

Tarrant County College District

INTERNAL AUDIT ANNUAL REPORT

FISCAL YEAR 2024-2025

TCC | Tarrant County College
SUCCESS WITHIN REACH.



Prepared by:
Tarrant County College District
Internal Audit Department

Updated, January 2026

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Executive Summary

The Internal Audit Annual Report summarizes the activities of the Tarrant County College District (TCCD) Internal Audit Department for Fiscal Year 2024-2025. The report highlights completed audits, consulting activities, compliance with statutory requirements, and planned audit coverage for Fiscal Year 2025-2026.

TCCD Internal Audit Department staff terminated their employment with TCCD and new staff was hired in middle of Fiscal year 2024-2025. Due to these changes' audits were not performed until March 2025. Those audits were at the request of management. Internal Audit remains committed to providing independent, objective assurance and advisory services designed to add value and improve District operations, governance, and risk management.

Internal Audit Plan – Fiscal Year 2024-2025

<u>Audit Area</u>	<u>Report Number</u>	<u>Status / Report Date</u>
Board of Trustees and Chancellor Expenses	2024 -1	Final – May 2025
Tuition Waiver Program and Employee Enrichment Program	2024 - 2	Final – July 2025
Chancellors Limit Audit	2024 - 3	Final – August 2025
Flex Spending Account	2024 – 4 (Memo)	Final – August 2025
Employee Overpayments	2024 - 5	Final – August 2025
Hiring Process and Military Preference	2024 – 6	Final – August 2025
Temporary Contractor – Facilities	2024 – 7	Final – August 2025
Temporary Contractor – Talent Acquisition	2024 – 7A	Final – August 2025
Change and Patch Management and Technology Assets	2024 – 8 ITS	Final – August 2025

Tarrant County College District

Internal Audit Annual Report

Fiscal Year 2024-2025

I. Compliance with Texas Government Code, Section 2102.015

Posting of Internal Audit Information on the District Website

Texas Government Code, Section 2102.015, requires state agencies and institutions of higher education to post specific internal audit information on their official websites. This information includes the approved internal audit plan and the internal audit annual report within 30 days of approval by the governing body or chief executive officer, as applicable.

In addition, the statute requires entities to update their websites to include:

- A detailed summary of any weaknesses, deficiencies, wrongdoings, or other concerns identified through the audit plan or annual report, and
- A summary of management actions taken to address any identified concerns.

The Tarrant County College District (TCCD) Internal Audit Department is committed to ensuring ongoing compliance with these statutory requirements. To support transparency and accountability, Internal Audit implements the following procedures:

- Posting the approved Annual Audit Plan to the TCCD website within 30 days of approval by the Finance and Audit Committee;
 - Posting the approved Internal Audit Annual Report to the TCCD website within 30 days of approval by the Finance and Audit Committee; and
 - Updating the website to include summarized information regarding identified audit issues and management's corrective actions, as applicable.
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II. Internal Audit Plan for Fiscal Year 2024-2025

During Fiscal Year 2024-2025, the Internal Audit Department had departmental staff changes and audits were not performed until March 2025. Management requested Internal Audit to conduct several audits within their departments. These audits were designed to provide independent assurance over key operational, financial, and compliance risks facing the District.

Other Internal Audit Services

In addition to audit engagements, Internal Audit devoted resources to the following activities in support of District operations and governance:

- Assisting the External Auditors on the SB-17 audit report
 - Researching and implementing an Internal Audit Management System
 - Administration of the TCCD Ethics and Compliance Hotline
 - Development of the Fiscal Year 2025-2026 Annual Risk Assessment and Three-Year Audit Plan
 - Preparation and issuance of the Internal Audit Annual Report
 - Posting of required audit information to the TCCD website
 - Overseeing audits performed by the external auditors assisting the IA department.
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III. Audit Findings, Observations and Management Actions

The audit reports with the findings, observations, managements responses, and Internal Audits assessment are located on the Internal Audit Department website. Additionally, the reports were provided to management, Chancellor, and the Audit Committee and can be requested from the Internal Audit Department. The Internal Audit Department performed the following audits:

- Board of Trustees and Chancellor Expenses Audit
 - Tuition Waiver Program and Employee Enrichment Program Audit
 - Chancellors Limit Audit
 - Flex Spending Account Audit
 - Employee Overpayment Audit
 - Hiring Process and Veteran Preference Audit
 - Temporary Contractor – Facilities
 - Temporary Contractor – HR Talent Acquisition
 - Change and Patch Management – ITS
 - Technology Assets - ITS
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IV. Consulting and Non-Audit Services

During Fiscal Year 2024-2025, Internal Audit provided consulting and advisory services designed to assist management in strengthening controls, improving compliance, and mitigating risk. These services included:

- Guidance on the interpretation and application of District policies and procedures;
- Participation in the administration of the TCCD Ethics and Compliance Hotline; and
- Research and advisory support related to allegations or indicators of fraud, waste, or abuse, when applicable.

These activities were performed in accordance with professional standards and did not impair Internal Audit’s independence or objectivity.

V. Internal Audit Plan for Fiscal Year 2025-2026

Overview

The Fiscal Year 2025-2026 Internal Audit Plan is based on a District-wide risk assessment conducted by Internal Audit. The plan is intended to allocate audit resources toward areas presenting the highest risk to the District’s operations, compliance obligations, and strategic objectives.

The audit plan remains flexible and may be adjusted during the fiscal year due to changes in District operations, emerging risks, resource availability, or requests from management. Any significant modifications require approval from the Finance and Audit Committee.

Planned Audits

<u>Audit Area</u>	<u>Description</u>
Board of Trustees and Chancellors Expenses*	Review of Board and Chancellors expenses.
Campus Club Accounts	Review clubs are managing finances according to established guidelines and policies.
Faculty Workload	Compliance with the Texas Education Code (TEC) 51.402 and compliant with Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) Principle 6.2 b.
Student Fees	Review of student fees, including approval, usage, balances, classification, and accounting practices.
Return of Title IV Funds	Review compliance with Federal Regulations related to the Return of Title IV Funds (R2T4).

<u>Audit Area</u>	<u>Description</u>
Dual Credit	Review of faculty evaluation, FERPA Data Privacy, test scores, dual credit documentation and student eligibility.
Campus Security and Safety	Review adherence to federal and state regulations, including the Clery Act. Review emergency management plans, evacuation procedures and communication systems.
Fuel	Review of compliance with regulations related to purchasing, storing, and required licenses/certifications for fuel.
ITS – Administrative Privileges and Rights	Review of users or groups with administrative rights, to include centralized and decentralized IT applications.
ITS – Ransomware Risk Management	Review relevant cybersecurity controls and test the College’s readiness to detect and respond to a ransomware event.
ITS – Penetration Testing	Review possible vulnerabilities that could be exploited by an inside or outside threat of the College’s security perimeter.
ITS – Vulnerability Management and Scanning	Compliance with requirements of the TAC 202 Security Controls Catalog, control RA-5-Vulnerability Monitoring and Scanning.
ITS – Intrusion Prevention and Detection System	Review computer security incident response process, logical and physical security and environmental protection controls are in place.
Remediation SB – 17 Audit	Review of managements responses to corrective actions were implemented. Ensure TCCD continues to abide by and in compliance with SB-17.

*Required audit per Internal Audit Charter.

VI. External Audit Services

During Fiscal Year 2024-2025, the Internal Audit Department did engage external audit firms for internal audit services. Additionally, TCCD maintained a separate contract with Weaver to conduct the audit of the District's Comprehensive Annual Financial Report and with Whitley Penn to conduct the audit of SB – 17.

VII. Reporting Suspected Fraud, Waste, or Abuse

TCCD maintains established processes to support the reporting of suspected fraud, waste, or abuse, consistent with statutory requirements. These processes include:

- A fraud reporting link on the TCCD website directing individuals to the State Auditor's Office;
- Internal Audit policies and procedures that outline coordination with the State Auditor's Office when state funds are involved; and
- Additional reporting resources available to employees through the District's internal systems.



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