



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

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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

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.

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

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



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| 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 | |
| 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 |



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| 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 |

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| 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 | |



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| 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. | |