in disciplinary action.

B. Remedies Available

1. The Tennessee Board of Regents will evaluate the information provided and make a determination concerning external reporting obligations, if any, and the feasibility of pursuing available legal remedies against persons or entities involved in fraud, waste or abuse against the institution.

2. Remedies include, but are not limited to;

   a. terminating employment,

   b. requiring restitution, and

   c. forwarding information regarding the suspected fraud to appropriate external authorities for criminal prosecution.

3. In those cases where disciplinary action is warranted, the Office of Personnel/Human Resources, Office of General Counsel, and other appropriate offices shall be consulted prior to taking such action, and applicable institutional and Board policies related to imposition of employee discipline shall be observed.

C. Resignation of Suspected Employee

1. An employee suspected of gross misconduct may not resign as an alternative to discharge after the investigation has been completed.

2. Exceptions to this requirement can only be made by the institution's President/Director, and require advance consultation with and approval by the Vice Chancellor for Business and Finance.

3. If the employee resigns during the investigation, the employment records must reflect the situation as of the date of the resignation and the outcome of the investigation (General Personnel Policy, 5:01:00:00).

D. Effect on Annual Leave

1. An employee who is dismissed for gross misconduct or who resigns or retires to avoid dismissal for gross misconduct shall not be entitled to any payment for accrued but

unused annual leave at the time of dismissal (Annual Leave Policy, 5:01:01:01; T.C.A. § 8-50-807).

E. Student Involvement

1. Students found to have participated in fraud, waste or abuse as defined by this guideline will be subject to disciplinary action pursuant to the TBR Policy 3:02:00:01, General Regulations on Student Conduct and Disciplinary Sanctions.

2. The Dean of Students/Vice President of Student Affairs/TCAT Director (or designee) will be responsible for adhering to applicable due process procedures and administering appropriate disciplinary action.

F. Confidentiality during Investigation

1. All investigations will be conducted in as strict confidence as possible, with information sharing limited to persons on a "need to know" basis.

2. The identities of persons communicating information or otherwise involved in an investigation or allegation of fraud, waste or abuse will not be revealed beyond the institution and staff of the TBR Offices of General Counsel, Business and Finance and System-wide Internal Audit unless necessary to comply with federal or state law, or if legal action is taken.

G. Management's Follow-up Responsibility

1. Administrators at all levels of management must implement, maintain, and evaluate an effective compliance program to prevent and detect fraud, waste and abuse.

2. Once such activities have been identified and reported, the overall resolution should include an assessment of how it occurred, an evaluation of what could prevent recurrences of the same or similar conduct, and implementation of appropriate controls, if needed.

Sources

TBR Board Meeting, March 28, 2008; TBR Board Meeting, December 8, 2011

Related Policies

- Internal Audit

- General Regulations on Student Conduct & Disciplinary Sanctions

- Annual Leave

- General Personnel Policy

- Reporting and Resolution of Institutional Losses

Tennessee Board of Regents
Committee on Audit

DATE: March 10, 2015

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 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
      Austin Peay State University
            — FYE June 30, 2014
      East Tennessee State University
            — FYE June 30, 2014
      Tennessee Tech University
            — FYE June 30, 2014

FINANCIAL AND COMPLIANCE AUDITS – FINDINGS
      University of Memphis
            — FYE June 30, 2014
      Nashville State Community College
            — FYE June 30, 2013 and June 30, 2012

<u>NCAA – INTERCOLLEGIATE ATHLETIC PROGRAMS FYE 2014</u>
      Austin Peay State University
      Middle Tennessee State University
      Tennessee State University
      Tennessee Tech University
      University of Memphis

<u>STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS</u>
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. An executive summary of each follow-up audit is included in 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
March 10, 2015
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
Austin Peay State University	June 30, 2014	Unmodified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	0
East Tennessee State University	June 30, 2014	Unmodified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	0
Tennessee Tech University	June 30, 2014	Unmodified Opinion	No material weaknesses identified	No instances of noncompliance required to be reported	0

Tennessee Board of Regents
Audit Committee
March 10, 2015
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
The University of Memphis	June 30, 2014	Unmodified Opinion	Two findings identified as significant, but not as material weaknesses	No instances of noncompliance required to be reported	2

Finding 1 – Purchasing procedures at the university are inadequate

Through the university's automated purchasing system, TigerBuy, departments are authorized to perform their own purchasing for items with a cost of $5,000 or less. Although the university does not have a written policy regarding segregation of duties, a sound internal control structure requires the person approving a requisition to be different from the person initiating the requisition.

For the 16,339 purchase orders executed in TigerBuy during the year ended June 30, 2014, the person who approved the requisition was the same person who initiated it, in 32% of the cases, representing $15 million of $36 million in purchases through the system. There were 173 cases, totaling $9,231,728 of purchases over $10,000 routed through the Office of Procurement and Contract Services that were initiated and approved by the same person. Testwork on purchase orders, each over $100,000, revealed 10 items of equipment (each in excess of the $5,000 equipment capitalization threshold), totaling $182,340 that should have been capitalized but were instead expensed.

Management did not establish appropriate written policies for purchases made through the TigerBuy system. In addition, available application controls (e.g., edits to prevent one person initiating and approving a single transaction) were not used. Management also did not ensure that proper account code classifications were used on requisitions and approved purchase orders to their execution. The coding of purchase requisitions by unqualified persons, along with the absence of appropriate review and supervision, caused misclassifications of items purchased and the failure to capitalize some equipment purchases.

Management's Comment – Management did not concur that the issues noted rose to the level of a significant deficiency, but agreed they should investigate the merits of implementing additional compensating controls. Management stated they determined from a past cost-benefit analysis of their procurement system, that their policies do not represent a material risk to their financial system and referenced other mitigating controls, including budgetary controls.

Finding 2 – The university did not provide adequate internal controls in one specific area

The university did not design and monitor internal controls in one specific area. The audit observed a condition in violation of university policies and/or industry-accepted best practices. Inconsistent implementation of internal controls increases the risk of fraud or error. The details of these findings are confidential pursuant to Section 10-7-504(i) *Tennessee Code Annotated*.

Management's Comment – Management concurred a limited number of instances were identified in one specific area and indicated they will perform a thorough review and implement controls deemed appropriate.

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
Nashville State Community College	June 30, 2013 and June 30, 2012	Unmodified Opinion	Two findings identified as material weaknesses	No instances of noncompliance required to be reported	2

Finding 1 – The college needs to improve its system of internal control for the preparation of the financial statements

As noted in the three prior audits, procedures for financial statement preparation need improvement. Control deficiencies resulted in significant reporting errors:

- An error in calculating the 2012 scholarship allowance resulted in an overstatement of tuition and fees revenue of $2,948,557 and an overstatement of scholarship and fellowship expense by the same amount.
- Current cash on the 2012 unaudited statement of net position was overstated by $1,380,397 and noncurrent cash was understated by the same amount because staff used an incorrect report.
- Net position – net investment in capital assets was understated by $539,873 at June 30, 2013 and $653,008 at June 30, 2012 on the unaudited statements of net position. This error was caused by staff who incorrectly netted outstanding debt that was not related to capital assets.
- The fiscal year 2013 fair value of the college's investments reported in the Investments note was understated by $1,988,817 because staff did not include the TCAT-Dickson and Nashville's Local Government Investment Pool amounts.
- The fiscal year 2013 beginning cash balance on the unaudited statement of cash flows did not match the fiscal year 2012 ending balance primarily because staff at the college did not include $4,314,449 in College of Applied Technology Centers' cash. Additionally, the amount reported as changes in deposits held for others was understated by $444,722, and the ending cash balance was understated by $3,869,726.

Management's Comment – Management concurred with the finding and recommendation. Corrective action including training to address specific problems, recruitment of additional qualified personnel, improvement in documentation requirements and identification and reassignment of certain accounting and review duties.

Finding 2 – The college did not provide adequate internal controls in four specific areas

The college did not design and monitor internal controls in specific areas. Four conditions were observed to be in violation of college policies and/or industry-accepted best practices. Inconsistent implementation of internal controls increases the risk of fraud or error. The details of these findings are confidential pursuant to Section 10-7-504(i) *Tennessee Code Annotated*.

Management's Comment – Management concurred with the finding and recommendation, indicating certain actions have been implemented or have been scheduled to correct the conditions noted.

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

**Review of Certain Agreed-upon Procedures Related to the Statement of
Revenues and Expenses of the Intercollegiate Athletic Programs**

The Comptroller of the Treasury, Division of State Audit, performs certain agreed-upon procedures each year to assist the universities in evaluating whether each Statement of Revenues and Expenses of the Intercollegiate Athletics Programs and the related Notes to that statement comply with the National Collegiate Athletic Association's financial reporting requirements (NCAA Bylaw 3.2.4.16). The engagements are conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, but the agreed-upon procedures do not constitute an examination to express an opinion on compliance with the NCAA requirements. Management of each university is responsible for their statement, compliance with NCAA requirements and the sufficiency of the procedures requested of the auditors. In determining the accuracy of information presented in each institution's statement, the engagement includes analytical procedures, tests or comparison of data to the Banner system or other supporting documents, reviews of internal control procedures and policies and reviews of agreements.

For the specific procedures performed, the auditors noted that data on the statements (1) agreed or reconciled to support or complied with requirements; (2) did not agree and were corrected; or (3) did not agree, but were immaterial or insignificant. Errors noted below affecting the Statements and Notes to the statements were adjusted by management for the final reports. No other significant, unexplained or unusual matters were included in the reports.

For the year ended June 30, 2014:

Austin Peay State University

Middle Tennessee State University
- The amount reported as income for one endowment was misclassified.

Tennessee State University
- The university did not originally include $257,619 debt service related to athletic debt.

Tennessee Tech University
- Two of 27 endowment scholarships awarded during the year did not meet the criteria stated in the endowment agreement.

University of Memphis
- The university originally omitted expenses totaling $884,512 related to severance payments for one of two employees receiving such payments.

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Institution	Date of Final Report	Finding	Responsible Unit	Follow-up Review Scheduled	Follow-up Review Completed	Status of Finding
TBR SWIA -- State Audit Finding Status Summary **(Reports sorted by Date of Final Report)**						
UOM FY 2014	1/28/2015	**Finding 1 of 1:** Purchasing procedures at the university are inadequate.	Office of Procurement and Contract Services	6/1/15		
NaSCC FY 2013 and FY 2012	1/23/2015	**Finding 1 of 1:** The college needs to improve its system of internal control for the preparation of the financial statements.	Vice President of Finance and Administrative Services	7/1/15		
NaSCC FY 2013 and FY 2012	1/23/2015	**Finding 2 of 2:** The college did not provide adequate internal controls in four specific areas.	Vice President of Finance and Administrative Services	7/1/15		
NeSCC FY 2013 and FY 2012	10/9/2014	**Finding 1 of 2:** As reported in the previous audit, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements.	Chief Financial Officer	4/1/2015		
NeSCC FY 2013 and FY 2012	10/9/2014	**Finding 2 of 2:** The college did not provide adequate internal controls in five specific areas.	Chief Information Officer	4/1/2015		
TBR Central Office FY 2013 and FY 2012	8/21/2014	**Finding 1 of 1**– The Tennessee Board of Regents did not instruct its member institutions to accrue certain capital projects transactions.	Vice Chancellor for Business and Finance	2/21/15	1/30/15	Actions Completed
WSCC FY 2013 and FY 2012	7/31/2014	**Finding 1 of 1**: As noted in the prior three audits, management needs to improve financial statement preparation and review procedures to prevent errors in its financial statements.	Vice President for Business Affairs	5/1/15		
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	11/1/14	7/15/14	In progress

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: March 10, 2015

AGENDA ITEM: **Review of Corrective Actions on TBR**
                                               Performance Audit Findings

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

Attached is a summary of the actions taken and statuses of findings from the January 2014 Performance Audit report of the TBR system, issued by the Comptroller of the Treasury. A summary will be provided at the meeting and reviewed with the Committee.

Tennessee Board of Regents
Committee on Audit

DATE: March 10, 2015

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

Internal Audit Reports for Informational Purposes

Internal Audit Follow-Up Reports for Informational Purposes

TCAT Operational Audits 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 January 31, 2015. Campus auditors conduct follow up procedures to determine if management has taken adequate corrective action and include their conclusions on the summary log. A follow-up report may be issued by the campus auditor if adequate corrective action has not been taken by management.

Tennessee Board of Regents
Audit Committee
March 10, 2015

Internal Audit Reports
To be Reviewed with the Audit Committee

Responsible Department: Athletics	**Auditor:** Martha Stirling and Becky Lewis

Introduction: An investigative review of the Office of Intercollegiate Athletics (Athletics) at East Tennessee State University (ETSU) was conducted as a result of recommendations from the Department of Human Resources (HR) and allegations received in an anonymous letter sent to the Department of Internal Audit.

Objective: 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 Questioned Cost/Losses: None	**Total Recoveries:** None

Details of the Review:

Allegation 1: *Dual timecards are being used to record time not reported on official time reports resulting in inaccurate pay for some individuals.* The allegation received was not verified.

Allegation 2: *Sign-in sheets are sometimes used rather than official time reports to record an employee's time.* The allegation received was verified. Based on the review of time records and discussion with personnel, sign-in sheets are used by temporary employees who sell tickets at basketball games.

Allegation 3: *Some supervisors are completing the time reports for the employees.* The allegation received was verified. In addition to allegation 2 above, a total of 35 time reports were discovered for six temporary hourly employees in which the total number of hours worked for the time period was listed on the time report by the supervisor.

Allegation 4: *Time reports are sometimes unsigned by employees.* The allegation received was verified. Based on a review of the time records, no employee signatures were noted for 69 time reports selected for testwork.

Allegation 5: *Employees are told they can only take a 30 minute lunch and having to work the remaining 30 minutes of their lunch hour without being compensated.* The allegation received was verified. In addition, some hourly paid employees have worked through lunch without compensation even though they weren't instructed to do so.

Allegation 6: *Clerical support employees cannot record all of the time they actually work on their time reports. They are being told they have to complete the job no matter how long it takes.* The allegation received was partially verified. In interviews with Athletics personnel, several clerical support employees, including temporary hourly employees as well as graduate assistants, mentioned working more hours than what was recorded on their time reports. Most of them felt they could only list on their time reports the hours they were contracted (or agreed) to work and the rest of the hours worked were volunteered. Some individuals stated that it was their choice to work more than what they were paid. According to some employees, the hours were listed on the time reports by the supervisor and didn't include all time actually worked.

Allegation 7: *Time is sometimes estimated in TRS by the timekeeper for hourly paid employees.* The allegation received was verified. According to personnel, the timekeeper sometimes enters hours worked based on the hourly employees' schedules.

Allegation 8: *TRS Approvers are not reviewing the time reports when approving the time worked and leave taken recorded in TRS.* The allegation received was verified.

Additional Issue 1: *University policies and procedures over timekeeping are not always followed by Athletics.* Discrepancies discovered were as follows: (1) Several time reports could not be located, (2) Supervisors signatures were missing on 225 time reports tested, and (3) several instances where the hours worked or leave taken as reported on the timesheet did not agree to TRS.

Additional Issue 2: *The amount of annual and sick leave reported as used through June 2014 did not appear reasonable for fifteen employees within Athletics.*

Additional Issue 3: *Employees are not recording their time properly when working on an official University holiday.*

Recommendation: The Office of Intercollegiate Athletics should adhere to the University timekeeping policies and Fair Labor Standards Act. All non-exempt employees should be paid for all time worked and not allowed to volunteer hours. Graduate Assistants should work no more than twenty hours per week or discuss with Graduate Studies/HR on alternative solutions to issues related to GAs. All full-time employees who work an official holiday should receive compensatory time for the hours worked. Appropriate annual and sick leave should be reported as used on the time report and in TRS when a budgeted employee is absent from work. Time reports should be completed by the employee, signed by the appropriate supervisor, compared to TRS by the approvers when approving hours worked and leave taken, and maintained for a period of five years. Any errors discovered after hours worked and leave taken is entered into TRS by the timekeeper should be submitted to the Payroll Department for corrections. Any employee involved in the timekeeping functions should attend HR training courses entitled "Use of Leave" and "Payroll and Human Resources Basics". Any time report adjustments of hours worked or leave taken identified in this review or known to Athletics personnel should be submitted to Payroll.

Management's Comments:
We acknowledge the department has failed, in the past, to comply with several policies and regulations, but its compliance has improved significantly since the hiring of a new Executive Aide who serves as the timekeeper and a Chief Financial Officer (CFO). Both the current timekeeper and the CFO recently attended the relevant HR workshops on timekeeping procedures. Errors identified in the audit that require adjustments to hours worked and leave balances will be sent to the Payroll Department for corrections. Athletics will require each employee to complete and sign their own timesheet. Sign-in sheets will be utilized for casual event workers who will acknowledge their work by signing their name next to the clock in, clock out, and hourly rate columns. The appropriate fulltime Athletics employee manager will also sign as their supervisor to confirm the information is accurate. We will make sure each hourly employee understands they are not to work on their lunch hour, regardless of what a previous timekeeper or supervisor informed them. If any clerical support staff employees (either permanent or temporary) work overtime, they will be paid in accordance with the Fair Labor Standards Act and will not be allowed to "volunteer." Athletics will meet with all of the graduate assistants and inform them they are not to work more than 20 hours per week, even if they want to volunteer their time. We will meet with our coaches and make sure they understand they are not allowed to 'bank' comp time for excessive hours worked and must note leave on their report when they are taking leave. Athletics will educate all of its hourly and salaried employees on the policies in regards to working on official University holidays. In particular, Athletics will email all non-exempt employees to seek written permission in advance to work on a University holiday.

President	James Catanzaro	Internal Auditors	Blayne Clements, TBR
			Linda Ciprich, TBR
Objectives	The objectives of the review were to determine the validity of several allegations received about the hiring of the Chief Innovations Officer, travel and other matters, and compliance with applicable laws or policies. Additionally, the objectives of the audit of the President's expenses were to comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year July 1, 2013 to June 30, 2014; to determine compliance with state statutes and Tennessee Board of Regents and institutional policies regarding expenses; and to identify and report all expenses made by, at the direction of or for the benefit of the president regardless of the funding source.		
Scope	The scope included the allegations leading to this review for applicable periods, the expenses of the President's Office for the fiscal year July 1, 2013 through June 30, 2014 and any additional travel costs incurred outside of that period in relation to travel to Barbados or travel by or with the Chief Innovations Officer. Testwork regarding the President's expenses included all accounts under the direct budgetary control of the president, whether funded by institutional funds, foundation funds or external sources and other accounts as necessary.		
Analysis of Allegations	**1. Allegation – The Chief Innovations Officer is not qualified for the position, does not have a degree as she claims and as required by the job description and has no "true work experience."**		
	This allegation was substantiated in part; it was confirmed that the job applicant did not have the required Bachelor's degree as represented on her application and résumé and as required by the College's job description for the position. Even though Duquesne University did not confer a Bachelor's degree in 2005 because the degree requirements had not been met and no apparent changes occurred since that time, they eventually issued a Bachelor's degree to the Chief Innovations Officer during this review, back-dated to May 2005. The College failed to verify degree and experience representations made in the employment application.		
	2. Allegation – The Chief Innovations Officer is not a U.S. citizen and without a degree, she would have had to lie to get a work visa.		
	This allegation was substantiated in part; based on relying on faulty information provided by the candidate in her job application about a Bachelor's degree without validating the asserted academic credential, the President certified the same faulty information on the H-1B visa application to the U.S. Citizenship and Immigration Services (USCIS) of the U.S. Department of Homeland Security. The applicant is not a U.S. citizen, but is a citizen of Barbados. The College may sponsor individuals hired from foreign countries in the work visa process. However, the failure to verify the applicant's degree and other missteps in submitting information for the Labor Condition Application and visa petition, placed the College at risk of penalties or greater repercussions.		
	3. Allegation – Reorganization occurred and new positions were created so that the Chief Innovations Officer could move up. Funds have been misused from various budgets across campus, ignoring strategic plan goals and objectives. Funds have been misappropriated for travel, individual perks and unnecessary, nonexistent positions.		
	While reorganization did occur and positions were transferred between areas, the review did not substantiate that resources were misused or misappropriated for these purposes. A reorganization plan affecting several departments was submitted to TBR for approval in April 2014, including the official title change of the Senior Executive Assistant to Chief Innovations Officer, with added responsibilities and a monthly stipend of $1,500. Between April and November 2014, positions were moved from other areas to her areas. Of eight positions analyzed, three positions, including her position in July 2013, were from student areas. Movement of positions and related budget resources from one area to another frequently causes concern but do not necessarily indicate impropriety. The President has the ability to organize the College's operations to meet the needs and goals of the institution. However, resources should be allocated to ensure that strategic plan goals are achieved.		

Analysis of Allegations	**4.** *Allegation – The Chief Innovations Officer was hired to develop a relationship with the University of the West Indies, however, no such relationship has been developed.* This allegation was substantiated in part; even though a Memorandum of Understanding (MOU) has been in place with the University of the West Indies since August 8, 2013, no programs have been established under the agreement; the five-year MOU was executed months before the Chief Innovations Officer was hired and is a cooperative agreement for institutional exchange programs with no financial obligations. The President said the relationship with the University of the West Indies is only one relationship the Chief Innovations Officer was challenged to develop. **5.** *Allegation – The President and the Chief Innovations Officer are using state funds to travel to Barbados, Washington D.C. and other locations; this travel is more personal in nature than business, such as travel to Barbados.* This allegation was partially substantiated because there was no clear business purpose for a significant portion of the Chief Innovations Officer's first trip to Barbados from December 28, 2013 through January 13, 2014 because meetings did not appear to have been planned in advance and many individuals were not available because of the holidays; the first meeting held was on January 6, 2014. On the second trip to Barbados from July 23 through August 3, 2014, the official itinerary did not list any meetings after July 31; after discussing these August travel dates with the President on two occasions, he provided an addendum to the itinerary, that he prepared in October 2014, showing additional meetings on those dates. The review identified several trips taken by both the President and the Chief Innovations Officer, totaling $23,263 from December 2013 through August 2014. Other travel together to Anaheim, California; Washington, D.C.; Boston, Massachusetts; and New York, New York; were trips to conferences or meetings with potential partners for the President's planned innovation initiatives. Costs of these trips have not been questioned, but better documentation is needed for unexplained changes in schedules, resulting in additional charges. **6.** *Allegation – Nepotism is occurring at the highest level of the administration.* This allegation was not substantiated based on applying the Board's policy. However, for one of the potential issues reviewed, it would have been better to have avoided hiring a person related to another employee in the same department. While the President approved this hiring, the TBR nepotism policy does not give presidents the authority to override the requirements of the policy. **7.** *Allegation – The Chief Innovations Officer has a car lease paid by the College.* This allegation was not substantiated. The Vice President for Business and Finance verified that the College had not paid for a leased vehicle for the Chief Innovations Officer. **8.** *Other Issues Identified During the Review* Leave Not Taken - The College's records did not show that the Chief Innovations Officer requested and took annual leave when she traveled to Duquesne on August 29, 2014. She stated she did not use leave for the trip, seemed unaware of how the leave process worked and was not sure if she had ever used leave, although then said she thought she did use leave once. She later submitted a leave form, which was entered during the October cycle because the College does not retroactively add leave into the system.		
Questioned Costs	$1,744.06	**Recoveries**	$0.00

Summary of President's Expenses	The following is a summary by funding source of (1) certain expenses made by, at the direction of, or for the benefit of the president, and (2) salary and benefits and any other operating expenses for the president's office during the fiscal year ended June 30, 2014:

	Institutional	Foundation	External	Total
President:				
Salary and Benefits	$230,484	$ -	$ -	$230,484
Travel (Schedule A)	$23,140	$236	$ -	$23,376
Business Meals and Hospitality (Schedule B)	$9,692	$1,619	$ -	$11,311
Other Expenses (Schedule C)	$8,415	$2,033	$ -	$10,448
Discretionary Allowance	$4,000	$ -	$ -	$4,000
Housing Allowance	$10,800	$ -	$ -	$10,800
Other Allowances	$1,800	$ -	$ -	$1,800
President's Office:				
Salary and Benefits	$141,359	$ -	$ -	$141,359
Travel	$1,993	$86	$ -	$2,079
Business Meals and Hospitality	$ -	$ -	$ -	$00
Other Expenses	$9,076	$ -	$ -	$9,076
Total Expenses	$440,759	$3,974	$ -	$444,733

Additional Disclosures
Discretionary Allowance - Use of the discretionary spending allowance was not included in tests performed during the audit because the President elected for the allowance to be paid as taxable income.
Other Allowances - The President was provided a spending allowance for cell phone of $150 per month, $1,800 annually, which was paid as taxable income.
Vehicle - The President was provided the use of a vehicle. The purchase cost of the vehicle in fiscal year FY2014 was $33,000 (less trade in of $16,500 and a rebate of $3,000.) Vehicle maintenance and operating costs, totaling $1,454 for the period, were recorded in Other Expenses. Any personal use value of the vehicle is reported to the President as taxable income.

| Conclusion | The objectives of the audit of the expenses of the Office of the President for Chattanooga State Community College for the fiscal year July 1, 2013 through June 30, 2014 were achieved. As noted in the Analysis of Allegations section above, one trip by the Chief Innovations Officer lacked a clear business purpose for a significant portion of the trip. Tests on the President's travel indicated additional documentation is needed when changes in travel arrangements result in additional costs. Tests of remaining expenses showed that costs for travel for the Chief Innovations Officer when she interviewed for a different position before she was hired and entertainment costs reimbursed to the President while she was in Chattanooga lacked a business purpose because she did not meet the minimum requirements of the position, resulting in questioned costs of $1,744.06. No other statutory or policy violations, material omissions from the expense reports or deficiencies in internal controls were noted over expenses. After adjustments, the supplemental schedules included with this report fairly represent the expenses of the president's office.

The review of the allegations revealed departures from policies, guidelines and federal regulations during the hiring and work visa process. As a result of this review, several recommendations were made to address the specific issues noted in this report and to promote the efficient operation and management of the College. In beginning to address these matters, College administration should work toward creating an environment of transparency in its operations, ensuring adherence to strategic goals and allocation of resources to achieve them; requiring strict compliance with Board policies and guidelines regarding personnel actions and other procedures that ensure a fair hiring process; and evaluating the business purpose of all travel before it is authorized. |
|---|---|

Roane State Community College
Audit of Grants and Sponsored Programs
July 1, 2010 through June 30, 2013
Executive Summary

Title of Key Staff Person:	Auditor: Andrew Benson

Background:
The audit of Grants and Sponsored projects was conducted for the period of July 1, 2010 through June 30, 2013 and was selected as part of the annual internal audit plan. The audit was performed to review four large federally funded projects received by the College. The obligated amount of these grants totaled $17,088,406.00.

Objectives:
The general objective of this audit is to evaluate the effectiveness of internal controls and adherence to federal regulations, College and TBR policies and guidelines for grants and sponsored projects. In particular, the objectives were to determine the quality of basic internal controls over grants and sponsored programs, determine compliance with the terms and conditions of the grants, federal regulations (OMB A-21), institution policies and procedures, and the propriety of expenditures and recommend appropriate actions to correct any deficiencies and/or improve operations.

Total Questioned Costs: $62,787.33	Total Recoveries: N/A

Audit Conclusions:
Based on the results of the review, it appears that the College needs to improve its processes and internal controls over the processing of grants. The following conclusions were reached:
1. The College is not in compliance with OMB Circular A-21. The College did not properly reduce modified direct costs when calculating indirect costs for the various grants. As a result, indirect cost expenses were overstated in the amount of $62,787.33. Additionally, the College did not maintain documentation to show that directly charging certain F&A charges, namely clerical type salaries and administrative type expenses, to grants met the requirements of OMB A-21. OMB A-21 states that ordinarily, expenses such as clerical type salaries and administrative charges should be treated as F&A [Facilities and Administrative] costs.
2. Employee effort certification reports were not consistently completed or approved. Approximately 37% of employee effort reports reviewed were either incomplete or not approved.
3. Expenditures were not coded properly as to the type of transaction. The majority of the account miscoding appears to be in three areas: instructional supplies, contract instruction and consulting. The audit determined that 19.72% of expenditures tested totaling $423,461.70, were improperly coded.
4. Bid requirements were not followed by the College. College bid number, B-0031, totaling $132,809.48 solicited ten sealed bids, rather than fifteen sealed bids, as required by TBR Policy, 4:02:10:00, and there was no documented approval by the Purchasing Officer of the lower number.

Additionally, the following areas of concern were included in the audit report. These were included as recommendations and were not considered to be findings:
5. The College does not have policies or procedures related to grant compliance.
6. The College does not use Banner for tracking Grant budget to actual comparisons.
7. The College does not use Banner for apportioning salaries for Grant employees.

Management has concurred with all finding recommendations with the exception of finding one. Management did not concur with the adjustments to modified costs that resulted in questioned costs. Management indicated they are deferring concurrence until they have completed more research and will follow up with internal audit.

Regarding the other finding recommendations, management indicated they will maintain required documentation to justify the direct charging of expenditures to the grants in accordance with OMB A-21, they have developed and implemented additional procedures for effort certification reports, they will review internal processes to improve accuracy when assigning account numbers so that account coding errors will not result in inappropriate charges in the grant financial reports, and the Chief Procurement Officer will approve/document any reasons why the appropriate number of bids are not solicited.

Tennessee Board of Regents
Audit Committee
March 10, 2015

Internal Audit Reports
For Informational Purposes

Key Staff Person: Wayne Winkler, Director, WETS-FM Radio Station	**Auditor:** Martha Stirling, Internal Auditor

Background
A financial statement audit for WETS-FM radio was performed to determine the fair presentation of the financial statements for FY 2014 as required by the Corporation for Public Broadcast (CPB).

Objectives
1. To determine the accuracy of the existing system of internal control.
2. To determine the fairness of financial presentation.
3. To determine accuracy and completeness of financial records, and compliance to University policies and procedures.
4. To determine if the Station is in compliance with CPB regulations and to certify the CPB Annual Financial Report.
5. To produce audited reports for CPB reporting purposes.

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

Findings
None

Observations
None

Audit Conclusion
The audit report for WETS-FM radio was issued with an unmodified opinion. The financial statements appeared to fairly present, in all material respects, the financial position of the radio station as of June 30, 2014.

Middle Tennessee State University
Audit of Football Ticket Sales and Paid Attendance
For Fall 2014
Executive Summary Report

Background:
The National Collegiate Athletic Association (NCAA) has established football attendance requirements which an institution shall meet to be a member of Division I Football Bowl Subdivision. The football attendance requirement must be met once every two years on a rolling basis and must average at least 15,000 in actual or paid attendance for all home football games. The NCAA requires the football attendance to be verified annually by audit.

Objective:
To verify that football ticket sales and paid attendance for the 2014 football season were reported in accordance with NCAA criteria for paid attendance for Division I Football Bowl Subdivision.

Scope:
The audit scope included all tickets sales and attendance for the home football games for the fall 2014 season. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors and accordingly included tests of the accounting records and such other auditing procedures considered necessary.

Observations:
The audit revealed compliance with the NCAA criteria for calculating paid attendance and no material discrepancies were noted with the ticket sales reports and the supporting documentation. Ticket sales revenue was agreed to the accounting records. The audit report contains no findings or recommendations. Below are the details of the calculation of average football paid attendance per NCAA criteria for fall 2014.

Ticket Type	MTSU vs Savannah State	MTSU vs WKU	MTSU vs Southern Mississippi	MTSU vs UAB	MTSU vs BYU	MTSU vs FAU	Total Paid Attendance
Season Tickets	5,025	5,025	5,025	5,025	5,025	5,025	30,150
Reserved	220	1,141	372	361	2,458	95	4,647
Endzone Reserved	48	84	31	76	494	10	743
General Admission	404	1,717	434	625	402	156	3,738
Groups/Promotions	2,368	5,805	2,209	4,341	4,063	22,387	41,173
Student Gate	1,648	2,909	1,181	2,400	995	756	9,889
Band Members	294	294	295	293	290	289	1,755
Totals	10,007	16,975	9,547	13,121	13,727	28,718	92,095

Average Football Paid Attendance Per NCAA Criteria for Fall 2014   **15,349**

Audit Conclusions:
The football ticket sales and paid attendance for fall 2014 appear to be reported in compliance with the NCAA criteria. The average paid attendance for 2014 home football games was 15,349 which exceeds the NCAA Division I Football Bowl Subdivision attendance requirement of 15,000 that must be met once every two years for all home football games.

University of Memphis
Internal Controls Risk Assessment Footprint – Research
Executive Summary
January 12, 2015

Title of Key Staff Person(s): Vice President for Research and Vice President Business and Finance	**Auditors:** Senior Internal Auditor and Financial/Compliance Auditor

Background:

Internal Audit personnel have completed an audit of the Internal Controls Risk Assessment Footprint for Research.

The Office of Research Support Services (RSS) at the University of Memphis assists UOM research faculty and staff with resources necessary to be successful in a competitive research environment.

The State of Tennessee Audit Committee Act of 2005 created the Tennessee Board of Regents (TBR) Audit Committee. This law states that two of the purposes of the Audit Committee are evaluating management's assessment of the body's system of internal controls and informing the Comptroller of the Treasury of the results of assessment and controls to reduce the risk of fraud. In response to the passage of this law, TBR implemented a risk assessment process in 2006 using the "Crawford Analysis Tool". Management within each TBR institution conducts a formal risk assessment of each major area on a rotating 3 year cycle to be reviewed by the TBR Audit Committee.

Objectives:

The objective of the audit was to evaluate whether key controls as listed in the management prepared risk assessment footprint were present and operating effectively. This audit focused on controls listed in the areas of security & safety, administration, financial management, quality compliance, and intellectual property & technology transfer within Research. In accordance with the Tennessee Financial Integrity Act, University management is responsible for establishing adequate internal controls within the organization. (TCA-9-8-101-102-103)

Audit Conclusion:

The audit objectives were achieved. Based on the results of all audit work performed, internal controls were generally adequate as reported by University management in the Internal Controls Risk Assessment Footprint for the Research areas of security & safety, administration, financial management, quality compliance, and intellectual property & technology transfer.

Some internal controls listed in the Research Risk Assessment under the Security and Safety area as noted below were not fully functioning due to recent organizational changes.

- Training for faculty, staff, and graduate students
- Inspection of facilities (Relative to Labs and Hazardous Materials)

Additional changes are pending in this area based upon further evaluation by University management and pending recommendations to University management from an outside consulting firm. Management is taking steps to address these areas and will be further evaluated by Management when the consulting report is issued and as a part of the next risk assessment update for the Research area.

Title of Key Staff Person: Vice President Business & Finance	**Auditors:** Senior Internal Auditor and Financial/Compliance Auditor

Background:

Internal Audit has completed an audit of the Marketing and Management agreement for hotel operations. The agreement is with the Wilson Conference Center Group, LLC (WCCG). WCCG is to provide professional marketing and management services for the two lodging and conference operations on campus.

WCCG is a separate corporation that uses the management and accounting services of Wilson Hotel Management, LLC, which is a division of Kemmons Wilson Companies, LLC in Memphis. The hotel operations had annual gross revenues of $6.7 million in FY 2014. The management fee is 5% of gross revenues less taxes and uncollected accounts and cancellations.

Objectives:

- To determine if WCCG is complying with the terms and conditions as established in the marketing and management services agreement and the subsequent amendments between the University of Memphis and WCCG.

- To ensure that WCCG expenditures comply with the terms in the contract, particularly expenditures for facility improvement.

Results:

The audit objectives were achieved. Based on the results of all audit work performed, internal controls were generally adequate, and provided sufficient assurance of compliance with the agreement. However, we did note sections within the agreement that management should focus additional review and oversight over WCCG to improve compliance and ensure efficient operations.

Audit Conclusion:

The audit objectives were achieved. Based on the results of all audit work performed, internal controls were generally adequate. However, we identified conditions where monitoring, controls and processes could be improved. Management has indicated agreement and is taking action to address the recommendations.

Title of Key Staff Person: President	**Auditor:** Chief Audit Executive

Background:

Internal Audit personnel was requested to review travel and other expenses regarding the Government Relations Office based upon concerns regarding a recent trip to Alaska and other concerns by Management as to the overall expenditures for the office being in alignment with current University strategic initiatives regarding the effective and efficient approach to reduce overall administrative costs within the University.

Objective:

The objective of the review was to evaluate compliance with University policies regarding travel expenditures and other expenditures within Government Relations and also evaluate if the overall expenditures for the office appeared to be in alignment with current strategic initiatives for the University.

Conclusion and Summary Results:

The review noted that the Government Relations Office has significant expenses with travel, consulting and other expenses which appear questionable as to providing direct benefit to the university under the current strategic initiatives. Below is a summary of expenditures.

SUMMARY OF GOVERNMENT RELATIONS COSTS (Average Last 4 years)

University Funds	$ 432,000
Foundation	$ 238,000
	$ 670,000

Expenditures University & Foundation Funds - (Average Last 4 years)

Wages & Fringes	$ 374,000	56%
Consultant	$ 94,000	14%
Travel	$ 83,000	12%
Other	$ 56,000	8%
Sponsorships	$ 32,000	5%
Meals & Ent	$ 31,000	5%
	$ 670,000	100%

Details were provided to management regarding travel (including the Alaska trip), consulting and other expenses which appeared questionable as to providing direct benefit to the university under the current strategic initiatives.

Management evaluated the details provided by Internal Audit and Management decided to blend Government Relations into a new division called External Relations. The new division includes Alumni Relations, Communications and Marketing, and Government Relations. Management has indicated the change will result in significant annual savings at the senior administrative level and Management is of the opinion that the change is in alignment with the current strategic initiative to provide for an effective and efficient approach to reduce overall administrative costs within the University.

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Executive Summary

Key Staff Person	Johnny Jones, Shipping and Receiving Clerk	Internal Auditor	Kimberly Clingan Director of Internal Audit
Introduction	An internal audit of Shipping and Receiving for the period July 1, 2013 through June 30, 2014 was conducted by the Chattanooga State Community College (ChSCC) Internal Audit department. The Shipping and Receiving is responsible for the providing shipping and receiving services for materials and operational supplies for ChSCC's faculty and staff.		
Objectives	• To determine the adequacy of the existing system of internal control over shipping and receiving of packages and merchandise. • To determine that purchases were received and examined for acceptability prior to payment. • To determine that packages/merchandise is promptly delivered to the appropriate department.		
Conclusion	Shipping and Receiving personnel provide adequate controls over campus truck freight packages, however written departmental procedures are needed to compliment the basic campus procedures provided in ChSCC policy 05:32:01. The department's procedures include the use delivery tickets to document efficiency, but producing this form in duplicate is no longer essential to the vendor payment process. Shipping and Receiving's delivery carts are open bin style golf carts. The openness of the delivery carts increases the risk for package theft.		
Recommendations	Based on the preformed audit procedures, Internal Audit recommends: • The Shipping and Receiving department should work with Management to extend the evaluation of fabrication or purchase of items to permanently secure the mail golf cart to the shipping and receiving delivery cart. • The Shipping and Receiving department should develop written departmental procedures. • The Delivery Ticket form should be eliminated and replaced by a delivery log. These logs should be retained in the accordance with retention policies.		
Management Response	The Shipping and Receiving Department has evaluated the audit recommendations and determined the following actions: • The Department will be included in the evaluation of the fabrication or purchase of items to permanently secure the golf cart being conducted by Mail Services. This evaluation will be completed by December 31, 2014 and the solution will be executed by March 31, 2015. • The shipping and Receiving Department will prepare a written departmental procedure by March 31, 2015. • The shipping and Receiving Department will develop and implement a delivery log by March 31, 2015		

Cleveland State Community College
Audit of President's Expenses
For the Fiscal Year July 1, 2013 – June 30, 2014

President	Dr. William Seymour	Internal Auditor	Blayne Clements, TBR
Objectives	To comply with Tennessee Code Annotated, Title 49, Chapter 7, by performing an internal financial audit of the Office of the President for the fiscal year ended June 30, 2014; to determine compliance with Tennessee Board of Regents and institutional policies regarding expenses; and to identify and report all expenses incurred by, at the direction of or for the benefit of the president regardless of the funding source. Dr. William Seymour took office on January 7, 2014 following the retirement of Dr. Carl Hite on December 20, 2013.		
Scope	The audit included all accounts under the direct budgetary control of the president and expenses funded by institutional funds, foundation funds or external sources and any expenses made by, at the direction of, or for the benefit of the president during the fiscal year. The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing,* issued by the Institute of Internal Auditors and included tests of the accounting records and such other auditing procedures considered necessary.		

| **Analysis** | The following is a summary of (1) certain expenses made by, at the direction of, or for the benefit of the president, and (2) salary and benefits and any other operating expenses for the president's office during the fiscal year ended June 30, 2013. The use of allowances was not included in tests performed during the audit because they represent taxable income to the president. |

	Institutional	Foundation	External	Total
President:				
Salary and Benefits	$232,370	-	-	$232,370
Travel (Schedule A)	$16,423	-	-	$16,423
Business Meals and Hospitality (Schedule B)	$1,799	$4,130	-	$5,929
Other Expenses (Schedule C)	$16,023	$449	$1,200	$17,672
Discretionary Allowance	$4,000	-	-	$4,000
Housing Allowance	$10,800	-	-	$10,800
Other Allowances (cell phone)	$480	-	-	$480
President's Office:				
Salary and Benefits (1 FTE)	$78,869	-	-	$78,869
Travel	-	-	-	$00
Other Expenses	$48,033	-	-	$48,033
Total Expenses	$408,798	$4,579	$1,200	$414,576

In addition, the president was provided the use of a vehicle during the year.   Any personal use value of the vehicle is reported to the president as taxable income.

Vehicle (Purchase Cost in FY 2011)	$27,294

Observations	The college's procedures for preparing the schedules of expenses should ensure the disclosure of all relevant expenses. The audit identified the costs of a welcome reception, $900.00, and a conference registration fee, $637.50 that were not disclosed because the expenses were incurred in accounts not under the president's direct budgetary control and the preparer was unaware of them. The audited schedules have been adjusted to include these expenses.		
Questioned Costs	None	**Recoveries**	N/A
Conclusion	The objectives of the audit of the expenses of the Office of the President for Cleveland State Community College for the fiscal year July 1, 2013 through June 30, 2014 were achieved. Other than noted above, the audit revealed no significant policy violations, material omissions from the expense reports or deficiencies in internal controls. The supplemental schedules included with this report fairly represent the expenses of the president's office.		

Pellissippi State Community College
Internal Audit Executive Summary
Audit: Faculty Credentials
Period: Fall 2014

Title of Key Staff Person: Vice President of Academic Affairs	**Auditor:** Suzanne L. Walker, Director of Internal Audit

Background:

The audit of faculty credentials was requested by the president of the College. This audit is an annual audit requested by the president to ensure that all full- and part-time faculty hired by the College each fall meet the requirements of the College's accrediting agency. Additionally, the ability to hire qualified faculty continues to be an area of concern as documented in the College's risk assessment for instruction and academic support.

Objectives:

To determine whether the requirements necessary for compliance with Southern Association of Colleges and Schools (SACS) criteria were being met; to determine whether the documentation maintained by the College was sufficient to document compliance with the criteria; and to recommend improvements, if any are necessary.

Total Questioned Costs/Losses: None	**Total Recoveries: N/A**

Audit Conclusions:

The College needs to continue to make improvement in documenting that faculty hired to teach are qualified. After discussions with the President, as well as with the Vice President of Academic Affairs, it appears that management understands the problem and has been making every effort to prevent it from occurring in the future. Management also will continue their efforts to obtain transcripts in a timely fashion for all employees hired. It should be noted that significant improvement was made related to this area fall semester 2014.

**Tennessee Board of Regents
Audit Committee
March 10, 2015**

*Internal Audit Follow-Up Reports
For Informational Purposes*

TENNESSEE TECH UNIVERSITY
Follow-Up to State Audit for Fiscal Year 2012-13
December 18, 2014
Executive Summary

Key Staff Persons: Tennessee Tech University (TTU) Chief Information Officer, Vice President for Planning and Finance, Associate Vice President of Enrollment Management and Student Success.

Auditor: TTU Director of Internal Audit

Objective: The objective of this follow-up to the Comptroller's State Audit of TTU for fiscal year 2012-13 issued August 26, 2014, was to determine if management had taken actions to alleviate the conditions identified in the findings.

Questioned Losses: None   **Total Recoveries**: None

Findings:
1. As noted in the prior audit finding, the university did not provide adequate internal controls in one specific area.
2. The university did not have accessible written policies and procedures regarding   financial aid verification, resulting in an increased risk that the university could disburse funds to students who were not properly verified.

Management's Response:
1) Corrective actions were identified and implemented to remedy the deficiencies identified by State Audit.
2) A current Policies and Procedures manual is available in hard copy in the Financial Aid Director's Office, and an electronic version is also available on a shared drive which is accessible by all Financial Aid Staff and backed-up daily.

Conclusion: TTU Management followed through with actions to alleviate the conditions identified in the findings.

This report is intended solely for the internal use of Tennessee Tech 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 Office of Internal Audit and handled in accordance with institutional policies.

Tennessee Board of Regents Central Office
Follow-up to State Audit Report for the Years Ended June 30, 2013 and 2012
January 30, 2015
Executive Summary

Key Staff Person: Director of Fiscal Services	**Auditor:** Blayne Clements, Assistant Director

Introduction
The Comptroller of the Treasury, Division of State Audit issued a financial and compliance audit of the Tennessee Board of Regents system office for the fiscal years ended June 30, 2013 and 2012 on August 21, 2014. The report included one finding.

Objectives
The objective of this review was to determine if management has implemented adequate corrective actions for the finding noted in the audit report to ensure the issue does not reoccur.

Finding

1. **The Tennessee Board of Regents – Central Office did not instruct its member institutions to accrue certain capital projects transactions**

   Status: Based on the review, management determined the amounts of the accruals for each institution and instructed them to accrue the capital projects transactions for fiscal year 2014. The Associate Vice Chancellor for Business and Finance maintains a year-end checklist which is designed to ensure the financial statements are complete and accurate. This checklist will be updated to include accrued liabilities for capital projects to ensure the issue does not reoccur.

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

Conclusion

The audit objectives were achieved. Based on the work performed, management has taken adequate corrective actions that address the issues identified in the audit finding. The review did not result in new, significant, or material issues.

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

Tennessee Board of Regents
Audit Committee
March 10, 2015

TCAT Operational Audits
For Informational Purposes

College Director: Mr. David Browder	Internal Auditor: Helen Vose, CIA, CFE
Report Date: January 9, 2015	Audit Period: Fiscal Year Ending June 30, 2013 & Accounts Receivable for Fall 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 Jacksboro had one observation and two best practices during the operational audit released April 30, 2010. Since the individual receipting cash also prepares the deposit, the TCAT implemented the use of a mail log as a compensating control. The log is reviewed or reconciled to the deposit by the Account Clerk. To correct the issue of leaving keys for two trucks in the vehicles at all times, spare keys were made for instructors' use. The best practices included an audit of the keys based on the Risk Assessment process and the use of an institutional credit card agreement that must be approved by the Director prior to use of the card by staff.
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, any significant deficiency in operations except as noted in the finding below. Also, one best practice is noted below.

Finding

1. Accounts Receivable

For five of 9 (56%) student receivables tested, collection letters were sent 29 to 247 days late, after allowing 45 days for students to respond or make payment. Additionally, the modified collection policy is not documented in the college's policy and procedure manual.

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."

The Guideline does allow flexibility in the process and TCAT Jacksboro has decided to send the letters at 45 day intervals.

Corrective Action: Management reviewed the TBR Guideline and prepared written procedures including personnel responsible for collection of account receivable as follows:

1. The Financial Aid Coordinator will determine a student accounts receivable should be established.

2. The Financial Aid Coordinator will submit the student's information to the Business Office Technician to establish the accounts receivable.

3. If payment has not been established and payments commenced, the Business Office Technician will send a certified letter requesting payment 45 days from the date the student last attended class.

4. The Business Office Technician will send 2 additional letters. The second letter will request payment or establish a payment plan within 45 days of the first letter.

5. The third letter will be sent within 45 days of the 2nd letter, providing the former student with 45 days to comply with repayment arrangements and informs them that failure to pay will result in their account being submitted to collections.

6. If no response is received within 45 days, the Business Office Technician will send the account to the approved TBR collection agency.

7. On June 30th of each year, the Business Office Technician sends all Accounts Receivable customers a statement of balance owed.

8. Procedures were approved by the Director on June 4, 2014.

Best Practice

1. Accounts Receivable
TCAT Jacksboro has added efficiency by setting up a folder for accounts receivable on a shared drive. After the monthly reconciliation, the file is uploaded to the shared drive as read only. Authorized personnel can access the data at their convenience to review transactions, balance their budgets, or update their own files.

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 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. However, subsequent collection letters to students were not sent timely, as noted in finding 1 above. 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 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 processes to award and notify students of financial aid eligibility and awards were adequate. The fiscal year 2013 Pell disbursements were reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

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

College Director: Mr. Roland Rayner	Internal Auditor: Helen Vose, CIA, CFE
Report Date: January 9, 2015	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. The scope for accounts receivable was expanded to understand the process and problems identified between accounts receivable and Financial Aid over several years. 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-Memphis had one finding and one observation during the operational audit released May 20, 2013. The finding noted that the Financial Aid Office became aware in the Fall 2011 trimester that refunds were not being processed due to the retirement of a financial aid employee. Management hired additional personnel in Spring 2012 in an attempt to ensure a review of all refunds had been processed. The observation noted that the TCAT was not in compliance with the Payment Card Industry-Data Security Standards. The certification was obtained on May 17, 2013. Additionally, the center has committed personnel to take the online PCI-DSS Standards Training established by TCAT Shelbyville.
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, the finding and observations below noted three opportunities for improvement.

Finding

1. Accounts Receivable

   For each of the 8 (100%) students tested with receivable balances, second and third collection letters were sent late. Letters were from 4 to 53 days late, after allowing 30 days for students to respond or make payment.

   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 will review the process currently used at TCAT-Memphis for collection of accounts receivable to determine if the collection letters can be sent in a more systematic fashion at 30 day intervals.

Observations

1. Accounts Receivable

   Management's monthly 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 as an additional control.

2. Financial Aid

   The current process to identify students that have ceased to attend could result in students not being identified until the end of the trimester and possibly beyond the Federal requirement to identify and return funds within 45 days. A termination form is submitted to the Records Coordinator who subsequently prepares a report from SIMS at the end of the trimester. Financial Aid must receive notice or have access to the report system to ensure the return of Title IV funds are made within the required 45 days.

   Corrective Action: Management has identified a report within SIMS which can provide the termination information to Financial Aid. Several staff members will be trained to process the report at least twice a month with one individual designated as the main administrator.

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 and reviewed by management. 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. If necessary, more than one collection letter was sent but were not sent at the required intervals as noted in finding 1 above. 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 as noted in observation 1 above.

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, however see observation 2 above. The processes to award and notify students of financial aid eligibility and awards were adequate. The fiscal year 2013 Pell disbursements were reconciled to the general ledger, Tennessee Student Assistance Corporation (TSAC) and the Department of Education.

College Director: Dr. Brad White	Internal Auditor: Helen Vose, CIA, CFE
Report Date: January 29, 2015	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 prior operational audit released February 2, 2011, for TCAT-Paris noted one observation and one best practice. The observation noted that letters were not sent within 30 days of a debt being incurred which has not been corrected. The best practice noted that the college maintained the In-House Policy and Procedure manual on-line.
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 noncompliance with TBR guidance regarding the timing of collection efforts for student receivables. No other significant issue of noncompliance with TBR or institutional policies, nor any other significant deficiency in operations, was noted. The finding below details the noncompliance with TBR guidance and the observation below notes an opportunity for improvement.

Finding

1. Accounts Receivable

For each of the 7 (100%) students tested with receivable balances, collection letters were sent 21 to 354 days late. Letters were sent 21 to 116 days late between the 1st and 2nd letters and 264 to 354 days late between the 2nd and 3rd letters.

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."

The college attempts to send debt notification letters once a trimester or other date as determined by management. TBR Guideline No. B-010, *Collection of Accounts Receivable,* states a letter will be sent within the first 30 days when a debt has been determined by the institution with two letters following at 30 day intervals. By design, the procedures used for collection do not comply with the guideline.

Corrective Action: Management will review the current process and may revise their procedures in the future as long as the students' needs are not compromised due to minimal personnel resources. Management provided data showing the increase in student accounts receivable from $2,683.16 at FYE 2001 to $63,314.61 at FYE 2012. The increase is mainly due to the implementation of the Lottery and the change in payment periods. Management stated that the majority of repayments coincide with the students desire to re-enroll.

Observation

1. <u>Accounts Receivable</u>

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

   Corrective Action: The Fiscal and Personnel Coordinator will prepare the reconciliation and email the Director. The Director will review the monthly reconciliation and reply to the Fiscal and Personnel Coordinator by email the reconciliation has been reviewed. The Fiscal and Personnel Coordinator will forward the email and reconciliation to the lead institution and Director of Finance at the Central Office. The email will have a date and digital signature to document their review.

Audit Results

1. <u>Cash Receipts and Deposits</u>
   Cash receipts traced to the deposits and were properly recorded. Bank statements were promptly reconciled with the general ledger and reviewed by management. 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 not notified in the required time period, as noted in Finding 1 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 monthly but the review is not documented by management as noted in Observation 1 above.

4. <u>Financial Aid</u> - <u>Federal Title IV and Lottery</u>
   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 Board of Regents
Audit Committee
March 10, 2015

Internal Audit Investigation Reports
For Informational Purposes

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

CASE RESOLUTION REPORT   **December 15, 2014**

School of Music –   Case # 15-005
College of Communication and Fine Arts

Date Reported: October 6, 2014

Reported by: UOM Hotline

Investigation conducted by: Internal Audit & Human Resources & Legal Counsel

Description of Incident:
Reported that employees were out of the office on vacation and did not record annual leave in accordance with leave policy.

Total amount of loss: None

Was employee dishonesty discovered?   Yes

Action taken: Internal Audit conducted interviews and reviewed documentation.

Internal control weaknesses found: No

Results and Actions taken by Management:
The investigation indicated that employees were out of the office and did not record leave in accordance with leave policy. The School of Music was operating an unauthorized comp time system and allowing employees to take time off for vacation leave and sick leave which was not in accordance with TBR and UOM personnel and leave policies. School of Music Management was instructed by Legal Counsel and HR to discontinue the practice immediately. Legal Counsel and HR took steps to ensure compensation and leave policies are followed by the School of Music. In addition, both offices are in process evaluating the situation within the School of Music regarding the pursuit of potential disciplinary action.

Byron Morgan

Byron Morgan
Chief Audit Executive

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	11/24/14	**Office of Intercollegiate Athletics Timekeeping Investigation** **1 of 1:** Controls and practices over timekeeping functions need improvement. Multiple issues were discovered during the audit.	Athletic Director	4/30/15		In Progress
ETSU	11/5/14	**Bluegrass, Old Time, and Country Music Investigation** **1 of 1:** Policies and procedures over performances involving outside and student bands (including off campus travel) need to be developed.	Chair of Appalachian Studies	2/1/15		In Progress
ETSU	10/15/14	**Natural History Museum** **1 of 1:** Procedures for obtaining Statements of Understanding/Agreement from volunteers need improvement.	Director of Natural History Museum	12/31/14		In Progress
ETSU	6/26/14	**Banner Security Audit** **1 of 1:** Data Owners and supervisors should audit and recertify Banner access annually.	OIT Associate Vice President/CIO and Director of Information Systems	3/31/15		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	12/23/14	Action Completed
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	12/23/14	Action Completed
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 significance of the risk of inaccurate progression outcomes resulting from certain timing differences and whether the risk warrant mitigating actions.	Registrar	Ongoing	1/20/15	Action 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)				
ETSU	8/12/13	**Buccaneer Athletic Scholarship Association Gift-In-Kind** **1 of 3:** Policies and procedures over BASA's Gift-In-Kind process need improvement.	Associate Athletic Director for Development/ Executive Director of BASA	4/30/14	1/20/15	Action Completed
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	1/20/15	Action Completed
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	1/20/15	Action Completed
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	1/20/15	Action Completed
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		
TTU	8/6/14	**Student Assistance Fund:** **Pell Grant Reporting.** One of the student-athletes reported as receiving Pell Grant funds did not actually receive any Pell Grant Funds	Assistant Athletic Director for Business and Personnel	8/28/14	9/2/14	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)				
TTU	6/26/14	**Laboratory Safety:** **Lab Training and Inspections.** Lab inspections, the only way to verify training and the safety of labs, are not done on a routine basis. They are only done upon request or when a problem is identified	Environmental Health and Safety Coordinator	6/30/15		
TTU	6/26/14	**Laboratory Safety:** **Fire Drills.** TTU is not in compliance with the International Fire Code concerning fire drills for residential areas, academic building, or adminstative buildings.	Director of Safety & Environmental Services Director of Residential Life Director of Child Development Lab	8/31/14		
TTU	6/26/14	**Laboratory Safety:** **Safety Concerns.** Reported safety concerns and their resolutions have not been documented.	Environmental Health and Safety Coordinator	6/30/15		
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 1/31/15 7/31/15	7/23/2014 1/12/15	In Progress
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	7/31/14	7/23/14	Actions Completed
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	7/31/14	7/23/14	Actions Completed
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 1/31/15 7/31/15	7/23/2014 1/12/15	In Progress
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	7/31/14	7/23/14	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
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	7/31/14	7/23/14	Actions Completed
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	7/31/14	7/23/14	Actions Completed
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	7/31/14	7/23/14	Actions Completed
TTU	9/23/13	**Technology Access Fee:** **Spending Limits.** More than 12% of the Part 2 current year revenue was reported for student staffing	Director of Academic and Client Technologies	8/28/14	9/8/14	Actions Completed
TTU	9/23/14	**Technology Access Fee:** **Staff Salaries.** Two administrative salaries whose current job descriptions did not support the premise that they were for direct student benefit were paid from TAF funds.	Director of Academic and Client Technologies	8/28/14	9/8/14	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 III. 12/1/14	I. 5/28/2013 II. 5/12/14 III. 12/17/14	In Progress In Progress Actions Completed

TBR SWIA -- Status Report on Internal Audit Recommendations -- Universities
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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
UOM	6/18/14	**Banner Security IT Audit:** Conditions noted to improve controls in specific areas. Details provided to Management in a "Limited Use" report due to confidential and sensitive nature of various IT issues. (To comply with Section 10-7 -504(i), Tennessee Code Annotated.)	Chief Information Officer & Chief Information Security Officer (newly appointed 1/23/15)	on or before 5/31/2015. Some have already been implemented. Will be intregrated with state IT audit followup for FY14 state audit report.		In Progress
UOM	7/23/14	**Athletics Ticket Office Audit:** Recommendations made to improve internal control weaknesses in the following areas: - Organizational structure and policies and procedures - Background checks - Physical security controls and cash handling controls - Control over sensitive data - Reconciliation and process controls over financial transactions	Senior Associate Athletic Director-Finance	on or before 7/31/2015. Recent Reorganization and New Hire of a Assistant Athletic Director of Ticket Operations and Sales. Implementation in-Process by Management. Most have already been implemented by the newly hired Director.		In Progress
UOM	9/4/14	**Athletics Travel Expenses:** Recommendations made to improve internal processes for documentation and communication.	Senior Associate Athletic Director-Finance	on or before 7/31/2015. Some have already been implemented.		In Progress

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

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** **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	1/21/15	In Progress
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	1/27/15	Actions Completed (Alt. Recon process adopted by Mgt. eliminating use of program script)
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	1/27/15	In Progress
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	1/23/15	Actions Completed
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	1/27/15	No Progress
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	1/27/15	No Progress
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	1/22/15	In Progress

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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	1/22/15	In Progress
ChSCC	7/31/14	**DRP** **1 of 7:** All non-Banner applications, including applications and servers housed in various ChSCC Departments, should be reviewed to determine if any are "mission critical" and should be include in the DRP.	Assistant Vice President - ITS	9/30/14	1/22/15	In Progress
ChSCC	7/31/14	**DRP** **2 of 7:** As a departmental joint project, evaluate the effect of a disaster on departmental servers and complete departmental DRP's.	Assistant Vice President - ITS	3/31/15	1/22/15	In Progress
ChSCC	7/31/14	**DRP** **3 of 7:** Complete the service level agreements with ChSCC departments for each application and/or the department as a whole.	Assistant Vice President - ITS	3/31/15	1/22/15	In Progress
ChSCC	7/31/14	**DRP** **4 of 7:** An equipment inventory should be included in each Department's DRP.	Assistant Vice President - ITS	9/30/14	1/22/15	In Progress
ChSCC	7/31/14	**DRP** **5 of 7:** Information Technology Services should complete the DRP test scheduled for 2014.	Assistant Vice President - ITS	8/31/14	1/22/15	In Progress
ChSCC	7/31/14	**DRP** **6 of 7:** The shared facilities agreement with Cleveland State Community College should be updated.	Assistant Vice President - ITS	8/31/14	1/22/15	Actions Completed
ChSCC	7/31/14	**DRP** **7 of 7:** Provide additional training to ITS staff and Department coordinators on DRP recovery procedures.	Assistant Vice President - ITS	9/30/14	1/22/15	In Progress

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ChSCC	10/28/14	**Mail Services** **1 of 3:** Mail personnel should be aware of the potential for confidential information within inter-office mail. Push carts should not be left out of the carrier's view at any time during the mail route.	Assistant Vice President - Plant Operations and Facility Planning	3/31/15		
ChSCC	10/28/14	**Mail Services** **3 of 3:** The Print Shop should continue to educate campus departments about the capabilities of the Satori equipment including the estimated postage savings. Departmental education should increase the potential for usage of the most advantageous postage rates especially in instances where the Print Shop produces the mail item.	Assistant Vice President - Plant Operations and Facility Planning	12/31/14	1/15/15	Actions Completed
ChSCC	12/9/14	**Shipping and Receiving** **1 of 3:** The Shipping and Receiving department should work with Management to extend the evaluation of fabrication or purchase of items to permanently secure the mail golf cart to the shipping and receiving delivery cart.	Assistant Vice President - Plant Operations and Facility Planning	3/31/15		
ChSCC	12/9/14	**Shipping and Receiving** **2 of 3:** The Shipping and Receiving department should develop written departmental procedures.	Assistant Vice President - Plant Operations and Facility Planning	3/31/15		
ChSCC	12/9/14	**Shipping and Receiving** **3 of 3:** The Delivery Ticket form should be eliminated and replaced by a delivery log. These logs should be retained in the accordance with retention policies.	Assistant Vice President - Plant Operations and Facility Planning	3/31/15		
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	9/5/14	In Progress

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JSCC	4/2/13	**Data Security:** **Observation 1 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	9/5/14	In Progress
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	8/30/14		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	8/30/14		In Progress
NeSCC	7/25/14	**Complete College of Tennessee Act: Completion Outcomes** **2 of 2:** Management to research documentation deficiencies identified during the review and identify/correct the deficiencies and their causes so that Banner Document Management System (BDMS) can be better relied upon to house complete graduation source documentation	Registrar	5/1/15		In Progress

| | | TBR SWIA -- Status Report on Internal Audit Recommendations -- Community Colleges | | | | |
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NeSCC	8/28/14	**Theatre Services** 1 of 1: Procedures in place to handle and enforce facility usage applications for evens scheduled through the Theatre Department need to be improved.	Theatre Manager	6/1/15		In Progress
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	2/13/15	In Progress
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		

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		TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems (Reports sorted by Institution, Date of Report)				
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 1 of 11:** In coordination with an information security program being developed by the TBR System Office, enhance the JSCC Information Security Program Policy, being developed, with its associated procedures, to include: a) disclosure that the JSCC Information Security Committee is responsible for maintenance of this Policy; b) designation of an Information Security Officer and development of a security awareness and training program; and c) identification of JSCC's existing Information Classification Policy, Acceptable Use Policy, Mobile Device Policy and OIT Security Procedures in the OIT General Standards as supporting policies and procedures.	CIO - Dana Nails	3/31/15		
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 2 of 11:** Ensure all employees and others with computer access privileges sign a statement affirming agreement with the acceptable usage of computing assets and the new information security program policies, when these policies are updated or completed.	CIO - Dana Nails	3/31/15		
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 3 of 11:** Evaluate the existing governance structure for IT to ensure the management and activity of the Banner Oversight and IT Security Committees meet the full requirements for the college, its management and business users.	CIO - Dana Nails	3/31/15		
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 4 of 11:** Develop a comprehensive IT procedure for logging and monitoring computer activity that defines the criteria for activity to be logged, the timing and responsibility for monitoring the logs and the processes for handling identified exceptions.	CIO - Dana Nails	3/31/15		

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		TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems (Reports sorted by Institution, Date of Report)				
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 5 of 11:** Implement an Incident Response Procedure, so that unauthorized access attempts or information breaches are documented and handled according to notification and documentation requirements of regulations, such as FERPA.	CIO - Dana Nails	3/31/15		
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 6 of 11:** Remove administrative privileges of users on their assigned workstations to reduce the risks of unauthorized changes to established system configurations and the uploading of unauthorized software.	CIO - Dana Nails	3/31/15		
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 7 of 11:** Develop tracking processes to alert OIT personnel when attempts to alter anti-virus program functionality or to implement unauthorized software occur.	CIO - Dana Nails	3/31/15		
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 8 of 11:** Document the business-side of the Business Continuity Plan (BCP) to ensure business recovery requirements and objectives are established and planned; assign the role and responsibilities of BCP Coordinator to the person who will maintain the plan and will prepare personnel in advance of an event requiring use of the plan.	CIO - Dana Nails	3/31/15		
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 9 of 11:** Develop a process to test parts of the BCP periodically to ensure the plan's effectiveness for recovery.	CIO - Dana Nails	3/31/15		
JSCC	9/8/14	**IT General Controls Review:** **Recommendation 10 of 11:** Document, in the network topology diagram, the location of network access points and the layers of security in place at each point, which may also be used in the disaster recovery processes.	CIO - Dana Nails	3/31/15		

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JSCC	9/8/14	**IT General Controls Review:** **Recommendation 11 of 11:** Develop information security processes to: a) distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users; b) review and delete active access privileges of terminated employees and suspend the Banner access privileges of users who have not logged in within the last 120 days; and c) complete the process of periodically reviewing each user's computer access privileges to re-justify the assigned access privileges as appropriate.	CIO - Dana Nails	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 1 of 20:** Develop an Information Security Program Policy with associated procedures for PSCC, in coordination with a comprehensive information security program being developed by the TBR System Office that defines both business and IT security processes, including the designation of an Information Security Officer and development of a security awareness and training program.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 2 of 20:** Develop comprehensive IT procedures for change management and network administration.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 3 of 20:** Ensure all employees and others with computer access privileges sign a statement affirming agreement with the acceptable usage of computing assets and the new information security program policies, when these policies are updated.	CIO - Jerry Bryan	3/31/15		

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PSCC	9/3/14	**IT General Controls Review:** **Recommendation 4 of 20:** Evaluate the existing governance structure for IT to ensure the management and activity of the Banner Oversight Committee meets the full requirements for the college, its management and business users.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 5 of 20:** Implement a process to manage the relationships of IT specific vendors and document the results of steps performed to manage these vendors; especially those with access to sensitive or confidential information.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 6 of 20:** Implement a PSCC Incident Response Procedure, so unauthorized access attempts or any information breaches are documented and handled according to requirements.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 7 of 20:** Develop inventory and tracking processes for all IT computing equipment and software to ensure proper management of computing assets, including hardware maintenance, software patching, anti-virus program updates and other aspects of hardware and software management.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 8 of 20:** Implement a process that alerts designated Information Services personnel when attempts occur to connect unauthorized equipment to the network or to copy or upload unauthorized software.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 9 of 20:** Establish a process where Help Desk tickets over 90 days old, or another established measure, are evaluated for their continuing need to remain open.	CIO - Jerry Bryan	3/31/15		

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		TBR SWIA -- Status Report on Internal Audit Recommendations -- TBR Information Systems (Reports sorted by Institution, Date of Report)				
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 10 of 20:** Document file restoration activities, so Information Services can demonstrate the ability for data recovery from backed up media.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 11 of 20:** Document the business-side of the Business Continuity Plan (BCP) to ensure business recovery requirements and objectives are established and planned; assign the role and responsibilities of BCP Coordinator to the person who will maintain the plan and will prepare personnel in advance of a disaster or other event requiring use of the plan; and develop a process to test parts of the BCP periodically to ensure the plan's effectiveness for recovery.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 12 of 20:** Document in the network topology diagram the layers of security in place, which may also be used in the disaster recovery processes.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 13 of 20:** Block access to selected websites that do not render themselves to educational purposes on computers linked to the college's network to reduce the risks of unauthorized use, as well as the risks of viruses and malicious programs.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 14 of 20:** Develop a process to periodically check the configuration of computer anti-virus software to ensure workstations are updated and functioning properly.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 15 of 20:** Distribute procedural instructions to college staff regarding establishing, modifying and deleting access privileges for users.	CIO - Jerry Bryan	3/31/15		

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

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PSCC	9/3/14	**IT General Controls Review:** **Recommendation 16 of 20:** Establish a process to periodically review each user's computer access privileges to re-justify assigned access privileges.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 17 of 20:** Update password requirements in the Default Domain Policy of Active Directory to ensure the use of stronger password controls as defined in TBR Guideline G-051 and industry best practices.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 18 of 20:** Evaluate the existing access privileges to the Oracle database, which allow modifications to the production environment. If this access level is required to meet the needs of the institution, establish a review process to ensure appropriate approval of changes performed.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 19 of 20:** Determine personnel with unrestricted access to the server room and take steps to limit access to only those with a business need.	CIO - Jerry Bryan	3/31/15		
PSCC	9/3/14	**IT General Controls Review:** **Recommendation 20 of 20:** Reassess and document the process for logging and monitoring system utilization data and alerts.	CIO - Jerry Bryan	3/31/15		

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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	11/30/2014 revised to 5/31/2015		**In Process** Existing IT Policies have been revised to fit in the new structure. The IT Security Committee and IT Sub-council will direct further activity for completion.
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	11/30/2014 revised to 5/31/2015		**In Process** On 9/16/14, IT implemented a WASP pgm. Part of this program will be configured to manage software architecture and changes.
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	11/30/2014 revised to 5/31/2015		**In Process** The IT Sub-council will review policies during its annual retreat. IA will review minutes and close.
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 ADD CFO Dale Sims	11/30/2014 revised to 5/31/2015		**In Process** The IT Sub-council meeting minutes are now delived to the President's Council.

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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	11/30/2014 revised to 5/31/2015		**In Process** Part A, on Process to be discussed on 11/17 at Sr. Staff. Part B on training is completed and verified.
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	11/30/2014 revised to 5/31/2015		**In Process** BitLocker product will be used. This is pending implementation.
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	11/30/2014 revised to 5/31/2015		Solution rolled into number 9.
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	11/30/2014 revised to 5/31/2015		**In Process** See number 2 on WASP. This product will also be configured to track software and licenses.

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 16 of 16:** Reassess and document the process for logging and monitoring system utilization data and alerts.	CIO - Tom Danford	11/30/2014 revised to 5/31/2015		**In Process** The first step was the purchase and implementation of hardware and related software that has preferred logging capability. These tools will now be evaluated to identify and implement the procedural process to use.

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.

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)				
Athens	8/8/14	**Focused Review** **Observation 1 of 2:** Management's review of the accounts receivable reconciliations is not documented by signing and dating the 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)		
Jacksboro	1/9/15	**Focused Review** **Finding 1 of 1:** Collection letters were sent 29 to 247 days late, after allowing 45 days for students to respond or make payment. The modified collection is not documented in the college's policy and procedure manual.	Director	(1)		
Jackson	9/5/14	**Focused Review** **Finding 1 of 1:** Second collection letters for 12 of15 receivable items tested were sent 1- 55 days late and third collection letters for 5 of 15 items tested were sent 2 days late.	Director	(1)		
Jackson	9/5/14	**Focused Review** **Observatin 1 of 1:** Collection procedures, modified from TBR Guideline B-010, requiring collection letters every 30 days, were not documented.	Director	(1)		
Knoxville	8/19/14	**Focused Review** **Finding 1 of 2:** Collection letters for 4 of 10 receivable items tested were sent 20-26 days late.	Director	(1)		

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)				
Knoxville	8/19/14	**Focused Review** **Finding 2 of 2:** Title IV refunds tested were not processed within the 45 day Federal requirement for 2 of 7 items.	Director	(1)		
Knoxville	8/19/14	**Focused Review** **Observatin 1 of 1:** Collection procedures, modified from TBR Guideline B-010, requiring collection letters every 30 days, were not documented.	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)		
McKenzie	11/11/14	**Focused Review** **Observation 1 of 3:** Title IV refunds were processed between 35 and 37 days late.	Director	(1)		
McKenzie	11/11/14	**Focused Review** **Observation 2 of 3:** Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Director	(1)		
McKenzie	11/11/14	**Focused Review** **Observation 3 of 3:** TBR Guideline allowing fexibility in collection procedures of sending letters at 45 day intervals is not documented in the college's internal procedures.	Director	(1)		
McMinnville	5/19/14	**Focused Review** **Observation 1 of 1:** The Director should document the review of the student accounts receivable reconciliation.	Director	(1)		
Memphis	1/9/15	**Focused Review** **Finding 1 of 1:** Letters of receivable balances were sent to students from 4 to 53 days late, after allowing 30 days for students to respond or make payment.	Director	(1)		

TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Colleges of Applied Technology (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
Memphis	1/9/15	**Focused Review** **Observation 1 of 2:** Management's review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	Director	(1)		
Memphis	1/9/15	**Focused Review** **Observation 2 of 2:** Financial Aid must receive notice or have access to the report system to ensure the return of Title IV funds are made within the required 45 days.	Director	(1)		
Paris	1/29/15	**Focused Review** **Finding 1 of 1:** The procedures used for collections by the school do not comply with the TBR Guideline.	Director	(1)		
Paris	1/29/15	**Focused Review** **Observation 1 of 1:** Management's monthly review of the accounts receivable reconciliation is not documented by signing and dating the reconciliation.	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	(1)	9/5/14	Repeat Finding -In Progress
Whiteville	4/21/14	**Focused Review** **Observation 1 of 1:** The Director should document the monthly review of the accounts receivable reconciliation.	Director	(1)		

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.

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.

TBR SWIA -- Status Report on Internal Audit Recommendations -- Tennessee Foreign Language Institute (TFLI) (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
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		

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 10 of 17:** Requests for leave should be documented consistently.	TFLI - Executive Director	5/8/14		
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		

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.

Tennessee Board of Regents
Committee on Audit

DATE: March 10, 2015

AGENDA ITEM: **Review of Revisions to Fiscal Year 2015 Audit Plans**

PRESENTER: Tammy Birchett

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. In addition, the plan for Dyersburg State Community College is included for approval since the audit position was vacant when the original plans were prepared.

Austin Peay State University
East Tennessee State University
Middle Tennessee State University
Tennessee State University
Tennessee Tech University
University of Memphis
Chattanooga State Community College
Cleveland State Community College
Columbia State Community College
Dyersburg State Community College
Jackson State Community College

Motlow State Community College
Nashville State Community College
Northeast State Community College
Pellissippi State Community College
Southwest Tennessee Community College
Volunteer State Community College
Walters State Community College
Tennessee Board of Regents --
    System-wide Internal Audit
    Information Systems
    TCATs
    Investigations

Tennessee Board of Regents

Summary of Significant Revisions to the Fiscal Year 2015 Audit Plans

Through January 31, 2015

Institution	Significant Revisions to Plan
East Tennessee State University	• Four risk-based audits were removed from the plan because of the addition of special requests from management, new investigations, and the vacancy of an audit position. The special requests include University Advancement, PCI Compliance Readiness and Third Party Servers. The removed audits include Backup and Recovery of OIT Processes and Data, Professional Development, Physical Plant and Cash Receipts.
Middle Tennessee State University	• Four risk-based audits were removed to reallocate audit hours to two follow-up audits, a consulting project request, a special request from management and a third-party fund organization and for implementation of electronic working papers. The consulting project was for a new cash receipting system for the Tucker Theatre and the special request was an audit of Confucius Institute funds. Another risk-based audit, Blue Print Solutions, was revised to a consulting project.
Tennessee Tech University	• A risk-based audit, Cash Receipts, was removed from the plan to reallocate audit hours to Minors on Campus, a special request of the President and because of higher risk based on an updated audit analysis. Overall audit hours were increased by 400 for the Administrative Associate who performs both administrative and audit duties; the hours were allocated to increase audit effort for ProCard Reviews and Sponsored Programs (grants compliance). The risk-based ProCard audit was removed because of the increase in the reviews of this area and the hours were reallocated to implementation of electronic working papers.
University of Memphis	• To avoid the duplication of effort, several IT audits were removed because of the extensive IT audit performed by State Audit. The hours were reallocated to two special requests from management (Confucius Institute and Government Relations), Cash Counts for State Audit, a follow-up of the State Audit IT matters and to increase consultation hours.
Chattanooga State Community College	• The campus hired a part-time campus internal auditor in January 2015, which resulted in an increase of available audit hours for the fiscal year. These additional hours were allocated to a special request audit of the Volkswagen Academy, as well to allow time for implementation of electronic working papers.
Cleveland State Community College	• Two risk-based audits were removed from the plan due to time spent on relocating the internal audit office and the addition of a special request review by the President, OneSource (Workforce Development).

Nashville State Community College	• A risk based audit was removed from the plan and replaced with two other, higher priority risk-based audits. The audits added were Cash Receipts and Cash Collections Reconciliation. The audit removed was Disbursements.
Northeast State Community College	• The internal audit position was filled in February 2015, but was vacant for 5 months, resulting in fewer audit hours available during the year. Two risk-based audits were removed from the plan, Human Resources and Foundation/Advancement.
Pellissippi State Community College	• A risk-based audit of Financial Aid was removed from the plan because of its scheduled date in the summer months, the busiest time of year for the office. The hours were reallocated to Accounts Payable and a special request of management, Review of Security Administration reported in the TBR IT audit.
Southwest Tennessee Community College	• A previous special request, Athletics, was removed from the plan and the hours reallocated to other areas requested by management, including Motor Pool and the Federal Perkins Loan Program. Another request from management, review of grants administered by a retiring Vice President, was also added to the plan.
TBR System-wide Internal Audit	• Hours were reallocated from audits completed in less time than budgeted to a campus president's expense audit reassigned because of a campus auditor vacancy and to the audit software implementation project.

Institutions with No Significant Revisions to the Audit Plan

Austin Peay State University
Tennessee State University
Columbia State Community College
Dyersburg State Community College
Jackson State Community College
Volunteer State Community College
Walters State Community College
TBR System-wide Information Technology Audit
TBR System-wide Investigations
TBR System-wide Tennessee Colleges of Applied Technology

Austin Peay State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required by Athletic Affiliate	R	AT	OVC Spec Asst/Stud Ath Opp Fund	125	125	0	0%	120	5	4%	August 2014	*Completed*
Required by State Audit	F	FM	State Audit Follow-Up	100	100	0	0%		100	100%	March 2015	*Scheduled*
Required by TBR	M	SS	Risk Assessment-Institutional Support	75	75	0	0%	20	55	73%	May 2015	*Scheduled*
Required by TBR	M	FM	Risk Assessment-Ancillary and Auxilliary	75	75	0	0%	20	55	73%	May 2015	*Scheduled*
Required by TBR	M	IA	Risk Assessment-Instr & Acad Support	75	75	0	0%	20	55	73%	May 2015	*Scheduled*
Required by IIA	R	IS	Quality Assessment Review	25	25	0	0%		25	100%	March 2015	*Scheduled*
Required by TBR	R	SS	CCTA Funding Formula-Completion [1]	250	75	(175)	-70%	60	15	20%	July 2014	*Completed*
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	150	0	0%		150	100%	May 2015	*Scheduled*
Brought forward	S	SS	Higher Education Act Compliance	250	200	(50)	-20%	185	15	8%	February 2015	*In Progress*
Special Request	S	IA	Study Abroad Programs	250	250	0	0%		250	100%	June 2015	*Scheduled*
Investigation	I	IS	Unscheduled Investigations	150	150	0	0%		150	100%	TBD	*Scheduled*
Consulting	C	FM	UBIT and Sales Tax reporting	200	200	0	0%	25	175	88%	May 2015	*In Progress*
Consulting	C	IS	General Consultation	200	200	0	0%	150	50	25%	June 2015	*In Progress*
Ongoing	P	FM	Procurement Card-Review	150	150	0	0%	125	25	17%	Ongoing	*In Progress*
Ongoing	P	FM	Travel Claim Review-Ongoing	300	300	0	0%	275	25	8%	Ongoing	*In Progress*
1	A	PP	Emergency Preparedness	150	150	0	0%		150	100%	June 2015	*Scheduled*
			Totals	2525	2300			1000				

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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
[1] Original budget hours included previous year hours

East Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required by TBR	R	SS	CCTA Funding Formula-Completion (2013 Data)	100	100	0	0%	35	65	65%	July 2014	*Completed*
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	200	0	0%		200	100%	March 2015	*Scheduled*
Required by State Audit	R	FM	Cash Counts/Inventories	40	40	0	0%		40	100%	June 2015	*Scheduled*
Required by CPB	R	FM	WETS-FM	250	250	0	0%	158	92	37%	December 2014	*Completed*
Required by Bank	R	IT	NACHA Web Transactions Data Security	125	125	0	0%		125	100%	May 2015	*Scheduled*
	F	FM	State Audit Follow-Up (FN 8)	20	0	(20)	-100%		0	100%	-	*Removed*
	F	IS	Internal Audit Follow-Ups	425	425	0	0%	374	51	12%	Various	*In Progress*
	M	FM	Risk Assessments	40	40	0	0%		40	100%	May 2015	*Scheduled*
Brought forward	I	IA	Investigation 14-02 (FN 3)	50	100	50	100%	122	(22)	-22%	November 2014	*Completed*
Brought forward	I	IA	Investigation 14-04	50	50	0	0%	3	47	94%	July 2014	*Completed*
Brought forward	I	AT	Investigation 14-05 (FN 10)	150	250	100	67%	223.5	27	11%	November 2014	*Completed*
	I	IA	Investigation 15-01		15	15	100%	20.5	(6)	-37%	January 2015	*Completed*
	I	SS	Investigation 15-02		20	20	100%	14.5	6	28%	October 2014	*Completed*
	I	IS	Investigation 15-03 (FN 6)		35	35	100%	27.5	8	21%	March 2015	*In Progress*
	I	PP	Investigation 15-04 (FN 6)		40	40	100%	14	26	65%	March 2015	*In Progress*
	I	IS	Unscheduled Investigations (FN 11)	100	0	(100)	-100%		0	100%	-	*Removed*
	C	IS	General Consultation	75	75	0	0%	10.5	65	86%	Ongoing	*In Progress*
	C	IT	IT Consulting	75	75	0	0%	136.5	(62)	-82%	Ongoing	*In Progress*
	P	IT	PCI Compliance Scans	250	250	0	0%		250	100%	Ongoing	*Scheduled*
	P	IS	Automated Workpapers Project		75	75	100%		75	100%	Ongoing	*Scheduled*
Special request	S	SS	Student/University Health Billing Practices	250	250	0	0%	152.5	98	39%	April 2015	*In Progress*
Special request	S	FM	University Advancement (FN 2)		200	200	100%	71	129	65%	May 2015	*In Progress*
Special request	S	IT	PCI Compliance Readiness Audit (FN 4)		200	200	100%	206.5	(7)	-3%	March 2015	*In Progress*
Special request	S	IT	Third Party Server Audit (FN 5)		150	150	100%	53	97	65%	May 2015	*In Progress*
Brought forward	A	FM	Travel (FN 7)	250	400	150	60%	323	77	19%	April 2015	*In Progress*
Brought forward	A	IS	Natural History Museum (FN 1)		25	25	100%	14	11	44%	October 2014	*Completed*
1T	A	AD	Professional Development (FN 6)	200	0	(200)	-100%		0	100%	-	*Removed*
1T	A	FM	Technology Access Fee	200	200	0	0%	134.5	66	33%	March 2015	*In Progress*
1T (IT)	A	IT	Backup & Recovery of OIT Processes & Data (FN	200	0	(200)	-100%		0	100%	-	*Removed*
1T (IT)	A	IT	Incident Readiness & Response	200	200	0	0%	181	19	10%	September 2014	*Completed*
2	A	AT	NCAA Compliance	300	300	0	0%	95.5	205	68%	June 2015	*In Progress*
2 (IT)	A	IT	Web Application Security	150	150	0	0%		150	100%	June 2015	*Scheduled*
3	A	FM	Contracts & Agreements	250	250	0	0%		250	100%	June 2015	*Scheduled*
3 (IT)	A	IT	OIT Policies & Procedures Review	175	175	0	0%		175	100%	April 2015	*Scheduled*
4T	A	SS	Financial Aid Administration	300	300	0	0%	55	245	82%	May 2015	*In Progress*
4T	A	PP	Physical Plant (FN 9)	300	0	(300)	-100%		0	100%	-	*Removed*
4T	A	FM	Cash Receipts/Bursar (FN 2)	250	0	(250)	-100%		0	100%	-	*Removed*
			Totals	4975	4965			2425				

Estimate-Hours Available For Audits = 4385 (2 staff auditors and 1 IT auditor for 12 months plus one staff auditor for 9 months)
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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
FN 1 - Audit plan due prior to end of fiscal year. Audit not completed by 6/30/14 as anticipated.
FN 2 - Cash Receipts Audit was removed from the plan due to a University Advancement special request.
FN 3 - Budget hours were exceeded due to concerns from management that arose during the audit report process resulting in numerous revisions.
FN 4 - Previous audit, named Network Security, was changed to PCI Compliance Readiness Audit to properly clarify the scope of the audit. This PCI audit was requested by IT management because of the new PCI requirements effective
FN 5 - Backup & Recovery of OIT Processes removed due to a Third Party Server audit special request. The third party server audit was requested by the ITGC committee due to previous concerns that arose in the past and the high risk associated with outside vendors.
FN 6 - Professional Development audit removed due to two investigations.
FN 7 - Increased travel audit hours due to a change in audit personnel
FN 8 - Removed since there were no State Audit findings.
FN 9 - Physical Plant audit was removed due to vacant staff position for approximately 3 months
FN 10 - Original budget hours were exceeded because of multiple issues that arose during the course of the review.
FN 11 - Hours budgeted for unscheduled investigations were reallocated to the four new investigations opened in FY 2015.

Middle Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
Requested by Management	R	FM	Cash Counts	50	225	175	350%	(5)(6)	216	9	4%	June 2015	In Progress
Requested by Management	R	FM	Year-End Inventory Observations	200	190	(10)	-5%		190	0	0%	August 20, 2014	Completed
Brought Forward, Required by TBR	R	SS	Funding Formula-Completion 2013 Data	0	13	13	100%	(1)	13	0	0%	July 24, 2014	Completed
Brought Forward, Required by TBR	R	SS	Funding Formula-Transfers & Others	200	200	0	0%		0	200	100%	April 2015	Scheduled
Required by TBR	M	IS	Risk Assessment	50	50	0	0%		2	48	96%	May 2015	In Progress
	F	FM	State Audit Follow-Up or Assistance	50	50	0	0%		7	43	86%	June 2015	In Progress
Project Added	P	IS	Project Electronic Work Papers	0	250	250	100%	(5)	36	214	86%	June 2015	In Progress
Required by NCAA	R	AT	Football Attendance Fall 2014	250	250	0	0%		216	34	14%	February 2015	In Progress
Management Request	P	FM	Special Reviews (Cash Shortage Reviews)	50	50	0	0%		0	50	100%	June 2015	Scheduled
Consulting	C	FM	Assisting with President's Expense Audit	50	50	0	0%		13	37	74%	June 2015	In Progress
Consulting	C	IS	General Consultation	150	150	0	0%		51	99	66%	June 2015	In Progress
Consulting	C	IS	Consulting: Blue Print Solutions	0	200	200	100%	(2)	186	14	7%	June 2015	In Progress
Consulting	C	IA	Consulting: Tucker Theatre	0	220	220	100%	(5)(7)	190	30	14%	June 2015	In Progress
Follow-up	F	IS	Follow-up of Prior Recommendations	100	45	(55)	-55%		0	45	100%	June 2015	In Progress
Brought Forward, Follow-up	F	IT	Follow-up: Classroom Technology	0	7	7	100%		7	0	0%	August 6, 2014	Completed
Follow-up	F	IA	Follow-up: Dance Program	0	300	300	100%	(5)	260	40	13%	March 2015	In Progress
Brought forward	I	SS	Investigation 14-02	150	150	0	0%		76	74	49%	March 2015	In Progress
Brought forward	I	SS	Investigation 12-04	0	50	50	100%	(1)	9	41	82%	March 2015	In Progress
Brought forward	I	IA	Investigation 13-01	0	50	50	100%	(1)	5	45	90%	March 2015	In Progress
Brought forward	I	IS	Investigation 13-03	0	50	50	100%	(1)	43	7	14%	March 2015	In Progress
Brought forward	I	PP	Investigation 13-04	0	50	50	100%	(1)	6	44	88%	March 2015	In Progress
Special Request	I	IS	Unscheduled Investigations	500	0	(500)	-100%	(1)	0	0		TBD	Scheduled
Investigation	I	IS	Investigation 15-01	0	100	100	100%	(1)	77	23	23%	April 2015	In Progress
Investigation	I	IS	Investigation 15-02	0	100	100	100%	(1)	85	15	15%	April 2015	In Progress
Brought forward, Special Request	S	IA	Pcard Departmental Review	0	30	30	100%	(3)	3	27	90%	April 2015	In Progress
Special Request	S	IS	Assisting a Dept. with Caller Complaint	0	40	40	100%	(4)	40	0	0%	October 31, 2014	Completed
Special Request	S	RS	Confucius Institute	0	100	100	100%	(8)	5	95	95%	June 2015	In Progress
1	A	FM	Rental Property Management	250	250	0	0%		225	25	10%	March 2015	In Progress
2	A	FM	Food Service Commissions	250	250	0	0%		0	250	100%	May 2015	Scheduled
3T	A	AT	Athletic Concessions Revenue	250	250	0	0%		0	250	100%	May 2015	Scheduled
3T	A	FM	Blue Print Solutions	200	0	(200)	-100%	(2)	0	0		n/a	Removed (2)
4T	A	RS	Research Sponsored Programs	250	250	0	0%		0	250	100%	June 2015	Scheduled
4T	A	AT	Athletic Camps and Clinics	250	0	(250)	-100%	(5)	0	0		n/a	Removed (5)
5T	A	AD	Foundation	250	0	(250)	-100%	(5)	0	0		n/a	Removed (5)
5T	A	AD	Development	250	0	(250)	-100%	(5)	0	0		n/a	Removed (5)
6T	A	AT	Athletics (Eligibility)	220	0	(220)	-100%	(5)	0	0		n/a	Removed (5)
			Totals	3970	3970				1961				

Estimated Hours Available For Audits = 3,860 which excludes 1,200 contract audit hours. (4 audit staff) Don't expect to use all the 1,200 contract audit hours.
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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
(1) Audit hours were reallocated from unscheduled investigations to the 5 audit projects that were brought forward from FY2014 and for new investigations started in FY2015.
(2) Audit project canceled since providing consulting for new cash receipting system the department is implementing. Project brought forward from FY 2014.
(3) Special request from management to assist with Pcard Departmental Review that was brought forward from FY 2014.
(4) Assisted another department with complaints received from phone call. The caller kept contacting the audit department.
(5) Planned project canceled to allocate the audit hours to another project that was requested by management or taking additional audit hours.
(6) There were not enough hours included in the original budget to perform surprise counts at each location.
(7) Assisted department with procedures for cash receipting and recording of expenses for a new computerized ticketing system.
(8) Requested by management and the funding agency.

Tennessee State University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required by Athletic Affiliate	R	AT	NCAA Student Assistance Fund	125	125	0	0%	125	0	0%	September 2014	*Completed*
Required by State Audit	F	IT	State Audit Follow-Up 2014	175	175	0	0%	30	145	83%	July 2015	
	M	SS	Risk Assessment-Student Services	50	50	0	0%	8	42	84%	May 2015	*In Progress*
	M	PP	Risk Assessment-Physical Plant	50	50	0	0%	8	42	84%	May 2015	*In Progress*
	M	RS	Risk Assessment-Research	50	50	0	0%	15	35	70%	May 2015	*In Progress*
	P	IS	Quality Assessment Review	25	25	0	0%	15	10	40%	January 2015	
Brought forward	I	IS	Investigation 14-02	100	100	0	0%	15	85	85%	March 2015	*In Progress*
	I	IS	Investigation 15-01	100	100	0	0%	75	25	25%	November 2014	*Completed*
	I	SS	Investigation 15-02	100	100	0	0%	90	10	10%	November 2014	*Completed*
	I	IA	Investigation 15-03	220	220	0	0%	190	30	14%	March 2015	*In Progress*
	I	IS	Investigation 15-04	20	20	0	0%	20	0	0%	January 2015	*Completed*
	I	SS	Investigation 15-05									
	P	FM	Cash Counts	10	10	0	0%	10	0	0%	June 2015	*Completed*
	I	FM	Unscheduled Investigations	50	50	0	0%	25	25	50%	TBD	
	C	FM	Consultation-Conflict of Interest	100	100	0	0%	75	25	25%	June 2015	*In Progress*
	C	IA	General Consultation	300	300	0	0%	200	100	33%	June 2015	
Required by TBR	R	SS	CCTA Funding Formula-Completion	225	225	0	0%	165	60	27%	July 2014	*Completed*
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	250	250	0	0%	125	125	50%	April 2015	*In Progress*
1	A	IS	Evidence Room	200	200	0	0%	25	175	88%	November 2014	
2	A	IT	Disaster Recovery	225	225	0	0%		225	100%	June 2015	
3	A	FM	Payroll	200	100	(100)	-50%		100	100%	May 2015	
4	A	SS	Financial Aid (1)	0	100	100	N/A	25	75	75%	April 2015	
Brought forward	R	IS	Human Resources	75	75	0	0%	25	50	67%	March 2015	*In Progress*
Brought forward	F	IT	State Audit Follow-Up FY 2013	25	25	0	0%	17	8	32%	July 2014	*Completed*
	C	RS	Consultation - Research	0	50	50	N/A	20	30	60%	June 2015	*In Progress*
			Totals	2675	2725			1303				

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

Audit Types:	Functional Areas:	Status:
R - Required	AD - Advancement	Scheduled
A - Risk-Based (Assessed)	AT - Athletics	In Progress
S - Special Request	AX - Auxiliary	Completed
I - Investigation	FM - Financial Management	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) Based upon two most recent State Audits, and other assessed risks, certain aspects of Financial Aid (Return to Title IV, Work-Study, and others) were increased in our risk assessment. We plan to reduce the planned scope of our Payroll procedures, if necessary.

Tennessee Tech University
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required	R	FM	President's Expenses	200	200	0	0%	243.5	(44)	-22%	October 2014	*Completed*
Required	R	SS	CCTA Funding Formula-Completion (2013 Data)	120	120	0	0%	102.5	18	15%	July 2014	*Completed*
Required	R	SS	CCTA Funding Formula-Transfers & Other [4]	120	120	0	0%	7.5	113	94%	March 2015	*Scheduled*
Required	F	FM	State Audit Follow-Up [4]	60	60	0	0%	67.3	(7)	-12%	December 2014	*Completed*
Required	M	RS	Risk Assessment-Research	25	25	0	0%	2.5	23	90%	May 2015	*In Progress*
Required	M	SS	Risk Assessment-Student Services	25	25	0	0%	7	18	72%	May 2015	*In Progress*
Required	M	IS	Risk Assessment-Institutional Support	35	35	0	0%	5.5	30	84%	May 2015	*In Progress*
Required	M	IS	Risk Assessment-Enterprise-wide	35	35	0	0%	1.5	34	96%	May 2015	*In Progress*
Required	R	IS	Follow-Up to Internal Audits	50	50	0	0%	40	10	20%	TBD	*In Progress*
Required	I	IS	Unscheduled Investigations [5]	200	155	(45)	-23%	0	155	100%	TBD	*Scheduled*
Required	I	IS	Investigation 15-01 [5]	0	5	5	100%	5	0	0%	October 2014	*Completed*
Required	I	IS	Investigation 15-02 [5]	0	8.5	9	100%	8.5	0	0%	November 2014	*Completed*
Required	I	IS	Investigation 15-03 [5]	0	1.5	2	100%	1.5	0	0%	December 2014	*Completed*
Required	I	IA	Investigation 15-04 [5]	0	30	30	100%	14.5	16	52%	March 2015	*In Progress*
Required	C	IS	General Consultation	50	50	0	0%	7.7	42	85%	TBD	*In Progress*
Brought Forward	A	FM	Equipment [2,]	150	400	250	167%	346.4	54	13%	April 2015	*In Progress*
Brought Forward	A	IT	Payment Card Industry [4]	100	100	0	0%	28.3	72	72%	April 2015	*In Progress*
Required	R	FM	Inventory Observations [3]	75	75	0	0%	39	36	48%	August 2014	*Completed*
Required	R	AT	Student Assistance Funds	75	75	0	0%	72	3	4%	August 2014	*Completed*
Mgmt Req	P	FM	Procard Reviews [8]	350	550	200	57%	448	102	19%	June 2015	*In Progress*
Mgmt Req	P	RS	Sponsored Program Review [8]	180	380	200	111%	16.5	364	96%	June 2015	*Scheduled*
	P	IS	Electronic Work Papers [6]	0	150	150	100%	36.5	114	76%	2015	*In Progress*
1	A	IS	Minors on Campus [1, 4]	0	250	250	100%	0	250	100%	May 2015	*Scheduled*
2	A	FM	Accounts Receivable [4]	250	250	0	0%	160.5	90	36%	March 2015	*In Progress*
3	A	FM	Receipts [4,1]	250	0	(250)	-100%	0	0		No longer scheduled	*Removed*
3T, 10	A	FM	Procard [7]	150	0	(150)	-100%	0	0		No longer scheduled	*Removed*
Required	M	AD	Risk Assessment-Advancement [9]	25	0	(25)	-100%	0	0		No longer scheduled	*Removed*
								0				
								0				
								0				
								0				
								0				
								0				
								0				
			Totals	2525	3150			1661.7				

Estimate-Hours Available For Audits = 2890 (2 audit staff and part of Administrative Associate's time) - see note 8
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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
1 Minors on Campus audit was added to the universe at the President's request and ranked #1 after the risk analysis revision.
2 The equipment audit has required significantly more time. It is more complicated than in years past, now includes sensitive minor equipment, and has required much more testwork.
3 Many of the Inventory Observation hours will be spent in June 2015 working toward the Inventory Observations audit that will be published in August 2016.
4 The anticipated completion date has changed.
5 As investigations surface, the hours spent on specific investigations reduce the unscheduled investigations budgeted hours and are added to the specific investigation.
6 Served on team to evaluate automated work papers for TBR auditors group. Budget includes estimated training hours.
7 Risk analysis revision (due to marked increase in number and depth of reviews) moved Procard Audit from #3T to #10.
8 Adm Asst has been able to spend less time on administrative duties than anticipated, allowing more time for Procard and other needed reviews and adding to our available audit hours-up to 2890 from 2490.
9 This area's ERM was rescheduled to 2015-16 because of actual and anticipated key personnel changes.
10 This area was removed because increases in equipment and other audits' hours left us without sufficient time to complete the audit in 2014-15.

University of Memphis
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of 01/31/2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
1T	A	AD	Risk Assessment-Review of Internal Controls-Risk Footprints-Advancement[4]	350	125	(225)	-64%	124	1	1%	October 2014	Completed
1T	A	IT	Risk Assessment-Review of Internal Controls-Risk Footprints-Information Technology[10]	350	0	(350)	-100%		0		May 2015	Canceled
1T	A	RS	Risk Assessment-Review of Internal Controls-Risk Footprints-Research[4]	400	185	(215)	-54%	182	3	2%	January 2015	Completed
2	A	AX	Hotel Conference Center-Management Contract (Holiday Inn & Fogelman)	300	300	0	0%	260	40	13%	January 2015	Completed
3T	A	FM	Data Analytics-Payroll & Accounts Payable (Continuous) [11]	350	250	(100)	-29%	120	130	52%	June 2015	In Progress
3T	A	FM	Fixed Assets (Continuous)	330	330	0	0%	230	100	30%	June 2015	In Progress
3T	A	FM	Procurement Cards (Continuous)	350	350	0	0%	220	130	37%	June 2015	In Progress
4T	A	FM	International Travel[4]	200	120	(80)	-40%	115	5	4%	October 2014	Completed
4T	A	FM	Lambuth Campus [7]	250	250	0	0%	272	(22)	-9%	March 2015	In Progress
5	A	IT	Information Technology-Data Security-Mobile Devices (Laptop Encrytpion, etc)[6]	300	0	(300)	-100%		0			Canceled
6	A	IT	Information Technology-PCI Compliance (Credit Card Processing)[6]	250	0	(250)	-100%		0			Canceled
7	A	SS	Study Abroad Program & International Area	350	350	0	0%	190	160	46%	April 2015	In Progress
8	A	AT	Athletics Ticket Distribution - Compliance with TBR and UOM Polcies	150	150	0	0%	42	108	72%	May 2015	In Progress
	S	RS	Confucius Institute [9]	0	400	400	100%	42	358	90%	June 2015	In Progress
	C	IT	Network Security Port Controls[8]	0	120	120	100%	86	34	28%	January 2015	Completed
	S	FM	Government Relations[8]	0	120	120	100%	80	40	33%	December 2014	Completed
	F	IT	Follow-up State IT Audit [5]	0	250	250	100%	30	220	88%	May 2015	In Progress
	C	IS	General Consultation (includes attorney client projects) [1]	200	400	200	100%	162	238	60%		In Progress
	C	IT	General Consultation - IT [2]	100	500	400	400%	436	64	13%		In Progress
	F	FM	Follow-up FY14 Audits	100	100	0	0%	85	15	15%	May 2015	In Progress
	F	FM	Follow-up State Audit Findings FY13	100	100	0	0%	108	(8)	-8%	July 2014	Completed
	M	FM	Risk Assessment-Financial Management	80	80	0	0%		80	100%	May 2015	Scheduled
	P	FM	W2 Process-Returned Addresses (Mang Request)	80	80	0	0%	30	50	63%	June 2015	In Progress
	R	FM	Inventory Observation for State Auditors (Mang Request)	80	80	0	0%		80	100%	June 2015	Scheduled
	R	FM	Cash Counts for State Auditors (Mang Request) [3]	0	120	120	100%	86	34	28%	June 2015	In Progress
	R	IT	Information Technology-ACH (Bank Contract)-NACHA	80	80	0	0%		80	100%	April 2015	Scheduled
	R	SS	CCTA Funding Formula-Part 3	150	150	0	0%	21	129	86%	March 2015	In Progress
	I	IS	Unscheduled Investigations	400	400	0	0%	259	141	35%		
	I	PP	15-001	0	20	20	100%	16	4	20%	Sept 2014	Completed
	I	PP	15-002	0	5	5	100%	5	0	0%	Sept 2014	Referred
	I	IA	15-003	0	45	45	100%	40	5	11%	Nov 2014	Completed
	I	IS	15-004	0	5	5	100%	5	0	0%	Sept 2014	Referred
	I	IA	15-005	0	100	100	100%	86	14	14%	March 2015	In Progress
	I	IA	15-006	0	5	5	100%	5	0	0%	December 2014	Referred
	I	IA	15-007	0	120	120	100%	102	18	15%	April 2015	In Progress
			Totals	5,300	5,390			3,180				

Estimate-Hours Available For Audits = 5,320 (4 audit staff)(The Audit Plan is being evaluated by Management and adjustments will be made later in the fiscal year)

T--Tie
NOTE: UOM was transitioning to a new President when the FY2015 audit plan was prepared - Subject to Revision During the Fiscal Year

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:
Scheduled
In Progress
Completed
Removed
Cancelled

Footnotes:
[1] Additional hours added to consultation per Management request.
[2] Additional hours added to IT consultation per Management request to provide assistance with current State IT audit.
[3] Cash count process added per Management request to assist State Auditors.
[4] Audit actual hours were lower than estimated. Hours allocated to other audits and projects requested by Management.
[5] Additional hours per Management request for follow-up to State IT audit.
[6] Audit canceled. Per Management request IT hours allocated to follow-up with State IT audit. These IT areas were partially covered by the state IT audit.
[7] Scope expanded to inlcude additional areas per Management request.
[8] Special request from Management.
[9] Special request from Management due to audit request from outside funding source.
[10] All areas on the UOM IT risk assessment were audited by the State IT Audit group. (very broad & comprehensive IT audit by State IT audit group) UOM Management agreed & hours reallocated to other audits & projects.
[11] Hours reallocated to other audits and projects per Management request.

Chattanooga State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required by TBR	F	FM	State Audit Follow-Up	30	30	0	0%	0	30	100%	June 2015	Scheduled
Required by TBR	R	SS	CCTA Funding Formula-Completion	40	40	0	0%	40	0	0%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	125	125	0	0%	0	125	100%	June 2015	Scheduled
Required by TBR	M	SS	Risk Assessment-Student Services	40	40	0	0%	1	39	98%	May 2015	Scheduled
Special Request	P	IS	Special Project - Electronic Workpapers	50	50	0	100%	48	2	4%	December 2014	Completed
Special Request	P	IS	Special Project - Audit Software (1)	0	100	100	100%	21	79	79%	June 2015	In Progress
Special Request	S	IS	Volkswagon Academy (1)	0	160	160	100%	2	158	99%	June 2015	In Progress
	R	FM	Year End Cash Counts and Inv FYE 2014	8	8	0	0%	7	1	13%	July 2014	Completed
	R	FM	Year End Cash Counts and Inv FYE 2015	22	22	0	0%	0	22	100%	June 2015	Scheduled
	I	IS	Unscheduled Investigations (2)	80	160	80	100%	25	135	84%	TBD	In Progress
	C	IS	General Consultation (3)	50	80	30	60%	37	43	54%	June 2015	In Progress
	F	IS	Follow-up Reviews	100	100	0	0%	22	78	78%	TBD	In Progress
Management Request	S	PP	Police Department Compliant Review (4)	50	80	30	100%	78	2	3%	December 2014	Completed
Management Request	S	IT	NACHA Security Audit (5)	85	0	(85)	-100%	0	0	-100%	March 2015	Removed
Management Request	C	IA	Continuing Education Business Processes - Staffing, Fees, Class Development	120	120	0	0%	145	(25)	-21%	August 2014	Completed
Brought forward	A	AT	Athletic Eligibility	50	85	35	70%	85	0	0%	December 2014	Completed
Brought forward	A	AT	Athletic Financial Aid	15	15	0	0%	25	(10)	-67%	September 2014	Completed
Brought forward	A	IT	IT Disaster Recovery Plan Audit	20	20	0	0%	20	0	0%	July 2014	Completed
1	A	IS	Human Resources (6)	0	0	0	0%	0	0	0%	June 2015	Removed
2T	A	FM	Accounts Receivable	120	120	0	0%	0	120	100%	May 2015	Scheduled
2T	A	FM	Payroll	100	100	0	0%	0	100	100%	June 2015	Scheduled
3T	A	IS	Mail Services	80	80	0	0%	75	5	6%	October 2014	Completed
3T	A	FM	Shipping and Receiving	60	60	0	0%	60	0	0%	December 2014	Completed
3T	A	FM	Bank Reconciliations (7)	70	90	20	100%	9	81	90%	April 2015	In Progress
			Totals	1315	1685			700				

Estimate-Hours Available For Audits = 1685 (1 audit staff + .5 audit staff. Staff position vacant from September 1, 2014 - January 5, 2015)
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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
(1) Projects added at TBR and Management Request.
(2) 3 new investigations were received in January 2015.
(3) Hours added for increase in Consultation request due to changes on campus.
(4) Complexity of issues and report increased time needed to complete project.
(5) Project Removed to allow for additional investigaiton projects.
(6) Audit posponed to FYE 2016 to allow for follow-up to current TBR review.
(7) Hours added for new staff auditor.

Cleveland State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of Janurary 31 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual			Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage			
	F	SS	Audit Follow-Up	30	30	0	0%		30	100%		July 2014	*Completed*
	M	SS	Risk Assessment-Student Services	45	45	0	0%		45	100%		May 2015	*Scheduled*
	M	IS	TCAT Risk Assessment-Enterprise-wide	30	30	0	0%		30	100%		February 2015	*Scheduled*
	P	IS	Quality Assessment Review	25	25	0	0%		25	100%		August 2014	*Scheduled*
	I	IS	Unscheduled Investigations	25	25	0	0%		25	100%		TBD	*Scheduled*
Special Request	S	SS	Title IV Compliance	200	200	0	0%	190	10	5%		November 2014	*In prgress*
	C	IS	General Consultation	50	50	0	0%	30	20	40%		June 2015	*Scheduled*
Required by TBR	R	SS	CCTA Funding Formula-Completion	200	200	0	0%	150	50	25%		July 2014	*Completed*
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	200	0	0%		200	100%		December 2014	*Scheduled*
equired by 1st TN Ba	R	IS	Nacha Audit	125	125	0	0%		125	100%		May 2015	*Scheduled*
1T	A	FM	Cash Counts	100	0	(100)	-100%		0	0%	(1)	October 2014	*Removed*
1T	A	FM	Maintenance/Tuition and Related Fees	175	0	(175)	-100%		0	0%	(2)	September 2014	*Removed*
Special Request	S	IA	OneSource (Workforce Development)	0	125	125		100	25	0%	(2)	February 2015	*In progress*
			Totals	1205	1055			470					

Estimate-Hours Available For Audits = 1140(1 audit staff)
T--Tie
TBD-To Be Determined

Audit Types: Functional Areas: Status:
R - Required   AD - Advancement   Scheduled
A - Risk-Based (Assessed)   AT - Athletics   In Progress
S - Special Request   AX - Auxiliary   Completed
I - Investigation   FM - Financial Management   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) Significant increase in Administrative time because of office relocation, which resulted in a decrease in available audit time for the year.
(2) Due to Special request by President one audit added and one audit removed

Columbia State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
Brought Forward, Required by TBR	R	SS	CCTA Funding Formula-Completion	0	69	69	100%	*(1)*	69	0	0%	July 30, 2014	Completed
Required by Law	R	FM	CoSCC President Expenses FYE 6/30/14	170	218	48	28%	*(2)*	218	0	0%	October 28, 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	150	0	0%		0	150	100%	April 2015	*Scheduled*
Brought Forward	M	IS	CoSCC Risk Assessment FY2014	0	14	14	0%	*(1)*	14	0	0%	July 17, 2014	Completed
	M	IS	CoSCC Risk Assessment FY2015	40	40	0	0%		0	40	100%	May 2015	*Scheduled*
	M	IS	Hohenwald Risk Assessment	30	30	0	0%		1	29	97%	February 2015	*In Progress*
	M	IS	Pulaski Risk Assessment	30	30	0	0%		8	22	73%	February 2015	*In Progress*
	C	IS	General Consultation	180	49	(131)	-73%	*(1)(2)*	6	43	88%	June 2015	*In Progress*
			Totals	600	600				316				

Estimate-Hours Available For Audits = 600. 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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
(1) Audit hours were reallocated from general consultation to the 2 audit projects that were brought forward from FY2014.
(2) Audit hours were reallocated from general consultation to president expense. Additional time needed due to connectivity issues accessing the systems at CoSCC from MTSU.

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

Rank	Type	Area	Audit	Budget	Estimated Completion Date
Brought forward	I	IA	DSCC-INV1303-FU - Nursing Donation-03052013	20	February 2015
Required by TBR	R	SS	DSCC-IAR-CCTA Funding Formula-Transfers & Other-04012015	150	April 2015
Special Request	S	IA	DSCC - IAR-Faculty Sick Leave-04302015	50	April 2015
Required by TBR	M	PP	DSCC-RA-Risk Assessment-Physical Plant-05312015	52.5	May 2015
Required by TBR	M	AD	DSCC-RA-Risk Assessment-Institutional Advancement-05312015	60	May 2015
Required by TBR	M	IA	DSCC-RA-Risk Assessment-Instruction & Academic Support-05312015	65	May 2015
	I	IS	Unscheduled Investigations	35	TBD
	C	IS	General Consultation	35	June 2015
Special Request	S	PP	DSCC-IAR-Building Security/Key Control-06302015	50	June 2015
Required by TBR	R	FM	Year-end Bank Confirmations	30	June 2015
			Total	547.5	

Estimate-Hours Available For Audits = 547.5
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

Jackson State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget					Budget to Actual			Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Actual Hours	Hours	Percentage		
Required by TBR	R	SS	CCTA Funding Formula - Completion (2013 Data)	150	100	0	0%	1	99	1	1%	July 2014	*Completed*
Required by TBR	R	SS	CCTA Funding Formula - Transfers and Other	150	150	0	0%		16	134	89%	December 2014	*In Progress*
Required by TBR	M	PP	JSCC Risk Assessment - Physical Plant	80	80	0	0%			80	100%	May 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Covington	25	25	0	0%		2	23	92%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Crump	25	25	0	0%		2	23	92%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Jackson	25	25	0	0%		2	23	92%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - McKenzie	25	25	0	0%		2	23	92%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Newbern	25	25	0	0%		2	23	92%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Paris	25	25	0	0%		2	23	92%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Ripley	25	25	0	0%		2	23	92%	February 2015	
Required by TBR	M	IS	TCAT Risk Assessment - Whiteville	25	25	0	0%		2	23	92%	February 2015	
Required by State Audit	R	FM	Year-end Bank Confirmations	30	30	0	0%			30	100%	May 2015	
Brought forward	A	PP	Emergency Preparedness	150	40	(110)	-73%	2	37.5	3	6%	August 2014	*Completed*
Brought forward	F	IT	Follow up Review - IT Goverance	30	30	0	0%		25	5	17%	March 2015	*Completed*
Brought forward	F	IT	Follow up Review - Data Security	30	30	0	0%		25	5	17%	March 2015	*In Progress*
Brought forward	F	IS	Follow up Review - Cash Receipting	30	30	0	0%		25	5	17%	March 2015	*Completed*
Consulting	C	IS	General Consultation	100	150	50	50%	3	103	47	31%	June 2015	
1	A	SS	Financial Aid	250	250	0	0%		98.5	152	61%	June 2015	
Investigation	I	SS	Investigation JSCC 15-01	0	100	100			43	57	57%	March 2015	
			Totals	1200	1190				488				

Estimate-Hours Available For Audits = 1200 (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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
1 - The CCTA Completion Audit began in 2013-14 and consisted of 90 hours plus 99 hours in 2014-15 for a total of 189 hours.
2 - The Emergency Preparedness Audit began in 2013-14 and consisted of 85 hours plus 37.5 hours in 2014-15 for a total of 122.5 hours.
3 - General consulation budget increased due to additional project review.

Motlow State Community College

Revised Audit Plan

will be provided at the meeting

Nashville State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 30, 2015

Rank	Type	Area	Audit	Current Year Budget					Budget to Actual			Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Actual Hours	Hours	Percentage		
Required by TBR	R	FM	President's Expenses	150	150	0	0%		150	0	0%	October 2014	Completed
Required by TBR	F	FM	State Audit Follow-Up	100	100	0	0%		85	15	15%	June 2015	In Progress
Required by TBR	R	SS	CCTA Funding Formula-Completion	80	80	0	0%		80	0	0%	July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	150	0	0%		60	90	60%	TBD	In Progress
Required by TBR	R	FM	Year End Work	22.5	22.5	0	0%		0	23	100%	June 2015	Scheduled
Required by TBR	P	IS	Quality Assessment Review - Follow-Up	40	0	(40)	-100%	Fn 1	0	0	0%	FY2016	Removed
Risk Assessment	M	IS	Risk Assessment-Institutional Support	30	30	0	0%		0	30	100%	May 2015	Scheduled
Risk Assessment	M	IS	Risk Assessment-Information Technology	40	40	0	0%		0	40	100%	May 2015	Scheduled
Risk Assessment	M	IS	Risk Assessment-Enterprise-wide-TCATD	25	30	5	20%		15	15	50%	February 2015	In Progress
Risk Assessment	M	IS	Risk Assessment-Enterprise-wide-TCATN	25	30	5	20%		15	15	50%	February 2015	In Progress
VP Request	A	FM	Cash Counts at TCATs & Satellite Campuses	50	60	10	20%		55	5	8%	February 2015	In Progress
IT	A	FM	Disbursements	175	0	(175)	-100%	Fn 3	0	0	0%	January 2015	Removed
2T	A	FM	Maintenance/Tuition and Related Fees	150	130	(20)	-13%		0	130	0%	May 2015	Scheduled
As Assigned	I	IS	Unscheduled Investigations	100	0	(100)	-100%	Fn 2	0	0	0%	TBD	In Progress
As Assigned	C	IS	General Consultation	75	60	(15)	-20%		25	35	58%	TBD	Scheduled
As Assigned	F	IS	Internal Audit Follow-Up	25	20	(5)	-20%		0	20	100%	June 2015	Scheduled
Investigation	I	FM	NaSCC 14-01	0	85	85	100%	Fn 2	80	5	6%	June 2015	In Progress
Investigation	I	FM	TBR 14-03	0	20	20	100%	Fn 2	20	0	0%	June 2015	In Progress
1T	A	FM	Cash Receipts	0	56	56	100%	Fn 3	50	15	27%	January 2015	In Progress
1T	A	FM	Cash Collections Reconciliation	0	100	100	100%	Fn 3	70	30	30%	February 2015	In Progress
Project	P	IS	Audit Software	0	24	24	100%	Fn 4	8	16	67%	February 2015	In Progress
Investigation	I	FM	NaSCC 15-01	0	50	50	100%	Fn 2	5	45	90%	June 2015	In Progress
			Totals	1237.5	1237.5				718	468			

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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
Fn 1 - The Quality Assurance Review is not a project due in 2015 and therefore removed from the audit plan.
Fn 2 - Budgeted hours were moved from Unscheduled Investigations to specific investigations.
Fn 3 - Replaced with two more relevant audits
Fn 4 - Added per Chief Audit Executive

Northeast State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required by TBR	R	FM	President's Expenses Audit-CISCC (FN 1)	150	0	(150)	-100%		0	0%	(FN 1)	*Removed*
Required by TBR	R	SS	CCTA Funding Formula-Completion (2013 Data)	50	50	0	0%	54	(4)	-8%	July 2014	*Completed*
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	200	200	0	0%		200	100%	March 2015	*Scheduled*
Req by State Audit	R	FM	State Audit Assistance-Yr End	40	40	0	0%		40	100%	June 2015	*Scheduled*
	F	FM	State Audit Follow-Up	75	75	0	0%		75	100%	April 2015	*Scheduled*
	F	IS	Other Internal Audit Follow-Up	75	75	0	0%	5	70	93%	Various	*In Progress*
	P	IS	Electronic Working Papers	50	50	0	0%		50	100%	Ongoing	*In Progress*
	M	FM	Risk Assessments - NeSCC	60	25	(35)	-58%		25	100%	May 2015	*Scheduled*
	M	IS	TCAT Risk Assessment-Enterprise-wide	20	5	(15)	-75%		5	100%	February 2015	*Scheduled*
Brought forward	S	IA	Theater Services	50	50	0	0%	67.5	(18)	-35%	August 2014	*Completed*
Special Request	S	IS	Special Requests and Projects	50	50	0	0%	16	34	68%	Various	*In Progress*
Special Request	C	IS	General Consultation	50	50	0	0%	8.5	42	83%	Ongoing	*In Progress*
1	A	IS	Human Resources (FN 2)	200	0	(200)	-100%		0	0%	April 2015	*Removed*
2	A	AD	Foundation/Advancement (FN 3)	200	0	(200)	-100%		0	0%	June 2015	*Removed*
			Totals	1270	670			151				

Estimate-Hours Available For Audits = 1122.5 (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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
FN 1 - Audit designated as Removed because it will be reassigned by TBR SWIA due to internal auditor position vacancy.
FN 2 - Audit designated as Removed due to reduction of audit hours during internal auditor position vacancy.
FN 3 - Audit designated as Removed due to reduction of audit hours during internal auditor position vacancy.

Pellissippi State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required	R	SS	Funding Formula-Completion (2013 Data)	40	40	0	0%	43	(3)	-8%	July 2014	Completed
Required	R	SS	Funding Formula-Transfers & Other	125	125	0	0%	0	125	100%	April 2015	Scheduled
Required	F	FM	Internal Audit Follow Ups	30	20	(10)	-33%	0	20	100%	Continuous	
Required	M	SS	Risk Assessment-Student Services	30	20	(10)	-33%	0	20	100%	March 2015	Scheduled
Required	M	IT	Risk Assessment - Information Technology	20	20	0	0%	0	20	100%	April 2015	Scheduled
Required	M	FM	Risk Assessment-Financial Management	20	10	(10)	-50%	7	3	30%	December 2014	Completed
Required	F	FM	State Audit Follow-Up	40	20	(20)	-50%	0	20	100%	February 2015	Scheduled
Required	M	IS	TTC Risk Assessment-Enterprise-wide	20	20	0	0%	15	5	25%	February 2015	Scheduled
Required	R	FM	Chancellor's Expenses	125	100	(25)	-20%	98	2	2%	August 2014	Completed
Presidential Request	S	IA	Faculty Credentials	100	100	0	0%	97	3	3%	December 2014	Completed
Presidential Request	S	FM	First TN - NACHA Audit	100	80	(20)	-20%	70	10	13%	October 2014	Completed
Presidential Request	C	IA	Review of Compliance Assist	20	40	20	100%	35	5	13%	September 2014	Scheduled
Presidential Request	C	IT	Review of Security Administration Issues and other TBR IT Audit Issues	0	120	120	100% **FN 2**	101	19	16%	Continuous	
Presidential Request	C	IS	Review of ACA Issues	0	30	30	100% **FN 3**	14	16	53%	Continuous	
Presidential Request	C	FM	Review of RFP award process (banking, software etc.)	0	40	40	100% **FN 4**	15	25	63%	Continuous	
1T	A	FM	Disbursements	175	175	0	0%	63	112	64%	February 2015	In Progress
1T	A	AD	Development (Foundation)	150	150	0	0%	15	135	90%	Aprl 2015	In Progress
2	A	IS	Financial Aid	200	0	(200)	-100% **FN 1**	0	0	0%		Removed
3T	A	FM	Accounts Payable	0	100	100	100% **FN5**	0	100	100%	June 2015	Scheduled
			Totals	1195	1210			573				

Estimate-Hours Available For Audits = 1113 (a audit staff)
T--Tie
TBD-To Be Determined

Audit Types:	Functional Areas:	Status:
R - Required	AD - Advancement	S - Scheduled
A - Risk-Based (Assessed)	AT - Athletics	I - In Progress
S - Special Request	AX - Auxiliary	C - Completed
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) This audit was originally sheduld to start in FYE June 30, 2015. However, because of the workload in the financial aid office during the summer this audit will be postponed until the Fall of 2015.
(2) This area was added to the audit plan after the college received the TBR IT audit. The college has asked me to be heavily involved in helping the college create an information security officer. Currently the CIO is designated as that individual but if funding is available the college would like to create a position that would have some reporting responsibility to internal audit. For this reason they have asked me to become involved in the process and I have been communicating with the chief information security officer at the University of Tennessee as well as consulting with Sword and Shield regarding this matter.
(3) This review was requested by the President after the initial audit plan was developed based upon questions from Academic Deans regarding the colleges rules related to adjunct faculty work loads.
(4) This consulting project has been done by internal audit since the Board revised the RFP process but the hours required in the current fiscal year warranted a separate line item on the audit plan.
(5) This audit was added to the audit plan when the decision was made to postpone the audit of Financial Aid.

Southwest Tennessee Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget					Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage			Hours	Percentage		
	S	AT	Athletic Comprehensive	165	0	(165)	-100%	Fn1		0	0%		Removed
	I	AT	Athletic-Work Study	40	40	0	0%	Fn4	92	(52)	-130%	February 2015	In Progress
	F	FM	State Audit Follow Up	30	30	0	0%		10	20	67%	June 2015	In Progress
	M	IA	Risk Assessment-Instruction & Academic	22.5	22.5	0	0%		19	4	16%	June 2015	In Progress
	M	FM	Risk Assessment-Financial Management 1	22.5	22.5	0	0%		12	11	47%	June 2015	In Progress
	M	FM	Risk Assessment-Financial Management 2	22.5	22.5	0	0%			23	100%	June 2015	In Progress
	S	FM	Management Request-Cash Control Gym Rental	165	165	0	0%		144	21	13%	June 2015	In Progress
	I	IS	Unscheduled Investigations	100	3	(97)	-97%	Fn2		3	100%	June 2015	In Progress
	C	IS	General Consultation	75	50	(25)	-33%	Fn2	24	26	52%	June 2015	In Progress
Required by TBR	R	SS	CCTA Funding Formula-Progression	150	150	0	0%			150	100%	March 2015	In Progress
	S	FM	Cash Counts	30	30	0	0%			30	100%	February 2015	In Progress
	S	FM	Motor Vehicle Pool	0	83	83	100%	Fn1	52	31	37%	June 2015	In Progress
	S	FM	Federal Perkins Loan Program	0	82	82	100%	Fn1		82	100%	June 2015	In Progress
	S	FM	Retiring Vice President-Audit of Grants	0	97	97	100%	Fn3	104	(7)	-7%	March 2015	In Progress
	S	FM	Request for Unemployment Review	0	25	25	100%	Fn2	23	2	8%	March 2015	In Progress
			Totals	822.5	822.5				480				

Estimate-Hours Available For Audits = 822.5 (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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
FN1 - Athletics was identified by the former Director of Internal Audit, but based on management's requests, it was removed and two other areas were scheduled for audits.
Fn 2 - Several audits were added and hours were reallocated from consultations and unscheduled investigations since those hours had not been used as planned. The audit areas were requested by management.
Fn 3 - A retiring Vice President will be leaving STCC on December 31, 2014. The president requested that the grants under his supervision be audited.
Fn 4 - Athletic Work Study- This audit was expanded because of problems discovered in the initial review.

Volunteer State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised January 31, 2015

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	CCTA Funding Formula-Completion	150	150	150	0%	-	130	130	-13%	-20	August 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	150	300	0%	-	56	186	-63%	-94	December 2014	In Progress
Required by TCA	R	FM	President's Expenses - STCC	190	190	490	0%	-	188.5	374.5	-1%	-1.5	October 2014	Completed
Required by TBR	M	IS	Risk Assessment - Volunteer State	75	75	565	0%	-	0	374.5	0%	-75	May 2015	Scheduled
Required by TBR	M	IS	TCAT Risk Assessment	15	15	580	0%	-	2	376.5	-87%	-13	February 2015	Scheduled
Follow-up Review	F	IS	Follow-up Activities	75	75	655	0%	-	13	389.5	-83%	-62	June 2015	In Progress
Investigation	I	IS	Unscheduled Investigations	100	100	755	0%	-	0	389.5	-100%	-100	June 2015	Scheduled
Consultation	C	IS	General Consultation (1)	100	150	905	50%	50	110	499.5	-27%	-40	June 2015	In Progress
Consulting Request- TCPRA	C	IS	TCPRA Bank Account (2)	0	55	960	100%	55	53.5	553	-3%	-1.5	November 2014	Completed
Project	P	FM	Periodic Procard Review	100	100	1060	0%	-	0	553	-100%	-100	June 2015	Scheduled
Special Request	S	IA	Credentials	150	150	1210	0%	-	96.5	649.5	-36%	-53.5	February 2015	In Progress
Special Request	S	FM	State Audit Year-End Procedures	15	15	1225	0%	-	12.5	662	-17%	-2.5	July 2014	Completed
Project	P	IS	Audit Software Implementation (3)	0	75	1300	100%	75	2	664	-97%	-73	March 2015	In Progress

Estimate-Hours Available For Audits = 972.5 (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 General Consultation budget has been increased by 50 hours to reflect actual hours. There has been more time spent on consulting activity this year than in previous years.
(2) Consulting request to review the TCPRA bank account statements for which out Public Relations Director serves as Treasurer.
(3) Audit software implementation added to the audit plan.

Walters State Community College
Internal Audit Plan
Fiscal Year Ended June 30, 2015
As of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual			Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage			
	F	FM	State Audit Follow-Up	30	100	70	233%	100	0	0%		December 2014	Completed
	R	FM	Inventory Observations	0	16	16	0%	16	0	0%		August 2014	Completed
	R	FM	Cash Counts	0	8	8	0%	8	0	0%		August 2014	Completed
	R	FM	Confirmation Requests	0	4	4	0%	4	0	0%		August 2014	Completed
	M	FM	Risk Assessment-Financial Management	20	20	0	0%	0	20	100%		May 2015	Scheduled
	M	SS	Risk Assessment-Student Affairs	20	20	0	0%	0	20	100%		May 2015	Scheduled
	M	IA	Risk Assessment-Academic Affairs	20	20	0	0%	0	20	100%		May 2015	Scheduled
	M	IS	Risk Assessment-Center for Workforce Development	20	20	0	0%	0	20	100%		May 2015	Scheduled
	M	IS	TCAT Risk Assessment-Enterprise-wide	25	25	0	0%	0	25	100%		February 2015	Scheduled
	P	IS	Quality Assessment Review	25	0	(25)	-100%	0	0	0%		August 2014	Removed
	I	IS	Unscheduled Investigations	80	105	25	31%	80	25	24%		TBD	In Progress
	C	IS	General Consultation	80	80	0	0%	60	20	25%		June 2015	In Progress
Required by TBR	R	SS	CCTA Funding Formula-Completion	40	40	0	0%	50	(10)	-25%		July 2014	Completed
Required by TBR	R	SS	CCTA Funding Formula-Transfers & Other	150	150	0	0%	120	30	20%		December 2014	In Progress
Required	R	FM	NACHA Compliance Audit	60	60	0	0%	60	0	0%		November 2014	In Progress
Required	R	IT	IT Governance Review	65	65	0	0%	50	15	23%		March 2015	In Progress
Required by TBR	P	IS	Audit Software	0	100	100	0%	40	60	60%		March 2015	In Progress
1T	A	IT	Cloud Computing	200	112	(88)	-44%	40	72	64%		March 2015	In Progress
Brought forward	A	FM	PCI-DSS	120	120	0	0%	10	110	92%		June 2015	Scheduled
Brought forward	A	FM	Contracts	120	80	(40)	-33%	0	80	100%		June 2015	Scheduled
3	A	FM	Accounts Receivable	147	77	(70)	-48%	0	77	100%		June 2015	Scheduled
			Totals	1222	1222			638					

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

Audit Types:	Functional Areas:	Status:
R - Required	AD - Advancement	Scheduled
A - Risk-Based (Assessed)	AT - Athletics	In Progress
S - Special Request	AX - Auxiliary	Completed
I - Investigation	FM - Financial Management	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. An internal audit activity must obtain an external assessment at least every five years by an independent reviewer or review team to maintain conformance with the IIA *Standards*. Since the equivalent self-assessment with independent validation (Quality Assessment Review or QAR) was last performed in 2012, the next QAR will be performed in 2017.
2. Since Unscheduled Investigations are unpredicatable, additional time was budgeted to compenste for the already completed investigation.
3. Hours budgeted for the Accounts Receivable audit were reduced in response to the previously-unanticpated hours now required for the State Audit Follow-Up.

				Current Year Budget					Actual	Budget to Actual			
Rank	Type	Area	Audit	Original	Revised	Change Hours	Change Percentage		Hours	Hours	Percentage	Completion Date Estimated / Actual	Current Status
Required	R	FM	President's Expense (ChSCC)	150	225	75	50%	Fn 4	225	0	0%	December 15, 2014	Completed
Required	R	FM	President's Expense (CISCC)	0	150	150	100%	Fn 6	50	100	67%	February 9, 2015	Completed
Required	R	SS	DSCC-CCTA Funding Formula-Completion (2013 Data)	105	50	(55)	-52%	Fn 3	45	5	10%	July 25, 2014	Completed
Required	R	SS	STCC-CCTA Funding Formula-Completion (2013 Data)	65	25	(40)	-62%	Fn 3	20	5	20%	July 25, 2014	Completed
Required	R	SS	RSCC-CCTA Funding Formula-Transfers & Other	150	150	0	0%		0	150	100%	March 2015	Scheduled
Required	F	IA	State Audit Performance Follow-Up	40	5	(35)	-88%	Fn 3	5	0	0%	July 15, 2014	Completed
Required	F	FM	State Audit Follow up FY2012 and FY2013	40	40	0	0%		46.5	(7)	-16%	January 30, 2015	Scheduled
Required	F	SS	Follow-Up Audits	160	160	0	0%	Fn1	0	160	100%	TBD	Scheduled
Required	M	SS	Risk Assessment	10	10	0	0%		0	10	100%	May 2015	Scheduled
	C	SS	General Consultation	75	140	65	87%	Fn 2	126	14	10%	June 2015	In Progress
	P	IS	Electronic Working Papers	0	150	150	100%	Fn 5	75	75	50%	March 2015	In Progress
1	A	PP	Facilities	150	150	0	0%		0	150	0%	June 2015	Scheduled
			Totals	945	1255	310			592.5				

Tennessee Board of Regents - System Office
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Estimate-Hours Available For Audits = 1,085 (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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
Fn 1- The follow ups to be completed in FY 2015 are related to CCTA Completion, CCTA Progression, TFLI, and Travel Claims.
Fn 2 - Consulting hours were increased based on trend of actual hours from July 2014 to January 2015.
Fn 3 - Not as many hours were necessary to finish the audit as anticipated.
Fn 4 - The Assistant Director of SWIA worked 275 hours on investigations not reflected in this schedule, but in the Revised SWIA Investigations Audit Plan. The Assistant Director worked 25 hours on TCAT audits not reflected in this scheduled, but in the Revised SWIA TCAT Audit Plan.
Fn 5 - Since a significant number of hours will be allocated to the implementation of the electronic working papers software, a separate line item was created for this project.
Fn 6 - This audit was added because of an internal audit vacancy at a campus, originally assigned to this audit. Fewer hours than planned were required for the audit.
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.

SWIA - IT Audit
Internal Audit Plan
Fiscal Year Ended June 30, 2015
Revised as of 1/31/2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Required Assignments:												
Brought forward	A	IT	Carryover from FY '14 - Logical Access Security + **(1)**	72	145	73	101%	14	131	90%	March 2015	*In Process*
Brought forward	A	IT	Carryover from FY '14 - Completion of GCR reviews **(2)**	120	216	96	80%	560	(344)	-159%	December 2014	*In Process*
	C	IT	Consulting w/ IT personnel **(3)**	64	62	(2)	-3%	50	12	19%	Ongoing	*In Process*
Required by TBR	F	IT	Follow-up on prior IT Audit	24	28	4	17%	12	16	57%	Ongoing	*In Process*
Required by TBR	M	IT	IT Risk Assessment	4	4	0	0%	4	0	0%	July 2014	*Completed*
General Control Reviews:												
	A	IT	RODP	100	100	0	0%	2	98	98%	June 2015	*Scheduled*
	A	IT	MTSU	150	150	0	0%	62	88	59%	January 2015	*In Process*
	A	IT	TTU	150	150	0	0%	0	150	100%	April 2015	*Scheduled*
	A	IT	CoSCC	150	150	0	0%	91	59	39%	September 2014	*In Process*
	A	IT	DSCC	150	150	0	0%	0	150	100%	March 2015	*Planning*
	A	IT	STCC	150	150	0	0%	61	89	59%	October 2014	*In Process*
	A	IT	WSCC	150	150	0	0%	0	150	100%	May 2015	*Scheduled*
IT / Business Projects:												
Brought forward	C	IT	Banner system "XE" up-grade and ODS data warehouse implementation **(4)**	60	53	(7)	-12%	32	21	40%	Ongoing	*In Process*
	C	IS	Business Continuity Planning / IT Disaster Recovery	48	16	(32)	-67%	3	13	81%	Ongoing	*Delayed by Team Mgr.*
Special Request from CIO	S	IT	Social engineering program **(1)**	32	0	(32)	-100%	0	0	0%	February 2015	*Combined*
	C	IS	Business Process Management (IT impact)	24	4	(20)	-83%	4	0	0%	January 2015	*Completed*
Risk Based Audits:							0					
Special Request from CIO	S	IS	Information Dissemination Standards **(1)**	80	0	(80)	-100%	0	0	0%	February 2015	*Combined*
			Totals	1528	1528			895				

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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
(1) Combined the Logical Access, Dissemination Standards and Social Engineering audits.
(2) Completion of and report issuance for the FY 2014 GCR Audits in new format for report and workpapers.
(3) Consulting consisted primarily of IT request regarding Security.
(4) IT suspended the XE implementation in December.

TCAT
Internal Audit Plan
Fiscal Year Ended June 30, 2015
as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Brought forward	F	FM	Morristown	25	25	0	0%	0	25	100%	August 2015	In Progress
Brought forward	F	FM	Elizabethton (FN2)	37.5	37.5	0	0%	153.5	(116)	-309%	December 2014	In Progress
Brought forward	A	FM	Focused Review (System-Wide)	10	10	0	0%	0	10	100%	September 2014	In Progress
Brought forward	A	FM	Knoxville (FN3)	10	10	0	0%	59	(49)	-490%	August 19, 2014	Completed
Brought forward	A	FM	Jackson (FN3)	10	10	0	0%	45.5	(36)	-355%	September 5, 2014	Completed
Brought forward	A	FM	McKenzie	22	22	0	0%	33.5	(12)	-52%	November 11, 2014	Completed
Brought forward	A	FM	Pulaski (FN3)	5	5	0	0%	29.5	(25)	-490%	September 5, 2014	Completed
Brought forward	A	FM	McMinnville	5	5	0	0%	7.5	(3)	-50%	May 19, 2014	Completed
Brought forward	A	FM	Ripley	50	50	0	0%	50.5	(1)	-1%	August 2014	In Progress
Brought forward	A	FM	Murfreesboro	5	5	0	0%	6	(1)	-20%	May 19, 2014	Completed
Brought forward	A	FM	Hartsville	37.5	37.5	0	0%	53.5	(16)	-43%	September 3, 2014	Completed
Brought forward	A	FM	Nashville (FN3)	15	15	0	0%	39.5	(25)	-163%	August 2014	In Progress
Brought forward	A	FM	Memphis (FN3)	10	10	0	0%	50	(40)	-400%	January 9, 2015	Completed
Brought forward	A	FM	Athens	37.5	37.5	0	0%	41	(4)	-9%	August 4, 2014	Completed
Brought forward	A	FM	Jacksboro (FN3)	10	10	0	0%	27.5	(18)	-175%	January 9, 2015	Completed
Brought forward	A	FM	Paris (FN3)	20	20	0	0%	48	(28)	-140%	January 29, 2015	Completed
Brought forward	A	FM	Crump (FN3)	10	10	0	0%	27.5	(18)	-175%	August 2014	In Progress
Brought forward	A	FM	Dickson	5	5	0	0%	6	(1)	-20%	May 19, 2014	Completed
			Directors Expenses-AR-Consumer Info (FN1)			0			0			
1	A	FM	Crossville (FN4)	45	45	0	0%	63.5	(19)	-41%	October 2014	In Progress
2	A	FM	Shelbyville (FN4)	45	45	0	0%	46.5	(2)	-3%	November 2014	In Progress
3	A	FM	Chattanooga (FN4)	45	45	0	0%	55	(10)	-22%	November 2014	In Progress
4	A	FM	Morristown (FN5)	37.5	37.5	0	0%	2	36	95%	November 2014	Scheduled
5	A	FM	Hohenwald (FN5)	45	45	0	0%	8	37	82%	December 2014	Scheduled
6	A	FM	Livingston (FN4)	37.5	37.5	0	0%	51	(14)	-36%	January 2015	In Progress
7	A	FM	Crump	37.5	37.5	0	0%	40	(3)	-7%	January 2015	In Progress
8	A	FM	Whiteville	37.5	37.5	0	0%	18.5	19	51%	February 2015	In Progress
9T	A	FM	Jackson	45	45	0	0%	20	25	56%	February 2015	In Progress
9T	A	FM	Newbern	37.5	37.5	0	0%	9.5	28	75%	February 2015	In Progress
10	A	FM	Dickson	45	45	0	0%	2	43	96%	February 2015	Scheduled
11	A	FM	Hartsville	37.5	37.5	0	0%	2.5	35	93%	February 2015	Scheduled
12	A	FM	Pulaski	37.5	37.5	0	0%	2	36	95%	March 2015	Scheduled
13	A	FM	Murfreesboro	45	45	0	0%	2	43	96%	March 2015	Scheduled
14	A	FM	Elizabethton	37.5	37.5	0	0%	2	36	95%	March 2015	Scheduled
15T	A	FM	Jacksboro	37.5	37.5	0	0%	2	36	95%	April 2015	Scheduled
15T	A	FM	Harriman	37.5	37.5	0	0%	2	36	95%	April 2015	Scheduled
16T	A	FM	McMinnville	37.5	37.5	0	0%	2	36	95%	February 2015	Scheduled
16T	A	FM	Memphis	37.5	37.5	0	0%	2	36	95%	April 2015	Scheduled
16T	A	FM	Paris	37.5	37.5	0	0%	2	36	95%	May 2015	
17	A	FM	McKenzie	37.5	37.5	0	0%	2	36	95%	May 2015	
18	A	FM	Nashville	37.5	37.5	0	0%	2	36	95%	May 2015	
19	A	FM	Knoxville	37.5	37.5	0	0%	2	36	95%	May 2015	Scheduled
20T	A	FM	Athens	37.5	37.5	0	0%	2	36	95%	June 2015	Scheduled
20T	A	FM	Oneida	37.5	37.5	0	0%	2	36	95%	May 2015	Scheduled
21	A	FM	Ripley	37.5	37.5	0	0%	2	36	95%	June 2015	Scheduled
22	A	FM	Covington	37.5	37.5	0	0%	2	36	95%	June 2015	Scheduled
	A	FM	TCAT Administration Audit Request	100	100	0	0%	100	0	0%	June 2015	In Progress
	C	FM	TCAT Consultation	15	15	0	0%	12	3	-20%	June 2015	In Progress
	P	IS	RFP Project	37.5	37.5	0	0%	36.5	1	-3%	October 2014	Completed
			Totals	1542	1542			1175				

Estimate-Hours Available For Audits = 1429.5 (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

Status:
Scheduled
In Progress
Completed
Removed

Footnotes:
FN1: Based on discussions with the Director, it was decided to perform a desk review for 1-2 years of Directors Expenses, testing large or unusual items, follow up with AR findings and observations, and review specific activities identified in the Federal Consumer Information requirements.
FN2: Audit included follow up on previous investigation and was completed by investigative auditor.
FN3: Audit findings resulted in extra time to complete the audit.
FN4: New audit steps for Consumer information required more time to review auditees website and catalog than anticipated.
FN5: Re-scheduled

Tennessee Board of Regents - System-wide Internal Audit
Investigation Plan
Fiscal Year Ended June 30, 2015
Revised as of January 31, 2015

Rank	Type	Area	Audit	Current Year Budget				Actual Hours	Budget to Actual		Completion Date Estimated / Actual	Current Status
				Original	Revised	Change Hours	Change Percentage		Hours	Percentage		
Investigation	P	IS	INVESTIGATION MANAGEMENT	160	160	0	0%	104	56	35%	Ongoing	
Investigation	C	IS	CAMPUS CONSULTATION	160	160	0	0%	64	96	60%	Ongoing	
Investigation (1)	I	FM	TBR 10-08		40	40	100%			0%	November 2014	*In Progress*
Investigation (1)	I	FM	TBR 12-04		40	40	100%			0%	November 2014	*In Progress*
Investigation (1)	I	FM	TBR 13-02		40	40	100%			0%	November 2014	*In Progress*
Investigation (1)	I	IS	TBR 13-03		20	20	100%	25.5	(6)	-28%	TBD	*In Progress*
Investigation (1)	I	FM	TBR 14-03		20	20	100%	1	19	95%	TBD	*In Progress*
Investigation (1)	I	IA	TBR 14-04	20	20	0	0%	0	20	100%	TBD	*In Progress*
Investigation (1)	I	FM	TBR 14-06		4	4	100%	4	0	0%	7/17/2014	*Completed*
Investigation (1)	I	FM	TBR 14-12	20	20	0	0%	7.5	13	63%	7/17/2014	*Completed*
Investigation (1)	I	FM	TBR 14-15	40	40	0	0%	22	18	45%	TBD	*In Progress*
Investigation (1)	I	IS	TBR 14-17		40	40	100%	1	39	98%	TBD	*In Progress*
Investigation (1)	I	FM	TBR 14-19	40	500	460	1150%	1182.5	(683)	-137%	November 2014	*In Progress*
Investigation (1)	I	IS	TBR 14-20		40	40	100%	21	19	48%	TBD	*In Progress*
Investigation (1)	I	IS	TBR 14-21		40	40	100%	22	18	45%	TBD	*In Progress*
Investigation	I	FM	TBR 15-01		60	60	100%	27.5	33	54%	TBD	*In Progress*
Investigation	I	SS	TBR 15-02		5	5	100%	1.5	4	70%	9/2/2014	*Completed*
Investigation	I	FM	TBR 15-03		40	40	100%	15	25	63%	TBD	*In Progress*
Investigation	I	FM	TBR 15-04		40	40	100%	23.5	17	41%	TBD	*In Progress*
		I	FM	Unscheduled Investigations	800	0	(800)	-100%		0		June 2015	
			Totals	1240	1329			1522	(193)	-15%		

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

Audit Types:	Functional Areas:	Status:
R - Required	AD - Advancement	Scheduled
A - Risk-Based (Assessed)	AT - Athletics	In Progress
S - Special Request	AX - Auxiliary	Completed
I - Investigation	FM - Financial Management	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) Brought forward from prior year.

DATE: March 10, 2015

AGENDA ITEM: **Presentation of MKInsight Audit Software**

PRESENTER: Tammy Birchett

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

BACKGROUND INFORMATION:

The committee will be presented an overview of the audit management software, MKInsight. A recommendation from the Quality Assurance review performed in August 2014, was that System-wide Internal Audit modernize operations through the use of audit management software. SWIA researched the software available and initiated a Request for Proposals procurement process in fall 2014. The Morgan Kai Group's product, MKinsight was selected and the contract was effective in January 2015. The contract is a one-year contract with options to renew for four additional years. Several steps have been taken and are still underway to implement the software so that it is available for all of the campus and system office internal audit staff.

January 2015
- Worked with MKInsight representative to customize training software for TBR structure.
- Completed planning for training by the MKInsight representative.

February
- Hosted/provided 6 total days of training for 38 audit and administrative staff.
- After training, held a conference call with campus audit directors to discuss potential concerns and to provide direction to the software customization project.
- Assistant Director of System-wide Internal Audit began customization of live software to TBR structure and to mirror current processes.

March
- Completion of customization project scheduled for early March.
- Implementation of live software scheduled during March.

The software will provide efficiencies in the documentation of audits, tracking audit activity, tracking audit recommendations and analysis of audit activity. The system is web-based, allowing an authorized user access from any location and the ability to perform audits in a paperless manner.

Tennessee Board of Regents
Committee on Audit

DATE: March 10, 2015

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.