



COLLIN COLLEGE

INTERNAL AUDIT

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED

AUGUST 31, 2021

OFFICE OF INTERNAL AUDIT

October 19, 2021

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

Attached is the annual report for the Office of Internal for the fiscal year (FY) ended August 31, 2021. 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, 2021, the department has completed all the projects that were approved by the Board of Trustees in fiscal year 2021.

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



Director of Internal Audit

Report Distribution:

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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 2021 Annual Internal Audit Report and the approved FY 2022 Audit Plan on the [departmental website](#).

II. INTERNAL AUDIT PLAN FOR FY 2021

Project	Report Number	Status / Report Date
1. Return to Title IV	21-01	Final Report issued on January 19, 2021.
2. Purchasing	21-02	Final Report issued on June 15, 2021
3. Consulting - Payroll	-	Communicated to Payroll Director on June 23, 2021.
4. Investigation - SAO Hotline	SAO 21-2631	Communicated to the SAO on April 9, 2021.
5. Investigation - Academic Integrity	-	Communicated to management on April 19, 2021.

There were no deviations from the audit plan that was approved by the Board of Trustees on June 5, 2021. 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 2021, as defined in the IIA International Standards for the Professional Practice of Internal Auditing, there was one consulting services project related to Payroll that was completed. The objectives of the project related to data validation for the WorkDay implementation. 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 2022

The FY 2022 Internal Audit Plan was approved by the college's Board of Trustees on August 21, 2021. 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 2021

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 2021 by management :

- AT&T - External Penetration Test
- Whitley Penn, LLP - Annual audit of the District's financial statements
- MATSON DRISCOLL & DAMICO LLP - Professional services for capital improvement projects
- SEGAL - Professional services related to human resources

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 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 development.

APPENDIX 1: FY 2022 AUDIT PLAN

The FY 2022 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 7 were approved by the college's Board of Trustees on September 28, 2021.

Texas Administrative Code (TAC) 202 is audited periodically as required by statute and the last TAC 202 audit was performed in FY 2020 and is included in the plan for FY 2022.

Date: September 21, 2021

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

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

Subject: Fiscal Year 2022 - Audit Plan Approval

The Internal Audit Charter requires that the Board of Trustees approve the annual Audit Plan. The following projects are recommended for approval:

Audits

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

Administrative Projects

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

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

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



OFFICE OF

Internal Audit

Project Code	Project Name	Audit Report Issue Date	Estimated Implementation Date	Summarized Recommendation Title	Summarized Action Plan	Responsible Party	Current Status	Days Overdue
20-01	Property & 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 the specific employee.	Chief Financial Officer CFO	In Progress	80.00
20-01	Property & Surplus	10/20/2020	6/30/2021	Designate a property manager	The BAS department will designate the property manager for the college to be the Chief Financial Officer.	Chief Financial Officer CFO	Closed	
20-01	Property & Surplus	10/20/2020	6/30/2021	Limit user access in line with job responsibilities	User access will be monitored and restricted to only authorized staff.	Chief Financial Officer CFO	Closed	
20-01	Property & Surplus	10/20/2020	6/30/2021	Update policies and procedures	Updated policies and procedures will be developed.	Chief Financial Officer CFO	In Progress	80.00
20-02	TAC 202	8/25/2020	6/30/2021	Develop Policies to Facilitate Full Compliance with TAC Requirements	Management in Technology Services will work with Collin College Leadership and DIR to design and implement an online IT Security Policy Page.	Chief Innovation Officer CIO	In Progress	80.00
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.	Chief Innovation Officer CIO	In Progress	36.00
20-02	TAC 202	8/25/2020	2/28/2021	Strengthen Governance of Shared Accounts	Develop and implement future policies and procedures in accordance with TAC 202 guidelines.	Chief Innovation Officer CIO	Closed	
20-02	TAC 202	8/25/2020	8/31/2021	Enhance User Management	Develop policies and procedures for account provisioning and decommissioning. User management will be enhanced with the automated tools provided in Workday. The accounts identified were disabled.	Chief Innovation Officer CIO	Closed	
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 login banners based on industry security standards and TAC 202.	Chief Innovation Officer CIO	In Progress	169.00
21-01	Return to Title IV	1/20/2021	6/30/2021	Improve Consistency of R2T4 Calculations within Banner	A calculation on 40 student to determine if money needs to be returned will be performed.	Executive Vice President EVP	Closed	



Project Code	Project Name	Audit Report Issue Date	Estimated Implementation Date	Summarized Recommendation Title	Summarized Action Plan	Responsible Party	Current Status	Days Overdue
21-01	Return to Title IV	1/20/2021	6/30/2021	Improve Retention of Notices Sent to Students	An exception report is being created to alert if a copy of the letter has not been retained.	Executive Vice President EVP	Closed	
21-02	Purchasing	6/15/2021	12/15/2021	Strengthen Process for Reporting Contracts to the Legislative Budget Board	The LBB reported contracts have been updated.	Chief Financial Officer CFO	Follow-up Procedures Not Performed	
21-02	Purchasing	6/15/2021	12/15/2021	Update Approval Workflow to Facilitate Segregation of Duties	Management agrees to revise the workflow for those individuals who do not have a Division Secretary to have their direct supervisor approve the requisition or have another individual submit the requisition for their approval and create the receiver. The workflow in Workday will be set to not allow an individual who submits a requisition to also approve the requisition.	Chief Financial Officer CFO	Follow-up Procedures Not Performed	
21-02	Purchasing	6/15/2021	12/15/2021	Enhance Vendor Evaluation and Improve Compliance with Texas Education Code	Management agrees to implement the recommendation.	Chief Financial Officer CFO	Follow-up Procedures Not Performed	
21-02	Purchasing	6/15/2021	12/15/2021	Require that Solicitations be Posted on the Electronic State Business Daily Portal	The Purchasing Department will review the added practice of posting solicitations to the Electronic State Business Daily (ESBD) to determine the amount of time that will be required by the Buyers to add this step and evaluate the number of suppliers responding to solicitations who indicate that they received the information from the ESBD.	Chief Financial Officer CFO	Follow-up Procedures Not Performed	