



This Open Meeting of the Board of Trustees is authorized in accordance with the Texas Government Code, §§551.001 through 551.146. Verification of Notice of Meeting and Agenda are on file in the Office of Board Relations. Per Texas Government Code §551.1282, this meeting is being broadcast over the Internet in the manner prescribed by Texas Government Code, §551.128. In accordance with Texas Government Code §551.127 one or more members of the Board of Trustees may participate in the meeting via videoconference in accordance with the provisions thereof.

NOTICE OF AN AUDIT COMMITTEE MEETING OF THE BOARD OF TRUSTEES FOR DALLAS COLLEGE AND RICHLAND COLLEGIATE HIGH SCHOOL

Tuesday, June 7, 2022 | 12:30 PM

Administrative Office

1601 Botham Jean Blvd., Room #036

Dallas, Texas 75215

www.dallascollege.edu/boardmeetingslive

Persons who address the Board are reminded that the Board may not take formal action on matters that are not part of the meeting agenda and may not discuss or deliberate on any topic that is not specifically named in the agenda. For any non-agenda topic introduced during this meeting, there are three (3) permissible responses: 1) to provide a factual answer to a question; 2) to cite specific Board Policy relevant to a topic; or 3) the topic may, at a later date, be placed on a Board Agenda for a subsequent meeting.

Speakers shall direct their presentations to the Board Chair, or the Board, as a whole.


Audit Committee Meeting Agenda

- 1. Roll Call - Announcement of a Quorum**
- 2. Certification of Notice Posted for the Meeting**


Page

3. Citizens Desiring to Address the Board

4. Committee Presentation

- 4.1. Internal Audit Report - 3rd Quarter Ending May 31, 2022 4 - 15
[20220607_audit_committee_presentation_Internal_Audit_Report - 3rd Quarter Ending May 31, 2022](#) 
Presenter: Lori Cox

5. Items for Review

- 5.1. Committee Notes
a. Audit Committee Notes for March 1, 2022 16 - 21
[Audit Committee Notes for March 1, 2022](#) 

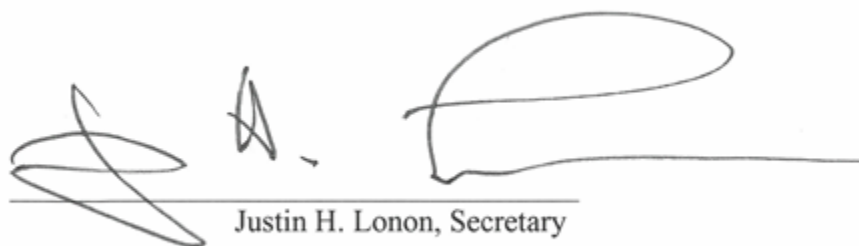
6. Executive Session (if required)

- 6.1. Consultation with Attorney Regarding Legal Matters or Pending and/or Contemplated Litigation or Settlement Offers - Section 551.071
- 6.2. Personnel Matters Relating to Appointment, Employment, Evaluation, Assignments, Duties, Discipline, or Dismissal of Officers or Employees - Section 551.074
- 6.3. Deliberate Regarding Real Property Since Open Deliberation would have a Detrimental Effect Upon Negotiations with a Third Person - Section 551.072
- 6.4. Deliberate Regarding Security Devices or Security Audits Sections 551.076 and 551.089

7. Adjournment

CERTIFICATION OF NOTICE POSTED FOR THE JUNE 7, 2022 AUDIT COMMITTEE MEETING OF
DALLAS COLLEGE AND RICHLAND COLLEGIATE HIGH SCHOOL BOARD OF TRUSTEES

I, Justin H. Lonon, Secretary of the Board of Trustees of Dallas College, do certify that a copy of the notice for this meeting was posted on the 3rd day of June 2022 in compliance with the applicable provisions of the Texas Open Meetings Act.



Justin H. Lonon, Secretary

Board of Trustees
AUDIT COMMITTEE

June 7, 2022

**INTERNAL
AUDIT REPORT**

Lori K. M. Cox
Chief Internal Auditor

INTERNAL AUDIT DEPARTMENT (IAD) REPORT



ENGAGEMENT UPDATES



ENGAGEMENT PLAN UPDATE SUMMARY



ENHANCEMENT PLAN UPDATES



IAD – ENGAGEMENT & PLAN UPDATES

CONTINUOUS ENGAGEMENTS (CE)

These engagements are broken down into separate focus areas, and completed periodically, due to the size and scope of the function/department.

FIXED ASSETS

Status: Completed, Reporting in Progress

Progress is being made to strengthen fixed asset controls, processes, and procedures. Fixed asset personnel are in the process of integrating and consolidating fixed assets records; in addition, the review and approval of policies and procedures is in progress. An update to the current inventory tagging software is also in progress (by the vendor) and once completed training will begin. Divisions are now accountable for fixed asset inventory with assistance provided by the fixed asset personnel if needed. Detailed reviews of fixed asset controls, processes, procedures, will continue in the 4th quarter of FY22 (including fixed asset verification - on a sample basis).

INFORMATION TECHNOLOGY (IT) & SECURITY

Status: Completed, Reporting in Progress

IAD relied upon the 2022 Dallas College Texas Cybersecurity Framework report (completed in April 2022 by AT&T), interviews, and select documentation review to complete this quarter's IT and Security CE. Issues needing corrective action include developing and strengthening policies and procedures, recruiting and retention of employees for the College Cybersecurity team, and developing mechanisms to address the number of requests for digital forensic discoveries and risk assessment assistance (as they exceeded the available resources of the current College Cybersecurity team).

IAD – ENGAGEMENT & PLAN UPDATES

CONTINUOUS ENGAGEMENTS (CE)

These engagements are broken down into separate focus areas, and completed periodically, due to the size and scope of the function/department.

PROCUREMENT

Status: Completed, Reporting in Progress

This quarter, the Procurement CE focus was contract processes, approval, and maintenance within the Procurement system to evaluate efficiency and effectiveness and adherence to College Policies. *No exceptions were noted.*

SAFETY & SECURITY

Status: Completed, Reporting in Progress

The CE focus this quarter was on fire, life, and physical security. IAD relied upon the 2021 Safety and Security Audit report as required by Texas statute and the Texas School Safety Center (TxSSC), interviews, and select documentation review to complete this quarter's Safety and Security CE. Issues, in addition to those identified in the TxSSC report, needing corrective action include decreased staffing and retention within the College's Public Safety & Security Department, inconsistent signage, emergency response, and emergency communications at all College locations.

IAD – ENGAGEMENT & PLAN UPDATES

COMPLIANCE AUDITS & SPECIAL REVIEWS

CLERY COMPLIANCE

Status: Completed

The purpose of this review was to determine compliance with Clery Act (Clery) requirements and to evaluate the efficiency and effectiveness of current Clery programs, processes, and procedures. The Dallas College Police Department has made significant efforts to ensure compliance with Clery regulations including documented policies, processes, and procedures, a structure for collaboration, a designated Clery Compliance Officer, and liaisons at each campus. Issues noted needing corrective action include discrepancies in the required Annual Security Report, Crime Log maintenance, Campus Security Authority preparedness, and accuracy and completeness of Clery Geography maps.

POLICE DEPARTMENT PROPERTY ROOM

Status: Completed

Overall, the property room was properly secured and well organized to collect, process, and preserve evidentiary items. Issues noted needing corrective action include a secondary review or approval for property disposal or removal, and poor air quality in the property room (that can result in exposure to potential environmental risks).

IAD – ENGAGEMENT & PLAN UPDATES

COMPLIANCE AUDITS & SPECIAL REVIEWS

PROFESSIONAL DEVELOPMENT

Status: In Progress

The objectives of this review are to determine if professional development activity at the College is conducted, designed, delivered and coordinated in a manner to determine and meet the needs of employees; achieve and document compliance with applicable policies, procedures, and training requirements; and to facilitate appropriate tracking and maintenance of employee records.

FOLLOW-UP AUDITS

AUTOMOTIVE PROGRAM FOLLOW-UP

Status: Follow-up Complete – Reporting In Progress, Consulting Engagement In Progress

Corrective actions have been developed by the new Department Chair and Lab Managers to address issues noted in the prior audit. Issues noted in the consulting engagement needing corrective action include completion of a full inventory of all vehicles and property used in the Automotive program. IAD will continue to consult on developing and implementing new processes and procedures (including inventory management).

IAD – ENGAGEMENT & PLAN UPDATES

FOLLOW-UP AUDITS, CONTINUED

EMPLOYEE TRAVEL

Status: In Progress

The objectives of the follow-up audit are to determine if the prior audit findings involving ineligible reimbursements, reimbursement calculations, supporting documentation, and outstanding advances have been addressed, evaluate compliance with Dallas College policies and procedures, and to evaluate the efficiency and effectiveness of current processes and procedures in place.

INFORMATION TECHNOLOGY GENERAL CONTROLS FOLLOW-UP

Status: Completed

The purpose of this follow-up is to determine if issues from the prior audit have been addressed, to assess current risks, and to evaluate the efficiency and effectiveness of current programs, processes, and procedures (including physical access and environmental controls). IT Leadership continues to implement processes to mitigate the current IT risks. The primary issue noted needing corrective action was an ongoing process to review, document, and maintain appropriate access to the two IT data centers. IT addressed the issues prior to the conclusion of the audit and implemented processes for ongoing monitoring.

IAD – ENGAGEMENT & PLAN UPDATES

OTHER SERVICES, DUTIES & SPECIAL PROJECTS

BUSINESS CONTINUITY PLANNING SPECIAL PROJECT

Status: Completed, Interim Reporting in Progress, On-Going Monitoring
The purpose of this special project is to provide recommendations, guidance, and information for the development or enhancement of a comprehensive Business Continuity Plan (BCP) for the College. BCP was identified as a concern from management as well as a key risk for Higher Education and organizations in general.

FRAUD HOTLINE ADMINISTRATION & MONITORING

Status: Completed and On-going
Reviewed/investigated eight reports in the third quarter. *No incidents of fraud, waste, or abuse were identified or substantiated.*

SPECIAL INVESTIGATIONS/REVIEWS

Status: Completed as needed/requested.
Special investigations and reviews of varied complexity are completed to address, review, or substantiate allegations; provide information; and/or provide recommendations. One special investigation/review was completed in the third quarter, and one is in progress. Results and recommendations were, or will be, reviewed with appropriate department leadership for appropriate action.

WORKDAY IMPLEMENTATION PARTICIPATION

Status: In Progress/On-Going
Ongoing review of overall weekly project health, including the schedule, resources, budget and scope. *No current exceptions noted.* IAD attends daily meetings regarding implementation of Human Capital Management and Finance modules to provide internal control recommendations.

IAD – FY22 AUDIT PLAN UPDATE SUMMARY

ENGAGEMENTS	TARGET FISCAL QUARTER	NOTES/COMMENTS
External Audit Assistance - Financial and Single Audit	1 st	Completed
Cares Act Funding Review	1 st	Completed
CLERY Compliance	2 nd	Completed
Dual Credit Follow-up Audit	2 nd	Moved to 4 th Quarter
IT General Controls Follow-up Audit	2 nd	Completed
Business Continuity Planning Special Project	2 nd , 3 rd , & 4 th	Completed, On-Going Monitoring
Employee Travel Follow-up Audit	3 rd	In Progress
Police Department Property Room	3 rd	Completed
Technology Governance Special Project	4 th	In Progress
Professional Development	4 th	Moved to 3 rd Quarter, In Progress
Richland Collegiate High School Attendance	4 th	
Succession Planning	4 th	
Cyber & Information Security	Continuous*	In Progress.
Fixed Assets		
Procurement		
Safety & Security		
Fraud Hotline Administration and Monitoring	On-Going	
Special Investigations/Reviews		
Workday Implementation Participation		

*Continuous Engagements: These engagements will be broken down into separate focus areas, completed periodically, due to the size and scope of the function/department.

IAD ENHANCEMENT UPDATES

Enhancement/Development	Status
Audit Issues Tracking Process	Completed
Audit Process Redesign	
Department Charter	
Department Restructure	
Mission & Vision Statements	
Quality Assurance and Improvement Plan	
Staff Training & Development Plans	
Strategic Plan	
Web Page Update	
Risk Assessment Process Update	
Working Paper Management Software	
Department Manual Update	In Progress

IAD ENHANCEMENT - ADDITIONS

Enhancement/Development	Description & Timing
Communications & IAD “Education”	<ul style="list-style-type: none">▪ Intranet (Share Point) Update (In Progress)▪ Brochure (Completed)▪ Engagement Information Packet & Presentation (Completed)
Internal Audit Related Training for College Employees	<ul style="list-style-type: none">▪ Potential Topics: Internal Control and Ethics (Completed, In Review)▪ Target Implementation – 4th Quarter

INTERNAL AUDIT DEPARTMENT REPORT

Questions?

Audit Committee



ITEM FOR REVIEW NO. 5.1.a.

Audit Committee Notes for March 1, 2022

The Audit Committee Meeting of the Board of Trustees of Dallas College was held Tuesday, March 1, 2022, beginning at 9:35 a.m. at the administrative office in room 036 and was broadcasted via the streaming link www.dallascollege.edu/boardmeetingslive. This meeting was convened by Audit Committee Chair Dorothy Zimmermann.

Board Members and Officers Present

- * Mr. Cliff Boyd
Ms. Diana Flores
Dr. Justin H. Lonon (secretary and chancellor)
Mr. Philip J. Ritter
- * Ms. Gretchen M. Williams
- * Ms. Dorothy Zimmermann (committee chair)
- * *Denotes a committee member*

Members absent

Ms. Monica Lira Bravo
Ms. Charletta Rogers Compton

1. **Roll Call - Announcement of a Quorum** confirmed by Committee Chair Zimmermann.
2. **Certification of Notice Posted for the Meeting** confirmed by Chancellor Justin Lonon.
3. **Citizens Desiring to Address the Board**
There were no citizens desiring to address the Board.
4. **Committee Presentations**
 - 4.1. Internal Audit Report - 2nd Quarter Ending February 28, 2022
Presenter: Lori Cox

Chief Internal Auditor Cox provided an update regarding: internal audit engagements, the engagement plan summary, and the internal audit

enhancement plan.

Engagement Updates

➤ Operational and Compliance Audits

- Procurement

Status: Completed – Final Report Issued

The objectives of the audit were to determine the achievements/status of procurement goals and objectives and related internal controls, and opportunities for process improvements, in: migration of location-based procurement to a unified approach, controls supporting procurement in large dollar amount construction projects, compliance with accessibility regulations and requirements, execution of contracts utilizing the procurement application system, procurement cycle time/spend analysis, the configuration of procurement application system rules and roles, and review of policies, procedures, processes, and training/awareness resources.

Whereas which required management attention included:

- contracts processing/legal review documentation
- developing metrics to measure the procurement cycle
- requisition timeliness

Additional detailed reviews of procurement processes, construction projects, contracts processing, and procurement cycle time/spend analysis were planned for the third and fourth quarters of FY22.

- Fixed Assets

Status: Completed – Final Report Issued

The objective of this review was to determine if the new system and processes developed to record, track, inventory, and dispose of fixed assets appear sufficient to ensure proper accounting, recording, and security of these assets at the College. To strengthen the fixed asset controls, processes, and procedures, the fixed asset team had, or would, implement varied controls and processes.

The IAD concurs with the fixed asset team's implementation of controls and processes. Additional detailed reviews of fixed asset controls, processes, and procedures, would continue in the third and fourth quarters of FY22, including verification (on a sample basis) of fixed assets recorded in the system.

- CLERY Compliance

Status: In Progress

The purpose of this review was to determine compliance with CLERY act requirements and to evaluate the efficiency and effectiveness of current CLERY programs, processes, and procedures.

➤ Special Reviews, Consulting Engagements & Follow-up Audits

- Automotive Program Follow-up

Status: Follow-up and Consulting Engagement in Progress

Corrective actions were developed by the new department chair and lab managers to address issues noted in the prior audit. IAD would follow-up in the third quarter to verify corrective actions were implemented and operating effectively. IAD planned to continue to consult on developing and implementing new processes and procedures (including inventory management).

- Dual Credit Follow-up Audit

Status: In Progress

The purpose of this follow-up was to determine if issues from the prior audit (related to documenting student eligibility) were addressed, to assess current risks, and to evaluate the efficiency and effectiveness of current programs, processes, and procedures.

Regarding the Dual Credit Follow Up Audit, Trustee Boyd inquired if Internal Audit gathered feedback from the high school partners directly to determine if there were any issues regarding the process and program from the High School's perspective. Cox noted that yes, interviews with various stakeholders would be included in this audit, which was part of the risk assessment process. Further, the Board discussed performance audits which focused on providing a more holistic approach, which included assessing the current risks, goals of the program, internal controls, policies and procedures in place to achieve goals and the achievement of those goals.

- Information Technology General Controls Follow-up

Audit Status: In Progress

The purpose of this follow-up was to determine if issues from the prior audit have been addressed, to assess current risks, and to evaluate the efficiency and effectiveness of current programs, processes, and procedures (including physical access and environmental controls).

Regarding the Information Technology General Controls Follow-up Audit, Trustee Flores inquired if workstations with several minutes of inactivity now "locked or logged off" in order to prevent unauthorized

access. Cox noted that yes, these workstations do lock/log off after a certain amount of time of inactivity.

- Cares Act Funding Review
Status: Initial Phase Completed, Supplemental Review in Progress
Processes and practices to distribute Cares Act Funds were designed and implemented to help ensure compliance with applicable regulations; one item related to inconsistent information reported on the College's website was corrected during the engagement (by Financial Services/Grants staff). A separate, supplemental review of funds distribution is underway.

Regarding the Cares Act Funding Review Cox shared that the initial phase is completed, and a supplemental review of funds distribution is in progress with issues to be discussed in executive session.

- Workday Implementation Participation
Status: In Progress/On-Going
Ongoing review of overall weekly project, including the schedule, resources, budget, and scope. As the Workday project progresses, emphasis planned to be placed upon the review of configuration builds and test plans. No current exceptions were noted.

➤ Other Services, Duties, & Special Projects

- Business Continuity Planning Special Project
Status: In Progress
The purpose of this special project was to provide recommendations, guidance, and information for the development or enhancement of a comprehensive Business Continuity Plan (BCP) for the College. BCP was identified as a concern from management as well as a key risk for higher education and organizations in general.
- Special Investigations/Reviews
Status: Complete as needed/requested.
Special investigations and reviews of varied complexity were completed to address, review, or substantiate allegations; provide information; and/or provide recommendations. One special investigation/review was completed in the second quarter and one was in progress. Results and recommendations were, or would be, reviewed with appropriate department leadership for appropriate action.

- Fraud Hotline Administration & Monitoring

Status: Completed and On-going

Reviewed/investigated five reports in the second quarter. No incidents of fraud, waste, or abuse identified or substantiated.

Regarding the Fraud Hotline Administration & Monitoring, Trustee Zimmermann inquired of the nature of the questions and if users were aware of the purpose of the hotline. Cox noted that there were a variety of submissions received, including questions, and that Internal Audit had a marketing plan in place to rebrand the hotline by providing more information about its purpose to users. Trustee Flores inquired if users could submit reports anonymously. Cox shared that there was a method to report fraud anonymously. However, if contact information was not provided, Internal Audit cannot follow up/communicate with the person who reported the issue.

Engagement Plan Summary

Cox shared an overall audit update for current and upcoming engagements as noted in the presentation slides.

Enhancement Plan Updates

Cox shared IAD enhancement updates to move the department forward and build its infrastructure that would increase the effectiveness and efficiency of the department. Some updates in progress include post engagement surveys and the working paper software tool, which would significantly reduce manual efforts and increase efficiency in the audit process.

Enhancement Plan Additions

Cox shared some additional items that were added to the enhancement plan including communications and education, such as SharePoint updates, an IA Brochure, and an Engagement Information Packet and Presentation.

Questions

Trustee Flores requested that Cox described the purpose of the Succession Planning Audit. Cox shared that the purpose of the audit was to review Dallas College's overall plan in place collegewide to manage transitions for key areas and key functions should there be turnover on a staff level.

Regarding professional development, Trustee Flores inquired if there would be a performance audit to ensure that the sessions were serving their purpose and providing value to the employees and the college. Cox noted

that professional development was currently on the plan as a special project and would address those areas. Chancellor Lonon also shared that there would be an update to the Board regarding professional development in May.

Trustee Zimmermann inquired if there were any “surprise audit” elements included in the audit plan to identify areas of concern that may be hidden when an audit is known about in advance, for example, consistency in customer service to students. Cox shared that it depends on the type of audit. However, some audits do have a surprise element, such as assessing quality and consistency. Trustee Boyd and Trustee Flores also shared that there was value in utilizing “mystery” shoppers/callers when deemed appropriate to identify and address areas of concern.

Further, Trustee Boyd shared and encouraged Internal Audit to utilize experts in areas and fields where those skills are needed, for example, engineering, medical, IT, etc.

Trustee Ritter requested that an update be provided regarding the results of the External Auditors (McConnell and Jones) review of delegation and authorization changes as a result of the one-college transition.

5. **Items for Review**

5.1. Committee Notes

a. Audit Committee Notes for December 7, 2021

No comments noted.

5.2. Chancellor's Travel

6. **Executive Session**

Executive Session did not occur immediately after the audit committee meeting.

7. **Adjournment**

The meeting adjourned at 10:05 a.m..