



NOTICE is hereby given that the Collin County Community College District Board of Trustees will hold a meeting of the Finance and Audit Committee (Gomel, Collins, and Hardin) at 6:00 p.m. on Tuesday, September 21, 2021, in the President's Conference Room 407 at the Collin Higher Education Center, 3452 Spur 399, McKinney, Texas 75069.

Locations

Celina Campus

Collin Higher
Education Center
McKinney, Texas

Courtyard Center
Plano, Texas

Farmersville Campus

Frisco Campus

McKinney Campus

Plano Campus

Public Safety
Training Center
McKinney, Texas

Rockwall Center

Technical Campus
Allen, Texas

Wylie Campus

PUBLIC COMMENT

REVIEW AND DISCUSSION ITEMS

1. Consideration of Approval of the Audit Plan for FY 2022
2. Discuss Results of the Desk Review of the Texas Educational Opportunity Grant

Andrew Hardin
Chair, Board of Trustees

iCollin

www.collin.edu

Board of Trustees

Andrew Hardin, *Chair*

Jay Saad, *Vice Chair*

Jim Orr, *Secretary*

Raj Menon, Ph.D., *Treasurer*

Stacy Anne Arias

J. Robert Collins, Ph.D.

Stacey Donald, Ph.D.

Greg Gomel

Fred Moses

District President

H. Neil Matkin, Ed.D.

3452 Spur 399

P.O. Box 8021

McKinney, Texas 75070

P | 972.758.3800

F | 972.758.3807

nmatkin@collin.edu

www.collin.edu

Collin County Community College District Board of Trustees

1. Finance and Audit Committee

September 21, 2021

Resource: Ali Subhani
Director of Internal Audit

DISCUSSION ITEM: Consideration of Approval of the Audit Plan for FY 2022

DISCUSSION: The Director of Internal Audit respectfully requests approval of the audit plan for fiscal year 2022. The audit plan outlines the projects for the current fiscal year.

Date: September 21, 2021

To: Members of the Finance and Audit Committee
Dr. Neil Matkin, District President

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

Subject: Fiscal Year 2022 - 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

- CARES Act Compliance
- Texas Administrative Code 202 - Vulnerability Management / Scanning
- Wireless Network Controls

Administrative Projects

- District Anonymous Hotline Implementation
- Follow-up Audits
- Issuance of the Annual Internal Audit Report
- Tarrant County Community College Internal Audit Peer-Review









The plan was based on the utilization of one full-time auditor.

Audit Plan Methodology - Fiscal Year 2022

As required by the Internal Audit Charter, the Director for Internal Audit prepared the Fiscal Year 2022 Audit Plan by identifying the auditable areas for the District. The auditable areas were identified by reviewing budgetary information, the Comprehensive Annual Financial Report, the Collin College website, and Collin College policies (legal and local). In addition, information and resources developed by the Association of College and University Auditors (ACUA), the Institute of Internal Auditors (IIA), and risk assessments and audit plans of other community colleges in Texas were also reviewed. Members of the Executive Leadership Team were also requested to provide suggestions on areas that may require an audit project.

A Risk Assessment was then conducted of the auditable areas based on eight risk factors. Each factor is weighted based on importance and given a risk rating, indicating the risk for that factor to the auditable area. The risk rating for the auditable area is totaled to compute the risk score.

Finally, the auditable areas are sorted by likelihood and impact to the District (highest to lowest) and evaluated for selection based on the Office of Internal Audit's professional judgment. An explanation of the eight factors and risk ratings follows.

I M P A C T		
1	Criticality of the Unit 	This factor measures the importance of the unit to accomplish the mission of the District. This considers the impact if the unit is unable to provide its service within a required time frame and/or at the expected level.
2	Financial Impact 	This considers the overall dollar amount flowing through, committed to, or generated by the unit/process (e.g. expenditures, grant amount, revenues collected/earned). This evaluates the impact of inappropriate activity from a financial perspective.
3	Regulatory Compliance 	The complexity, volume, & clarity of regulations / compliance requirements from external requirements impact the District's ability to comply & therefore influences risk. Risks relate to the inability to comply; penalties, fines or litigation; loss of funding sources; & regulatory restrictions.
4	Public Sensitivity 	This measures the sensitivity of the unit to public exposure of critical internal issues. This considers the potential effect to the District overall as the result of negative information.
L I K E L I H O O D		
5	Control Environment 	Assessment of the control environment is based on factors such as the adequacy of the existing control structure, expertise of management, historical problems, conditions found during recent reviews/interactions, and the overall effectiveness and efficiency of operations.
6	Changes in the Unit 	Changes in management personnel, organizational & operational structure, & the operational systems can influence risk. In some cases, reorganization of responsibilities and activities can result in significant changes that compromise the internal control environment.
7	Complexity of Monitoring Activities 	This factor considers the locations/number of locations where activities and the monitoring of these activities take place.
8	Audit History 	This considers whether there has been an audit of the unit, the last time an audit was performed, and the results of such audit.

I M P A C T S C A L E

	1	2	3
Criticality of the Unit	Operations can be temporarily paused for up to 30 days with minimal impact to students, faculty or staff.	Operations can be temporarily paused for up to 7 days without negatively impacting students, faculty or staff.	Must be continued Cannot pause. Necessary to life, health, security.
Financial Impact	<\$300k in resources flow through area.	>\$300k- <\$999k in resources flow through the area.	>\$1M in resources flow through the area.
Regulatory Compliance	Compliance requirements are clear and easy to follow. Breaches of regulatory or contractual obligations are confined to an isolated incident. Not systemic. Fines or penalties would be <\$50k.	Compliance requirements are opaque and necessitate action on a monthly basis. Breaches of regulatory or contractual obligations with costs in excess of \$50k but <\$100k to the institution and increased scrutiny from regulators.	Compliance requirements are complex and necessitate action on a daily/weekly basis. Regulatory censure or action. Breaches of regulatory or contractual obligations with costs in excess of \$100k. Possibility of action against specific member(s) of the senior management team.
Public Sensitivity	Impact is isolated to a small group. Damage is reversible.	Negative impact is limited to one campus location, is in the public domain, but with limited publicity.	Long-term / irreparable damage. Negative impact is felt on multiple-campuses and is widely publicized.
Impact Risk Score	Low 4 - 6.9	Medium 6.91 - 9.90	High 9.91 - 12.0

L I K E L I H O O D S C A L E

	1	2	3
Control Environment	Key Performance Indicators (KPI) are defined for monitoring effectiveness, well-understood chains of accountability exist, and a formal controls framework exists.	Control awareness exists, control activities are designed and in place. Some documentation and reporting methodology exists. Accountability and performance monitoring requires improvement.	Control activities are fragmented, may be managed in "silo", dependent upon individual heroics, with inadequate documentation and reporting methods or inadequate monitoring methods.
Organizational Changes	Little to no organizational changes.	Transition of a Director level or below within an organizational unit.	Implementation of a new process/technology that has college wide impact or transition of a Vice President or Dean.
Complexity of Monitoring Requirements	Monitoring involves low volume activity and is limited to monitoring activity in one department.	Monitoring involves medium volume activity or involves monitoring activity at one college location.	Monitoring involves medium volume activity or involves monitoring activity multiple college locations.
Audit History	A review of the area or process in scope took place within the past 2 fiscal years.	A review of the area or activity took place within the past 3 years.	A review of the area has not been conducted within the past 5 years.
Impact Risk Score	Low 4 - 6.9	Medium 6 6.91 - 9.90	High 9.91 - 12.0

Collin County Community College District Board of Trustees

2021-09-X

September 28, 2021
Resource: Ali Subhani
Director of Internal Audit

AGENDA ITEM: Report Out of the Finance and Audit Committee and Consideration of Approval of the Audit Plan for FY 2022

DISCUSSION: The following list outlines the projects that were approved by the Finance and Audit Committee for inclusion in the audit plan for Fiscal Year 2022:

Audits

- CARES Act Compliance
- Texas Administrative Code 202 – Vulnerability Management/Scanning
- Wireless Network Controls

Administrative Projects

- District Anonymous Hotline Implementation
- Follow-up Audits
- Issuance of the Annual Internal Audit Report
- Tarrant County Community College Internal Audit Peer-Review

DISTRICT PRESIDENT'S RECOMMENDATION: The District President recommends approval of the Audit Plan for FY 2022.

SUGGESTED MOTION: This item comes as a motion and second out of committee. A suggested motion would be, "Mr. Chairman, I make a motion that the Board of Trustees of Collin County Community College District approves the Audit Plan for FY 2022."

Collin County Community College District Board of Trustees

2. Finance and Audit Committee

September 21, 2021

Resource: Ali Subhani
Director of Internal Audit

DISCUSSION ITEM: Discuss Results of the Desk Review of the Texas Educational Opportunity Grant

DISCUSSION: The Director of Internal Audit plans to outline the results of the Compliance Monitoring Review of the Texas Educational Opportunity Grant conducted by the Texas Higher Education Coordinating Board (THECB). Based on the work performed, it was noted that Collin College complied with relevant THECB rules and regulations for the Texas Educational Opportunity Grant (TEOG) and with the Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter M.



TEXAS HIGHER EDUCATION COORDINATING BOARD

P.O. Box 12788 Austin, Texas 78711

August 10, 2021

Fred Farias III, O.D.
CHAIR
Donna N. Williams
VICE CHAIR
Ricky A. Raven
SECRETARY OF THE BOARD
Matthew B. Smith
STUDENT REPRESENTATIVE

Dr. H. Neil Matkin, District President
Collin College
3452 Spur 399
McKinney, Texas 75069

S. Javaid Anwar
Emma W. Schwartz
R. Sam Torn
Welcome Wilson, Jr.

Harrison Keller, Ph.D.
COMMISSIONER
OF HIGHER EDUCATION

(512) 427-6101
Fax (512) 427-6127

Web site:
<http://www.highered.texas.gov>

Dear Dr. Matkin,

I am attaching the final report on *A Compliance Monitoring Desk Review of the Texas Educational Opportunity Grant at Collin College*, Report No. THECB-CM-FA-21-023. There were no findings resulting from this engagement.

Collin College complied with relevant Coordinating Board (THECB) rules and regulations for the Texas Educational Opportunity Grant (TEOG) and with the Texas Administrative Code (TAC), Title 19, Part 1, Chapter 22, Subchapter M.

Summary

Our desk review included tests of relevant financial data reported and certified by Collin College for award year 2019-2020. We believe the evidence obtained provides a reasonable basis for the reportable observations and recommendations, if any, based on the desk review objectives.

Our work included procedures to verify:

- Students met all eligibility criteria, including SAP requirements;
- Students demonstrated financial need;
- Students fulfilled residency requirements;
- Applicable students registered with the selective service system; and
- Reported award amounts reconciled with Collin College’s student data system and payment records.

This Compliance Monitoring report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in October 2021.

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

Sincerely,

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

PERFORMED BY:

Mr. Bobby Lane, CFE, CICA, Compliance Specialist

CC:

THECB

Board Members

Commissioner's Office

Dr. Harrison Keller, Commissioner of Higher Education

Mr. Rey Rodriguez, Deputy Commissioner and Chief of Staff

Ms. Nichole Bunker-Henderson, General Counsel

Mr. Ken Martin, Assistant Commissioner for Financial Services and Chief Financial Officer

Student Financial Aid Programs

Dr. Charles W. Contéro-Puls, Assistant Commissioner

Collin College

Mr. Andrew Hardin, Chair, Board of Trustees

Ms. Julie M. Bradley, Assistant Vice President Controller/Student Financial Services

Mr. Alan Pixley, Director, Financial Aid/Veterans Affairs

Mr. Ali Subhani, CIA, CISA, GSNA, Director, Internal Audit

Texas Association of Community Colleges

Mr. Jacob Fraire, President

State Auditor's Office

Internal Audit Coordinator

Sunset Advisory Commission

Ms. Jennifer Jones, Director

Office of the Governor-Budget and Policy Division

Ms. Sarah Hicks, Budget and Policy Director

Legislative Budget Board

Mr. Christopher Mattsson, Assistant Director