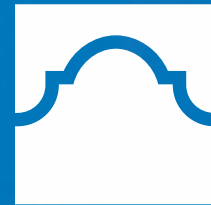


# Internal Audit Department FY 2023 Annual Audit Report

October 17, 2023

**Frank Cortez**

District Director of Internal Audit



ALAMO  
COLLEGES  
DISTRICT



Malcolm Baldrige  
National Quality Award

2018 Award Recipient



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# I. Compliance with Texas Government Code, Section 2102.015

Texas Government Code, Section 2102.015, requires higher education institutions to post certain information on their Internet websites. Alamo Colleges District Internal Audit Department ensures compliance with Section 2102.015 through the following procedures:

- Posting its annual audit plan to the Internal Audit Department webpages within 30 days after formal approval by the Board of Trustees.
- Posting this Internal Audit Annual Report for Fiscal Year 2023 to the Internal Audit Department webpages within 30 days of distributing the report to the Board acting as Committee of the Whole.



# II. Annual Plan for Fiscal Year 2023









Project Title	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Management of Remote Access Devices			●									
ALAMOMart e-Procurement System				●								
SAC RN-BSN Nursing Program								●				
Hiring Process												●
Grant Management												●
Texas Administrative Code Compliance											●	
Ethics and Compliance Program												●
District-Wide Advising Audit												●
Colleges – IT and Technical Services												●
Investigations - Hotline	●	●	●		●	●	●					2
Special Request							●		●	●		3

Project Summary	
Completed	13
In Progress	8
Scheduled	0
Deferred	2
<b>Total Projects</b>	<b>23</b>
<b>% of Plan Completed</b>	<b>57%</b>



Legend	
●	Complete
●	In Progress
●	Scheduled
●	Deferred



## II. Annual Plan for Fiscal Year 2023 (Cont.)

Investigations	Status	Results
EthicsPoint Case #750		Substantiated - Conflict of Interest
EthicsPoint Case #751		Substantiated - Conflict of Interest
EthicsPoint Case #771		Substantiated - Conflict of Interest
EthicsPoint Case #776		Substantiated – Grants Mismanagement
EthicsPoint Case #780		Unsubstantiated – Conflict of Interest
EthicsPoint Case #788		Substantiated – Conflict of Interest
EthicsPoint Case #801		Pending – Inappropriate Directive
EthicsPoint Case #803		Pending – Conflict of Interest

Investigations Summary	
Completed	6
In Progress	2
Not Started	0
<b>Total</b>	<b>8</b>

Legend	
	Completed
	In Progress



# Fiscal Year 2023 Summary of Results

## Summary – Management of Remote Access Devices Audit

**- Conclusion**  
 The audit report contained confidential information that relates to computer security and is not subject to the disclosure requirements of the Texas Public Information Act, based on the exception found in the Government Code § 552.139.

**Observation Rating**

- Gross Negligence/Illegal Act/Material Impact
- Policy Compliance/Lack of Internal Controls
- Efficiency/Effectiveness Opportunities

**Background**  
 At the onset and during the COVID-19 pandemic, many employees and students had to access Alamo Colleges District resources from home, which changed the nature of cybersecurity threats.

**Objectives**  
 Verify that VPN connectivity is limited to personnel authenticated by multi-factor credentials and that computers used for remote access were configured with requisite software.

**Scope**  
 January 2020 through May 2022

**Audit Observations, rating, and planned implementation dates:**  
 Specific results and recommendations were made to appropriate management members.

11/2022

# Fiscal Year 2023 Summary of Results (Cont.)

## Summary - ALAMOMart e-Procurement System Audit

- Conclusions**
- Limited departments using ALAMOMart
  - Different approval dollar thresholds for the two procurement systems
  - Inconsistent user access controls in ALAMOMart
  - Purchases tested were authorized and processed completely and accurately.

**Background**  
 ALAMOMart is an e-procurement system purchased in 2017 to help automate the procurement process.




**Objectives**  
 Determine if ALAMOMart was utilized district-wide, if purchases were properly authorized, processed completely, and accurately, and if user access controls were in place.

**Scope**  
 May 2021 through May 2022

**Observation Rating**

Gross Negligence/Illegal Act/Material Impact
Policy Compliance/Lack of Internal Controls
Efficiency/Effectiveness Opportunities

**Audit Observations, rating, and planned implementation dates:**

 Limited implementation of the ALAMOMart System	12/2023
 Inconsistencies in approval dollar thresholds	11/2022
 Inactive user accounts were not periodically identified and removed	06/2023





# Fiscal Year 2023 Summary of Results (Cont.)

## Summary – SAC RN-BSN Nursing Program Audit

<p><b>Conclusions</b></p> <ul style="list-style-type: none"> <li>• Exceptions in the admissions process, as outlined in publicly available resources.</li> <li>• Registration process is executed consistently</li> <li>• Partial use of the ACD systems for qualifying and tracking applicants.</li> </ul>	<p><b>Background</b></p> <p>San Antonio College's RN-BSN Bridge Program offers licensed RNs an opportunity to earn a bachelor’s degree in nursing.</p> <p><b>Objectives</b></p> <p>Determine if admissions and registration processes are conducted consistently and in a timely manner in line with established practices and determine whether the program effectively utilizes the Alamo Colleges District student information system and related applications.</p> <p><b>Scope</b></p> <p>Fall 2022 RN-BSN Applicants</p>	
<p><b>Observation Rating</b></p> <p>Gross Negligence/Illegal Act/Material Impact</p> <p>Policy Compliance/Lack of Internal Controls</p> <p>Efficiency/Effectiveness Opportunities</p>	<p><b>Audit Observations, rating, and planned implementation dates:</b></p> <ul style="list-style-type: none"> <li>☐ Exceptions Made to Publicly-Available Program Admission Requirements</li> <li>☐ AlamoGPS Mapping Disparities</li> <li>☐ Certain Manual Processes Result in Errors or Discrepancies</li> </ul>	<p>08/2023</p> <p>07/2023</p> <p>03/2023</p>



# Fiscal Year 2023 Summary of Results (Cont.)

## Summary – Texas Administrative Code 202 Security Audit

**- Conclusion**  
The audit report contained confidential information that relates to computer security and is not subject to the disclosure requirements of the Texas Public Information Act, based on the exception found in the Government Code § 552.139.

<b>Observation Rating</b>
Gross Negligence/Illegal Act/Material Impact
Policy Compliance/Lack of Internal Controls
Efficiency/Effectiveness Opportunities

**Background**  
The Alamo Colleges District (ACD) is guided by the Texas Administrative Code (TAC) 202, which outlines the expected IT security standards for state agencies and higher education institutions.

**Objectives**  
Evaluate ACD's adherence to established guidelines and standards in six key areas: Cloud Usage and Security, Security Monitoring and Event Analysis, Security Awareness and Training, Cybersecurity Incident Response, Change Management, and Disaster Recovery Procedures.

**Scope**  
Assessing the security plans as of February 2023

**Audit Observations**, rating, and planned implementation dates:  
Specific results and recommendations were made to appropriate management members.

7/2023

### III. Consulting and Non-audit Services Completed

The District Internal Audit Department did not perform any consulting services as defined by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

Other Value-added activities performed during Fiscal Year 2023

- Six EthicsPoint Hotline Cases were investigated and completed; two are in progress.

Management Special Requests for Services:

- Six Special Request projects were completed; three are in progress.



# 2023 Internal Quality Assessment Review Results (Annual Self-Assessment of Internal Audit)

## Summary – Alamo Colleges Internal Audit Self-Assessment

	GC	PC	DNC
<b>OVERALL</b>	X		

ATTRIBUTE STANDARDS		GC	PC	DNC
<b>1000</b>	<b>Purpose, Authority, and Responsibility</b>	X		
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	X		
<b>1100</b>	<b>Independence and Objectivity</b>	X		
1110	Organizational Independence	X		
1111	Direct Interaction with the Board	X		
1112	Chief Audit Executive Roles Beyond Internal Auditing	X		
1120	Individual Objectivity	X		
1130	Impairments to Independence or Objectivity	X		
<b>1200</b>	<b>Proficiency and Due Professional Care</b>	X		
1210	Proficiency	X		
1220	Due Professional Care	X		
1230	Continuing Professional Development	X		
<b>1300</b>	<b>Quality Assurance and Improvement Program</b>	X		
1310	Requirements of the Quality Assurance and Improvement Program	X		
1311	Internal Assessments	X		
1312	External Assessments	X		
1320	Reporting on the Quality Assurance and Improvement Program	X		
1321	Use of "Conforms with the <i>International Standards for the Professional Practice of Internal Auditing</i> "	X		
1322	Disclosure of Nonconformance	X		

PERFORMANCE STANDARDS		GC	PC	DNC
<b>2000</b>	<b>Managing the Internal Audit Activity</b>	X		
2010	Planning	X		
2020	Communication and Approval	X		
2030	Resource Management	X		
2040	Policies and Procedures	X		

## Summary – Alamo Colleges Internal Audit Self-Assessment

		GC	PC	DNC
2050	Coordination and Reliance	X		
2060	Reporting to Senior Management and the Board	X		
2070	External Service Provider and Organizational Responsibility for Internal Auditing	X		
<b>2100</b>	<b>Nature of Work</b>	X		
2110	Governance	X		
2120	Risk Management	X		
2130	Control	X		
<b>2200</b>	<b>Engagement Planning</b>	X		
2201	Planning Considerations	X		
2210	Engagement Objectives	X		
2220	Engagement Scope	X		
2230	Engagement Resource Allocation	X		
2240	Engagement Work Programs	X		
<b>2300</b>	<b>Performing the Engagement</b>	X		
2310	Identifying Information	X		
2320	Analysis and Evaluation	X		
2330	Documenting Information	X		
2340	Engagement Supervision	X		
<b>2400</b>	<b>Communicating Results</b>	X		
2410	Criteria for Communicating	X		
2420	Quality of Communications	X		
2421	Errors and Omissions	X		
2430	Use of "Conducted in Conformance with the <i>International Standards for the Professional Practice of Internal Auditing</i> "	X		
2431	Engagement Disclosure of Nonconformance	X		
2440	Disseminating Results	X		
2450	Overall Opinions	X		
<b>2500</b>	<b>Monitoring Progress</b>	X		
2600	Communicating the Acceptance of Risks	X		
<b>IIA CODE OF ETHICS</b>		X		



# Alamo Colleges Internal Audit

**I concur with Internal Audit's self-assessment that they are operating generally in conformance with the *Standards* and the *IIA Code of Ethics*.**

**This level of conformance is the top rating and demonstrates a clear intent and commitment to achieving the *Core Principles for the Professional Practice of Internal Auditing* and the *Definition of Internal Auditing*.**

Governance	
Standard	Rating
1000	GC
1100	GC
1300	GC
Code of Ethics	GC

Staff	
Standard	Rating
1200	GC

Management	
Standard	Rating
2000	GC
2100	GC
2450	GC
2600	GC

Process	
Standard	Rating
2200	GC
2300	GC
2400	GC
2500	GC

Thank you for the opportunity to be of service to Internal Audit. I will be pleased to respond to further questions concerning this report and furnish any desired information.



Basil Woller, CIA, CRMA  
Independent Assessor



# V. Annual Plan for Fiscal Year 2024

	Project Type	Potential Audit Focus Description	Est. Hours
1	Grant Management Audit	Assess the adequacy and effectiveness of governance, risk management, and oversight processes in ensuring the efficient and effective administration of grants.	400
2	Customer Relationship Management System Implementation Audit	Assess the project management methodologies and practices to ensure the project's alignment with recognized standards and industry-leading practices.	500
3	Advising Audit	Evaluate the academic and career advising practices to ensure consistent student support levels.	500
4	Alamo Promise Audit	Audit of student eligibility, management of funds, and compliance with provisions of the Alamo Promise program.	550
5	Third-Party Vendor Audit	Assess the extent of third-party access to students' and employees' personally identifiable information.	500



# Annual Plan for Fiscal Year 2024 (Cont.)

	Project Type	Potential Audit Focus Description	Est. Hours
6	Employee Benefits Audit	Assess adherence to rules, accuracy, efficiency, and effectiveness of Alamo Colleges' benefits programs.	450
7	Cloud Usage & Security Audit	Assess the controls associated with the security of cloud-based technologies and evaluate third-party monitoring controls, ensuring alignment with TXRAMP.	500
8	Investigations / Requests	Perform and assist with investigations and special requests.	700
9	Internal Quality Assessment Review	Perform and report on Internal Audit Quality Assurance Improvement Program (QAIP) Self-Assessment.	200
10	Periodic Monitoring Program	Establish a formal data analytics program using ACL Analytics that focuses on mitigating fraud risks.	500
11	Follow-up Reviews	Follow-up on completion of audit action plans.	100
12	Carryforward	For completion of audits still outstanding from the FY 2023 Audit Plan	700
	Total		5,600





# Approved Alternate and Future Projects

Project Type	Preliminary Audit Focus Description
Emergency Alert System Audit	Review the design, efficiency, and effectiveness of Alamo Colleges' emergency communication capabilities, focusing on the distribution of vital information during crisis situations.
Incident Response Plan	Assess how roles and responsibilities are defined to deal with cyber incidents. Test whether the individuals in question are fully aware of their duties.
Budgeting Audit	Evaluate Alamo Colleges' annual budget design and processes used for planning and forecasting.
HR – Banner Employee Position Control Audit	Evaluate the position control processes and ensure controls are operating as management intends.
Facilities Management - Preventive Maintenance Program Audit	Determine whether controls ensure resources are utilized appropriately and effectively and assess the adequacy of preventative maintenance processes over facilities maintenance, including scheduled maintenance and unscheduled repairs.





# VI. External Audit Services Procured in Fiscal Year 2023

## External audit services procured by Internal Audit:

- Non-IT Audit Support – Internal Audit did not procure any outside services in FY 2023
- IT Audit Support – Internal Audit did not procure any outside services in FY 2023.
- Internal Audit will engage a third-party firm to perform an ethics review, which the IIA Standards require. This review was included in the FY 2023 Internal Audit Plan.

## External audit services procured by Finance & Administration:

- Financial Statement Audit – Weaver and Tidwell, LLP.
- Single Audit - Weaver and Tidwell, LLP.
- ACCD Public Facility Corporation – Clifton Larson Allen, LLP.



# VII. Reporting Suspected Fraud and Abuse

In accordance with section 7.09 of the Texas General Appropriations Act, a link in the footer of the home page for the Alamo Colleges external website referencing “Fraud Hotline” takes users to the Ethics site which includes instructions on how to report fraud, waste and abuse to the State Auditor’s Office as follows:

Any person who suspects fraud or financial impropriety at Alamo Colleges should report their suspicions immediately to any supervisor, the Chancellor or designee, the Board Chairperson, the Alamo Colleges Ethics Hotline, local law enforcement, Internal Audit or the State Auditor’s Office Hotline.

If you suspect fraud, waste, or abuse, and would like to file an anonymous complaint, please report the matter to one of the following:

Alamo Colleges Ethics Hotline  
1-888-976-2466

<https://www.alamo.edu/about-us/compliance/fraud-hotline/>

or

State Auditor’s Office Hotline  
1-800-TX-AUDIT (1-800-892-8348)

<http://sao.fraud.state.tx.us>



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Thank you.



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