



AGENDA

AUDIT COMMITTEE OF THE BOARD OF TRUSTEES

Committee Members

Trustee Robert Glaser, Chair
Trustee Christopher W. Oliver
Trustee Dave Wilson

Alternate Member

Dr. Adriana Tamez

February 13, 2015
2:00 p.m.

HCC Administration Building
3100 Main, 2nd Floor Auditorium
Houston, Texas 77002

**NOTICE OF A MEETING OF THE
AUDIT COMMITTEE
OF THE BOARD OF TRUSTEES**

HOUSTON COMMUNITY COLLEGE

February 13, 2015

Notice is hereby given that a Meeting of the Audit Committee of the Board of Trustees of Houston Community College will be held on Friday, the thirteenth (13th) day of February, 2015 at 2:00 p.m., or after, and from day to day as required, at the HCC Administration Building, 3100 Main, 2nd Floor Auditorium, Houston, Texas 77002. The items listed in this Notice may be considered in any order at the discretion of the Committee Chair and items listed for closed session discussion may be discussed in open session and vice versa as permitted by law. Actions taken at this Meeting do not constitute final Board action and are only Committee recommendations to be considered by the Board at the next Regular Board meeting.

I. Call to Order

II. Topics for Discussion and/or Action:

- A. Update on Audit Committee Calendar and Internal Audit Reporting Procedures.
- B. Proposed Internal Audit Work Plan for 2015.

III. Adjournment to closed or executive session pursuant to Texas Government Code Sections 551.071; 551.072 and 551.074, the Open Meetings Act, for the following purposes:

A. Legal Matters

- 1. Consultation with legal counsel concerning pending or contemplated litigation, a settlement offer, or matters on which the attorney's duty to the System under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with the Texas Open Meetings Laws.

B. Personnel Matters

- 1. Deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee, or to hear complaints or changes against an officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

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C. Real Estate Matters

1. Deliberate the purchase, exchange, lease, or value of real property for Agenda items if deliberation in an open meeting would have a detrimental effect on the position of the System in negotiations with a third person.

IV. Additional Closed or Executive Session Authority

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any items included in this Notice, then such closed or executive meeting or session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this Notice or as soon after the commencement of the meeting covered by the Notice as the Board may conveniently meet in such closed or executive meeting or session concerning:

Section 551.071 – For the purpose of a private consultation with the Board's attorney about pending or contemplated litigation, a settlement offer, or matters on which the attorney's duty to the System under the Texas Disciplinary Rules of Professional Conduct clearly conflicts with the Texas Open Meetings Laws.

Section 551.072 – For the purpose of discussing the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.073 – For the purpose of considering a negotiated contract for a prospective gift or donation to the System if deliberation in an open meeting would have a detrimental effect on the position of the System in negotiations with a third person.

Section 551.074 – For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee, unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing.

Section 551.076 – To consider the deployment, or specific occasions for implementation of security personnel or devices, or a security audit.

Section 551.082 – For the purpose of considering discipline of a student or to hear a complaint by an employee against another employee if the complaint or charge directly results in a need for a hearing, unless an open hearing is requested in writing by a parent or guardian of the student or by the employee against whom the complaint is brought.

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Section 551.084 – For the purpose of excluding a witness or witnesses in an investigation from a hearing during examination of another witness in the investigation.

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

- A. The open meeting covered by this Notice upon the reconvening of the public meeting, or
- B. At a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

V. Reconvene in Open Meeting

VI. Adjournment

Certificate of Posting or Giving of Notice

On this _____ 9th _____ day of _____ February _____, 2015, at or before 2:00 p.m., this Notice was posted at a place convenient to the public and readily accessible at all times to the general public at the following locations: (1) Administration Building of the Houston Community College, 3100 Main, First Floor, Houston, Texas 77002; (2) the Harris County's Criminal Justice Center, 1201 Franklin, Houston, Texas 77002; (3) the Fort Bend County Courthouse, 401 Jackson, Richmond, Texas 77469; and (4) the Houston Community College website, www.hccs.edu. The Houston Community College's Fort Bend County public meeting notices may be viewed after hours (*i.e.* between the hours of 5:30 p.m. and 7:30 a.m.) on the kiosk located on the west side of the new Fort Bend County Courthouse (the "William B. Travis Building"), located at 309 South Fourth Street, Richmond, Texas 77469.

Sharon R. Wright, Manager
Board Services

REPORT ITEM

Meeting Date: February 13, 2015

Committee: *Audit*

ITEM NO.	ITEM TITLE	PRESENTER
A	Update on Audit Committee Calendar and Internal Audit Reporting Procedures	Dr. Cesar Maldonado Belinda Brockman

DISCUSSION

Provide an update on the internal audit items related to Audit Committee.

DESCRIPTION OR BACKGROUND

Outline the anticipated Audit Committee action calendar for 2015 and highlight Internal Audit reporting procedures.

FISCAL IMPACT

Effective use of the approved 2015 Operating Budget.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Audit Committee Action Calendar**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100

2/10/2015 12:37 PM

AUDIT COMMITTEE ACTION CALENDAR

Item	Steps to Accomplish	Deliverable	Frequency	Date Due	Notes
Review the Internal Audit Department Charter	Discuss ideas with Audit Chair 2-3 months before. Send proposed charter to AC one month before. Prepare presentation.		Annually	November	This is one way of assuring the independence of the internal audit function.
Review the Audit Committee Charter	Assess appropriateness in light of last year's experience, assess completeness in light of new best practices, new legal or regulatory requirements.	Report to the Board on appropriateness and any revisions recommended.	Annually	November	
Establish a means of direct communication between the Chairman of the Audit Committee and the Internal Audit Director.	Once appointed exchange email and other contact information with the Chair. Present Chair copy of Dept. Manual. Set Chair up in SharePoint.	Contact information exchanged. Dept Manual provided to AC chair. Initial meeting held.			
Review and approve internal audit work plan	Risk assessment starts 3 months before due. Survey sent to Audit Committee members when appointed. Plan presented to members at first meeting.	Approved plan	Annually	February	
Review Audit Reports, audits in progress, and future audits	Reports sent to AC Chair as completed. Report package consisting of Executive Audit reports, status of audit plan, and follow up prepared and sent to AC members 1 week before meeting.	A report to the Board. Approved audits entered into follow up tracking.	Quarterly More frequently as needed.	February/May/ August/November	
Review recommendations and management actions plans to address adequacy.	Review presented audit reports	Approve audit reports and recommendations. Determine significant recommendations. Arbitrate responses if needed.	Quarterly More frequently as needed.	February/May/ August/November	
Monitor status of management actions plans for progress on significant recommendations.	Present status report on follow up actions.. Note status, extensions, etc.	Accepted report and actions in minutes	Quarterly More frequently as needed.	February/May/ August/November	
Establish a schedule of regular meetings each year	In person meetings should be held at least once a year. Recommended frequency of meeting is 4 time per year. See calendar for recommendations	Agendas and minutes for each meeting. Approved meeting schedule recommended to the Board	Annually	February	Minimum requirement is one meeting per year, to review external audit

Item	Steps to Accomplish	Deliverable	Frequency	Date Due	Notes
Review reports of all external public accounting firms contracted by the institution to perform audits of any institution functions, components, activities or financial information	Obtain reports and present to Committee	Final form of report to go to the Board	As Needed		
Monitor the institution's contracting with all external public accounting firms to ensure compliance with the requirements.	Obtain list of contracts from Procurement with a delineation of contract terms. Obtain status from contract owners. Compile Report	Report reviewed. Minutes record actions directed	Annually	August	
Monitor activities of other external auditors in house	Send request to Vice Chancellors, Presidents, and known executives requesting listing of any new audits and status of ongoing audits one month before meeting. Compile into a report. Present report.	Information and report passed to Board	Quarterly More frequently as needed.	February/May/ August/November	
Provide input to Chancellor for annual evaluation of Director	Question External Auditors, determine attributes, set report to Chancellor	Report to Chancellor and notify Board	Annually	August	
Provide input to Board regarding recommendation to terminate IA Director	Review each side's position in closed session. Discuss and Decide	Report to Board	As Needed		
Select a director from 3 candidates recommended by Chancellor.	Determine questions. Ask each candidate the questions. Discuss and select candidate in closed session.	Selection processed by HR	As Needed		

ACTION ITEM

Meeting Date: February 13, 2015

Committee: *Audit*

ITEM NO.	ITEM TITLE	PRESENTER
B	Proposed Internal Audit Work Plan for 2015	Dr. Cesar Maldonado Belinda Brockman

RECOMMENDATION

Adopt the 2015 Internal Audit Work Plan.

COMPELLING REASON/RATIONALE

The 2015 Internal Audit Work Plan is ready for approval. The plan is based upon interviews with senior management, review of the FY 2015 budget and 2014 Financial Statements and audit survey responses from the Board of Trustees.

DESCRIPTION OR BACKGROUND

Board Bylaws, Article E, Section 3, states one of the responsibilities of the External Auditor is:

To develop an annual audit plan for the College to present to the Chancellor and the Audit Committee of the Board for approval.

The same bylaws establish that a duty of the Internal Auditor is to follow the International Standards for the Professional Practice of Internal Audit. Those standards suggest an Internal Audit Work Plan be approved by the Board.

FISCAL IMPACT

N/A

LEGAL REQUIREMENTS

In accordance with Texas Government Code 2102.08, Board approval is required.

STRATEGIC GOAL ALIGNMENT

Strategic Initiative: Support Innovation

Attachment Title(s): **Proposed 2015 Internal Audit Work Plan (Will be provided under separate cover)**

This item is applicable to the following:

Central Coleman Northeast Northwest Southeast Southwest 3100