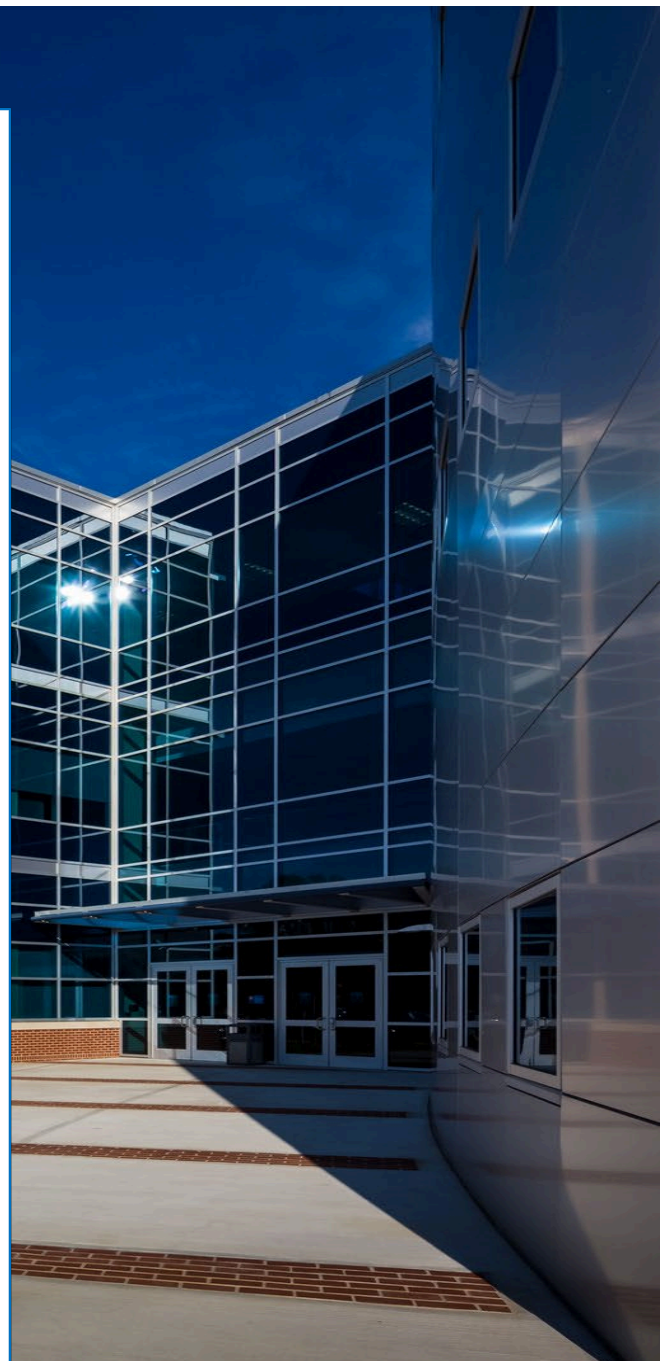


Annual Internal Audit Report

Summary of FY22 Internal Audit Work &
Proposed FY23 Audit Plan

August 29, 2022

San Jacinto Community College District
Prepared by: Linda Torres, Director of Internal Audit





INTERNAL AUDIT DEPARTMENT

To: Board Finance Committee

From: Linda Torres, Director of Internal Audit

Date: August 29, 2022

Subject: Annual Internal Audit Report – Summary of FY22 Internal Audit work & Proposed FY23 Audit Plan

We are pleased to present the San Jacinto Community College District's (SJCCD) *Annual Internal Audit Report* for 2021/22. This report will provide information on audits and projects performed during the past audit year. We are a small department consisting of three auditors; however, we strive to add value to the College through each of our audits and projects.

The various audits and projects performed during the 2021/22 audit year (September 1, 2021 to August 31, 2022) resulted in specific recommendations made by the Internal Audit Department. These recommendations were made to enhance accountability, improve efficiency, reduce the opportunities for fraud, protect the college's assets and improve service delivery to college stakeholders.

The proposed audit plan for the 2022/23 audit year (September 1, 2022 to August 31, 2023) was based on a risk assessment update performed during the summer of 2022. The Internal Audit Department updated the annual risk assessment to identify the major areas within the college that require audit attention. Audit projects are scheduled based on the results of the college-wide risk assessment and the available Internal Audit Department resources. By carrying out this plan for the upcoming year, we hope to continue our commitment to serve the college, the Chancellor and the Board of Trustees.

cc: Dr. Brenda Hellyer, Chancellor
Teri Zamora, Vice Chancellor of Fiscal Affairs

Message from the Director of Internal Audit
Linda Torres, CPA, CIA, CFE

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The Internal Audit Department is dedicated to improving the operations of San Jacinto College by providing independent and objective reviews of District controls and procedures. By monitoring and advising on areas of potential vulnerability, the Internal Audit Department assists everyone in the San Jacinto College community to uphold the highest standards of business conduct.

As of the end of the FY22 audit year, the Internal Audit Department engaged in several complex audits, numerous recurring audits, as well as provided consulting serves. A summary of the type of work issued includes seven audits/reviews, seven grant subrecipient monitoring memos, nine follow-up audits, fourteen cash counts and two consulting projects. Additionally, two audits/reviews and ten grant subrecipient monitoring projects were in-progress at the end of the year. Finally, the Internal Audit Department performed monthly Pcard auditing, served on four committees, councils and task forces, overhauled the Internal Audit web page, issued quarterly newsletters, completed the annual risk assessment project and managed the collection of conflict of interest disclosure statements.

This annual report details all the audit work performed during FY22, as well as provides a summary of the risk assessment process, and upcoming proposed audit plan for FY23.

As we enter a new fiscal year our expectations are to continue to provide assistance college-wide to strengthen internal controls and improve overall business efficiencies. I consider it an honor to serve San Jacinto College community and remain committed to adding value to the college through the audits and consulting services we provide.

Compliance with Texas Government Code, Section 2102.015

Texas Government Code, Section 2102.015 was added by House Bill 16 (83rd. Legislature) on June 14, 2013. House Bill 16 amended the Internal Auditing Act to require state agencies and institutions of higher education, as defined in the bill, to post agency internal audit plans, internal audit annual reports, and any weaknesses or concerns resulting from the audit plan or annual report on the entities' website, at the time and in the manner provided by the State Auditor's Office.

To comply with the requirements, the San Jacinto College Internal Audit Department will submit its Internal Audit Annual Report to the website coordinators to be posted on the Internal Audit web page of the college's website no later than 30 days after approval of the upcoming year's audit plan (included in this report) at the August Board Finance Committee meeting.

Department Organization

The Director of Internal Audit reports directly to the Vice Chancellor of Fiscal Affairs, with an advisory reporting relationship to the Chancellor and Board Finance Committee. Presently, the Internal Audit Department is staffed with three individuals.

Director of Internal Audit

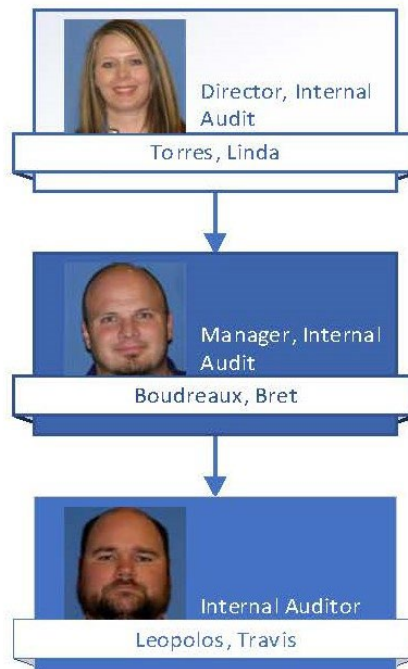
Linda Torres is the Director of Internal Audit and has worked for the College since June 2008. Linda is a Certified Public Accountant, Certified Internal Auditor and Certified Fraud Examiner. She graduated with a BBA in Accountancy from the University of Houston and also earned an Associate degree from San Jacinto College, Central campus.

Manager of Internal Audit

Bret Boudreaux has worked for the College since January 2009 and was promoted to the Manager of Internal Audit in November 2015. Bret is a Certified Internal Auditor and possesses a Certification in Risk Management Assurance. Bret graduated from Louisiana State University with a B.S. in Finance in May 2005 and obtained his MBA from Texas A&M University–Commerce in May 2010.

Internal Auditor

Travis Leopulos has worked for the College since February 2016. Travis graduated from Stephen F. Austin State University with a BBA and also earned an Associate degree from San Jacinto College, Central campus.



AUDITS/REVIEWS/PROJECTS LIST

Audits/Reviews/Projects	Audit/Review #	Details	Status	Disposition
Grants Subrecipient – DOL - Alamo Colleges District	21-112	Grant Subrecipient monitoring	Complete	Memo Date: September 7, 2021
Grants Subrecipient – DOL - Dallas College	21-113	Grant Subrecipient monitoring	Complete	Memo Date: September 7, 2021
Grants Subrecipient – DOL - Austin Community College District	21-114	Grant Subrecipient monitoring	Complete	Memo Date: September 7, 2021
Grants Subrecipient – DOL - IBM	21-115	Grant Subrecipient monitoring	Complete	Memo Date: September 7, 2021
Grants Subrecipient – DOL - Cerner	21-116	Grant Subrecipient monitoring	Complete	Memo Date: September 7, 2021
Grants Subrecipient – DOL – Lockheed Martin	21-117	Grant Subrecipient monitoring	Complete	Memo Date: September 7, 2021
Grants Subrecipient – NSF – Houston Community College	21-118	Grant Subrecipient monitoring	Complete	Memo Date: September 7, 2021
Required Training Compliance – Students	21-110	Evaluate internal controls and management surrounding student training.	Complete	Report Date: September 23, 2021
Required Training Compliance – Employees	21-111	Evaluate internal controls and management surrounding employee training.	Complete	Report Date: November 19, 2021
SJC Promise	22-102	Review the operational efficiency and internal controls surrounding SJC Promise program for the Fall 2020 and Fall 2021 Promise cohorts.	Complete	Report Date: December 16, 2021

AUDITS/REVIEWS/PROJECTS LIST *continued*

Audits/Reviews/Projects	Audit/Review #	Details	Status	Disposition
TMA (The Maintenance Authority) Time Reporting Consulting Project	N/A – consulting	Utilize data analytics to determine whether or not maintenance tickets are closed out timely.	Complete	Memo – April 15, 2022
Dual Credit – MOUs	22-103	Evaluate compliance with Texas Administrative Code statutes and operational efficiencies surrounding current Dual Credit Memorandums of Understanding (MOUs) in effect as of February 18, 2022.	Complete	Report Date: May 3, 2022
Internal Audit Outreach	N/A – internal project	Update the Internal Audit web page on the SJC website and draft quarterly Internal Audit newsletters for all college employees.	Complete	Project Complete: May 6, 2022
HVACR <i>(Heating, Ventilation, Air Conditioning and Refrigeration) – South Campus</i>	22-105	Evaluate the operational efficiency, internal controls, and compliance with internal and external regulations and policies surrounding the HVACR function at the South Campus.	Complete	Report Date: May 9, 2022

AUDITS/REVIEWS/PROJECTS LIST *continued*

Audits/Reviews/Projects	Audit/Review #	Details	Status	Disposition
HVACR <i>(Heating, Ventilation, Air Conditioning and Refrigeration)</i> – North Campus	22-104	Evaluate the operational efficiency, internal controls, and compliance with internal and external regulations and policies surrounding the HVACR function at the North Campus.	Complete	Report Date: May 11, 2022
Cosmetology Procedures Review – North Campus	N/A – consulting	Reviewed and evaluated the documented procedures for key cosmetology program functions.	Complete	Memo: May 17, 2022
Contract Administration	22-101	Evaluate internal controls and management surrounding contract administration for active contracts as of August 31, 2021.	Complete	Report Date: June 9, 2022
Payroll Distributions	22-107	Evaluate the accuracy and internal controls surrounding disbursements to employees.	Complete	Report Date: August 25, 2022
Pcard Monthly Auditing	N/A – monthly review	Audit monthly Pcard expenses college-wide.	Continuous	Results Sent Monthly

AUDITS/REVIEWS/PROJECTS LIST *continued*

Audits/Reviews/Projects	Audit/Review #	Details	Status	Disposition
Automotive Technology	22-106	Evaluate the operational efficiency, internal controls, and compliance with internal and external regulations and policies.	In Progress	N/A
Grants Subrecipient – DOL - Alamo Colleges District	22-108	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – DOL - Dallas Colleges	22-109	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – DOL - Austin Community College District	22-110	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – DOL - IBM	22-111	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – DOL - Cerner	22-112	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – DOL – Lockheed Martin	22-113	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – NSF – Houston Community College	22-114	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – NSF – Rice University	22-115	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – DOE – Alvin Community College	22-116	Grant Subrecipient monitoring	In Progress	N/A
Grants Subrecipient – DOE – Lamar Institute of Technology	22-117	Grant Subrecipient monitoring	In Progress	N/A
<p>➤ <u>Complete:</u> Complete and results have been issued to SJCD senior management.</p> <p>➤ <u>In Progress:</u> In progress at the end of the year.</p> <p>➤ <u>Continuous:</u> Ongoing review with results sent to management on a continuing basis.</p> <p>DOL – Department of Labor NSF – National Science Foundation DOE – Department of Education</p>				

FOLLOW-UP AUDITS

Follow-up audits verify the completion of the corrective action plans (CAPs) provided by management during the initial audit. The number of follow-ups performed for each initial audit depends on whether or not management has indicated they have completed the CAPs to address the risks noted in the original audit. Audits that were performed some time ago without a recent follow-up are due to the fact that management has indicated that the CAPs are not complete and they have requested additional time to address the issues noted. As of the end of FY22, the Internal Audit Department completed nine follow-up audits. While some of these CAPs may be complete at this time, they are awaiting a follow-up for confirmation to be able to officially close out the audit. The timing of follow-up audits depends on the workload and staffing availability of the Internal Audit Department. The disposition of each follow-up audit is detailed below.

Follow-ups conducted during FY22.

Audit	Audit #	Original Audit Date	FY22 Follow-up Date	Prior Follow-up Dates	Original CAPs	Remaining CAPs	Disposition
Accounts Payable	16-104-22	October 2016	January 2022	September 2017	4	0	All CAPs complete
Student Organizations	18-105-22	January 2019	May 2022	July 2020	5	1	One CAP Remains – no further follow-ups*
Accounts Receivable	19-105-22	January 2020	February 2022	n/a	6	0	All CAPs complete
ITS Assets	20-102-22	August 2020	February 2022	n/a	4	2	2 nd Follow-up in FY23
Tuition Waivers & Exemptions	21-109-22 & 21-109-22.1	June 2021	December 2021 & March 2022	n/a	3	0	All CAPs complete
Required Training Compliance–Students	21-110-22	September 2021	February 2022	n/a	1	0	All CAPs complete
Required Training Compliance–Employees	21-111-22	November 2021	March 2022	n/a	1	0	All CAPs complete
SJC Promise	22-102-22	December 2021	June 2022	n/a	5	2	Two CAPs remain – Full Audit in FY23

*After the 2nd follow-up audit management accepts the risks noted with the outstanding issue. While further follow-ups are not performed, management is encouraged to complete the original correction action plan submitted.

FOLLOW-UP AUDITS *continued*

All three of the audits listed below were initially conducted during FY22. See pages 14-16 of this report for a summary of the observations noted during these audits and management’s corrective action plans.

Audit	Audit #	Original Audit Date	Prior Follow-up Dates	Original CAPs	Remaining CAPs	Disposition
Dual Credit (MOUs)	22-103	May 2022	none	4	3	Follow-up in FY23
HVACR - North Heating, Ventilation, Air Conditioning & Refrigeration	22-104	May 2022	none	1	1	Follow-up in FY23
Contract Administration	22-101	June 2022	none	1	1	No future follow-ups*

*Various areas need to participate in the required changes to resolve the issues noted during this audit. Based on the level of coordination involved to develop a college-wide solution, a timely follow-up is not feasible. Therefore, in the future, the Internal Audit Department will review contracts within individual audits and/or on an individual contract basis.

CASH COUNTS

Surprise cash counts are performed throughout the year at college locations that collect cash during normal operations. Memos were sent to the applicable business office and café leadership, as well as the Vice Chancellor of Fiscal Affairs for each individual cash count. While some procedural issues were identified during the year, no material issues were noted.

The following are the fourteen cash counts completed during FY22.

Cash Counts		
Campus	Location	Month
Central	Business Office	September 2021, May 2022
North	Business Office	December 2021, June 2022
South	Business Office	October 2021, February 2022
Generation Park	Business Office	February 2022
Central	Café	September 2021, April 2022*
North	Café	February 2022
South	Café	November 2021, April 2022
Maritime	Café	October 2021

*Two separate cash counts were performed at the Central Café during the month of April 2022.

CONSULTING AND OTHER ACTIVITIES

The Director and/or the Manager of the Internal Audit Department were members of the four committees, councils and/or task forces during FY22. As a member of these groups, the Internal Audit Department is not performing typical assurance (i.e., audit) activities but is either providing consulting services or is a member in a leadership role.

Activity	Purpose
Student Club Accounts Committee	Develop a one-college approach regarding student club accounts.
Campus Based Scholarship Committee	Increase the awareness of campus-based scholarship opportunities and gather data on campus based scholarships for budget development.
Strategic Leadership Communication Council	Ensure that all levels of leadership have a clear understanding and provide support for the one-college vision, the strategic plan, and annual priorities.
Honoraria Committee	Honoraria awards recognize and encourage San Jacinto College full-time faculty, staff, and administrators for a specific body of work and creation of scholarly and/or original work, either as a team or as an individual. The honoraria review committee evaluates these bodies of work and assigns award amounts based on the number of achievement categories.

ETHICS AND FRAUD REPORTING

Fraud Reporting. Article IX, Section 7.09, General Appropriations Act (87th Legislature)

A “Fraud and Ethics Reporting” link on the bottom of the front page of the San Jacinto Community College District website instructs users how to report fraud, waste, and abuse, which includes links to the State Auditor’s Office website. A link to Board *Policy III.3003.B* and related *Procedure III.3003.B.a, Prevention of Fraud and Fraudulent Actions* are also included. Included within this procedure are instructions for reporting incidents directly to the State Auditor’s Office.

Texas Government Code, Section 321.022 Coordination of Investigations.

San Jacinto Community College District has procedures regarding fraud incorporated into its Board *Policy III.3003.B* and related *Procedure III.3003.B.a, Prevention of Fraud and Fraudulent Actions*.

Ethics Point Anonymous Reporting Hotline

San Jacinto College recognizes its obligation to employees and constituents to maintain the highest ethical standards and has established Ethics Point to provide a way for employees to anonymously and confidentially report concerns that may involve financial misconduct, suspected wrongdoing or fraudulent behavior.

If a college employee observes behavior that they believe violates college policies and/or procedures, ideally, they should bring any concerns forward to their direct supervisor, Strategic Leadership Team (SLT) member or other member of management. However, the college recognizes that there may be circumstances when the employee is not comfortable reporting issues in this manner. It is for such circumstances that the college has partnered with Ethics Point, to allow an employee to report concerns and remain anonymous. Employees can access the Ethics Point reporting site directly from the main page of the college’s website.

During FY22 the college has received three reports via Ethics Point (as of August 12, 2022). None of these reports rose to the level of financial misconduct, suspected wrongdoing or fraudulent behavior; however, the appropriate SLT member reviewed each of these cases and the appropriate action has been taken to resolve each report, when necessary.

AUDIT/REVIEW OBSERVATIONS

The following are the audit observations noted during the year and the current status of each corrective action plan (CAP). Observations noted during grant sub-recipient reviews were presented to management and the sub-recipients in September 2021, but CAPs were not required. Since these reviews do not represent the college’s deficiencies or needed improvements, they are not listed here. Twelve CAPs were received during FY22 and as of August 2022, seven remain outstanding or have not been verified as complete and require some sort of follow-up by the Internal Audit Department.

Audit/Review	Audit/Review #	Report/Memo Issue Date	Observation	Corrective Action Plan	Status
Required Training Compliance – Students	21-110	September 23, 2021	Credit students who initially enrolled for Fall 2019 and/or Spring 2020, after HB 1735 took effect, do not show completion of such training in Banner and do not have a registration hold placed on their account.	Compliance and Judicial Affairs will be following the Internal Audit’s	Complete
Required Training Compliance – Employees	21-111	November 19, 2021	There is inadequate follow-up performed to ensure that employees complete required training at the college.	OTD will issue reports & reminders to the SLT listing employees who have not completed the required trainings.	Complete
SJC Promise	22-102	December 16, 2021	Several issues were noted with the eligibility of continuing students to remain in the SJC Promise program.	We agree with Internal Audit’s recommendation.	Not Complete – Full Audit in FY23
SJC Promise	22-102	December 16, 2021	The spreadsheet utilized to calculate student SJC Promise awards is cumbersome and lacks the efficiency necessary for the wider rollout of the program throughout the taxing district.	We agree with Internal Audit’s recommendation.	Not Complete – Full Audit in FY23

AUDIT/REVIEW OBSERVATIONS *continued*

Audit/Review	Audit/Review #	Report/Memo Issue Date	Observation	Corrective Action Plan	Status
SJC Promise	22-102	December 16, 2021	There have been no reconciliations of program outlays against what is invoiced to the SJC Foundation since the program began in September 2020.	We agree with Internal Audit's recommendation.	Complete
SJC Promise	22-102	December 16, 2021	While there are overall student requirement guidelines as part of the SJC Promise program, there are a lack of documented internal procedures for the various administrative functions related to the program.	We agree with Internal Audit's recommendation.	Complete
SJC Promise	22-102	December 16, 2021	Key records related to SJC Promise appeals are not retained in accordance with record retention guidelines.	We agree with Internal Audit's recommendation.	Complete
Dual Credit – MOUs <i>(memorandums of understanding)</i>	22-103	May 3, 2022	Although the college lists dual credit partnerships with nine area private high schools, as well as home school students on the dual credit website, there is currently no Memorandum of Understanding (MOU) in place with these entities.	Dual Credit agrees with the proposed recommendation and will develop MOUs for all listed private schools. Dual Credit will also develop a single home school template for all home school students.	Estimated Completion: December 2022

AUDIT/REVIEW OBSERVATIONS *continued*

Audit/Review	Audit/Review #	Report/Memo Issue Date	Observation	Corrective Action Plan	Status
Dual Credit – MOUs <i>(memorandums of understanding)</i>	22-103	May 3, 2022	The current method by which grades are calculated for dual credit students is an administrative burden not mandated by the MOUs nor in line with the process of other peer institutions in Texas.	A proposal has already been submitted to our administration requesting that we no longer supply our ISD partners with numerical grades.	Estimated Completion: Determined by Administration
Dual Credit – MOUs <i>(memorandums of understanding)</i>	22-103	May 3, 2022	The current methods for dual credit billing are complex and inconsistent between institutional partners and creates an inefficient administrative burden not mandated by the MOUs.	Work is underway currently on new MOUs for both the dual credit and ECHS programs. Dual Credit and the Business Offices have held several meetings to discuss the best way to move forward with billing arrangements.	Estimated Completion: April 2023
Dual Credit – MOUs <i>(memorandums of understanding)</i>	22-103	May 3, 2022	While current agreements with partner institutions are compliant with applicable state law surrounding dual credit programs, all agreements initiated after September 1, 2021, are required to have additional terms and conditions mandated by the Texas Administrative Code.	No corrective action required as this is a best practice observation/recommendation	N/A
HVACR <i>(Heating, Ventilation, Air Conditioning and Refrigeration)</i> – South Campus	22-105	May 9, 2022	None	N/A	N/A

AUDIT/REVIEW OBSERVATIONS *continued*

Audit/Review	Audit/Review #	Report/Memo Issue Date	Observation	Corrective Action Plan	Status
HVACR (<i>Heating, Ventilation, Air Conditioning and Refrigeration</i>) – North Campus	22-104	May 11, 2022	The North Campus HVACR program utilized a vendor for services without an executed agreement, outside of the normal vendor solicitation process and deposited these funds into a student club account.	HVACR will ensure that, going forward, all scrap metal is disposed in a manner that follows college procedures. The department is in the process of transferring the funds provided to the club back to a college fund.	Estimated Completion: May 2022
Contract Administration	22-101	June 9, 2022	<p>There are several issues surrounding the rates that are invoiced to the college, including:</p> <ul style="list-style-type: none"> • Rates not matching the contract. • Invoices billed via lump sum (no detail). • Invoices not detailed enough to verify that charges match the contract. • Contract discounts not outlined on the invoice, eliminating the ability for the reviewer to determine if the contracted discount was provided. • Items purchased not included within the contract. 	Various areas (i.e., procurement, accounts payable, departmental contract owners, administrative assistants, and vendors) need to participate in the required changes to resolve the issues noted in this report. Based on the coordination involved, the Strategic Leadership Team (SLT) will need to work together through their respective areas to develop solutions college-wide.	Estimated Completion: August 2023
Payroll Distributions	22-107	August 25, 2022	None	N/A	N/A

San Jacinto Community College District
Annual Internal Audit Report
August 29, 2022

TIME REPORTED
As of August 25, 2022
2021-2022 AUDITS

Description	Hours	% of Total Hours
Direct Hours: Audits/Projects/Consulting		
Grants Subrecipient Monitoring (cont. from FY21)	58	1%
Grants Subrecipient Monitoring (current year)	174	3%
HVACR - North	149	3%
HVACR - South	136	3%
Contract Administration	360	7%
SJC Promise	293	6%
Dual Credit (MOUs)	206	4%
Automotive Technology	367	7%
Payroll Distributions	159	3%
Accounts Payable 2nd Follow-up	56	1%
Accounts Receivable 1st Follow-up	80	2%
ITS Assets 1st Follow-up	72	1%
Required Training Compliance - Employee 1st Follow-up	34	1%
Required Training Compliance - Student 1st Follow-up	39	1%
SJC Promise 1st Follow-up	54	1%
Student Organization 2nd Follow-up	48	1%
Tuition Waivers and Exemptions 1st Follow-up	80	2%
Tuition Waivers and Exemptions 2nd Follow-up	80	2%
Grants Consulting	59	1%
Cash Counts	163	3%
Pcards - Continuous Auditing	458	9%
Conflict of Interest Disclosures (Fall 2021)	54	1%
Risk Assessment/Annual Audit Plan & Report	241	5%
Internal Audit Outreach	288	6%
Miscellaneous Projects & Unplanned ^A	130	3%
Management Review ^B	436	9%
Total Direct Hours 2021-2022	4,274	86%
Indirect Hours:		
Administrative Tasks	359	7%
Training/CPE/Meetings/Research	363	7%
Total Indirect Hours 2021-2022	722	14%
Total Hours	4,996	100%

The Internal Audit Department's internal goal is to ensure at least 80% of all available hours are spent directly on audits and audit projects. This goal was achieved with 86% of available hours spent on direct audit activities.

^A – Misc. Projects & Unplanned includes participation on committees, financial reviews for purchasing department request for proposals, investigations, ethics training updates and projects that did not reach the level of an audit/review.

^B – Management Review includes review of internal audit staff workpapers and audit reports.

RISK ASSESSMENT PROCESS

The Internal Audit Department performed the annual risk assessment and developed the FY23 proposed audit plan as required by the San Jacinto Community College District's (SJCCD) Internal Audit Charter and the Institute of Internal Auditors' (IIA) Standards for the Professional Practice of Internal Auditing. The FY23 audit plan focuses on the high-risk areas that can be covered with the existing Internal Audit Department resources.

Audits that cannot be completed with current audit capacity result in an assumption of risk by the College.

Risk Assessment Process

The Internal Audit Department employs a risk-based methodology to assess the level of potential exposure that each of the functions and departments present to the organization from financial, operational and technological perspectives. A risk assessment is an effective tool to aid the Internal Audit Department in identifying and prioritizing high-risk areas within the College.

The first step in the risk assessment process is to identify all auditable units within the college and categorizing the units into logical functional areas. Internal Audit has identified over 200 auditable areas within SJCCD. Each auditable unit's appropriate "owner" or responsible individual is identified, and input is solicited from key management personnel via a risk assessment questionnaire. Based on experience with the auditable unit and the questionnaire filled out by the owner, we are able to gain a better understanding of college operations. Internal Audit then identifies significant risk variables (e.g., financial impact, prior audit activities, personnel and management conditions, etc.) in order to assess the level of risk for each auditable unit.

Based on the individual risk rating for each area, required follow-up reviews, recurring reviews and consulting activities the Internal Audit Department is proposing the audit plan on page 19 for submission and approval by the Board Finance Committee. Once approved, audits will be scheduled and performed by the Internal Audit Department. The annual audit plan is an active document that may need to be adjusted during the year. Audits may not take as much time as planned and/or situations may arise in an area which changes the need for an audit, for this reason alternate audits have been included in this audit plan.

PROPOSED 2022-23 AUDIT PLAN

The following proposed audit plan includes several alternate audits/projects and not all will be started and/or completed in FY23. The projects that can be completed will be affected by new or emerging priorities, special investigations, management requests, etc. Due to the increase in the number of grant sub-recipient monitoring activities required, audit resources available for risk-based projects have diminished. The scope of each of the proposed audit/project listed below will be developed once the Internal Audit Department further delves into each area and can begin to evaluate the current state of affairs. This proposed plan is awaiting the approval by the Board Finance Committee.

Audit/ Project Description
<i>Finalize Audits In Progress at the end of FY22</i>
Fiscal Affairs: Grants Subrecipient – DOL - Alamo Colleges District
Fiscal Affairs: Grants Subrecipient – DOL - Dallas College
Fiscal Affairs: Grants Subrecipient – DOL - Austin Community College District
Fiscal Affairs: Grants Subrecipient – DOL - IBM
Fiscal Affairs: Grants Subrecipient – DOL - Cerner
Fiscal Affairs: Grants Subrecipient – DOL - Lockheed Martin
Fiscal Affairs: Grants Subrecipient – NSF - Houston Community College
Fiscal Affairs: Grants Subrecipient – NSF – Rice University
Fiscal Affairs: Grants Subrecipient – DOE – Alvin Community College
Fiscal Affairs: Grants Subrecipient – DOE – Lamar Institute of Technology
Deputy Chancellor: Automotive Technology
<i>Recurring Audits/Reviews</i>
College-wide: Surprise Cash Counts
Fiscal Affairs: Pcard Continuous Auditing
Fiscal Affairs: Grants Subrecipient – DOL - Austin Community College District
Fiscal Affairs: Grants Subrecipient – DOL - IBM
Fiscal Affairs: Grants Subrecipient – DOL - Cerner
Fiscal Affairs: Grants Subrecipient – DOL - Lockheed Martin
Fiscal Affairs: Grants Subrecipient – DOL – Xpanxion
Fiscal Affairs: Grants Subrecipient – DOL – Catalyte
Fiscal Affairs: Grants Subrecipient – NSF - Houston Community College
Fiscal Affairs: Grants Subrecipient – NSF – Rice University
Fiscal Affairs: Grants Subrecipient – DOE – Alvin Community College
Fiscal Affairs: Grants Subrecipient – DOE – Lamar Institute of Technology

PROPOSED 2022-23 AUDIT PLAN *continued*

Audit/ Project Description
<i>Audits Based on Risk Assessment</i>
College-wide: Minors on Campus (Compliance with Texas Education Code 51.976)
Deputy Chancellor: Dual Credit (Billings)
Deputy Chancellor: SJC Promise (Full Rollout)
Deputy Chancellor: Faculty Loads
Deputy Chancellor: Culinary - North
Deputy Chancellor: Fire Protection Technology - Central
Deputy Chancellor: Hazlewood Exemptions
Strategic Initiatives: Contract Training Invoicing
Strategic Initiatives/Fiscal Affairs: DOL Texas is IT Grant
Deputy Chancellor: Process Technology - Central Campus
<i>Follow-up Audits</i>
Deputy Chancellor: Dual Credit (MOUs)
Deputy Chancellor: HVACR- North
Deputy Chancellor: Automotive Technology
ITS: ITS Assets
<i>Consulting and Other Activities</i>
College-wide: Internal Audit Outreach
College-wide: Conflict of Interest
College-wide: Risk Assessment/Annual Audit Plan & Report
College-wide: Committee Involvement
College-wide: JCAR (Junior College Audit Report on Safety and Security) Status
Fiscal Affairs: Internal Audit Quality Assessment Review Self-Assessment

DOL – Department of Labor
 NSF – National Science Foundation
 DOE – Department of Education