



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, August 8, 2023 | 9:00 AM**

**Administrative Office
1601 Botham Jean Blvd., Room #036
Dallas, Texas 75215
[Live Streaming of Board Meeting](#)**

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.

Audit Committee Meeting Agenda

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1. Roll Call - Announcement of a Quorum

Committee Members: Diana Flores (Committee Chair), Charletta Compton (Member), Paul Mayer (Member)

2. Certification of Notice Posted for the Meeting

3. Citizens Desiring to Address the Board

4. Committee Presentations

- 4.1. Audit Plan for the Year Ended August 31, 2023 4 - 15
Presenters: McConnell Jones Representatives

5. Items for Review

- 5.1. Committee Notes
a. Audit Committee Notes for June 6, 2023 16 - 22
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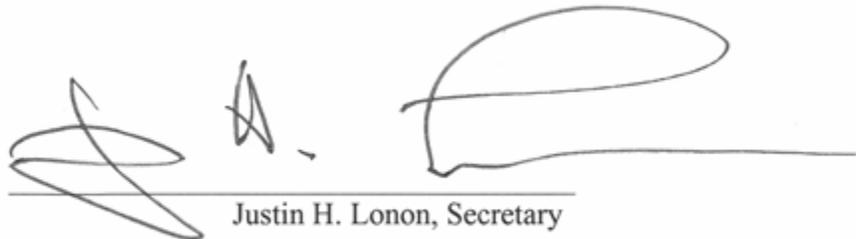
6. Executive Session (if required)

- 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 AUGUST 8, 2023 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 4th day of August 2023 in compliance with the applicable provisions of the Texas Open Meetings Act.



Justin H. Lonon, Secretary



McConnell Jones

Diverse Thinking | Unique Perspectives

PRESENTATION TO THE AUDIT COMMITTEE

Audit Plan for the year ended August 31, 2023

McConnell Jones

Tuesday, August 8, 2023





AGENDA

Dallas College

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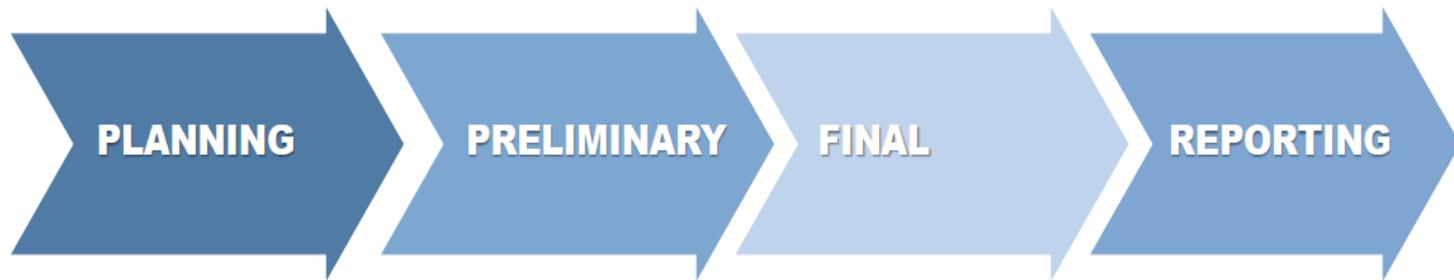
ENGAGEMENT SCOPE AND OBJECTIVE

- ✓ Express opinions on the College's basic financial statements:
 - Statements of Net Position
 - Statements of Revenues, Expenses, and Changes in Net Position
 - Statements of Cash Flows
 - Notes to the Financial Statements
- ✓ Apply certain limited audit procedures to the College's required supplementary information (RSI)
- ✓ To perform annual attestation procedures to determine the College's compliance with the Texas Public Funds Act
- ✓ Yellow Book Report on Internal Controls
- ✓ Single Audit in accordance with the Uniform Guidance



OUR AUDIT APPROACH

Our approach focuses more on areas of greatest risks by analyzing audit risks, setting materiality thresholds based on audit risk analysis, and developing audit programs that allocate a larger portion of audit resources to high-risk areas. During your audit, we also determine effectiveness and adequacy of your internal controls for ensuring proper financial accountability, efficient operations, and compliance.



IT AUDIT

Evaluate controls over the IT environment and use data extraction software, where applicable, to audit transactions through your financial information system.



ENGAGEMENT MILESTONES & TIMELINES

- ✓ Entrance conference: **April 12, 2023**
- ✓ Perform interim fieldwork (audit planning, risk assessment activities and single audit): **July 31 – August 31, 2023**
- ✓ Management receives audit requests, prepare schedules and confirmations: **July 21, 2023** (interim), and **August 18, 2023** (final)
- ✓ Presentation of audit plan to the Audit Committee: **August 8, 2023**
- ✓ Perform audit fieldwork: **October 2 – November 17, 2023**
- ✓ Exit Conference with Management: **November 17, 2023**
- ✓ Quality control review of workpapers and reports: **October 30 – November 17, 2023**
- ✓ Final drafts of financial statements and reports: **November 17, 2023**
- ✓ Presentation of draft reports to the Audit Committee and Board of Trustees: **December 5, 2023**
- ✓ Issuance / submission of ACFR to regulatory agencies: **December 18, 2023**



REQUIRED COMMUNICATIONS

with Those Charged with Governance

Auditor's Responsibility

- ✓ Issue opinion on the basic financial statements.
- ✓ Issue report under the U.S. Generally Accepted Auditing Standards.
- ✓ Obtain an understanding of the internal controls
- ✓ Report on significant deficiencies in internal controls, instances of non-compliance and fraud

Written representations made to the auditors by management



REQUIRED COMMUNICATIONS

with Those Charged with Governance *cont'd*

Management's Responsibilities

- ✓ The basic financial statements, accompanying notes, preparation of required supplementary information, supplementary information, and all representations contained therein.
- ✓ Access to all information of which management is aware that is relevant to the fair presentation of the basic financial statements.
- ✓ Selection and application of accounting principles for the preparation of financial data.
- ✓ To include our audit report in any document containing the basic financial statements.
- ✓ Ensuring compliance with applicable laws and regulations, contracts and agreements.
- ✓ Design, implementation and maintenance of internal controls to prevent and detect fraud.
- ✓ Maintain adequate records.
- ✓ Correct material misstatements.
- ✓ Informing us about all known or suspected fraud.



ERP SYSTEM IMPLEMENTATION

- ✓ Review new system implementation including transferring financial and transactional data
- ✓ Review accounts and process mapping
- ✓ Testing IT general and key application controls



OTHER MATTERS FOR DISCUSSION

Areas of Interest:

- ✓ Procurement
- ✓ Investments
- ✓ Federal and State grants reconciliation
- ✓ Pension funds and census data
- ✓ Allowance for uncollectible accounts
- ✓ Actuarial calculations
- ✓ Bond issuance
- ✓ GASB standards effective for fiscal year 2023
 - **GASB 91** - *Conduit Debt Obligation*
 - **GASB 94** - *Public-Private and Public-Public Partnership and Availability Payment arrangements*
 - **GASB 96** - *Subscription-Based Information Technology Arrangements*



KEY AUDIT TEAM MEMBERS

- ✓ **Chuck Kozlik, CPA, Audit Partner;** CKozlik@mjlm.com
- ✓ **Deepa Chandrie, CPA, Audit Director;** DChandrie@mjlm.com
- ✓ **Wandalis Cordero, CPA, Audit Manager;** WCordero@mjlm.com
- ✓ **Kylie Perez, Audit Supervisor;** KPerez@mjlm.com
- ✓ **Damilola Fagbohun, Audit Senior;** DFagbohun@mjlm.com



APPENDIX

- ✓ Implementation of New Accounting pronouncements effective in upcoming fiscal years:
 - **GASB Statement No.100, Accounting Changes and Error Corrections - amendment of GASB 62** - The requirements of this Statement are effective for reporting periods beginning after June 15, 2023 (FY 2024).
 - **GASB Statement No.101, Compensated Absences** - The requirements of this Statement are effective for reporting periods beginning after December 15, 2023 (FY 2025).



QUESTIONS & Open Dialogue

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ITEM FOR REVIEW NO. 5.1.a.

Audit Committee Notes for June 6, 2023

The Audit Committee Meeting of the Board of Trustees of Dallas College was held Tuesday, June 6, 2023, beginning at 9:00 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 Committee Chair Diana Flores.

Board Members and Officers Present

- * Ms. Diana Flores (Committee Chair)
Dr. Catalina Garcia (Attended Virtually)
Dr. Justin H. Lonon (Secretary and Chancellor)
- * Mr. Paul Mayer
Mr. Philip Ritter (Arrived at 9:12am)
- * *Denotes a committee member*

Members Absent

Mr. Cliff Boyd

Ms. Monica Lira Bravo

- * Ms. Charletta Compton

1. Roll Call - Announcement of a Quorum

Confirmed by Trustee Flores.

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

1. Internal Audit Quarterly Report 3rd Quarter Ending May 31, 2023
Presenters: Paul Styrvoky (on behalf of Lori Cox)

Styrvoky provided an overview of the Internal Audit Department (IAD) organizational structure, IAD's alignment with strategic

priorities of Dallas College, and audit/engagement process. Mr. Styrvoky provided the following engagement 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: On-going

Fixed asset personnel have integrated and consolidated fixed asset records and are updating policies and procedures to align with new systems. Workday workflow testing for receipt and inventory of fixed assets has been completed. Continued reviews of controls, processes, and procedures will occur throughout FY23 (including fixed asset verification - on a sample basis). IAD reviewed internal controls and processes and noted no exceptions.

Information Technology & Security

Status: Completed

The objective of this CE was to evaluate and provide reasonable assurance on the effectiveness of the College's Payment Card Industry (PCI), Security Standards Council (SSC), Data Security Standard (DSS) compliance program. Overall, the processes supporting PCI DSS compliance were effective and operating as intended, and the College was PCI DSS compliant.

Procurement

Status: Completed

The objective of this engagement was to follow-up on the Procurement Department's implementation of corrective actions for varied procurement processes. Most process updates have been completed with the Workday implementation and resolution of one issue is in progress. Opportunities remain to streamline practices and processes and update policies and procedures.

Trustee Flores requested a brief report documenting the Dallas College procurement process to be provided after the meeting.

Safety & Security

Status: Completed

The objectives of this review were to evaluate the responsiveness of the Public Safety & Security Department (Police) to service calls, the

effectiveness of user deployment of Rave Mobile Safety's Guardian mobile application, the implementation of Business Continuity/Disaster Recovery Plans for operations related to service calls, and to evaluate compliance with the technical aspects of the FBI Criminal Justice Information Service (CJIS) Division's policies and regulations. Overall, the controls and related processes for the areas reviewed were effective and operating as intended.

➤ AUDITS & SPECIAL REVIEWS

Dual Credit

Status: In Progress, Final Stage

The objectives of this review were to assess current risks; review dual credit partnerships, state, federal, or accreditor guidelines for compliance and achievement of goals and objectives; and to evaluate general dual credit plans, procedures, and processes for efficiency and effectiveness. The document and process review and the survey of all dual credit partners had been completed. The results of the survey were being summarized and any issues reported requiring clarification would be discussed with dual credit partners. All results will be reviewed with Dual Credit leadership.

Trustee Flores inquired of what significant challenges Dual Credit is facing. Mr. Styrvoky noted that there are a lot of manual steps involved.

International Student Office

Status: In Progress, Final Stage

The objectives of this review were to determine if internal controls governing the International Student Office operations were implemented in a manner to ensure compliance requirements and goals and objectives are achieved, to assess current risks, and to evaluate the efficiency and effectiveness of current programs, processes, and procedures. Process reviews were completed, specific documents and compliance reviews were in progress. No exceptions were noted.

Registration and Enrollment Process Review

Status: Completed, Reporting in Progress

The objectives of this review were to examine the College registration, enrollment, and payment processes for efficiency and effectiveness. As part of the review, the IAD staff completed “secret shopper” type phone calls. In addition, student forums were completed. The purpose of the student forums was to gain student’s perspectives, challenges, and experiences with the registration and enrollment process. Students reported appreciation for resources available and services on the campuses, while reporting challenges with the registration and enrollment process, and the website. Detailed results and recommendations will be discussed with Student Success Leadership; the results related to the website were shared with the Chief Marketing Officer and corrective actions were underway.

Trustee Flores inquired of challenges students faced. Mr. Styrvoky shared some challenges include manual processes and student awareness of how to utilize tools available to them, such as the Navigate app.

Success Coach Program Review

Status: Completed, Reporting in Progress

The objectives of this review were to assess current risks and to evaluate the efficiency and effectiveness of the current plans, programs, processes, and procedures. Overall, finding showed Success Coach leadership presented a robust and thorough strategic plan for Success Coaching; however full implementation has been hampered by several factors (most significant are systems/applications and space constraints). Detailed results and recommendations will be discussed with Success Coach leadership.

Trustee Flores inquired of the Success Coach program’s impact on student success. Dr. Jospheh shared that success coaches face challenges due to having information within several systems and not in one place. Student Success is working with Workday to ensure that information is available in one place to provide effective advising. Trustee Garcia requested a summary of the success of the Success Coach Program.

Human Resource Related

Status: In Progress – Planning Stage

The following areas were in progress in the planning stage: Employee Recruitment & Retention, Workforce Planning & Staffing, and Professional Development – Follow-up. Mr. Styrvoky noted that Ms. Cox was scheduled to meet with the Chief Human Resource Officer to discuss timing and other areas of interest for audit.

➤ OTHER SERVICES, DUTIES, & SPECIAL PROJECTS

Fraud Hotline Administration & Monitoring

Status: Completed and On-going

IAD received four reports in the third quarter. No incidents of fraud, waste, or abuse were identified or substantiated. Reports included concerns regarding spam emails (inaccurately attributed to the College) received by students. The IAD reported the issues to the Information Technology and Marketing and recommended a communication be prepared and distributed to students alerting them to the fraudulent emails. The communication was sent in early April.

Policy and Procedure Special Project

Status: In Progress

The objectives of this special project were to assess policies and procedures college-wide to determine any inconsistencies, gaps, and updates needed. Policies and procedures have been reviewed as part of each audit and special review during the year. An overall policies and procedures “inventory” of is planned for the 4th quarter.

Trustee Flores inquired of the process to review policy. Mr. Wendland shared that it is an ongoing process to review and update policies. Discussion ensued.

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; review specific controls/processes; and/or provide recommendations. In the third quarter, a special investigation related

to a scholarship award process was completed – we found that controls related to scholarship award documentation can be strengthened. An investigation related to grant compliance is in progress. Results and recommendations have been, or will be, reviewed with the appropriate department leadership for appropriate action, as necessary.

Workday Implementation Participation

Status: In Progress/On-Going

IAD will continue monitoring activity in the implemented modules to help ensure controls operate as intended. IAD's participation in the Student Module implementation will begin in June as project activities and meetings commence.

➤ RISK ASSESSMENT PROCESS OVERVIEW

Styrvoky shared the risk assessment process and noted that the IAD is currently in the “Identify Risks” phase which includes surveying the Board, Senior Management, staff, and the Chancellor to gain input on areas viewed as risks to the College, and various internal and external risks common to Higher Education. This plan is to be presented to the Board of Trustees and Audit Committee in September 2023.

Trustee Garcia inquired of how the college is managing the risk of declining birth rates. Chancellor Lonon shared that this risk is part of the college's enrollment management plan. Dr. Josph shared that the enrollment plan includes recruitment, retention, completion, graduation, and employment. Discussion ensued.

5. Items for Review

1. Committee Notes
 - a. Audit Committee Notes for March 7, 2023
Were reviewed and no comments noted.
2. Chancellor's Travel Report
Reviewed and not comments were made.

6. Executive Session

None.

7. Adjournment

The meeting adjourned at 9:30 a.m.

Captioned video and transcripts for Dallas College Board Meetings are available at our website, www.dallascollege.edu/boardmeetingslive, under the Archived Videos section.