Tarrant County College District

Tarrant County College District Internal Audit Annual Report Fiscal Year 2025 - 2026

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Tarrant County College District
Internal Audit Department

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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 2025 - 2026. The report highlights completed audits, consulting activities, compliance with statutory requirements, and planned audit coverage for Fiscal Year 2025.

TCCD Internal Audit Department was staffed with one Director of Internal Audit. Internal Audit co-sourced with Calvetti & Ferguson, now Cherry Bekaert, to assist with TCCD audits. Internal Audit hired a Senior Auditor August 2026 and continues to co-source with Cherry Bekaert. 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 2025 - 2026

Audit Area	Report Number	Status / Report Date
Faculty Workload, Overload, and Stipends	2025 -1	Final – May 2026, Issued
Student Fees	2025 – 2 (Memo)	Final – July 2026, Issued
Campus Security and Safety	2025 - 3	In progress
Return of Title IV Funds	2025 – 4	In progress
Dual Credit	2025 - 5	Final – April 2026, Issued
Fuel	2025 – 6	In draft
Campus Club Accounts	2025 – CCA	Final – August 2026, Issued
Board of Trustee and Chancellor Expenses	2025 – EXP	Final – December 2025, Issued
Administrative Privileged Rights	2025-ITS-1	Final – March 2026, Issued
Ransomware Risk Management	2025-ITS-2	Final – August 2026 audited with Vulnerability
Penetration Testing	2025-ITS-3	In draft

Vulnerability Management and Scanning	2025-ITS-4	Final – August 2026 audited with Ransomware
Intrusion Prevention Detection System	2025-ITS-5	In draft with Penetration Audit
SB-17 Remediation	2025-REM-1	Final – August 2026

Tarrant County College District
Internal Audit Annual Report
Fiscal Year 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.

II. Internal Audit Plan for Fiscal Year 2025 - 2026

TCCD Internal Audit Department was staffed with one Director of Internal Audit. Internal Audit co-sourced with Calvetti & Ferguson to assist with TCCD audits. Internal Audit hired a Senior Auditor August 2026 and continues to co-source with Calvetti & Ferguson. The Board of Trustees approved a three-year rolling audit and the approved plan is posted on the TCCD Internal Audit website. 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:

- Researching and implementing an Internal Audit Management System
- Administration of the TCCD Ethics and Compliance Hotline
- Continuous development of the Fiscal Year 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.

III. Audit Findings, Observations and Management Actions

The reports were provided to management, Chancellor, the Audit Committee and the full report can be requested from the IA department. The Internal Audit Department performed the following audits:

- **Board of Trustees and Chancellor Expenses Audit** - The audit concluded that while most Board and Chancellor expenses were legitimate and properly supported, instances of noncompliance and insufficient documentation were identified. The recurring themes include a lack of business purpose documentation, delays in accounting entries, and isolated instances of the P-Card for personal expenditures. Internal Additionally, continuous over tipping the allowable 15% per TCCD policy.

- **Faculty Workload, Overload and Stipends Audit** - The audit identified eight findings, including two high-risk, four medium-risk, and two low-risk issues. While TCCD's faculty workload, overload, and stipend processes were

generally performed in alignment with Board policy requirements and established compensation practices, the high-risk findings indicate control gaps that warrant prompt management attention. Addressing these issues, along with the medium- and low-risk findings, will strengthen documentation, approval oversight, and overall control effectiveness across faculty practices.

- **Student Fees** - Based on the Governor's tuition and fee freeze, management's decision to withdraw the most significant proposed new fee initiatives, and the resulting reduction in implemented fee-change activity for the 2026-2027 academic year, Internal Audit recommends deferring the Student Fees audit from the current year's Internal Audit Plan.

- **Dual Credit Audit** - The audit identified four findings, including two high-risk, one medium-risk, and one low-risk issue. While TCCD's Dual Credit operations generally align with accreditation, regulatory, and institutional expectations for delivering college-level coursework to high school students, the high-risk findings indicate control gaps that warrant prompt management attention. Addressing these issues—along with the medium- and low-risk items—will strengthen documentation, oversight, and overall control effectiveness across the Dual Credit program.

- **Campus Club Accounts** - Internal Audit's review identified opportunities to strengthen the current handbook in areas including financial integrity, regulatory compliance, governance, documentation, and institutional liability and safety. Certain requirements also warrant greater clarification to ensure that students, advisors, and Student Affairs personnel have a consistent understanding of their respective responsibilities. Following implementation of the revised requirements, Student Affairs should ensure that each campus club, organization, and society is brought into compliance with the updated handbook. Internal Audit may subsequently perform follow-up or risk-based testing to evaluate implementation and determine whether the revised governance and monitoring processes are operating as intended.

- **Administrative and Privilege Rights Audit – ITS** – The audit identified eight findings, including four high-risk, two medium-risk, and two low-risk issues. The audit identified areas for improvement but did not identify any high-risk IAM control failures. TCCD has implemented foundational IAM controls; however, greater consistency, formalization, and documentation of IAM processes would strengthen the overall control environment.

- **SB-17 Remediation Audit** – Internal Audit's follow-up on the 12 management actions from the SB-17 Agreed-Upon Procedures review found that 8 were fully implemented. A ninth, removing old MWBE language from the insideTCC Procurement webpage, was corrected within one day of being identified. The

three remaining items are administrative and documentation-related, and management is continuing to address them.

- **Fuel Audit** – currently in draft format and the audit identified deficiencies.

- **Vulnerability Management and Scanning, and Ransomware Risk Management Audit – ITS** – currently in draft, management responses and IA assessment format.

- **Penetration Testing and Intrusion Prevention and Detection System Audit – ITS** – currently in draft format and the audit identified deficiencies.

- **Return to Title IV Funds Audit** – currently in testing.

- **Campus Security and Safety Audit** – currently in testing.

IV. Consulting and Non-Audit Services

During Fiscal Year 2025 - 2026, 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 2026

Overview

The Fiscal Year 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

Audit Area	Description
Board of Trustees and Chancellors Expenses*	Review of Board and Chancellors expenses.
Federal Fund Programs	Compliance with Pell Grants, Direct Loans, Federal Work-Study, FSEOG, student eligibility, enrollment status, satisfactory academic progress, verification, disbursements, credit balances, over awards/overpayments, COD reconciliation, G5 drawdowns and reconciliations.
State Fund Programs	Compliance with TEOG, TPEG, State Work-Study, Nursing Student Scholarship, Texas First Scholarship and related programs. Skills Development Fund, TRUE, Nursing Innovation, Professional Nursing Shortage, Adult Education & Literacy, Apprenticeship, OER, Reskill/Upskill, law-enforcement training and other restricted state awards. Texas Workforce Commission Skills Development Fund grants, TRUE Pathways grant and any additional state funding.
Accreditation	Review the management system that ensures adequate documentation for SACS accreditation.
TCCD Property	Verify deeds, legal descriptions, parcel numbers, acreage, and building records. Reconcile the real property inventory to accounting records and identify discrepancies in ownership or location. Compare actual property use with its intended purpose. Identify vacant buildings, unused land, unauthorized occupancy, and property used by outside organizations without documented agreements. Review approvals, valuations, marketing or competitive processes where required, sale agreements, proceeds, and removal from accounting records. Evaluate conflicts of interest.
International Student Services	Review the process for international student services, including processing student data in 2026.
Required Regulatory Reporting	Review the process for capturing required regulatory reporting and monitoring compliance.

Audit Area	Description
Automobile Technology Vehicle Inventory	Method utilized for vehicle tracking within the program. Vehicles and Titles. Contract agreements between automotive program and its manufacturer partners. Budget developed for each instructional line within the program properly reflect anticipated expenditures, budget transfers are completed prior to purchase. Overall cost efficiency (revenues compared to expenses) of the program. Tools and supplies inventory. All assets have been tagged and on the fixed asset register.
Culinary, Hospitality	Southeast Campus. Review instructional operations, food and supply controls, revenue activities, facilities, and student safety. Trace purchases to approvals, purchase orders, invoices, and receiving records. Verify quantities, pricing, condition, and receipt by authorized personnel. Review emergency purchases and purchasing card transactions. Verify required training and credentials for personnel performing applicable duties. Verify fees are authorized, accurately assessed, and supported by their stated purpose. Trace expenditures to program needs and review refunds or adjustments.
ITS – Backup and Recovery	To ensure SOP's are documented, up-to-date, all critical data, applications, and systems are included in the backup plan. This includes servers, databases, virtual machines, and cloud environments. Evaluate backups are occurring at the required frequency and that retention policies are being followed. Evaluate backup types (full, incremental, differential, etc.) are being used for different types of data. Backup technology is reliable and up-to-date, and tested for recoverability. Backups are encrypted both in transit and at rest to protect sensitive data.
ITS – Wireless Network Controls	Ensure that SOP's are in place for Wireless Network Controls and up-to-date. Ensure that SSIDs (Service Set Identifier) do not reveal any sensitive information about our organization. SSID's hidden or openly broadcasted. Ensure that wireless network uses strong encryption methods, such as WPA3 (Wi-fi Protected Access 3) or WPA2, and not outdated protocols like WEP (Wired Equivalent Privacy).
ITS – Application Software Security	To evaluate the management of security life cycle of in-house developed, hosted, or acquired software to prevent, detect, and remediate security weaknesses before they can impact TCCD.

Audit Area	Description
Campus Club Accounts	Review clubs are managing finances according to established guidelines and policies.

*Required audit per Internal Audit Charter.

VI. External Audit Services

During Fiscal Year 2025 - 2026, the Internal Audit Department did engage external audit firms for internal audit services, including Information Technology audits. Additionally, TCCD maintained a separate contract with Weaver to conduct the audit of the District's Comprehensive Financial Annual Report.

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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Tarrant County College District – Internal Audit

Elva LeBlanc 11/13/2026

Dr. Elva LeBlanc, Chancellor
Tarrant County College District