

## 3.10.2

### Financial Resources: Financial aid audits

The institution audits financial aid programs as required by federal and state regulations.

### Judgment

Compliance    Partial Compliance    Non-Compliance    Not Applicable

### Narrative

The State of Tennessee Division of State Audit annually audits the federal awards programs and those administered through the Tennessee Student Assistance Corporation. Tennessee Technological University (TTU) is part of that audit.

### Annual Independent Audits

Through the State of Tennessee's Division of State Audit's annual auditing process, there has been one finding related to administering Title IV aid programs within the past four years. A summary of the annual financial audits and Title IV findings are listed below. The full audit report for each item below is located on the Office of the Tennessee Comptroller of the Treasury/ Division of State Audit website [1].

Below is a summary of the audit reports and findings since TTU's last SACSCOC accreditation report:

Audit Year Ending June 30, 2014	No federal aid compliance findings
Audit Year Ending June 30, 2013	Incomplete Policy and Procedures Manual
Audit Year Ending June 30, 2008-12	No federal aid compliance findings
Audit Year Ending June 30, 2007	Finding #5 Monthly Loan Reconciliation
Audit Year Ending June 20, 2006	Finding #3 Monthly Loan Reconciliation
Audit Year Ending June 30, 2005	No federal aid compliance findings

The Office of Financial Aid concurred with all findings, and management's responses are included in the audit report links listed above. No findings have been repeated, and all have been cleared.

As a component unit of the Tennessee Board of Regents (TBR) system, TTU is included in the State of Tennessee's Single Audit [2]. An audit of Financial Aid was done as part of the State of Tennessee Single Audit. There were no findings or issues reported to TTU for 2011 and 2012. For 2013, a finding was issued on the lack of accessible written policies and procedures for verification. The finding is included in the 2013 Single Audit Report for the State of Tennessee. Also see the Independent Auditor's Report for June 30, 2013, above for further details. The finding was corrected at the exit of the auditors, and this was confirmed in January 2014 during the entrance conference for the financial audit.

The Office of Internal Audit conducted a review of federal and state policies and procedures in early 2006. During the audit, the Director of Financial Aid disclosed to audit staff that the previous Director of the Office of Financial Aid did not properly calculate refunds. The Director contacted the Department of Education to self-report the errors. Upon receiving guidance from the Department of Education, the matter was resolved and no further action was required by the Office of Financial Aid.

The Director of Internal Audit indicated that a subsequent audit has not been conducted by her office due to consistently clean state audit records. Therefore, the Office of Financial Aid has not been included in the annual list of needed audits.

A copy of the internal audit report can be found here [3]. Internal Audit conducted a review of the Perkins Loan Program and issued the report in October 2012. There were no findings or exceptions

noted.

## Conclusion

The University maintains adequate controls over the financial aid audit process. Those controls include review by the University through the Office of Internal Audit and through federal and state audits conducted by the Tennessee Office of Comptroller Treasury, Division of State Audit. Therefore, TTU is in compliance with Comprehensive Standard 3.10.2.

## Sources

-  [1] Complete Audit Documents for 2005\_2013
-  [2] Office of State Comptroller Single Audit Records
-  [3] Internal Audit Report 2006