



**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, October 17, 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 a Contract to Purchase Vending Services from Compass Group USA
2. Consideration of Approval of the Proposed Property and Insurance Contract
3. Consideration of Approval of the Internal Audit Annual Report for Fiscal Year 2023
4. Discuss Results for Internal Audit Report # 23-03 – Faculty Workload

*Andrew P. Hardin  
Chair, Board of Trustees*

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**District President**

H. Neil Matkin, Ed.D.

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**Collin County Community College District Board of Trustees**

1. Finance and Audit Committee

October 17, 2023

Resource: Melissa Irby  
Chief Financial Officer

**DISCUSSION ITEM:** Consideration of Approval of a Contract to Purchase Vending Services from Compass Group USA

**DISCUSSION:** The District utilizes vending services to provide a variety of beverage and snack options on all campuses and facilities. From January 2017 – June 2022, the District contracted with Vend Pro for these services. In June 2022, Vend Pro was acquired by Compass Group USA.

A Request For Proposal (RFP) was issued in September 2023, and the District received two responses. The bid submitted by Compass Group USA was determined to be both responsible and responsive to all solicitation requirements.

No District funds will be expended for this service. The District will receive commission on the sale of vending products, and the commission will be recorded in the Auxiliary Fund. If approved, the contract term is for January 1, 2024 through December 31, 2028.

**Collin County Community College District Board of Trustees**

2023-10-X

October 27, 2023

Resource: Melissa Irby  
Chief Financial Officer

**AGENDA ITEM:** Report Out of the Finance and Audit Committee and Consideration of Approval of a Contract to Purchase Vending Services from Compass Group USA

**DISCUSSION:** The District utilizes vending services to provide a variety of beverage and snack options on all campuses and facilities. From January 2017 – June 2022, the District contracted with Vend Pro for these services. In June 2022, Vend Pro was acquired by Compass Group USA.

A Request For Proposal (RFP) was issued in September 2023, and the District received two responses. The bid submitted by Compass Group USA was determined to be both responsible and responsive to all solicitation requirements.

No District funds will be expended for this service. The District will receive commission on the sale of vending products, and the commission will be recorded in the Auxiliary Fund. If approved, the contract term is for January 1, 2024 through December 31, 2028.

**DISTRICT PRESIDENT'S RECOMMENDATION:** The District President recommends approval of the vending machine services contract for the District for the period January 1, 2024 through December 31, 2028.

**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 proposed vending machine services contract as presented."

**Collin County Community College District Board of Trustees**

2. Finance and Audit Committee

October 17, 2023

Resource: Melissa Irby  
Chief Financial Officer

**DISCUSSION ITEM:** Consideration of Approval of the Proposed Property and Insurance Contract

**DISCUSSION:** The District purchases insurance to meet legal requirements and to ensure protection and preservation of the District's human, physical, and financial assets. The District purchases the following insurance coverage types through this contract: property, crime, cyber liability, general liability, law enforcement, educator's legal, and auto. A new policy option for this year is for property wind/hail deductible buydown for the Plano Campus. If approved, the total fiscal year 2024 premium is \$2,331,980.

**Premium Summary November 1, 2023 - October 31, 2024**

| <b>Line of Coverage</b>                             | <b>Carrier</b>               | <b>Expiring Annualized Premium</b> | <b>Estimated Renewal Premium</b> |
|---|------------------------------|------------------------------------|----------------------------------|
| Property  | Affiliated FM                | \$ 1,018,173                       | \$ 1,121,535                     |
| *Property Wind/Hail Deductible Buydown-Plano Campus | Lloyd's of London            | N/A                                | 725,000                          |
| Crime   | Great American               | 6,547                              | 7,529                            |
| General Liability                                   | TPS                          | 27,085                             | 27,688                           |
| Law Enforcement Liability                           | TPS                          | 27,950                             | 29,690                           |
| Auto  | TPS                          | 105,581                            | 120,167                          |
| Educator's Legal Liability                          | TPS                          | 106,378                            | 115,303                          |
| Cyber Liability                                     | Beazley                      | 99,994                             | 175,068                          |
|   | <b>Total Account Premium</b> | <b>\$ 1,391,708</b>                | <b>\$ 2,321,980</b>              |
|   | <b>Difference</b>            |                                    | <b>\$ 930,272</b>                |

\*New policy option for this year-\$725,000 is estimated of coverage amount

**Estimated premiums:**

Auto Liability for Purchases (November 2023 - October 2024) \$ 10,000

**Total Spend Authorization Request \$ 2,331,980**

**Collin County Community College District Board of Trustees**

2023-10-X

October 27, 2023

Resource: Melissa Irby  
Chief Financial Officer

**AGENDA ITEM:** Report Out of the Finance and Audit Committee and Consideration of Approval of the Proposed Property and Insurance Contract

**DISCUSSION:** The District purchases insurance to meet legal requirements and to ensure protection and preservation of the District’s human, physical, and financial assets. The District purchases the following insurance coverage types through this contract: property, crime, cyber liability, general liability, law enforcement, educator’s legal, and auto. A new policy option for this year is for property wind/hail deductible buydown for the Plano Campus. If approved, the FY24 premium is \$2,321,980.

**DISTRICT PRESIDENT’S RECOMMENDATION:** The District President recommends approval of the insurance contract for the District for the period of November 1, 2023 through October 31, 2024 in the amount of \$2,321,980 which is budgeted in the District’s FY24 operating budgets.

**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 proposed property and insurance contract for fiscal year 2024 as presented.”

***Collin County Community College District Board of Trustees***

3. Finance and Audit Committee

October 17, 2023

Resource: Ali Subhani  
Director of Internal Audit

**DISCUSSION ITEM:** Consideration of Approval of the Internal Audit Annual Report for Fiscal Year 2023

**DISCUSSION:** The purpose of the Internal Audit Annual Report is to provide information on the assurance services, consulting services, and other activities of the internal audit function. A summary of the internal audit report will be provided.



# **COLLIN COLLEGE**

## **INTERNAL AUDIT**

**ANNUAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**AUGUST 31, 2023**

**OFFICE OF INTERNAL AUDIT**

**October 17, 2023**

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

Attached is the annual report for the Office of Internal Audit for the fiscal year (FY) which ended August 31, 2023. This report is required by the Texas Government Code, Section 2102.015, and provides information on the activities of the internal audit function.

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

Respectfully submitted,



Ali Subhani, CIA, CISA, GSNA, CDPSE  
Director of Internal Audit

**Report Distribution:**

**Members of the Board of Trustees:**

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|                          |                               |
|--------------------------|-------------------------------|
| Trustee Andrew Hardin    | Trustee Stacy Anne Arias      |
| Trustee Jay Saad         | Trustee Dr. J. Robert Collins |
| Trustee Jim Orr          | Trustee Greg Gomel            |
| Trustee Dr. Raj Menon    | Trustee Megan Wallace         |
| Trustee Cathie Alexander |                               |

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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 2023 Annual Internal Audit Report and the approved FY 2024 Audit Plan on the [departmental website](#).

## II. INTERNAL AUDIT PLAN FOR FY 2023

| Project                               | Report Number | Status / Report Date                        |
|---------------------------------------|---------------|---|
| 1. Travel / Fuel Card Programs        | 23-01         | Final report issued on February 21, 2023.   |
| 2. Data Backup and Recovery           | 23-02         | Final report issued on May 16, 2023.        |
| 3. Faculty Workload                   | 23-03         | Final report issued on October 17, 2023.    |
| 4. Internal Quality Assessment Review | -             | Results communicated on September 19, 2023. |

The Office of Internal Audit deviated from the approved audit plan, which the Board of Trustees approved on September 26, 2023. This deviation occurred because the department

could not successfully hire a Senior Auditor. Consequently, the department was unable to complete the Safety and Security audit. 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 2023, 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 a 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 at a future date.

### V. INTERNAL AUDIT PLAN FOR FY 2024

The FY 2024 Internal Audit Plan was approved by the college's Board of Trustees on September 26, 2023. 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 2023

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 2023 by management :

- PSK CPA, LLP - Annual audit of the District's Foundation
- Whitley Penn, LLP - Annual audit of the District's financial statements
- Whitley Penn, LLP - Audit to evaluate compliance with requirements of the Texas Public Investments Act.

## VII. REPORTING SUSPECTED 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](#).

## APPENDIX 1: FY 2024 AUDIT PLAN

The FY 2024 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 8 were approved by the college's Board of Trustees on September 26, 2023.

Texas Administrative Code (TAC) 202 is audited periodically as required by statute, and the last TAC 202 audit was performed in FY 2023.

**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

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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**

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

**Administrative Projects**

- 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.**

## 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.

| <b>Responsible Party</b>                | <b>Follow up Performed on</b> | <b>Implemented / Closed</b> | <b>Delayed</b> | <b>Require Finance &amp; Audit Committee Approval</b> |
|---|-------------------------------|-----------------------------|----------------|---|
| Chief Financial Officer                 | <b>10</b>                     | <b>5</b>                    | <b>5</b>       | <b>-</b>  |
| Senior Vice President Campus Operations | <b>7</b>                      | <b>1</b>                    | <b>4</b>       | <b>2</b>  |

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



OFFICE OF

# Internal Audit

| Project Code | Project Name   | Issue Date | Original Estimated Implementation Date | Recommendation Title  | Action Plan   | Cabinet Contact         | Recommendation State | Days Overdue (As of 10/17/2023) |
|--------------|--|------------|--|---|---|-------------------------|----------------------|---------------------------------|
| 20-01        | Fixed Assets (Capital / Controlled Assets & Surplus) | 10/20/2020 | 6/30/2021                              | 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 specific employees.  | Chief Financial Officer | Closed               |                                 |
| 20-01        | Fixed Assets (Capital / Controlled Assets & Surplus) | 10/20/2020 | 6/30/2021                              | Update policies and procedures.   | Updated policies and procedures will be developed.  | Chief Financial Officer | Closed               |                                 |
| 17<br>20-02  | TAC 202  | 8/25/2020  | 8/31/2021                              | Develop Framework to Implement Separation of Duties.  | This recommendation will be completed with the Workday implementation.  | SVP Campus Operations   | In Progress          | 777                             |
| 20-02        | TAC 202  | 8/25/2020  | 2/28/2021                              | Deploy Logon Banners on Technology Resources.   | Management in Technology Services will work with the server team to develop access-based policies to display logon banners based on industry security standards and TAC 202.  | SVP Campus Operations   | Closed               |                                 |
| 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. |   | SVP Campus Operations   | In Progress          | 443                             |
| 22-02        | CARES Act Compliance                                 | 6/21/2022  | 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, and 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 | In Progress          | 321                             |



OFFICE OF  
**Internal Audit**



| Project Code | Project Name                          | Issue Date | Original Estimated Implementation Date | Recommendation Title   | Action Plan   | Cabinet Contact         | Recommendation State | Days Overdue (As of 10/17/2023) |
|--------------|---------------------------------------|------------|--|--|---|-------------------------|----------------------|---------------------------------|
| 22-02        | CARES Act Compliance                  | 6/21/2022  | 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 checks needs to be voided and reissued or reallocated to other students.  | Chief Financial Officer | Closed               |                                 |
| 22-02        | CARES Act Compliance                  | 6/21/2022  | 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 | Closed               |                                 |
| 22-02        | CARES Act Compliance                  | 6/21/2022  | 11/30/2022                             | Implement Segregation of Duties.                                       | Management intends to perform a detailed evaluation of privileges for each user group with the management of those respected areas and implement SOD in line with a cost-benefit analysis and implement monitoring to detect abuse of privileges that cannot be segregated. | SVP Campus Operations   | In Progress          | 321                             |
| 22-03        | Vulnerability Management and Scanning | 8/19/2022  | 7/31/2023                              | Develop Complete Inventory with Designated Owners.                     | 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.         | SVP Campus Operations   | In Progress          | 78                              |
| 22-03        | Vulnerability Management and Scanning | 8/19/2022  | 7/31/2023                              | Develop Policies and Procedures.                                       |   | SVP Campus Operations   | In Progress          | 78                              |

OFFICE OF  
**Internal Audit**  
**COLLIN COLLEGE**

| Project Code | Project Name                             | Issue Date | Original Estimated Implementation Date | Recommendation Title   | Action Plan   | Cabinet Contact         | Recommendation State | Days Overdue (As of 10/17/2023) |
|--------------|--|------------|--|--|---|-------------------------|----------------------|---------------------------------|
| 22-03        | Vulnerability Management and Scanning    | 8/19/2022  | 7/31/2023                              | Enhance Vulnerability Scanning and Remediation Process.          | 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. | SVP Campus Operations   | In Progress          | 78                              |
| 23-01        | Purchasing / Travel / Fuel Card Programs | 2/21/2023  | 8/31/2023                              | Develop Policies and Procedures to Govern the Fuel Card Program. | Management intends to develop and communicate procedures to provide for better oversight of the Fuel Card Program.  | Chief Financial Officer | In Progress          | 47                              |
| 23-01        | Purchasing / Travel / Fuel Card Programs | 2/21/2023  | 8/31/2023                              | Independently Verify Cardholders after Setup.                    | Management intends to ensure that the AP Manager will review the JPMorgan account for new cards issued to ensure proper documentation and authorization exists for all new cards issued. This will be implemented immediately.                                      | Chief Financial Officer | In Progress          | 47                              |
| 23-01        | Purchasing / Travel / Fuel Card Programs | 2/21/2023  | 8/31/2023                              | Enhance Cardholder Management.                                   | Management intends to be more diligent about canceling employees from the fuel card program upon termination. Procedures to ensure that all terminated employees are terminated within JPMorgan in a timely manner will be developed and implemented immediately.   | Chief Financial Officer | In Progress          | 47                              |
| 23-01        | Purchasing / Travel / Fuel Card Programs | 2/21/2023  | 8/31/2023                              | Improve Controls over Business Expense Reimbursements.           | Management agrees to optimize and continue working with the Workday consultant to improve the accuracy of the per diem calculations going forward and has put in steps to ensure the per diem rates are correct.  | Chief Financial Officer | Closed               |                                 |

OFFICE OF  
**Internal Audit**  
**COLLIN COLLEGE**

| Project Code | Project Name                             | Issue Date | Original Estimated Implementation Date | Recommendation Title   | Action Plan   | Cabinet Contact         | Recommendation State  | Days Overdue (As of 10/17/2023) |
|--------------|--|------------|--|--|---|-------------------------|---|---------------------------------|
| 23-01        | Purchasing / Travel / Fuel Card Programs | 2/21/2023  | 8/31/2023                              | Improve Compliance with T-Card Requirements and Develop Business Meal Procedure.       | Management agrees to develop business meal procedures with input from leadership so that the expenses are within reason and clarify the allowability of spending District funds for food in connection with business/staff meetings and events.                     | Chief Financial Officer | In Progress   | 47                              |
| 23-02        | Data Backup and Recovery                 | 5/16/2023  | 12/31/2023                             | Enhance Controls Over the Backup Appliance.  | 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. | SVP Campus Operations   | Follow-up procedures not performed by the Office of Internal Audit. |                                 |
| 23-02        | Data Backup and Recovery                 | 5/16/2023  | 12/31/2023                             | Develop a Contingency Plan that Fulfills All Requirements Mandated by TAC-202.         |   | SVP Campus Operations   | Follow-up procedures not performed by the Office of Internal Audit. |                                 |
| 23-02        | Data Backup and Recovery                 | 5/16/2023  | 12/31/2023                             | Complete a Documented Risk Assessment for Preventative Measures that are not in Place. |   | SVP Campus Operations   | Follow-up procedures not performed by the Office of Internal Audit. |                                 |

**Collin County Community College District Board of Trustees**

2023-10-X

October 27, 2023

Resource: Ali Subhani  
Director of Internal Audit

- AGENDA ITEM:** Report Out of the Finance and Audit Committee and Consideration of Approval of the Internal Audit Annual Report for Fiscal Year 2023
- DISCUSSION:** The purpose of the Internal Audit Annual Report is to provide information on the assurance services, consulting services, and other activities of the internal audit function.
- DISTRICT PRESIDENT'S RECOMMENDATION:** The District President recommends approval of the Internal Audit Annual Report for fiscal year 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 the Internal Audit Annual Report for fiscal year 2023."

***Collin County Community College District Board of Trustees***

4. Finance and Audit Committee

October 17, 2023

Resource: Ali Subhani  
Director of Internal Audit

**DISCUSSION ITEM:** Discuss Results for Internal Audit Report # 23-03 – Faculty Workload

**DISCUSSION:** The Director of Internal Audit will outline the results for Internal Audit Report # 23-03 – Faculty Workload.



# COLLIN COLLEGE

## FACULTY WORKLOAD

AUDIT # 23-03

OCTOBER 17, 2023

### Report Distribution:

H. Neil Matkin, Ed.D., District President  
Abe Johnson, Ed.D., Senior Vice President Campus Operations

Trustee Andrew Hardin  
Trustee Jay Saad  
Trustee Jim Orr  
Trustee Dr. Raj Menon  
Trustee Cathie Alexander

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## EXECUTIVE SUMMARY

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### AUDIT OBJECTIVE AND SCOPE

The objective of the audit was to evaluate compliance with the Texas Education Code (TEC) 51.402 and applicable District requirements related to faculty workload. The audit scope included activity from fiscal year 2021 through fiscal year 2023 and covered academic terms Fall 2020 through Spring 2023.

### AUDIT RECOMMENDATIONS

| Recommendation   | Risk Level | Implementation Date | Page Number |
|--|------------|---------------------|-------------|
| 1. Establish Maximum Instructional Workload Unit Threshold for Faculty to Maintain Program Standards.    | High       | March 2024          | 7           |
| 2. Formally Designate the Officer who will Monitor Workloads and Prepare Workload Reports for the Board. | Low        | March 2024          | 9           |

### DESIGNATED MANAGEMENT



Dr. Abe Johnson,  
Senior Vice President Campus Operations

### CONCLUSION

Overall, a process to govern faculty workload is in place. Salary payments tested during the audit were substantially accurate and in line with the District's documented practices. Implementation of the recommendations outlined in the report will further strengthen compliance.

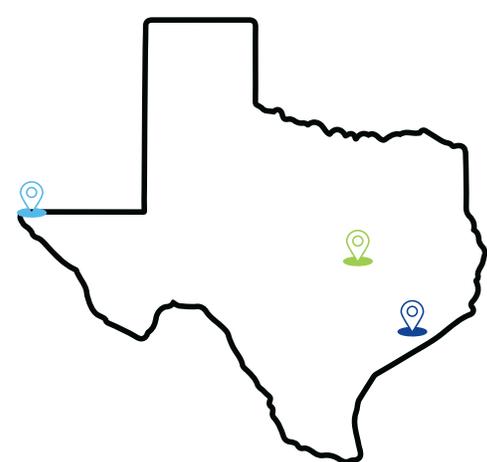
## BACKGROUND

Texas Education Code Section 51.402 (TEC 51) requires the Board of Trustees (Board) of the Collin County Community College District (District) to adopt rules concerning the academic workload of faculty. In compliance with this statute, the Board has adopted DJ — Assignment, Work Load, and Schedules, which states that the "responsibilities of regular faculty assignments will be described in the full-time faculty position description." The Board Policy does not outline the minimum workload requirements; however, the District's Faculty Load Compensation Guidelines developed by the Office of Human Resources states, "Full-time faculty members generally teach between 15-18 workload units each regular 16-week semester as part of their regular load. Instructional units over 18 will be paid at the full-time faculty overload rate." The following table outlines the overload compensation paid to faculty during the preceding fiscal years.

| Fiscal Year             | One Overload          |                   | Two Overloads         |                   | Three+ Overloads      |                   | Grand Total   |
|-------------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|---------------|
|                         | Overload Compensation | Number of Faculty | Overload Compensation | Number of Faculty | Overload Compensation | Number of Faculty |               |
| <b>Fiscal Year 2021</b> | \$ 691,014            | 139               | \$ 952,593            | 109               | \$ 995,748            | 77                | \$ 2,639,356  |
| <b>Fiscal Year 2022</b> | \$ 1,446,210          | 290               | \$ 2,226,467          | 239               | \$ 3,296,123          | 209               | \$ 6,968,801  |
| <b>Fiscal Year 2023</b> | \$ 1,417,505          | 278               | \$ 2,427,305          | 234               | \$ 3,627,287          | 235               | \$ 7,472,098  |
| <b>Total</b>            | \$ 3,554,730          |                   | \$ 5,606,366          |                   | \$ 7,919,159          |                   | \$ 17,080,256 |

TEC 51 also requires that an officer of an institution be designated to monitor academic workload and that each institution shall file with its governing board a report, by department, of the academic duties and services performed by each member of the faculty during the nine-month academic year, showing evidence of compliance with requirements established by the governing board." Lastly, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accreditation body mandates that higher education institutions comply with certain principles. Principle 6.2 b from the SACSCOC Principles of Accreditation Handbook requires institutions to "employ a sufficient number of full-time faculty members to ensure curriculum and program quality, integrity, and review."

The accreditation body has taken compliance action against institutions that fail to comply with the principle.

|  |             |                                    |                                    |   |             |                            |   |             |                              |  |
|--|-------------|------------------------------------|------------------------------------|---|-------------|----------------------------|---|-------------|------------------------------|--|
| <p><b>Higher Education Institutions in the State of Texas with prior SACSCOC Notice for Failure to Demonstrate Compliance with SACSCOC Core Principle 6.2 b</b></p>  <table border="0"> <tr> <td style="color: blue;">▶</td> <td><b>2023</b></td> <td>The University of Texas at El Paso</td> </tr> <tr> <td style="color: green;">▶</td> <td><b>2022</b></td> <td>McLennan Community College</td> </tr> <tr> <td style="color: blue;">▶</td> <td><b>2021</b></td> <td>The Art Institute of Houston</td> </tr> </table> | ▶           | <b>2023</b>                        | The University of Texas at El Paso | ▶ | <b>2022</b> | McLennan Community College | ▶ | <b>2021</b> | The Art Institute of Houston | <p><b>SASCOC Principle 6.2 b states that:</b></p> <p>For each of its educational programs, the institution employs a sufficient number of full-time faculty members to ensure curriculum and program quality, integrity, and review.</p> |
| ▶  | <b>2023</b> | The University of Texas at El Paso |                                    |   |             |                            |   |             |                              |  |
| ▶  | <b>2022</b> | McLennan Community College         |                                    |   |             |                            |   |             |                              |  |
| ▶  | <b>2021</b> | The Art Institute of Houston       |                                    |   |             |                            |   |             |                              |  |

## CONTROLS & STRENGTHS NOTED

The following controls and strengths were noted as the audit was completed:

- The District's various processes for managing faculty workload are outlined in a detailed guide developed by the Office of Human Resources.
- The salary payments tested during the audit were substantially accurate and in line with the District's documented practices.
- Defined approval paths for processing faculty load with and without exceptions are in place and defined in the Faculty Load Compensation Guide. This helps ensure that the relevant management personnel are kept apprised as the workload is processed. A typical approval path for faculty load at each District site is outlined below.



## AUDIT RESULTS & ACTION PLAN

### 1. Establish Maximum Instructional Workload Unit Threshold for Faculty to Maintain Program Standards.

Risk Level: High

Category: Compliance / Governance / Cost Savings

In a review of the District's practices related to overload compensation, it was noted that:

- The Faculty Load Compensation Guidelines do not clearly outline the maximum instructional workload units that faculty members can teach in a semester. The following table summarizes the instances in each fiscal year where full-time faculty members were assigned three or more overload courses:

|                                | Fiscal Year 2021 | Fiscal Year 2022 | Fiscal Year 2023 |
|--------------------------------|------------------|------------------|------------------|
| <b>Three</b>                   | 58               | 127              | 165              |
| <b>Four</b>                    | 18               | 45               | 58               |
| <b>Five</b>                    | 1                | 29               | 10               |
| <b>Six</b>                     |                  | 8                | 1                |
| <b>Seven</b>                   |                  |                  | 1                |
| <b>Total Number of Faculty</b> | 77               | 209              | 235              |

#### According to the District's Faculty Load Compensation Guidelines:

The maximum overload assignment – whether a teaching and/or non-teaching assignment – will follow the following priorities:

- Schedule assignments are made by associate deans and directors in coordination with faculty
- Full-time faculty assignment will be prioritized over adjunct assignments as follows:
  - Priority 1 – Assignment of 15-18 instructional units for basic contractual load
  - Priority 2 – Assignment of overloads up to a total of 21 instructional units
  - Priority 3 – Assignment of overloads up to a total of 27 instructional units

Full-time faculty members generally teach between 15-18 workload units each regular 16-week semester as part of their regular load. Instructional units over 18 will be paid at the full-time faculty overload rate.

The District may risk an inability to demonstrate to the SACSCOC accreditation body that quality standards are maintained or that an adequate number of full-time faculty are in place for programs where faculty have a documented pattern of teaching overload courses over multiple years.

## AUDIT RESULTS & ACTION PLAN

- Considering the significant cost difference (35 percent) between overload compensation rates for full-time faculty and adjunct faculty, the District has the opportunity to optimize resource allocation. The following table outlines the potential cost savings to the District if adjunct faculty members were assigned the overload courses.

|                                     | One Overload Course | Two Overload Courses | Three Overload Courses | Potential Cost Avoidance |
|-------------------------------------|---------------------|----------------------|------------------------|--------------------------|
| <b>Fiscal Year 2021</b>             | \$ 179,857          | \$ 250,899           | \$ 261,982             | \$ 692,738               |
| <b>Fiscal Year 2022</b>             | \$ 378,495          | \$ 578,465           | \$ 864,268             | \$ 1,821,228             |
| <b>Fiscal Year 2023</b>             | \$ 367,388          | \$ 616,869           | \$ 944,171             | \$ 1,928,428             |
| <b>Estimated Total Cost Savings</b> | \$ 925,740          | \$ 1,446,233         | \$ 2,070,421           | \$ 4,442,394             |

**Recommendation:**

Management should:

- Establish a maximum threshold for workload units that faculty can teach to maintain program quality and integrity.
- Evaluate the opportunity to optimize resource allocation for faculty that are teaching three or more overload courses.

**Management Response:**

The college understands and complies with SACSCOC Principles of Accreditation, Standard 6.2.b. Management understands the concerns noted and plans to take the steps detailed in the action plan notwithstanding the challenges noted below:

- While establishing a maximum threshold for faculty teaching overload across the board may be challenging due to differences in academic transfer courses and workforce programs, developing a process to achieve that goal is essential. Currently, the average overload taught by FT faculty is around 1.9 courses. However, there are multiple programs, particularly in workforce, where faculty overloads are excessive. Management

## AUDIT RESULTS & ACTION PLAN

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agrees that this needs to be addressed.

### **Action Plan:**

Management intends to:

- Establish a faculty driven task force to develop and recommend guidelines establishing a maximum threshold for overloads.
- Develop steps to implement the approved recommendations from the task force and the Faculty Load Manual to include the steps.
- Charge the newly established department for “P-12 Partnerships & Districtwide Scheduling” with the responsibility to manage district-wide scheduling and perform quality control of faculty loads, including overloads.
- Explore other steps to address excessive overloads, which would include addition of new faculty where needed and a detailed review of curriculum to determine optimum contact hours for each course workforce programs.

### **Person Responsible for Implementation:**

- Dr. Abe Johnson, Senior Vice President Campus Operations
  - VP of P-12 Partnerships & Districtwide Scheduling
  - Campus Provosts
  - Academic/Workforce Deans

## AUDIT RESULTS & ACTION PLAN

### 2. Formally Designate the Officer who will Monitor Workloads and Prepare and Review Workload Reports for the Board.

|  |  |
|--|--|
| Risk Level: Low  | Category: Compliance   |
| <p>Currently, reporting of academic workload is limited to the Texas Higher Education Coordinating Board (THECB) reports that are prepared by the Institutional Research Office (IRO). The THECB reports include workload credits for teaching and several reporting elements required by statute; however, they do not include workload and credits for equivalencies and release time granted for institutionally approved duties. Moreover, reporting on academic workload by the institutions to the Board, as required by TEC 51, does not occur each year. Lastly, the District has not officially</p> | <div style="background-color: black; color: white; padding: 5px; font-weight: bold;">According to TEC 51.402   c-d:</div> <p>(c) Within 30 days of the end of each academic year, the institution shall file with its governing board a report, by department, of the academic duties and services performed by each member of the faculty during the nine-month academic year, showing evidence of compliance with requirements established by the governing board.</p> <p>(d) The institutional head of each higher education institution shall designate the officer of his staff who will monitor workloads, prepare and review appropriate workload reports, and submit the reports to the institutional head for his certification or approval and comments as may be appropriate.</p> |

designated an officer who will monitor workloads and prepare and review the workload reports.

**Recommendation:**

The District must develop an academic workload report that will facilitate compliance with TEC 51.402. Additionally, the report should be made available to the Board within 30 days of the end of each academic year. Lastly, an officer should be formally designated to monitor compliance with the District's requirements for faculty workload.

## AUDIT RESULTS & ACTION PLAN

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### **Management Response:**

The management agrees with the recommendation and plans to take the step detailed in the action plan.

### **Action Plan:**

Management intends to:

- Plan for the creation of a new department to oversee district-wide scheduling and quality control of faculty loads. This department will coordinate with the Institutional Research Office (IRO) and other relevant departments to generate and upload the annual report for appropriate dissemination.
- Once the new department is formally created, an officer will be formally designated to monitor compliance with the District's requirements for faculty workload.

### **Person Responsible for Implementation:**

VP of P-12 Partnerships & Districtwide Scheduling

## APPENDIX A: METHODOLOGY

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The audit scope included activity from the fiscal year 2021 through fiscal year 2023 and covered academic terms Fall 2020 through Spring 2023. The fieldwork concluded on July 12, 2023. To satisfy the audit objectives, the following procedures were performed:

- Conducted interviews to evaluate the District's compliance with requirements of TEC 51.402.
- Performed analytical procedures to test the accuracy of compensation to faculty and evaluate if payments were in compliance with the Faculty Load Compensation Guidelines.
- Determined the number of faculty that received overload workload units.
- Performed an analysis to evaluate potential for cost optimization related to faculty workload.

The International Standards for the Professional Practice of Internal Auditing were utilized as guidance for conducting the audit. The standards are statements of core requirements for the professional practice of internal auditing. Those standards require that sufficient and appropriate evidence is obtained in performing and planning the audit to provide a reasonable basis for the findings and conclusions based on the audit objectives. The evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives. With the exception of compliance with Standard - 2340 related to supervision, the evidence obtained provides a reasonable basis for the findings and conclusion based on the audit objectives.

## APPENDIX B: RISK MATRIX

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### Definitions of Risks

| Risk Level      | Definition   |
|-----------------|--|
| <b>Priority</b> | High probability of occurrence that would significantly impact Collin College. If not addressed in a timely way, could directly impact the achievement of a strategic or important operational objective of Collin College as a whole. |
| <b>High</b>     | Risks are considered to be substantially undesirable and pose a moderate to significant level of exposure to the college's operations. Without appropriate controls, the risk will happen on a consistent basis.                       |
| <b>Medium</b>   | The risks are considered to be undesirable and could moderately expose the college. Without appropriate controls, the risk will occur some of the time.  |
| <b>Low</b>      | Low probability of various risk factors occurring. Even with no controls, the exposure to the college will be minimal.   |

## AUDIT OBSERVATION CATEGORIES

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- Compliance
- Cost Savings
- Financial Reporting
- Governance
- Information Technology / Security
- Operations
- Reputation

## THANK YOU

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I appreciate the courtesies and considerations extended to me during the engagement.

Please let me know if you have questions or comments regarding this audit.



Ali Subhani, CIA, CISA, GSNA, CDPSE

Director Internal Audit