



COLLIN COLLEGE

INTERNAL AUDIT

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED

AUGUST 31, 2022

OFFICE OF INTERNAL AUDIT

October 18, 2022

H. Neil Matkin, Ed.D., District President
Members of the Board of Trustees:

Attached is the annual report for the Office of Internal for the fiscal year (FY) ended August 31, 2022. This report is required by the Texas Government Code, Section 2102.015, and provides information on the activities of the internal audit function.

As of August 31, 2022, the department has completed all the projects that were approved by the Board of Trustees in the fiscal year 2022.

If you have any questions about the contents of this report, please do not hesitate to contact me.



Director of Internal Audit

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PURPOSE

The purpose of this annual report is to provide information on the assurance and consulting services, and activities of the internal audit function. In addition, the annual internal audit report assists oversight agencies in their planning and coordination efforts.

I. COMPLIANCE WITH TEXAS GOVERNMENT CODE, SECTION 2102.015

Section 2102.015 of the Texas Government Code requires that the internal audit plan and the internal audit annual report be posted on the institution's website. Accordingly, the Office of Internal Audit has posted the FY 2022 Annual Internal Audit Report and the approved FY 2023 Audit Plan on the [departmental website](#).

II. INTERNAL AUDIT PLAN FOR FY 2022

Project	Report Number	Status / Report Date
1. Wireless Network Controls	22-01	Final Report issued on January 18, 2022.
2. CARES Act Compliance	22-02	Final Report issued on June 21, 2022
3. Texas Administrative Code 202 - Vulnerability Management / Scanning	22-03	Final Report issued on September, 20 2022
4. Tarrant County Community College Internal Audit Peer-Review	-	Results communicated to the institution.

There were no deviations from the audit plan that was approved by the Board of Trustees on September 21, 2021. No audits were performed related to benefits proportionality or requirements related to Section 51.9337(h) of the Texas Education Code.

III. CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

In FY 2022, as defined in the IIA International Standards for the Professional Practice of Internal Auditing, there were no consulting services that were performed. Consulting services are advisory in nature and are generally performed at the specific request of an engagement client.

IV. EXTERNAL QUALITY ASSURANCE REVIEW

The department was reestablished with the hiring of the new Director in January 2020. An external quality assurance review will be completed in accordance with IIA Standards at a future date.

V. INTERNAL AUDIT PLAN FOR FY 2023

The FY 2023 Internal Audit Plan was approved by the college's Board of Trustees on September 27, 2022. Updates provided to the Finance and Audit Committee can be obtained by reviewing [status reports](#) that are publicly accessible. A copy of the plan is included in Appendix 1.

VI. EXTERNAL AUDIT SERVICES PROCURED IN FY 2022

The following external audit services, including financial and performance audits and attestation engagements, reviews, and agreed-upon procedures, were procured or in process during FY 2022 by management :

- AT&T - External Penetration Test
- MATSON DRISCOLL & DAMICO LLP - Professional services for capital improvement projects
- PSK CPA, LLP - Annual audit of the District's Foundation
- Whitley Penn, LLP - Annual audit of the District's financial statements
- Whiteley Penn, LLP - Audit to evaluate compliance with requirements of the Texas Public Investments Act.

VII. REPORTING SUSPECT FRAUD AND ABUSE

Actions taken to implement the requirements of Article IX, Section 7.09, page IX-37, Fraud Reporting, General Appropriations Act (84th Legislature, Conference Committee Report) are noted below:

- The college has placed a link on the institution's homepage that states "[Fraud, Waste or Abuse](#)." The link offers guidance for directly reporting fraud, waste, and abuse to the State Auditor's Office.
- A policy on how to report suspected fraud is in place. See the [Policy](#).

During the fiscal year, one report was received through the hotline. The details are as follows:

Allegation	Handled by	Final- Status
1. A student was alleged to have provided payment to another individual to complete their academic work.	Student and Enrollment Services	Unsubstantiated.

APPENDIX 1: FY 2023 AUDIT PLAN

The FY 2023 audit plan was prepared using risk assessment techniques that identify the individual audits to be conducted during the year. The risk factors utilized by the department during the risk assessment process include:

- Criticality of the Unit
- Financial Impact
- Regulatory Compliance
- Public Sensitivity
- Control Environment
- Changes in the Unit
- Complexity of Monitoring Activities
- Audit History

The projects detailed on page 7 were approved by the college's Board of Trustees on September 27, 2022.

Texas Administrative Code (TAC) 202 is audited periodically as required by statute, and the last TAC 202 audit was performed in FY 2022.

Date: September 20, 2022

To: H. Neil Matkin, Ed.D., District President
Members of the Finance and Audit Committee

From: Ali Subhani, Director Internal Audit *Ali Subhani*

Subject: Fiscal Year 2023 - Audit Plan Approval

The Internal Audit Charter requires that the Board of Trustees approves the annual Audit Plan. Based on the methodology detailed on page two, the following projects are recommended for approval:

Audits

- Data Backup and Recovery
- Faculty Workload
- Purchasing / Travel / Fuel Card Programs
- Safety and Security

Administrative Projects

- Departmental Self-Assessment
- Follow-up Audits
- Issuance of the Annual Internal Audit Report
- Professional Development / Speaking Engagements

The plan was based on the utilization of one full-time auditor and the anticipated hiring of one additional auditor during the fiscal year.

APPENDIX 2: STATUS OF AUDIT RECOMMENDATIONS

Texas Government Code, Section 2102.015, also requires entities to include the following on their website:

- A “detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any raised by the audit plan or annual report.”
- A “summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report.”

To address these requirements, an entity can summarize internal audit recommendations and report on its action and progress toward implementing those recommendations. The following table summarizes the implementation status of past recommendations.

Responsible Party	Follow up Performed on	Implemented / Closed	Delayed	Require FAC Approval
Chief Financial Officer	6	4		2
Senior Vice President Campus Operations	7	4	1	2

The detailed status of implementation of recommendations from the previous fiscal year is noted on the following page.

*FAC refers to the Finance and Audit Committee



Project Code	Project Name	Issue Date	Original Estimated Implementation Date	Revised Estimated Implementation Date	Recommendation Title	Action Plan	Cabinet Contact	Recommendation State
20-01	Fixed Assets (Capital / Controlled Assets & Surplus)	10/20/2020	6/30/2021	3/31/2023	Strengthen tracking of college owned assets	Management has determined that tracking assets of less than \$5,000 would not be feasible with existing staff. The college is currently exploring options in the new Workday software to assign and track technology items issued to the specific employee.	Chief Financial Officer CFO	In Progress
20-01	Fixed Assets (Capital / Controlled Assets & Surplus)	10/20/2020	6/30/2021	2/28/2023	Update policies and procedures	Updated policies and procedures will be developed.	Chief Financial Officer CFO	In Progress
20-02	TAC 202	8/25/2020	6/30/2021		Develop Policies to Facilitate Full Compliance with TAC Requirements	Management in Technology Services will work with Collin College Leadership and DIR to design and implement an online IT Security Policy Page.	Senior Vice President Campus Operations	Closed
20-02	TAC 202	8/25/2020	8/31/2021	7/1/2023	Develop Framework to Implement Separation of Duties	This recommendation will be completed with the Workday implementation.	Senior Vice President Campus Operations	In Progress
20-02	TAC 202	8/25/2020	2/28/2021	1/1/2023	Deploy Logon Banners on Technology Resources	Management in Technology Services will work with the server team to develop access-based policies to display login banners based on industry security standards and TAC 202.	Senior Vice President Campus Operations	In Progress



Project Code	Project Name	Issue Date	Original Estimated Implementation Date	Revised Estimated Implementation Date	Recommendation Title	Action Plan	Cabinet Contact	Recommendation State
21-02	Purchasing	6/15/2021	12/15/2021		Strengthen Process for Reporting Contracts to the Legislative Budget Board	All LBB reported contracts have been updated.	Chief Financial Officer CFO	Closed
21-02	Purchasing	6/15/2021	6/15/2021		Update Approval Workflow to Facilitate Segregation of Duties	Management agrees to revise the workflow for those individuals who do not have a Division Secretary to have their direct supervisor approve the requisition or have another individual submit the requisition for their approval and create the receiver. The workflow in Workday will be set to not allow an individual who submits a requisition to also approve the requisition.	Chief Financial Officer CFO	Closed
21-02	Purchasing	6/15/2021	12/15/2021		Enhance Vendor Evaluation and Improve Compliance with Texas Education Code	Management agrees to implement the recommendation.	Chief Financial Officer CFO	Closed
21-02	Purchasing	6/15/2021	12/15/2021		Require that Solicitations be Posted on the Electronic State Business Daily Portal	Management agrees to implement the recommendation.	Chief Financial Officer CFO	Closed
22-01	Wireless Network Controls	11/30/2021	7/31/2022				Senior Vice President Campus Operations	Closed



Project Code	Project Name	Issue Date	Original Estimated Implementation Date	Revised Estimated Implementation Date	Recommendation Title	Action Plan	Cabinet Contact	Recommendation State
22-01	Wireless Network Controls	11/30/2021	7/31/2022	The report contains confidential information that relates to computer network security and is not subject to the disclosure requirements of the Texas Public Information Act, based on the exceptions found in sections 551.076 and 551.089 of the Government Code.			Senior Vice President Campus Operations	In Progress
22-01	Wireless Network Controls	11/30/2021	7/31/2022				Senior Vice President Campus Operations	Closed
22-01	Wireless Network Controls	11/30/2021	7/31/2022				Senior Vice President Campus Operations	Closed
22-02	CARES Act Compliance		11/30/2022		Review Documentation and Transfer Questioned Costs	Management agrees to:Reclassify \$2,260 in costs for the technology equipment.Request employees to complete effort certification documentation for the journal entry that totaled \$65,786.Perform additional research to determine the allowability for the allocation model for the journal entry that totaled \$73,480. If not allowed, the expenditures will be reclassified.	Chief Financial Officer CFO	Follow-up procedures not performed.



Project Code	Project Name	Issue Date	Original Estimated Implementation Date	Revised Estimated Implementation Date	Recommendation Title	Action Plan	Cabinet Contact	Recommendation State
22-02	CARES Act Compliance		11/30/2022		Reallocate HEERF Student Awards that Remain Uncashed.	The Bursar's Office will follow up with students on all outstanding CARES checks issued to determine if the check needs to be voided and reissued or reallocated to other students. In the transition from Banner to Workday through the end of December 2021, outstanding check reports were delayed in being available for review.	Chief Financial Officer CFO	Follow-up procedures not performed.
22-02	CARES Act Compliance		11/30/2022		Reclassify Costs for Discharging Outstanding Balances as Lost Revenue.	Bad debt expense will be reclassified on the quarterly reports as lost revenues. This reclassification has no impact on the financial statements.	Chief Financial Officer CFO	Follow-up procedures not performed.
22-02	CARES Act Compliance		9/30/2022		Implement Segregation of Duties.	Management intends to: Perform a detailed evaluation of privileges for each user group with the management of those respected areas. Implement SOD in line with a cost-benefit analysis and implement monitoring to detect abuse of privileges that cannot be segregated. Develop a communication plan for users impacted by the access modification before making access changes. Implement, a documented periodic review of privileges at the end of each long semester in the academic year.	Senior Vice President Campus Operations	Follow-up procedures not performed.



OFFICE OF

Internal Audit

Project Code	Project Name	Issue Date	Original Estimated Implementation Date	Revised Estimated Implementation Date	Recommendation Title	Action Plan	Cabinet Contact	Recommendation State
22-03	Vulnerability Management and Scanning	8/19/2022	7/31/2023	The report contains confidential information that relates to computer network security and is not subject to the disclosure requirements of the Texas Public Information Act, based on the exceptions found in sections 551.076 and 551.089 of the Government Code.			Senior Vice President Campus Operations	Follow-up procedures not performed.
22-03	Vulnerability Management and Scanning	8/19/2022	7/31/2023				President Campus Operations	Follow-up procedures not performed.
22-03	Vulnerability Management and Scanning	8/19/2022	7/31/2023				Senior Vice President Campus Operations	Follow-up procedures not performed.