

**Agenda Item:** II. D.

**DATE:** July 20, 2016

**SUBJECT:** Audit Committee Report

**ACTION RECOMMENDED:** Information

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**BACKGROUND INFORMATION:** The creation of an audit committee is 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.

**THEC/TSAC Audit Committee:** A meeting of the THEC/TSAC Audit Committee was held on June 21, 2016. Members of THEC and TSAC staff attended. The meeting was chaired by Dr. Claude Pressnell. Other members included Keri McInnis (TSAC) and Mike Dedmon (TSAC), representing the Commissioner of the Department of Finance and Administration).

The committee discussed and approved the FY17 internal audit plan.

The committee and staff discussed various changes within the agencies. Of significance, TSAC transferred the TSAC loan portfolio to Educational Credit Management Corporation effective July 1, 2016. Efforts involved in the transition and the related financial information were discussed.

Updates were provided on external and internal audit issues and reviews.