

Agenda Item: II.E.

DATE: January 30, 2014

SUBJECT: Audit Committee Report

ACTION RECOMMENDED: Information

BACKGROUND INFORMATION: The creation of an audit committee was required under Public Chapter 310, known as the “State of Tennessee Audit Committee Act of 2005.” The Commission approved the merging of the THEC and TSAC audit committees on July 24, 2008.

Sunset Performance Audit: As part of the sunset process, the Comptroller of the Treasury, Division of State Audit conducted performance audits of THEC and TSAC, as well as UT and TBR. Draft reports were received in December. Management has responded to the findings in the reports. The reports and responses are considered draft until released and cannot be discussed in a public meeting.

THEC, TSAC, TBR, and UT are scheduled to appear at the legislative Government Operations Committee on February 10.

Audit Committee Conference Call: A call was held with the audit committee members to discuss the draft findings in the reports.

Risk Assessment: The state’s Financial Integrity Act requires an annual risk assessment to be submitted by December 31st of each year to the Department of Finance and Administration and the Comptroller of the Treasury. The assessment due December 31, 2013 was prepared by staff and submitted to the audit committee for review. The reports were submitted to the required agencies.