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April 29, 2021

Dr. Hector Gonzales, President  
Southwest Texas Junior College  
2401 Garner Field Road  
Uvalde, TX 78801

RE: Desk Review of Formula Funding at Southwest Texas Junior College

Dear Dr. Gonzales,

I am attaching the final report for *A Compliance Monitoring Desk Review of Formula Funding at Southwest Texas Junior College*, Report No. THECB-CM-FF-21-010. There was one finding related to information technology controls resulting from this engagement. Management's response has been incorporated into the final report.

## Summary

Information security controls over student enrollment information at Southwest Texas Junior College require improvement. Audit trails over key enrollment data such as class meeting days and times must be established to ensure the reliability and integrity of data used for formula funding decision making purposes. Therefore, our original review objectives, including a determination of the accuracy of contact hours reported by Southwest Texas Junior College, were unable to be met. We believe the evidence obtained provides a reasonable basis for the reportable observations and recommendations, if any, based on the desk review objectives.

A follow up will be performed to evaluate Southwest Texas Junior College's information security controls. This will serve as a basis for future base period assessments of the accuracy of contact hours reported for formula funding purposes.

This Compliance Monitoring report will be presented to the Texas Higher Education Coordinating Board (THECB) Committee on Agency Operations, a standing committee of the THECB Board, in July 2021.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,

Mark A. Poehl, CPA, CIA, CISA, CFE  
Assistant Commissioner, Internal Audit and Compliance

## Detailed Observation, Recommendation and Management's Response

### 1. Information technology processes and controls over student information system enrollment data should be strengthened.

Information technology processes and controls over student information system enrollment data should be strengthened. Although Southwest Texas Junior College has policies and procedures in place to limit access to information systems, the student information system does not provide audit logs or change history for critical formula funding data, including:

- Credit hours
- Lab hours
- Lab contact hours
- Instruction mode
- Meeting times
- Lecture hours
- Lecture contact hours
- Type of instruction
- Meeting days
- Instructor of record

Audit logs provide documentary evidence to track a sequence of events, and the ability to monitor unauthorized system use or unusual activity. Without audit logs, maintaining the integrity of system information, and ensuring the reliability of data is limited.

Family Educational Rights and Privacy Act (FERPA) Title 34, Code of Federal Regulations, Subtitle A, Part 99, Subpart D, Section 99.31 [34 CFR 99.31(a)(1)(ii)] requires that "An educational agency or institution must use reasonable methods to ensure that school officials obtain access to only those education records in which they have legitimate educational interests." Security standards (Texas Administrative Code Title 1, Part 10, Chapter 202) established by the Department of Information Resources (DIR) for institutions of higher education are becoming a phased – in requirement for Community Colleges and provide a comprehensive basis for strengthening information security.

#### Recommendation:

Capture and retain student information system audit logs or change history for the critical data used for formula funding.

#### Management Response:

*Southwest Texas Junior College utilizes Ellucian Colleague as its student management system. Colleague does include transaction logging capabilities. A limited amount of transactional data was available for the time period requested during the desk review, however, these transactions were confined to Personal Identifiable Information, i.e. social security number, date of birth and gender. SWTJC was unable to produce audit logs or change history for critical formula*

*funding data.*

*On February, 22, 2021, Southwest Texas Junior College staff met with an Ellucian Colleague representative regarding the setup and implementation necessary to capture transactional data. Although this process does not allow SWTJC to audit retroactively, as of 2/22/2021, transactional data related to formula funding is now being captured.*

*Further, supported by the Family Educational Rights and Privacy Act (FERPA) Title 34, Code of Federal Regulations, Subtitle A, Part 99, Subpart D, Section 99.31 [34 CFR 99.31(a)(1)(ii)] and Texas Administrative Code Title 1, Part 10, Chapter 202, an internal committee of Administrators and staff, who encompass multiple departments across the college has been formed. This committee will continue the work towards maintaining the integrity of system information, and ensuring the reliability of data. Additionally, SWTJC has hired a programmer to develop a report based upon the spreadsheet provided by Elizabeth Steele, Compliance Specialist, Texas Higher Education Coordinating Board. This report will guide internal audits of Southwest Texas Junior College student management system data.*

*A new Chief of Staff to the President position has been created. Their role has incorporated internal audit components, including the responsibility for this type of review and report. This procedure and corrective action will be in place by December 31, 2021.*

**PERFORMED BY:**

Ms. Elizabeth Steele, Compliance Specialist

cc:

**THECB**

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