



## **AGENDA**

### **AUDIT COMMITTEE OF THE BOARD OF TRUSTEES**

#### **Committee Member**

*Dr. Pretta VanDible Stallworth, Chair*

*Trustee Monica Richart*

*Trustee Dave Wilson*

#### **Alternate Member**

*Trustee Eva Loreda*

**May 1, 2024**

**3:30 PM**

**3100 Main Street, 2nd Floor Auditorium, Houston, Texas 77002**

**NOTICE OF A MEETING OF THE  
*Audit Committee*  
OF THE BOARD OF TRUSTEES  
  
HOUSTON COMMUNITY COLLEGE**

**May 1, 2024**

Notice is hereby given that a Meeting of the Audit Committee of the Board of Trustees of Houston Community College will be held on Wednesday, May 1, 2024 at 3:30 PM, or after, and from day to day as required, 3100 Main Street, 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**

- A. Opportunity for Public Comments

**II. Topics For Discussion and/or Action:**

- A. Internal Audit Status Report
- B. Report on Quarterly Control and Compliance Attestation

**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**

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**

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

**C. Real Estate Matters**

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, employee or board member to hear complaints or charges against an officer, employee or board member unless the officer, employee or board member 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.

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 NOTICE**

On this **26th day of April 2024**, 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) the HCC Administration Building of the Houston Community College, 3100 Main, First Floor, Houston, Texas 77002 and (2) the Houston Community College's website: [www.hccs.edu](http://www.hccs.edu).

Posted By:

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Sharon R. Wright  
Director, Board Services

# REPORT ITEM

Meeting Date: May 1, 2024

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
A.	Internal Audit Status Report	Dr. Margaret Ford Fisher Terry Corrigan

**DISCUSSION**

The Internal Auditor meets quarterly with the Audit Committee to discuss the status of the annual audit plan and to review the follow-up report on audit observations from previously completed audits.

**COMPELLING REASON AND BACKGROUND**

Board Policy CDC (LOCAL) requires the Internal Auditor to meet regularly with the Audit Committee to review audits performed, audits in progress, future audits, and sufficiency of the Department resources. This is the quarterly status update per the Board of Trustees adopted Audit Committee Action Calendar.

**FISCAL IMPACT**

Department functions per approved operating budget.

**STRATEGIC ALIGNMENT**

1. Student Success, 5. College of Choice

**ATTACHMENTS:**

Description	Upload Date	Type
Internal Audit Status Report	4/23/2024	Presentation
Detail FY 2024 IA Plan Status Report	4/24/2024	Attachment
Audit Observations Follow-up Report May 2024	4/24/2024	Attachment
MJ Recommendations Follow-up Report-Apr 2024	4/10/2024	Attachment

**This item is applicable to the following:** District



# **Internal Audit Status Report**

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**Dr. Margaret Ford Fisher, Chancellor  
Terry Corrigan, Director Internal Audit**

**May 1, 2024**

# Internal Audit Status Report

## Contents

### Presentation

- Summarized Internal Audit Status Information
- Follow-up on Observation Action Plans
- External Audit/Review Activity

### Information Attachments

- Detailed FY 2024 Internal Audit Plan Status Report
- Audit Observations Follow-up Status Report
- McConnell & Jones Recommendations Follow-up Status Report

# Summarized Internal Audit Status Information

(Detailed FY 2024 Internal Audit Plan Status Report attachment is included in package)

## Projects completed since last status report

1. 22-O-1 Deferred Maintenance
2. 23-O-1 Asset Management
  - Facilities
  - Information Technology
3. 24-S-2 Special Projects & Examinations
  - New Funding Enrollment Information
  - Complaints Grievance Process Information
2. 24-C-1 Campus Safety and Environmental
  - Central College
  - Northeast College
  - Coleman College



# Summarized Internal Audit Status Information (continued)

## Projects in finalization stage

1. 21-C-2 Cares Act – HEERF III

# **Summarized Internal Audit Status Information (continued)**

## Projects in Progress

1. 24-C-2 SB 17 New DEI Regulation
2. 24-O-1 IT Disaster Recovery
3. 24-A-3 Internal Quality Assurance Review
4. 24-A-8 Global Internal Audit Standards Transition  
(new standards to be effective January 2025)

# **Summarized Internal Audit Status Information (continued)**

## FY 2024 Plan Future Projects

1. 23-C-2 Payment Card Industry (PCI) Data Security (new regulations to be effective March 2025)
2. 23-C-3 Title IX (new rules issued April 19, 2024, to be effective August 1, 2024)
3. 24-O-2 Student Mental Health

# **Summarized Internal Audit Status Information (continued)**

## Projects waiting on programs implementation

1. 19-C-2 Web Content Accessibility Guidelines (implementing CR2 REGULATION and OCR Agreement)
2. 19-S-3 Campus Security & Safety (using Berkeley Research Group & Robb (Uvalde) reports to establish security program)

# Observation Action Plans Follow-up

Follow-up information attachments are included in the package:

1. Audit Observations Follow-up Status Report
2. McConnell & Jones Recommendations Follow-up Status Report

# **External Audit/Review Activity**

## HCC Procured Services

Financial statements external auditor procurement is in process.

## Regulatory Imposed

Triennial Campus Safety & Security Audit – Texas Education Code 37.108 & 37.109 establishes the standards. The Texas School Safety Center has regulatory oversight responsibility.

**Thank You**

**Questions?**

## FY 2024 Audit Plan Status Report SUMMARY as of April 25, 2024

Audit Projects	Project Number	FY 2024 Plan Est Hrs	YTD 2024 Actual Hours	Over (Under)	Stage	Fieldwork Planned	Estimated Report Completion	Final Report Issued
<b>Operational Audit Projects</b>								
*Deferred Maintenance	22-O-1	480	227	(253)	Complete	5/5/23-2/2/24	03/01/24	03/07/24
*Asset Management	23-O-1	160	692	532	Complete	1/2/23-2/2/24	03/01/24	04/10/24
IT Disaster Recovery	24-O-1	640	90	(550)	Fieldwork	1/29/24-5/31/24	06/14/24	
Student Mental Health	24-O-2	480	68	(412)	Not Started	5/1/24-7/26/24	08/16/24	
<b>Compliance Audit Projects</b>								
*Web Content Accessibility Guidelines Review - Follow-up	19-C-2	120	-	(120)	Implementing	5/13/19-8/31/24	On Hold	N/A
*Cares Act - HEERF III	21-C-2	160	311	151	Reporting	9/1/22-5/10/24	05/31/24	
*Payment Card Industry (PCI) Data Security Standard (DSS)	23-C-2	480	54	(426)	Planning	1/29/24-7/26/24	08/16/24	
*Title IX	23-C-3	480	-	(480)	Roll - FY 2025	N/A	N/A	N/A
Campus Safety & Environmental Operations Management	24-C-1	320	91	(229)	N/A	N/A	N/A	N/A
Central College	24-C-1-1	240	186	(54)	Complete	2/19/24-3/30/24	04/19/24	04/25/24
Northeast College	24-C-1-2	240	180	(60)	Complete	2/19/24-3/30/24	04/19/24	04/25/24
Coleman College	24-C-1-3	240	114	(126)	Complete	2/19/24-3/30/24	04/19/24	04/24/24
SB 17	24-C-2	240	35	(205)	Fieldwork	9/25/23-7/26/24	08/16/24	
<b>Advisory Services Projects</b>								
*Campus Security	19-S-3	80	-	(80)	Implementing	9/1/21-8/31/24	On Hold	N/A
Committees & Task Forces	24-S-1	240	169	(71)	N/A	9/1/23-8/31/24	N/A	N/A
Special Projects & Examinations	24-S-2	1,600	31	(1,569)	N/A	9/1/23-8/31/24	N/A	N/A
New State Funding Model Transition	24-S-2-1	-	-	-	Ongoing	N/A	N/A	N/A
Security Program Dashboard Updates	24-S-2-2	-	-	-	Ongoing	N/A	N/A	N/A
Student Enrollment Information	24-S-2-3	-	184	184	Complete	9/1/23-2/9/24	03/01/24	02/28/24
Facilities and Property Information	24-S-2-4	-	59	59	Complete	9/1/23-11/17/23	12/15/23	12/14/23
Succession Planning Information	24-S-2-5	-	13	13	Complete	9/1/23-11/3/23	11/17/23	12/04/23
Complaints Grievance Process Information	24-S-2-6	-	505	505	Complete	9/1/23-2/9/24	03/01/24	04/24/24
Annual THECB Analysis	24-S-2-7	-	173	173	Complete	9/1/23-11/17/23	12/15/23	12/14/23
Contracted Services Report	24-S-2-8	-	121	121	Complete	9/1/23-11/3/23	11/17/23	11/06/23
Less Than \$100,000 Payments Report	24-S-2-9	-	138	138	Complete	9/1/23-11/3/23	11/17/23	11/06/23



ERM Top 10 Risks Baseline Assessment	24-S-3	-	5	5	Planning	2/21/24-8/31/24	N/A	N/A
<b>Administrative Projects</b>								
FY 2025 Audit Planning & ERM Assessment	24-A-1	720	309	(411)	Ongoing	9/1/23-7/19/24	08/07/24	
TeamMate IA Management System	24-A-2	320	23	(297)	Ongoing	9/1/23-8/31/24	N/A	N/A
Internal Quality Assurance Review	24-A-3	320	2	(318)	Not Started	6/3/24-7/26/24	08/16/24	
FY 2024 Annual Audit Report	24-A-4	40	31	(9)	Planning	8/5/24-9/20/24	10/02/24	
External Audits Monitoring	24-A-5	80	1	(79)	Ongoing	9/1/23-8/31/24	N/A	N/A
Lunch and Learns	24-A-6	160	53	(107)	Ongoing	9/1/23-8/31/24	N/A	N/A
Newsletters	24-A-7	80	14	(66)	Ongoing	9/1/23-8/31/24	N/A	N/A
Global Internal Audit Standards Transition	24-A-8	80	21	(59)	Ongoing	9/1/23-8/31/24	N/A	N/A
<b>Observation Action Plan Follow-ups</b>								
Observation Action Plan Follow-ups	24-F-1	244	121	(123)	Ongoing	9/1/23-8/31/24	N/A	N/A
<b>Total Audit Projects</b>		<b>8,244</b>	<b>4,021</b>	<b>(4,223)</b>				

\* Project rolled over from FY 2023 Audit Plan

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
23-C-4 Board Expenditures	1	<p>IA observed that the wording in the BBG (LOCAL) policy is vague and lacks the appropriate amount of detail for some travel guidelines. IA noted opportunities to strengthen the wording in the policy in the following three specific areas:</p> <p>1) Economy Fare HCC Policy BBG (LOCAL) states that "air travel shall be reimbursed at the rate of economy fare with advance booking. If travel is booked in a more expensive class, the difference in the fare booked and the economy fare shall not be reimbursed by the College District". The BBG (LOCAL) policy in its current state fails to provide a definition of an economy fare. BBG (LOCAL) policy should be revised to provide a clear definition of allowable economy air fares and list other acceptable air fare fees.</p> <p>2) Receipts Requirement HCC Policy BBG (LOCAL) states that "all requested reimbursable expenses, including tips, bus, taxi, shuttle or ground transportation must be supported by receipts. Board members shall submit a notarized affidavit verifying expenses when receipts are not available". IA noted receipts were provided with the travel expense reimbursement forms; however, some of the receipts lacked pertinent information. BBG (LOCAL) policy guidelines should be revised to include wording that requires all receipts to be "itemized receipts".</p> <p>3) Lodging Policy BBG (LOCAL) states that "lodging shall be reimbursed at the rate of a single occupancy room (plus tax) or the published conference room rate". IA noted that the policy does not provide details for when lodging exceptions may be required. Also, hotel accommodations have changed from the current language in the policy. The policy guidelines for lodging should be reviewed and updated to more accurately reflect the current hotel travel accommodations. Details should be added to the policy to address situations when hotel upgrades may be necessary to accommodate a Board member.</p>	<p>HCC Policy BBG (Local) guidelines should be revised to address the noted observations. The current policy language is outdated as hotels rarely charge to change the room type; however, upgrades may be necessary based on room circumstances such as construction or accessibility. Also, airfare fare is based on the fare availability at the time of booking, which may vary depending on receipt of a response from the Trustee regarding flight preference. The following actions will be taken to address the IA observation:</p> <p>1. Update the HCC Policy BBG (Local) and develop travel guidelines regarding lodging and airfare.</p> <p>2. In discussion with Board Counsel, Board Services will include an overview of the travel policy guidelines as part of the Board's annual Governance training as a refresher for the Trustees.</p>	Director, Board Services	In Progress 6/30/2024

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
21-O-5 Construction Cost Management	2	While HCC Facilities has controls in place to ensure construction cost management processes are performed in a way that helps HCC meet its business objectives without introducing unnecessary risks, those processes are not formally written and documented. The HCC Facilities Department needs to deploy control activities through written departmental policies that establish expectations in the construction cost management process and procedures to put those policies into action.	Policies and procedures governing construction cost management will be implemented per the audit recommendation and have been drafted (roughly 50% complete). Once a new Executive Director of Facilities/Capital Improvement Projects is hired, they will have primary responsibility for implementing and enforcing the policies and procedures when adopted.	Executive Director of Facilities/Capital Improvement Projects	In Progress 6/30/2024
23-C-1-3 Southwest College Campus Safety & Environmental Operations Management	6	Two classrooms and one storeroom had fume hoods that were not working properly.	Vendor has been contacted for repairs and certification of fume hoods.	COO; Campus Manager; EHS Manager	In Progress 9/30/2024
23-O-1 Asset Management – Library	1	<p>The Facilities Department's Asset Management Procedures require that Department Heads establish accountability for HCC property under their control to secure the equipment from loss, theft, and potential damage. Internal Audit conducted a review of laptops and Chromebook assets under the control of HCC Library and noted the following:</p> <ul style="list-style-type: none"> <li>· 8 laptops and 12 Chromebooks were reported missing by the HCC library department.</li> <li>· Students self-reported that 14 loaned laptops and 87 loaned Chromebooks were lost or stolen.</li> <li>· 2 loaned laptops and 11 loaned Chromebooks were claimed to have been returned by the students but are not in the HCC libraries inventory.</li> <li>· Currently there are 2 loaned laptops overdue by more than 1 year and 2 Chromebooks overdue by more than 2 years.</li> </ul> <p>To enhance the controls related to the HCC Library laptop and Chromebook assets the existing policies and procedures should be updated to include the following:</p> <ul style="list-style-type: none"> <li>a) Require at least annual reconciliations of the Sierra asset information such as asset tag, serial ID, and the device location to the device information stored in the AMS.</li> <li>b) Require asset counts be performed at least annually and the counts documentation be maintained.</li> </ul>	<p>1) Each May, the Library will reconcile Sierra asset information to the information stored in the AMS system.</p> <p>2) Each May, the Library will perform and document asset counts, categorize the device as lost when it has been overdue for over 1 year, request IT to lock down the lost device, and file an HCC police report for the loss.</p>	Director, Library Support Services	1) & 2) In Progress Asset counts 5/15/2024

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
23-O-1 Asset Management – Fleet	1	Fleet Management procedures require all vehicles to be serviced every 3,000 miles or as specified by the manufacturer. Internal Audit examined preventive maintenance (PM) records for the vehicles under the control of Fleet Management and noted the following: 1. Two PMs on 1 vehicle were performed more than 1,000 miles past the manufacturer's recommended schedule. 2. Five vehicle PMs were not documented. To enhance the controls related to the HCC vehicle PMs, Fleet management should establish a reminder system to ensure routine maintenance is performed timely and retain the PM records.	Fleet Management is committed to implementing impactful measures to ensure the continued optimal performance of our fleet. Our response encompasses the following strategic actions: 1) Implementation of a Reminder System: Fleet Management will introduce a robust reminder system aimed at fostering timely and consistent routine maintenance. This dynamic system will proactively generate notifications, serving as essential reminders for responsible personnel. These reminders will effectively prompt the timely execution of impending maintenance tasks. 2) Establishing Comprehensive PM Records Management: Fleet Management will institute a meticulous and systematic process for the comprehensive retention of PM records. This process will meticulously document all maintenance activities, ensuring precise and accurate record-keeping. This initiative will significantly augment our ability to monitor maintenance history and performance.	Fleet Management/ Fleet Custodians/ Drivers	In Progress 5/31/2024
	2	Fleet Management procedures require that drivers conduct pre-and post-operation vehicle inspections. Any identified deficiencies must be documented in the vehicle report at the end of the day. A pre-trip inspection ensures the vehicles are safe to be driven and reduces the opportunity to break down on the road. Internal Audit conducted a review of the vehicle assets under the control of Fleet management and was informed that pre-trip inspection and vehicle reports are not being completed and retained. To enhance the controls related to the HCC vehicles, Fleet management should require each driver to perform the pre-trip inspections.	Fleet Management is dedicated to implementing impactful measures aimed at enhancing controls related to HCC vehicles. These measures will ensure the safety and reliability of our vehicles and promote a culture of thorough vehicle checks. Our response includes the following steps: 1. Comprehensive Pre-trip Inspection Checklist: Fleet Management will establish a mandatory pre-trip inspection checklist that each driver must adhere to before operating any vehicle. 2. Documenting and Retaining Inspection Reports: Fleet Management will establish a systematic process for documenting and retaining pre-trip inspection reports. This process will guarantee the proper recording of inspection outcomes, aiding in maintenance planning and ensuring compliance.	Fleet Management/ Fleet Custodians/ Drivers	Complete 4/10/2024
20-O-1 Enrollment Review	1	Student Services reported Enrollment Projections to the Board on April 19, 2023, including a list of 5 immediate next steps needed to maintain momentum toward achieving enrollment goals. IA concurs with this analysis of primary steps urgently needed to enable HCC to reach enrollment goals and transition to the new State Appropriation "Performance Based Funding Model". These 5 steps are as follows:			
		1. Develop a strategic enrollment management plan (SEM).	Trellis Foundation has been contracted to provide guidance through the strategic plan development. A SEM taskforce will be established and work teams created.	Interim VC Student Service/ Interim AVC Enrollment Management	Complete 3/31/2024
			SEM management plan will be developed and recommendations submitted for Board of Trustees approval.		In Progress 8/31/2024
			District-wide townhalls will be held to introduce the SEM to internal and external stakeholders.		In Progress 10/31/2024

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
		3. Outline resources required to strengthen enrollment and retention efforts.	This is addressed with both the Quality Enhancement Plan and Student Success Framework and Caring Campus Initiative. The Student Support Team provides resource information through ongoing workshops, the student portal, and the refined website.	Interim VC Student Service/ Interim AVC Enrollment Management	Complete 2/5/2024
		4. Invest in a CRM and resources to develop a 360-degree perspective of students in the enrollment funnel.	Student Services leadership along with project manager assigned are building out an interim solution while a permanent solution is being determined. An interim solution has been requisitioned and is being developed that is expected to launch at the end of May. Then the solicitation process for a more permanent solution will begin.	Interim VC Student Service/ Interim AVC Enrollment Management	In Progress 5/31/2024
		5. Provide students with a primary contact / mentor to support them throughout their student experience.	This is addressed with the Pathway Advisor Model. At the beginning of the first semester that a student is enrolled, a pathways advisor is assigned to the student. The effectiveness of the program will be assessed.	Interim VC Student Service/ Interim AVC Enrollment Management	In Progress 5/31/2024
	2	Anecdotal reports clearly indicate that prospective students frequently have trouble navigating the website admissions and enrollment processes. Stopping the resulting enrollment losses will also be key to recovering and growing enrollment numbers. A project to identify and remediate the causes of website navigation failures is urgently needed.	HCC acquired a firm to conduct a study of the processes provided on our website as it relates to admissions and enrollment processes. The study provided recommendations for making improvements to our processes for admissions and enrollment. The website workflow for the admissions and enrollment processes have been improved.	Interim VC Student Service/ Interim AVC Enrollment Management	Complete 2/29/2024
20-O-2 IT Cyber & Data Security and Governance Audit	1	Internal Audit reviewed HCC IT Cyber Security staff job responsibilities for appropriateness. This appeared appropriate. Additionally, IA compared staffing size against similar sized peers and with third party studies and noted an area for improvement. The staffing level is minimal for a college of this size. HCC should evaluate the possibility of increasing staffing for full-time HCC IT Cyber Security to eight employees. This would help strengthen the institution's resiliency against cyber-attacks.	IT management will proceed with providing justification and a formal request for additional cyber security team staffing. Approval of IA's recommended increased headcount and associated funding for the additional positions will be requested over the course of the current and ensuing fiscal years.	Director, Cyber Security & Compliance	In Progress 8/30/2024
22-O-1 Deferred Maintenance	1	During interviews with the Facilities department personnel, it was determined that HCC Facilities has processes in place for identifying, risk assessing, prioritizing, cost tracking, and reporting deferred maintenance projects. However, these processes are not formally written and documented. The HCC Facilities Department should create written departmental procedures for deferred maintenance to help control activities and establish expectations. The procedures should document the steps used to assess and prioritize deferred maintenance projects. In addition, all agendas and minutes from meetings held with subject matter experts (SMEs) to assess and determine the priority of deferred maintenance projects should be documented and maintained.	The firm that is awarded the project of updating the 2019 Facilities Condition Assessment will create current industry best practices for the departmental procedures for identifying, assessing, prioritizing, and tracking deferred maintenance projects.	Chief Facilities Officer/Executive Director, Maintenance and Auxiliary Services	In Progress 8/31/2025

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	2	<p>During the review of processes and procedures in place to identify, assess and prioritize deferred maintenance projects, it was determined that a Facilities Condition Assessment was performed in 2019. Industry best practices indicate regular inspections and condition assessments should be performed, at least every five years. The HCC Facilities Department should recommend to the Board of Trustees that an updated Facilities Condition Assessment be performed. An updated FCA will:</p> <ul style="list-style-type: none"> <li>•Help Facilities assess the current condition of College buildings and properties.</li> <li>•Provide more accurate and actionable data to assist Facilities in assessing DM needs.</li> <li>•Help Facilities prioritize budgetary needs and establish maintenance and repair timelines.</li> <li>•Enable better capital planning and forecasting.</li> <li>•Ensure compliance with industry standards and safety requirements.</li> <li>•Help better estimate deferred maintenance expenses.</li> </ul>	HCC Facilities department in conjunction with HCC Procurement department will request approval from the Board of Trustees to engage with an appropriate firm to update the 2019 Facilities Condition Assessment.	Chief Facilities Officer/Executive Director, Maintenance and Auxiliary Services	In Progress 8/31/2025
23-O-1 Asset Management - Information Technology	1	<p>IA observed various discrepancies with departmental IT asset inventory. The discrepancies are detailed in the report Attachment. IA noted that HCC does not have a written policy that details HCC's expectations for managing IT assets. IA recommends an HCC policy regulation be written and submitted to the Chancellor's Executive Committee (CEC) for approval to manage IT assets. IA suggests that the regulation cover the following elements:</p> <ul style="list-style-type: none"> <li>•Onboarding: Workflow from HCC IT to the customer. This would include departmental technology assets from general purchase, grant funded, and donated items. The HCC IT department should be the initial recipient of controlled and capitalized IT assets inclusive of computers, servers and network equipment. This would help ensure that these types of assets are properly recorded, set up, secured, managed, configured and safe to use on the HCC network.</li> <li>•Monitoring: Annual inventory count and reconciliation by a designated party, movement forms completed when assets are moved and transferred to another location.</li> <li>•Offboarding: Workflow from IT asset custodians to HCC IT when employees leave HCC or transfer to other departments.</li> <li>•Training: Required training details.</li> <li>•Review and monitoring oversight: Required by directly responsible individuals.</li> <li>•Enforcement: Accountability, disciplinary action for policy offenders.</li> </ul>	The Information Technology (IT) department will work collaboratively with the Facilities department and OGC in the development of an asset management regulation to include all controlled and capitalized HCC technology equipment lifecycle management (onboarding, monitoring and offboarding).	Chief Facilities Officer/Chief Information Officer	In Progress 8/31/2024

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	2	IA selected network equipment to review. IA noted the age and vendor support of the devices. Many of the devices are approaching their end of life for support. The existing funding model is not sufficient for HCC's IT operations. Not having sufficient funding to meet HCC's IT needs jeopardizes HCC in meeting their goal to the college of choice and achieving student success. Presently, the IT budget allocation received from student technology fees has been consistently underfunded. These tech fees provide the revenue for all IT equipment needs including computers for faculty and staff, classroom projectors, computer labs, network equipment, servers, and data storage. However, these fees are based on student enrollment. The fee amount was established years ago and is not based on IT equipment operations actual budget needs. For HCC IT to operate in an efficient and effective manner, HCC IT should receive sufficient IT operating equipment funding in the annual budgeting process. Having sufficient funding would help alleviate unnecessary downtime, security vulnerabilities, and ensure a smooth transition to new hardware when aging equipment needs to be retired.	The Information Technology department will prepare the Technology replacement budget in accordance to the recommended technology equipment lifecycle replacement plans.	Chief Information Officer	Complete 2/29/2024
23-O-1 Asset Management - Facilities	1	The Asset Management Procedures manual requires a physical asset count of all assets to be completed at least once a year. The two previous annual counts were performed in January 2022 and May 2023. In coordinating the annual asset counts, the Asset Management team (AM) counted non-IT assets and reconciled non-IT asset information from selected departments and campuses. The annual counts were not 100% asset reconciliations. In IA's review of assets, many discrepancies were noted as detailed in the report. IA recommends the following: 1) The Annual Inventory Procedures be updated to require the Asset Management team obtain asset reconciliation sheets from all departments and campuses to ensure 100% of fixed assets are reconciled. 2) All assets be included in the annual asset reconciliations. 3) Ensure the asset's location, tag number, and serial ID in PeopleSoft are correctly recorded, and the status is current.	Asset Management has updated the procedures to ensure that all locations provide results of a physical inventory and that 100% of assets are reconciled. Additionally, AM will ensure that the location, tag number, and serial ID are current and correct.	Chief Facilities Officer/Asset Management Staff	Complete 4/10/2024

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
24-C-1 Campus Safety & Environmental Operations Management	1	Historically, HCC has maintained safety data sheets (SDS) in a hard copy format, leading to inefficiencies in storage, retrieval, and updating as indicated by ongoing observations related to missing SDS and incomplete chemical inventories. With advancements in technology, digital solutions offer a more streamlined and effective approach to managing SDS information. Internal Audit recommends that EH&S submit a proposal to HCC Administration to implement an online SDS service.	EHS is working with Procurement on securing this service from a vendor.	EHS Manager	In Progress 9/30/2024
24-C-1-1 Central College Campus Safety & Environmental Operations Management	1	Obstruction of safety equipment, such as eyewash stations and portable fire extinguishers, was noted in eight classrooms. All obstructions of safety equipment were corrected on site. No further action is necessary.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	2	Safety data sheets were not readily available in seven classrooms and/or labs. One exception, WWH 417, was corrected on site as instructor removed chemical from the lab. The remaining six exceptions were corrected prior to the issuance of report.	All action plans have been completed.	COO; Campus Manager	Complete 4/24/2024
	3	Five classrooms/labs did not have a Hazard Communication Program available as required by chemicals being maintained. Exceptions were corrected prior to the issuance of report.	All action plans have been completed.	COO; Campus Manager	Complete 4/24/2024
	4	Five classrooms and one prep room did not contain an accurate inventory list of hazardous chemicals known to be present. Exceptions were corrected prior to the issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	5	Five classrooms/labs did not have appropriate signs present indicating hazard information. All exceptions were corrected on site by the Environmental Health and Safety team.	All action plans have been completed.	EHS Manager	Complete 4/24/2024
	6	Three classrooms had a fire extinguisher that did not contain a current (within one month) inspection tag. All noted exceptions were corrected prior to the issuance of report.	All action plans have been completed.	EHS Manager	Complete 4/24/2024
	7	Two classrooms did not have eyewash stations available when chemicals and materials on hand required an eyewash be present for immediate emergency use. One eyewash station was not working properly in JBW 118. The equipment was repaired on site by EHS.	A requisition is being drafted for work in JBW 105 and 223.	EHS Manager	In Progress 6/30/2024
	8	The walkway in two classrooms were obstructed. Both obstructions were cleared prior the issuance of report.	All action plans have been completed.	COO; Campus managers	Complete 4/24/2024
	9	Two classrooms contained a fire extinguisher with no indication of annual inspection. Annual inspections were completed for JBW and FAC prior to the issuance of report.	All action plans have been completed.	EHS Manager	Complete 4/24/2024



### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	10	Two classrooms/labs did not have all hazardous or flammable chemicals stored in a NFPA approved flammable storage cabinets. One exception, WWH 417, was cleared on site. The instructor removed the flammable chemical from the lab as it was no longer needed for the course. WKF 116 was cleared prior to the issuance of report.	All action plans have been completed.	COO; Campus Manager	Complete 4/24/2024
	11	Two classrooms had table saws that were not properly guarded to prevent injury to operator of equipment. Guards were added to saws prior to the issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	12	Two classrooms had gas cylinders that were not properly and adequately secured to prevent accidents or damage to the cylinders. All exceptions were corrected prior to the issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	13	An exit in one classroom was obstructed. The exit obstruction was cleared prior to the issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	14	A damaged or missing ceiling tile was noted in one classroom. The damaged ceiling tile was replaced prior to the issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	15	One classroom did not have appropriate spill containment of hazardous material. Spill containment was placed in the classroom prior to issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	16	One prep room did not contain the required spill cleanup kit. Spill kit added to the prep room prior to the issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	17	One prep room did not have a safety shower present when a shower would be required by chemicals on hand.	A requisition is being drafted for this work.	EHS Manager	In Progress 6/30/2024
	18	One prep room had chemicals stored under a fume hood. The exception was corrected prior to the issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	19	One classroom had equipment set up that appeared to be an electrical hazard as electrical parts were exposed and not properly grounded. The electrical hazard, exposed wires and cables, were cleared prior to issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
24-C-1-2 Northeast College Campus Safety & Environmental Operations Management	1	Nine classrooms had a fire extinguisher that did not contain a current (within one month) inspection tag. Monthly inspections were performed in eight classroom/labs prior to issuance of report.	Correction plan is in progress.	COO; Campus Manager, ATTC	In Progress 5/1/2024
	2	Safety data sheets were not readily available in six classrooms and/or labs. Three exceptions were corrected prior to the issuance of report.	Correction plan is in progress.	COO; Campus Manager, ATTC	In Progress 5/1/2024
	3	One lab in Codwell Hall and two classrooms in the Automotive Tech Training Center did not contain an accurate inventory list of hazardous chemicals known to be present. A chemical inventory list was added to Codwell Hall, Room 229, prior to the issuance of report.	Correction plan is in progress.	COO; Campus Manager, ATTC	In Progress 5/1/2024

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	4	Three classrooms did not have appropriate hazard signs present. All exceptions were corrected prior to the issuance of report.	All action plans have been completed.	COO	Complete 4/24/2024
	5	Two classrooms did not have all hazardous or flammable chemicals stored in a NFPA approved flammable storage cabinets. The exception in the Automotive Tech Training Center was corrected on site by the automotive department dean. The exception for Codwell Hall was resolved prior to issuance of report.	All action plans have been completed.	COO	Complete 4/24/2024
	6	Obstruction of areas around a fire extinguisher was noted in one classroom. The obstruction was cleared prior to issuance of report.	All action plans have been completed.	COO	Complete 4/24/2024
	7	One classroom contained a fire extinguisher with no indication of annual inspection. The noted exception was corrected prior to issuance of report.	All actions plans have been completed.	EHS Manager	Complete 4/24/2024
	8	One classroom did not have a Hazard Communication Program and/or Chemical Hygiene Work Plan readily available for a flammable chemical found in the room. Department personnel removed the flammable item from classroom, removing need for Hazard Communication program as no other chemicals were found to be present.	All actions plans have been completed.	COO	Complete 4/24/2024
	9	One classroom did not have appropriate spill containment of hazardous material. Spill containment was put in place prior to issuance of report.	All actions plans have been completed.	COO	Complete 4/24/2024
	10	A fume hood in one classroom was not working properly. The fume hood had been inspected and certified, but an error code was being displayed.	The fume hood has been repaired.	EHS Manager	Complete 4/24/2024
	11	One prep room had chemicals stored under a fume hood. The exception was corrected on site as the lab tech removed the chemicals stored under the fume hood.	All action plans have been completed.	COO; Campus Managers	Complete 4/24/2024
	12	One classroom with electrical equipment was not properly wired for isolating, securing, or blocking machines or equipment from energy sources.	All action plans have been completed.	Program Director CE Construction; EHS Manager	Complete 4/24/2024
	13	One classroom had gas cylinders that were not properly and adequately secured to prevent accidents or damage to the cylinders. Corrected prior to the issuance of report.	All action plans have been completed.	COO; Campus Managers	Complete 4/10/2024
24-C-1-3 Coleman College Campus Safety & Environmental Operations Management	1	Two classrooms/labs did not contain an accurate inventory list of hazardous chemicals. Both noted exceptions were corrected prior to the issuance of this report.	The exceptions have been corrected.	COO; Campus Managers	Complete 4/16/2024
	2	Safety data sheets were not readily available in one lab. The noted exception was corrected prior to the issuance of this report.	The exception has been corrected.	COO; Campus Manager	Complete 4/16/2024
	3	Appropriate spill containment was not present in one lab. The exception was corrected on site by the lab tech.	The exception has been corrected.	Lab Tech	Complete 4/16/2024

### Audit Observations Follow-up Status Report as of April 24, 2024

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	4	Class SRGT Room 1040 did not have an appropriate eyewash station, as required, by the chemicals maintained in the room.	Eyewash will be installed.	EHS Manager	In Progress 7/31/2024

## McConnell & Jones Recommendations Follow-up Status Report as of 4/8/2024

Focus Area / Sub-Area / Recommendation	Planned Response	Actions Taken	DRI	Status	Anticipated Completion Date
<b>1E - Information Systems</b>					
1E.1 Implement an integrated grants management system to record and track all grant activities and generate reports. The PeopleSoft system includes a grants accounting module that HCCS should consider acquiring and using to provide for a fully integrated system with accounting, human resources, and payroll.	Phase 2: Digital Grants Information Management System  For the near term, a solution to grants management will be developed in collaboration with HCC's IT department. This solution will take into account departmental workflows, reporting needs, and approval / signature needs, as well as document organization and communication.	Project team has selected InfoEd as its vendor of choice. The signed contract has been received from InfoEd. The contract has been submitted to the OGC for signature. Funding has been secured and a PO submitted.	Jackson (DRI) RDIG, Grants Accounting, IT	In Progress	8/1/2024
<b>4B - Compliance Monitoring Forms &amp; Reports</b>					
4B.1 Incorporate compliance requirements into an integrated grants management information system and generate monitoring reports and outcomes from this tool.	This recommendation will be addressed in Phase 2: Digital Grants Information Management System	See progress notes in Section 1E.1 Phase 2	Jackson	In Progress	8/1/2024

# REPORT ITEM

Meeting Date: May 1, 2024

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
B.	Report on Quarterly Control and Compliance Attestation	Dr. Margaret Ford Fisher E. Ashley Smith

**DISCUSSION**

The Quarterly Control and Compliance Attestation from the Chancellor is offered, with the intent to enhance the atmosphere of trust and accountability between the College administration, members of the Board of Trustees, and the public.

**STRATEGIC ALIGNMENT**

1. *Student Success*

**ATTACHMENTS:**

Description	Upload Date	Type
Attestation Letter to Audit Committee	4/24/2024	Attachment

**This item is applicable to the following:**

Central, Coleman, Northeast, Northwest, Southeast, Southwest, District



May 1, 2024

Dr. Pretta VanDible Stallworth, District IX  
Board of Trustees Audit Committee Chair  
Houston Community College  
3100 Main Street  
Houston, TX 77002

**RE: Quarterly Control & Compliance Attestation, Quarter which began December 1, 2023 and ended February 29, 2024 (2Q-2024)**

Dear Dr. VanDible Stallworth,

We are providing this letter in connection with the College's preparation for the Quarterly Audit Committee Meeting. We understand that you rely on the administration for your governance responsibilities.

In my administrative capacity and in reliance upon representations made by senior management, I confirm, to the best of my knowledge and belief, the following:

1. I affirm that all required reports were filed in accordance with statutory and regulatory requirements and deadlines;
2. I have no knowledge of any violations or possible violations of laws, policies, regulations, occurrences of misstatement, fraud or suspected fraud adversely affecting the College during the prior fiscal quarter, which affects would require disclosure due to their level of impact;
3. I have no knowledge of any potential claims that have not been reported to the Chief Financial Officer or General Counsel;
4. I affirm that the risks to the College have been identified and evaluated and that adequate internal controls have been implemented and maintained over financial reporting and operations for the preceding fiscal quarter;
5. I affirm that all financially material transactions have been communicated to the Chief Financial Officer for recording and disclosure in the financial statements and/or Board reports;
6. I affirm that each division has complied with all aspects of contractual agreements that would have an adverse material effect on operations in the event of noncompliance and any event of noncompliance is reported to have been disclosed to me; and
7. I affirm that there are no material events reported to me that occurred subsequent to the end of the fiscal quarter that have not been disclosed as part of this report or disclosed in closed session to the Board of Trustees.

Please note that details of any material issues or disclosures, if not previously communicated, and if not resolved pursuant to my review with the Chief Financial Officer and General Counsel, are attached as **Exhibit A** to this document.

Sincerely,

Margaret Ford Fisher Ed.D.  
Chancellor

**OGC Reports to Chancellor  
Quarter ending February 29, 2024**

**EXHIBIT A**

No attestation exceptions were received for the Quarter which began *December 1, 2023* and ended *February 29, 2024 (2Q24)*. No material issues or disclosures were reported and unresolved.

- A. Attestation exception previously reported to the Audit Committee. **(NONE)**
- B. Attestation exception has been mitigated and placed in the attestation records without reporting to the Audit Committee. **(NONE)**
- C. Plan to mitigate attestation exception in place and will be reported to the Audit Committee with mitigation plan. **(NONE)**
- D. No plan to mitigate attestation exception in place and will be reported to the Audit Committee. **(NONE)**
- E. Attestation exception previously reported to the Audit Committee with ongoing mitigation plan, and status of mitigation plan will be reported to the Audit Committee until deemed resolved. **(NONE)**
- F. Reported item not subject to the attestation process and will be reported to the Board through other channels. **(NONE)**