HOUSTON
CITY COLLEGE

AGENDA

AUDIT COMMITTEE

OF THE BOARD OF TRUSTEES

August 5, 2026
1:45 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

August 5, 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, August 5, 2026 at 1:45 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. Presentation from External Audit Firm on Audit Approach and Plan

B. Internal Audit Status Report

C. FY 2027 Internal Audit Plan for Approval

D. Report on Quarterly Control and Compliance Attestation

III. Adjournment to closed or executive session pursuant to Texas Government Code Sections 551.071; 551.072 and 551.074, the Open Meetings Act, for the following purposes:

A. <u>Legal Matters</u>

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. <u>Personnel Matters</u>

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. <u>Real Estate Matters</u>

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 **30th Day of July**, 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.

Posted By:

_____

Sharon R. Wright
Director, Board Services

REPORT ITEM

Meeting Date: August 5, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
A.	**Presentation from External Audit Firm on Audit Approach and Plan**	**Dr. Margaret Ford Fisher Robert McCracken Forvis Mazars LLP**

DISCUSSION

Forvis Mazars LLP, HCC's external audit firm, will present the FY 2026 audit approach and plan.

COMPELLING REASON AND BACKGROUND

- The Board of Trustees approved Forvis Mazars LLP as HCC's external auditor for 5 years based on a formal RFQ process.
- Professional standards require external auditors to meet with the audit committee to communicate an overall audit strategy, including the timing of the FY 2026 audit.

FISCAL IMPACT

The estimated audit fees of $217,350 is included in the FY 2027 budget.

LEGAL REQUIREMENT

None.

STRATEGIC ALIGNMENT

1. Student Success, 4. Community Investment , 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
External Audit Firm Planning Presentation	7/16/2026	Presentation

This item is applicable to the following: District

Planning Presentation to the Board of Trustees, Audit Committee, and Management

Houston City College

August 31, 2026

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Contents

Thank You for Our Continued Relationship

We are grateful for the continued opportunity to serve Houston City College and gain insight into your operations. This communication provides useful information relevant to your role as those charged with governance of the entity, including summarized information required by professional standards, such as the planned scope and timing of the audit.

Our goal is to establish a foundation for effective two-way communication throughout the audit. We are available at your convenience to discuss this information and answer questions as we begin our audit.

Contacts During the Engagement

We understand the appropriate persons in the governance structure with whom to communicate are:

- Eva Loredo, Board of Trustees Chair
- Dr. Pretta VanDible Stallworth, Audit Committee Chair

Your audit leader for any questions or communications is:

- Angie Dunlap, Partner | angie.dunlap@us.forvismazars.com | 713.499.4776

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Overview & Responsibilities

- Scope of Our Audit
- Audit Standards & Materiality
- Our Responsibilities
- Your Responsibilities
- Other Information Accompanying the Audited Financial Statements

Matter	Description of Audit Area
Scope of Our Audit	We have been engaged to audit the financial statements and compliance with federal and state awards of Houston City College for the year ended August 31, 2026. Please refer to our contract dated July XX, 2026 for additional information and the terms of our engagement.
Audit Standards & Materiality	We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial statement audits contained in *Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Texas Grant Management Standards (TxGMS). Those standards require that we plan and perform the audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud, and the audit of compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* and TxGMS that are applicable to each major federal or state award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal or state award program occurred. References to items that are material refer to misstatements, including omissions, that could, in our professional judgment, reasonably be expected to influence the economic decisions of users made on the basis of the financial statements.
Our Responsibilities	We are responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Matter	Description of Audit Area
Your Responsibilities	Our audit of the financial statements does not relieve you or management of your responsibilities.
Distribution Restriction	This communication is intended solely for the information and use of the Board of Trustees and related Audit Committee, and, if appropriate, management of the entity and is not intended to be, and should not be, used by anyone other than these specified parties.

Other Information Accompanying the Audited Financial Statements

Management is responsible for the other information included in the annual comprehensive financial report (ACFR).

The other information comprises the introductory and statistical sections of the ACFR but does not include the financial statements and our auditor's report thereon.

We will not subject such information to the auditing procedures applied in the audit of the financial statements and, accordingly, we will not express an opinion or provide any assurance on it. Our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or whether there is an indication that the other information appears to be materially misstated or misleading. We will respond appropriately when we identify material inconsistencies or when we otherwise become aware that information appears to be materially misstated.

In the event we issue a disclaimer of opinion on the financial statements, our auditor's report will not make any reference to the ACFR or to any procedures that may have been performed.

Drafts of the ACFR should be provided to us by October 9, 2026, in order to provide us with adequate time to read the documents for the purposes described above.

Planned Timing of the Engagement

We succeed in our engagements by collaborating with management through frequent communication. We require the assistance of management and staff to prepare supporting documents, schedules, and analysis and depend on those items to be ready no later than the dates that we mutually agree will meet your deadlines.

- Audit planning and interim: July 6 – 20, 2026
- Final fieldwork: October 5 – November 6, 2026
- Draft financial statements are expected to be ready: October 9, 2026
- Issuance of our report on approximately: December 2, 2026

Our team has been or will be performing activities, both on site and remotely, during the dates noted above.

Planned Audit Scope

We welcome any input you may have regarding the information discussed below. We also welcome any insight you have related to any other risk areas or other significant risk areas you believe warrant particular attention.

Extent of Testing

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Establishing Our Understanding

An audit also includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we will express no such opinion.

Communicating Deficiencies or Significant Matters

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate internal control-related matters that are required to be communicated under professional standards.

We will also communicate significant matters arising during the audit of the financial statements that are relevant to you in overseeing the financial reporting process as required by professional standards.

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Significant Risks of Material Misstatement

We have preliminarily identified the following areas of significant risks of material misstatement due to error or fraud and propose to address these areas as described:

Risk Areas	Audit Approach
Management override of controls	• Journal entry testing • Test of management's accounting for bias and significant changes from prior year • Evaluate business rationale for identified related-party transactions and significant unusual transactions
Improper revenue recognition due to risk of fraud	• Analytically review selected revenue accounts, perform test of details, perform cutoff procedures, and review subsequent collections, as applicable
Noncompliance with Uniform Guidance and TxGMS	• Test controls and required compliance of major programs in accordance with Uniform Guidance, TxGMS, and *Compliance Supplement*
Implementation of GASB 103, *Financial Reporting Model Improvements*	• Perform a test of details on the amounts in FY24 that are restated and the crosswalk of the old and new financial statement mapping

Other Procedures to Be Performed

We may also request written representations from the entity's attorneys as part of the engagement, and they may bill the entity for responding to this inquiry.

At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

We may identify additional significant risks as we complete our procedures.

Use of Resources

We plan to use the following specialists or experts in our audit:

- Harvest Investments – third-party independent estimate of investment fair values

Work Performed on Components of the System

The Houston Community College Foundation is audited by other auditors whose reports will be furnished to us. We will refer to the other auditors in our opinion.

Adoption of New Accounting Standards

The entity must adopt GASB 103, *Financial Reporting Model Improvements*, and GASB 104, *Disclosure of Certain Capital Assets*, as of September 1, 2025. Implementation of this standard includes adoption of new policies. In addition, implementation of this standard may affect internal controls over financial reporting. We encourage you to communicate with management regularly regarding the policy elections made, recognition of new financial statement amounts and disclosures upon transition.

Changes related to GASB 103 and GASB 104:

- MD&A: Removal of boilerplate language and emphasizes "why" explanations

- Added “noncapital subsidies” section on the Statement of Revenues, Expenses, and Changes in Net Position, which includes property tax and grant revenues
- Possible movement of items from nonoperating to operating revenues
- Added disclosures in the Capital Asset note related to leased assets and subscription-based information technology assets

Consideration of Error or Fraud

One of the most common questions we receive from governing bodies is, “How do you address fraud in a financial statement audit?” Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in GAAS.

Our audit approach includes such procedures as:

- Engagement team brainstorming
- Inquiries of management and others
- Reviewing accounting estimates for bias

Sharing Our Commitments

Our commitment to our people, clients, integrity, and culture are critical to achieving quality in our practice. You can learn more in our 2026 Quality Report.

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REPORT ITEM

Meeting Date: August 5, 2026

Topics For Discussion and/or Action:

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

DISCUSSION

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

COMPELLING REASON AND BACKGROUND

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

FISCAL IMPACT

Department functions per approved operating budget.

STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
Internal Audit Status Report - Presentation	7/23/2026	Presentation
Detail FY 2026 Internal Audit Plan Status Report	7/22/2026	Attachment
Audit Observations Follow-up Report Aug 2026	7/24/2026	Attachment

This item is applicable to the following: District

HOUSTON CITY COLLEGE

Internal Audit Status Report

Dr. Margaret Ford Fisher, Chancellor

Terry Corrigan, Executive Director, Internal Audit

August 5, 2026

Internal Audit Status Report

Presentation Contents

Presentation

- Summarized Internal Audit Status Information
- Follow-up on Observation Action Plans
- External Audit/Review Activity
- Independence Impairments & Scope Limitations

Information Attachments

- Detailed FY 2026 Internal Audit Plan Status Report
- Audit Observations Follow-up Status Report

(Detailed FY 2026 Internal Audit Plan Status Report attachment is included in package)

Summarized Internal Audit Status Information

Projects Completed

1. 26-O-1 Minors on Campus (Interim report)
2. 26-O-2 Policing

Summarized Internal Audit Status Information (continued)

FY 2026 Plan Projects in Progress

1. 26-I-1 IT Disaster Recovery/Business Continuity
2. 26-I-2 IT Systems Audit
3. 26-S-6 Procurement Processing – AI exercise
4. 26-S-6-1 *Procurement Activity Tracking Management
5. 26-S-6-2 *Data Hosting Vendors Management

* Project rolled over from FY 2027 Audit Plan

Summarized Internal Audit Status Information (continued)

Projects waiting on program implementation

1. An HCC Regulation Policy for Asset Management was approved by the CEC in July. A review will be performed upon implementation of the Asset Management Program.

2. Minors on Campus interim report has been issued. HCC management will develop a comprehensive, system-wide Minors on Campus Regulation to establish governance, standardize procedures, and strengthen risk management and compliance across all programs involving minors. A review will be performed upon implementation of the Minors on Campus Management Program.

3. Campus Security & Safety (using Berkeley Research Group & Robb (Uvalde) reports and Texas School Safety Center checklist to establish a security & safety program). The Operations and Administration Office is working to hire security and safety professionals under the Police Department to establish the program.

Observation Action Plans Follow-up

Follow-up information attachment is included in the package:

Audit Observations Follow-up Status Report

External Audit/Review Activity

HCC Procured Services

Forvis Mazars – annual comprehensive financial statements & single external audit.

Regulatory Imposed

None

Independence Impairments & Scope Limitations

The internal audit function has experienced no independence impairments and/or scope limitations.

Thank You

Questions?

HOUSTON COMMUNITY COLLEGE
INTERNAL AUDIT DEPARTMENT

FY 2026 Audit Plan Status Report
SUMMARY as of July 18, 2026

Audit Projects	Project Number	FY 2026 Plan Est Hrs	YTD 2026 Actual Hours	Over (Under)	Stage	Fieldwork Planned	Estimated Report Completion	Final Report Issued
Operational Audit Projects								
Minors on Campus	26-O-1	640	275	(365)	Completed	10/13/25-5/15/26	05/29/26	06/08/26
Policing	26-O-2	640	630	(10)	Completed	10/20/25-4/24/26	05/08/26	07/21/26
Information Technology Audit Projects								
IT Disaster Recovery/Business Continuity	26-I-1	480	327	(153)	Fieldwork	11/3/25-8/14/26	08/28/26	
IT Systems Audit	26-I-2	640	190	(450)	Fieldwork	6/1/26-8/14/26	08/28/26	
Compliance Audit Projects								
Campus Safety & Environmental Operations Management	26-C-1	320	88	(232)	N/A	N/A	N/A	N/A
Central College	26-C-1-1	240	171	(69)	Completed	1/12/26- 3/27/26	04/17/26	04/22/26
Northeast College	26-C-1-2	240	243	3	Completed	1/12/26- 3/27/26	04/17/26	04/20/26
Coleman College	26-C-1-3	240	92	(148)	Completed	1/12/26- 3/27/26	04/17/26	03/31/26
Clery Act Reporting	26-C-2	320	138	(182)	Completed	9/1/25-9/26/25	09/26/25	10/01/25
Advisory Services Projects								
Committees & Task Forces	26-S-1	240	180	(60)	N/A	9/1/25-8/31/26	N/A	N/A
Special Projects & Examinations	26-S-2	240	20	(220)	N/A	9/1/25-8/31/26	N/A	N/A
ERM Top 10 Risks Baseline Assessment	26-S-3	640	39	(601)	N/A	9/1/25-8/31/26	N/A	N/A
Contracted Services Analysis	26-S-4	240	70	(170)	Completed	9/1/25-9/26/25	10/01/25	10/03/25
Less Than $100K Payments Analysis	26-S-5	240	66	(174)	Completed	9/1/25-9/26/25	10/01/25	10/03/25
Procurement Process - AI exercise	26-S-6	100	16	(84)	Completed	5/11/26-7/31/26	N/A	
*Procurement Activity Tracking Management	26-S-6-1	270	65	(205)	Fieldwork	5/11/26-10/2/26	10/30/26	
*Data Hosting Vendors Management	26-S-6-2	270	95	(175)	Fieldwork	5/11/26-10/2/26	10/30/26	
HB 33 Active Shooter & Campus Security	26-S-7	480	20	(460)	Ongoing	9/1/25-8/31/26	N/A	N/A
Website Accessibility	26-S-8	80	-	(80)	Ongoing	9/1/25-8/31/26	N/A	N/A
SB 37 Faculty Senate Reconstruction	26-S-9	80	-	(80)	Ongoing	9/1/25-8/31/26	N/A	N/A
Administrative Projects								
FY 2027 Audit Planning & ERM Assessment	26-A-1	680	487	(193)	Complete	9/1/25-7/17/26	08/05/26	08/05/26
TeamMate IA Management System	26-A-2	40	52	12	Ongoing	9/1/25-8/31/26	N/A	N/A
Internal Quality Assurance Review	26-A-3	160	548	388	Complete	9/1/25-2/20/26	03/04/26	03/04/26
FY 2026 Annual Audit Report	26-A-4	40	86	46	Ongoing	8/3/25-9/18/26	10/07/26	
External Audits Monitoring	26-A-5	40	6	(34)	Ongoing	9/1/25-8/31/26	N/A	N/A
Lunch and Learns	26-A-6	160	136	(24)	Ongoing	9/1/25-8/31/26	N/A	N/A
Newsletters	26-A-7	80	-	(80)	Ongoing	9/1/25-8/31/26	N/A	N/A
Global Internal Audit Standards Transition	26-A-8	80	468	388	Ongoing	9/1/25-8/31/26	N/A	N/A
Observation Action Plan Follow-ups								
Observation Action Plan Follow-ups	26-F-1	228	98	(130)	Ongoing	9/1/25-8/31/26	N/A	N/A
Total Audit Projects		**8,148**	**4,606**	**(3,542)**				

* Project rolled over to FY 2027 Audit Plan

HOUSTON CITY COLLEGE

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
23-O-1 Asset Management - Information Technology	1	IA observed various discrepancies with departmental IT asset inventory. The discrepancies are detailed in the report Attachment. IA noted that HCC does not have a written policy that details HCC's expectations for managing IT assets. IA recommends an HCC policy regulation be written and submitted to the Chancellor's Executive Committee (CEC) for approval to manage IT assets. IA suggests that the regulation cover the following elements: •Onboarding: Workflow from HCC IT to the customer. This would include departmental technology assets from general purchase, grant funded, and donated items. The HCC IT department should be the initial recipient of controlled and capitalized IT assets inclusive of computers, servers and network equipment. This would help ensure that these types of assets are properly recorded, set up, secured, managed, configured and safe to use on the HCC network. •Monitoring: Annual inventory count and reconciliation by a designated party, movement forms completed when assets are moved and transferred to another location. •Offboarding: Workflow from IT asset custodians to HCC IT when employees leave HCC or transfer to other departments. •Training: Required training details. •Review and monitoring oversight: Required by directly responsible individuals. •Enforcement: Accountability, disciplinary action for policy offenders.	The CEC approved an Asset Management Regulation Policy in July. An inventory of assets has been complete and the report is being reviewed by HCC management before providing the report to th BOT. IT is working with Facilities to improve the integration of IT asset records maintained in Service Now with the asset record in PeopleSoft.		Complete 7/20/2026
24-C-1 Campus Safety & Environmental Operations Management	1	Historically, HCC has maintained safety data sheets (SDS) in a hard copy format, leading to inefficiencies in storage, retrieval, and updating as indicated by ongoing observations related to missing SDS and incomplete chemical inventories. With advancements in technology, digital solutions offer a more streamlined and effective approach to managing SDS information. Internal Audit recommends that EH&S submit a proposal to HCC Administration to implement an online SDS service.	SDS information has been digitized for laboratory and workforce programs. The number of SDS's that HCC has was underestimated which created an overage of HCC's allowed SDS count. HCC is in the process of paying for the additional information processing. Velocity is building HCC's SDS's platforms. Separation Systems Consultants, Inc. (SSCI) has been used as HCC's environmental consultants. The project is on track to have everything functional by August 31, 2026.	EHS Manager	In Progress 8/31/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
24-C-2 Senate Bill 17	1	In Internal Audits opinion, HCC executive management has been provided with sufficient training concerning SB 17 compliance through Chancellor Executive Council Task Force Meetings, Accountability and Standards Council meeting presentations, and required executive management attestation certifications. An SB 17 Compliance Resources email was provided to all HCC employees on July 25, 2024, to assist employees in complying with the new mandatory requirements. Employees may not have been diligent in adequately acquainting themselves with the information provided. All employees are responsible for familiarizing themselves and complying with SB 17's basic requirements. Internal Audit recommends HCC management provide required training for all HCC employees to strengthen the control environment around complying with the new requirements.	SB17 live training was planned to be provided via TEAMS in the spring semester with anticipated end of February 2026 timeframe while HCC works to have a more robust SB17 training available on demand. However, the training was delayed for the State Auditors Office (SAO) to complete their current audit, so that OGC can include any feedback from the SAO and only provide one training with all relevant information. Training will be included in the rescheduled Compliance Partners meeting on July 24, 2026 and then rolling out a larger training in FY 2027.	General Counsel and VC, Talent Engagement & CHRO	In Progress 10/15/2026
24-O-2 Student Mental Health	2	Counseling and Ability Services training offerings are quite robust, however, comprehensive tracking of attendance by faculty and staff is needed. Counseling and Ability Services should maintain a record of attendee names, positions and departments. For student-facing positions, goals evaluated in the PEP process could include annual training in mental health, human trafficking and other related topics. In this case, evidence of attendance in the form of certificates backed by attendance records would be needed to provide appropriate documentation supporting the achievement of goals.	Counseling and Ability Services plans to take advantage of the Anthology Engage Student Engagement Platform being acquired by Student Life to track the attendees' names, positions, and departments for each training offering, as well as tracking evaluation feedback forms for topics of interest and needs for professional development as reported by faculty, staff and student attendees. The Engage platform is ADA compliant but Student Life is focused on getting their app ready for students by August 1. They have postponed opening the Engage platform for other departments. A possible workaround is for the student life coordinator to post events directly under student life but co-branded with counseling. This will provide tracking for events. Patrick Nguyen will follow up with student life to start this process. The workaround can be completed by August 15.	AVC, Special Programs & Success	In Progress 8/31/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
25-O-1 IT Disaster Recovery	1	As part of the audit, Internal Audit conducted a physical and environmental assessment of HCC's primacy data center. The facility is currently equipped with a diesel-powered generator, which has sufficient fuel capacity to sustain operations for several days under emergency conditions. However, during natural disasters, fuel availability can become severely constrained, and distribution is typically prioritized for emergency response and essential services. To enhance the resiliency of the data center, it is recommended that HCCs Information Technology department consult with Facilities Management to evaluate the feasibility of transitioning to a natural gas-powered generator. Natural gas systems are generally more reliable during extended emergencies due to the continuous pipeline supply, reducing dependency on fuel deliveries and improving overall disaster recovery preparedness.	Facilities estimates it will cost $3 million to retrofit the existing generator to natural gas. Facilities is investigating getting a 15,000 or 20,000 diesel fuel tank permanently installed in the back parking lot. Facilities expects to complete this analysis by the end of FY 2026.	Chief Information Officer	In Progress 8/31/2026
	2	Currently, HCC's Disaster Recovery priorities are primarily focused on the restoration of critical systems necessary to support payroll processing and vendor payments. While these functions are essential, it is recommended that HCC's Information Technology and the Administration & Operations department periodically facilitate strategic discussions with executive leadership to formally define and align institutional priorities for system restoration in the event of a disaster. Engaging executive management in these discussions will help ensure that recovery efforts reflect the broader operational, academic, and community service objectives of the College, and that the resources are allocated in a manner consistent with HCC's mission.	As new application implementations are approved, disaster recovery requirements will be assessed to ensure alignment with organizational resilience standards. HCC's Information Technology, and Administration and Operations departments will schedule periodic Chancellor Executive Council meetings to identify institutional priorities in the event of a disaster beyond mere restoration of critical systems to ensure continuity of academic and administrative operations. The agenda item was not included in the July 20, CEC agenda.	Chief Information Officer; Vice Chancellor, Administration and Operations	In Progress 8/31/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
25-C-2-1 Cooperative Contracts Review	1	The Procurement department does not currently have formal written procedures outlining the processes, responsibilities, and controls related to cooperative procurement activities. There is no documented formal guidance to ensure consistent application, proper documentation, or compliance with state and College requirements. The Department has been relying on institutional or personal knowledge and informal practices rather than formally documented policies. The lack of documented processes can lead to increased risk of inconsistent procurement practices, non-compliance with applicable laws and guidelines, and reduced transparency in vendor selection and contracting which could be exacerbated by personnel turnover and employee absenteeism. It is recommended that the Procurement department implement formal written procedures outlining the processes, responsibilities and controls related to Cooperative Contract procurement. During the internal audit review, IA flowcharted and documented the cooperatives contracting process. This documentation has been provided to the Procurement Department and can be used as a guideline in establishing the formal written procedures.	The Procurement department will develop written procedures that document and diagram basic procurement processes, responsible parties, and controls for cooperative contracts.	Executive Director Purchasing/ Procurement Operations	In Progress 8/31/2026
25-C-2-2 Blanket Purchase Orders Review	1	IA reviewed the HCC Procurement Guidelines (Guidelines) and the Procurement Operations Procedures Manual (Manual) and noted the following areas for improvement: a. The Guidelines have not been updated since 2018. IA recommends a comprehensive review and revision to ensure alignment with current procurement practices, regulatory requirements, and institutional needs. b. The Manual needs to be updated to reflect current practices. 1) The Manual does not detail the process to generate a Blanket Purchase Order (BPO). The detailed procurement methodology used to generate BPOs needs to be added to the Manual. The procurement process flowcharts provided by IA can serve as a guide in developing formal procedures. 2) The thresholds of Contract Award under Signature Authority in Guideline No. 3, approved by the Chancellor, Senior Vice Chancellor, and the Board of Trustees, need to be reviewed and updated. The thresholds need to be included in the Manual. 3) The existing rule in the Manual that restricts single-item purchases through a BPO to a maximum of $700 is not practical and should be reconsidered. IA recommends removing or revising this limitation to better reflect operational realities and procurement needs.	The Procurement department will update the Procedures Manual containing internal processes and Procurement Guidelines containing information for district end-users. The Guidelines will also include updated Signature Authority thresholds. In addition, Procurement will remove the $700 per-item restriction for blanket purchases.	Executive Director Purchasing/ Procurement Operations	In Progress 8/31/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	2	IA noted that in FY 2024, thirty-three departments, and in FY 2025, twenty-nine departments were issued multiple Blanket Purchase Orders (BPOs) for similar goods and services from the same suppliers. BPOs are intended to streamline procurement and reduce administrative workload. Issuing multiple BPOs to the same department for recurring purchases from the same vendor diminishes the efficiency gains. To optimize procurement operations and reduce processing time, HCC should adopt a policy of issuing a single BPO per fiscal year per department for each supplier, where feasible. This approach would enhance consistency and reduce administrative overhead.	The Procurement department will address the matter of multiple Blanket Purchase Orders for similar products and services from the same suppliers by reinforcing this best-practice concept in training sessions conducted throughout the year. Moreover, we plan to manage food orders through America To Go via Direct Pay instead of Blanket Purchase Order since the former method is more efficient while still maintaining budgetary controls on spending. The expected completion date for the change to Direct Pay would be December 18, 2025, if approved. Training will occur throughout FY26 as planned with 12 sessions occurring by August 31, 2026	Executive Director Purchasing/ Procurement Operations	Complete (Direct Pay - 12/18/2025) Complete (Training - 7/1/2026)
26-A-3 Internal Quality Assurance Review	1	IA must finalize revisions to the existing Quality Assurance and Improvement Program (QAIP).	The QAIP will be reviewed and discussed with the Audit Committee in the April 2026 committee meeting. To allow time for committee members review, required QAIP approval items will be brought back for approval in May 2026 Board of Trustees meetings.	Executive Director, Internal Audit	Complete 5/20/2026
	2	The CAE must meet with the Board to discuss the process for selecting an external assessor for the external assessment.	The plan for the external quality assessment to be performed in September 2026 was reviewed and discussed with the Audit Committee in the April 2026 meeting. A formal discussion of the process for selecting the recommended external assessor was included. To allow time for committee members review, required approval of the selection process will be brought back for approval in May 2026 Board of Trustees meetings.	Executive Director, Internal Audit	Complete 5/20/2026
	3	CAE must review internal audit performance objectives with the Board.	IA's performance measurement methodology was reviewed and discussed with the Audit Committee in the April 2026 meeting. To allow time for committee members review, they will be brought back for approval in May 2026 Board of Trustees meetings.	Executive Director, Internal Audit	Complete 5/20/2026
	4	IA should update the Internal Audit Policy and Procedures Manual to better align with the new Standards.	IA will continue reviewing and updating the IA Policy and Procedures Manual to ensure that it provides more details for handling matters related to the internal audit function under the new Standards.	Executive Director, Internal Audit	Complete 6/25/2026
	5	IA staff should use available TeamMate audit software features to improve workpaper preparation.	All IA staff will complete refresher training to ensure continued proficiency with the TeamMate audit software.	Executive Director, Internal Audit	Complete 5/14/2026
26-C-1-1 Central College Campus Safety & Environmental Operations Management	2	Safety data sheets were not readily available in four classrooms. Central Campus must maintain SDS for all chemicals maintained until the new SDS vendor has scanned and developed a database of chemicals for Central campus classes and labs. Three exceptions at JB Whitely were corrected prior to the issuance of the report. One exception at the Workforce building was still open.	SDS for Acetone will be added in the classroom at the Workforce building.	COO; Campus Manager	Complete 7/1/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	5	Two classrooms had gas cylinders that were not properly and adequately secured to prevent accidents or damage to the cylinders. One exception to compliance was corrected prior to the issuance of the report. The cylinders at the Workforce Building were open.	the gas cylinders at the Workforce Building will be properly secured to prevent accidents and damage to cylinders.	Campus Manager; EHS Manager	Complete 7/1/2026
	6	One classroom did not contain an accurate inventory list of hazardous chemicals known to be present. Central Campus must maintain an inventory of all chemicals maintained for relevant SDS until the new vendor has scanned and developed the database for Central Campus classes and labs.	The inventory list will be updated to include all chemicals maintained in classroom.	COO; Campus Manager	Complete 7/1/2026
	8	One classroom had a portable power tool that was missing the appropriate guards.	The missing guard on the tool in the Workforce Building will be replaced on portable power tool.	Campus Manager	Complete 7/1/2026
26-O-2 Policing	1	To further strengthen community trust in campus public safety operations and align HCC with recognized governance best practices, HCC should consider the following initiatives: a)Joining the Texas Police Chiefs Association (TPCA) and pursue accreditation under the voluntary Texas Law Enforcement Best Practices Accreditation Program. b)Establishment of an independent oversight committee to periodically review and monitor selected aspects of HCCPD operations, such as policy compliance, use-of-force incidents, community feedback, and overall operational performance.	a) HCC PD will pursue accreditation with the Texas Police Chiefs Association (TPCA) under the voluntary Texas Law Enforcement Best Practices Accreditation Program. This process will be initiated by September 30, 2026. b) Evaluation of the benefits of an independent oversight board will be conducted in conjunction with the TPCA Accreditation.	Police Chief / VC Administration and Operations	In Progress 9/30/2026
	2	HCC policy CGF (Local) requires annual review of General Orders (GOs) to ensure that guidance remains current, accurate, and aligned with applicable laws, best practices, and operational needs. However, many GOs have not been reviewed since November 25, 2023, or earlier, and continue to reference the former organizational name “Houston Community College”. To support compliance with HCC policy and strengthen operational effectiveness, HCCPD should consider reinforcing a formal review process to ensure that all GOs, SOPs, and Emergency Operations Plans (EOPs) are reviewed and updated at least annually. This process should include updating references to reflect the current organizational name, Houston City College.	1. The HCC Police will establish a general orders and standard operating procedures review team that will include representatives from command staff, officers, and telecommunicators. The review team will be established by July 15, 2026. 2. The review team will annually review each general order and recommend changes where appropriate. The first annual review will be completed by September 30, 2026. Subsequent annual reviews will be completed by August 31 of each year. 3. The review team will review the standard operating procedures and recommend changes where appropriate. The first annual review will be completed by September 30, 2026. Subsequent annual reviews will be completed by August 31 of each year. Recommended changes will be submitted for review and approval to the Chief of Police. Following the review and approval by the Chief of Police, the recommended changes will be submitted for review and approval to the Compliance Office and the Office of General Counsel prior to formal adoption.	Police Chief	In Progress 10/15/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	3	HCCPD has not established a formal collaboration with the campus counseling center or external mental health professionals to support officers during behavioral health or substance-related crisis responses. In addition, most HCC police officers and telecommunicators have not completed mental health–specific training within the past two years. As a result, officers may respond to behavioral health emergencies without recent specialized training in mental health awareness, de-escalation techniques, or access to clinical support. General Order (GO) 3.1, Basic Training, requires police officers and telecommunicators to complete mental health training every two (2) years. Additionally, the Texas Law Enforcement Best Practices Accreditation Program encourages the integration of mental health professionals into crisis response models and recommends recurring training in mental health awareness, de-escalation strategies, and appropriate use-of-force decision-making. HCCPD should consider the following actions: a) Establish formal partnerships with qualified mental health providers to support responses to behavioral health and substance-related incidents. b) Develop a documented crisis response protocol that clearly defines roles, responsibilities, deployment criteria, and communication pathways between HCCPD and mental health professionals. c) Provide comprehensive mental health, de-escalation, and use-of-force training to police officers at least every two (2) years. d) Implement centralized tracking mechanisms to monitor training completion and partnership activities, supporting accountability, recurring training, and ongoing compliance.	HCCPD will take the following actions: 1. Formalize partnerships with internal mental health providers and identify opportunities to establish partnerships with external mental health providers. 2. Develop and implement a clearly defined crisis response protocol to strengthen coordination among department personnel, mental health professionals, and community partners. 3. HCCPD will maintain training programs that meet or exceed TCOLE requirements for behavioral health and substance related incident response. 4. Review applicable policies, including General Order 3.1, to clarify how HCCPD training requirements will remain aligned with TCOLE requirements and operational needs. The review will be completed by September 30, 2026. 5. Enhance training documentation processes by including the curriculum used to accurately reflect instruction received by officers and telecommunicators. This will provide clearer documentation that course elements, e.g., mental health awareness, use of force, and de-escalation strategies, are integrated into TCOLE courses in different ways during each 4-year training cycle. HCCPD will maintain copies of the official TCOLE training record and review the HCC training records of mandatory HCC training that is maintained by Talent Engagement. 6. HCCPD will pursue accreditation with the Texas Police Chiefs Association (TPCA) under the voluntary Texas Law Enforcement Best Practices Accreditation Program. This process will be initiated by September 30, 2026. 7. HCC PD training requirements, including those related to mental health, will be revised to meet accreditation standards.	Police Chief	In Progress 11/15/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	4	HCCPD has not established a formal community outreach program or a designated communication channel for routinely sharing safety related information with students, faculty, and staff. In addition, HCCPD does not conduct surveys to gather input from these groups regarding their perceptions of campus safety or to identify priority safety and security concerns. As a result, opportunities to obtain consistent meaningful feedback and proactively identify emerging issues may be limited. To strengthen community engagement and support alignment with the Texas Law Enforcement Best Practices Accreditation Program, HCCPD should consider implementing the following initiatives: a) Host community forums or meetings to encourage dialogue and provide updates on safety-related topics. b) Leverage social media platforms or other digital channels to disseminate timely safety information and crime prevention messaging. c) Develop police–community engagement programs that foster positive interactions and collaboration. d) Conduct periodic community surveys to assess perceptions of safety, identify key concerns, and operational priorities.	HCCPD will implement coordinated outreach and communication efforts that include: 1. HCC Police will develop a formal community engagement plan that may include community forums and meetings, coordination and communication with campus leadership, and police-community activity programs. The community engagement plan will be completed by August 15, 2026. 2. HCC communications processes do not support campus police social media campaigns/presence. Emergency notifications and timely warnings (crime alerts) are pushed out through existing communication channels, which include the official HCC social media channels. This district's communication channels can be used to advertise special community activity programs, crime prevention, or safety resource announcements, etc. 3. The HCC Office of Institutional Research coordinates and supervises all survey tools used at HCC to ensure quality data collection and analysis and generally limits broad surveys. Information collected in the standardized Community College Student Survey Inventory includes a couple of safety/policing questions, and HCC students rate campus safety as a strength, with higher scores than our peer institutions. 4. HCC PD will pursue accreditation with the Texas Police Chiefs Association (TPCA) under the voluntary Texas Law Enforcement Best Practices Accreditation Program. This process will be initiated by September 30, 2026. 5. HCC PD community outreach and messaging approach/process will be revised to meet accreditation standards.	Police Chief	In Progress 9/30/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	5	HCC CGF (Local) policy requires HCCPD to establish memoranda of understanding (MOUs) and appropriate interlocal agreements with agencies that share or overlap jurisdiction with HCC, including surrounding city, county, school district, and college police departments. The policy also requires these agreements to be reviewed annually by the Chief of Police and the Chancellor or designee. In 2022, HCCPD developed 23 mutual aid agreements. However, fourteen (14) agreements remain pending due to limited follow-up after partner agencies did not initially respond. As a result, these agreements have not yet been finalized. To enhance safety, efficiency, and effectiveness through improved coordination, resource sharing, and clearly defined roles during emergency responses, HCCPD should consider the following actions: a) Conduct formal follow-up with partner agencies to support completion of the fourteen (14) outstanding MOUs. b) Establish a tracking and reminder process to monitor agreement status and ensure annual review and renewal in accordance with HCC CGF (Local) policy. c) Document communication and renewal efforts to demonstrate compliance with policy requirements and accountability in the management of interlocal agreements.	HCCPD will adhere to the following key practices: 1. HCCPD will ensure that all interlocal agreements and MOUs are reviewed and approved by the Office of General Counsel and the Chancellor prior to execution. Reinsurance of interlocal agreements and MOUs will be completed by September 30, 2026. 2. Maintain comprehensive documentation of the review, approval, and execution process for each agreement. 3. Store finalized and fully executed MOUs in designated repositories maintained by both HCCPD and the Office of General Counsel. This will be completed by October 15, 2026. 4. Comply fully with established HCC contract submission, review, and approval procedures throughout the revision and execution process to ensure consistency, transparency, and institutional compliance. These measures will help ensure that all agreements remain current, legally sound, and aligned with Houston City College policies and operational standards.	Police Chief	In Progress 10/15/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	6	HCCPD has not established a formal quality assurance (QA) program for the Dispatch Center. As a result, there is no standardized process to routinely evaluate dispatcher performance, promote consistency in call handling practices, and assess compliance with established operational standards. The Texas Law Enforcement Best Practices Accreditation Program recommends that agencies establish a formal quality assurance program for dispatch operations. To support alignment with these recommendations and enhance operational effectiveness, HCCPD should consider implementing a QA program that includes the following components: a) Documented quality evaluations for each telecommunicator role, including assessment of call taking accuracy, dispatch performance, and compliance with established procedures. b) Defined frequency and scope of quality reviews to ensure performance is assessed consistently and comprehensively. c) A structured feedback process to communicate evaluation results, identify improvement opportunities, and reinforce expectations and standards. d) A management reporting and review process to track QA findings, monitor trends, and inform decisions related to training, staffing, and operational improvements.	HCCPD will establish and implement a formal QA program through a coordinated effort with relevant internal partners at HCC. This collaborative approach will ensure that evaluation methods, performance metrics, and feedback processes are both comprehensive and aligned with institutional standards. 1. HCCPD will establish a structured QA framework that includes documented internal performance reviews, standardized evaluation criteria, and consistent reporting protocols. This will be completed by July 31, 2026. 2. Provide regular performance feedback and targeted coaching opportunities to support skill development, compliance, and professional growth. 3. In collaboration with HCC internal partners, develop a survey instrument designed to capture a snapshot of HCCPD services as experienced by students, staff, faculty, and the broader community served. The survey design will be collaboratively developed with HCC internal partners to ensure relevance, clarity, and alignment with institutional objectives with completion targeted by August 31, 2026. 4. Conduct survey data collection over 60 days, followed by analysis to identify trends, service strengths, and opportunities for improvement. 5. Utilize survey results and QA findings to inform leadership reviews, guide operational adjustments, and support transparent decision-making.	Police Chief	In Progress 11/30/2026

Audit Observations Follow-up Status Report as of July 24, 2026

Project Name	Obs #	Observation Description	Remediation Action	Responsible Person	Status/Est Completion Date
	7	General Order (GO) 3.1, Basic Training Requirements, and the Texas Law Enforcement Best Practices Accreditation Program require that all police officers complete the following refresher training at least every two (2) years: • Response to Resistance Training (or equivalent) • Basic or Refresher Self Aid/Buddy Aid (or equivalent) • Bias Neutralization Training (or equivalent) • Officer Safety and De Escalation (or equivalent) • Crisis Intervention Training (or equivalent) • Mental Health Training (or equivalent) Based on the information provided by HCCPD, Internal Audit was unable to confirm that all officers have consistently completed the above refresher training every two years. To enhance training governance, consistency, and oversight, and to better align with recognized best practices, HCCPD should consider the following actions: 1. Implement a centralized training tracking system to monitor individual officer training completion, upcoming requirements, and compliance status. 2. Ensure refresher courses (or approved equivalents) are offered with sufficient frequency to support staffing needs and meet the required two year renewal cycle. 3. Conduct periodic internal reviews or reconciliations to verify training completion and ensure training records are accurate and complete.	To strengthen the HCCPD training infrastructure, HCCPD will: 1. HCC PD will pursue accreditation with the Texas Police Chiefs Association (TPCA) under the voluntary Texas Law Enforcement Best Practices Accreditation Program. This process will be initiated by September 30, 2026. 2. HCCPD training requirements will be revised to meet accreditation standards. 3. HCCPD will establish a centralized tracking systems and periodic internal reviews to verify adherence to state requirements and institutional expectations. Centralized tracking and review will be completed by August 30, 2027. 4. The General Orders 3.1 will be reviewed and revised to reflect that training programs will comply with TCOLE requirements, plus the training mandated for all HCC employees. References to specific courses and topics will be removed where possible, as the course titles and material are frequently changed by TCOLE and/or HCC Talent Engagement. This will be completed by September 30, 2026.	Police Chief	In Progress Initiate Accred 9/30/2026 Training 8/30/2027

ACTION ITEM

Meeting Date: August 5, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
C.	**FY 2027 Internal Audit Plan for Approval**	**Dr. Margaret Ford Fisher** **Terry Corrigan**

RECOMMENDATION

Approve the FY 2027 Internal Audit Plan.

COMPELLING REASON AND BACKGROUND

Annual approval of the Internal Audit Plan per the Board of Trustees adopted Audit Committee Action Calendar.

Global Internal Audit Standard (GIAS) 8.1 Board Interaction requires "The chief audit executive must report to the board and senior management the internal audit plan and budget and subsequent significant revisions to them."

GIAS 9.4 Internal Audit Plan requires "The chief audit executive must discuss the internal audit plan, including significant interim changes, with the board and senior management. The plan and significant changes to the plan must be approved by the board."

FISCAL IMPACT

Department functions per approved operating budget.

STRATEGIC ALIGNMENT

1. Student Success, 5. College of Choice

ATTACHMENTS:

Description	Upload Date	Type
FY 2027 Internal Audit Plan -Presentation	7/24/2026	Presentation
FY 2027 Internal Audit Plan - Proposed	7/28/2026	Attachment

This item is applicable to the following: District

HOUSTON
CITY COLLEGE

FY 2027 Internal Audit Plan

Dr. Margaret Ford Fisher, Chancellor

Terry Corrigan, Executive Director, Internal Audit

August 5, 2026

FY 2027 Internal Audit Plan

Presentation Contents

- Plan Development Considerations
- Projects Types
- Planned Projects

FY 2027 Internal Audit Plan

Plan Development Considerations

1. Input received from the governing board members
2. Enterprise risk management assessment (23 interviews, 239 risks)
3. External consultants use
4. External Audits
5. Top risks identified by the United Educator's Risk Management Premium Credit program
6. Top risks identified by the University Risk Management Association
7. 2026 KPMG Internal Audit Key Risk Areas
8. The Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) comprised of Global Guidance
9. Texas Internal Auditing Act
10. Alignment with HCC's strategic priorities

Proposed FY 2027 Internal Audit Plan is attached in the package.

FY 2027 Internal Audit Plan

Project Types

1. Operational
2. Compliance
3. Information Technology
4. Advisory Services
5. Administrative
6. Observation Action Plan Follow-Ups

FY 2027 Internal Audit Plan

Planned Projects

Operational Audit Projects		
No.	**Project**	**Description**
27-O-1	Deferred Maintenance	Governance, risk and controls (GRC) propriety review. Review propriety of the program for identifying, risk assessing, prioritizing, cost tracking, and reporting on maintenance projects.
27-O-2	Asset Management	Governance, risk and controls (GRC) propriety review. Follow up on the newly established HCC Regulation. Review the propriety of processes for staff training and compliance with the HCC Regulation procedures and processes.
27-O-3	Minors on Campus	Governance, risk and controls (GRC) propriety review. Follow up on the newly established HCC Regulation Review the propriety of processes for staff training and compliance with the HCC Regulation procedures and processes.
Compliance Audit Projects		
27-C-1	Campus Safety & Environmental Operations Management	Planning for campus safety & environmental legal policy compliance management reviews.
27-C-1-1	Northwest College	Safety & environmental legal policy compliance.
27-C-1-2	Southeast College	Safety & environmental legal policy compliance.
27-C-1-3	Southwest College	Safety & environmental legal policy compliance.

FY 2027 Internal Audit Plan

Planned Projects (Cont'd)

Information Technology Audit Projects		
No.	**Project**	**Description**
27-I-1	Student Information System Controls (PS Campus Solutions)	The objective of this audit is to evaluates the design and effectiveness of key business and IT controls within the PeopleSoft Campus Solutions environment to ensure the confidentiality, integrity, and availability of student data and academic records. The criteria for this engagement will include the standards established by TAC 202.
27-I-2	IT Cyber Security Audit	The objective of the audit is to determine whether cybersecurity risks are appropriately managed, security controls are operating effectively, and the organization is complying with applicable regulatory, industry, and internal security requirements. The criteria for this engagement will include the standards established by TAC 202 and IIA Topical Requirements.

FY 2027 Internal Audit Plan

Planned Projects (Cont'd)

Advisory Services Projects		
No.	**Project**	**Description**
27-S-1	Committees & Task Forces	Participate on committees and task forces providing risk management and control advice.
27-S-1-1	AI Governance Implementation	Governance, risk and controls (GRC) propriety review.
27-S-1-2	ERP Conversion	Governance, risk and controls (GRC) propriety review.
27-S-2	Special Projects & Examinations	Responsive to provide services as required.
27-S-3	ERM Top 10 Risks Baseline Assessment	Review for integrity and validity of assessments and information.
27-S-4	Procurement Processing	Review the procurement processes to help streamline the system.
27-S-4-1	Vendor 1	Review the vendor payments approval process propriety.
27-S-4-2	Vendor 2	Review the vendor payments approval process propriety.
27-S-4-3	Vendor 3	Review the vendor payments approval process propriety.
27-S-4-4	Vendor 4	Review the vendor payments approval process propriety.
*26-S-6-1	Procurement Activity Tracking Management	Governance, risk and controls (GRC) propriety review. Review the efficiency and effectiveness of procurement processing.
*26-S-6-2	Data Hosting Vendors Management	Governance, risk and controls (GRC) propriety review. Review for data security.

* Carry-over/continued projects from FY 2026 Internal Audit Plan

FY 2027 Internal Audit Plan

Planned Projects (Cont'd)

Administrative Projects		
No.	**Project**	**Description**
27-A-1	FY 2028 Audit Planning & ERM Assessment	Collaborate with HCC Risk Management to update the Enterprise Risk Management (ERM) assessment & audit planning.
27-A-2	TeamMate IA Management System	TeamMate software system maintenance & improvement.
27-A-3	External Quality Assurance Review	Providing assistance to the external quality assurance reviewer.
27-A-4	FY 2026 Annual Audit Report	Compile and prepare State required annual audit report.
27-A-5	External Audits Monitoring	Monitor external audit activities on HCC and related observation action plans.
27-A-6	Lunch and Learns	Presentations to HCC's general personnel to raise awareness on fraud deterrence, risk management, internal control & compliance.
27-A-7	Newsletters	Newsletters to HCC's general personnel to raise awareness on fraud deterrence, risk management, internal control & compliance.
Observation Action Plan Follow-ups		
27-F-1	Observation Action Plan Follow-ups	Follow-up on completion of audit observations action plans

FY 2027 Internal Audit Plan

We recommend the Board of Trustees approve the proposed FY 2027 Internal Audit Plan.

Thank You

Questions?

HOUSTON CITY COLLEGE | Internal Audit Department

Internal Audit Plan

Fiscal Year 2027

Approved by Board of Trustees _____

Internal Audit Plan
Fiscal Year 2027

Executive Summary

The purpose of the Internal Audit Plan (Plan) is to outline audits and other activities the Houston City College (HCC) Internal Audit Department (IA) will conduct during fiscal year 2027. The Plan's development and approval are intended to satisfy requirements under Board Bylaws, Board Policy CDC (LOCAL), Audit Committee Charter, HCC's Internal Audit Department Charter, The Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), and Texas Internal Auditing Act. Time is built into the Plan for IA to be agile and responsive to board and management concerns that come up during the fiscal year.

A significant amount of time will be devoted to collaborating with HCC's Vice Chancellor, Administration and Operations and other control monitoring functions within HCC to further refine the Enterprise Risk Management (ERM) Assessment Program in FY 2027. The plan includes time for reviewing the integrity and validity of assessments and information provided to the board on the top 10 risks identified in HCC's ERM Assessment.

Plan Development Methodology

The HCC audit universe is developed through HCC's ERM Assessment Program (239 risks assessed). The High Risk Audit Candidates are updated in Attachment I based on the assessment of the following: 1) governing board members input, 2) ERM interviews conducted with the Chancellor, Chancellor's Executive Council members and other chief executives (23 interviews), 3) external consultants use, 4) external audits, 5) top risks identified by the United Educator's Risk Management Premium Credit program, 6) top risks identified by the University Risk Management Association, 7) 2026 KPMG Internal Audit Key Risk Areas, 8) Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) 9) Texas Internal Auditing Act, and 10) alignment with HCC's strategic priorities. The plan includes an External Quality Assurance Assessment as required by the Global Internal Audit Standards to be performed at least every five years.

Internal Audit Available Time

Total Hours (7 staff * 261 days *8 hours)	14,616	100%
Less: Staff Vacancies	0	0%
Estimated Vacation, Holiday, Sick, Personal, and Other	2,968	20%
Training	840	6%
Various Meetings & Departmental Administration	2,660	18%
Total Hours Available for Audits & Other Projects	8,148	56%

Description of Project Types

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

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

Information Technology: Governance assessments in support of HCC's strategies and objectives. TAC 202 compliance assurance.

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.

FY 2027 Internal Audit Plan

No.	Project	Description	Hours
		Operational Audit Projects	
27-O-1	Deferred Maintenance	Governance, risk, and controls (GRC) propriety review. Review propriety of the program for identifying, risk assessing, prioritizing, cost tracking, and reporting on maintenance projects.	480
27-O-2	Asset Management	Governance, risk, and controls (GRC) propriety review. Follow up on the newly established HCC Regulation. Review the propriety of processes for staff training and compliance with the HCC Regulation procedures and processes.	400
27-O-3	Minors on Campus	Governance, risk, and controls (GRC) propriety review. Follow up on the newly established HCC Regulation. Review the propriety of processes for staff training and compliance with the HCC Regulation procedures and processes.	400
		Information Technology Audit Projects	
27-I-1	Student Information System Controls (PS Campus Solutions)	The objective of this audit is to evaluate the design and effectiveness of key business and IT controls within the PeopleSoft Campus Solutions environment to ensure the confidentiality, integrity, and availability of student data and academic records. The criteria for this engagement will include the standards established by TAC 202.	520
27-I-2	IT Cyber Security Audit	The objective of the audit is to determine whether cybersecurity risks are appropriately managed, security controls are operating effectively, and the organization is complying with applicable regulatory, industry, and internal security requirements. The criteria for this engagement will include the standards established by TAC 202 and IIA Topical Requirements.	520
		Compliance Audit Projects	
27-C-1	Campus Safety & Environmental Operations Management	Planning for campus safety & environmental legal policy compliance management reviews.	320
27-C-1-1	Northwest College	Safety & environmental legal policy compliance.	240
27-C-1-2	Southeast College	Safety & environmental legal policy compliance.	240
27-C-1-3	Southwest College	Safety & environmental legal policy compliance.	240
		Advisory Services Projects	
27-S-1	Committees & Task Forces	Participate in committees and task forces providing risk management and control advice.	240
27-S-1-1	AI Governance Implementation	Governance, risk, and controls (GRC) propriety review.	240
27-S-1-2	ERP Conversion	Governance, risk, and controls (GRC) propriety review.	240
27-S-2	Special Projects & Examinations	Responsive to provide services as required.	400
27-S-3	ERM Top 10 Risks Baseline Assessment	Review for integrity and validity of assessments and information.	640
27-S-4	Procurement Processing	Review the procurement processes to help streamline the system.	160
27-S-4-1	Vendor 1	Review the vendor payments approval process propriety.	240
27-S-4-2	Vendor 2	Review the vendor payments approval process propriety.	240
27-S-4-3	Vendor 3	Review the vendor payments approval process propriety.	240
27-S-4-3	Vendor 4	Review the vendor payments approval process propriety.	240
*26-S-6-1	Procurement Activity Tracking Management	Governance, risk, and controls (GRC) propriety review. Review the efficiency and effectiveness of procurement processing.	240
*26-S-6-2	Data Hosting Vendors Management	Governance, risk, and controls (GRC) propriety review. Review for data security.	240
* Carry-over/continued projects from FY 2026 Internal Audit Plan			

FY 2027 Internal Audit Plan (Cont'd)

No.	Project	Description	Hours
Administrative Projects			
27-A-1	FY 2028 Audit Planning & ERM Assessment	Collaborate with HCC Risk Management to update the Enterprise Risk Management (ERM) assessment & audit planning.	680
27-A-2	TeamMate IA Management System	TeamMate software system maintenance & improvement.	40
27-A-3	External Quality Assurance Review	Providing assistance to the external quality assurance reviewer.	160
27-A-4	FY 2026 Annual Audit Report	Compile and prepare State required annual audit report.	40
27-A-5	External Audits Monitoring	Monitor external audit activities on HCC and related observation action plans.	40
27-A-6	Lunch and Learns	Presentations to HCC's general personnel to raise awareness on fraud deterrence, risk management, internal control & compliance.	160
27-A-7	Newsletters	Newsletters to HCC's general personnel to raise awareness on fraud deterrence, risk management, internal control & compliance.	80
Observation Action Plan Follow-ups			
27-F-1	Observation Action Plan Follow-ups	Follow-up on completion of audit observations action plans	228

Attachment I

FY 2027
High Risk Audit Candidates

Risk Category	Risk Area	Risk Factors	Internal & External Audit and Consultant Coverage
Financial	Funding Model Financial Stability	Uncertainty with the three main funding mix. Property valuations, homestead exemptions, and tax rates. Changing state funding model based on "Credentials of Value." Pressures to flatten tuition and reduce fees charged. Decline in enrollment, increased tuition discounting reducing income.	24-S-2-3 State Funding & Student Enrollment Information
Technology	IT Systems Access/ Cyber Security/ Data Recovery	System access privileges (initial, change in person's status, terminations), access security (user id/password/biometric), security, policy, performance audit/review, application across platforms, ease of use.	26-I-1 IT Disaster Recovery/BCP 25-O-1 IT Disaster Recovery Rapid 7 – pen testing 23-C-2 PCI Data Security Standard 22-O-2 IT Cyber & Data Security and Governance 22-O-3 IT Disaster Recovery 21-O-2 IT Active Directory & Windows Server 19-O-3 IT Disaster Recovery-BCP 18-O-3 PS Applications Controls 17-3 IT Cyber and Data Security
Students	Enrollment - growth, retention, contraction	Taking advantage of opportunities for student growth in out of district areas and online learning. Changing demographics (population of target age groups), strong competition for students by other institutions increasing cost to attract and support student success; veterans, marketing/outreach to potential applicants, admissions/enrollment process, academic advising, counseling services, availability of courses/affordable housing, location as an impediment (urban vs suburban/rural, region, etc)	20-O-1 Enrollment Trellis Foundation Huron Consulting Kennedy & Company
Technology	Artificial Intelligence	Implementing a systematic approach to the identification of ever-increasing categories of AI risks such as data privacy, algorithm bias and regulatory compliance prior to the adoption of artificial intelligence systems to supplement or replace existing equipment and people.	None

Risk Category	Risk Area	Risk Factors	Internal & External Audit and Consultant Coverage
Technology	Enterprise Resource Planning (ERP) System Replacement	Critical business processes fail or are significantly impaired during or after go-live, impacting ordering, procurement, payroll, billing, or financial close activities. Historical and current data is inaccurately converted, incomplete, duplicated, or lost during migration. Key controls are not properly designed or implemented in the new ERP environment. Security roles, user provisioning, and system configurations create cybersecurity and access management vulnerabilities. Project costs exceed approved budgets due to scope expansion, rework, customization, or implementation delays. Major milestones are missed due to resource shortages, technical challenges, vendor performance issues, or poor planning. Employees do not understand or effectively adopt new processes and system functionality. The organization customizes the ERP extensively rather than adapting business processes to standard functionality. Interfaces between the ERP and other critical applications fail or process data incorrectly.	None
Public Safety	Campus Security & HB 33	Campus safety standards, door locking (classrooms and exterior), new hire security/emergency response training, responsibility for interior routine security, staffing of remote/low utilization areas, operating hours, open campus access, student and employee badging enforcement, campus safety committees, surveillance camera standards, lighting, access, usage, and intra building communication systems.	24-S-2-2 Security Program Dashboard Updates Berkeley Research Group – security & safety program review 19-S-3 Campus Security
Financial	Deferred Maintenance	Maintenance needs that exceed budget capacity. Identification /prioritization of maintenance, efficient maintenance/preventative maintenance program, maintenance tracking/reporting.	22-O-1 Deferred Maintenance 2019 Jacobs Engineering Facilities Assessment 24-S-2-4 Facilities and Property Information AGCM - construction project management
Public Safety	Minors on Campus	Identifying minors on campus in formal and informal programs, early college, or as guests (outreach programs, athletics, camps, summer programs, faculty guests, etc.). Injury in hazardous environments such as laboratories, Inappropriate or lack of supervision; Legally required mandatory reporting of specified events and related training of some or all institution employees.	25-O-1 Minors on Campus
Community	Policing	Firearms, arrest authority, coordination between Colleges' and local police, training (diversity, crowd control), oversight and external review, undercover work, campus versus community policing, prisoner control, confiscated property control, community outreach and education, timely and appropriate call response, adequate staff, "blue phones," incident reporting, statistics capture and reporting, communication and communication media.	25-O-2 Policing 25-C-2 Clery Act Reporting Berkeley Research Group – Security & Safety Program Review 19-S-3 Campus Security 17-4 Campus Safety and Security - Title IX/Clery/VAWA Regulatory Acts Compliance

Risk Category	**Risk Area**	**Risk Factors**	**Internal & External Audit and Consultant Coverage**
Students	Student Mental Health / BITAT	Student misconduct management, Behavioral Intervention & Threat Assessment Teams (BITAT) processes, threat identification and follow up tracking. Plans to address Human Trafficking risk mitigation.	24-O-2 Student Mental Health 19-O-1 Student Behavioral Intervention

REPORT ITEM

Meeting Date: August 5, 2026

Topics For Discussion and/or Action:

ITEM #	ITEM TITLE	PRESENTER
D.	**Report on Quarterly Control and Compliance Attestation**	**Dr. Margaret Ford Fisher** **Dr. Nicole Montgomery**

DISCUSSION

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

STRATEGIC ALIGNMENT

1. Student Success

ATTACHMENTS:

Description	Upload Date	Type
Attestation Letter to the Audit Committee	7/29/2026	Attachment

This item is applicable to the following:

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

HOUSTON CITY COLLEGE

Office of the Chancellor

P.O. Box 667517, Houston, TX 77266-7517

hccs.edu

August 5, 2026

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

RE: Quarterly Control & Compliance Attestation, Quarter which began March 1, 2026 and ended May 31, 2026 (3Q-2026)

Dear Dr. VanDible Stallworth,

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

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

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

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

Sincerely,

Margaret Ford Fisher

Margaret Ford Fisher Ed.D.
Chancellor

Attachment: Exhibit A

Quarterly Control & Compliance Attestation
Quarter ending May 31, 2026

EXHIBIT A

One (1) attestation exception was received for the Quarter which began March 1, 2026 and ended May 31, 2026 (3Q26). The attestation exception was reviewed with the Chief Financial Officer and General Counsel and categorized as follows:

A. Attestation exception previously reported to the Audit Committee. ***(NONE)***

B. Attestation exception has been mitigated and placed in the attestation records without reporting to the Audit Committee. **(See Exception Evaluation Form* dated June 10, 2026, Attestation Exception No. 3Q26-01 – THECB Parenting Students' Data Collection Reporting (no exception occurred))**

C. Plan to mitigate attestation exception in place and will be reported to the Audit Committee with mitigation plan. ***(NONE)***

D. No plan to mitigate attestation exception in place and will be reported to the Audit Committee. ***(NONE)***

E. Attestation exception previously reported to the Audit Committee with ongoing mitigation plan, and status of mitigation plan will be reported to the Audit Committee until deemed resolved. ***(NONE)***

F. Reported item not subject to the attestation process and has been reported to the Board through other channels. ***(NONE)***

* ***The administrative evaluation and recordation process documents and preserves the administration's analysis and conclusions regarding all subjects submitted as attestation exceptions should the Audit Committee or the Board require additional information.***