HOUSTON COMMUNITY COLLEGE

Internal Audit Plan

Fiscal Year 2021

Approved by Board of Trustees August 5, 2020

Internal Audit Plan
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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 2021. The Plan's development and approval are intended to satisfy requirements under Board Bylaws, Audit Committee Charter, Board Policy CDC (LOCAL), HCC's Internal Audit Charter, International Standards for the Professional Practice of Internal Auditing, and Texas Internal Auditing Act.

A significant amount of time will be devoted to collaborating with HCC's Risk Management Office and other control monitoring functions within HCC to further refine the Enterprise Risk Management (ERM) Assessment Program in FY 2021.

Plan Development Methodology

The HCC audit universe is developed through HCC's Enterprise Risk Management Assessment Program (ERM). The High Risk Audit Candidates are updated in Attachment I based on the assessment of the following: 1) governing board members input, 2) ERM interviews conducted with Chancellor's Council members and other chief executives, 3) top risks identified by the United Educator's Risk Management Premium Credit program, 4) KPMG's 20 key risks to consider by Internal Audit 2020, and 5) alignment with HCC's strategic priorities.

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, and Other	2,448	17%
Training	840	6%
Various Meetings & Departmental Administration	2,660	18%
Total Hours Available for Audits & Other Projects	8,612	59%

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 performing risk assessments, preparing the next fiscal year's audit plan, performing quality assurance, and preparing 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 2021 Internal Audit Plan

Operational Audit Projects

No.	Project	Description	Hours
20-O-1	*Enrollment	Review enrollment streamlining to facilitate student growth and retention including coordination with financial aid	480
21-O-2	IT Active Directory and Windows Server	IT management of security configuration and company data storage & business applications	480
21-O-3	IT Governance	IT management of business requirements and optimization to deliver functionality, dependability, & support	480
21-O-4	IT Change Management	Review IT management process to administer system changes to the production environment	480

Compliance Audit Projects

No.	Project	Description	Hours
21-C-1	Campus Safety & Environmental Operations Management	Planning for campus safety & environmental legal policy compliance management reviews	320
21-C-1-1	Central College	Safety & environmental legal policy compliance	240
21-C-1-2	Northeast College	Safety & environmental legal policy compliance	240
21-C-1-3	Coleman College	Safety & environmental legal policy compliance	240
21-C-2	Cares Act	Review management process to ensure compliance with terms	480
21-C-3	TRS Retirement Payments	Review management process for payments to the state	480
21-C-4	Title IX New Regulations	Review management processes to ensure compliance with new regulations	480
21-C-5	Senate Bill 212	Review management processes to ensure compliance with new reporting requirement for certain incidents of sexual harassment, sexual assault, dating violence, or stalking	480
21-C-6	Grants Compliance	Review management processes to ensure compliance with terms of grants that are not covered in the Single Audit by external auditors	480

Advisory Services Projects

No.	Project	Description	Hours
19-S-3	*Campus Security	Work with the Risk Management Department to evaluate Campus security programs	480
21-S-1	Committees & Task Forces	Participate on committees and task forces providing risk management and control advice	120
21-S-2	Continuous Auditing	Create automated extracts of data and reports to analyze specific business risks	360
21-S-4	Special Projects & Examinations	Responsive to provide services as required	52
21-S-4-1	Procurement Small Business Practices	Review Procurement's processes related to small business evaluation criteria used in contract award recommendations	480
21-S-4-2	HCC Ethics/Culture Review	Evaluate the effectiveness of HCC's ethics/culture related programs and activities	560

Administrative Projects

No.	Project	Description	Hours
21-A-1	FY 2022 Audit Planning & ERM Assessment	Collaborate with HCC Risk Management to update the Enterprise Risk Management (ERM) assessment & audit planning	560
21-A-2	TeamMate IA Management System	TeamMate software system maintenance & improvement	80
21-A-3	External Quality Assurance Review	Assistance required for having external quality assurance review	120
21-A-4	FY 2021 Annual Audit Report	Compile and prepare State required annual audit report	120
21-A-5	External Audits Monitoring	Monitor external audit activities on HCC and related observation action plans	80
21-A-6	Lunch and Learns	Presentations to HCC's general personnel to raise awareness on fraud deterrence, risk management, internal control & compliance	80
21-A-7	Newsletters	Newsletters to HCC's general personnel to raise awareness on fraud deterrence, risk management, internal control & compliance	80

Observation Action Plan Follow-ups

No.	Project	Description	Hours
21-F-1	Observation Action Plan Follow-ups	Follow-up on completion of audit observations action plans	80

* Carry-over projects from FY 2020 Internal Audit Plan

Attachment

FY 2021
High Risk Audit Candidates

Risk Category	Risk Area	Risk Factors	Previous Internal & External Audit Coverage
Public safety	Safety	Campus safety standards, door locking (classrooms and exterior), new hire security/emergency response training, responsibility for interior routine security, staffing of remote/low utilization areas, operating hours, open campus access, student and employee badging enforcement, campus safety committees, surveillance camera standards, access, usage, intra building communication systems,	19-S-3 Campus Security
Financial	Enrollment - growth, retention, contraction	Decline in enrollment, increased tuition discounting reducing income, competitive market for students increasing cost to attract students, increasing costs to support student success.	19-O-2 International Students Services Review
Gender-related issues	Title IX & SB 212	Title IX compliance, sexual assault, equal athletic opportunity for men/women in sports. Efforts to combat sexual assault by creating new cultural norms on campus. Applicability to events "off campus" or involving individuals not part of the campus community. Dept. of Education exemptions to religious institutions. SB 212 mandatory reporting requirements.	17-4 Campus Safety and Security - Title IX/Clery/VAWA Regulatory Acts Compliance
Financial	Grants - compliance with requirements of grant	Funds used in compliance with terms of grant, accurate/timely reporting, impact on operations/employment when grant expires, proper accounting, failure to use all grant funds	none
Financial	Deferred maintenance	Identification/prioritization of maintenance, adequate budget, efficient maintenance/preventative maintenance program, maintenance tracking/reporting	none
Financial	Construction	Capital/construction plan, project prioritization, building design, competitive contracting, skilled contractors, project oversight, scope creep, project delivery on time/budget, fund raising strategy success, construction deficiencies, fraud, capital to pay for projects, vicarious liability for construction accidents	R.L. Townsend and Associates – ongoing construction audit; Jacobs - construction project management

Risk Category	Risk Area	Risk Factors	Previous Internal & External Audit Coverage
Community	Policing	Arrest authority, coordination between College and local police, training (diversity, crowd control), oversight and external review, undercover work, campus versus community policing, prisoner control, confiscated property control, community outreach and education, timely and appropriate call response, adequate staff, "blue phones," incident reporting, statistics capture and reporting, communication and communication media	17-4 Campus Safety and Security - Title IX/Clery/VAWA Regulatory Acts Compliance
Technology	Access	System access privileges (initial, change in person's status, terminations), access security (user id/password/biometric), security, policy, performance audit/review, application across platforms, ease of use	17-3 IT Cyber and Data Security; 18-O-3 PeopleSoft Applications Controls
Competition	Competition from diverse education providers	Response to competition (for-profit universities, foreign universities, on-line learning, accelerated learning, curriculum enhancements, improved facilities, high schools and two-year colleges, etc.), appreciation/adjustment to educational competitors from various sectors and directions, institutional need for clear differentiation, a demonstrable value proposition, organizational flexibility, financial strength, ability to overcome procedural inertia/inward focus/market insensitivity, growing interest in education in the trades, short-term intensive training (bootcamps).	20-O-1 Enrollment
Students	At-risk students	Behavioral Intervention Teams, Management of Student Misconduct, Threat identification and follow up.	19-O-1 Student Behavioral Intervention Review
Operations	Policing	Fire arms, arrest authority, compliance with legal and best practices, training (diversity, crowd control), background checks, oversight and external review, undercover work, campus versus community policing, prisoner control, confiscated property control, coordination among policing agencies, equipment maintenance and appropriateness, community outreach and education, timely and appropriate call response, adequate staff, lighting and "blue phones," incident reporting, statistics capture and reporting, communication and communication media, confidentiality	17-4 Campus Safety and Security - Title IX/Clery/VAWA Regulatory Acts Compliance

Risk Category	Risk Area	Risk Factors	Previous Internal & External Audit Coverage
Safety	Fire/Life and lab life safety (including code compliance)	Lab safety for academic and COE labs. Lab safety manuals, inspections, signage, Compliance, chemical inventory, inventory control, transporting and shipping, reporting, chemical storage and disposal, select agents, hazardous materials/environmental safety program, personal projective equipment, training, inspections and monitoring, liability and insurance, emergency response program. Building design, construction, fire detection/suppression systems and maintenance, building codes, insurance company requirements, best practices, building evacuation plans/signage meet TX School Safety Center requirements, drills for fire/tornado/earthquake and other emergencies, annunciation/communication within building, contents combustibility, inspections and compliance reviews	2017/2018/2019/2020 Campus Safety & Environmental Reviews for all six colleges
Human resources	Distance learning	Obtaining sufficient faculty who are proficient at online course delivery. Successfully adapting curricula	none
Gender-related issues	Dependents (child and elder care)	Employee productivity impact arising from challenges of care for dependents (especially child or elder care), student availability for academic work impaired by care for dependents, College child care operations/facilities, work place time-off policies, academic time-off policies, minor dependents on campus	none
Brand/reputation	Relationship with key supporters	Donors/institutional partners/others positive relationship/actively support the institution monetarily/otherwise; leadership of alumni relations and community relations; donor reputation or perceived influence may be adverse	none