



NOTICE is hereby given that the Collin County Community College District Board of Trustees will hold a meeting of the Finance and Audit Committee (Saad, Menon, and Wallace) at 5:30 p.m. on Tuesday, September 19, 2023, 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 ITEM

1. Consideration of Approval of the Police Support Fees related to the Facility and Patio Space Fees Effective September 26, 2023
2. Consideration of Approval of a Budget Amendment to the Fiscal Year 2024 Operating Budget
3. Consideration of Approval for Establishing a Tuition Waiver for Dependents of Full-Time Collin College Employees
4. Consideration of Approval of the Audit Plan for Fiscal Year 2024
5. Discuss Office of Internal Audit Departmental Self-Assessment Results

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*Andrew P. Hardin
Chair, Board of Trustees*

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Collin County Community College District Board of Trustees

1. Finance and Audit Committee

September 19, 2023

Resource: Melissa Irby
Chief Financial Officer

DISCUSSION ITEM: Consideration of Approval of the Police Support Fees related to the Facility and Patio Space Fees Effective September 26, 2023

DISCUSSION: Board Policy GD (Local) establishes the guidelines for the use of District facilities by community groups and organizations. The Facility Fee Schedule was approved by the Board at the September 2023 meeting, but police fees were not updated.

Proposed fees listed on the attachment include the fees for events requesting extra police support.

The fee/increase offsets the cost of Collin Police supporting external events. The District will review facility usage fees every two years.

GD (Local) gives the District President the authority to waive the facility use rental fee if the use serves an appropriate College District or public purpose. The District is charged with being good stewards of taxpayer funds, so it is essential the District recovers the costs associated with hosting and staging events for external patrons to avoid the gifting of public funds. A cost recovery fee is being proposed to cover the minimum operating costs of the Collin Police to manage and support external events. The fee will be an hourly charge.

Conference Services Fee Increase Proposal FY 24

			Non-profit	For-profit	PROPOSED NEW	PROPOSED NEW
	Capacity	Length	Fees	Fees	Non-Profit Fees	For-Profit Fees
Frisco Campus						
Whole Conference Center	500-900	½ day	\$ 425	\$ 850	\$ 510	\$ 1,020
Whole Conference Center	500-900	Full day	\$ 800	\$ 1,600	\$ 960	\$ 1,920
1/2 Conference Center (E or N/S)	300-400	½ day	\$ 300	\$ 600	\$ 360	\$ 720
1/2 Conference Center (E or N/S)	300-400	Full day	\$ 475	\$ 950	\$ 570	\$ 1140
1/4 Conference Center (N or S)	150-200	½ day	\$ 225	\$ 450	\$ 270	\$ 540
1/4 Conference Center (N or S)	150-200	Full day	\$ 325	\$ 650	\$ 390	\$ 780
Gymnasium (minimum 2 hours)	200	Hourly	\$ 80	\$ 100	\$ 95	\$ 120
McKinney Campus						
Whole Conference Center	500-900	½ day	\$ 425	\$ 850	\$ 510	\$ 1,020
Whole Conference Center	500-900	Full day	\$ 800	\$ 1,600	\$ 960	\$ 1,920
1/2 Conference Center (A or B/C)	300-400	½ day	\$ 300	\$ 600	\$ 360	\$ 720
1/2 Conference Center (A or B/C)	300-400	Full day	\$ 475	\$ 950	\$ 570	\$ 1140
1/4 Conference Center (B or C)	150-200	½ day	\$ 225	\$ 450	\$ 270	\$ 540
1/4 Conference Center (B or C)	150-200	Full day	\$ 325	\$ 650	\$ 390	\$ 780
Pike Hall/Abernathy Hall	100	½ day	\$ 215	\$ 430	\$ 255	\$ 515
Pike Hall/Abernathy Hall	100	Full day	\$ 305	\$ 610	\$ 365	\$ 730
Plano Campus						
Whole Conference Center	500-850	½ day	\$ 425	\$ 850	\$ 510	\$ 1,020
Whole Conference Center	500-850	Full day	\$ 800	\$ 1,600	\$ 960	\$ 1,920
Conference Center Section C	300-350	½ day	\$ 300	\$ 600	\$ 360	\$ 720
Conference Center Section C	300-350	Full day	\$ 475	\$ 950	\$ 570	\$ 1140
Conference Center - End Section	100-150	½ day	\$ 215	\$ 430	\$ 255	\$ 515
Conference Center - End Section	100-150	Full day	\$ 305	\$ 610	\$ 365	\$ 730
Rear Dining Area	150	½ day	\$ 215	\$ 430	\$ 255	\$ 515
Rear Dining Area	150	Full day	\$ 305	\$ 610	\$ 365	\$ 730
Gymnasium (minimum 2 hours)	500	Hourly	\$ 80	\$ 100	\$ 95	\$ 120
Tennis Courts (price per court)	12 courts	Hourly	\$ 15	\$ 15	\$ 20	\$ 20
Collin Higher Education Center (CHEC)						
Board Room (Room 139)	100	½ day	\$ 190	\$ 380	\$ 225	\$ 455
Board Room (Room 139)	100	Full day	\$ 280	\$ 560	\$ 335	\$ 670
Board Conf. Room (Room 135)	50-75	½ day	\$ 150	\$ 300	\$ 180	\$ 360
Board Conf. Room (Room 135)	50-75	Full day	\$ 200	\$ 400	\$ 240	\$ 480
Courtyard Center						
Courtyard Center (rooms 422,424,426,428 only leased together)	100-150	½ day	\$ 265	\$ 530	\$ 315	\$ 635
Courtyard Center (rooms 422,424,426,428 only leased together)	100-150	Full day	\$ 405	\$ 810	\$ 485	\$ 970
Allen Technical Campus						
Kone Conference Center	40-190	½ day	\$ 215	\$ 430	\$ 255	\$ 515
Kone Conference Center	40-190	Full day	\$ 305	\$ 610	\$ 365	\$ 730
South Terrace	130	½ day	\$ 215	\$ 430	\$ 255	\$ 515
South Terrace	130	Full day	\$ 305	\$ 610	\$ 165	\$ 730
North Terrace	50	½ day	\$ 150	\$ 300	\$ 180	\$ 360
North Terrace	50	Full day	\$ 200	\$ 400	\$ 240	\$ 480
Safety Lab	100	½ day	\$ 215	\$ 430	\$ 255	\$ 515
Safety Lab	100	Full day	\$ 305	\$ 610	\$ 365	\$ 730
Farmersville Campus						
Atrium A Wing	6	½ day	\$ 60	\$ 120	\$ 70	\$ 140
Atrium A Wing	6	Full day	\$ 90	\$ 180	\$ 105	\$ 215
Atrium Commons	50-80	½ day	\$ 150	\$ 300	\$ 180	\$ 360
Atrium Commons	50-80	Full day	\$ 200	\$ 400	\$ 240	\$ 480
Atrium Info Desk	6	½ day	\$ 60	\$ 120	\$ 70	\$ 140
Atrium Info Desk	6	Full day	\$ 90	\$ 180	\$ 105	\$ 215
Event Courtyard	30	½ day	\$ 150	\$ 300	\$ 180	\$ 360
Event Courtyard	30	Full day	\$ 200	\$ 400	\$ 240	\$ 480
Event Outdoor A-Wing	125-150	½ day	\$ 215	\$ 430	\$ 250	\$ 515
Event Outdoor A-Wing	125-150	Full day	\$ 305	\$ 610	\$ 365	\$ 730
Library Commons	35	½ day	\$ 150	\$ 300	\$ 180	\$ 360
Library Commons	35	Full day	\$ 200	\$ 400	\$ 240	\$ 480

			Non-profit Fees	For-profit Fees	PROPOSED NEW Non-Profit Fees	PROPOSED NEW For-Profit Fees
	Capacity	Length				
Celina Campus						
Atrium 1 - Level 2 South Lobby	36	½ day	\$ 150	\$ 300	\$ 180	\$ 360
Atrium 1 - Level 2 South Lobby	36	Full day	\$ 200	\$ 400	\$ 240	\$ 480
Atrium 2 - Terrace Atrium	30	½ day	\$ 150	\$ 300	\$ 180	\$ 360
Atrium 2 - Terrace Atrium	30	Full day	\$ 200	\$ 400	\$ 240	\$ 480
Atrium 3 - North Lobby Atrium	55	½ day	\$ 150	\$ 300	\$ 180	\$ 360
Atrium 3 - North Lobby Atrium	55	Full day	\$ 200	\$ 400	\$ 240	\$ 480
Atrium 4 - South Lobby Atrium	55	½ day	\$ 150	\$ 300	\$ 180	\$ 360
Atrium 4 - South Lobby Atrium	55	Full day	\$ 200	\$ 400	\$ 240	\$ 480
Atrium 5 - Breezeway Atrium	120	½ day	\$ 215	\$ 430	\$ 255	\$ 515
Atrium 5 - Breezeway Atrium	120	Full day	\$ 305	\$ 610	\$ 365	\$ 730
Wylie Campus						
Whole Conference Center	500-900	½ day	\$ 425	\$ 850	\$ 510	\$ 1,020
Whole Conference Center	500-900	Full day	\$ 800	\$ 1,600	\$ 960	\$ 1,920
1/2 Conference Center (A or B/C)	300-400	½ day	\$ 300	\$ 600	\$ 360	\$ 720
1/2 Conference Center (A or B/C)	300-400	Full day	\$ 475	\$ 950	\$ 570	\$ 1,140
1/4 Conference Center (B or C)	150-200	½ day	\$ 225	\$ 450	\$ 270	\$ 540
1/4 Conference Center (B or C)	150-200	Full day	\$ 325	\$ 650	\$ 390	\$ 780
Classrooms						
General Classroom	1-40	½ day	\$ 60	\$ 120	\$ 70	\$ 140
General Classroom	1-40	Full day	\$ 90	\$ 180	\$ 105	\$ 215
General Classroom	41-75	½ day	\$ 80	\$ 120	\$ 95	\$ 140
General Classroom	41-75	Full day	\$ 130	\$ 195	\$ 155	\$ 230
Lecture Hall/Presentation room	75-100	½ day	\$ 120	\$ 240	\$ 145	\$ 285
Lecture Hall/Presentation room	75-100	Full day	\$ 210	\$ 420	\$ 250	\$ 500
Additional Fees						
Police Support (external security not allowed) (Events with attendance of 300 or more will require Collin PD presence - minimum. 1 officer for duration of event)		Officer/Supervisor	\$ 50		\$ 65/70 per hour	\$ 65/70 per hour
Dance Floor Fee (15x15)		4 hours	\$ 250		\$ 300	\$ 300
Room Reset Fee (Set Up Changes made less than 24 hours prior to event)		Per Room	\$ 0		\$ 150	\$ 150
Media Use Fee (using Collin media)			\$ 50		\$ 50	\$ 50
Technology Support Fee		Per Technician/per hour	\$ 50/hr		\$ 50/hr/tech	\$ 50/hr/tech
Cost Recovery Fee (Only applies if rental fee waived)		Hourly	\$ 30		\$ 30/hr	\$ 30/hr
Parking lot rental		Per space	\$ 1		\$ 2	\$ 2

Collin County Community College District Board of Trustees

2023-09-X

September 26, 2023
Resource: Melissa Irby
Chief Financial Officer

AGENDA ITEM: Report Out of the Finance and Audit Committee and Consideration of Approval of the Police Support Fees related to the Facility and Patio Space Fees, Effective September 26, 2023

DISCUSSION: Board Policy GD (Local) establishes the guidelines for the use of District facilities by community groups and organizations. The Facility Fee Schedule was approved by the Board at the September 2023 meeting, but police fees were not updated.

Proposed fees listed on the attachment include the fees for events requesting extra police support.

The fee/increase offsets the cost of Collin Police supporting external events. The District will review facility usage fees every two years.

GD (Local) gives the District President the authority to waive the facility use rental fee if the use serves an appropriate College District or public purpose. The District is charged with being good stewards of taxpayer funds, so it is essential the District recovers the costs associated with hosting and staging events for external patrons to avoid the gifting of public funds. A cost recovery fee is being proposed to cover the minimum operating costs of the Collin Police to manage and support external events. The fee will be an hourly charge.

DISTRICT PRESIDENT'S RECOMMENDATION: The District President recommends approval of the of the Police Support Fees, related to the Facility and Patio Space Fees, effective September 26, 2023.

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 Police Support Fees, related to the Facility and Patio Space Fees, Effective September 26, 2023".

Collin County Community College District Board of Trustees

2. Finance and Audit Committee

September 19, 2023

Resource: Melissa Irby
Chief Financial Officer

DISCUSSION ITEM: Consideration of Approval of a Budget Amendment to the Fiscal Year 2024 Operating Budget

DISCUSSION: The District's fiscal year 2024 operating budget was developed prior to the completion of the District's external compensation study and the final determination of GPI percentage increases for faculty and staff. The estimated approved budget for salary adjustments was \$7.505 million. Staff has determined the actual salary adjustments from the compensation study and GPI increases were \$828,000 less than budgeted.

Approval of this item by the Board will allow a reduction in the salary reserves budget for fiscal year 2024.

Collin County Community College District Board of Trustees

2023-09-X

September 26, 2023

Resource: Melissa Irby
Chief Financial Officer

AGENDA ITEM: Report Out of the Finance and Audit Committee and Consideration of Approval of a Budget Amendment to the Fiscal Year 2024 Operating Budget

DISCUSSION: The District’s fiscal year 2024 operating budget was developed prior to the completion of the District’s external compensation study and the final determination of GPI percentage increases for faculty and staff. The estimated approved budget for salary adjustments was \$7.505 million. Staff has determined the actual salary adjustments from the compensation study and GPI increases were \$828,000 less than budgeted.

Approval of this item by the Board will allow a reduction in the salary reserves budget for fiscal year 2024.

DISTRICT PRESIDENT’S RECOMMENDATION: The District President recommends approval of an amendment to the fiscal year 2024 budget to recognize a decrease in salary reserve budgeted expenses of \$828,000 due to actual salary adjustments.

SUGGESTED MOTION: This item may come 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 an amendment to the fiscal year 2024 budget to recognize a decrease in salary reserve budgeted expenses of \$828,000 due to actual salary adjustments.”

Collin County Community College District Board of Trustees

3. Finance and Audit Committee

September 19, 2023

Resource: Melissa Irby

Chief Financial Officer

Floyd Nickerson

Special Assistant to the District President

DISCUSSION ITEM: Consideration of Approval for Establishing a Tuition Waiver for Dependents of Full-Time Collin College Employees

DISCUSSION: Current HR benefit programs provided through DEB (Local) allow full-time employees the opportunity to further their education. Unlike many of our peers, there are currently no educational benefits for full-time employee dependents. Board approval is needed for any tuition waivers that will be offered to Collin College students.

To promote employee recruitment and retention, as well as continue to promote a college-going culture, a dependent tuition waiver benefit is recommended.

Approval of this item by the Board will allow for the creation of a tuition waiver specific to employee dependents. The new waiver would begin in Spring 2024.

COLLIN COLLEGE EMPLOYEE DEPENDENT TUITION BENEFIT (EDTB) PROGRAM

ELIGIBILITY AND TUITION BENEFIT:

This procedure takes benefit consideration beginning January 2024. The procedure applies to all full-time employees and their dependents, when applicable. Timelines establishing eligibility are included in this procedure and can be found in the tuition benefits application that must be completed each term.

Participation in this program does not guarantee enrollment in any Collin College course. Enrollment is based on availability at the time of student registration.

Employees within one calendar year of being placed on a Level 2 disciplinary action are not eligible to participate.

Following IRS guidelines, employee dependents must be under 24 years of age and verified each semester in one of three ways: 1) Dependent is included on employee's state sponsored health insurance; 2) Dependent is included on federal financial aid application (FAFSA); or 3) Via submission of IRS tax documents indicating dependent status.

Employee Dependent Tuition Waiver for Collin College Credit Courses: The EDTB Program offers tuition waivers for qualified employee dependents for up to a total of 60 Collin College credit hours per eligible full-time dependent of full-time employees at Collin College. A 2.0 minimum grade point average (GPA) is required for the tuition benefit to be approved for the future semester. Participants who fall below the Collin cumulative 2.0 GPA but raise their grades above a 2.0 without the tuition benefit(s) can become eligible for the EDTB Program, once again. Waivers are non-refundable and taxable to the recipient. These awards will be reflected on an annual 1098-T provided by the Bursar's Office to the student. In the event the employee's Collin employment ends or changes to part-time prior to the start of classes, the student will be responsible for the full tuition charges. This tuition waiver program is not retroactive and can only be reviewed within timelines illustrated within this procedure.

TIMELINE:

Employees and their dependents interested in participating in the EDTB Program for courses at Collin College must complete the application process a minimum of one week prior to the posted Drop for Non-Payment deadline listed at <https://www.collin.edu/bursar/automaticcancellation.html>. Tuition benefit approvals are only good for one semester and must be applied for according to this timeline, each term. All other relevant timelines associated with the EDTB Program will be included in the program's application.

Collin County Community College District Board of Trustees

2023-09-X

September 26, 2023

Resource: Melissa Irby

Chief Financial Officer

Floyd Nickerson

Special Assistant to the District President

AGENDA ITEM: Report Out of the Finance and Audit Committee and Consideration of Approval for Establishing a Tuition Waiver for Dependents of Full-Time Collin College Employees

DISCUSSION: Current HR benefit programs provided through DEB (Local) allow full-time employees the opportunity to further their education. Unlike many of our peers, there are currently no educational benefits for full-time employee dependents. Board approval is needed for any tuition waivers that will be offered to Collin College students.

To promote employee recruitment and retention, as well as continue to promote a college-going culture, a dependent tuition waiver benefit is recommended.

Approval of this item by the Board will allow for the creation of a tuition waiver specific to employee dependents. The new waiver would begin in Spring 2024.

DISTRICT PRESIDENT'S RECOMMENDATION: The District President recommends approval of a new tuition waiver for employee dependents. Details and limits of the waiver are to be itemized in the College District's procedures and guidelines for faculty and staff.

SUGGESTED MOTION: This item may come 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 creating a new tuition waiver for the qualified dependents of eligible full-time faculty and staff."

Collin County Community College District Board of Trustees

4. Finance and Audit Committee

September 19, 2023

Resource: Ali Subhani
Director of Internal Audit

DISCUSSION ITEM: Consideration of Approval of the Audit Plan for Fiscal Year 2024

DISCUSSION: The following list outlines the projects that are planned by the Office of Internal Audit for fiscal year 2024:

Audits

- Canvas Learning Management System and Honorlock
- Dual Credit Programs
- Promotional Items Expenditures
- Scholarships

Administrative Projects

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

Date: September 19, 2023

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 2024 - 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

- Canvas Learning Management System and Honorlock
- Dual Credit Programs
- Promotional Items Expenditures
- Scholarships

Administrative Projects

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

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

Audit Plan Methodology - Fiscal Year 2024

As required by the Internal Audit Charter, the Director for Internal Audit prepared the Fiscal Year 2024 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). Members of the Executive Leadership Team and College personnel were also offered the opportunity to provide input to the Office of Internal Audit.

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, that indicates the risk for that factor to the auditable area. The risk rating for the auditable area is totaled to compute the risk score. The final selection is based on the professional judgment of personnel in the Office of Internal Audit.

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 occur and/or the locations where monitoring of such 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 the 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, or for the student academic experience.
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 not transparent 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-campus 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 at 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 15 6.91 - 9.90	High 9.91 - 12.0



Past Internal Audits Conducted by Division				
Division	FY 23	FY 22	FY 21	FY 20
Business Administrative Services	Travel / Fuel Card Programs	CARES Act Compliance	Purchasing	Property
Office of the Executive Vice President	Faculty Workload		Return of Title IV Funds	
Technology Services	Data Backup and Recovery	Wireless Network Controls		TAC 202 Compliance
		Vulnerability Management / Scanning		

Collin County Community College District Board of Trustees

2023-09-X

September 26, 2023
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 Fiscal Year 2024

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 2024:

Audits

- Canvas Learning Management System and Honorlock
- Dual Credit Programs
- Promotional Items Expenditures
- Scholarships

Administrative Projects

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

DISTRICT PRESIDENT'S RECOMMENDATION: The District President recommends approval of the audit plan for fiscal year 2024.

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 fiscal year 2024."

Collin County Community College District Board of Trustees

5. Finance and Audit Committee

September 19, 2023

Resource: Ali Subhani
Director of Internal Audit

DISCUSSION ITEM: Discuss Office of Internal Audit Departmental Self-Assessment Results

DISCUSSION: The objective of the self-assessment was to evaluate the Office of Internal Audit's adherence to the Institute of Internal Auditors Code of Ethics and International Standards for the Professional Practice of Internal Auditing (the "Standards").

The Director of Internal Audit plans to outline the results of the self-assessment.

Date: September 19, 2023

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

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

Subject: Internal Departmental Self-Assessment (Quality Assurance Review)

The Office of Internal Audit has completed an internal Quality Assurance Review (QAR) for fiscal year 2023. The objective of the Self Assessment was to evaluate the department's adherence to the Institute of Internal Auditors Code of Ethics and International Standards for the Professional Practice of Internal Auditing (the "Standards").

Overall, the department generally conforms to the requirements. However, two areas with opportunities for improvement related to the requirements were noted. A detailed list of conformance to individual standards is outlined below.

SCOPE AND METHODOLOGY

The scope of the internal QAR includes activities and audits performed and issued from January 2020 through August 17, 2023. As part of the preparation for the external QAR, the Office of Internal Audit prepared a self-study document with detailed information including the audit charter, audit manual, and other organizational materials along with this Self-Assessment report. The independent reviewers, whenever they are invited and selected will review this information along with the Office of Internal Audit's risk assessment and audit planning processes, audit tools and methodologies and engagement processes, and a sample of the department's work papers and reports. The independent reviewer may survey or interview the audit staff and a sample of District employees involved in the audit process. Interviews may also be conducted with members of the Finance and Audit Committee, the District President, and other Executive Leadership Team members.

OPINION AS TO CONFORMITY

The rating system used for expressing an opinion for this review provides for three levels of conformance: generally conforms, partially conforms, and does not conform.

- Generally conforms means that the Office of Internal Audit has policies, procedures, and a charter that were judged to be in accordance with applicable standards; however, opportunities for improvement may exist.
- Partially conforms means deficiencies, while they might impair, did not prohibit the Office of Internal Audit from carrying out its responsibilities.
- Does not conform means deficiencies in practice were found that were considered so significant that they impaired or prohibited the Office of Internal Audit in carrying out its responsibilities.

The following table details our opinion of how the Office of Internal Audit conforms to each section of the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and Code of Ethics.

Standard Type and Description	Opinion
<i>IIA International Attribute Standards:</i>	
1000 - Purpose, Authority, and Responsibility	Generally Conforms
1100 - Independence and Objectivity	Partially Conforms
1200 - Proficiency and Due Professional Care	Generally Conforms
1300 - Quality Assurance and Improvement Program	Does Not Conform
<i>IIA International Performance Standards:</i>	
2000 - Managing the Internal Audit Activity	Generally Conforms
2100 - Nature of Work	
2200 - Engagement Planning	
2300 - Performing the Engagement	
2400 - Communicating Results	
2500 - Monitoring Progress	
2600 - Communicating the Acceptance of Risks	

DETAILED CONCLUSIONS

1. 1000 Purpose, Authority, and Responsibility

The Internal Audit Charter that the Board of Trustees approved outlines the purpose, authority, and responsibility of the Office of Internal Audit. The nature of assurance and consulting services are also defined within the charter.

2. 1100 Independence and Objectivity

Based on the Self-Assessment, the Director of Internal Audit reports to the Finance and Audit Committee that approved the Internal Audit Charter. The director communicates the results of all internal audit reports to the Finance and Audit Committee. The director has been able to report findings and conclusions objectively. The District President completes the annual evaluation for the Director of Internal Audit; therefore, the director has not affirmed independence on an annual certification as required by the Standards. To facilitate compliance with the Standards, the evaluation should include the documented input from the Board. The Office of Internal Audit has a process for addressing potential conflicts of interest.

3. 1200 Proficiency and Due Professional Care

Based on the Self-Assessment, we conclude that audit work is performed with proficiency and due care; professional judgment is used in planning, performing, and reporting. The Director for Internal Audit is licensed as a Certified Internal Auditor, a Certified Information Security Auditor, a Certified Data Privacy Solutions Engineer, and a GIAC Systems and Network Auditor. The director has more than 18 years of experience in Audit. The director has sufficient knowledge to identify indicators of fraud and information technology risks. The budget provides funding for the director to earn continuing education credits and maintain professional certifications.

4. 1300 Quality Assurance and Improvement Program

The department instituted a quality assurance program when the current Director of Internal Audit joined the department in January 2020. Historically, the department has not made consistent efforts to achieve compliance with the Standards. Therefore, documentation to substantiate prior external peer reviews and internal review processes was not readily available. Lastly, the Texas State Agency Internal Audit Forum (SAIAF) checklist is completed for each audit to ensure compliance with the Standards.

5. 2000 Managing the Internal Audit Activity

The self-assessment indicated that the Office of Internal Audit is managed following the relevant standards. The Department's Policies and Procedures Manual and the TeamMate Audit template are readily accessible. The Director of Internal Audit:

- Prepares a risk-based Annual Audit Plan that the Finance and Audit Committee approves
- Monitors and communicates the progress of projects
- Coordinates with other audit entities to prevent duplication and prepares an Annual Audit Report

Audit reports provide value-added recommendations to address the identified risks and issues. The implementation status of past audit observations is communicated to the Finance and Audit Committee annually.

6. 2100 Nature of Work

Based on the Self-Assessment, our conclusion is that the Office of Internal Audit contributes to improving risk management, control, and governance processes through audits, special projects, and service. Institutional stakeholders also have the opportunity to provide their feedback as the Audit Plan is developed. Fraud risks are also considered in audits.

7. 2200 Engagement Planning

The Office of Internal Audit conforms with the Engagement Planning Standards as an Audit Program that specifies the audit scope and objectives is developed for each audit. The Audit Program also identifies the activities to be performed in order to accomplish the audit objectives.

8. 2300 Performing the Engagement

The Office of Internal Audit complies with the Standards in performing audits as thorough working papers are prepared using TeamMate to document the audit program steps performed to achieve the objectives. The evidence that supports the results and conclusions is sufficient, competent, and relevant. The director conducts the audits and reviews the working papers before reports are issued.

9. 2400 Communicating Results

The Office of Internal Audit complies with the Standards regarding communicating the results of engagements. Written reports are prepared for all audits. Audit reports include the objective, scope, and procedures. The results are communicated to the appropriate internal and external stakeholders, including administration, management, and the Finance and Audit Committee. Reports are submitted to other oversight agencies when applicable.

12. 2500 Monitoring Progress

It was noted that the Office of Internal Audit has a system for monitoring the disposition of results communicated to management. The department tracks the status of observations identified in prior audits within TeamMate and determines the implementation status annually.

13. 2600 Communicating the Acceptance of Risks

The Director of Internal Audit is unaware of any instance where executive management may have accepted a level of residual risk unacceptable to the organization. However, if this scenario did occur, the director would report the concern to the Finance and Audit Committee Chair.