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

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**AGENDA**  
**August 27, 2024**

- I. INFORMATIONAL REPORTING (Mike Batson)**
- a. Highlights of Audit Findings and Recommendations**
  - b. Audit Reports and Reviews**
  - c. System-wide Internal Audit Updates**
  - d. Review of Internal Audit Year-End Status Reports for Fiscal Year 2024**
- II. ACTION ITEMS (Mike Batson)**
- a. Review of Internal Audit Plans for Fiscal Year 2025**
  - b. Review of Internal Audit Charters**
  - c. Review of Charters, Responsibilities, and IIA Standards**
- III. NON-PUBLIC EXECUTIVE SESSION (Mike Batson)**

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

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Highlights of Audit Findings and Recommendations

DATE: August 27, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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The following items will be discussed with the Audit Committee:

Recommendation/Finding Logs  
Miscellaneous External Reviews  
Comptroller's Audits  
Federal Audits  
Internal Audits

STATUS SUMMARY FOR PREVIOUSLY REPORTED FINDINGS

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

Internal Audit Reports - Following is a summary of the status of previously reported findings and recommendations as of June 30, 2024. Campus auditors conduct follow up procedures to determine if management has taken adequate corrective action and include their conclusions on the summary log. A follow-up report may be issued by the campus auditor if adequate corrective action has not been taken by management.

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

Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Notes and Dates	Status
ChSCC	12/21/2023	NACHA 2023 1 of 2: Conduct disaster recovery testing and revise the college's plan to include lessons learned and NIST best practices.	Vice-President - Technology	Technology	6/30/2024			2/29/2024		Action Completed
STCC	6/17/2021	Audit resources allocated to safeguarding of assets will be increased.	Internal Audit	Business and Finance	3/30/2023	2/28/2024	7	8/1/2023		Action Completed
VSCC	9/25/2023	The expenditure report for September 2020 could not be located and is not included on the Volunteer State CARES Act webpage. Management should prepare a report for this quarter.	Business and Finance	Business and Finance	6/30/2024		0	May-24		Action Completed
VSCC	9/25/2023	The June 2022 report should contain explanatory notes to clarify expenses within the reporting categories.	Business and Finance	Business and Finance	6/30/2024		0	Jul-24		Action Completed
VSCC	9/25/2023	The HEERF quarterly reports should utilize the proper naming convention established by the U.S. Department of Education.	Business and Finance	Business and Finance	6/30/2024		0	Jul-24		Action Completed
VSCC	9/25/2023	The HEERF reports should include quarterly expenses rather than cumulative amounts. Management should restate any reports of cumulative expenses to reports of quarterly expenses.	Business and Finance	Business and Finance	6/30/2024		0	Jul-24		Action Completed
VSCC	9/25/2023	The amount of EFA payments to students per the HEERF report reconciles, but does not agree, to the amounts posted on the college website. Likewise, there is a difference in the number of students both qualifying and receiving HEERF payments that is posted on the website and the college records. Management should review these items and provide any necessary adjustments.	Business and Finance	Business and Finance	6/30/2024		0	Jul-24		Action Completed
VSCC	9/25/2023	Beginning June 2022, the HEERF reports should contain a link to the annual report information on the U.S. Department of Education portal.	Business and Finance	Business and Finance	6/30/2024		0	Jul-24		Action Completed
VSCC	6/18/2024	The college should ensure that employee leave earnings are correct. An employee in a 50% regular part-time position received full hours of annual leave and sick leave instead of 50% of the hours.	Human Resources	Business and Finance	7/31/2024		0	Jul-24		Action Completed
ChSCC	10/3/2022	Campus Safety Equipment Inventory 1 of 6: The definition of sensitive equipment should be expanded to include Police Department equipment in the Sensitive Equipment Policy.	Interim Vice President - Business and Finance	Business and Finance	2/1/2023	8/31/2024	4	10/26/2022	10/26/2022 - Submitted policy language to Policy Review Committee for Spring session. 4/27/2023 - Policy to be on agenda for Summer Policy Review Committee/Board meetings. 6/12/2023 - Summer Policy Review Board meeting cancelled. The Fall Meeting will be held in November. 10/2/2023 - The newly appointed Interim VP Business and Finance is making additional changes to the policy and will complete the revisions during the Spring 2024 policy review cycle. 2/29/2024 - Policy delayed to Summer 2024 policy review cycle to add other changes in process that occurred in January 2024. 06/20/2024 - Revised policy submitted to Policy Review Committee.	In Progress
ChSCC	6/20/2024	Faculty Credentials 2023 1 of 4: TCAT and Academic Affairs management should ensure the completion of loading or corrections to credentialing documentation for identified faculty.	Vice-President - Academic Affairs and Vice President - TCAT/Economic and Workforce Development	Business and Finance, Policy and Strategy	9/30/2024			6/24/2024	6/24/2024 - Part of the corrections have been completed. For the remaining items, the credentialing form has been submitted for approval.	In Progress

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

Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Notes and Dates	Status
JSCC	5/17/2022	JSCC-IAR- Veterans Affairs - Recommendation 2 of 2: No evidence of student file review was determined.  Management should implement review of a sample grouping of student files for each semester. A designated employee, such as the backup SCO, should conduct the review and initial, sign and date the newly implemented checklist in the student file. In addition, the reviewer should email the SCO a listing of the examined files at the completion of the review and include any requests for updates.	Dean for Students/School Certifying Official	Policy and Strategy	1/31/2023	9/30/2024	1	1/17/2023	01/17/2023 -IA notified the SCO in January 2023 of the upcoming follow-up. A copy of the audit was provided. The SCO provided some documentation needed for the follow-up. The SCO requested additional time due to Spring registration and other tasks. Planned timeframe to continue the follow-up is late February. 3/17/24-Discussed with SCO. Significant turnover had delayed the review. SCO will submit files to the alternate SCO for review. 8/8/24-SCO stated the previous alternate SCO is currently serving in a different role. No other employee has access to the VA system. SCO was provided alternative options for file review.	In Progress
RSCC	5/4/2023	Personnel should work with IT to develop automated ways to show an accounts receivable listing with true payment due dates	Bursar	Business and Finance	9/15/2023	4/1/2024	2	5/31/2023	<b>5/31/23</b> - Requested anticipated completion date. <b>6/7/23</b> - Met w/VP of Business & Finance explaining urgency of AR matter. VP was reminded that I will be including an AR audit on my next year fiscal plan. <b>7/26/23</b> - Email from Bursar indicates that they are still in the testing state. The goal for them is to move toward billing through Banner instead of sending manual letters/notices. <b>9/27/23</b> - Met w/VP. New Bursar has been hired. She said work is continuing on this recommendation. She requested a revised completion date of 12/1/23. <b>10/19/23</b> - Met w/ new Bursar & Dir of Acctg to discuss importance of A/R recommendations. <b>12/7/23</b> - Met to discuss status of A/R. Bursar, Dir of Acct planning trip to another college to discuss that college's procedures, reports, etc. for managing A/R. <b>1/24/24</b> - Met with VP and she requested that the due date be moved out to 4/1/24. RSCC has visited with another college and won't be making an onsite visit. <b>3/1/24</b> - Meeting is anticipated to be rescheduled for March.	In Progress
RSCC	5/4/2023	RSCC should continue to work with IT to develop monitoring reports from data in Banner which will show the progression of an account from the payment due status to the first invoice being sent	Bursar	Business and Finance	8/15/2023	4/1/2024	2	5/31/2023	<b>5/31/23</b> - Requested anticipated completion date. <b>6/7/23</b> - Met w/VP of Business & Finance explaining urgency of AR matter. VP was reminded that I will be including an AR audit on my next year fiscal plan. <b>7/26/23</b> - Email from Bursar indicates that they are still in the testing state. The goal for them is to move toward billing through Banner instead of sending manual letters/notices. <b>9/27/23</b> - Met w/VP. New Bursar has been hired. She said work is continuing on this recommendation. She requested a revised completion date of 12/1/23. <b>10/19/23</b> - Met w/ new Bursar & Dir of Acctg to discuss importance of A/R recommendations. <b>12/7/23</b> - Met to discuss status of A/R. Bursar, Dir of Acct planning trip to another college to discuss that college's procedures, reports, etc. for managing A/R. <b>1/24/24</b> - Met with VP and she requested that the due date be moved out to 4/1/24. RSCC has visited with another college and won't be making an onsite visit. <b>3/1/24</b> - Meeting is anticipated to be rescheduled for March.	In Progress

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

Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Notes and Dates	Status
STCC	9/29/2022	Management should create a system to collect required data to be used to ensure students with the highest grade point averages are the students admitted into the Special Admission Process Programs.	Academic Affairs	Policy and Strategy	5/30/2023	3/30/2024	5	9/3/2023	1/31/2024 Request for documentation has been issued to each director and the report is scheduled to be completed in February 2024.	In Progress
ChSCC	12/23/2023	Faculty Credentials 2023 2 of 4: The rubric EETC (Electrical Engineering Technology) and EVET (Electric Vehicle Engineering Technology) should be included in the Faculty Qualifications Manual to ensure the ability to determine if faculty met requirement to teach these courses.	Vice-President - Academic Affairs	Business and Finance, Policy and Strategy	9/30/2024					Not Yet Due
ChSCC	12/24/2023	Faculty Credentials 2023 3 of 4: Faculty credentials for those who serve as instructors in the clinical setting should be included in Compliance Assist.	Vice-President - Academic Affairs and Vice President - TCAT/Economic and Workforce Development	Business and Finance, Policy and Strategy	9/30/2024					Not Yet Due
ChSCC	12/25/2023	Faculty Credentials 2023 4 of 4: TCAT and Academic Affairs management should provide training to all Divisions/Departments concerning the faculty credentialing process, documentation standards, and timelines.	Vice-President - Academic Affairs and Vice President - TCAT/Economic and Workforce Development	Business and Finance, Policy and Strategy	9/30/2024					Not Yet Due

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

Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Notes and Dates	Status
TCAT Chattanooga	10/25/2023	TCAT Massage Therapy Tips 2 of 6: TCAT Management and the Massage Therapy Instructors should explore options through the college's class fee and purchasing processes to ensure instructors are not responsible for collecting or paying any money for the CPR Trainer.	Vice President - TCAT/Economic and Workforce Development	Business and Finance	9/1/2024			10/25/2023	10/25/2023 - A campus taskforce is being formed to evaluate CPR Training provided on campus. 3/1/2024 - Other campus processes create greater expense for TCAT students. TCAT will use a 3rd party agency with payments made directly to the agency. Options will continue to be explored.	In Progress
TCAT Chattanooga	10/25/2023	TCAT Massage Therapy Tips 6 of 6: TCAT Client Service Agreement liability language should be updated to reflect the current TBR Instructional Projects Guideline language or adopt the service agreement example provided within the guideline.	Vice President - TCAT/Economic and Workforce Development	Business and Finance	3/31/2024	8/30/2024	2	2/28/2024	4/25/2024 - All TCAT program agreements are in the process of being evaluated and updated. 06/24/2024 - Work orders have been submitted for corrections and printing.	In Progress
TCAT Chattanooga	6/20/2024	Faculty Credentials 2023 1 of 4: TCAT and Academic Affairs management should ensure the completion of loading or corrections to credentialing documentation for identified faculty.	Vice-President - Academic Affairs and Vice President - TCAT/Economic and Workforce Development	Business and Finance, Policy and Strategy	9/30/2024			6/24/2024	6/24/2024 - Part of the corrections have been completed. For the remaining items, the credentialing form has been submitted for approval.	In Progress
TCAT Oneida/Huntsville	10/25/2023	The TCAT should establish a review process by a supervisor or other employee independent of the Veterans Affairs specialist to ensure completeness of student files and to reduce risk of inaccuracies of data entered into VA Once/Enrollment Manager. During periods when a second reviewer is unavailable, the SCO should consider utilizing self-review techniques, such as a checklist, to assist in ensuring data submitted to the VA is accurate.	President	Policy and Strategy	6/30/2024	30-Sep-24	1	8/8/2024	08/08/2024- Responsible official has been out on extended leave.	In Progress
TCAT Chattanooga	12/24/2023	Faculty Credentials 2023 3 of 4: Faculty credentials for those who serve as instructors in the clinical setting should be included in Compliance Assist.	Vice-President - Academic Affairs and Vice President - TCAT/Economic and Workforce Development	Business and Finance, Policy and Strategy	9/30/2024					Not Yet Due
TCAT Chattanooga	12/25/2023	Faculty Credentials 2023 4 of 4: TCAT and Academic Affairs management should provide training to all Divisions/Departments concerning the faculty credentialing process, documentation standards, and timelines.	Vice-President - Academic Affairs and Vice President - TCAT/Economic and Workforce Development	Business and Finance, Policy and Strategy	9/30/2024					Not Yet Due
TCAT Livingston	6/28/2024	Two students were noted as having been sent letters of contact for collections on the weekend, 7/15/23 and 10/15/23. A recommendation was made to ensure the letters were dated and sent during the week.	President Coordinator of Business & Finance	Policy and Strategy	12/30/2024					Not Yet Due
TCAT Livingston	6/28/2024	30-day intervals between letters of contact as noted in TBR Guideline B-010. A recommendation was made to process all accounts receivable collection letters on the same day each month to ensure each student is given the full 30 days for each notification.	President Coordinator of Business & Finance	Policy and Strategy	12/30/2024					Not Yet Due

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

Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Notes and Dates	Status
TCAT Shelbyville	6/21/2024	Two students were noted as having been sent letters on the weekend on 10/15/23 and during the holiday break on 12/30/23. A recommendation was made to ensure the letters were dated and sent during the week.	President SCO	Policy and Strategy	12/30/2024					Not Yet Due

**TBR SWIA - Status Report on State Audit Findings**  
**(Reports sorted by Status, Institution, Report Release Date)**

Institution	Report Release Date	Finding	Responsible Staff	TBR Vice Chancellor Area	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Notes & Date	Status
STCC	10/22/2020	STCC FY 2019 & 2018 - Finding 1 of 1 The college does not have adequate controls in place to ensure compliance with the requirements of the Federal Work Study Program.	Vice President of Student Services	Policy and Strategy	4/30/2021	12/30/2023	4	4/20/2021		Action Completed
STCC	8/18/2022	STCC FY 2021 & 2020 - Finding 3 of 3 The college incurred over \$10,000 in unnecessary payroll costs for an employee who stopped reporting to work.	Associate Vice President of Human Resources	Business and Finance	7/30/2023	2/28/2024	2	2/2/2023		Action Completed
CISCC	8/3/2023	CISCC FY 2022 & 2021- Finding 1 of 1 College staff did not prepare timely bank reconciliations.	VP of Finance and Operations	Business and Finance	2/3/2024	4/30/2024		2/2/2024	2/2/24-Follow-up report issued. Corrective actions have not been implemented.	In Progress



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

Institution	Report Release Date	Recommendation	Responsible Staff	TBR Vice Chancellor Area	Date Management's Actions to be Implemented	Revised Date Management's Actions to be Implemented	# of Changes to Date Management's Actions to be Implemented	Initial Date of Internal Audit Follow-up	Most Recent Date of Internal Audit Follow-up	Status
CISCC	6/1/2023	CISCC Information Security Review: Cleveland State Community College did not provide adequate internal controls in six areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	1/31/2024			12/1/2023	6/5/2024	Action Completed
PSCC	5/15/2024	PSCC Vulnerability: Pellissippi State Community College did not provide adequate internal controls in one area. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	6/3/2024				6/15/2024	Action Completed
PSCC	6/24/2024	PSCC Vulnerability: Pellissippi State Community College did not provide adequate internal controls in one area. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	6/3/2024				6/15/2024	Action Completed
STCC	12/15/2023	STCC ITGCR: Southwest Tennessee Community College did not provide adequate internal controls in ten areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	3/31/2024			2/8/2024	7/16/2024	Action Completed
VSCC	6/10/2022	VSCC ITGCR: Volunteer State Community College did not provide adequate internal controls in six areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	12/31/2022			8/10/2022	6/12/2024	Action Completed
MSCC	5/10/2024	MSCC ITGCR: Motlow State Community College did not provide adequate internal controls in nine areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	12/31/2024					Not Yet Due
TBR System Office and TCATs	12/21/2023	TBR System Office and TCATs ITGCR: The TBR System Office and TCATs did not provide adequate internal controls in seven areas. Ineffective internal controls increase the likelihood of errors, data loss, and unauthorized access to college information. The details of this finding are confidential pursuant to Section 10-7-504(i), <i>Tennessee Code Annotated</i> . Details will be provided to the Board during Audit Committee Executive Session.	Chief Information Officer	Business and Finance	9/30/2024					Not Yet Due

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Audit Reports and Reviews

DATE: August 27, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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**Miscellaneous External Reviews**

The Audit Committee will review executive summaries for the miscellaneous external reviews (reports issued by entities other than Internal Audit, State Audit, or Federal agencies) issued from April 1, 2024, to June 30, 2024.

Chattanooga State Community College  
– THEC  
    TSAC Program Review

Roane State Community College  
– THEC  
    TSAC Program Review

Volunteer State Community College  
– TN Department of Health  
    ELC Grant Monitoring Review

TCAT Chattanooga  
– THEC  
    TSAC Program Review

TCAT Chattanooga  
– TN Department of Safety & Homeland Security  
    CDL Audit

TCAT Knoxville  
– THEC  
    TSAC Program Review

### **Comptroller's Office**

The Comptroller of the Treasury, Division of State Audit, under the authority of TCA 4-3-304, performs financial and compliance audits of each Tennessee Board of Regents community college and the system office, typically every other year. The Comptroller's Office also conducts performance audits of the Tennessee Board of Regents operations, as needed. The Audit Committee will review executive summaries for the State Audit reports issued before August 10, 2024.

### **FINANCIAL AND COMPLIANCE AUDITS – NO FINDINGS**

Northeast State Community College

– FYE June 30, 2022 and June 30, 2023

Pellissippi State Community College

– FYE June 30, 2022 and June 30, 2023

Southwest Tennessee Community College

– FYE June 30, 2023

Walters State Community College

– FYE June 30, 2022 and June 30, 2023

### **Federal Audits**

The Audit Committee will review executive summaries for the federal audit reports issued before June 30, 2024.

Chattanooga State Community College

– Department of Veterans Affairs

Compliance Survey

Cleveland State Community College

– Department of Veterans Affairs

Compliance Survey

Columbia State Community College

– Department of Defense

Institutional Compliance Program Review

Motlow State Community College

– Department of Veterans Affairs

Compliance Survey

Northeast State Community College

– Department of Veterans Affairs

Compliance Survey

Northeast State Community College

– Department of Labor

Enhanced Desk Monitoring Review

TCAT Crossville

– Department of Veterans Affairs

Compliance Survey

TCAT Hartsville

– Department of Veterans Affairs

Compliance Survey

TCAT Knoxville

– Department of Veterans Affairs

Compliance Survey

- TCAT Livingston
  - Department of Veterans Affairs  
Compliance Survey
- TCAT Pulaski
  - Department of Veterans Affairs  
Compliance Survey
- TCAT Shelbyville
  - Department of Veterans Affairs  
Compliance Survey

**Internal Audit**

The Audit Committee will receive executive summaries for the internal audit reports issued from April 1, 2024, to June 30, 2024, as well as reports issued after June 30, 2024, which contain information considered to be time-sensitive for the Audit Committee’s consideration. Below is a listing of the internal audit and investigation reports completed during the reporting period, grouped by type of review. Highlights from these reports were reviewed in agenda item I.a.

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

ChSCC	HEERF Public Reporting Review	Page 43
VSCC	Payroll Activities 2023	Page 44
TCAT Livingston	Internal Controls Audit	Page 45
TCAT Shelbyville	Internal Controls Audit	Page 46

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

ChSCC	Faculty Credentials	Page 48
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**Internal Audit Reports for Informational Purposes- Investigations**

NeSCC	INV 24-02: Customer Loyalty Program	Page 51
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\* Limited Official Use Only reports for Motlow State Community College- LOU-Information Systems, Pellissippi State Community College- Employee File Share Vulnerability Assessment, and Pellissippi State Community College- PaperCut Vulnerability Assessment were completed during this period. These reports will be shared in the Audit Committee Executive Session.

**Tennessee Board of Regents  
Audit Committee  
August 27, 2024**

***Miscellaneous External  
Reviews***

**Chattanooga State Community College**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 1 of 3**  
**May 17, 2024**  
**Executive Summary**

<p><b>Introduction</b></p>	<p>Compliance Officers completed a review at Chattanooga State Community College from March 18-20, 2024, for academic year 2022-2023.</p> <p>The review consisted of a thorough examination of the institution's procedures for administering state financial aid programs and a sample of student records. Administrative procedures for the application process, verification of student eligibility, disbursement of aid, appeals, and annual reconciliation were reviewed.</p>
<p><b>Results</b></p>	<p><b>I. Failure to Provide TELS Transfer Notification</b></p> <p>A. Observation:</p> <p>The institution does not currently notify continuing transfer TELS recipients of their new HOPE scholarship GPA at the institution or the criteria for renewal.</p> <p>B. Required Action:</p> <p>The institution must develop correspondence to notify transfer TELS recipients of their continuing eligibility and renewal criteria. The institution must provide TSAC with a copy of the new correspondence for approval.</p> <p><b>II. Failure to Meet Program Appeal and Institutional Review Panel (IRP) Regulations</b></p> <p>A. Observation:</p> <p>The denial letter for TN Promise (TNP) scholarship awards does not include the 45-day window for appealing to TSAC.</p> <p>B. Required Action:</p> <p>The institution must develop correspondence to notify transfer TELS recipients of their continuing eligibility. The institution must correct the identified issues with the TNP denial letter and revise their processes to ensure that students submit appeals, when necessary, in order to continue to receive state funding. Additionally, the institution must update their internal procedures to ensure the documentation provided by the student supports their reason for appealing the loss.</p>

**Chattanooga State Community College**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 2 of 3**  
**May 17, 2024**  
**Executive Summary**

<b>Results Cont.</b>	<p><b>III. Error in Awarding Foster Child Tuition Grant (FCTG)</b></p> <p>A. Warning:</p> <p>Three students were awarded the FCTG and did not receive the amount of funds listed on the original form, causing the payment of the grant to be incorrect.</p> <p>B. Required Action:</p> <p>The institution must implement procedures ensuring student accounts are reviewed after all funding is received by the student to allow proper awarding of Tennessee HOPE FCTG. The updated procedures must be shared with TSAC. The updated policy may require the institution to review the student's account after the DCS funds are received.</p> <p><b>IV. Error in Awarding Tennessee Promise Scholarship (TNP)</b></p> <p>A. Finding:</p> <p>The institution had awarding errors for three TNP students:</p> <p>B. Required Action:</p> <p>The institution must refund \$721.00 in TNP funds to TSAC. The institution must complete an internal review of TNP recipients and refund any TNP funds paid in error to TSAC. Students must be held financially harmless for incorrect awards. Additionally, policies and procedures should be implemented to correctly determine TNP award amounts in accordance with state regulations. The institution must provide TSAC with a copy of the updated internal documents and proof impacted students were held financially harmless.</p> <p><b>V. Incorrect Award Exceeding Cost of Attendance</b></p> <p>A. Finding:</p> <p>A student was awarded aid in excess of their cost of attendance (COA). The total financial aid received, including state aid, was \$20,738.00. The student's COA for the 2022-2023 academic year was \$19,277.50. The student received Pell, DCS awards, TELS, and TSAA. According to institutional staff, overawards are not monitored beyond census.</p> <p>B. Required Action:</p> <p>The institution must resolve the overaward following its institutional policy. If the COA cannot be increased to resolve the overaward, \$1,460.50 in TSAA funds must be returned to TSAC, and the balance owed to the institution written off to hold the student financially harmless. The institution must complete an internal review for the 2022-2023 and 2023-2024 academic years to locate awards exceeding the student's COA, make corrections as necessary, and provide a copy of</p>
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**Chattanooga State Community College**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 3 of 3**  
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<p><b>Results Cont.</b></p>	<p>the institutional evaluation to TSAC. The institution must implement procedures and quality controls to ensure student accounts are not overawarded throughout the full semester. The updated procedures must be provided to TSAC.</p> <p><b>VI. Error in Awarding Dual Enrollment Grant (DEG)</b></p> <p>A. Finding:</p> <p>A student registered for a dual enrollment course during Fall 2022 and was awarded DEG. They subsequently registered and self-paid for another course during the second 7-week term, but the student was not awarded DEG. The student continued receiving DEG in Spring 2023.</p> <p>B. Required Action:</p> <p>The institution must use institutional funding to award the student based on the total number of credit hours enrolled in Fall 2022. The institution must implement procedures ensuring DEG recipients are properly awarded for additional courses for which they register throughout the semester. The updated procedures must be shared with TSAC.</p> <p><b>VII. Incorrect Mandatory Fee Charges for TN eCampus students</b></p> <p>A. Finding:</p> <p>Students are not charged the institutional mandatory fees (program services fee, technology access fee) charged to all students for TN eCampus courses. One FCTG recipient and one Tennessee Reconnect (TNR) recipient were awarded funds based on the tuition and mandatory fees of a student who was attending standard courses, rather than TN eCampus. It is possible that other students not identified in the review were incorrectly awarded TNP and TNR funds due to the same issue.</p> <p>B. Required Action:</p> <p>The institution must return \$162.00 in FCTG funds and \$77.60 in TNR funds. The institution must correct the fee structure beginning with the 2024-2025 academic year to ensure TN eCampus students are minimally charged tuition and fees at the rate of regular courses. Failure to do so will reduce the amount of TNP funds a student may receive to the cost of TN eCampus tuition and fees.</p>
<p><b>Resolution</b></p>	<p>Chattanooga State Community College submitted responses to TSAC on July 17, 2024, and corrective actions have been taken.</p>



**Roane State Community College**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 1 of 2**  
**June 13, 2024**  
**Executive Summary**

<p><b>Introduction</b></p>	<p>Compliance Officers completed a review at Roane State Community College from June 3-6, 2024, for academic year 2022-2023.</p> <p>The review consisted of a thorough examination of the institution's procedures for administering state financial aid programs and a sample of student records. Administrative procedures for the application process, verification of student eligibility, disbursement of aid, appeals, and annual reconciliation were reviewed.</p>
<p><b>Results</b></p>	<p><b>I. Incorrect Mandatory Fee Charges for TN eCampus Students</b></p> <p>A. Warning:</p> <p>Students are not charged the institutional mandatory fees (program services fee, technology access fee) for TN eCampus courses.</p> <p>B. Required Action:</p> <p>The institution must adjust billing policies to ensure mandatory fees are charged to all students beginning the 2024-2025 academic year. Failure to do so will result in the maximum TN Promise or TN Reconnect scholarship award amounts being reduced to the TN eCampus rate for all students. The updated policies must be shared with TSAC.</p> <p><b>II. Incorrect TELS GPA Calculation</b></p> <p>A. Warning:</p> <p>The Tennessee Education Lottery Scholarship (TELS) GPA for one student incorrectly included one of the Dual Enrollment (DEG) courses and one test-out course into the TELS attempted hour benchmark calculation. The student remained eligible for HOPE regardless of the miscalculation.</p> <p>B. Required Action:</p> <p>The error was corrected in the institution's system during the review to exclude the courses from any further TELS benchmark calculations. The institution must provide TSAC with a copy of the internal policy changes to ensure DEG and test-out courses are excluded from TELS benchmark calculations.</p>

**Roane State Community College**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
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<p><b>Results Cont.</b></p>	<p><b>III. Error in Awarding Foster Child Tuition Grant (FCTG)</b></p> <p>A. Finding:</p> <p>Two students were awarded the FCTG and did not receive the amount of funds listed on the original form, causing the payment of the grant to be incorrect.</p> <p>B. Required Action:</p> <p>The institution must return \$1,027.00 in FCTG funds to TSAC. Additionally, the institution must implement procedures ensuring student accounts are reviewed after all funding is received by the student to allow proper awarding of Tennessee HOPE Foster Child Tuition Grant. The updated procedures must be shared with TSAC.</p>
<p><b>Resolution</b></p>	<p>Roane State Community College submitted responses to TSAC, and corrective actions have been taken.</p>

**Volunteer State Community College**  
**Tennessee Department of Health – Compliance & Ethics**  
**ELC Grant Support Review**  
**May 2, 2024**  
**Executive Summary**

<b>Introduction</b>	The Tennessee Department of Health (TDH), Compliance and Ethics Office, Grant Monitoring Team, conducted a review of Volunteer State Community College (VSCC) on April 9, 2024. The following contract was monitored during the review: ELC Grant Support of Tennessee Colleges and Universities to Promote Healthy Behaviors Related to Infection Prevention by Improving Their Health Service Centers.
<b>Objectives</b>	<p>The monitoring review was conducted in accordance with Department of General Services, Central Procurement Office Policy Number 2013-007. The purpose of the monitoring review was to:</p> <ul style="list-style-type: none"> <li>• Obtain reasonable assurance that the agency was a going concern.</li> <li>• Assess the reliability of internal controls.</li> <li>• Verify that program objectives were being met.</li> <li>• Verify that civil rights requirements were being met.</li> <li>• Test the reliability of the financial and programmatic reporting.</li> <li>• Test if costs and services were allowable and eligible.</li> <li>• Verify contractual compliance.</li> </ul>
<b>Scope</b>	<p>To make these determinations TDH reviewed the operations of the agency for the months of August, September and October 2023 and January and February 2024. During this review TDH:</p> <ul style="list-style-type: none"> <li>• Reviewed the agency’s compliance with the contract’s scope of services, attachments, narrations, civil rights requirements, and specific TDH policy.</li> <li>• Obtained an understanding of the agency’s billing procedures.</li> </ul>
<b>Results</b>	VSCC did not file their monthly invoices in a timely manner. The invoice for the month of August 2023 was filed seventy-two (72) days late, the invoice for the month of September 2023 was filed forty-two (42) days late, and the invoice for the month of October 2023 was filed eleven (11) days late.
<b>Resolution</b>	Volunteer State Community College submitted responses to TDH, and corrective actions have been taken.

**Tennessee College of Applied Technology - Chattanooga**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 1 of 2**  
**June 13, 2024**  
**Executive Summary**

<p><b>Introduction</b></p>	<p>Compliance Officers completed a review at TCAT Chattanooga from March 18-20, 2024, for academic year 2022-2023.</p> <p>The review consisted of a thorough examination of the institution's procedures for administering state financial aid programs and a sample of student records. Administrative procedures for the application process, verification of student eligibility, disbursement of aid, appeals, and annual reconciliation were reviewed.</p>
<p><b>Results</b></p>	<p><b>I. Failure to Adhere to the Tennessee Board of Regents (TBR) Residency Policy</b></p> <p>A. Observation:</p> <p>The institution failed to move residency documentation for several students from one program at the community college level to a program at the vocational level in Banner; thus, making the student appear as though they were not a Tennessee resident while attending the TCAT.</p> <p>B. Required Action:</p> <p>The institution must update its policies and the corresponding data in Banner to document the TBR residency policy is being correctly assessed beginning the 2023-2024 academic year between the TCAT and Community College.</p> <p><b>II. Error in Awarding Tennessee Student Assistance Award (TSAA)</b></p> <p>A. Finding:</p> <p>Three students were under-awarded TSAA funds due to the institution not following the appropriate TSAA calculation for students enrolled in the 1500 clock hour programs.</p> <p>B. Required Action:</p> <p>The institution must review all students enrolled in 1500-hour programs for the 2022-2023, and 2023-2024 academic years, identify students underpaid TSAA funds, and use institutional funds to ensure correct payment to the student. A list of the internal reviews must be provided to TSAC with documentation supporting correction of the under-awards has occurred using institutional funds. The institution must provide TSAC a copy of the internal policy that corrects and prevents this occurrence in the future.</p>

**Tennessee College of Applied Technology - Chattanooga**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 2 of 2**  
**June 13, 2024**  
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<b>Resolution</b>	TCAT Chattanooga submitted responses to TSAC on July 17, 2024, and corrective actions have been taken.
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**Tennessee College of Applied Technology - Chattanooga**  
**Tennessee Department of Safety & Homeland Security**  
**Commercial Driver License (CDL) Program Audit – Page 1 of 3**  
**June 3, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>On April 22, 2024, the Tennessee Department of Safety &amp; Homeland Security (TDOSHS) conducted an audit of TCAT Chattanooga (TCAT 2), a Commercial Driver License (CDL) third party tester, located at 4913 Adams Road in Hixson, Tennessee.</p>
<b>Objectives</b>	<p>To comply with Federal Motor Carrier Safety Administration (FMCSA) requirements (Title 49, Subtitle B, Chapter III, Subchapter B, Part 384, Subpart B, §384.229) requiring the state of Tennessee to conduct unannounced, on-site inspections of third-party tester and examiner records at least once every two years. Federal requirements include a comparison of CDL skills test results of applicants who are issued CDL's with the CDL scoring sheets maintained in the tester's files.</p> <p>The inspection reviews the entity's compliance with FMCSA regulations as well as compliance with the current CDL Examiner's Manual issued by the American Association of Motor Vehicle Administrators (AAMVA), state law, and state policy as defined by the TDOSHS's CDL Third party Policy and Procedures, updated November 22, 2021.</p>
<b>Scope</b>	<p>The scope of this audit was limited to reviewing compliance with federal and state regulations and policies pertaining to the CDL examination process only. The audit only considered the requirements in 49 CFR Part 383 and 49 CFR Part 384 of the FMCSA regulations. Other FMCSA regulations pertaining to employer and motor carrier requirements were outside the scope of this audit and, accordingly, were not reviewed.</p> <p>The audit included a review of the entity's company file, driver files, and examiner files for compliance with federal and state documentation requirements as well as interviews with entity staff regarding policies and procedures. The skills pad at the location and primary and secondary road test routes were also reviewed for compliance with federal and state requirements.</p> <p>The standard timeframe used for testing was the eight-month period between July 1, 2023, and February 29, 2024. However, some procedures may be extended beyond that timeframe when deemed necessary by the auditors.</p>
<b>Prior Audit Results</b>	<p>The last on-site inspection of TCAT 2 was completed on January 12, 2020. The prior audit had seven findings and four observations. TDOSHS reviewed corrective actions for the previous findings and observations and confirmed that the appropriate corrective actions had been taken. All corrective actions continue to operate in an effective manner. Accordingly, there are no repeat findings or observations included in this report.</p>

**Tennessee College of Applied Technology - Chattanooga**  
**Tennessee Department of Safety & Homeland Security**  
**Commercial Driver License (CDL) Program Audit – Page 2 of 3**  
**June 3, 2024**  
**Executive Summary**

<p><b>Current Audit Results</b></p>	<p>During the audit, TDOSHS noted instances where TCAT 2 was not in compliance with federal or state requirements. The classification of a discrepancy as a finding or an observation involves the consideration of several factors including frequency of occurrence, significance of noncompliance to the public, and the ability of the entity to monitor and detect similar errors in the future. Findings are more serious matters that require the immediate attention of management to ensure future compliance with federal and state requirements.</p> <p>The following findings were noted during testwork:</p> <p><b>FINDING – Insurance and Registration Not in Outside Drivers’ Files</b></p> <p>Condition:</p> <p>During testing it was noted that proof of insurance and vehicle registration forms were not included in four of the ten outside drivers’ files tested.</p> <p><b>Recommendation:</b></p> <p>TCAT 2 must ensure that a copy of all documents required by the CDL Third Party Policy and Procedures are maintained in the record of each CDL Driver Test File. TDOSHS recommends that management consider adding a checklist detailing all the documentation requirements for use by their examiners. It is also recommended that management develop a quality assurance procedure to periodically review driver files for compliance.</p> <p><b>FINDING – mCDL Score Sheet &amp; Vehicle Information</b></p> <p>Condition:</p> <p>TDOSHS noted an error in the transmission type of the vehicle on one mCDL score sheet reviewed. The driver originally tested on a vehicle with an automatic transmission and failed. When the driver returned to retest using the same vehicle, the examiner marked the score sheet as the vehicle having a manual transmission. Because of this oversight, the proper restriction was not placed on the CDL issued.</p> <p><b>Recommendation:</b></p> <p>TCAT 2 examiners must always ensure that information recorded into Commercial Skills Test Information Management System (CSTIMS), mCDL, or provided to the CDL Administration Division or the Driver Services Centers is accurate and matches the circumstances encountered during the test. It is recommended that management at TCAT 2 develop a quality assurance procedure to periodically review CSTIMS and mCDL records for accuracy.</p>
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**Tennessee College of Applied Technology - Chattanooga**  
**Tennessee Department of Safety & Homeland Security**  
**Commercial Driver License (CDL) Program Audit – Page 3 of 3**  
**June 3, 2024**  
**Executive Summary**

<b>Resolution</b>	A corrective action plan was submitted by TCAT Chattanooga on June 7, 2024.
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**Tennessee College of Applied Technology - Knoxville**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 1 of 3**  
**April 30, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>Compliance Officers completed a review at TCAT Knoxville from April 8-11, 2024, for academic year 2022-2023.</p> <p>The review consisted of a thorough examination of the institution's procedures for administering state financial aid programs and a sample of student records. Administrative procedures for the application process, verification of student eligibility, disbursement of aid, appeals, and annual reconciliation were reviewed.</p>
<b>Results</b>	<p><b>I. Failure to Adhere to the Tennessee Board of Regents (TBR) Residency Policy</b></p> <p>A. Warning:</p> <p>The institution failed to comply with the TBR residency policy to determine Tennessee residency for students as required by state financial aid regulations.</p> <p>B. Required Action:</p> <p>The institution updated its policies and the corresponding data in Banner to document and verify TBR residency policy is being assessed for the 2023-2024 academic year. Tennessee Board of Regents and TSAC have worked closely together to establish clear expectations of TBR institutions regarding the residency policy.</p> <p><b>II. Incorrect Tennessee Promise (TNP) Scholarship Program Certifications</b></p> <p>A. Warning:</p> <p>TNP students were either paid funds or certified as tuition paid by gift aid in FAST for the Spring term of the preceding academic year (Summer Crossover for TCAT) as a trailer term. The following academic year, the students were certified as tuition paid by gift aid in FAST for the leading Summer term (Summer Crossover for TCAT). Certifying in this manner causes FAST to count the student as using two eligible trimesters of TNP eligibility for one trimester of attendance. Doing so impacts future eligibility because students are limited to five semesters or eight trimesters of lifetime eligibility for the program. Five TNP recipients were incorrectly certified in FAST by TBR Student Services.</p> <p>B. Required Action:</p> <p>The institution must partner with TBR to ensure all TNP students are updated correctly for the 2021-2022 and 2022-2023 academic years. Additionally, a list must be provided to TSAC detailing the TNP certification indicators needing to be updated in FAST to prevent student eligibility issues. The institution must abide by the policies and</p>

**Tennessee College of Applied Technology - Knoxville**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 2 of 3**  
**April 30, 2024**  
**Executive Summary**

<b>Results Cont.</b>	<p>procedures set forth in the Tennessee Promise Policy &amp; Procedure manual to ensure all students are certified correctly in FAST and students are not negatively impacted by reaching maximum assistance prematurely.</p> <p><b>III. Failure to Review Satisfactory Academic Progress (SAP)</b></p> <p>A. Warning:</p> <p>Two students were not reviewed for SAP. While processing student aid in the institution’s system, the criteria for requiring SAP to be reviewed was not indicated. When the report was processed to review SAP, these students were not listed. The students did maintain SAP; therefore, no funds must be returned.</p> <p>B. Required Action:</p> <p>The institution must assure TSAC that it will review, update, and monitor the institution’s awarding procedures to ensure that all recipients receiving state and federal assistance are measured and meet the requirements of the institutional satisfactory academic progress policy.</p> <p><b>IV. Error in Awarding Tennessee Promise (TNP) Scholarship</b></p> <p>A. Finding:</p> <p>One student was eligible and should have been awarded TNP but was certified incorrectly in FAST.</p> <p>B. Required Action:</p> <p>The institution must use institutional funds to award the student the correct TNP award amount. The institution must update their policies and procedures to correctly determine future eligibility in accordance with state regulations. A copy of the updated policy must be provided to TSAC.</p> <p><b>V. Error in Awarding Dual Enrollment Grant (DEG)</b></p> <p>A. Finding:</p> <p>Two students were under-awarded DEG funds based on the hours of enrollment:</p> <p>B. Required Action:</p> <p>The institution must use institutional funds to award the students the correct DEG award amount. The institution must update their policies and procedures to correctly determine future eligibility in accordance with state regulations. A copy of the updated policy must be provided to TSAC.</p>
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**Tennessee College of Applied Technology - Knoxville**  
**Tennessee Higher Education Commission (THEC) – Tennessee Student Assistance Corporation (TSAC)**  
**Financial Aid Program Review – Page 3 of 3**  
**May 17, 2024**  
**Executive Summary**

<p><b>Results Cont.</b></p>	<p><b>VI. Error in Awarding Wilder-Naifeh Technical Skills Grant (WNTSG)</b></p> <p>A. Finding:</p> <p>One student was eligible and should have been awarded TNP but was certified incorrectly in FAST.</p> <p>B. Required Action:</p> <p>The institution must use institutional funds to award the student the correct WNTSG award amount. The institution must update their policies and procedures to correctly determine future eligibility in accordance with state regulations. A copy of the updated policy must be provided to TSAC.</p>
<p><b>Resolution</b></p>	<p>TCAT Knoxville submitted responses to TSAC on May 28, 2024, and corrective actions have been taken.</p>

**Tennessee Board of Regents  
Audit Committee  
August 27, 2024**

***Federal Audit Reports***

**Chattanooga State Community College**  
**U.S. Department of Veterans Affairs**  
**Compliance Survey**  
**April 4, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at Chattanooga State Community College. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at Chattanooga State Community College (referred to throughout as the ETI) by an Education Compliance Survey Specialist. The official notification of the survey was delivered via email on March 14, 2024. An entrance briefing and exit briefing were held on March 28, 2024, with ETI officials.</p>
<b>Discrepancy</b>	<p><b>Type: Line 6: The facility accurately and promptly reported enrollment, tuition and fees, lessons serviced, flight training hours or apprenticeships/on-the-job training hours (38 CFR 21.4203(e)(f)(g), 21.4204, 21.7156, 21.9735)</b></p> <p>ETI did not provide dual certification.</p> <p><b>Recommendation:</b> Counseled SCO concerning Public Law 116-315, section 1010 dual certification requirements.</p>

**Cleveland State Community College**  
**U.S. Department of Veterans Affairs**  
**Compliance Survey**  
**June 12, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at Cleveland State Community College. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at Cleveland State Community College (referred to throughout as the ETI) by an Education Compliance Survey Specialist. The official notification of the survey was delivered via email on May 28, 2024. An entrance briefing and an exit briefing were held on June 11, 2024, with ETI officials.</p>
<b>Discrepancy</b>	<p>No discrepancies were found within areas of review enumerated in VA Form 22-1934.</p>

**Columbia State Community College**  
**U.S. Department of Defense**  
**Voluntary Education Institutional Compliance Program Review**  
**June 26, 2024**  
**Executive Summary**

<b>Introduction</b>	The U.S. Department of Defense (DOD) completed a Compliance Review at Columbia State Community College.
<b>Findings</b>	<p>The report contained seven findings in the area of Recruiting, Marketing, and Advertising; two findings in the area of Financial Matters; and no findings for Accreditation and Credentialing Requirements or Academic Counseling and Post-Graduation Job Opportunities.</p> <p><b>Recruiting, Marketing, and Advertising</b></p> <ol style="list-style-type: none"> <li>1. The institution’s website contains unauthorized DoD or Military insignias, logos and/or uniforms (including rank and/or Service), which could be inferred as a DoD endorsement of the institution.</li> <li>2. The institution’s website contains instances featuring Service members in uniform with their rank and/or other insignia visible providing testimonials that could be inferred as a Military Service endorsement for the institution.</li> <li>3. The institution’s website does not clearly articulate that Tuition Assistance (TA) funds are a source of financial aid for active duty military.</li> <li>4. The institution’s website does not clearly explain the process for applying for TA.</li> <li>5. The institution’s website shows specific instances of inaccurate information pertaining to TA.</li> <li>6. Evidence provided does not clearly articulate that prospective students are directed to receive approval from the student's Education Services Officer (ESO), military counselor or Service prior to enrollment.</li> <li>7. The institution’s website does not clearly articulate that prospective students are directed to receive approval from the student's ESO, military counselor or Service prior to enrollment.</li> </ol> <p><b>Financial Matters</b></p> <ol style="list-style-type: none"> <li>1. Evidence provided does not clearly demonstrate the management controls in place that will help ensure that your institution will disclose the rate in the event the Cohort Default Rate (CDR) rises above the national average.</li> <li>2. Evidence provided does not clearly detail the institution’s return policy for TA funds, in the event a military-connected student is unable to complete a course.</li> </ol>

**Motlow State Community College  
U.S. Department of Veterans Affairs  
Compliance Survey  
June 24, 2024  
Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at Motlow State Community College. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at Motlow State Community College (referred to throughout as the ETI) by an Education Compliance Survey Specialist (ECSS). The official notification of the survey was delivered via email on May 30, 2024. An entrance briefing was held on June 13, 2024, and exit briefing was held on June 20, 2024, with ETI officials.</p>
<b>Discrepancies</b>	<p><b>Type: Line 7: The facility promptly notified Veterans Affairs when beneficiaries terminated or interrupted training (38 CFR 21.4203, 21.7156, 21.9735)</b></p> <p>ETI did not report certificate/graduation completion for two terms for one beneficiary.</p> <p><b>Recommendation:</b> ECSS submitted 2 Way Referral. Educated School Certifying Official (SCO) on importance of timely and accurate reporting.</p> <p><b>Type: Line 6: The facility accurately and promptly reported enrollment, tuition and fees, lessons serviced, flight training hours or apprenticeships/on-the-job training hours (38 CFR 21.4203(e)(f)(g), 21.4204, 21.7156, 21.9735)</b></p> <p>One VA beneficiary had terms certified late.</p> <p><b>Recommendation:</b> ECSS explained the importance of timely reporting certifications.</p> <p><b>Type: Line 12: The facility promptly notified Veterans Affairs of any changes in credit or clock hours, or tuition and fees, that would affect the amount of payment to beneficiaries (38 CFR 21.4203, 21.7156(b), 21.9735)</b></p> <p>One VA beneficiary had term end date certified incorrectly.</p> <p><b>Recommendation:</b> ECSS explained the importance of accurately reporting certifications.</p> <p><b>Type: Line 12: The facility promptly notified Veterans Affairs of any changes in credit or clock hours, or tuition and fees, that would affect the amount of payment to beneficiaries (38 CFR 21.4203, 21.7156(b), 21.9735)</b></p> <p>Two VA beneficiaries had withdrawals not reported.</p> <p><b>Recommendation:</b> ECSS explained the importance of accurately and timely reporting certifications.</p>



**Northeast State Community College  
U.S. Department of Veterans Affairs  
Compliance Survey  
May 16, 2024  
Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at Northeast State Community College. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at Northeast State Community College (referred to throughout as the ETI) by an Education Compliance Survey Specialist (ECSS). The official notification of the survey was delivered via email on April 23, 2024. An entrance briefing and exit briefing were held on May 7, 2024, with ETI officials.</p>
<b>Discrepancies</b>	<p><b>Type: Line 6: The facility accurately and promptly reported enrollment, tuition and fees, lessons serviced, flight training hours or apprenticeships/on-the-job training hours (APP/OJT) (38 CFR 21.4203(e)(f)(g), 21.4204, 21.7156, 21.9735)</b></p> <p>The facility did not accurately and promptly report enrollment, tuition and fees, lessons serviced, flight training hours or APP/OJT hours.</p> <p><b>Recommendation:</b> Referrals to adjudication.</p> <p><b>Type: Line 12: The facility promptly notified Veterans Affairs of any changes in credit or clock hours, or tuition and fees, that would affect the amount of payment to beneficiaries (38 CFR 21.4203, 21.7156(b), 21.9735)</b></p> <p>The facility did not promptly notify VA of any changes in credit or clock hours, or tuition &amp; fees, that would affect the amount of payment to beneficiaries.</p> <p><b>Recommendation:</b> Reminded School Certifying Official (SCO) to report tuition in a timely manner within 30 days of the start of term. Reminded SCO to submit 2nd certifications within 30 days of the add/drop period or within 60 days of the start of term.</p>

**Northeast State Community College**  
**U.S. Department of Labor**  
**Enhanced Desk Monitoring Review- Strengthening Community Colleges Grant**  
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**July 11, 2024**  
**Executive Summary**

<b>Introduction</b>	During the period of May 13 through 24, 2024, the U.S. Department of Labor, Employment and Training Administration (ETA), Atlanta Regional Office, conducted an Enhanced Desk Monitoring Review (EDMR) of Northeast State Community College's Strengthening Community Colleges grant. The exit conference for this review was conducted on June 17, 2024.
<b>Purpose</b>	The purpose of ETA's review was to measure progress, evaluate the management of the grant, the quality of program services, and the grant's performance to determine if the program has been operating in compliance with the grant agreement and in a manner that will ensure achievement of the stated goals and outcomes. In particular, the review assessed whether the grant is operating in accordance with Section 169(c) of the Workforce Innovation and Opportunity Act (WIOA) and Title I of Division H of Pub. L. 116-260, Consolidated Appropriations Act, 2021, December 27, 2020.
<b>Findings</b>	<p><b>Finding #1: Low Performance</b>  <i>(CMG Indicator: 2.e.2: Progress Monitoring)</i></p> <p>The grantee is not on pace to meet key performance goals: Capacity Building Outcomes 1 and 2 and Equity Outcomes 1 and 2.</p> <p><b>Corrective Actions:</b></p> <ol style="list-style-type: none"> <li>1. Develop a monthly plan that includes the following: <ul style="list-style-type: none"> <li>• Strategies for conducting outreach and recruitment to potential participants.</li> <li>• Number of participants to enroll per month.</li> <li>• Number of participants to achieve credential attainment within a given timeframe. The plan should enable the grantee to reach its performance goals</li> </ul> </li> <li>2. Review monthly plan with the Federal Program/Project Office (FPO) so they can assess the grantee's progress over time.</li> </ol> <p><b>Finding #2: Low Expenditures</b>  <i>(CMG Indicators: 2.b.1 Budget Controls, 2.e.2 Progress Monitoring, and 3.b.4 Performance Reports)</i></p> <p>The grantee is underspending by 17% and is not on target to meet its expenditure goal by the end of the POP.</p> <p><b>Corrective Actions:</b></p> <ol style="list-style-type: none"> <li>1. Quarterly projections detailing how grant funds will be expended to meet performance goals.</li> <li>2. A description of program activities, projected expenditures per activity, and timeline when these activities will occur.</li> </ol>

**Northeast State Community College**  
**U.S. Department of Labor**  
**Enhanced Desk Monitoring Review- Strengthening Community Colleges Grant**  
**Page 2 of 2**  
**July 11, 2024**  
**Executive Summary**

<b>Findings</b> <b>Cont.</b>	3. Monthly reviews of the plan with the FPO to assess the grantee's progress over time.
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**TCAT Crossville**  
**U.S. Department of Veterans Affairs**  
**Compliance Survey**  
**April 15, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at TCAT Crossville. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at TCAT Crossville (referred to throughout as the ETI) by an Education Compliance Survey Specialist. The official notification of the survey was delivered via email on March 28, 2024. An entrance briefing and exit briefing were held on April 11, 2024, with ETI officials.</p>
<b>Discrepancies</b>	<p>No discrepancies were found within areas of review enumerated in VA Form 22-1934.</p>

**TCAT Hartsville**  
**U.S. Department of Veterans Affairs**  
**Compliance Survey**  
**May 14, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at TCAT Hartsville. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at TCAT Hartsville (referred to throughout as the ETI) by an Education Compliance Survey Specialist. The official notification of the survey was delivered via email on April 30, 2024. An entrance briefing and exit briefing were held on May 14, 2024, with ETI officials.</p>
<b>Discrepancy</b>	<p><b>Type: Line 6: The facility accurately and promptly reported enrollment, tuition and fees, lessons serviced, flight training hours or apprenticeships/on-the-job training hours (38 CFR 21.4203(e)(f)(g), 21.4204, 21.7156, 21.9735)</b></p> <p>The ETI did not provide dual certification in two instances.</p> <p><b>Recommendation:</b> Counseled SCO concerning Public Law 116-315, section 1010 dual certification requirements.</p>

**TCAT Knoxville**  
**U.S. Department of Veterans Affairs**  
**Compliance Survey**  
**February 27, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at TCAT Knoxville. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at TCAT Knoxville (referred to throughout as the ETI) by an Education Compliance Survey Specialist. The official notification of the survey was delivered via email on January 3, 2024. An entrance briefing and exit briefing were held on January 30, 2024, with ETI officials.</p>
<b>Discrepancy</b>	<p><b>Type: Line 6: The facility accurately and promptly reported enrollment, tuition and fees, lessons serviced, flight training hours or apprenticeships/on-the-job training hours (38 CFR 21.4203(e)(f)(g), 21.4204, 21.7156, 21.9735)</b></p> <p>The facility failed to report the correct tuition &amp; fees for this term.</p> <p><b>Recommendation:</b> The incorrect certification had financial implications for tuition &amp; fees. SCO amended on site.</p>

**TCAT Livingston**  
**U.S. Department of Veterans Affairs**  
**Compliance Survey**  
**May 15, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at TCAT Livingston. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at TCAT Livingston (referred to throughout as the ETI) by an Education Compliance Survey Specialist. The official notification of the survey was delivered via email on May 1, 2024. An entrance briefing and exit briefing were held on May 15, 2024, with ETI officials.</p>
<b>Discrepancy</b>	<p><b>Type: Line 5: The facility maintains accurate, current, and complete records of enrollment, correspondence lessons serviced, flight training hours or apprenticeships/on-the-job training hours (38 CFR 21.4253, 21.4254)</b></p> <p>The ledger did not record the VA payment of \$935.20 on December 1, 2022. ETI did not credit the student the which resulted in the student receiving a refund from the ETI.</p> <p>The ledger did not record the VA payment of \$1,336 on October 20, 2022. ETI did not credit the student the which resulted in the student receiving a refund from the ETI.</p> <p><b>Recommendation:</b> ECSS explained the importance of accurate ledgers and advised SCO to talk with the finance office.</p>

**TCAT Pulaski**  
**U.S. Department of Veterans Affairs**  
**Compliance Survey**  
**July 11, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at TCAT Pulaski. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at TCAT Pulaski (referred to throughout as the ETI) by an Education Compliance Survey Specialist-Contractor (ECSS-C). The official notification of the survey was delivered via email on June 1, 2024. An entrance briefing was held on June 15, 2024, and an exit briefing was held on June 16, 2024, with ETI officials.</p>
<b>Discrepancy</b>	<p><b>Type: Line 7: The facility promptly notified Veterans Affairs when beneficiaries terminated or interrupted training (38 CFR 21.4203, 21.7156, 21.9735)</b></p> <p>School Certifying Official (SCO) error. -</p> <p>Fall 2022 (9/6/2022 to 12/20/2022), 30 Clock hours with \$0 tuition. The student withdrew from term and the last day of attendance was September 12, 2022.</p> <p>The student should have been terminated within 30 days of the last day of attendance.</p> <p><b>Recommendation:</b> Recommended action to SCO is to terminate students within 30 days or in a timely manner upon withdrawal from term. ECSS-C assisted SCO in submitting a referral to adjudication.</p>



**TCAT Shelbyville**  
**U.S. Department of Veterans Affairs**  
**Compliance Survey**  
**July 11, 2024**  
**Executive Summary**

<b>Introduction</b>	<p>The U.S. Department of Veterans Affairs completed a Compliance Survey at TCAT Shelbyville. The purpose of a Compliance Survey is to ensure that approved programs are compliant with all applicable provisions of Title 38, United States Code (USC) § 3693 administered by VA.</p> <p>The Compliance Survey was conducted onsite at TCAT Shelbyville (referred to throughout as the ETI) by an Education Compliance Survey Specialist-Contractor (ECSS-C). The official notification of the survey was delivered via email. An entrance briefing was held on June 12, 2024, and an exit briefing was held on June 13, 2024, with ETI officials.</p>
<b>Discrepancy</b>	<p><b>Type: Line 6: The facility accurately and promptly reported enrollment, tuition and fees, lessons serviced, flight training hours or apprenticeships/on-the-job training hours (38 CFR 21.4203(e)(f)(g), 21.4204, 21.7156, 21.9735)</b></p> <p>School Certifying Official error in certifying end of term date - Summer 2020 (05/18/2020 to 12/18/2020), 30 clock hours with \$1,312.00. Should have been certified as 5/18/2020 to 8/26/2020, 30 clock hours with \$1,312.00.</p> <p><b>Recommendation:</b> Recommended to SCO to confirm end of term dates before certifying. ECSS-C assisted SCO in submitting a referral to adjudication.</p>

**Tennessee Board of Regents  
Audit Committee  
August 27, 2024**

***Internal Audit Reports  
Financial Management***

**Chattanooga State Community College**  
**Higher Education Emergency Relief Funds (HEERF) Public Reporting Review**  
**Fiscal Years 2020 - 2023**  
**June 24, 2024**  
**Executive Summary**

<b>Key Staff Personnel</b>	Director - Grants & Contracts, Bursar, Specialist - Student Accounts, Director - Financial Aid	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	<p>The U.S. Department of Education, Office of Postsecondary Education was granted funds to award to institutions of higher education to provide fast and direct economic aid to institutions and students to alleviate the negative impacts of the COVID-19 pandemic. The funding was given as the Higher Education Emergency Relief Fund or HEERF.</p> <p>Funding was awarded in three stages beginning March 2020. The first stage, HEERF I, was authorized by the Coronavirus Aid, Relief and Economic Security (CARES) Act. The second stage, HEERF II, was authorized by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The third stage, HEERF III, was authorized by the American Rescue Plan (ARP) under Public Law 117-2.</p> <p>The Office of Postsecondary Education established reporting formats, due dates, and provided guidance as to uses of the funding, including Emergency Financial Aid Grants to students. Institutions were directed to post on the institution’s primary website, in a format and location that is easily accessible to the Public, specific informational items related to Emergency Financial Aid Grants to students and provided a form for reporting institutional expenditures to be posted on the institutions primary website on the same page as the informational items related to Emergency Financial Aid Grants to students.</p>		
<b>Objectives</b>	<p>The objectives of the audit were:</p> <ul style="list-style-type: none"> <li>• To determine whether internal controls provide reasonable assurance that the information was posted in the manner directed by the Department of Education.</li> <li>• To determine the accuracy of financial information posted and that it agrees to the documentation of expenses recorded by the institution.</li> </ul>		
<b>Conclusion</b>	<p>The College’s HEERF quarterly public reporting processes are well defined and provide adequate internal controls for maintaining compliance with U.S. Department Education public reporting requirements and reconciled to the College’s records. Appropriate college personnel completed minor HEERF reporting improvements identified during the audit prior to release of the audit report. Coordination between various departments on campus has ensured efficient and timely completion of required reports and related posting.</p>		

**Volunteer State Community College**  
**Payroll Activities**  
**2023**  
**June 18, 2024**  
**Executive Summary**

<b>Key Staff Personnel</b>	VSCC Human Resources VSCC Business Office TBR Payroll Services	<b>Internal Auditor</b>	Nancy Batson
<b>Introduction</b>	Payroll services for Volunteer State Community College (the college) include the administration of payroll, leave reporting, tax reporting, and general accounting functions relating to payroll. Since 2022, the payroll activities of the college have been conducted by the TBR payroll services office; however, the college has hired a payroll administrator and payroll associate and plans to return these services to the college in 2024.		
<b>Objectives</b>	The objectives of the audit include the following: <ul style="list-style-type: none"> <li>▪ Determine if salaries are approved.</li> <li>▪ Determine if payroll amounts are accurate.</li> <li>▪ Determine that employee terminations are processed timely.</li> <li>▪ Determine that employees are eligible for leave and benefits.</li> <li>▪ Determine that reconciliations are completed timely.</li> </ul>		
<b>Scope</b>	The audit reviewed 2023 payroll activity.		
<b>Conclusion</b>	Except as noted below, employee salaries were approved, payroll amounts were accurate and leave and benefits were provided to eligible employees. Payroll deduction and benefit payments were remitted appropriately and reconciled. Final pay for terminated employees was processed appropriately.		
<b>Recommendations</b>	The college should ensure that regular part-time employee leave earnings are correct. An employee in a 50% regular part-time position received full hours of annual leave and sick leave instead of 50% of the hours.		

**TCAT Livingston**  
**Internal Audit Report on Controls**  
**June 21, 2024**  
**Executive Summary**

<b>Key Staff Personnel</b>	President Coordinator of Business and Finance	<b>TCAT Internal Auditor</b>	Helen Vose, CIA, CFE
<b>Purpose and Objectives</b>	<p>To assess the adequacy of management’s system of internal controls. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:</p> <ul style="list-style-type: none"> <li>• Cash Receipting</li> <li>• Cash Deposits</li> <li>• Accounts Receivable</li> <li>• Federal Financial Aid <ul style="list-style-type: none"> <li>– Student Award Process</li> </ul> </li> </ul>		
<b>Conclusion</b>	<p>Based on observations, discussions with management, and the test work performed in the areas listed above for the period covered, management’s systems of internal controls appear generally adequate. Management has established controls to ensure there is adequate segregation of duties between the cash receipting and deposit processes and that cash is reconciled daily to deposits. Student accounts receivable are recorded and reconciled promptly, and the aging and notices of delinquent accounts are sent in a timely manner. The coordination between Financial Aid and the Business Office appears to be in place to ensure students that have dropped or have been terminated are identified and refunds processed as necessary. The process of ensuring the student is awarded accurately and is aware of all the resources for financial aid is adequate. The audit did not reveal significant issues of noncompliance with TBR and institutional policies, or Federal laws, which could result in significant deficiencies in operations. However, two recommendations were noted.</p>		
<b>Recommendations Observations</b>	<p>Two students were noted as having been sent letters of contact for collections on the weekend, 7/15/23 and 10/15/23. A recommendation was made to ensure the letters were dated and sent during the week.</p> <p>Letters for four students were noted as having been sent with less than 30-day intervals between letters of contact as noted in TBR Guideline B-010. A recommendation was made to process all accounts receivable collection letters on the same day each month to ensure each student is given the full 30 days for each notification.</p>		

**TCAT Shelbyville**  
**Internal Audit Report on Controls**  
**June 21, 2024**  
**Executive Summary**

<b>Key Staff Personnel</b>	President Interim VP of Operations AR Clerk	<b>TCAT Internal Auditor</b>	Helen Vose, CIA, CFE
<b>Purpose and Objectives</b>	<p>To assess the adequacy of management’s system of internal controls. Transactions were tested on a sample basis and other audit procedures were performed on controls in the following areas:</p> <ul style="list-style-type: none"> <li>• Cash Receipting</li> <li>• Cash Deposits</li> <li>• Accounts Receivable</li> <li>• Federal Financial Aid – Student Award Process</li> </ul>		
<b>Conclusion</b>	<p>Based on observations, discussions with management, and the test work performed in the areas listed above for the period covered, management’s systems of internal controls appear generally adequate. Management has established controls to ensure there is adequate segregation of duties between the cash receipting and deposit processes and the cash is reconciled daily to deposits. Student account receivables are recorded and reconciled promptly, and the aging and notices of delinquent accounts are sent in a timely manner. The coordination between Financial Aid and the Business Office appears to be in place to ensure students that have dropped or have been terminated are identified and refunds processed as necessary. The process of ensuring the student is awarded accurately and is aware of all the resources for financial aid is adequate. The audit did not reveal significant issues of noncompliance with TBR and institutional policies, or Federal laws, which could result in significant deficiencies in operations. However, one recommendation was noted.</p>		
<b>Recommendation</b>	<p>Two students were noted as having been sent letters on the weekend on 10/15/23 and during the holiday break on 12/30/23. A recommendation was made to ensure the letters were dated and sent during the week.</p>		

**Tennessee Board of Regents  
Audit Committee  
August 27, 2024**

***Internal Audit Reports  
Institutional Support***

**Chattanooga State Community College**  
**Faculty Credentials – Page 1 of 2**  
**Spring, Summer, and Fall Semesters 2023**  
**June 20, 2024**  
**Executive Summary**

<b>Key Staff Personnel</b>	Executive Director, Institutional Effectiveness, Research and Planning Dean, Academic Resources and Compliance TCAT, Dean	<b>Internal Auditor</b>	Kimberly Clingan Director, Internal Audit
<b>Introduction</b>	<p>The audit of Chattanooga State Community College’s faculty credentials was requested by the President of the college to ensure that all full-time and part-time faculty hired by the College meet the requirements of the College’s accrediting agency, Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). 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.</p> <p>The College’s faculty credentialing documentation resides in a data repository known as Compliance Assist.</p>		
<b>Objectives</b>	<p>The objectives of the audit were:</p> <ul style="list-style-type: none"> <li>• To determine the requirements necessary for compliance with SACSCOC criteria and college policies.</li> <li>• To determine whether faculty employed meet credential requirements.</li> <li>• To determine whether documentation maintained was sufficient to document compliance.</li> </ul>		
<b>Conclusion</b>	<p>The College’s Faculty Credentialing policy and corresponding procedures are well defined and provide adequate internal controls to maintain compliance with SACSCOC requirements. However, discrepancies noted during faculty testing identified issues with completion and timing of loading the faculty credentialing documentation to the compliance database. Internal Audit has provided three recommendations to improve the faculty credentialing process through the inclusion of course rubrics in the Faculty Qualifications Manual, the addition of faculty supporting documentation, and credentialing process training.</p>		
<b>Recommendations</b>	<p>Internal Audit recommends the following to improve faculty credentialing documentation:</p> <ul style="list-style-type: none"> <li>• TCAT and Academic Affairs management should ensure the completion of loading or corrections to credentialing documentation for identified faculty.</li> <li>• The rubric EETC (Electrical Engineering Technology) and EVET (Electric Vehicle Engineering Technology) should be included in the Faculty Qualifications Manual to ensure the ability to determine if faculty met teaching requirements for these courses.</li> <li>• Faculty credentials for those who serve as instructors in the clinical setting should be included in Compliance Assist.</li> </ul>		



**Chattanooga State Community College  
Faculty Credentials – Page 2 of 2  
Spring, Summer, and Fall Semesters 2023  
June 20, 2024  
Executive Summary**

<b>Recommendations Cont.</b>	<ul style="list-style-type: none"> <li>• TCAT and Academic Affairs management should provide training to all Divisions/Departments concerning the faculty credentialing process, documentation standards, and timelines.</li> </ul>
<b>Management Response</b>	<p>Management concurs with the audit recommendations. Corrections for the identified documentation discrepancies will be completed by September 30, 2024. Faculty credentialing process training will be developed and deployed during Convocation week meetings.</p>

**Tennessee Board of Regents  
Audit Committee  
August 27, 2024**

***Internal Audit Reports  
Investigations***

**Northeast State Community College**  
**INV 24-02 Customer Loyalty Program**  
**November 1, 2023 through April 30, 2024**  
**June 28, 2024**  
**Executive Summary**

<b>Auditee</b>	Student Outreach and Engagement; Purchasing	<b>Auditor</b>	Christopher L. Hyder
<b>Objectives</b>	<p>Investigated unauthorized use of the college’s customer loyalty benefits:</p> <ul style="list-style-type: none"> <li>• to determine if the users of the discount are associated with NeSCC so management could take appropriate action.</li> <li>• to determine if unauthorized use of the ValueCard resulted in misuse of the college’s tax-free status.</li> <li>• to identify controls to mitigate misuse of Fuel Points.</li> </ul>		
<b>Scope</b>	November 1, 2023, through April 30, 2024		
<b>Analysis of Issues</b>	<p>No financial loss was incurred by the college.</p> <p>Several unauthorized individuals used the college’s customer loyalty benefits at a local grocery chain to obtain discounts on fuel purchases. One employee was identified and given a warning. Multiple steps have been taken to curtail the issue.</p> <p>All non-fuel purchases with the loyalty program were reviewed for misuse of tax-exempt status with no instances identified.</p> <p>Student Outreach and Purchasing have temporarily blocked the loyalty program while working with the vendor to change the college’s loyalty number.</p>		
<b>Recommendations</b>	None		

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: System-wide Internal Audit Updates

DATE: August 27, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S  
RECOMMENDATION: Accept Report

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Mike Batson will give brief updates for the following items:

- Open Community College Internal Auditor Positions Update
- New Internal Audit Directors
- Management's Risk Assessment to be Presented in Executive Session

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Year-End Status Reports for Fiscal Year 2024

DATE: August 27, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Informational Report

STAFF'S RECOMMENDATION: Accept Report

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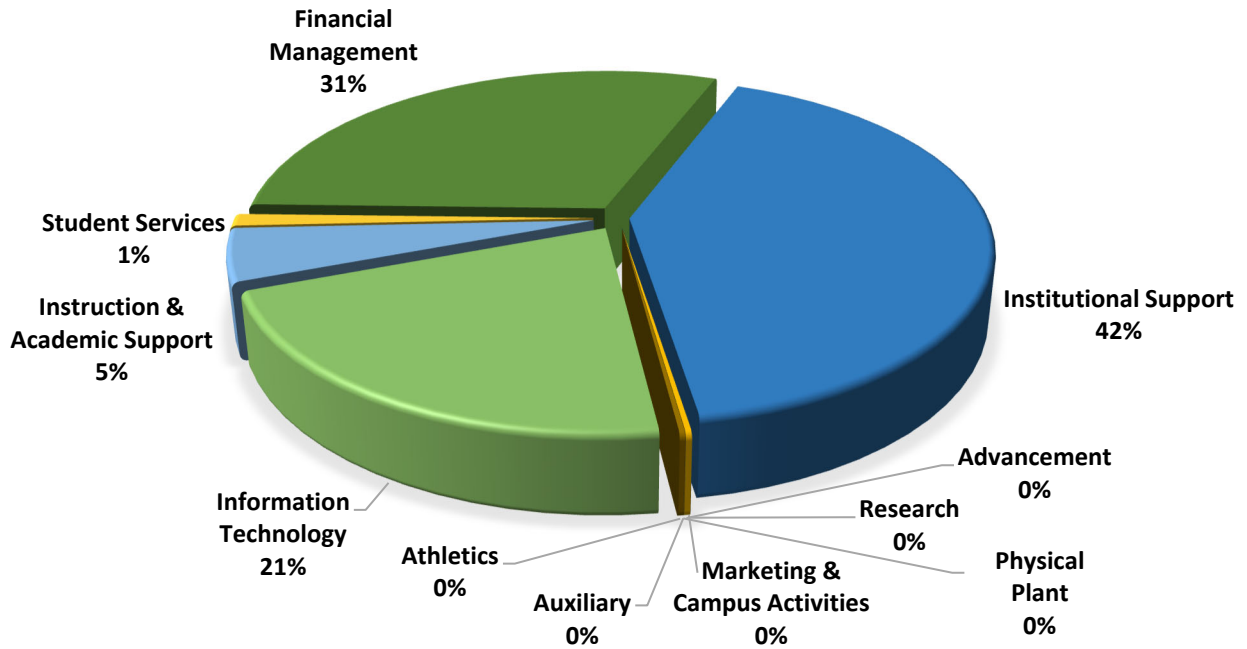
The committee will review the year-end status of the internal audit plans for the system institutions for Fiscal Year 2024. This item includes the following summary information on system audit activities for the year.

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

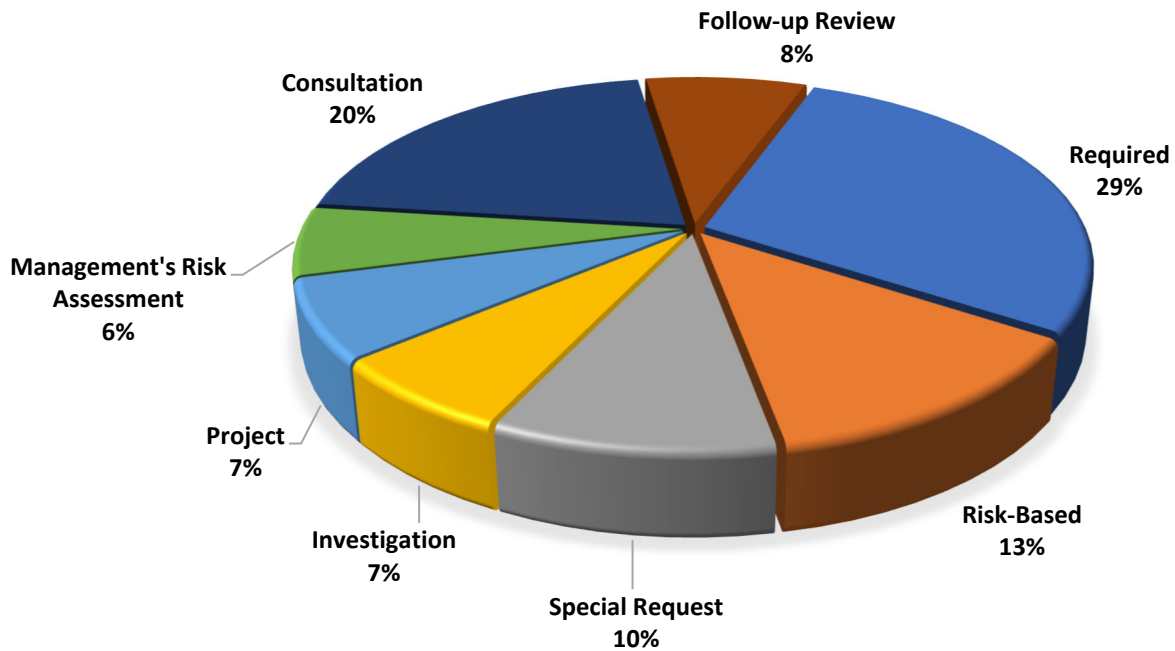
The summary schedules are followed by a Year-end Status Report for each institution and for each audit activity with the system office.

The system had vacancies for the Director of Internal Audit positions at CISCC, CoSCC, DSCC, JSCC, MSCC and STCC during Fiscal Year 2024.

## FY 2024 TOTAL AUDIT HOURS FOR COMPLETED AUDITS BY FUNCTIONAL AREA



## FY 2024 TOTAL AUDIT HOURS FOR COMPLETED AUDITS BY AUDIT TYPE



**Tennessee Board of Regents  
Planned vs. Actual Audit Hours  
Fiscal Year 2024**

Institution	Planned Audit Hours	Actual Audit Hours	% of Planned Hours Achieved
ChSCC	860.0	840.0	97.67%
CISCC	580.0	590.0	101.72%
CoSCC	0.0	0.0	0.00%
DSCC	190.0	72.5	38.16%
JSCC	0.0	0.0	0.00%
MSCC	0.0	0.0	0.00%
NaSCC	800.0	700.0	87.50%
NeSCC	1,040.0	1,006.5	96.78%
PSCC	1,245.0	1,071.0	86.02%
RSCC	1,025.0	859.3	83.83%
STCC	579.0	497.5	85.92%
VSCC	925.0	808.0	87.35%
WSCC	839.5	813.5	96.90%
TBR- System Office (Director)	870.0	673.3	77.39%
TBR-Investigations	1,819.0	1,819.0	100.00%
TBR-Information Systems	950.0	880.0	92.63%
TBR-TCATs	1,050.0	810.5	77.19%

**Notes:**

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

2- 70.0 actual hours for CISCC, 32.0 actual hours for RSCC, 7.5 actual hours for STCC, and 54.5 actual hours for TBR-TCAT were spent on Removed Audits and are not included in these numbers.

3- CoSCC, JSCC, and MSCC have vacancies in the Director of Internal Audit position. DSCC and STCC had vacancies in the Director of Internal Audit position through a majority of the fiscal year.

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

Type of Audit	FY2024	FY2023	FY2022	Average
Required	29%	34%	35%	33%
Risk-Based	13%	3%	8%	8%
Investigation	7%	10%	12%	10%
Consultation	20%	27%	16%	22%
Project	7%	8%	4%	6%
Follow-up Audit	8%	7%	10%	8%
Management's Risk Assessment	6%	3%	7%	5%
Special Request	10%	8%	7%	8%
Other	0%	0%	1%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Summary** - The focus on Risk-Based Audits is determined by the campus auditor's risk analysis of the audit universe on each campus. Typically, as resources dedicated to Investigations or Required Audits decline, more resources are available for Risk-Based audits. Risk-based Audits increased from FY 2023 due to an decrease in Consultation and Required Audits.

By Functional Area	FY2024	FY2023	FY2022	Average
Advancement	0%	1%	1%	1%
Athletics	0%	5%	1%	2%
Auxiliary	0%	0%	0%	0%
Financial Management	31%	30%	27%	30%
Instruction and Academic Support	5%	3%	4%	4%
Institutional Support	42%	43%	40%	41%
Information Technology	21%	14%	16%	17%
Marketing & Campus Activities	0%	0%	0%	0%
Physical Plant	0%	0%	0%	0%
Research	0%	0%	0%	0%
Student Services	1%	4%	11%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Summary** - Financial Management and Institutional Support have remained the two most often audited areas over time. By the nature of the process within Financial Management and Institutional Support, both areas cross over into many other functional areas. The area of Information technology has increased significantly over last fiscal year.



**Tennessee Board of Regents  
Summary of Investigation Activity and Intakes FY 2024  
As of June 30, 2024**

**Allegations**

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

**Investigations**

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

<b>Complaints Received</b>	<b>Community Colleges</b>	<b>Technology Colleges</b>	<b>System Office</b>	<b>Total</b>
Tennessee Comptroller	4	3	1	8
System-wide Internal Audit	21	33	7	61
Campus Internal Audit	6	2	0	8
<b>Total Complaints</b>	<b>31</b>	<b>38</b>	<b>8</b>	<b>77</b>
Referred, Duplicative, or Not Viable	22	27	7	56
Under Preliminary Review/Consultation	2	6	1	9
Designated as assistance – not an investigation	0	0	0	0
<b>Cases Opened</b>	<b>7</b>	<b>5</b>	<b>0</b>	<b>12</b>
<b>Investigations</b>	<b>Community Colleges</b>	<b>Technology Colleges</b>	<b>System Office</b>	<b>Total</b>
Open Cases at July 1, 2023	11	6	1	18
Cases opened from new complaints or previous preliminary review items	7	5	0	12
<b>Total Cases</b>	<b>18</b>	<b>11</b>	<b>1</b>	<b>30</b>
Under further review or referred	0	0	0	0
Cases Completed, Reports Issued	4	5	0	9
Cases Administratively Closed	5	2	0	7
<b>Open Cases at June 30, 2024</b>	<b>9</b>	<b>4</b>	<b>1</b>	<b>14</b>

Note: Total Cases Completed with Reports Issued is 9; however, only 8 reports have been issued because 2 allegations were merged into one report.

**Tennessee Board of Regents  
Investigative Reports Released  
Fiscal Year 2024  
As of June 30, 2024**

<b>Institution</b>	<b>Reports Issued</b>
CISCC	TBR 23-09: Review of Allegations Regarding a Criminal Justice Exam
NeSCC	NeSCC 24-02 – Customer Loyalty Program
STCC	STCC 24-01 – Theft Inside the Cafeteria
TCAT Chattanooga	ChSCC 23-01 and 23-04: Cosmetology Hair Show Fees and Hair Braider Certificate Concerns
TCAT Chattanooga	ChSCC 23-05: HVAC Surplus and Scrap
TCAT Chattanooga	ChSCC 23-06 – Massage Therapy Tips
TCAT Crossville	TBR 24-05 – Cosmetology Collections
TCAT Murfreesboro	TBR 23-02: Review of Allegations Regarding Live Work

**Year-End Status Reports**  
**By Institution**  
**Fiscal Year Ended June 30, 2024**

**Chattanooga State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
AT	S	Basketball Tournament Event Processes	5.0	20.0	20.0	0.0	0%		12.0	8.0	Nov-23	Completed
FM	F	State Audit Assist/Follow-up	5.0	60.0	15.0	-45.0	-75%	3	8.0	7.0	Jun-24	Completed
FM	R	HEERF	5.0	75.0	100.0	25.0	33%	3	101.0	-1.0	Jun-24	Completed
FM	S	YE Procedures FYE 2023	5.0	10.0	10.0	0.0	0%		10.0	0.0	Aug-23	Completed
IA	C	Follow-up to DOT report for CDL Program	3.2	20.0	30.0	10.0	50%	2	25.0	5.0	May-24	Completed
IA	C	TCAT Auto Service Deficiency Consult	5.0	0.0	40.0	40.0	100%	1	40.0	0.0	Sep-23	Completed
IA	S	Faculty Credentials	5.0	50.0	50.0	0.0	0%		60.0	-10.0	Jun-24	Completed
IS	C	Management Advisory Services	5.0	110.0	80.0	-30.0	-27%	1	84.5	-4.5	Jun-24	Completed
IS	F	Follow up Reviews	5.0	70.0	70.0	0.0	0%		62.5	7.5	Jun-24	Completed
IS	I	Developing Investigations-Assist TBR	5.0	15.0	15.0	0.0	0%		10.5	4.5	Jun-24	Completed
IS	I	INV-2023-01	5.0	15.0	15.0	0.0	0%		22.0	-7.0	Nov-23	Completed
IS	I	INV-2023-04	5.0	15.0	15.0	0.0	0%		22.0	-7.0	Nov-23	Completed
IS	I	INV-2023-06	5.0	30.0	30.0	0.0	0%		34.0	-4.0	Oct-23	Completed
IS	M	Enterprise Risk Assessment -FY2023	5.0	10.0	10.0	0.0	0%		11.0	-1.0	Aug-23	Completed
IS	M	Enterprise Risk Assessment -FY 2024	5.0	35.0	35.0	0.0	0%		28.5	6.5	Jun-24	Completed
IT	S	IAR-NACHA-2023	5.0	70.0	70.0	0.0	0%		70.0	0.0	Dec-23	Completed
SS	R	TCAT-Athens Veteran's Benefit Certification	5.0	40.0	40.0	0.0	0%		50.0	-10.0	Jan-24	Completed
FM	S	YE Procedures FYE 2024	5.0	15.0	15.0	0.0	0%		12.0	3.0		In Progress
IA	C	TCAT Timeclock Hours Reporting	3.4	100.0	50.0	-50.0	-50%	4	37.5	12.5		In Progress
IS	S	Comp Time / Over Time Processes	5.0	0.0	150.0	150.0	100%	3	139.5	10.5		In Progress
IS	I	Unscheduled Investigations	5.0	100.0	0.0	-100.0	-100%	3	0.0	0.0		Removed
IT	C	Sensitive Equipment Student Loaner Processes	3.3	90.0	0.0	-90.0	-100%	4	0.0	0.0		Removed
SS	R	CCTA Element Audit	5.0	100.0	0.0	-100.0	-100%		0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>860.0</b>	<b>-190.0</b>			<b>840.0</b>	<b>20.0</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

FN1 Reduced general consulting hours to add specific consulting project.  
 FN2 Additional hours added to attend follow-up meetings with the Vice President - TCAT and Examiner.  
 FN3 Reduced Unscheduled Investigations and State Audit Follow-up to add hours or audit requests with a high priority.  
 FN4 Projects changed to a consultation as new processes in these areas have been initiated during the year.

**Cleveland State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	NACHA 2023 Audit	5.0	90.0	90.0	0.0	0%		100.0	-10.0	Jan-24	Completed
IS	C	Management Advisory Services (including SACSCOC 10-yr review)	5.0	100.0	180.0	80.0	80%		190.0	-10.0	Jun-24	Completed
IS	F	Follow-up to State Audit finding	5.0	100.0	100.0	0.0	0%		140.0	-40.0	Jan-24	Completed
FM	M	Accounts Payable (1099s)	4.5	180.0	160.0	-20.0	-11%		160.0	0.0		In Progress
FM	A	Bank Reconciliations	5.0	200.0	0.0	-200.0	-100%	2	0.0	0.0		Removed
FM	R	CARES Act/HEERF (Higher Ed Emergency Relief Fund)	5.0	50.0	50.0	0.0	0%		70.0	-20.0		Removed
FM	S	YE Procedures FYE 2024, including cash counts	5.0	15.0	0.0	-15.0	-100%	2	0.0	0.0		Removed
IS	A	Campus Safety and Physical Security	4.5	40.0	0.0	-40.0	-100%	2	0.0	0.0		Removed
IS	A	Building Security/Key Control	5.0	60.0	0.0	-60.0	-100%	2	0.0	0.0		Removed
IS	I	Unscheduled Investigations	5.0	90.0	0.0	-90.0	-100%	1	50.0	-50.0		Removed
SS	S	VA Audit 2023-24	5.0	90.0	0.0	-90.0	-100%	2	2.0	-2.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1015.0</b>	<b>580.0</b>	<b>-435.0</b>			<b>712.0</b>	<b>-132.0</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

FN1- Removed placeholder.  
 FN2- Removed audits due to Director retirement.

**Dyersburg State Community College**  
**Year-End Status Report**  
**Fiscal Year Ended June 30, 2024**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	Year End Bank Confirmations		45.0	45.0	0.0	0%		16.0	29.0	Jun-24	Completed
IS	C	General Consultation		75.0	75.0	0.0	0%		6.5	68.5	Jun-24	Completed
IS	M	Risk Assessment		70.0	70.0	0.0	0%		50.0	20.0	Jan-24	Completed
IS	I	Unscheduled Investigations		75.0	0.0	-75.0	-100%	2	0.0	0.0		Removed
FM	R	HEERF Funding/Cares Act		75.0	0.0	-75.0	-100%	1	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>340.0</b>	<b>190.0</b>	<b>-150.0</b>			<b>72.5</b>	<b>117.5</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

FN1 - Audit is being completed by the TBR Director of Internal Audit  
 FN 2 - There were no unscheduled investigations.

**Nashville State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	President's Expenses Audit	3.2	150.0	150.0	0.0	0%		150.0	0.0	Oct-23	Completed
IS	C	Internal Control Awareness	3.0	150.0	150.0	0.0	0%		150.0	0.0	Jun-24	Completed
IS	C	Consulting Activities	3.0	100.0	100.0	0.0	0%		100.0	0.0	Jun-24	Completed
IS	M	Management Risk Assessment	3.5	100.0	100.0	0.0	0%		100.0	0.0	Jun-24	Completed
FM	A	Travel Expenses	3.2	150.0	150.0	0.0	0%		100.0	50.0		In Progress
IS	O	THEC Audit Assistance	3.0	0.0	50.0	50.0	100%	3	50.0	0.0		In Progress
IT	R	TBR IS Audit	3.7	100.0	100.0	0.0	0%		50.0	50.0		In Progress
IS	R	CCTA	3.4	150.0	0.0	-150.0	-100%	2	0.0	0.0		Removed
PP	A	Campus Safety and Security	3.3	150.0	0.0	-150.0	-100%	1	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>800.0</b>	<b>-250.0</b>			<b>700.0</b>	<b>100.0</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

FN1 Audit removed due to time constraint. Auditor was taking extended family medical leaves in February and March.  
 FN2 CCTA Audit brought forward to FY2025  
 FN3 THEC began an audit of funding formula - workforce initiative in April 2024.

**Northeast State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	R	State Audit Assistance - Year End	5.0	30.0	30.0	0.0	0%		32.5	-2.5	Jun-24	Completed
FM	S	HEERF III Student Distributions	5.0	20.0	20.0	0.0	0%		22.5	-2.5	Nov-23	Completed
IS	C	Management Advisory Services	5.0	100.0	165.0	65.0	65%	1	167.5	-2.5	Jun-24	Completed
IS	F	Other Audit Follow-Up	5.0	60.0	27.5	-32.5	-54%		33.0	-5.5	Jun-24	Completed
IS	I	Developing Investigations-Assist TBR	5.0	50.0	35.0	-15.0	-30%		43.0	-8.0	Jun-24	Completed
IS	I	NeSCC INV 24-1	5.0	0.0	62.5	62.5	100%		62.5	0.0	Mar-24	Completed
IS	I	NeSCC INV 24-2	5.0	0.0	100.0	100.0	100%	1	111.0	-11.0	Jun-24	Completed
IS	M	Risk Assessment	5.0	50.0	50.0	0.0	0%		53.0	-3.0	Jun-24	Completed
IS	S	Apprenticeships Consultation	5.0	100.0	76.5	-23.5	-24%		76.5	0.0	Oct-23	Completed
IS	S	Special Requests and Projects	5.0	100.0	100.0	0.0	0%		106.5	-6.5	Jun-24	Completed
IA	A	Faculty Credentials	3.6	100.0	100.0	0.0	0%		73.0	27.0		In Progress
IA	S	Attendance Reporting	5.0	100.0	123.5	23.5	24%		111.0	12.5		In Progress
IS	C	Job Placement Reporting Consultation	5.0	0.0	150.0	150.0	100%		114.5	35.5		In Progress
FM	A	Student Accounts	3.4	90.0	0.0	-90.0	-100%		0.0	0.0		Removed
IS	A	Grant Development	3.6	90.0	0.0	-90.0	-100%		0.0	0.0		Removed
IS	I	Unscheduled Investigations	5.0	50.0	0.0	-50.0	-100%		0.0	0.0		Removed
SS	R	Complete College Tennessee Act Element	5.0	100.0	0.0	-100.0	-100%	1	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1040.0</b>	<b>1040.0</b>	<b>0.0</b>			<b>1006.5</b>	<b>33.5</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

FN1 Hours distributed to NeSCC 24-2, and Management Advisory Services



**Pellissippi State Community College**  
**Year-End Status Report**  
**Fiscal Year Ending June 30, 2024**  
**Revised June 2024**

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
AD	C	Advancement Management Advisory Services	5.0	22.5	22.5	0.0	0%		15.0	7.5	Jun-24	Completed
FM	C	Finance Management Advisory Services, Consultation	5.0	37.5	45.0	7.5	20%		45.0	0.0	Jun-24	Completed
FM	R	Year End Inventory & Cash Counts	5.0	22.5	22.5	0.0	0%		19.5	3.0	Jun-24	Completed
FM	R	Cleveland State Presidnets Expense Audit	5.0	150.0	150.0	0.0	0%		146.0	4.0	Oct-23	Completed
FM	R	Audit Follow Up	5.0	30.0	30.0	0.0	0%		8.5	21.5	Jun-24	Completed
IA	S	Faculty Credentials	5.0	150.0	150.0	0.0	0%		149.0	1.0	Feb-24	Completed
IA	S	Compliance Assist Review	5.0	37.5	37.5	0.0	0%		37.0	0.5	Jun-24	Completed
IS	C	Institutional Support Management Advisory Services, Consultation	5.0	75.0	75.0	0.0	0%		68.0	7.0	Jun-24	Completed
IS	M	Risk Assessment	5.0	52.5	52.5	0.0	0%		26.5	26.0	May-24	Completed
IS	I	Investigation - Use of Audio Production Equipment.	5.0	30	30	0.0	0%	1	30	0.0	Aug-23	Completed
IS	I	Investigation - Student Complaint/FERPA	5.0	30	30	0.0	0%	2	14.0	16.0	May-24	Completed
IT	A	PaperCut Vulnerability Assessment	3.9	150.0	150.0	0.0	0%		150.0	0.0	Jun-24	Completed
IT	A	IT PS3 File Share Vulnerability	3.6	150.0	150.0	0.0	0%		131.5	18.5	May-24	Completed
IT	C	IT Audit Management Advisory Service - Phishing Campaign & Building Security Review	5.0	150.0	150.0	0.0	0%		116.0	34.0	Jun-24	Completed
IT	C	IT Audit Management Advisory Service - PCI & ACH Review	5.0	150.0	150.0	0.0	0%		115.0	35.0	Jun-24	Completed
IS	I	Unscheduled Investigations and Special Requests	5.0	37.5	0.0	-37.5	-100%		0.0	0.0		Removed
IS	R	Funding Formula	5.0	112.5	0.0	-112.5	-100%	3	0.0	0.0		Removed

**Total Planned Audit Hours: 1387.5 1245.0 -142.5 1071.0 174.0**

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

Scheduled  
 In Progress  
 Completed  
 Removed

FN1- On June 1, 2023 Internal Audit was asked to investigate the Video Production Equipment Inventory.  
 FN2- On March 28, 2024 Internal Audit was asked to investigate a student complaint as it related to FERPA/Student records  
 FN3- The Board of Regents made a decision to not make this a required audit in FY24 so this audit was removed from the audit plan.

**Roane State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	F	State Audit Follow-up	5.0	60.0	60.0	0.0	0%		35.0	25.0	May-24	Completed
FM	F	IAR Audit Follow-up	5.0	80.0	40.0	-40.0	-50%	3	0.0	40.0	Jun-24	Completed
FM	F	Accounts Receivable - Follow-up for State Audit	5.0	75.0	105.0	30.0	40%	1,4	104.3	0.8	May-24	Completed
FM	I	Unscheduled Investigations	5.0	90.0	25.0	-65.0	-72%	3	21.3	3.8	Jun-24	Completed
FM	R	Year End Cash Counts	5.0	35.0	50.0	15.0	43%	7	49.0	1.0	Jun-24	Completed
FM	R	President's Expense Audit - NSCC	5.0	60.0	62.0	2.0	3%		62.0	0.0	Oct-23	Completed
IS	C	Management Advisory Services	5.0	142.0	142.0	0.0	0%		134.8	7.3	Jun-24	Completed
IS	M	Enterprise Risk Assessment	5.0	75.0	50.0	-25.0	-33%	3	47.5	2.5	May-24	Completed
IS	R	QAR - Self Assessment and External	5.0	30.0	20.0	-10.0	-33%	3	19.5	0.5	Jul-23	Completed
AX	S	Foundation - Restricted Funds	4.7	40.0	40.0	0.0	0%		35.8	4.3		In Progress
FM	I	INV 22-01	5.0	0.0	35.0	35.0	100%	6	24.3	10.8		In Progress
FM	I	INV 23-01	5.0	100.0	100.0	0.0	0%		76.8	23.3		In Progress
FM	I	INV 23-02	5.0	5.0	5.0	0.0	0%		2.0	3.0		In Progress
FM	R	CARES Act (HEERF)	5.0	20.0	120.0	100.0	500%	2	120.0	0.0		In Progress
FM	S	Adjuncts Having More than 1 Position at RSCC	4.5	38.0	38.0	0.0	0%		34.0	4.0		In Progress
IA	R	Release Time/Workload IAR Follow-up	4.5	30.0	19.0	-11.0	-37%	8	17.0	2.0		In Progress
IA	S	Nursing Program Review	4.9	30.0	30.0	0.0	0%		25.0	5.0		In Progress
IS	A	Sick Leave Bank	4.3	45.0	52.0	7.0	16%		51.3	0.8		In Progress
AD	R	CCTA - Graduation	5.0	25.0	0.0	-25.0	-100%	8	0.0	0.0		Removed
FM	A	Grants	3.6	60.0	32.0	-28.0	-47%	5	32.0	0.0		Removed
IS	R	Campus Safety & Security	5.0	10.0	0.0	-10.0	-100%	5	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>1025.0</b>	<b>-25.0</b>			<b>891.3</b>	<b>133.8</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

- 1 Start date revised because new Bursar recently hired
- 2 Hours increased because of difficulty separating institutional spending versus funds spent on student accounts
- 3 Decreased estimate of hours needed
- 4 Increased hours due to complexity of RSCC resolving finding
- 5 Removed due to other audits having higher priority
- 6 Omitted from original audit plan
- 7 More hours due to new personnel
- 8 Remainder of audit moved to FY25

**Southwest Tennessee Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	F	FU-Investigation 20-03 Club Investigation		30.0	53.0	23.0	77%		52.5	0.5	23-Oct	Completed
FM	R	President Audit		190.0	190.0	0.0	0%		108.5	81.5	23-Oct	Completed
IS	F	FU-Federal Work Study		50.0	79.0	29.0	58%		79.0	0.0	23-Dec	Completed
IS	A	Risk Management		50.0	31.0	-19.0	-38%		31.0	0.0		In Progress
FM	A	Capitalized Equipment-Annual fixed Asset Review		61.0	15.0	-46.0	-75%		15.0	0.0		In Progress
FM	I	Inv 24-1 Cafeteria Concerns		45.5	37.0	-8.5	-19%		37.0	0.0		In Progress
FM	P	ACM Software		75.0	59.5	-15.5	-21%		59.5	0.0		In Progress
FM	S	Review Internal Controls Cashier Office		50.0	16.5	-33.5	-67%		16.5	0.0		In Progress
FM	S	Cashier Office Shortage		0.0	20.0	20.0	100%		20.5	-0.5		In Progress
IS	F	FU-Federal Work Study Whitehaven		0.0	62.0	62.0	100%		62.0	0.0		In Progress
SS	C	IAR-General Consultant		60.0	16.0	-44.0	-73%		16.0	0.0		In Progress
AT	A	Athletic General Compliance		67.5	0.0	-67.5	-100%	2	0.0	0.0		Removed
FM	A	Cash Count		36.0	0.0	-36.0	-100%	2	7.5	-7.5		Removed
FM	I	Unscheduled Investigation		60.0	0.0	-60.0	-100%	2	0.0	0.0		Removed
FM	S	Review of Driver License		35.0	0.0	-35.0	-100%	2	0.0	0.0		Removed
IA	F	FU-Medical programs with Special Admissions		50.0	0.0	-50.0	-100%	2	0.0	0.0		Removed
IS	F	FU-Campus Safety		60.0	0.0	-60.0	-100%	2	0.0	0.0		Removed
IS	F	FU-Internal Audit Follow Up		30.0	0.0	-30.0	-100%	2	0.0	0.0		Removed
IT	F	FU-State Audit		30.0	0.0	-30.0	-100%	1	0.0	0.0		Removed
SS	S	Out of State Tuition		67.5	0.0	-67.5	-100%	2	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1047.5</b>	<b>579.0</b>	<b>-468.5</b>			<b>505.0</b>	<b>74.0</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

FN1 Removed there were no findings  
 FN2- Removed due to retirement of Director of Internal Audit.

**Volunteer State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
FM	A	Payroll	4.6	180.0	450.0	270.0	150%	1	440.5	9.5	Jun-24	Completed
FM	R	State Audit Year-End Work	5	40.0	40.0	0.0	0%		24.0	16.0	Jun-24	Completed
IS	C	General Consultation	5	100.0	100.0	0.0	0%		81.0	19.0	Jun-24	Completed
IS	F	Follow-Up Activities	5	60.0	60.0	0.0	0%		14.0	46.0	Jun-24	Completed
IS	M	Management Risk Assessment	5	100.0	100.0	0.0	0%		85.5	14.5	Jun-24	Completed
IS	P	IIA QAIP	5	75.0	75.0	0.0	0%		34.5	40.5	Jun-24	Completed
IS	R	HEERF Reporting	5	100.0	100.0	0.0	0%		128.5	-28.5	Sep-23	Completed
IS	I	Unscheduled Investigations	5	50.0	0.0	-50.0	-100%	3	0.0	0.0		Removed
IS	R	CCTA Funding Formula	8.3	200.0	0.0	-200.0	-100%	2	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>905.0</b>	<b>925.0</b>	<b>20.0</b>			<b>808.0</b>	<b>117.0</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

FN 1: Adjust for expanded audit planning and audit program modifications.  
 FN 2: CCTA Funding Formula audit was not assigned by TBR in fiscal year 2024.  
 FN 3: There were no investigations in fiscal year 2024.

Walters State Community College  
Year-End Status Report  
Fiscal Year Ended June 30, 2024  
Revised July 2024

						Revised to Original		FN	Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage		Actual Hours	Variance	Completion Date	Current Status
FM	R	WSCC Enterprise-wide Risk Assessment	5.0	22.5	22.5	0.0	0%		37.5	-15.0	May-24	Completed
FM	R	President's Expenses	5.0	90.0	90.0	0.0	0%		115.0	-25.0	Oct-23	Completed
FM	S	YE Procedures FYE 2023	5.0	22.5	22.5	0.0	0%		22.5	0.0	Jul-23	Completed
IT	S	IAR-NACHA	5.0	95.0	95.0	0.0	0%		95.0	0.0	Aug-23	Completed
FM	C	Business Continuity Planning	5.0	305.0	305.0	0.0	0%		405.0	-100.0		In Progress
FM	F	State Audit Assist/Follow-up	5.0	22.5	22.5	0.0	0%		8.5	14.0		In Progress
FM	P	Documentation of Workforce Training Operating Systems	5.0	82.5	82.5	0.0	0%		45.0	37.5		In Progress
FM	S	YE Procedures FYE 2024	5.0	22.5	22.5	0.0	0%		28.0	-5.5		In Progress
IA	C	Faculty Workload Reports	4.8	45.0	45.0	0.0	0%		5.0	40.0		In Progress
IA	C	Department Chair Compensation Methodology	4.8	45.0	45.0	0.0	0%		5.0	40.0		In Progress
IS	C	Management Advisory Services/Consulting	5.0	50.0	50.0	0.0	0%		10.0	40.0		In Progress
IS	S	Unscheduled Investigations	5.0	97.5	37.0	-60.5	-62%		37.0	0.0		In Progress
IS	M	WSCC IET and Fin Aid Risk Assessments	5.0	45.0	0.0	-45.0	-100%		0.0	0.0		Removed
SS	R	IAR-CCTA-T/B/A	5.0	105.0	0.0	-105.0	-100%		0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>839.5</b>	<b>-210.5</b>			<b>813.5</b>	<b>26.0</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

Scheduled  
In Progress  
Completed  
Removed

**Tennessee Board of Regents - System Office  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IS	R	External Quality Assurance Review		37.5	20.0	-17.5	-47%		20.0	0.0	Jul-24	Completed
SS	R	VA Audit-TCAT-McKenzie		7.5	25.0	17.5	233%		25.0	0.0	Jul-23	Completed
FM	A	Review of Travel Claims		175.0	350.0	175.0	100%		363.5	-13.5		In Progress
FM	R	HEERF-DSCC		0.0	100.0	100.0	100%	2	92.3	7.8		In Progress
FM	R	HEERF-JSCC		0.0	100.0	100.0	100%	2	65.0	35.0		In Progress
FM	R	HEERF-MSCC		0.0	100.0	100.0	100%	2	7.5	92.5		In Progress
IS	C	General Consultation		350.0	100.0	-250.0	-71%		63.0	37.0		In Progress
IS	O	TBR Website Content Review		25.0	25.0	0.0	0%		19.5	5.5		In Progress
IS	R	Unscheduled Audits/Audit Assistance		100.0	50.0	-50.0	-50%		17.5	32.5		In Progress
FM	S	Tn eCampus		150.0	0.0	-150.0	-100%		0.0	0.0		Removed
FM	S	Review of TCCTE		100.0	0.0	-100.0	-100%	1	0.0	0.0		Removed
SS	R	VA Audit-TCAT-TCAT TBD		75.0	0.0	-75.0	-100%	3	0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1020.0</b>	<b>870.0</b>	<b>-150.0</b>			<b>673.3</b>	<b>196.8</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

FN1 TCCTE Review merged with Review of Travel  
 FN2 Required Audit-No campus auditor  
 FN3 Audit priorities changed due to open audit positions on campuses

**TBR - Investigations  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original		Planned to Actual				
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
AT	I	INV TBR 23-04		75.0	2.0	-73.0	-97%		2.0	0.0	May-24	Completed
FM	I	INV TBR 22-03		75.0	5.0	-70.0	-93%		5.0	0.0	May-24	Completed
FM	I	INV TBR 24-05 *		0.0	0.0	0.0	100%		0.0	0.0	Feb-24	Completed
IA	I	INV TBR 23-02		5.0	3.0	-2.0	-40%		3.0	0.0	Jul-24	Completed
IA	I	INV TBR 23-09		10.0	16.0	6.0	60%		16.0	0.0	Jul-23	Completed
IS	C	Consultation with Campus Auditors		125.0	21.5	-103.5	-83%		21.5	0.0	Jun-24	Completed
IS	P	Investigation Management		200.0	286.5	86.5	43%		286.5	0.0	Jun-24	Completed
IT	I	INV TBR 24-01		0.0	24.5	24.5	100%		24.5	0.0	Mar-24	Completed
IT	I	INV TBR 24-02		0.0	29.0	29.0	100%		29.0	0.0	May-24	Completed
AT	I	INV TBR 24-04		0.0	170.5	170.5	100%		170.5	0.0		In Progress
FM	I	INV TBR 23-07		300.0	404.0	104.0	35%		404.0	0.0		In Progress
FM	I	INV TBR 24-03		0.0	6.0	6.0	100%		6.0	0.0		In Progress
IS	I	INV TBR 23-06		607.5	630.5	23.0	4%		630.5	0.0		In Progress
IS	I	INV TBR 24-06		0.0	194.5	194.5	100%		194.5	0.0		In Progress
MC	I	INV TBR 23-08		75.0	26.0	-49.0	-65%		26.0	0.0		In Progress
FM	I	Unscheduled Investigations		400.0	0.0	-400.0	-100%		0.0	0.0		Removed
IA	I	INV TBR 23-03		37.5	0.0	-37.5	-100%		0.0	0.0		Removed
PP	I	INV TBR 21-05		40.0	0.0	-40.0	-100%		0.0	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1950.0</b>	<b>1819.0</b>	<b>-131.0</b>			<b>1819.0</b>	<b>0.0</b>		

\* - Investigation completed by TCAT Auditor

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

In Progress  
 Completed  
 Removed

**Tennessee Board of Regents - Information Systems  
Year-End Status Report  
Fiscal Year Ended June 30, 2024**

						Revised to Original			Planned to Actual			
Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Change in Hours	Change in Percentage	FN	Actual Hours	Variance	Completion Date	Current Status
IT	R	MSCC Information Security	5	150	150	0	0%		147.5	2.5	Jun-24	Completed
IT	R	STCC Information Security	5	150	150	0	0%		119	31	Dec-23	Completed
IT	R	TCAT Information Security	5	150	150	50	33%		139.5	10.5	Dec-23	Completed
IT	R	TBR System Office Information Security	5	200	200	0	0%		273.5	-73.5	Dec-23	Completed
IT	R	WSCC Information Security	5	150	150	0	0%		155	-5		In Progress
IT	R	NaSCC Information Security	5	150	150	0	0%		45.5	104.5		In Progress
IT	R	DSCC Information Systems	5	150	0	0	0%	1	0	0		Removed
<b>Total Planned Audit Hours:</b>				<b>1100.0</b>	<b>950.0</b>	<b>-150.0</b>			<b>880.0</b>	<b>70.0</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

- In Progress
- Completed
- Removed

FN1- Moved to FY 2025 Audit Plan.



**TCAT**  
**Year-End Status Report**  
**Fiscal Year Ended June 30, 2024**

Area	Type	Audit	Risk Factor	Original Hours Planned	Revised Plan	Revised to Original		FN	Planned to Actual		Completion Date	Current Status
						Change in Hours	Change in Percentage		Actual Hours	Variance		
FM	P	Audit Program	NA	25.0	25.0	0.0	0%		25.5	-0.5	Jun-24	Completed
FM	P	Consultation	NA	50.0	50.0	0.0	0%		44.5	5.5	Jun-24	Completed
FM	P	Crossville Cosmetology Review	NA	0.0	37.5	37.5	100%		37.5	0.0	Feb-24	Completed
FM	P	Oneida VA Audit	NA	25.0	25.0	0.0	0%		35.0	-10.0	Oct-23	Completed
FM	A	Risk Assessment	NA	0.0	4.0	4.0	100%		4.0	0.0	Jun-24	Completed
FM	A	TCAT Livingston Controls Review	3.0	37.5	47.5	10.0	27%	1	49.0	-1.5	Jun-24	Completed
FM	A	TCAT Shelbyville Controls Review	3.4	75.0	75.0	0.0	0%		77.5	-2.5	Jun-24	Completed
FM	A	TCAT Athens Controls Review	2.3	37.5	50.5	13.0	35%	2	35.5	15.0		In Progress
FM	A	TCAT Elizabethton Controls Review	3.2	100.0	100.0	0.0	0%	1	25.0	75.0		In Progress
FM	A	TCAT Hartsville Controls Review	2.6	37.5	81.0	43.5	121%	1	100.0	-19.0		In Progress
FM	A	TCAT Jackson Controls Review	3.6	100.0	100.0	0.0	0%	2	28.0	72.0		In Progress
FM	A	TCAT Knoxville Controls Review	3.8	125.0	125.0	0.0	0%		47.0	78.0		In Progress
FM	A	TCAT McMinnville Controls Review	3.1	75.0	75.0	0.0	0%	2	52.0	23.0		In Progress
FM	A	TCAT Memphis Controls Review	3.9	150.0	75.0	-75.0	-50%	1	125.0	-50.0		In Progress
FM	A	TCAT Northwest Controls Review	3.0	125.0	125.0	0.0	0%	1	125.0	0.0		In Progress
FM	I	Cosmetology Review Audit	NA	50.0	40.0	-10.0	-20%	3	40.0	0.0		Removed
FM	R	TCAT Murfreesboro Controls Review	3.9	37.5	14.5	-23.0	-61%	2	14.5	0.0		Removed
<b>Total Planned Audit Hours:</b>				<b>1050.0</b>	<b>1050.0</b>	<b>0.0</b>			<b>865.0</b>	<b>185.0</b>		

**Functional Areas:**

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

**Audit Types:**

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

**Status:**

Scheduled  
 In Progress  
 Completed  
 Removed

FN1- This audit is in review  
 FN2- This audit has been deferred due to turnover in staff and/or management, and will be completed next audit cycle.  
 FN3- This audit has been removed since the issues have been addressed in the TCAT Crossville Cosmetology Investigation and other Cosmetology audits.

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Fiscal Year 2025 Internal Audit Plans

DATE: August 27, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Roll Call Vote

STAFF'S  
RECOMMENDATION: Approve

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The committee will review and consider for approval internal audits planned for the system institutions for Fiscal Year 2025 as required by the Audit Committee Charter, TBR Policy 4.01.05.00, *Internal Audit*, and the Institute of Internal Auditors *International Professional Practices Framework*.

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

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

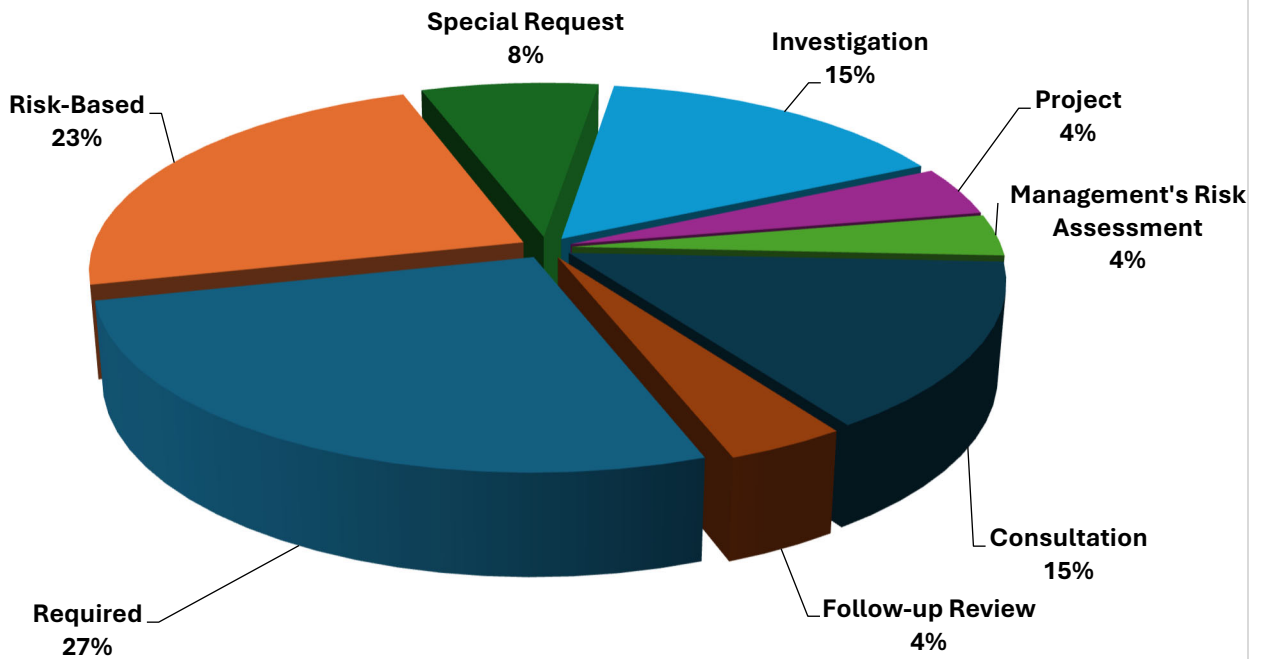
Risk-based audits are determined through a risk analysis process. Risk analysis is a planning tool to help determine which areas within the institution should be audited. Each auditable area's key risk factors are quantified and weighted to come up with the risk ranking. Areas with the highest totals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

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

Planned Audits by Audit Type  
Planned Audits by Major Functional Area

Internal Audit plans for ClSCC, CoSCC, JSCC, and MSCC are not included due to position vacancies. These plans will be presented at the meeting immediately following the filling of positions.

**Tennessee Board of Regents  
Planned Audit Hours by Type  
Fiscal Year 2025**



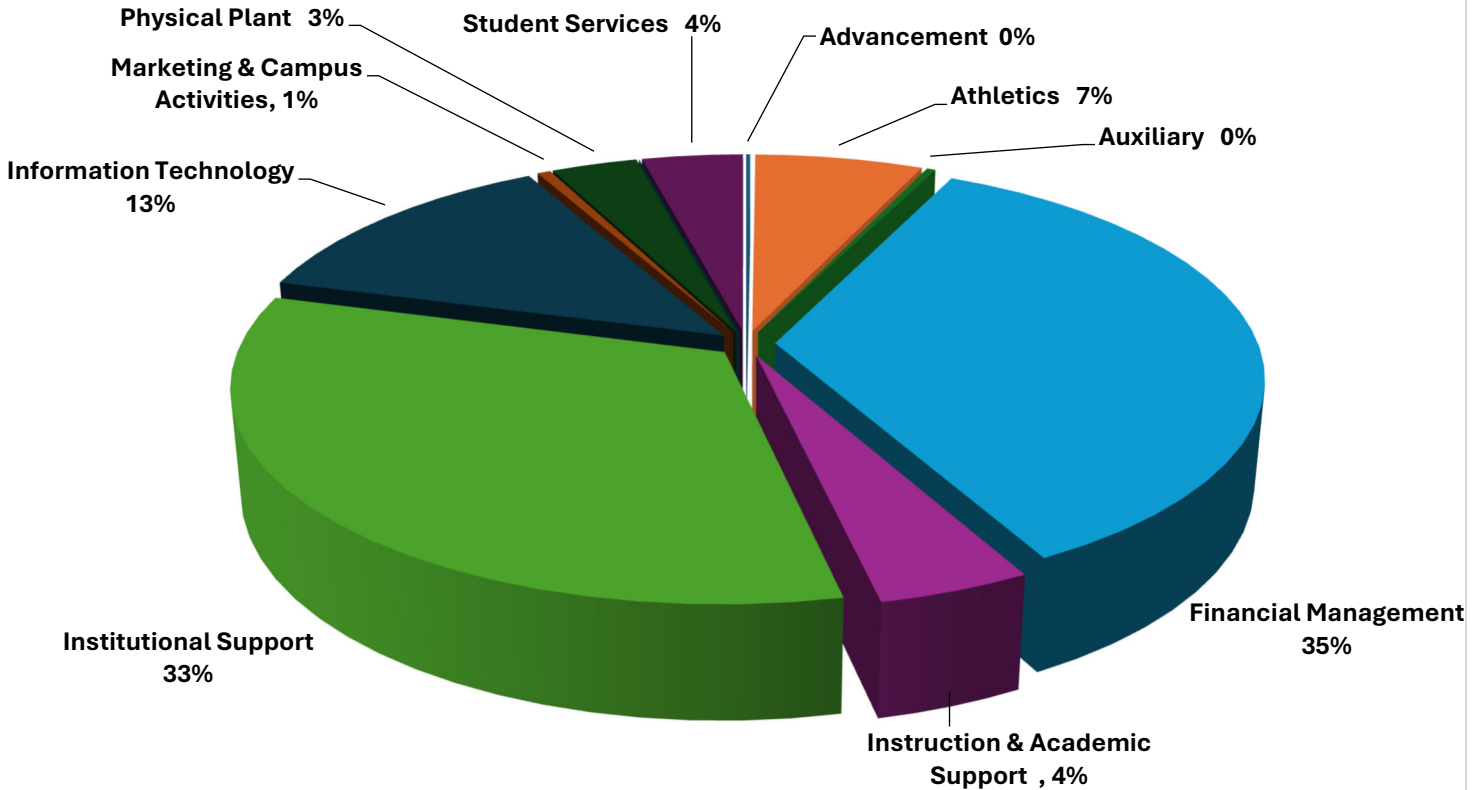
**Highlights:**

*Required* audits are those determined by statutes, the system office or others. These audits frequently have a system-wide focus. There is a 3% increase in planned required audits for the year.

*Risk-based audits* are determined through a risk analysis process. There is a 1% decrease in planned risk-based audits for the year.

Other categories are consistent with previous years.

**Tennessee Board of Regents  
Planned Audit Hours by Functional Area  
Fiscal Year 2025**



**Highlights:**

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

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

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

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

	<u>Planned Audits</u>		<u>Planned Audit Hours</u>	
Community Colleges	117	72.2%	9,649	65.6%
SWIA (INV, IS, IA)	27	16.6%	3,760	25.6%
TCATS	18	11.2%	1,295	8.8%
	162		14,704	

**Internal Audit Plans  
By Institution  
Fiscal Year Ending June 30, 2025**

**Chattanooga State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Management Advisory Services	IS	C	100.0	Jul-24
5.0	State Audit Assist/Follow-up	FM	F	15.0	Jul-24
5.0	Follow up Reviews	IS	F	75.0	Jul-24
5.0	Unscheduled Investigations	IS	I	100.0	Jul-24
5.0	Developing Investigations-Assist TBR	IS	I	15.0	Jul-24
5.0	INV-2025-01	IS	I	40.0	Jul-24
5.0	Enterprise Risk Assessment -FY 2025	IS	M	30.0	Apr-25
5.0	YE Procedures FYE 2024	FM	S	15.0	Jul-24
5.0	YE Procedures FYE 2025	FM	S	15.0	Jun-25
5.0	President's Expense Audit - Motlow	FM	R	90.0	Sep-24
5.0	CCTA Element Audit	SS	R	100.0	Jan-25
5.0	Athletic Compliance	AT	R	130.0	Feb-25
5.0	TCAT Timeclock Hours Reporting	IA	C	20.0	Jun-24
5.0	Comp Time / Over Time Processes	IS	S	35.0	Feb-24
5.0	IAR-NACHA-2024	IT	S	70.0	Oct-24
5.0	Faculty Credentials	IA	S	60.0	Apr-25
5.0	Equipment Inventory Process Changes	IS	C	60.0	Aug-24
5.0	Gainful Employment Reporting Process	IS	P	80.0	Aug-24
<b>Total:</b>				<b>1050.0</b>	

**Functional Areas:**

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

**Audit Types:**

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

**Dyersburg State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	CCTA Funding Formula	SS	R	150.0	January 2025
	Risk Assessment	IS	R	140.0	April 2025
	Athletics	AT	R	150.0	March 2025
	Year End - Cash Counts/Bank confirmations	FM	R	50.0	May 2025
	Unscheduled Audits/Investigations	IS	I	100.0	July 2024
	General Consultation/Audit Assistance	IS	C	150.0	July 2024
	Physical Safety & Security	PP	A	150.0	March 2025
	Emergency Preparedness	PP	A	150.0	April 2025
<b>Total:</b>				<b>1040.0</b>	

**Functional Areas:**

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

**Audit Types:**

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



**Nashville State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
3.0	Internal Control Awareness	IS	C	150.0	Jul-24
3.4	CCTA	IS	R	150.0	Jan-25
3.9	Grants Review	IS	A	150.0	Nov-24
3.0	Consulting Activities	IS	C	100.0	As Needed
3.5	Management Risk Assessment	IS	M	100.0	Mar-25
3.0	TBD	IS	A	100.0	Apr-25
3.2	Travel Expenses	FM	A	150.0	Feb-25
3.3	Campus Safety and Security	PP	A	150.0	Sep-24
<b>Total:</b>				<b>1050.0</b>	

**Functional Areas:**

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

**Audit Types:**

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

**Northeast State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Complete College Tennessee Act Element	SS	R	100.0	Jan-25
5.0	Walters State President Expense Audit	FM	R	100.0	Aug-24
5.0	Job Placement Reporting	IS	C	100.0	Jul-24
5.0	Attendance Reporting	IA	S	15.0	Jul-24
5.0	State Audit Follow-Up	FM	R	30.0	Oct-24
3.6	Faculty Credentials	IA	A	55.0	Oct-24
3.6	Grant Development	IS	A	100.0	Feb-25
3.4	Student Accounts	FM	A	100.0	Dec-24
5.0	Developing Investigations-Assist TBR	IS	I	50.0	Jul-24
5.0	Unscheduled Investigations	IS	I	50.0	Jul-24
5.0	State Audit Assistance - Year End	FM	R	30.0	May-25
5.0	Special Requests and Projects	IS	S	100.0	Jul-24
5.0	Other Audit Follow-Up	IS	F	60.0	Jul-24
5.0	Risk Assessment	IS	M	50.0	Jul-24
5.0	Management Advisory Services	IS	C	100.0	Jul-24

**Total: 1040.0**

**Functional Areas:**

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

**Audit Types:**

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

**Pellissippi State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Year End Inventory & Cash Counts	FM	R	22.5	Jun-25
5.0	Audit Follow Up	FM	R	22.5	Jul-24
5.0	Funding Formula	IS	R	112.5	Feb-25
5.0	Risk Assessment	IS	M	45.0	Nov-24
5.0	Faculty Credentials	IA	S	150.0	Oct-24
5.0	Compliance Assist Review	IA	S	37.5	Jan-25
5.0	Advancement Management Advisory Services	AD	C	22.5	Jul-24
5.0	Finance Management Advisory Services, Consultation	FM	C	45.0	Jul-24
5.0	Athletic Compliance Audit	AT	R	150.0	Mar-25
5.0	Institutional Support Management Advisory Services, Consultation	IS	C	75.0	Jul-24
5.0	IT Audit Management Advisory Service - Phishing Campaign & Building Security Review	IT	C	112.5	Jul-24
5.0	Unscheduled Investigations and Special Requests	IS	I	30.0	Jul-24
5.0	IT Audit Management Advisory Service - PCI & ACH Review	IT	C	127.5	Jul-24
4.0	IT Backup Server Audit\Disaster Recovery	IT	A	150.0	Aug-24
3.6	IT Banner MAPS Server Audit	IT	A	150.0	Apr-25

**Total: 1252.5**

**Functional Areas:**

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

**Audit Types:**

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

**Roane State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Year End Cash Counts	FM	R	40.0	May-25
5.0	Enterprise Risk Assessment	IS	M	45.0	Mar-25
5.0	CARES Act (HEERF)	FM	R	75.0	Jul-24
4.3	Sick Leave Bank	IS	A	30.0	Oct-24
5.0	State Audit Follow-up	FM	F	130.0	Nov-24
5.0	IAR Audit Follow-up	FM	F	95.0	Jul-24
5.0	Unscheduled Investigations	FM	I	75.0	Jul-24
5.0	Management Advisory Services	IS	C	122.0	Jul-24
4.7	Foundation - Restricted Funds	AX	S	50.0	Oct-24
4.9	Nursing Program Review	IA	S	30.0	Jul-24
5.0	Student Tuition	IS	A	75.0	Jan-25
4.5	Release Time/Workload IAR Follow-up	IA	R	45.0	Nov-24
4.5	Adjuncts Having More than 1 Position at RS	FM	S	40.0	Sep-24
5.0	INV 22-01	FM	I	15.0	Jul-24
5.0	INV 23-01	FM	I	50.0	Jul-24
5.0	INV 23-02	FM	I	13.0	Jul-24
5.0	Athletics	AT	R	120.0	Jan-25

**Total: 1050.0**

**Functional Areas:**

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

**Audit Types:**

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

**Southwest Tennessee Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	PCard Expense	FM	A	100.0	Jul-24
	Clery Act- Campus Security	IA	A	100.0	Aug-24
	Athletics Audit	AT	A	100.0	Sep-24
	President's Expense Audit	FM	R	0.0	Oct-24
	Grant Audit	FM	A	120.0	Nov-24
	A/R Collections Fees & Write-offs	FM	A	120.0	Jan-25
	Fixed Assets	FM	R	120.0	Feb-25
	GLBA - Incident Response Plan	IT	A	120.0	Mar-25
	Cash Count	FM	A	36.0	May-25
	Investigations	IS	I	120.0	as needed
	Management Requests	IS	M	120.0	as needed
	Follow Up Audits	F	F	120.0	as needed

**Total: 1176.0**

**Functional Areas:**

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

**Audit Types:**

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

**Volunteer State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
8.0	CCTA Funding Formula Outcomes	SS	R	175.0	Mar-25
7.2	Athletics	AT	R	175.0	Nov-24
5.0	President's Expense	FM	R	175.0	Aug-24
5.0	IIA QAIP	IS	P	75.0	Jul-24
5.0	Management Risk Assessment	IS	M	100.0	Jan-25
5.0	State Audit Year-End Work	FM	R	40.0	May-25
5.0	Follow-Up Activities	IS	F	50.0	Jul-24
5.0	General Consultation	IS	C	100.0	Jul-24
5.0	Unscheduled Investigations	IS	I	50.0	Jul-24

**Total: 940.0**

**Functional Areas:**

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

**Audit Types:**

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

**Walters State Community College  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5.0	Management Advisory Services/Consulting	IS	C	50.0	Jul-24
5.0	State Audit Assist/Follow-up	FM	F	22.5	Sep-24
5.0	WSCC Enterprise-wide Risk Assessment	FM	R	22.5	May-25
5.0	WSCC IET and Fin Aid Risk Assessments	IS	M	45.0	May-25
5.0	IAR-CCTA-T/B/A	SS	R	50.0	Jan-25
5.0	YE Procedures FYE 2024	FM	S	22.5	Jul-24
5.0	YE Procedures FYE 2025	FM	S	22.5	Jun-25
5.0	IAR-NACHA	IT	S	120.0	Oct-24
5.0	Unscheduled Investigations	IS	S	97.5	Jul-24
5.0	Business Continuity Planning	FM	C	330.0	Jul-24
5.0	Documentation of Workforce Training Operating Systems	FM	P	82.5	Jul-24
5.0	WSCC Athletics Compliance	AT	S	95.0	Mar-25
4.8	Faculty Workload Reports	IA	C	45.0	Jul-24
4.8	Department Chair Compensation Methodology	IA	C	45.0	Jul-24

**Total: 1050.0**

**Functional Areas:**

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

**Audit Types:**

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

**Tennessee Board of Regents-System Office  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	Pres Exp Audit-ChSCC	FM	R	150.0	Sep-24
	HEERF-DSCC	FM	R	50.0	Jul-24
	HEERF-JSCC	FM	R	10.0	Jul-24
	HEERF-MSCC	FM	R	125.0	Jul-24
	TN eCampus	FM	S	150.0	Jan-24
	TBR Website Content Review	IS	P	25.0	Jul-24
	Unscheduled Audits/Audit Assist	IS	C	100.0	As needed
	General Consultation	IS	C	100.0	As needed
	Review of Travel Claims	FM	A	50.0	Jul-24

**Total: 760.0**

**Functional Areas:**

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

**Audit Types:**

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



**Tennessee Board of Regents - Investigations  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
	Consultation with Campus Auditors	IS	C	125.0	Jul-24
	Investigation Management	IS	P	260.0	Jul-24
	Unscheduled Investigations	FM	I	500.0	Jul-24
	INV TBR 21-05	PP	I	40.0	Feb-21
	INV TBR 23-03	IA	I	37.5	Sep-22
	INV TBR 23-06	IS	I	500.0	Jan-23
	INV TBR 23-07	FM	I	150.0	Mar-23
	INV TBR 23-08	MC	I	75.0	Mar-23
	INV TBR 24-03	FM	I	150.0	Aug-23
	INV TBR 24-04	AT	I	37.5	Jan-24
	INV TBR 24-06	IS	I	75.0	Feb-24

**Total: 1950.0**

**Functional Areas:**

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

**Audit Types:**

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

**Tennessee Board of Regents - Information Systems  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
5	DSCC Information Systems	IT	R	150	Jul-24
5	NaSCC Information Security	IT	R	150	Mar-24
5	WSCC Information Security	IT	R	150	Apr-24
5	RSCC Information Systems	IT	R	150	Oct-24
5	VSCC Information Security	IT	R	150	Jan-25
5	RSCC Information Security	IT	R	150	Mar-25
5	NeSCC Information Security	IT	R	150	May-25

**Total: 1050.0**

**Functional Areas:**

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

**Audit Types:**

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

**TCAT  
Internal Audit Plan  
Fiscal Year Ending June 30, 2025**

<b>Risk</b>	<b>Audit</b>	<b>Area</b>	<b>Type</b>	<b>Hours Planned</b>	<b>Audit Start Date</b>
NA	Consultation	FM	P	50.0	Jul-24
NA	Audit Program	FM	P	25.0	Jul-24
NA	Risk Assessment	FM	P	37.5	Oct-24
2.2	TCAT Jacksboro Controls Review	FM	A	75.0	Mar-25
2.3	TCAT Athens Controls Review	FM	A	75.0	Jul-24
2.6	TCAT Hartsville Controls Review	FM	A	37.5	Jul-24
2.6	TCAT Hohenwald Controls Review	FM	A	75.0	Sep-24
2.6	TCAT Pulaski Controls Review	FM	A	75.0	Apr-25
2.9	TCAT Harriman Controls Review	FM	A	125.0	May-25
3.0	TCAT Northwest Controls Review	FM	A	5.0	Jul-24
3.1	TCAT McMinnville Controls Review	FM	A	75.0	Aug-24
3.2	TCAT Elizabethton Controls Review	FM	A	10.0	Jul-24
3.2	Henry/Carroll Controls Review	FM	A	125.0	Jun-25
3.6	TCAT Jackson Controls Review	FM	A	125.0	Feb-25
3.8	TCAT Knoxville Controls Review	FM	A	125.0	Aug-24
3.9	TCAT Memphis Controls Review	FM	A	5.0	Jul-24
3.9	TCAT Murfreesboro Controls Review	FM	A	125.0	Nov-24
4.0	TCAT Morristown Controls Review	FM	A	125.0	Oct-24
<b>Total:</b>				<b>1295.0</b>	

**Functional Areas:**

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

**Audit Types:**

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

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Internal Audit Charters

DATE: August 27, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Roll Call Vote

STAFF'S  
RECOMMENDATION: Approve

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

**1000 - Purpose, Authority, and Responsibility**

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

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

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

## Dyersburg State Community College

### **Internal Audit Charter**

#### **Introduction**

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

#### **Purpose**

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

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

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

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

**Audit Standards**

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

**Authority and Scope**

Internal audit's review of operations may include the examination and evaluation of the effectiveness of all aspects of institutional operations at Dyersburg State Community College. In the course of its work, internal audit has complete and direct access to all Dyersburg State Community College personnel, records, physical property, and employee information related to the performance of duties and responsibilities necessary to complete any audit engagement. Internal audit accepts responsibility for the confidentiality and safeguarding of records and information and handles them in the same prudent manner that Dyersburg State Community College expects of the employees normally accountable for them.

**Organizational Status/Reporting Structure**

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

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

The System-wide Chief Audit Executive will be provided access to internal audit workpapers or other internal audit files and documentation by the college as needed for review, continuity of audit operations, for determination of System-wide best practices, or as otherwise deemed necessary.

### **Independence and Objectivity**

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

### **Responsibility and Role**

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

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans and programs after consultation with the President that respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information, and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.
- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.
- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.

- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.
- Review management’s risk assessment process and advise management on the reasonableness and propriety of the assessment.
- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.
- Communicate activities and information among the board, internal auditors, external auditors, and the administration.

**Quality Assurance and Improvement**

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

**Periodic Review of Internal Audit Charter**

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

Scott Cook  
 President (print name)

[Signature]  
 President Signature

8/5/2024  
 Date

Chrystal Pittman  
 Auditor (print name)

[Signature]  
 Auditor Signature

8/5/2024  
 Date





## **Volunteer State Community College Internal Audit Charter**

### **Introduction**

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

### **Purpose**

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

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

Consulting services are advisory in nature and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client. Consulting services generally involve two parties: (1) the person or group offering the advice — the internal auditor, and (2) the person or group seeking and receiving

the advice — the engagement client. When performing consulting services, the internal auditor should maintain objectivity and not assume management responsibility.

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

### **Audit Standards**

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

### **Authority and Scope**

Internal audit's review of operations may include the examination and evaluation of the effectiveness of all aspects of institutional operations at the College. In the course of its work, internal audit has complete and direct access to all the College personnel, records, physical property, and employee information related to the performance of duties and responsibilities necessary to complete any audit engagement. Internal audit accepts responsibility for the confidentiality and safeguarding of records and information and handles them in the same prudent manner that the College expects of the employees normally accountable for them.

### **Organizational Status/Reporting Structure**

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

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

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

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

### **Independence and Objectivity**

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

### **Responsibility and Role**

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

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

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

**Quality Assurance and Improvement**

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

**Periodic Review of Internal Audit Charter**

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

<i>Wendi Tostenson</i>	July 2, 2024
Dr. Wendi Tostenson, President Volunteer State Community College	Date

<i>Nancy Batson</i>	July 2, 2024
Nancy Batson, Director of Internal Audit Volunteer State Community College	Date

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BOARD TRANSMITTAL

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MEETING: Committee on Audit

SUBJECT: Review of Charters, Responsibilities, and IIA Standards

DATE: August 27, 2024

PRESENTER: Mike Batson

ACTION REQUIRED: Roll Call Vote

STAFF'S  
RECOMMENDATION: Approve

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**Audit Committee Charter**

The Audit Committee Charter is reviewed annually, as required by the charter, to consider any needed revisions. Upon approval of any changes by the Audit Committee and Board, the charter is submitted to the Comptroller of the Treasury for review and approval. The Audit Committee Charter was last revised by the Audit Committee on August 29, 2023, and subsequently approved by the Comptroller of the Treasury.

The Internal Audit staff have reviewed the charter and have no current recommended changes. The Committee will discuss the charter and consider whether any changes are needed.

**Internal Audit Charter**

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

**1000 - Purpose, Authority, and Responsibility**

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

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

The Internal Audit staff have reviewed the charter template and have no current recommended changes.

### **Responsibilities**

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

A summary chart of Audit Committee responsibilities incorporates requirements noted in the Higher Education Accountability Act referenced in the policies, as well as the Board's Audit Committee Charter, Policy 4.01.05.00 on Internal Audit, and guidance previously provided by the Comptroller of the Treasury. The Committee will discuss these responsibilities.

### **IIA Standards**

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

Revisions to the IIA *Standards* will be implemented on January 1, 2025.

# **Tennessee Board of Regents**

## ***Audit Committee Charter***

### **Purpose**

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

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

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

### **Audit Standards**

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

### **Authority and Scope**

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

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

### **Organization and Reporting Structure**

In accordance with T.C.A. 49-14-102 and TBR Policy 04.01.05.00, *Internal Audit*, the Board employs a person qualified by training and experience to serve as the Chief Audit Executive for the system. The System-wide Chief Audit Executive reports directly to the Audit Committee and the Board. The System-wide Chief Audit Executive reports administratively to the Vice Chancellor for Business and Finance. The campus Internal Auditors report to the respective community college President with audit reporting responsibility to the Audit Committee and the Board through the System-wide Chief Audit Executive. The Chief Audit Executive coordinates audit activities with the Tennessee Comptroller of the Treasury, with the campus internal auditors and with any other external auditors. The Audit Committee facilitates any audit and investigative matters, including advising auditors and investigators of any information the committee may receive pertinent to these matters.

### **Role and Responsibilities**

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

#### Tennessee Comptroller of the Treasury Audits

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

#### Other External Audits

- Understand the scope and approach used by the external auditors in conducting their examinations.



- Review results of the external auditors' examinations and any other matters related to the conduct of the audits.
- Meet with the external auditors to discuss any matters that the Audit Committee or auditors deem appropriate.

#### Internal Audit Activities

- Ensure that the Chief Audit Executive has direct and unrestricted access to the chairman and other committee members.
- Review and approve the charter for the System-wide Internal Audit function and the colleges' audit functions.
- Review and approve the annual audit plans for the system office and the colleges' audit functions, including management's request for unplanned audits.
- Receive and review significant results of internal audits performed.
- Review the results of the year's work with the Chief Audit Executive. Receive and review any other work prepared by the Chief Audit Executive for the system.
- Ensure the internal audit function is authorized to have full, free, unrestricted access to all Tennessee Board of Regents and college records, physical property, and personnel necessary to complete any engagement. Internal audit accepts responsibility for the confidentiality and safeguarding of records and information and handles them in the same prudent manner that the Board expects of the employees normally accountable for them.
- Ensure the internal audit function maintains a quality assurance and improvement program, including internal procedures and assessments and a periodic external quality assessment of conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

#### Internal Audit Administration

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

### Risk, Internal Control and Compliance

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

### Fraud

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

### Other

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

## **Membership**

*Tennessee Code Annotated*, Section 49-8-201, includes the requirements for the appointment and terms of public members of the Tennessee Board of Regents. From this membership, the Audit Committee and its chair shall be appointed annually by the Board Chairman pursuant to Board bylaws and shall consist of at least one member, preferably the chair of the committee, who shall have accounting and financial management expertise and other members who are generally knowledgeable in financial, management, and auditing matters. In addition to the Regents appointed to the committee, the Board may select one or more certified public accountants or other qualified citizens who are not members of the Board to serve on the Audit Committee. The committee shall have at least three but not more than seven members.

## **Independence**

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

## **Education**

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

## **Meetings**

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

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

1. Items deemed not subject to public inspection under *Tennessee Code Annotated*, Sections 10-7-503 and 10-7-504, and all other matters designated as confidential or privileged under this code;

2. Litigation;
3. Audits or investigations;
4. Information protected by federal law, and
5. Matters involving information under *Tennessee Code Annotated*, Section 4-35-107(a), where the informant has requested anonymity.

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**Source: Committee on Audit Meeting, November 23, 2004; Committee on Audit Meeting, June 29, 2006; Committee on Audit Meeting, September 11, 2007; Committee on Audit Meeting, November 17, 2009; Committee on Audit Meeting, November 16, 2010; Committee on Audit Meeting, November 25, 2014; Committee on Audit Meeting, November 15, 2016; Committee on Audit Meeting, November 13, 2018; Committee on Audit Meeting, September 1, 2020; Committee on Audit Meeting, August 29, 2023.**

(Name of institution)

## **Internal Audit Charter**

### **Introduction**

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

### **Purpose**

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

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

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

(Name of institution)'s management has the primary responsibility for establishing and maintaining a sufficient system of internal controls.

### **Audit Standards**

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

### **Authority and Scope**

Internal audit's review of operations may include the examination and evaluation of the effectiveness of all aspects of institutional operations at (name of institution.) In the course of its work, internal audit has complete and direct access to all (name of institution) personnel, records, physical property, and employee information related to the performance of duties and responsibilities necessary to complete any audit engagement. Internal audit accepts responsibility for the confidentiality and safeguarding of records and information and handles them in the same prudent manner that (name of institution) expects of the employees normally accountable for them.

### **Organizational Status/Reporting Structure**

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

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

The System-wide Chief Audit Executive will be provided access to internal audit workpapers or other internal audit files and documentation by the college as needed for review, continuity of audit operations, for determination of System-wide best practices, or as otherwise deemed necessary.

## **Independence and Objectivity**

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

## **Responsibility and Role**

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

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

- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.
- Communicate activities and information among the board, internal auditors, external auditors, and the administration.

**Quality Assurance and Improvement**

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

**Periodic Review of Internal Audit Charter**

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

\_\_\_\_\_  
 President (print name)

\_\_\_\_\_  
 President Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Auditor (print name)

\_\_\_\_\_  
 Auditor Signature

\_\_\_\_\_  
 Date



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

<i>Responsibilities for Governance and Oversight</i>		
	<b>Performed</b>	<b>Requirement</b>
A standing committee of the Board to meet as necessary, but at least annually.	Quarterly	S/C
Assist the Board by providing oversight and accountability on financial reporting and related disclosures, internal controls, and all other aspects of operations.	Ongoing	S/G/C
Maintain independence to avoid even the appearance of a conflict that would interfere with independent judgment (annual disclosure).	Ongoing	S/C
Review and assess the adequacy of the Audit Committee charter. Obtain approval of the Board and Comptroller.	Annually	S/G/C
<i>Responsibilities for Internal Audit Activities</i>		
Review and approve the charter of the System-wide Internal Audit (SWIA) and campus internal audit functions.	Annually	S/G/C
Provide a process for confidential complaints of suspected fraud, waste, or abuse.	Ongoing	S/G/C
Review and approve the annual and revised audit plans of SWIA and campus audit functions, including management requests for unplanned assignments.	Annually / Quarterly	C/P
Facilitate audits and investigations from initiation to resolution, including advising auditors of pertinent information received.	Ongoing	S/G/C
Review reports and audits of expenses of the chancellor and presidents.	Annually	S/P
Review significant results of internal audit work performed.	Quarterly	C
Review the internal auditor's report of audit activity at least annually.	Annually	S/C/P
Review reports on the internal audit function's quality assurance and improvement program to monitor and ensure compliance with the IIA <i>Standards</i> .	Annually	S/C/P
<i>Responsibilities for External Audit Activities</i>		
Review results of the Comptroller's audits of financial statements and other matters.	Quarterly	S/C
Meet with the Comptroller or State auditors upon request.	As Needed	S/C
Review significant results of any external auditors or regulators.	As Needed	C
<i>Responsibilities for Management's Control Activities</i>		
Review and evaluate management's assessment of risk and fraud, assuring internal controls are in place to mitigate significant risks.	Annually	S/C/G/P
Reiterate to the Board, management, and staff their responsibility for preventing, detecting, and reporting fraud, waste, and abuse.	Annually	S/G/C
Promptly notify the Comptroller of the Treasury of any indications of fraud.	As Needed	S/G/C
Review with management and general counsel any legal matters (including pending litigation) that may have a material impact on the financial statements, and any material reports or inquiries from regulatory or governmental agencies.	As Needed	S/C
Review the Board's policies regarding employee conduct to ensure they are available to all employees, easy to understand and implement, enforced and provide a confidential means of reporting violations.	As Needed	G/C
Review the Board's policy regarding conflict of interest to ensure that it is clearly defined and comprehensive and conflicts are adequately resolved and documented.	As Needed	G/C
<i>Responsibilities for Internal Audit Personnel and Resources</i>		
Employ a qualified internal auditor (CAE) reporting directly to the audit committee and Board, removable only for cause by a majority vote of the Board.	Ongoing	S/C/P
Review CAE's administrative reporting relationship to assure independence and adequate budget and staff resources to perform duties effectively.	Annually	C
Review and approve appointment, compensation, reassignment, or dismissal of CAE.	Annually	S/C/P
Review and approve compensation or termination of system office internal auditors.	Annually	C/P
Review compensation of campus internal auditors. Review and approve termination of campus internal auditors.	Annually	S/C/P
<b>Legend:</b>		
S – State Statute	P – TBR Internal Audit Policy, 4.01.05.00	
C – TBR Audit Committee Charter	G – Guidance for Audit Committees by Comptroller 113	

**Tennessee Board of Regents**  
**Audit Committee Meeting – August 27, 2024**  
**Summary of International Standards for the Professional Practice**  
**of Internal Auditing (Standards) 2017 Edition**

**Attribute Standards (1100 – 1300)**

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

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

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

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

**1100 – Independence and Objectivity**

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

*1110 – Organizational Independence*

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

*1111 – Direct Interaction with the Board*

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

*1112 – Chief Audit Executive Roles Beyond Internal Auditing*

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

*1120 – Individual Objectivity*

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

1130 – Impairment to Independence or Objectivity

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

**1200 – Proficiency and Due Professional Care**

Engagements must be performed with proficiency and due professional care.

1210 – Proficiency

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

1220 – Due Professional Care

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

1230 – Continuing Professional Development

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

**1300 – Quality Assurance and Improvement Program**

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

1310 – Requirements of the Quality Assurance and Improvement Program

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

1311 – Internal Assessments

*Internal assessments must include:*

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

1312 - External Assessments

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

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

1320 – Reporting on the Quality Assurance and Improvement Program

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

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

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

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

1322 – Disclosure of Nonconformance

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

**Performance Standards (2000 – 2600)**

**2000 – Managing the Internal Audit Activity**

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

2010 – Planning

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

2020 – Communication and Approval

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

2030 – Resource Management

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

2040 – Policies and Procedures

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

2050 – Coordination and Reliance

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

2060 – Reporting to Senior Management and the Board

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

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

## **2100 – Nature of Work**

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

### 2110 – Governance

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

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

### 2120 – Risk Management

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

### 2130 – Control

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

## **2200 – Engagement Planning**

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

### 2201 – Planning Considerations

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

- *The strategies and objectives of the activity being reviewed and the means by which the activity controls its performance.*

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

2210 – Engagement Objectives

*Objectives must be established for each engagement.*

2220 – Engagement Scope

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

2230 – Engagement Resource Allocation

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

2240 – Engagement Work Program

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

**2300 – Performing the Engagement**

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

2310 – Identifying Information

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

2320 – Analysis and Evaluation

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

2330 – Documenting Information

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

2340 – Engagement Supervision

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

**2400 – Communicating Results**

Internal auditors must communicate the results of engagements.

2410 – Criteria for Communicating

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

2420 – Quality of Communications

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

2421 – Errors and Omissions

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

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

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

2431 – Engagement Disclosure of Nonconformance

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

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

2440 – Disseminating Results

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

2450 – Overall Opinions

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

**2500 – Monitoring Progress**

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

**2600 – Communicating the Acceptance of Risks**

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