

## 3.2.2.2

### **Governance and Administration: Governing Board Control: Fiscal Stability**

The legal authority and operating control of the institution are clearly defined for the following areas within the institution's governance structure:

3.2.2.2 fiscal stability of the institution.

#### **Judgment**

Compliance    Partial Compliance    Non-Compliance    Not Applicable

#### **Narrative**

Tennessee Technological University (TTU) is a member of The Tennessee Board of Regents (TBR), headquartered in Nashville, Tennessee. The legal authority and operating control are clearly defined for all aspects of TTU, including the fiscal stability, by the TBR. The statutory existence of the TBR is established in the Tennessee Code Annotated (T.C.A.) § 49-8-101 [1] and is outlined in TBR policy 1:01:00:00, System of Governance [2].

#### **Purpose of the Board**

The purpose of TBR is listed in TBR Policy 1:02:01:00, Purpose of the Board [3]. T.C.A. § 49-8-203 [4] prescribes the powers and duties of the Board, which includes the following specific item:

(a)(1)(C). Approve the operating and capital budgets of each institution and Center and otherwise set policies for their fiscal affairs.

#### **Fiscal Stability of the University**








Fiscal stability of the University is a shared responsibility of TBR and TTU. TBR and TTU financial policies and guidelines are designed to assure financial stability and compliance with laws of the State of Tennessee. The University produces an annual financial report that documents fiscal stability. This financial statement is audited by the Comptroller of the Treasury, Division of State Audit. Further documentation of financial stability and compliance is found in the unqualified opinion audits that the University received for the fiscal years 2010, 2011, 2012, 2013, and 2014 [5] [6] [7] [8] [9] with unqualified opinions for fiscal years 2010 through 2012. An unmodified opinion was issued for 2013 and 2014. The AICPA standard terminology followed by State Audit changed starting with the 2013 audit. All audited statements have an audit opinion that each audited statement is presented fairly in all material respects. The audit for the fiscal year ending June 30, 2014 is currently being conducted. The Comptroller's Audit report for the fiscal year ending June 30, 2014 will be available for the on-site review.

[Cross reference to Section 2.11.1, 3.10.1, and 3.10.3]

#### **Conclusion**

As a member of the TBR, the legal authority and operating control for TTU is defined by the TBR. The fiscal stability of TTU is maintained through TBR and TTU policies and guidelines which demonstrates compliance with Comprehensive Standard 3.2.2.2.

#### **Sources**

-  [1] T.C.A. 49\_8\_101
-  [2] TBR Policy 1\_01\_00\_00
-  [3] TBR Policy 1\_02\_01\_00
-  [4] T.C.A. 49\_8\_203
-  [5] Audited Financial Statements FY 2010
-  [6] Audited Financial Statements FY 2011
-  [7] Audited Financial Statements FY 2012
-  [8] Audited Financial Statements FY 2013
-  [9] Audited Financial Statements FY2014