



## **AGENDA**

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

**April 1, 2026  
2:15 PM**

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

**NOTICE OF A MEETING OF THE  
*Audit Committee*  
OF THE BOARD OF TRUSTEES**

**HOUSTON CITY COLLEGE**

**April 1, 2026**

Notice is hereby given that a Meeting of the Audit Committee of the Board of Trustees of Houston City College will be held on Wednesday, April 1, 2026 at 2:15 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. Approve Internal Audit Department Charter
- B. Approve Audit Committee Charter
- C. Quality Assurance and Improvement Program
- D. ERM Risk Reporting - Minors on Campus Update
- E. Financial Aid Department Comprehensive Student Loan Debt Report

**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 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.

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 March**, 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 City College, 3100 Main, First Floor, Houston, Texas 77002 and (2) the Houston City College's website: [www.hccs.edu](http://www.hccs.edu).

Posted By:

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Sharon R. Wright  
Director, Board Services

# ACTION ITEM

Meeting Date: April 1, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
A.	Approve Internal Audit Department Charter	Dr. Margaret Ford Fisher Terry Corrigan

## RECOMMENDATION

Approve the Internal Audit Department Charter with no revisions (other than the college name change) to the current Charter that was approved April 16, 2025, by the Board of Trustees. The proposed Charter is attached in the package.

## COMPELLING REASON AND BACKGROUND

To allow time for the current Audit Committee members to review the proposed Internal Audit Department Charter, the information and methodology used for the Charter was presented at the February 4, 2026, Audit Committee Meeting with the Charter being brought forward for Board of Trustees approval in the April 2026 board meetings.

To conform with the Global Internal Audit Standards (GIAS) promulgated by the Institute of Internal Auditors, Board Bylaws Article F, Section 4c, and Board Policy CDC (Local):

- GIAS Principle 6 - Authorized by the Board: The board establishes, approves, and supports the mandate of the internal audit function. The mandate specifies the authority, role, and responsibilities of the internal audit function and is documented in the internal audit charter. The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function. The board must approve the internal audit charter.
- Board Bylaws Article F, Section 4c states: "The audit committee assists the board in fulfilling its audit oversight responsibilities of the institution. The committee will also receive periodic compliance reporting and approve the annual audit plan for recommendation to the board."

## FISCAL IMPACT

Department functions per approved operating budget.

## STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

### ATTACHMENTS:

Description	Upload Date	Type
Proposed Internal Audit Department Charter	3/6/2026	Attachment

This item is applicable to the following: District





## Internal Audit Department Policies and Procedures

### Internal Audit Charter

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#### PURPOSE

The purpose of the internal audit function is to strengthen Houston City College System's (HCCS) ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances HCCS's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

HCCS's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

#### ***Commitment to Adhering to the Global Internal Audit Standards***

The HCCS's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements (the Standards). The chief audit executive (CAE) will report annually to the board and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

# Internal Audit Policies and Procedures

## Internal Audit Charter

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### MANDATE

#### ***Authority***

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve the HCCS operations. The Department helps HCCS accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The HCCS's board grants the internal audit function the mandate to provide the board and senior management with objective assurance, advice, insight, and foresight. The internal audit function's authority is created by its direct reporting relationship to the board. The CAE will have unrestricted access to and communicate and interact directly with the Audit Committee Chair, including in private meetings without management present. The Board of Trustees authorizes the Department to:

- Have full, free, and unrestricted access to all functions, activities, properties, manual and automated information systems, personnel, and non-privileged records pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from necessary HCCS personnel, as well as other specialized services from within or outside HCCS to complete engagements.
- Require written responses to audit observations describing corrective action that will be taken to adequately resolve the deficiencies, the responsible parties, and the expected completion dates. Deficient corrective action plans will be reported to the Board of Trustees for resolution.

#### ***Independence, Organization Position, and Reporting Relationships***

To provide for the independence of the internal audit function to perform audit services and responsibilities without interference from management, its personnel report to the Chief Audit Executive ("CAE"), who reports functionally to the Audit Committee of the Board of Trustees and administratively (i.e., day-to-day operations) to the Chancellor. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the board, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The CAE will confirm to the board, at least annually, the organizational independence of the internal audit function. The CAE will disclose to the board any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results.

# **Internal Audit Policies and Procedures**

## **Internal Audit Charter**

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### ***Charter and Mandate Revisions***

Circumstances may justify a follow-up discussion between the chief audit executive, board, and senior management on the internal audit mandate or other aspects of the internal audit charter. Any changes to this Charter require the approval of the Board Audit Committee.

## **BOARD OVERSIGHT**

To establish, maintain, and assure that the Department has sufficient authority to fulfill its duties, the Board Audit Committee will:

1. Annually approve and recommend the Internal Audit Department Charter and Audit Committee Charter for Board approval.
2. Periodically review the Internal Audit Charter and Audit Committee Charter to ensure it encompasses any required revisions.
3. Approve and recommend the Annual Internal Audit Work Plan for Board approval.
4. Review the audit reports, audits in progress, and future audits at regularly scheduled meetings.
5. Establish a schedule of regular meetings.
6. Establish a means of unrestricted access to and direct communication between the Chairman of the Audit Committee and the CAE, including private meetings without senior management present.
7. Review significant observations and management action plans to address those observations in the audit reports.
8. Monitor the status of management action plans for progress on significant observations.
9. Ensure a quality assurance and improvement program has been established.
10. Review Internal Audit's Strategic Plan.
11. Review the internal audit function's human resources administration and budget.
12. Make appropriate inquiries of senior management and the CAE to determine whether scope or resource limitations are inappropriate.

**Internal Audit  
Policies and Procedures**

**Internal Audit Charter**

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13. Provide input to the Chancellor for the annual evaluation of the Internal Audit Director.
14. Approve the remuneration of the Internal Audit Director.
15. Provide input to the Board concerning the selection of the Internal Audit Director from the three (3) candidates recommended by the Chancellor.
16. Provide input to the Board concerning approval of the Chancellor's recommendation to terminate the Internal Audit Director.

**CAE ROLES AND RESPONSIBILITIES**

***Ethics and Professionalism***

The chief audit executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

***Objectivity***

The reporting relationships of the CAE enhance departmental independence, promote comprehensive audit coverage and encourage adequate consideration of audit reports and recommendations. To maintain objectivity, the CAE and the audit staff shall have no direct authority over the activities they review. Internal Audit may not develop policies and procedures for a function they might audit or direct the actions of the personnel in the performance of that function. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Performing operational duties for HCCS.
- Initiating or approving transactions external to the internal audit function.

## **Internal Audit Policies and Procedures**

### **Internal Audit Charter**

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- Directing the activities of any HCCS employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.
- Assessing specific operations for which they had responsibility within the previous year.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal Audit may be asked to participate in management committees or project teams, to analyze controls built into processes, development systems, or analyze security products. Because Internal Audit is not a management decision-making function, decisions to develop, adopt and implement policies or procedures as a result of an internal audit advisory service must be made by management. The performance of these audits or reviews does not relieve management of any assigned responsibilities. The internal audit activity must be independent, and internal auditors must be objective in performing their work.

#### ***Managing the Internal Audit Function***

In accordance with Board Policy, Internal Audit is responsible for assessing the various functions and control systems within HCCS and for advising management concerning their condition. The fulfillment of this accountability includes:

- Developing a flexible risk based annual internal audit plan with input from Senior Management and the Board of Trustees and submit the audit plan to the Audit Committee for review and the Board for approval.
- Reviewing and adjusting the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls with Audit Committee review and Board approval.
- Meeting regularly with the Board Audit Committee to provide updates by reviewing audits performed, audits in progress, future audits, and sufficiency of the Department resources.
- Conducting independent and constructive audits to review effectiveness of controls, financial records, operations, or to review departmental records, the proper recording of transactions, and compliance with applicable rules, regulations, policies, and procedures, including evaluation for potential fraud and effectiveness of fraud controls.

## **Internal Audit Policies and Procedures**

### **Internal Audit Charter**

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- Analyzing data obtained for evidence of deficiencies in controls, integrity, duplication of effort, or lack of compliance with College policies and procedures.
- Conducting audits that examine the effectiveness of the governance, risk management, and internal control processes in promoting the achievement of strategic objectives concerning all reporting, operations, safeguarding of assets, and compliance.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the board and senior management quarterly and for each engagement as appropriate.
- Investigating allegations of fraud, waste, abuse and other wrongdoing as appropriate and in accordance with Board Policy, and coordinating such investigations as needed with Legal Counsel or the HCCS Police.
- Evaluating the design, implementation, and effectiveness of HCCS ethics-related objectives, programs, and activities.
- Assessing whether information technology governance effectively supports HCCS strategies and objectives.
- Offering Advisory services; Internal Control or Fraud training; Control Self-Assessment (CSA) services, and other audit technique workshops as warranted.
- Coordinating audit efforts with those of external financial auditors and acting as a liaison for other external auditors.
- Coordinating efforts with other control monitoring functions within HCCS (risk management, compliance, security, legal, ethics, safety and environment, police, human resources, and information technology).
- Identify and consider trends and emerging issues that could impact HCCS and communicate to the board and senior management.
- Maintaining a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this *Charter* and ensure that personnel in the Department have appropriate continuing education to foster advancement of technical knowledge and skills.

#### ***Quality Assurance and Improvement Program***

The CAE will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program will assess compliance with laws

## **Internal Audit Policies and Procedures**

### **Internal Audit Charter**

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and/or regulations relevant to internal auditing. The assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the CAE will communicate with the board and senior management about the internal audit function's quality assurance and improvement program, including the results of internal self-assessments and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside HCCS. The assessment team must include at least one assessor holding an active Certified Internal Auditor® credential.

#### ***Communication with the Board and Senior Management***

The CAE will communicate with the board and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the board.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond HCCS's risk appetite.

#### **SCOPE AND TYPES OF INTERNAL AUDIT SERVICES**

The scope of internal audit services covers the entire breadth of the organization, including all HCCS's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the board and management on

# Internal Audit Policies and Procedures

## Internal Audit Charter

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the adequacy and effectiveness of governance, risk management, and control processes for HCCS.

HCCS internal audit services include:

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 laws, regulations and HCC policies.

Information Technology: Governance assessments in support of HCC's strategies and objectives.

Advisory Services: Consulting projects that improve management of risks, add value, and improve the organization's operations, including special projects requested by the Board or management, participating in HCC committees and task forces, and providing investigation services.

Administrative: Administrative projects within the department such as performing enterprise risk assessments, preparing the next fiscal year's audit plan, performing quality assurance, preparing the Annual Audit Report, newsletters, and lunch & learns.

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.

### Document History

- Amended September 19, 2013
- Amended October 20, 2016
- Amended August 17, 2017
- Approved with no revisions August 1, 2018
- Approved with no revisions February 5, 2020
- Amended April 21, 2021
- Amended April 20, 2022
- Approved with no revisions April 19, 2023
- Approved with no revisions April 17, 2024
- Amended April 16, 2025
- **Approved with no revisions April XX, 2026**

# ACTION ITEM

Meeting Date: April 1, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
B.	Approve Audit Committee Charter	Dr. Margaret Ford Fisher Terry Corrigan

## RECOMMENDATION

Approve the Audit Committee Charter with no revisions (other than the college name change) to the current Charter that was approved April 16, 2025, by the Board of Trustees. The proposed Charter is attached in the package.

## COMPELLING REASON AND BACKGROUND

To allow time for the current Audit Committee members to review the proposed Audit Committee Charter, the information and methodology used for the Charter was presented at the February 4, 2026, Audit Committee Meeting with the Charter being brought forward for Board of Trustees approval in the April 2026 board meetings.

The Audit Committee Charter provides the detailed responsibilities exercised by the Audit Committee to carry out the authority given to the Committee in Board Bylaws Article F, Section 4c: "The Audit Committee assists the board in fulfilling its audit oversight responsibilities of the institution. The Committee will also receive periodic compliance reporting and approve the annual audit plan for recommendation to the board."

Adopt an Audit Committee Charter with responsibilities based on the guidance of the Global Internal Audit Standards and Board Policy CDC.

## FISCAL IMPACT

Department functions per approved operating budget.

## STRATEGIC ALIGNMENT

1. *Student Success*, 5. *College of Choice*

### ATTACHMENTS:

Description	Upload Date	Type
Proposed Audit Committee Charter	2/19/2026	Attachment

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

**Houston City College System  
Internal Audit  
Policies and Procedures  
Audit Committee Charter**

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**Authority**

Board Bylaws Article F: Committees, 4. STANDING COMMITTEES, c. Audit states:

“The audit committee assists the Board in fulfilling its audit oversight responsibilities of the institution. The committee will also receive periodic compliance reporting and approve the annual audit plan for recommendation to the Board.”

**Purpose**

The committee assists the board in fulfilling its audit oversight responsibilities in the following areas:

- Ethics,
- Risk management,
- Internal control framework,
- Oversight of the internal audit activity, external auditors, and other providers of assurance, and
- Financial statements and public accountability reporting.

**Composition**

The committee consists of four board members as follows: a chair, two members, and one alternate. The chair of the Board of Trustees appoints the committee chair and assigns the other committee members annually in January.

**Meetings**

The committee will meet as frequently as the committee deems necessary, but not less than quarterly in February, May, August, and November. At least two committee members must be in attendance for a meeting quorum.

**Responsibilities**

Based upon the guidance of the *International Standards for the Professional Practice of Internal Auditing*, Board Bylaws Article E item 3, and Board Policy CDC the following are the responsibilities of the Board Audit Committee:

***Oversight of Internal Auditing***

1. Annually approve and recommend the Internal Audit Department Charter and Audit Committee Charter for Board approval.

**Houston City College System  
Internal Audit  
Policies and Procedures  
Audit Committee Charter**

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2. Periodically review the Internal Audit Charter and Audit Committee Charter to ensure it encompasses any required revisions.
3. Approve and recommend the Annual Internal Audit Work Plan for Board approval.
4. Review the audit reports, audits in progress, and future audits at regularly scheduled meetings.
5. Establish a schedule of regular meetings.
6. Establish a means of direct communication between the Chairman of the Audit Committee and the Chief Audit Executive (CAE), including private meetings without senior management present.
7. Review significant observations and management action plans to address those observations in the audit reports.
8. Monitor the status of management action plans for progress on significant observations.
9. Ensure a quality assurance and improvement program has been established.
10. Review Internal Audit's Strategic Plan.
11. Review the internal audit function's human resources administration and budget.
12. Make appropriate inquiries of senior management and the CAE to determine whether scope or resource limitations are inappropriate.
13. Provide input to the Chancellor for the annual evaluation of the Internal Audit Director.
14. Approve the remuneration of the Internal Audit Director.
15. Provide input to the Board concerning the selection of the Internal Audit Director from the three (3) candidates recommended by the Chancellor.
16. Provide input to the Board concerning approval of the Chancellor's recommendation to terminate the Internal Audit Director.

***Oversight of External Accounting Entities***

1. Provide input to the Board concerning the selection of the independent external auditing firm for the annual financial statement audit (the External Auditor) as detailed in Board Policy CDC.
2. Review and approve the External Auditor engagement letters submitted for Board approval and the Board Chairperson's signature.
3. Periodically evaluate the performance of the External Auditor.
4. Monitor the institution's contracting with all external public accounting firms to ensure compliance with the requirements.
5. Review the reports of all external public accounting firms contracted by the institution to perform audits of any institution functions, components, activities, or financial information. Recommend final form to Board for approval.
6. Monitor all activity by other external auditors such as the State Auditor's Office, IRS, DOE, OIG, etc.

**Houston City College System  
Internal Audit  
Policies and Procedures  
Audit Committee Charter**

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**Document History**

- Adopted by the Board of Trustees September 19, 2013
- Amended September 2, 2020
- Amended April 21, 2021
- Approved with no revisions April 20, 2022
- Approved with no revisions April 19, 2023
- Approved with no revisions April 17, 2024
- Amended April 16, 2025
- **Approved with no revisions April XX, 2026**

# REPORT ITEM

Meeting Date: April 1, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
C.	Quality Assurance and Improvement Program	Dr. Margaret Ford Fisher Terry Corrigan

## DISCUSSION

This session is to provide information on the Internal Audit Department's Quality Assurance and Improvement Program (QAIP).

## COMPELLING REASON AND BACKGROUND

HCC's internal audit QAIP is written for conformance with the Institute of Internal Auditors (IIA), International Professional Practices Framework (IPPF) comprised of Global Internal Audit Standards (GIAS), Topical Requirements, and Global Guidance.

The QAIP is anchored to the relevant standards on Quality, Internal Quality Assessment, and External Quality Assessment (notably GIAS 8.3, 8.4, and 12.1).

The GIAS's requires that the CAE review and discuss HCC's Internal Audit Department's QAIP with the BOT's and seek approval.

To allow appropriate time for review, the QAIP required approvals will be brought forward in the May 2026 board meetings.

## FISCAL IMPACT

Department functions per approved operating budget.

## STRATEGIC ALIGNMENT

1. *Student Success*, 5. *College of Choice*

### ATTACHMENTS:

Description	Upload Date	Type
Presentation - Quality Assurance and Improvement Program	3/20/2026	Presentation
Quality Assurance and Improvement Program	2/27/2026	Attachment
Unit Core Functions and Assessment	2/27/2026	Attachment
IA Goals, Initiatives, & Activities Matrix	3/18/2026	Attachment

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



# **Quality Assurance and Improvement Program**

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**Dr. Margaret Ford Fisher, Chancellor**

**Terry Corrigan, Executive Director, Internal Audit**

**April 1, 2026**

# Quality Assurance & Improvement Program (QAIP)

## Presentation Contents

- Global Internal Audit Standards Requirement
- QAIP Content
- Proposed External Quality Assurance (EQA) Method
- Quality Assessments Four Point Rating Scale
- EQA Provider Selection Process
- Performance Measurement Methodology
- Standards Required Board Approvals Planned for *May 2026*

# Quality Assurance & Improvement Program (QAIP)

## Global Internal Audit Standards Requirement

The QAIP is written to conform with standards on Quality, Internal Quality Assessment, and External Quality Assessment (notably GIAS 8.3, 8.4, and 12.1).

# QAIP Content

(QAIP is attached in package)

- Purpose
- Scope
- QAIP Requirements
  - Establishment, Maintenance, and Coverage
  - Internal Quality Assessment
    - Ongoing Internal Assessments
    - Periodic Internal Assessments (required annually)
  - External Quality Assessment (required every 5 years)
- Methodology for Delivering Results
- Performance Measurement
- Records Retention
- Program Exceptions
- Review and Maintenance

## EQA Methods

### Two EQA Methods to Choose From:

1. Full External Quality Assessment
  - Performed from scratch
  - IA's Self-Assessment is not leveraged
  - Significantly higher cost
  - Usually not practical for IA functions HCC's size
2. Self-Assessment with Independent Validation (SAIV)
  - IA's Self-Assessment is leveraged
  - Significantly lower cost
  - Most practical method for IA functions HCC's size
  - Method recommended by HCC's IA

# Quality Assurance & Improvement Program (QAIP)

## Quality Assessments Four Point Rating Scale

Rating	Description
Full Achievement or Conformance	All related requirements were satisfied.
General Achievement or Conformance	One or more discrepancies, or gaps in conforming to the standards was found, but the intent of the standard or principle was met and the audit function is making a good faith effort to conform.
Partial Achievement or Conformance	One or more discrepancies have been noted, and the intent of the standard or principle was not met, but the extent of the necessary corrective action is relatively minor in the assessors' judgment, and the audit function is making a good faith effort to conform.
Nonachievement or Nonconformance	One or more discrepancies have been noted, the intent of the standard or principle was not met, and the extent of the necessary corrective action is relatively significant in the assessors' judgment and there is what could be considered a willful effort to not conform.

## **EQA Provider Selection Process**

Internal Audit will work with Procurement Operations to select the best qualified provider for the external quality assurance professional services.

# EQA Provider Selection Process

## Minimum Qualifications

- Lead validator must hold an active **Certified Internal Auditor (CIA)** credential.
- Demonstrated experience conducting EQAs/SAIVs using the **2024 Global Standards**.
- Experience with higher-education internal audit operations.
- Independence from the Institution and absence of conflicts of interest.

## Preferred Experience

- Familiarity with risk-based internal audit practices and performance expectations emphasized in the updated Standards.
- Strong virtual facilitation skills and secure digital collaboration practices.

# Performance Measurement Methodology

Consists of recurring assessments on two documents as follows:

1. Unit Core Functions and Assessment
2. IA Goals, Initiatives, and Activities Tracking Matrix

(copies of the documents are included in the package)

# Quality Assurance & Improvement Program (QAIP)

Standards Required Board Approvals Planned for May 2026

Internal Audit will request Board approval of the following:

1. Internal Audit Department's QAIP
2. Proposed EQA Method
3. Proposed EQA Provider Selection Process
4. Performance Measurement Methodology

**Thank You**  
**Questions?**

**Houston City College System  
Internal Audit  
Quality Assurance and Improvement Program**

rev. 02/2026

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HCC's internal audit Quality Assurance and Improvement Program (QAIP) is written for conformance with The Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) comprised of Global Internal Audit Standards (GIAS), Topical Requirements, and Global Guidance. The QAIP is anchored to the relevant standards on Quality, Internal Quality Assessment, and External Quality Assessment (notably GIAS 8.3, 8.4, and 12.1).

### **1. Purpose**

Establishes the Internal Audit function's QAIP to evaluate and enhance:

- Working in accordance with the department's charter and conforming with the GIAS, and
- Achievement of Internal Audit performance objectives, and
- Continuous improvement across all aspects of Internal Audit.

The QAIP provides assurance to the board and senior management regarding the quality of Internal Audit performance and supports board oversight through quality assessment results, including external quality assessment results.

### **2. Scope**

The QAIP covers all aspects of the Internal Audit function, including governance, management, and performance of internal audit services across assurance and advisory work, and includes both internal and external assessments.

This includes (where applicable):

- Risk-based planning, engagement planning/execution, reporting, and follow-up;
- Methodology, templates, tools, and technology used to perform internal audits; and
- Resource management, competency, and professional development.

### **3. QAIP Requirements**

#### **3.1 QAIP Establishment, Maintenance, and Coverage (Standard 8.3 – Quality)**

The CAE develops, implements, and maintains a QAIP that covers all aspects of the Internal Audit function.

At least annually, the CAE must communicate the results of the internal quality assessment to the board and senior management, and the results of external quality assessments must be reported when completed.

These communications will include:

- The Internal Audit function's conformance with the GIAS and achievement of performance objectives;
- Compliance with laws/regulations relevant to internal auditing; and
- Plans to address deficiencies and opportunities for improvement.

#### **3.2 Internal Quality Assessment (Standard 12.1)**

The CAE must develop and conduct internal assessments of the Internal Audit function's conformance with the GIAS and progress toward performance objectives.

Internal assessments will include:

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**A. Ongoing Internal Assessments** — Ongoing internal assessments are conducted through the following activities:

- Supervision of engagements by lead auditor,
- Regular, documented review of workpapers during engagements by lead auditor and internal audit team members,
- The standard internal audit process being uploaded into each engagement in TeamMate EWP to ensure compliance with applicable planning, process documentation, testing, and reporting standards,
- Feedback through customer surveys on individual engagements, and
- Review and approval of all final reports and observation action plans by the CAE.

**B. Periodic Internal Assessments** — Periodic internal assessments are designed to assess conformance with internal audit's charter, the GIAS, and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders.

Periodic assessments are conducted through the following activities:

- Annual self-assessment of conformance with the GIAS (using program guides and evaluation summaries as found in *The IIA Quality Assessment Manual* with documented results and improvement actions,
- Review and update of the Internal Audit Policy and Procedures Manual (Manual), of which this QAIP is a part, to ensure it remains consistent with any changes in the GIAS or other organizational operating requirements,
- Quarterly Fiscal Year Audit Plan status reporting to the chancellor, executive council and the audit committee, and
- Annual fiscal year activity and performance reporting to the chancellor, executive council and the audit committee.

**3.3 External Quality Assessment (Standard 8.4 – External Quality Assessment)**

The CAE must develop a plan for an external quality assessment and discuss the plan with the board.

The external assessment must:

- Be performed at least once every five years;
- By a qualified, independent assessor or assessment team;
- With at least one assessor holding an active Certified Internal Auditor (CIA) designation; and
- With results reported to the board and senior management when completed.

Type of Assessment — A determination should be made as to the form of the external assessment. Either a full independent assessment or a self-assessment with independent validation (SAIV) can be used to conform with the external assessment requirement.

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**4. METHODOLOGY FOR DELIVERING RESULTS**

In a mature function that has well-established and documented controls, providing assurance may mean testing the controls to ensure that they are working as intended. In less mature functions, providing assurance may mean reviewing the design of the risk management processes and evaluating them to determine if the controls and maturity level are adequate to effectively mitigate risks. In some cases where the control design is inadequate, testing may be unnecessary if it would not provide valuable feedback. There may also be circumstances where IA determines we cannot provide any assurance because internal controls are immature, inadequate or nonexistent. In these cases, with the agreement of the business unit management and the Audit Committee (if necessary), IA's role may take on a consultative nature to help management evaluate the risks they face and the types of controls that would effectively mitigate these risks to an acceptable level.

Certain projects undertaken by IA may be unique. Working collaboratively with functional management to understand the business objectives and risks to those objectives is important to developing an effective and efficient project scope. Some projects can be challenging when the maturity level of processes and controls is different than anticipated or believed inappropriate based on the risks being managed. IA has a quality assurance process that is used to evaluate the effectiveness of the audit process at key points. This process is relied upon to ensure that the proper type of service is determined, and the scope of the project is appropriate to fulfill the purpose of IA and to comply with the Institute of Internal Auditors (IIA) GIAS by which IA is bound. Consequently, when there is a question regarding the appropriate scope and action to take during a project, IA will work together with functional management to understand the issues and determine the best course of action in accordance with the GIAS.

**5. Performance Measurement Methodology**

Performance measurement consists of recurring assessments on two documents as follows:

1. Unit Core Functions and Assessment
2. IA Goals, Initiatives, and Activities Matrix

**6. Records and Retention**

Internal Audit will retain documentation supporting:

- Internal assessments and annual results reporting; and
- External assessment planning, execution, and reporting; and
- Corrective action tracking and completion evidence.

**7. Program Exceptions**

Any exception to this QAIP must be documented by the CAE and, if material, communicated to the board and senior management in the next QAIP reporting cycle.

**8. Review and Maintenance**

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The QAIP will be reviewed at least annually, or sooner if changes to the GIAS or Internal Audit operations warrant updates.

Document History:

- Established 11/2017
- Revised 06/2021
- Revised 02/2026



# **CORE FUNCTION ASSESSMENT REPORT**

Admin Unit - Internal Auditing

**Provide Enterprise Risk Management Assessment**

**Core Function:** Based on HCCS’s Enterprise Risk Management (ERM) Assessment developed in collaboration with the Risk Management Department, prepare a flexible Internal Audit Plan for the fiscal year detailing the planned audit projects for the year and provide a quarterly Internal Audit Plan status report to the Chancellor and Audit Committee.

**Core Function Status:** Active

Goals, Actions, and Assessment Approach	Assessment Results
<p><b>Goal/Action Year:</b> 2025</p> <p><b>Describe how last year's outcomes inform this year's goal.:</b> All targets were assessed as met.</p> <p><b>Goal:</b> Complete ERM Assessment for use in developing FY 2026 IA Plan</p> <p><b>Actions:</b> Work with the Risk Management Office to complete ERM Assessment by end of May 2025</p> <p><b>How will you assess your unit’s Core Function and Goal? What is your target?:</b></p> <ol style="list-style-type: none"> <li>1. At least 60% of Annual IA Plan addresses highest 10 risks identified in ERM Assessment.</li> <li>2. Annual IA Plan is approved in August 2025 for FY 2026 in August board meetings.</li> <li>3. IA Plan status is reported to the BOT Audit Committee in meetings every quarter (November, February, May, and August).</li> <li>4. Score an average of at least 3 on Post Audit Survey Feedback from customers on the projects completed.</li> </ol>	<ol style="list-style-type: none"> <li>1. 62% of IA’s FY2026 Audit Plan addresses HCC’s highest risks.</li> <li>2. FY2026 IA Plan was approved by the Board August 20, 2025.</li> <li>3. FY2026 IA Plan status reports have been presented to the Board quarterly November 5, 2025, and February 4, 2026.</li> <li>4. Average score on post audit surveys is 3.0.</li> </ol>

**Provide Risk Mitigation Reporting on Audit Observations Management Action Plans**

**Core Function:** Provide a quarterly report to the Chancellor and Audit Committee on the status of audit observations management action plans, as documented in the issued internal audit reports, to resolve deficiencies observed in the effectiveness of the governance, risk management, and internal control processes in promoting the achievement of HCC’s strategic objectives concerning all reporting, operations, safeguarding of assets, and compliance.

**Core Function Status:** Active

Goals, Actions, and Assessment Approach	Assessment Results
<p><b>Goal/Action Year:</b> 2025</p> <p><b>Describe how last year's outcomes inform this year's goal.:</b> Follow-up reports were presented in Audit Committee meetings every quarter (November, February, May, and August).</p> <p><b>Goal:</b> Provide Audit Committee with status of action plans to resolve deficiencies reported in IA reports for completed projects.</p> <p><b>Actions:</b> Provide an Audit Observations Follow-up Report to the BOT Audit Committee.</p> <p><b>How will you assess your unit's Core Function and Goal? What is your target?:</b> Follow-up reports are presented in Audit Committee meetings every quarter (November, February, May, and August).</p>	<p>Observation action plan reports have been presented to the Board each quarter November 5, 2025, and February 4, 2026.</p>

### Perform Risk Management Internal Auditing Projects

**Core Function:** Perform internal auditing projects in compliance with objectives and policies of HCCS as well as the Global Internal Audit Standards promulgated by the Institute of Internal Auditors (IIA).

**Core Function Status:** Active

Goals, Actions, and Assessment Approach	Assessment Results
<p><b>Goal/Action Year:</b> 2025</p> <p><b>Describe how last year's outcomes inform this year's goal.:</b> Internal quality assurance self-assessment was completed with good results. Action plans for improvement opportunities observed were completed.</p> <p><b>Goal:</b> Quality assurance and improvement opportunities will be identified by the ongoing Quality Assurance and Improvement Program.</p>	<ol style="list-style-type: none"> <li>1. The annual quality assurance self-assessment is in progress. Expect the report to be issued in March.</li> <li>2. The External Quality Assessment is expected to be performed in September 2026.</li> <li>3. Post Audit Surveys have been obtained with no improvement opportunities noted.</li> </ol>

Goals, Actions, and Assessment Approach	Assessment Results
<p><b>Actions:</b> 1) Annual internal quality assurance self-assessment will be performed to identify improvement opportunities.</p> <p>2) External quality assessments will be performed at least once every five years to identify improvement opportunities.</p> <p>3) Feedback from audit customers of completed projects will be obtained with Post Audit Surveys to identify improvement opportunities.</p> <p><b>How will you assess your unit's Core Function and Goal? What is your target?:</b> Documentation of action plans completed to address the identified improvement opportunities.</p>	

### Maintain a Professional Internal Audit Staff

**Core Function:** Maintain a professional internal audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the Department's Charter and Audit Plan, and ensure that personnel in the Department have appropriate continuing education to foster advancement of technical knowledge, skills, and professional growth.

**Core Function Status:** Active

Goals, Actions, and Assessment Approach	Assessment Results
<p><b>Goal/Action Year:</b> 2025</p> <p><b>Describe how last year's outcomes inform this year's goal.:</b> All staff members maintained their professional certifications, licenses, and credentials. All staff members completed HCC mandatory training. All staff members completed at least 40 hours of continuing professional education.</p> <p><b>Goal:</b> Maintain a professional staff with capabilities to complete the Annual IA Plan and satisfy department charter requirements.</p> <p><b>Actions:</b> Support the IA staff in obtaining training and development to maintain professional credentials and complete the IA plan.</p>	<ol style="list-style-type: none"> <li>1. All staff members have maintained and renewed their professional certifications, licenses, and credentials.</li> <li>2. All staff members have completed at least 40 hours continuing education.</li> <li>3. All staff members completed all HCC mandatory trainings.</li> <li>4. No improvement opportunities were noted in Post Audit Surveys.</li> </ol>

<b>Goals, Actions, and Assessment Approach</b>	<b>Assessment Results</b>
<p><b>How will you assess your unit's Core Function and Goal? What is your target?:</b> All staff members renew and maintain their certifications, licenses, and credentials.</p> <p>All staff members will complete at least 40 hours of continuing professional education.</p> <p>All staff members will completed HCC mandatory trainings.</p> <p>Action plan completions addressing improvement opportunities identified in Post Audit Surveys and discussions with HCC management.</p>	

Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	FY 2026 Date Completed
<b>Internal Audit Charter</b>				
To provide for the independence of the Department, its personnel report to the Chief Audit Executive (“CAE”), who reports functionally to the Audit Committee of the Board of Trustees and administratively to the Chancellor. The reporting relationships of the CAE enhance department independence, promote comprehensive audit coverage and encourage consideration of audit reports and recommendations.	BOT approved Internal Audit Charter.  Audit Committee with full board approval decides on the appointment or replacement of CAE.	Internal Audit Charter	Annually in April  As needed	
The CAE will confirm to the board the organizational independence of the internal audit function.	CAE confirms the internal audit function’s organizational independence in the IA Quarterly Status Report to the Audit Committee.	IA Status Reports to the Audit Committee	Quarterly	11/5/25; 2/4/26
CAE develops a flexible risk based annual internal audit plan with input from Senior Management and the Board of Trustees and submits audit plan to the Audit Committee for review and the Board for approval.	Formal Annual Internal Audit Plan approval by BOT.	Annual Internal Audit Plan	Annually in August	
CAE meets regularly with the Board Audit Committee to provide updates by reviewing audits performed, audits in progress, future audits, and sufficiency of the Department resources.	CAE presents the IA Status Report quarterly to Audit Committee.	Quarterly Internal Audit Status Reports	Quarterly	11/5/25; 2/4/26
The CAE will report to the board and senior management regarding the internal audit function’s mandate.	Formal approval of the internal audit charter.	IA Department Charter	Annually	
In accordance with Board Policy, Internal Audit is responsible for assessing the various functions and control systems within HCCS and for advising management concerning their				

## Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	Date Completed
condition. The fulfillment of this accountability includes:				
<ul style="list-style-type: none"> <li>Developing the annual internal audit plan.</li> </ul>	Develop risk based Internal Audit Plan.	Annual Internal Audit Plan	Annually	
<ul style="list-style-type: none"> <li>Communicate the impact of resource limitations on the internal audit plan to the Board and Senior Management.</li> </ul>	Formal Annual Internal Audit Plan approval by BOT.	Annual Internal Audit Plan	Annually	
<ul style="list-style-type: none"> <li>Reviewing and adjusting the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls with Audit Committee review and Board approval.</li> </ul>	Present revisions to the Audit Committee for approval.	Revised Audit Plan	As needed	
<ul style="list-style-type: none"> <li>Meeting regularly with the Board Audit Committee to provide updates.</li> </ul>	CAE presentations to Audit Committee.	Status Reports Annual Audit Plan Annual IA Report	Quarterly Annually Annually	
<ul style="list-style-type: none"> <li>Conducting independent and constructive audits to review effectiveness of controls, financial records, operations, or to review departmental records, the proper recording of transactions, and compliance with applicable rules, regulations, policies, and procedures, including evaluation for potential fraud and effectiveness of fraud controls.</li> </ul>	Reports issued at the conclusion of each assurance and consulting project providing sufficient detail for various stakeholders.	Final Audit Reports	At conclusion of each audit project	
<ul style="list-style-type: none"> <li>Identify and consider trends and emerging issues that could impact the College and communicate to the Board of Directors and Senior Management as appropriate.</li> </ul>	Participating in annual ERM assessments performed by VC Operations and Administration.	ERM Top 10 Risk Report to Audit Committee	Annually	11/5/25
<ul style="list-style-type: none"> <li>Analyzing data obtained for evidence of deficiencies in controls, integrity, duplication of effort, or lack of compliance with college policies and procedures.</li> </ul>	Reported in final audit reports.	Final Audit Reports	As needed	

## Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	Date Completed
<ul style="list-style-type: none"> <li>Conducting audits which examine the effectiveness of governance, risk management, and internal control processes in promoting the achievement of strategic objectives concerning all reporting, operations, safeguarding of assets, and compliance.</li> </ul>	Reported in scope of various audits as applicable.	Final Audit Reports	As needed	
<ul style="list-style-type: none"> <li>Investigating allegations of fraud, waste, abuse, and other wrongdoing as appropriate and in accordance with Board Policy and coordinating such investigations as needed with Legal Counsel or the HCCS Police.</li> </ul>	As requested, assist management in the investigation of significant suspected fraudulent activities.	Reporting as required based on assignment	As needed	
<ul style="list-style-type: none"> <li>Evaluating the design, implementation, and effectiveness of HCCS ethics-related objectives, programs, and activities.</li> </ul>	Participation in Ethics and Culture survey as required.	Presentation to Audit Committee	As needed	
<ul style="list-style-type: none"> <li>Assessing whether information technology governance effectively supports HCCS strategies and objectives.</li> </ul>	Reported on final Information Technology audit reports.	Final IT Audit Reports	As needed	
<ul style="list-style-type: none"> <li>Offering Advisory services; Internal Control or Fraud Training; Control Self-Assessment (CSA) services, and other audit technique workshops as warranted.</li> </ul>	Advisory services provided as agreed upon with management.	Final Reports	Periodically	
<ul style="list-style-type: none"> <li>Coordinating audit efforts with those of external financial auditors and acting as a liaison for other external auditors.</li> </ul>	Reported as part of Internal Audit Status Reports.	Internal Audit Status Reports	Quarterly	11/5/25; 2/4/26
<ul style="list-style-type: none"> <li>Coordinating efforts with other control monitoring functions within HCCS (risk management, compliance, security, legal, ethics, safety and environment).</li> </ul>	Accountability & Standards Council (A&SC) member. Considered in annual planning and included in various audit projects as applicable.	Participate in A&SC meetings	Quarterly	9/24/25; 11/20/25

## Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	Date Completed
<ul style="list-style-type: none"> <li>Maintaining a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter and ensure that personnel in the Department have appropriate continuing education to foster advancement of technical knowledge and skills.</li> </ul>	QAIP encourages and financially supports successful certification, continued professional education and other in-house training and development.	Individual Professional Development Plans  “IA Competency Framework”	Annually  On-going	June 2025
<b>Reporting and Monitoring</b>				
Follow up on project findings and recommendations until open issues are cleared.	Maintain follow-up process with updates from management on action plans scheduled for implementation. Status reported to Audit Committee quarterly.	Quarterly Internal Audit Status Reports  Deficient corrective action plans will be reported to the Board of Trustees for resolution.	Quarterly  As needed	11/5/25; 2/4/26
<b>Quality Assurance and Improvement Program</b>				
Report on the results of the quality assurance and improvement program, including ongoing internal assessments and external assessments conducted at least every five years.	Maintain Internal Audit Quality Assurance and Improvement Program through internal ongoing, internal periodic, and periodic external assessments.	Internal Quality Assurance Review  External Quality Assurance Review Developed “IA Competency Framework”	Annual except for external review years Every 5 years  Review annually	3/4/26
<b>Strategic Plan</b>				
Build IA’s brand as the go to trusted advisors for risk and internal control management.	Coordinate with the VC, Administration and Operations to establish a common risk awareness across the HCC system through the Enterprise Risk Management Assessment (ERM) process that facilitates the enhancement	ERM Top 10 Risks Baseline Assessment	On-going	

## Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	Date Completed
	of a common risk and controls taxonomy across the enterprise.			
	Develop the IA Plan based on high-risk areas (target at least 60%) identified in the ERM process.	Annual Internal Audit Plan	Annually	
	To help ensure the safety and well-being of everyone on HCC campuses, perform an audit that covers all HCC student campuses over a two-year period.	Campus Safety & Environmental Audit	Annually	
	Monitor external audits and reviews performed on HCC for issues being reported that may indicate significant internal control weaknesses that need to be included in internal audit plans.	Internal Audit Status Report	Quarterly	11/5/25; 2/4/26
	Stay abreast of the quickly changing risk landscape to facilitate agility in audit plans and scope of work by maintaining memberships in audit professional organizations (IIA, ACUA, ALGA, ACFE, ISACA, etc.) that provide frequent training, articles, and newsletters on emerging risk topics.		On-going	
	Provide fraud and risk management knowledge and awareness.	IA Newsletters IA Lunch & Learns	Periodically Annually	11/17/25
	Encourage staff members to serve as technical resources on committees, councils, task forces, teams, and training exercises.		On-going	
Operate generally in conformance with The Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF).	Complete an internal (QAR) on HCC's IA operations evaluating conformance with the mandatory elements of the International Professional Practices Framework (IPPF) promulgated by the IIA.	Internal Quality Assurance Review	Annually	3/4/26

## Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	Date Completed
	Conduct an external QAR	External Quality Assurance Review	Every 5 years	
	Use IA management software to improve efficiency in performing audits in compliance with the Standards and to maintain IA information.	TeamMate Plus	On-going	
	Require staff to complete at least 20 hours of continuing professional education related to IA skills.		Annually	
Recruit, develop, and retain competent and qualified staff.	Comply with HCC policies and procedures in hiring.		On-going	
	Strive to achieve CIA designation for all auditor staff members. Encourage and support staff in achieving other internal audit related professional certifications.		On-going	
	Use the IIA's internal auditing competency framework to support talent and resource management activities within IA and to demonstrate professional proficiency.  Each staff member creates and executes an individual development plan based on certification requirements, assigned projects, and identified specific skills needing enhancement.		On-going  Annually	  June 2025
	Grow staff members cross-functional proficiency to perform various type audits (operations, compliance, IT, etc.) by promoting knowledge transfer between IA SMEs and audit staff through knowledge champions and mentoring.		On-going	

Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	Date Completed
	Make staff member assignments to various type audit projects to provide the opportunity for growing new audit skills and proficiencies.		On-going	
Build good relations with the Board of Trustees.	Provide IA knowledge and awareness to the Board members by presenting the IA's and the Audit Committee's responsibilities in the charters' approval process.	BOT approved IA Department and Audit Committee Charters	Annually in April	
	Establish regular face-to-face meetings with the Audit Committee Chair to discuss IA activities.		Periodically	5/5/25;5/30/25; 8/5/25;10/3/25; 12/18/25
	Promote audit awareness with Board members by providing the Standards required communications in presentations to the Board.	Required Internal Auditor Communications Report	Periodically	2/4/26; 4/1/26
	Request Board members input for the IA plans.		Annually	
Build good relations with HCC internal divisions.	Embed internal customer relations improvement protocols in the standard audit project execution process.	<ul style="list-style-type: none"> <li>▪ Service Level Agreement</li> <li>▪ Project introductory meeting</li> <li>▪ Project opening and close meetings</li> <li>▪ Project status meetings</li> <li>▪ Customer review of draft reports before distribution</li> <li>▪ Post Audit Surveys</li> </ul>	Every project	
	IA works collaboratively with customers' availability to develop an appropriate scope and work plan based on the identification of key risks and controls to achieve customers		Every project	

### Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	Date Completed
	objectives under review that limits disruption to the customers productive capacity.			
	IA acts as an independent sounding board and trusted advisor to give feedback to assist customers in meeting their objectives.		As needed	
	“Meet & Greet Meetings” are held with all new executive management hires to introduce them to IA soon after they are hired.		As needed	10/6/25 10/21/25 3/5/26
	Routine “Touch Point Meetings” with executive managers.		As needed	
	IA participates in committees, councils, task forces, teams, and training exercises.		As needed	
	Require staff to complete at least 6 hours of communications and interpersonal skills training.		Annually	
Facilitate growth of HCC’s accountability culture.	Embed accountability facilitation in the standard audit project execution process: <ul style="list-style-type: none"> <li>• Track the progress in the establishment of programs that are required to manage the highest risks to HCC.</li> <li>• Review compliance with regulations and HCC policies &amp; procedures in every audit project.</li> <li>• Confirm controls existence and effectiveness as detailed in the ERM assessment and relied on by subrecipient attestors to the Chancellor and Board.</li> <li>• Track progress on completion of action plans to resolve deficiencies observed and detailed in IA project reports.</li> </ul>		Every project	

## Internal Audit Goals, Initiatives, and Activities Tracking Matrix

Goal/Activity	Steps to Accomplish the Objective	Deliverable	Frequency and Due Date	Date Completed
	<ul style="list-style-type: none"> <li>• Monitor the completion of action plans to resolve deficiencies reported in external audits and reviews.</li> </ul>			
Use data analytics and AI to provide management decision making information and to drive audit plans and projects specific scope of work.	Train and develop the IA staff in the proficient and effective use of TeamMate Analytics and Excel software tools and AI use.		On-going	
	Embedded review of data analytics uses in all projects: <ul style="list-style-type: none"> <li>• Use data analytics as a tool during the continuous risk assessment discussions with all audit teams.</li> <li>• Use ERM assessment data analytics in determining the annual IA audit plan.</li> <li>• Implement appropriate continuous auditing procedures as candidate activities are identified.</li> </ul>		Every project	
	Use AI to research audit topics during the planning stage of each audit project to help obtain a comprehensive understanding of the audit topic.		Every project	
	Required to complete at least 6 hours of data analytics and AI skills training.		Annually	

# REPORT ITEM

Meeting Date: April 1, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
D.	ERM Risk Reporting - Minors on Campus Update	Dr. Margaret Ford-Fisher Dr. Lisa Alcorta Dr. Chassity Holliman-Douglas

## DISCUSSION

Minors on campus are a key risk in Enterprise Risk reporting due to different mandatory reporting and supervision requirements compared to those for adult students. With increased outreach to minors to drive enrollment growth and community involvement, as well as more dual-credit students on campus, frequent policy reviews and consistent tracking are essential. HCC's strong internal measures create a secure environment and ensure compliance with state and federal guidelines, safeguarding minors from harm and discrimination.

## COMPELLING REASON AND BACKGROUND

State mandatory reporting for Youth and Minors on Campus: Minors on Campus has been identified as one of the risks on the Enterprise Risk Reporting schedule, which is due for presentation to the Board in April. This presentation allows us to review our practices at HCC as it relates to any MOUs with ISDs, facility use agreements, mandatory staff training, unaccompanied minor policy, and event planning.

Developing Institutional Protocols to ensure compliance and minimize legal liability.

## STRATEGIC ALIGNMENT

4. *Community Investment*

### ATTACHMENTS:

Description	Upload Date	Type
Minors on Campus Presentation	3/19/2026	Presentation

### This item is applicable to the following:

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



# Minors on Campus Update

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**Margaret Ford-Fisher, Ed.D.**  
Chancellor

**Lisa Alcorta, Ph.D.**  
Vice Chancellor, Student Services

**Chassity Holliman-Douglas, Ed.D.**  
Associate Vice Chancellor, Special Programs & Success

**April 1, 2026**

## Minors on Campus:

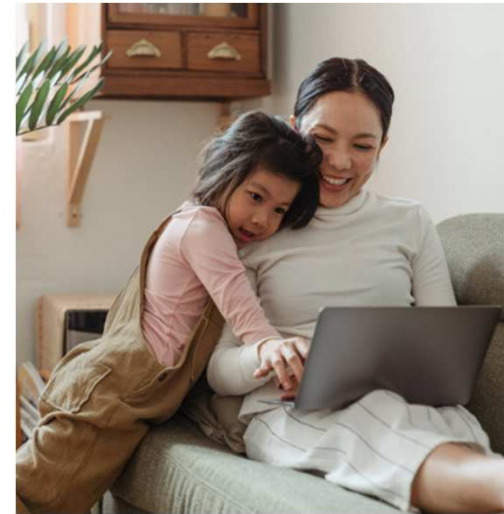
- ▶ Minors on campus are a key risk in Enterprise Risk reporting due to different mandatory reporting and supervision requirements compared to adult students.
- ▶ With increased outreach to minors for enrollment growth and community involvement, as well as more dual credit students on campus, frequent policy reviews and consistent tracking are essential.
- ▶ HCC's strong internal measures create a secure environment and ensure compliance with state and federal guidelines, safeguarding minors from harm and discrimination.

## HCC Policy GDA (Local) - Unaccompanied Minors and Relatives on Property

- ▶ The college district is a public educational institution and has an obligation to provide a safe and enjoyable learning and working environment for its students and employees.
- ▶ Minors and relatives requiring special care shall not be permitted on college district property unless they are directly supervised by a parent, legal guardian, or responsible adult. Minors and relatives of college district employees requiring special care shall not be allowed in college district work areas. Minors and relatives of enrolled students requiring special care shall not be permitted in classrooms unless they are invited by the classroom instructor for instructional purposes.
- ▶ Relatives requiring special care shall mean any person connected with another by blood or affinity who requires continuous health or medical-related assistance due to a chronic physical, developmental, behavioral, or emotional condition.
- ▶ The parent, legal guardian, or responsible adult must be present at all times whenever the minor or relative is on college district property. These requirements shall not apply to minors enrolled in courses or to minors participating in college district-sponsored events or activities.
- ▶ The college district shall not be responsible for the care and supervision of minors or relatives of employees or enrolled students and shall not be liable for any injury or harm to minors or relatives that result from the negligence or carelessness of the responsible party.

## Areas Related to Youth and Minors on Campus

- Dual Credit Students / ISD Partnerships
- Drop-In Day Care
- College and Community-Sponsored Events Involving Minors
- Annual Mandatory Compliance Training: Protecting the Rights of Minors on Campus
- Children's Camps and Youth Programs



# Working in Partnership

HCC entities work together to maintain safety, compliance, and consistent practices for minors on campus.

- ▶ **Laws & Policies**  
Board of Trustees & Office of General Counsel
- ▶ **Training**  
Talent & Engagement, Risk Management
- ▶ **Operations**  
Presidents, VPs, COOs, Campus Managers, Deans, Faculty, Staff, District Leadership
- ▶ **Monitoring**  
District Student Services (VC and AVC)
- ▶ **Audit**  
Independent review supporting continuous improvement

**Update: In 2024, a task team developed the following materials that are in practice.**

**Minors on Campus Checklist**

- Pre-Event Consultation
- Pre-Event Facilities Checklist
- Event Staffing Checklist
- Staff/Volunteer Training Considerations
- HCC Mandatory Forms for Minors on Campus Events
- Required Event Documentation
- Responsibility Reference Documents



# Minors on Campus Check-list

## Minors On Campus Checklist

- Pre-Event: Complete Event Information Sheet with Signatures\*

Pre-Event Consult with the following departments & forward an Event Information Sheet:

- Legal
- Business Services
- Financial Services
- Facilities
- HCC PD
- Risk Management
- Environmental Health & Safety

### Pre-Event Facilities Checks

Inspect/Check Event Facilities:

- Classroom Safety
- Theater Safety
- Laboratory Safety
- Event Related equipment & furnishings
- Access Security/Control
- Adequate & Safe Parking
- Arrange off site or overflow parking as necessary

Identify and eliminate before Event Start:

- ALL Safety Hazards (trip, fall, lighting, access, etc.)
- Ongoing Construction Hazards

**\* Inspect Facilities & Equipment daily for extended events. Remove hazards or defect equipment ASAP. Report hazards to responsible authorities ASAP.\***

## Event Staffing Checklist

- Assure HCC Volunteer Procedure is 100% Completed, including Background Checks
- Event Adequately Staffed at an Appropriate Ratio
- Pre-Event Mandatory Training 100% Complete for Each Staff Member or Volunteer
- If a Third Party is Sponsoring Staffing, Confirm 100% Compliance to HCC Training Requirements
- Event Supervisors/Sponsors Must Consult with HCC Title IX Coordinator Before the Event
- Event Staff, Faculty, Volunteers Know how to Report Minor Abuse (or Suspected Minor Abuse)

## Staff/Volunteer Training Considerations

**Staff and volunteers should be trained on:**

- Title IX, including HCC's Title IX [Processes](#), Policies, and Regulations ([DIAA \(Legal\)](#), [DIAA \(Local\)](#), [DIAA1 \(Regulation\)](#), [DIAA2 \(Regulation\)](#), [FFDA \(Legal\)](#), [FFDA \(Local\)](#), [FFDA1 \(Regulation\)](#), [FFDA2 \(Regulation\)](#))
- HCC Incident/Accident Reporting Child Abuse ([DHB \(Legal\)](#), [DHB \(Local\)](#))
- FERPA ([FJ \(Legal\)](#), [FJ \(Local\)](#))
- Texas Education Code § 51.937

**Structured and Unstructured Time, Including:**

- Taking Attendance & Reporting Missing Minor(s) Participants
- Following Location Emergency Procedures
- Following Healthcare/Medical Procedures
- Meal Time
- Bathroom Trips
- Unsupervised Free Time
- Interacting with Minors to Promote Physical and Emotional Safety
- Appropriate Electronic Interaction Outside of the Event, Including Texting & Social Media
- Managing Minor Behavior Without Corporal Punishment or Verbal Abuse
- Releasing Minors Earlier than Scheduled
- Providing Participants Adequate Breaks
- Specific Training to Any Activity

**\*\*Third Party Sponsors/Hosts are REQUIRED to Comply with HCC Policies & Procedures\*\***

## HCC Forms & Documentation for Minors on Campus Events **(MANDATORY for Each Minor)**

Parental/Minor Permissions & Release Forms - Mandatory

- Minor Release of Liability – Minors on Campus Packet @
- Minor Medical Consent to Treat - Minors on Campus Packet @
- Minor Medical Information - Minors on Campus Packet @
- Minor Transportation Release (as required) - Minors on Campus Packet @
- Minor Student Travel (as required) - Minors on Campus Packet @
- Photo/Recording Release – Minors on Campus Packet @

Required Event Documentation

- [Facility Agreement](#) (as required)
- [Event Insurance](#)
- [Travel/Transportation Insurance](#) (as required)

Responsibility Reference Documents

- [Faculty Handbook](#)
- [HCC Minors Procedure](#)
- [HCC Minors Policy](#)
- [Volunteers Procedure](#)
- [Transportation Policy](#)
- [Mandatory Training FY 2023-2024](#)

# Minors on Campus Chart

Types of Events/Categories with Minors in Attendance	HCC Dept Camp/Event: Parents at Event	HCC Dept Camp/Event: Minors Dropped off	HCC Dept Camp/Event: Minors Accompanied by ISD Partners	Outside Camp Sponsored by HCC Dept: HCC employees helping with camp	Outside Camp Supported by HCC Dept: Non HCC employees running camp	Third Party Camp/Event Asking to Use Space:	HCC transporting minors off campus (Upward Bound)	HCC Event at another location
Who is watching the minors	Parents	HCC employees	ISD employees	HCC Employees watching the minors (3rd party is facilitating lessons)	3rd party	3rd party	HCC Employees	HCC Employees
Insurance	No	No	Yes, may already be on file	No	Yes	Yes		
Molestation Clause	No	No	Yes, may already be on file	No	Yes	Yes		
Minors on Campus Event Infor Sheet	Yes, for tracking	Yes, for tracking	Yes, for tracking	Yes, for tracking	Yes, for tracking	Yes, for tracking		
Minors on Campus Checklist	Resource only	Resource only	Resource only	Resource only	Resource only	Resource only		
Third Party Sponsor/Hosts Parental Permission	No	No	Yes	No	Yes	Yes		
Liability Release for Minor Participant	based on risk of activity yes/no	Yes	No, assumption is ISD has forms	Yes	check that camp has	check that camp has		
Minor (Child) Medical Authorization	No	Yes	No, assumption is ISD has forms	Yes	check that camp has	check that camp has		
Minor Medical Information	No	Yes	No, assumption is ISD has forms	Yes	check that camp has	check that camp has		
Liability Release for Minor Participant	No	Yes	No	Yes	check that camp has	check that camp has		
Minor Student Travel Release Form	No	No	No	No	No	No	Yes	
Video, Photographic, Print, & Audio Release Form	Yes	Yes	Yes	Yes	Yes	Yes		
Facility Rental Agreement	Ad Astra Request	Ad Astra Request	Ad Astra Request	Ad Astra Request	Yes	Yes		
Request HCC Certificate of Insurance Form			Might be needed					Yes
Volunteer Forms Checklist	resource	resource	resource	resource	resource	resource		
Description of Volunteer Activity	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract		
Volunteer Acknowledgement & Release Form	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract		
Authorization for Criminal Background Check & Fingerprinting	probably not but check	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract		
Volunteer Agreement	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract	if using volunteers or employees off contract		
Volunteer Service Parental/Guardian Consent Form	if volunteer is a minor	if volunteer is a minor	if volunteer is a minor	if volunteer is a minor	if volunteer is a minor	if volunteer is a minor		
Event Staffing/Volunteer Training	Yes	Yes	Yes	Yes	Orientation/Expectations	Orientation/Expectations		
Student Travel Insurance Instructions							yes, if over 50 miles; minors and non minors	yes, if over 50 miles; minors and non minors
Staff/Faculty/Student Travel/Domestic/ International Insurance Request							yes, if over 50 miles; minors and non minors	yes, if over 50 miles; minors and non minors
Student List Travel Insurance Request							yes, if over 50 miles; minors and non minors	yes, if over 50 miles; minors and non minors
Travel Itinerary							yes, if over 50 miles; minors and non minors	yes, if over 50 miles; minors and non minors

# Current Practices and Updates – Oversight & Monitoring

- Standardized **systemwide processes** for all events involving minors.
- College **College Operations Officers (COOs)** provide leadership, coordinated oversight, and operational training for college teams.
- College leaders ensure consistent communication of **policies, procedures, and expectations** across campuses.
- Centralized tool used for **documentation, reporting, and quarterly compliance monitoring** to support alignment and accountability.
- **Ad Astra** (scheduling software) used to report and track events involving minors to ensure visibility and compliance.

# Current Practices and Updates – Compliance & Training

- Required **systemwide training** on policies, procedures, and compliance expectations for all employees involved with minors.
- Compliance training is **managed at the district level** to ensure uniform standards.
- Colleges deliver **operational training and orientation** tailored to their campus activities and roles.
- Additional training is provided proactively as new risks or emerging issues are identified.

# Human Trafficking Resources & Support



# Mental Health Support Services at Houston City College

Houston City College prioritizes student mental health and wellness by providing accessible, coordinated, and proactive support services.

Our counseling and wellness resources are offered virtually, on-campus, and through referrals with external partners.

## **24/7 Crisis Support Hotline - (Launching in late Spring 2026)**

In partnership with **Protocall's Welltrack HelpNow**, licensed clinicians will provide confidential mental health crisis support outside of regular counseling hours.

More details will be shared in the upcoming Counseling and Ability Services presentation in May.

**Thank You!**

# REPORT ITEM

Meeting Date: April 1, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
E.	Financial Aid Department Comprehensive Student Loan Debt Report	Dr. Margaret Ford Fisher Mr. Warren Hurd Ms. Boni K. Jacobs

## DISCUSSION

This presentation will provide an update on HCC's comprehensive student loan debt report and default rate.

## COMPELLING REASON AND BACKGROUND

### Institutional Risk and Compliance Oversight

- Tracking student loan debt levels and default rates enables the College to identify potential federal compliance risks early and ensure continued eligibility for Title IV financial aid programs.

### Student Success and Financial Well-Being

- Student loan debt and default data provide critical insight into students' financial outcomes after enrollment.

### Data-Informed Planning and Accountability

- Reviewing student debt and default patterns supports strategic decision-making related to program affordability, enrollment management, and resource allocation.

## FISCAL IMPACT

This item has no immediate fiscal impact. Ongoing monitoring of student loan debt and default data supports proactive risk management and may help mitigate potential future financial exposure related to federal sanctions, loss of Title IV eligibility, or increased compliance costs.

## LEGAL REQUIREMENT

Federal law under the Higher Education Act of 1965, as amended, requires institutions participating in Title IV federal student aid programs to monitor, report, and manage student loan borrowing and cohort default rates. Ongoing review of this data supports compliance with U.S. Department of Education regulations and helps ensure continued eligibility for federal funding.

## STRATEGIC ALIGNMENT

### 1. Student Success

### ATTACHMENTS:

Description	Upload Date	Type
Financial Aid Department Comprehensive Student Loan		

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



# Financial Aid Department Comprehensive Student Loan Debt Report

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Margaret Ford Fisher, Ed.D.  
Chancellor

Warren Hurd, M.B.A.  
Vice Chancellor, Administrative Services

Boni Jacobs  
Executive Director, Financial Aid

April 1, 2026

# Federal Direct Student Loans

William D. Ford Federal Direct Loan Programs

Direct Subsidized Loans

Direct Unsubsidized Loans

Direct PLUS Loans

Eligible students and parents borrow directly  
from the U.S. Department of Education

# Student Loan Requirements



# Requirements of College and Student

## College

College **MUST** inform the student of the total aid available, regardless of type

- Student enrollment in 6 or more credits is required for loan eligibility
- Students who default on federal student loans are not eligible for federal financial aid until the loan default is resolved or cured
- HCC notifies students at the end of every semester how much debt they have, approximate monthly payments, interest, and total amount to be paid. Notification includes where they can find the information about their student loans

## Student

Entrance Interview/Counseling

- Online counseling session is required before a student obtains his/her first loan
- Session educates the student on the terms and obligations associated with receiving student loans
- *College may not require student loan counseling in subsequent terms, after receipt of the first student loan*

# Student Loan Recipients



# Student Loan Disbursements (Annual)

Academic Year	Student Count	Total Debt	Avg Amount
2021-2022 (Fall/Spring/Summer)	9,075	\$52,582,288	\$5,794
2022-2023 (Fall/Spring/Summer)	9,159	\$53,098,222	\$5,794
2023-2024 (Fall/Spring/Summer)	9,724	\$56,008,790	\$5,760
2024-2025 (Fall/Spring/Summer)	10,425	\$64,508,106	\$6,188

# HCC Students – Aggregate Loan Borrowing (All Schools)

**HCC Enrolled - Full Pell Grants with Loans**

Academic Year	Student Count	Total Aggregate Debt	Avg Aggregate Amount
2021-2022	5,418	\$116,586,831	\$21,518
2022-2023	5,326	\$112,250,948	\$21,076
2023-2024	5,798	\$117,930,878	\$20,340
2024-2025	7,465	\$131,914,934	\$17,671

**HCC Enrolled – All Loan Recipients  
Aggregate Loan Debt**

Academic Year	Student Count	Total Aggregate Debt	Avg Aggregate Amount
2021-2022	9,075	\$181,973,479	\$19,990
2022-2023	9,159	\$153,228,462	\$16,730
2023-2024	9,724	\$194,941,714	\$20,050
2024-2025	10,425	\$186,272,613	\$17,871

**HCC Graduates with Loan Debt**

Academic Year	Student Count	Avg Debt
2022	1,738	\$21,498
2023	1,080	\$20,394
2024	1,871	\$20,642
2025	2,005	\$21,075

# HCC Student Total Cost Per Semester

<b>Student Type</b>	<b>In-District Tuition /Fees</b>	<b>Out-District Tuition/Fees</b>
Full-Time-15HRS	\$1,274	\$2,714
Part-Time-9 HRS	\$767	\$1,631
Part-Time-6 HRS	\$513	\$1,089

**Default**



# Default and Student Outreach



**Borrower Tracking Period-** student borrowers are tracked for 3 years after entering repayment to determine whether they default on their federal student loans

**How the Cohort Default Rate is Calculated-** a college's Cohort Default Rate (CDR) is the percentage of borrowers who entered repayment in a given fiscal year and defaulted within the three-year monitoring period.

**Default Definition-** a borrower is considered to be in default after 270 days of delinquency on a federal student loan.

**Regulatory Threshold-** a CDR greater than 30% for 3 successive years results in loss of eligibility for federal financial aid programs

## **Default Management History:**

In November 2015, Houston Community College outsourced default management initiatives to **Wright International Student Services** (WISS)

In March 2021, Trellis began providing default management services at no cost to selected institutions. This program was discontinued September 30, 2025

Current Status- HCC is in the process of re-initiating a contract with WISS to restore dedicated default management support.

# Impact of the Pandemic

March 13, 2020 – President pauses all federally held student loan payments, interest and collections

October 2023-student loan pause ends

Default Rate for FY2020, 2021, and 2022 has been 0% for all institutions.



# Default Rates

HCC Rates CDR 2020 0%

CDR 2018 12.7% CDR 2021 0%

CDR 2019 1.3% CDR 2022 0%

COHORT DEFAULT RATES-COMPARISONS IPEDS DATA FEEDBACK REPORT- COMPARISON GROUP	2022 (9/2022)	Num 1	Denom 1	2021(9/2024)	Num 2	Denom 2	2020 (9/2023)	Num 3	Denom 3
Alvin Community College	2022	0	177	2021	0	188	2020	0	207
Austin College	2022	0	246	2021	0	267	2020	0	246
Blinn College	2022	0	3,293	2021	0	3,926	2020	0	3,884
San Jacinto Community College District	2022	0	661	2021	0	791	2020	0	982
Tarrant County College District	2022	0	2,931	2021	0	2,952	2020	0	3,753
Wharton County Junior College	2022	0	504	2021	0	583	2020	0	628
Houston Community College	2022	0	5,997	2021	0	7,025	2020	0	8,136
Lone Star College System	2022	0	4,980	2021	0	5,109	2020	0	6,113
Austin Community College	2022	0	3,762	2021	0	3,883	2020	0	3,768

# Why FY 2023 Matters So Much

**FY 2023 is the first cohort following the COVID payment pause**

Although still influenced by:

- The on-ramp period (Oct 2023–Sept 2024)
- Fresh Start

It is the first signal of post-pause default risk

Departments of Education and higher-ed counsel are warning institutions to prepare for CDR increases starting with FY 2023

Item	Date
Borrowers entered repayment	October 1, 2022 – September 30, 2023
Default monitoring window	Through September 30, 2025
Draft CDR release	Spring 2026
Official CDR release	September 2026

# Factors That May Affect FY 2023 Cohort Default Rates

FY 2023 is a transition cohort—it sits between the COVID relief era and full repayment resumption. As a result, its cohort default rates (CDRs) are shaped by several temporary federal protections and structural borrower conditions, not just institutional performance

## COVID-19 Payment Pause (Still Influential)

- Borrowers entering repayment in FY 2023 did so **largely while payments were paused**.
- Most borrowers entering repayment **did not immediately face required payments**, reducing early delinquency.
- This suppresses defaults relative to pre-pandemic cohorts.

**Impact:** Lowers observed defaults in the cohort, especially in the early portion of the three-year window.

## Repayment Restart Timing (October 2023)

- Payments resumed **at the very end of FY 2023**.
- Many borrowers in this cohort made **few or no required payments** before FY 2024.
- Default behavior for this cohort is **back-loaded**, rather than front-loaded.

**Impact:** Delays default activity, muting FY 2023 rates compared to earlier “normal” cohorts.

## One-Year “On-Ramp” to Repayment (Oct 2023–Sept 2024)

- During the on-ramp period:
  - Missed payments did **not trigger delinquency or default**
  - Borrowers were protected from negative credit reporting
- Borrowers could be **non-paying without consequence** for default calculations.

**Impact:** Significantly suppresses defaults that would otherwise count toward FY 2023 CDRs.

## Fresh Start Initiative (Ended October 2024)

- Defaulted borrowers prior to the pandemic were temporarily:
  - Removed from default status
  - Returned to good standing
- Defaults cured through Fresh Start **do not count** in CDR calculations.

**Impact:** Artificially lowers default counts for cohorts that overlap this period, including FY 2023.

## Expanded Income-Driven Repayment (SAVE Plan)

- Many FY 2023 borrowers entered repayment under:
  - **SAVE or other income-driven plans**
  - Monthly payments as low as **\$0**, which still count as “in repayment”
- Borrowers with \$0 payments **cannot default** if compliant.

**Impact:** Keeps at-risk borrowers technically current, reducing defaults.

## Borrower Financial Vulnerability

Despite protections, many borrowers face:

- Inflation and rising cost-of-living pressures
- Low earnings typical of community college outcomes
- Stop-out behavior (non-completion)

**Impact:** Creates **latent risk**—defaults may rise **after protections expire**, more visible in FY 2024–FY 2025 cohorts than FY 2023.

## Institutional Borrowing Patterns

FY 2023 CDRs will still be influenced by:

- Percentage of students borrowing
- Loan amounts relative to income outcomes
- Timing of program completion or withdrawal
- Effectiveness of exit counseling and default prevention outreach

**Impact:** Schools with lower borrowing rates and stronger outreach may see more muted increases.

**FY 2023 cohort default rates will likely remain relatively low, not because default risk disappeared, but because multiple federal protections delayed or prevented defaults from being recorded.**

**What Comes Next:**

- FY 2023 should be viewed as a **bridge cohort**, not a new normal.
  
- FY 2024 and FY 2025 cohorts will:
  - Reflect full repayment
  - Have fewer temporary protections
  - Better capture true post-pandemic default behavior

## Houston Community College (HCC)

### Student Loan Borrowing Profile

#### Low Borrowing Rates

- Approximately **18–22% of HCC students borrow federal student loans**, which is **well below the national average** for public two-year institutions.
- The **median federal loan debt for graduates is approximately \$10,500**, reflecting:
  - Shorter time-to-credential
  - Lower tuition and fee structure
  - Strong Pell Grant utilization

*Most HCC students do not borrow. Those who do typically borrow relatively small amounts.*

#### Borrowing Concentration

- Borrowing is **not evenly distributed**:
  - Higher among **part-time students, adult learners, and credential-seeking students who stop out**
  - Borrowers who **do not complete** are statistically more likely to experience repayment difficulty

#### CDR relevance:

Low borrowing volume reduces overall CDR exposure, but **non-completing borrowers drive default risk.**

# Persistence & Enrollment Behavior

## High Part-Time Enrollment

- Like most large urban community colleges, HCC serves a **predominantly part-time population**.
- National data show:
  - **Second-year persistence for part-time students is significantly lower** than for full-time students

*Lower persistence is a sector characteristic, not a financial aid management failure.*

## Stop-Out, Not Drop-Out

- Many HCC students **cycle in and out of enrollment** due to:
  - Work obligations
  - Family responsibilities
  - Short-term credential completion followed by employment
- Students who stop out may:
  - Enter repayment
  - Re-enroll later
  - Transfer to another institution

## CDR relevance:

Borrowers may enter repayment **before earnings stabilize**, increasing default vulnerability.

# Completion & Outcomes Context

- Graduation/completion rates at community colleges appear lower due to:
  - Transfer-out behavior
  - Part-time attendance
  - Credential stacking
- However, HCC students who complete credentials **demonstrate positive labor-market outcomes:**
  - Median earnings 10 years post-enrollment exceed national medians for two-year institutions

*Persistence metrics alone do not capture student success or repayment capacity.*

# Implications for FY 2023 & Future CDRs

## Why HCC's CDR Risk Is Moderated

- ✓ Low borrowing rates
- ✓ Low median debt
- ✓ Strong grant aid penetration
- ✓ Workforce-aligned credentials

## Where Risk Still Exists

- ⚠ Borrowers who **stop out without completing**
- ⚠ Borrowers affected by:
  - Inflation
  - Delayed wage growth
  - Expiration of federal repayment protections

**HCC's borrowing profile reduces systemic cohort default risk, but persistence patterns—especially among part-time and stop-out borrowers—require continued monitoring and proactive default-prevention outreach.**

*“HCC's low borrowing rates and modest student debt mitigate overall default exposure, though stop-out behavior among a small subset of borrowers remains the primary default risk driver.”*

**Thank You**