



COLLIN COLLEGE

INTERNAL AUDIT

ANNUAL REPORT

FOR FISCAL YEAR ENDED

AUGUST 31, 2020

OFFICE OF INTERNAL AUDIT



OFFICE OF

Internal Audit

December 1, 2020

Dr. Neil Matkin, District President
Members of the Board of Trustees:

Attached is the annual report for the Office of Internal for fiscal year (FY) ended August 31, 2020. This report is required by the Texas Government Code, Section 2102.015 and provides information on the activities of the internal audit function.

As of August 31, 2020, the department has completed the two projects that were approved by the Board of Trustees in fiscal year 2020.

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

A handwritten signature in black ink that reads 'Ali Subhani'.

Director of Internal Audit

Report Distribution:

Members of the Board of Trustees:

Dr. J. Robert Collins, Chair	Dr. Stacey Donald, Trustee
Andrew Hardin, Vice Chair	Greg Gomel, Trustee
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PURPOSE

The purpose of this annual report is to provide information on the assurance services, consulting services, and other 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

Texas Government Code, [Section 2102.015](#) 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 2020 Annual Internal Audit Report and the approved FY 2021 Audit Plan on the [departmental website](#).

II. INTERNAL AUDIT PLAN FOR FY 2020

Audit	Report Number	Status / Report Date
1. Property & Surplus	20-01	Final Report issued on October 20, 2020
2. TAC 202	20-02	Final Report issued on August 25, 2020

As required by the State Auditor’s Office FY 2020 guidelines for submitting this report, there were no deviations from the audit plan that was approved by the Board of Trustees.

III. CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

In FY 2020, as defined in the IIA International Standards for the Professional Practice of Internal Auditing, there were no consulting services that were completed. Consulting services are advisory in nature and are generally performed at the specific request of an engagement 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 in accordance with IIA Standards at a future date.

V. INTERNAL AUDIT PLAN FOR FY 2021

The FY 2021 Internal Audit Plan was approved by the college's Board of Trustees on October 27, 2020. 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 2020

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 2020 by management :

- D. STAFFORD & ASSOCIATES, LLC - Assessment of the Police Department
- GRANT THORNTON LLP - Annual audit of the financial statements
- MATSON DRISCOLL & DAMICO LLP - Professional services for capital improvement projects

VII. REPORTING SUSPECT 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 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 will be developed in FY 2021.

APPENDIX 1: FY 2021 AUDIT PLAN

The FY 2021 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 included:

- Criticality of the Unit
- Financial Impact
- Regulatory Compliance
- Public Sensitivity
- Control Environment
- Changes in the Unit
- Complexity of Monitoring Activities
- Audit History

The list of audits detailed on page 7 were approved by the college's Board of Trustees on October 27, 2020.

Texas Administrative Code (TAC) 202 is audited periodically as required by statute and the last TAC 202 audit was performed in FY 2020.



OFFICE OF

Internal Audit

APPENDIX 1: FY 2021 AUDIT PLAN

Date: October 27 2020

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

From: Ali Subhani, CIA, CISA, GSNA
Director, Office of Internal Audit

A handwritten signature in black ink that reads 'Ali Subhani'.

Subject: 2021 Revised Audit Plan

The Internal Audit Charter requires that the Board of Trustees approve the annual audit plan.

Based on the risk assessment process, the following audits are recommended for approval:

- Return to Title IV
- Purchasing
- Payroll
- Vulnerability Management

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 fiscal year 2020 internal audit recommendations and report on its action and progress toward implementing those recommendations. The status of implementation of recommendations from the previous fiscal year is noted on the following page.

APPENDIX 2: STATUS OF AUDIT RECOMMENDATIONS

Report Number	Report Date	Title	Recommendation	Status SAO	Responsible Vice President
20-01	October 20, 2020	Property & Surplus	Strengthen tracking of college-owned assets	Incomplete/Ongoing	Chief Financial Officer
20-01	October 20, 2020	Property & Surplus	Designate a property manager	Incomplete/Ongoing	Chief Financial Officer
20-01	October 20, 2020	Property & Surplus	Limit user access in line with job responsibilities	Incomplete/Ongoing	Chief Financial Officer
20-01	October 20, 2020	Property & Surplus	Update policies and procedures	Incomplete/Ongoing	Chief Financial Officer
20-02	August 25, 2020	TAC 202	Develop Policies to Facilitate Full Compliance with TAC Requirements	Incomplete/Ongoing	Chief Innovation Officer
20-02	August 25, 2020	TAC 202	Develop Framework to Implement Separation of Duties	Incomplete/Ongoing	Chief Innovation Officer
20-02	August 25, 2020	TAC 202	Strengthen Governance of Shared Accounts	Incomplete/Ongoing	Chief Innovation Officer
20-02	August 25, 2020	TAC 202	Enhance User Management	Incomplete/Ongoing	Chief Innovation Officer
20-02	August 25, 2020	TAC 202	Deploy Logon Banners on Technology Resources	Incomplete/Ongoing	Chief Innovation Officer