HOUSTON COMMUNITY COLLEGE

Internal Audit Plan

Fiscal Year 2018

Approved by Board of Trustees August 17, 2017

Internal Audit Plan
Fiscal Year 2018

Executive Summary

The purpose of the Internal Audit Plan (Plan) is to outline audits and other activities the Houston Community College (HCC) Internal Audit Department (the Department) will conduct during fiscal year 2018. The Plan's development and approval are intended to satisfy requirements under HCC's Internal Audit Charter, International Standards for the Professional Practice of Internal Auditing, and the Texas Internal Auditing Act.

A significant amount of time will be devoted to the following two activities in FY 2018:

1) Implementing the internal audit management system software (TeamMate); and
2) Collaborating with Risk Management and other control monitoring functions within HCC to further refine the Enterprise Risk Management (ERM) Assessment Program.

Plan Development Methodology

The HCC audit universe is being developed through the ERM Assessment Program. The High Risk Audit Candidates identified during the FY 2017 Internal Audit Plan preparation were updated in Attachment I based on the ERM Assessment interviews conducted with Executive Cabinet members and other executive managers, reviewing HCC's current major activities, and KPMG's Internal Audit Top 10 Considerations for 2017.

Internal Audit Available Time

Description	Hours	Percentage
Total Hours (7 Staff * 52 Weeks *40 hours)	14,560	100%
Less: Staff Vacancies	0	0%
Estimated Vacation, Holiday, & Sick	2,456	17%
Training	760	5%
Various Meeting & Departmental Administration	2,960	20%
Total Hours Available for Audits & Other Projects	8,384	58%

Description of Project Types

Operational: These are projects in which some activity or other management assertion is evaluated so that improvements to operating efficiency and effectiveness can be made. These can also be projects in which the object is to develop new information on an activity so that management can use that information in their decision making process.

Compliance: Reviews focused on ensuring compliance with regulations and HCC policies.

Advisory Services: Consulting projects that improve management of risks, add value, and improve the organization's operations.

Administrative: These include fraud investigations, special projects requested by the Board or management, and administrative projects within the department such as preparing the following year audit plan and the Annual Audit Report.

Observation action plan follow-ups: These are on-going status reviews on the resolution of deficiencies identified in past audits to ensure management completed action plans.

FY 2018 Internal Audit Plan

Operational Audit Projects

No.	Project	Description	Hours
17-3	*IT Cyber & Data Security	High level general controls review of the Information Technology data security management system	160
17-15	*Website Review	Review compliance with HCC's Web Standards and Guidelines and ensure adequate controls for information safety & soundness	640
18-O-1	Accreditation - SACS	Review the management system that ensures adequate documentation for SACS accreditation	640
18-O-2	Ethics Program Review	Evaluate the design, implementation, and effectiveness of HCC's ethics-related programs and activities	640
18-O-3	PeopleSoft Application Controls	Review logical access controls in PeopleSoft software applications to ensure data is processed accurately and as intended from input to storage to output	640

Compliance Audit Projects

No.	Project	Description	Hours
18-C-1	Campus Safety & Environmental Operations Management	Planning for campus safety & environmental legal policy compliance management reviews	480
18-C-1-1	Northwest College	Safety & environmental legal policy compliance	200
18-C-1-2	Southeast College	Safety & environmental legal policy compliance	200
18-C-1-3	Southwest College	Safety & environmental legal policy compliance	200
18-C-2	Direct Payments Review	Review direct payment activity for compliance with the Procurement Manual procedures	320
18-C-3	Executive Expenses Review	Review executive expenses for compliance with HCC policies and procedures	160
18-C-4	Required Regulatory Reporting	Review the process for capturing required regulatory reporting and monitoring compliance	640

Advisory Services Projects

No.	Project	Description	Hours
17-1-2	*Procurement - Contracting Advisory Services	Control framework advice on Procurement Operations implementing JAGGAER source-to-pay suite	560
18-S-1	Committees & Task Forces	Participate on committees and task forces providing risk management and control advice	120
18-S-2	Continuous Auditing	Create automated extracts of data and reports to analyze specific business risks	480
18-S-3	Fraud & Special Investigations	Responsive to provide services as required	324

Administrative Projects

No.	Project	Description	Hours
18-A-1	FY 2019 Audit Planning & ERM Assessment	Collaborate with HCC Risk Management continuously updating the Enterprise Risk Management (ERM) assessment and audit planning	800
18-A-2	TeamMate System Implementation & Training	TeamMate automated internal audit management system implementation & training	500
18-A-3	Internal Quality Assurance Review	Perform a formal internal quality assurance review	240
18-A-4	FY 2018 Annual Audit Report	Compile and prepare State required audit report	120

Observation Action Plan Follow-ups

Project	Description	Hours
Observation Action Plan Follow-ups	Follow-up on completion of previous audit observations action plans	320

* Carry-over projects from FY 2017 Internal Audit Plan

Attachment I

FY 2018
High Risk Audit Candidates

Accreditation – Southern Association of Colleges and Schools (SACS) – 18-O-1
Accreditation – Third Party Programs – 17-6

Regulatory Compliance

- Title IX, Violence Against Women, and Clery Acts – 17-4
- Safety and environmental – 17-5 and 18-C-1
- Campus security
- Data security and handling – 17-3
- Contracting Process – 17-1-1 and 17-1-2
- Student Financial Aid (audited by Grant Thornton & Texas Higher Education Coordinating Board (THECB) in FY 2017)
- Contact hours reporting (THECB audited in FY 2017)
- Required regulatory reporting – 18-C-4
- Required regulatory training
- Government funding formula changes - monitoring and preparedness
- Taxation rule changes - monitoring and preparedness

IT

- Cybersecurity – intrusion prevention/detection system – 17-3
- Network infrastructure and security – 17-3
- Applications management – 18-O-3
- Server environment – 17-3
- Customer/Technical support

Third Party Relationships/Vendor Management – 17-2

Bond Construction Management (Jacobs - management & R L Townsend - auditing)

Grant Portfolio Management (consider that funders usually audit grants)

Asset Management (consider coverage in external auditor financial audit)

Business Continuity Plans (Risk Management started plan development in 2016)

Emergency Response Plans

Student Enrollment
Student Customer Service

Website Management – 17-15

Ethics Program – 18-O-2

Trustees, Chancellor and Executive expenditures – 18-C-3

Fraud