

# Board of Regents

## Audit Committee Meeting

February 9, 2017  
Waco, Texas



**Texas State Technical College  
Board of Regents  
Audit Committee Meeting**

**Col. James T. Connally Aerospace Center  
Board Room  
3801 Campus Drive  
Waco, TX 76705**

**Thursday, February 9, 2017  
10:45 a.m.**

**AGENDA**

- I. Meeting Called to Order by Audit Committee Chair Ivan Andarza**  
[Ivan Andarza, Joe Gurecky, J.V. Martin]
- II. Committee Chair Comments**
- III. Minute Order:**  
**Proposed MO #01-17(c)**
- Revision of Fiscal Year 2017 Audit Plan
- IV. Reports:**
- [Status of Fiscal Year 2017 Audit Schedule & Other Projects](#) ..... 3/39
- [Revision of Fiscal 2017 Audit Plan](#) ..... 5/39
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- [Office of COO: Departmental Audit](#)..... 12/39
- [Harlingen Campus: Facilities Development Project Compliance](#)
- [Audit](#) ..... 16/39
- [Integrated Marketing: Reconciliation of State TSI Exam Fees](#) ..... 19/39
- [Internal Audit: Internal Quality Assessment Review](#) ..... 24/39
- [Office of External Relations: Departmental Audit](#) ..... 28/39
- [OIT: Interim Report on TAC 202 Audit](#)..... 32/39
- [Waco Police: Agency Audit](#)..... 35/39

<a href="#"><u>Sweetwater Police: Agency Audit</u></a> .....	37/39
<a href="#"><u>Attestation Disclosures</u></a> .....	39/39

## **V. Adjourn**



**Texas State Technical College**  
**Internal Audit**  
**Status of Fiscal Year 2017 Audit Schedule & Other Projects**

Description	Division/Campus	Status	Report No.	Report Date
<b>INTERNAL AUDITS</b>				
Facilities Development Project Compliance Audit	Harlingen	Complete	17-008A	10/28/2016
Departmental Audit	Office of COO	Complete	17-006A	10/28/2016
Reconciliation of Statewide TSI Exam Fees	Integrated Marketing	Complete	17-012A	11/1/2016
Internal Quality Assessment Review	Internal Audit	Complete	17-003A	11/21/2016
Departmental Audit	Office of External Relations	Complete	17-009A	12/14/2016
TAC 202 Audit	OIT	In progress		
Departmental Audit	Welding - Marshall Campus	In progress		
Dual Enrollment Audit	Operations	In progress		
Departmental Audit	TBD			
Departmental Audit	TBD			
Departmental Audit	TBD			
Departmental Audit	TBD			
Departmental Audit	TBD			
Departmental Audit	TBD			
Construction Audit	Ft. Bend			
Financial Aid Fraud Audit	Financial Aid			
SB 20 Contract Audit	Purchasing			
Internal Penetration Test – Marshall & West Texas	-OIT-			
Departmental Audit-	-TBD-			
Departmental Audit-	-TBD-			
Departmental Audit-	-TBD-			

**EXTERNAL AUDITS**

State Auditor's Office: A-133 Follow-up	Harlingen	In progress		
State Auditor's Office: A-133 Follow-up	Marshall	In progress		
Texas Workforce Commission: Personnel Policies & Procedures Review	HR	In progress		
Thomas P Miller & Associates: DOL TAACCCT Grant	OSP	In progress		
THECB: 2015/2016 Perkins Grant Programmatic Desk Review	OSP	In progress		
THECB: 2015/2016 Perkins Grant Desk Review (Harlingen)	OSP	In progress		
THECB: 2015/2016 Perkins Grant Desk Review (Waco)	OSP	In progress		
THECB: 2015/2016 Perkins Grant Desk Review (Marshall)	OSP	In progress		
THECB: 2015/2016 Perkins Grant Desk Review (West Texas)	OSP	In progress		
Texas Commission on Law Enforcement: Agency Audit	Waco Police	Complete	6302	10/25/2016
Texas Commission on Law Enforcement: Agency Audit	Sweetwater Police	Complete	5505	1/12/2016

**OTHER INTERNAL PROJECTS**

Internal Hotline: Allegation - Employee wasted money by engaging a consultant that added no value to the College. Results - Determined that value was added by the consulting engagement to several IT projects, that the engagement occurred during the consolidation of OIT, and the engagement was not a unilateral decision. No waste noted.	OIT	Complete	17-005I	9/16/2016
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<b>Description</b>	<b>Division/Campus</b>	<b>Status</b>	<b>Report No.</b>	<b>Report Date</b>
Theft of Cash Investigation - Investigated a cash shortage at the North Texas Campus. Determined that additional money was missing, but because of the lack of controls, could not reliably determine whether it was theft.	North Texas	Complete	16-0371	9/29/2016
Internal Hotline: Allegation - Supervisor abused his/her position by misusing federal funds for personal travel, and to fund disallowable activities. Results - Could not validate the allegation, but control gaps were noted. Pending management response.		In progress		
Risk Assessment of the giftshop for the Harlingen Challenger Center - We reviewed the objectives and risks associated with the giftshop. Our project objective was to recommend controls related to accounting, sales tax, cash, and inventory to management.	Integrated Marketing	Complete	17-014RA	N/A



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**Board Meeting Date:** February 9, 2017

**Proposed Minute Order #:** 01-17(c)

**Proposed By:** Jason D. Mallory, Director of Audits

**Subject:** Revision of Fiscal Year 2017 Audit Plan

**Background:** The Texas Internal Auditing Act, Chapter 2102 of the Texas Government Code, requires Board of Regents approval for the Annual Audit Plan (Plan) and any revisions. The Director of Audits recommends revising the Plan originally approved by Minute Order #42-16(c) on August 11, 2016, by removing three scheduled departmental audits and an internal network penetration test, and replacing them with a Facilities Development Project Audit, a TSI Exam Fee Audit, and a process audit of Dual Enrollment.

**Justification:** After the Plan was originally formulated and approved, events occurred which changed the risk environment originally assessed during our planning. Specifically, the THECB informed us in September after our Plan was approved of the need to complete a Facilities Development Project Audit as a part of their Classroom Utilization Audit in Harlingen. The TSI Exam Fee Audit is being requested as an addition because we became aware during a cash theft investigation of probable control gaps related to these fees. Finally, during another investigation, we identified probable control gaps around the billing and collection processes for the Dual Enrollment activity. For this activity, we propose auditing the billing and collection processes at each campus that engages in Dual Enrollment. Time permitting, we may expand the scope to other risks within the activity.

My recommendation to remove three departmental audits is based on the fact that nine similar audits are still scheduled, and these audits were primarily intended to assist management with ensuring uniformity in select business processes (purchasing, travel, safety, etc.) during the early life of the consolidated College. My recommendation to postpone the internal network penetration test is because similar comprehensive IT control testing is occurring during the TAC 202 audit, and a similar test was performed last fiscal year at other campuses. The lessons learned during that test are being applied at all locations. The requested revisions are either required or represent higher probable risks to the College.

**Additional Information:** None

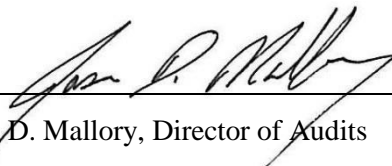
**Fiscal Implications:** Funds Available as Budgeted for Fiscal Year 2017.

**Attestation:** This Minute Order is in compliance with all applicable laws and regulations to the best of my knowledge.

**Attachment(s):** None

**Recommended Minute Order:** “The Board of Regents approves the revised audit plan for Fiscal Year 2017.”

**Recommended By:**

  
\_\_\_\_\_  
Jason D. Mallory, Director of Audits



Texas State Technical College  
Internal Audit  
Summary of Audit Reports

Report Name & No.		Audit Finding	Summary of Finding Support	Management's CAP(s)		Resp. Sr Mgr	Expect. Complete Date
Office of COO: Departmental Audit (17-006A)	1.	No material exceptions noted.					
Harlingen Campus: Facilities Development Project Compliance Audit	1.	No material exceptions noted.					
Integrated Marketing: Reconciliation of Statewide TSI Exam Fees (17-012A)	1.	Stronger controls need to be established to account for all earned exam fees, regardless of whether they are collected or waived.	We determined that testing centers have been given the latitude to waive exam fees. However, because those waivers are not recorded, there is not a reliable way to determine the volume of waivers during any given time period. We determined that a reconciliation of exam fees is not performed to recorded revenue. As such, any errors or defalcation will not be readily detected.	1.1 The cashiers are the only individuals allowed to take payments for anything. 1.2 In the event a cashier is not available, a secure lock box has been established in the cashier area for persons dropping off payments at locations other than Waco and Harlingen. If the payment is cash, two signatures are required on the envelope verifying amount being placed in the drop box. The enrollment specialists at all locations have been trained in this procedure.		Kilgore/Hoekstra	Immediately
				1.3 A waiver code will be created in Colleague to be used for waived fees.		Kilgore/Hoekstra	11/14/2016
				1.4 To document the reduction of price for a TSI exam, a form has been created that both testing and cashier personnel must sign before the waiver code can be entered in Colleague. This will allow for tracking when test fees are reduced or waived.		Kilgore/Hoekstra	11/30/2016
				1.5 The Statewide leads for Advisement & Testing and Student Accounting will meet quarterly to reconcile the accounts. A report will be provided to the AVC/Financial Services and VP/Enrollment Services.		Kilgore/Hoekstra	2/28/2017
Internal Audit: Internal Quality Assessment Review (17-003A)	1.	No material exceptions noted.					
Office of External Relations: Departmental Audit (17-009A)	1.	No material exceptions noted.					

Report Name & No.		Audit Finding	Summary of Finding Support	Management's CAP(s)		Resp. Sr Mgr	Expect. Complete Date
OIT: Interim Report on TAC 202 Audit (17-002A)	1.	Of the 65 controls tested, 36 have been implemented. There are 70 controls still left to test.					
Waco Police - Agency Audit by TCOLE	1.	No material exceptions noted.					
Sweetwater Police - Agency Audit by TCOLE	1.	No material exceptions noted.					



**Texas State Technical College  
Internal Audit  
Follow Up Schedule & Status**

Report Name & No., Resp. Sr Mgr		Internal Audit Finding	Management's CAP(s)	Internal Audit Comments on Status	Management Comments on Status	Expect. Complete Date
<b>December 2010 Attestation Disclosure, Herrera</b>	1.	TSTC provides internet service to members of the West Texas Telecommunications Consortium (WTTC). In 2008, WTTC was cited for an FCC violation in an external audit because the audit concluded that WTTC "surrendered control of its competitive bidding process" to TSTC because a TSTC employee sat on the WTTC board at the time. However, the audit went on to conclude that the selection of TSTC was the most cost effective bid. Nevertheless, as a result of this audit finding, the funding agency has indicated in letters to both TSTC and WTTC that \$589 thousand may be required to be repaid. The certainty of that requirement is yet unknown.	TSTC and WTTC issued an attorney drafted joint appeal on January 11, 2011, to the funding agency in an attempt to 1) clarify the audit finding, and 2) appeal the ruling that the money may need to be repaid. This appeal is based primarily on the facts that no negative monetary effect was felt by WTTC, and the TSTC employee who was on the Board did not actually participate in any part of the bid process. The appeal also included affidavits from 4 WTTC Board members, the WTTC WAN Director, and the TSTC employee that state the TSTC employee did not participate in the bidding or selection process.	<b>On-going:</b> As of 01/10/17, we had not received a response on our appeal to the finding from the FCC. TSTC General Counsel previously spoke with outside counsel on the matter who indicated the FCC is severely backlogged on appeals. They are just reviewing appeals filed in 2006. Internal Audit will leave this on the follow-up schedule until the appeal has been heard. This may take several years.	We are still pending a ruling from the FCC on the matter.	Still awaiting FCC response
<b>Harlingen, Waco, Marshall, WT, Sys Ops: 2014 Employee Time Reporting Audits, Rushing</b>	1.	The forms used to report time should be enhanced to capture more information on the compensatory time that is being requested so as to assist HOD with verifying the time calculation. This would benefit employees by further ensuring they are credited with the correct amount of compensatory time.	1.2 HOD will review (and revise if necessary) all existing policies and procedures related to leave and compensatory time to ensure compensatory time is handled consistently throughout the System.	<b>Partially Complete:</b> HR personnel have been trained to better scrutinize all manual time sheets. In January 2016, an IT project was approved to create a single State-wide application to manage leave requests, accruals, and timesheets. This system will be computing device agnostic.	10/12/16: The training with Human Resources personnel has occurred. HR continues to meet with OIT on modifications to the leave request and accrual system. One phase of that project is anticipated to reach completion this fall.	TBD
			1.3 Depending on availability of IT programming personnel, HOD will facilitate enhancements of the current leave system to accommodate automation of compensatory time recording and calculation.	<b>See above comments</b>		3/31/2017
			1.4 Once the method for time reporting is determined, System-wide training will be implemented.	<b>See above comments</b>		TBD

Report Name & No., Resp. Sr Mgr		Internal Audit Finding	Management's CAP(s)	Internal Audit Comments on Status	Management Comments on Status	Expect. Complete Date
Harlingen: A-133 Audit (performed by the SAO), Wolaver	1.	Summary: Cost of Attendance budgets need to be adjusted to reflect actual enrollment so that the potential for over awards is reduced.	Continue to calculate initial award on full-time enrollment, and after the census date adjust the cost of attendance to the actual enrollment level. Awards will continue to be adjusted as necessary.	09/20/16: Substantially implemented. The CAP was not due until 08/31/16. The SAO elected to wait until after action was taken, and delayed testing until Summer 2017.		2/1/2018
Marshall: A-133 Audit (performed by the SAO), Wolaver	1.	Summary: Cost of Attendance budgets need to be adjusted to reflect actual enrollment so that the potential for over awards is reduced.	Continue to run an automated process to adjust awards based upon enrollment. The financial aid office will ensure only eligible budget components are included in the COA calculation.	09/20/16: Substantially implemented. The CAP was not due until 08/31/16. The SAO elected to wait until after action was taken, and delayed testing until Summer 2017.		2/1/2018
Cybersecurity Audit (15-049A), Herrera	1.	Controls related to wireless access and mobile devices need to be improved, as well as overall IT security training and awareness.	1.1 Due to network and hardware configuration, the following TSTC networks do not have separate guest and secure wireless: Sweetwater, Brownwood, Breckenridge, Abilene and Marshall. We are currently in the stages of correcting Brownwood and Breckenridge. The estimated completion date is October 31, 2015. Sweetwater and Marshall should be completed by July 2016 and Abilene by October 2016.	Partially Complete: At 12/19/16, the Brownwood and Breckenridge campuses have been completed. Marshall, Sweetwater, and Abilene are scheduled for completion by March 31, 2017.		7/15/2017
			1.3 A draft Mobility Management Policy has been created and is in the early stages of revision. Once OIT management has approved the draft it will go to the Information Technology Action Group for comment, revision and acceptance prior to going to EMC and the Chancellor for review. We expect the Mobility Management Policy to be in place by April 1st, 2016.	Partially Complete: At 03/02/16, a rough draft of the policy has been created. At 07/08/16, the final version of the policy was not yet complete. At 12/31/16, the final version was not yet completed.		3/31/2017
Internal Network Penetration Test (16-016A), Herrera	1.	We were able to find information on the internet that was useful to us in our social engineering attacks. As such, we were able to obtain both end-user credentials to systems containing protected data, and other information that could be used to get those credentials using relatively low-tech methods. We also noted instances in which physical security needs to be improved. Finally, we were able to inappropriately access student and employee data on servers using techniques available to more sophisticated hackers.	We have reviewed the issues identified and agree that corrective actions are necessary. We formulated specific actions for each of the issues, and have already corrected some. All required actions will be completed no later than December 2016 since some actions will require assistance from personnel outside of OIT.	Substantially Complete: As of 12/14/16, 8 of 9 corrective action plans have been completed. The only item that is pending to be completed is CAP 2.1 relating to secured logons to lab computers.	In regards to 2.1: The feasibility of implementing the technology has been completed and we are submitting a budget request to purchase necessary software to perform this task. Once budget approval is funded, it will be a 24 month implementation time frame. Estimated completion date based on budgeting cycle is Aug 2019.	8/31/2019

Report Name & No., Resp. Sr Mgr		Internal Audit Finding	Management's CAP(s)	Internal Audit Comments on Status	Management Comments on Status	Expect. Complete Date
Senate Bill 20 Audit (16-007A), Rushing, Hoekstra		1. Certain required statements are missing from the Ethics and Standards of Conduct policy, and the contract management handbook and contract review procedures/checklist are not yet completed.	1.1 We will soon be in the process of hiring an SB 20 specialist, whose job will include devising the statutorily required checklist and handbook, and to ensure compliance with the statute going forward.	<b>Partially Complete:</b> On 12/16/16, the contract management handbook has been submitted by Procurement to the General Counsel's office; the handbook and checklist (created by General Counsel) are pending review and are expected to be uploaded to the TSTC website in February 2017. On 12/1/16, Maria Magana was hired as the SB 20 Contract Specialist.		2/28/2017
Reconciliation of Statewide TSI Exam Fees (17-012A), Kilgore, Hoekstra		1. Stronger controls need to be established to account for all earned exam fees, regardless of whether they are collected or waived.	1.1 The cashiers are the only individuals allowed to take payments for anything.	<b>Pending Review</b>		Immediately
			1.2 In the event a cashier is not available, a secure lock box has been established in the cashier area for persons dropping off payments at locations other than Waco and Harlingen. If the payment is cash, two signatures are required on the envelope verifying amount being placed in the drop box. The enrollment specialists at all locations have been trained in this procedure.	<b>Pending Review</b>		Immediately
			1.3 A waiver code will be created in Colleague to be used for waived fees.	<b>Pending Review</b>		11/14/2016
			1.4 To document the reduction of price for a TSI exam, a form has been created that both testing and cashier personnel must sign before the waiver code can be entered in Colleague. This will allow for tracking when test fees are reduced or waived.	<b>Pending Review</b>		11/30/2016
			1.5 The Statewide leads for Advisement & Testing and Student Accounting will meet quarterly to reconcile the accounts. A report will be provided to the AVC/Financial Services and VP/Enrollment Services.	<b>Pending Review</b>		2/28/2017

## **Internal Audit Department**

### **Audit Report**

#### **Departmental Audit of the Office of the Chief Operations Officer (17-006A) TEXAS STATE TECHNICAL COLLEGE**

**October 28, 2016**

**This audit was conducted in accordance with the  
*International Standards for the Professional Practice of Internal Auditing*  
of the Institute of Internal Auditors.**

## Executive Summary

We recently completed an audit of the Office of the Chief Operations Officer (Department) as of September 30, 2016. The audit focused on compliance to numerous College policies related to purchasing, travel, inventory control, cash handling, work study, employee leave, select HR rules, safety, training, and IT security. The following table summarizes the areas reviewed, and our results:

Topic	Test Focus	Results
Purchasing	Split purchases, proper approvals, proper documentation, clear benefit to College, completed training purchasing training.	In compliance. Isolated exceptions and management recommendations, but no material exceptions.
Procurement Cards	Secure custody of cards, monthly completion and reconciliation of logs, legitimate purchases, proper approvals, split purchases, training.	In compliance.
Travel	Legitimacy of travel, proper approval, correct State rates.	In compliance.
Inventory Control	Assets are secured, physical inventory was accurately completed within the last year, any transferred, missing, or disposed of items have the appropriate documentation on file.	In compliance.
Cash Handling	Access to cash is properly restricted, all cash on hand is accounted for, and there are proper segregation of duties are in place.	Not applicable. The Department does not handle cash.
Work Study	Student workers schedules and duties, validity of timesheets, financial need of students.	Not applicable. The Department does not employ student workers.
Staffing Levels	Appropriateness of staffing levels.	Levels appeared appropriate.
Employee Leave	Approval for all leave, appropriate documentation on file for extended leaves of absences.	In compliance.

Performance Evaluations	Written employee performance evaluations performed in the past year.	Determined that written ones were not performed. Recommendation issued.
Safety	Safety awareness and compliance to hazardous chemicals, fire extinguishers, indoor air quality, eyewash and showers stations, concealed handgun policy, small appliance policy, driver safety program.	In compliance.
Minors on Campus	Appropriate training and background checks.	Not applicable. The Department does not regularly interact with minors.
Required Training	Driver Safety, Information Security Awareness, Active Shooter, Title IX	In compliance.
Time Keeping	Unusual entries, proper approval, timely submission, and overtime amounts on timesheets.	Not applicable. Department does not have any non-exempt employees.
IT	Password protected screensavers, appropriate Colleague access, Identity Finder software, use of OIT servers, social engineering.	Isolated exceptions and management recommendations, but no material exceptions.

Overall, the Department was in compliance with the governing policies tested. As noted above, isolated exceptions were identified, but none represented material non-compliance. Those incidences were discussed with management, and action was immediately taken.

### Introduction

The Office of the Chief Operations Officer consists of the COO and an administrative assistant in fiscal year 2016, with a Chief of Staff being added in fiscal year 2017. The COO's office had a budget of \$292,059 for Fiscal Year 2016, with actual expenditures of \$291,969 for the same time period. Regarding that budget, \$269,359 was budgeted from appropriated funds and \$22,700 from local funds. The actual expenditures in fiscal year 2016 were \$263,999 in salaries, \$13,479 in travel, \$7,547 in Foundation expenditures, and \$6,944 in other operating cost.

The COOs duties include assisting the Chancellor in communications with State agencies, Provosts, the Board of Regents, Vice Chancellors and others. He is also responsible for developing goals, objectives, and strategies to enhance the delivery of technical education

and training to advance the cause of TSTC, and developing new partnership agreements with business/industry and other institutions of higher education.

### **Objectives**

The objective of the audit was to ensure the Department acted in accordance to College policy in the select areas previously noted.

### **Scope & Methodology**

The scope of our audit included all Departmental activities and transactions in fiscal year 2016 related to purchasing, travel, inventory control, cash handling, work study, employee leave, select HR rules, safety, training, and IT security . The following Statewide Operating Standards and other guidelines formed the basis of our testing: FA 1.16, FA 5.4, Procurement Card Program Guidelines and training, FA 6.1, FA 1.13, FA 1.19, FA 2.1, FA 2.2, IFAP Volume 6 Chapter 2, HR 2.3.12 through HR 2.3.14, HR 2.3.18, HR 2.2.3, HR 2.2.8, GA 5.1.1 through GA 5.1.7, and GA 1.6.1 through GA 1.6.12 We also reviewed departmental staffing levels and required training participation.

### **General Observations**

The Chief Operating Officer and his staff work to support TSTC's mission of placing more Texans in jobs requiring technical skills. They are mindful to comply with College policies while fulfilling their responsibilities.

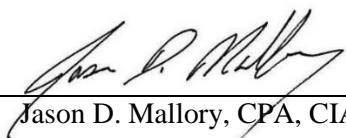
### **Summary of Findings**

No material exceptions were identified.

### **Opinion**

Based on the audit work performed, we determined that the COO's office is in compliance with the College policies tested in this audit. We would like to express our gratitude for the time and assistance provided by the staff during this audit.

Submitted by:

  
Jason D. Mallory, CPA, CIA

October 28, 2016

Date

**Internal Audit Department**

**Audit Report**

**Facilities Development Project Compliance Audit (17-008A)  
of  
TEXAS STATE TECHNICAL COLLEGE  
Harlingen Campus**

**October 28, 2016**

**This audit was conducted in accordance with the  
*International Standards for the Professional Practice of Internal Auditing*  
of the Institute of Internal Auditors.**

## Executive Summary

We have completed a compliance audit of the facilities development projects performed on the Harlingen Campus from the time period of July 31, 2011 through July 31, 2016. This audit is a required portion of the Texas Higher Education Coordinating Board's (THECB) Institution Facilities Audit and conducted every 5 years. The last audit was conducted in FY 2011. The purpose of the audit was to determine whether significant construction projects, repairs and renovations, property acquisitions, and lease-purchase agreements on the Harlingen Campus complied with the approval and review rules in Texas Administrative Code, Title 19, Part 1, Chapter 17 (TAC 17). TAC 17 details the appropriate approval and review steps for the transactions listed above. We identified 6 projects in that timeframe which required validation.

Our testwork revealed that facilities development projects covered by TAC 17 were properly submitted and approved by the Board of Regents, and properly submitted to the THECB for review, as required.

## Introduction

The THECB, during its Institution Facilities Audit, requires Internal Audit to determine whether facilities development projects were approved by the institution's Board of Regents, and submitted to the THECB for review, as required. Per College procedure, the Board of Regents must approve any construction related contracts/projects over \$500,000. TAC 17 provides guidance to public institutions of higher education regarding review of construction projects, repair and renovation projects, property acquisitions or lease-purchase arrangements. The THECB reviews projects having an E&G project cost of \$10 million for new construction or repair and renovation projects, improved real property purchases of more than \$1 million, energy savings performance contract projects, and any projects financed by tuition revenue bonds.

The following table lists the 6 projects that fell within the scope of our audit, summarizes the results of our testing:

Project	Funding Source	TSTC BOR Approved	THECB Review
SSC Re-roof	HEAF	Yes	Not required
Engineering Center Phase I	LRB	Yes	Yes, but not required
Building D	LRB	Yes	Not required
Building SS Remodel	LRB	Yes	Not required
Engineering Center Phase II	TRB	Yes	Yes
New Central Chiller Plant	Designated Tuition, HEAF	Yes	Not required

We utilized TAC 17, the instructions listed in the THECB's Peer Review Team Facilities Audit Protocol, and the College's Delegation of Authority to Sign Contracts/Agreements to conduct this audit, as well as assistance from the THECB Program Director and College management.

### Objectives

The objective of the audit was to determine whether the College complied with the TAC 17 rules pertaining to facility development project applications and approvals.

### Scope & Methodology

The scope of our audit included all Harlingen construction related projects from July 31, 2011 through July 31, 2016 with project costs greater than \$500,000. To accomplish our objectives, we reviewed a list of 6 projects meeting the criteria above and verified corresponding Minute Orders were approved by the Board of Regents, and if any projects met the criteria for THECB review, we verified they were submitted to the THECB by reviewing their website.

### General Observations

Management is well versed in its responsibilities to have facilities development projects approved by the Board of Regents, and the THECB, when required thresholds are met. We found that they are diligent in meeting these responsibilities.

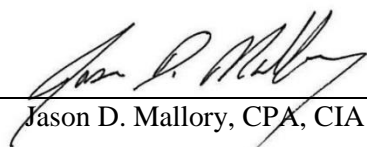
### Summary of Findings

No material exceptions were identified.

### Opinion

Based on the audit work performed, we determined that facilities development projects performed on the Harlingen Campus between July 31, 2011 and July 31, 2016 complied with the approval and review requirements set forth by TAC 17. We would like to extend our appreciation for the time and assistance given by management and employees during this audit.

Submitted by:

  
Jason D. Mallory, CPA, CIA

October 28, 2016

Date

## **Internal Audit Department**

### **Audit Report**

# **Reconciliation of Statewide TSI Exam Fees (17-012A) of TEXAS STATE TECHNICAL COLLEGE**

**November 1, 2016**

**This audit was conducted in accordance with the  
*International Standards for the Professional Practice of Internal Auditing*  
of the Institute of Internal Auditors.**

## Executive Summary

We completed a limited scope audit in which we attempted to reconcile TSI exam fees earned at each campus to deposits. The purpose of our audit was to identify any differences, attempt to identify the cause for those differences, and to evaluate the effectiveness of the controls which ensure the fees are recorded and deposited. We performed this audit because during a recent campus audit in North Texas we were notified of a theft of cash generated by administering TSI exams. Our investigation into that incident identified a lack of controls to readily prevent and detect missing fees. Accordingly, we felt it prudent to determine whether similar situations exist at the other campuses so that they can be addressed as well. We reconciled TSI exam fees to accounting records for the time period of July 2015 through June 2016 at each campus. Only fees generated by TSI exams were tested. While other types of exams are given, we did not specifically include these in the scope of this audit.

We determined that from July 2015 through June 2016, over \$135 thousand in TSI exams were administered Statewide. We were unable reconcile over \$11 thousand in fees to deposits, and could not identify the exact causes for the discrepancies. TSI exam fees are occasionally waived for students who cannot pay. Because the waivers are not recorded or tracked, we could not determine whether the differences were primarily attributed to these waivers. We feel stronger controls need to be established to ensure all exam fees are accounted for.

## Introduction

Texas Success Initiative (TSI) exams assess the college readiness of students just entering college. The exams consist of 3 parts – reading, writing, and math. Each part costs the students \$10, and can be taken individually or with the other parts. Testing centers are setup at 9 campuses throughout the State to administer these exams.

The table below details the # of exams and the fees generated by those exams by campus from July 2015 through 2016:

Campus	# of Exams	Revenue generate by exams
Fort Bend	36	\$500
Harlingen	6,175	\$77,230
Marshall	603	\$11,900
North Texas	160	\$3,040
Waco	1,134	\$24,390
West Texas (incl. SW, Abilene, Breck. & Brown.)	1,121	\$17,980
<b>Total</b>	<b>9,229</b>	<b>\$135,040</b>

The testing centers are under the direction of the Executive Director for Advisement and Testing. With the exception of North Texas, it appears exam fees are paid to the cashier's officer prior to testing. All cashiers are under the supervision of the Executive Director of Student Accounting.

### Objectives

The objectives of the audit were to identify whether all TSI exam fees were accounted for (deposited or waived), to identify the cause of any differences, and to ascertain the effectiveness of related controls.

### Scope & Methodology

The scope of our audit included all TSI exams administered at each campus between July 2015 through June 2016. To accomplish our objectives we obtained TSI exam data from the testing centers. We compared that data to fees deposited during that same time period. Given the volume of exams administered in Harlingen during that time period, and because we identified differences, we only reconciled the months of July 2015 through October 2015. We were satisfied that we would find similar results in the eight months.

### General Observations

The College's testing centers offer students the ability to take numerous exams, including the TSI, CLEP, and GED. This service is an integral part of assisting students in succeeding at a college level.

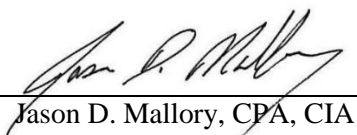
### Summary of Finding

Stronger controls need to be established to account for all earned exam fees, regardless of whether they are collected or waived.

### Opinion

Based on the audit work performed, we identified exams fees at every location that were not accounted for. Controls need to be improved. We would like to extend our appreciation for the time and assistance given by management and employees during this audit.

Submitted by:

  
Jason D. Mallory, CPA, CIA

11/01/16

Date

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**AUDIT FINDING DETAIL**


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**Finding #1:** Stronger controls need to be established to account for all earned exam fees, regardless of whether they are collected or waived.

**Criterion:** We attempted to reconcile TSI exam fees to deposits. We also inquired about controls which ensure fees are deposited.

We determined that testing centers have been given the latitude to waive exam fees. However, because those waivers are not recorded, there is not a reliable way to determine the volume of waivers during any given time period.

We determined that a reconciliation of exam fees is not performed to recorded revenue. As such, any errors or defalcation will not be readily detected.

Finally, we were identified the following unreconciled amounts for the time period of July 2015 through June 2016:

<b>Campus</b>	<b>Exam Fees</b>	<b>Unreconciled Amount</b>
Fort Bend	\$500*	\$0
Harlingen	\$77,230	\$2,510**
Marshall	\$11,900	\$3,640
North Texas	\$3,040	\$750
Waco	\$24,390	\$2,469
West Texas	\$17,980	\$1,815
<b>Totals</b>	<b>\$135,040</b>	<b>\$11,194</b>

\* The Fort Bend Campus reportedly does not charge students for TSI exams.

\*\* Only July through October 2015 was reconciled for Harlingen.

**Consequences:** Without stronger controls, the net cost of administering exams cannot be ascertained. Additionally, fees could be misappropriated without detection.

**Possible Solution:** Standardize the exam and fee process across campuses, segregate duties between employees that administer tests and those that receive and deposit payments, track and record waived test fees, and reconcile earned test fees to accounting records.

**Management Response:**

**Division:** Integrated Marketing and Finance  
**Senior Management:** Jeff Kilgore and Jonathan Hoekstra

<b>Task</b>	<b>Brief Description</b>	<b>Responsible Individual</b>	<b>Completion Date</b>
1.1	The cashiers are the only individuals allowed to take payments for anything.	Gisela Figueroa/Iris Cunningham	Immediately
1.2	In the event a cashier is not available, a secure lock box has been established in the cashier area for persons dropping off payments at locations other than Waco and Harlingen. If the payment is cash, two signatures are required on the envelope verifying amount being placed in the drop box. The enrollment specialists at all locations have been trained in this procedure.	Gisela Figueroa/Iris Cunningham	Immediately
1.3	A waiver code will be created in Colleague to be used for waived fees.	Gisela Figueroa/Iris Cunningham	11/14/16
1.4	To document the reduction of price for a TSI exam, a form has been created that both testing and cashier personnel must sign before the waiver code can be entered in Colleague. This will allow for tracking when test fees are reduced or waived.	Gisela Figueroa/Christine Stuart-Carruthers	11/30/16
1.5	The Statewide leads for Advisement & Testing and Student Accounting will meet quarterly to reconcile the accounts. A report will be provided to the AVC/Financial Services and VP/Enrollment Services.	Gisela Figueroa/Christine Stuart-Carruthers	02/28/17

## **Internal Audit Department**

### **Audit Report**

# **Internal Quality Assessment Review – Internal Audit (17-003A) of TEXAS STATE TECHNICAL COLLEGE**

**November 21, 2016**

**This audit was conducted in accordance with the  
*International Standards for the Professional Practice of Internal Auditing*  
of the Institute of Internal Auditors.**

## Executive Summary

Internal Audit (IA) has completed an internal quality assessment review of its audit processes. The primary purpose of this review was to offer an opinion on whether IA has achieved the basic requirements expected of internal audit activities at all institutions of higher education supported by the State of Texas. Those requirements are set forth by the Texas Internal Auditing Act (Tex. Gov't Code Chapter 2102), the Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* and *Code of Ethics*, and the U.S. Government Accountability Office's *Generally Accepted Government Auditing Standards*. For purposes of this review, we collectively refer to these as the *Standards*.

The review was conducted in accordance to the State Agency Internal Audit Forum Peer Review Guidelines using the Master Peer Review Program. That Program focuses on numerous procedures we have implemented to ensure ethical, independence, due professional care, and quality standards are met. It also addresses management practices within IA, the nature of work we perform, and various performance and reporting standards. It consisted of conducting interviews with Executive Management and Board members, and evaluating departmental policies and procedures. We reviewed the Internal Audit Charter, working paper practices and documentation, audit reports, and follow-up guidelines. The Director of Audit recused himself from assisting with the review until the final results were determined and discussed with the Audit Committee.

Based upon the work we performed, we feel IA's standards and practices *generally conform* to the *IIA Standards for the Professional Practice of Internal Auditing*.

## Introduction

IA utilizes periodic internal quality assessment reviews as a key part of our overall quality control process. *Standard 1311-Internal Assessments* requires periodic self-assessments to be performed. IA has utilized this several times, but has recently opted to formalize it as recommended during the external quality assessment review performed in 2015. Specifically, we will perform and document a self-assessment every 1.5 years with results being reported to the Board.

The internal assessment review included completing the Master Peer Review Program/Self-Assessment Tool, the same assessment tool used by the previous external peer review team in 2015. Both the assessment tool, and Board/management interviews focused on the Code of Ethics and the *Standards*. Those deal with independence and objectivity, proficiency and due professional care, managing the Internal Audit activity, communicating results and monitoring progress.

## Objectives

The purpose of the audit was to determine whether IA has generally conformed to the Texas Internal Auditing Act (Tex. Gov't Code Chapter 2102), the Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* and *Code of Ethics*, and the U.S. Government Accountability Office's *Generally Accepted Government Auditing Standards*.

## Scope & Methodology

The scope of the review included all audit processes, and working papers and reports issued since the external review conducted in August 2015. We relied upon the Master Peer Review Program developed by the State Agency Internal Audit Forum. Central to that Program was interviews with Executive Management and Board members, as well as reviews of various documentation.

## General Observations

IA has established policies and procedures and an Audit Charter that are reviewed annually. IA staff also acknowledges annually they receive the IA procedures manual and the procedures on Independence; a confirmation of the department's independence is also sent to the Audit Committee Chairman. IA reports administratively to the Chancellor and functionally to the Board of Regents, as required by the *Standards*, and meets with both at least on a quarterly basis, with audit correspondence or ad-hoc discussions taking place more frequently. IA has a formalized audit plan and risk assessment process, in which input is obtained from both IA staff, management, and the Board. In addition, IA has a formal internal quality assessment process which requires 40 hours of continuing professional education annually, performing internal self-assessments, and conducting post-audit surveys.

## Summary of Findings

No material exceptions noted.

## Opinion

Based on the audit work performed, IA generally conformed to the Texas Internal Auditing Act (Tex. Gov't Code Chapter 2102), the Institute of Internal Auditors' (IIA) *International Standards for the Professional Practice of Internal Auditing* and *Code of Ethics*, and the U.S. Government Accountability Office's *Generally Accepted Government Auditing Standards* for the period of September 2015 through November 2016.

We would like to extend our appreciation for the time and assistance given by management and Board members during the interview process.

Submitted by:

*Tahlia Peña*

Tahlia Peña

11/21/16

Date

## **Internal Audit Department**

### **Audit Report**

#### **Departmental Audit of the Office of the External Relations (17-009A)** **TEXAS STATE TECHNICAL COLLEGE**

**December 14, 2016**

**This audit was conducted in accordance with the**  
*International Standards for the Professional Practice of Internal Auditing*  
**of the Institute of Internal Auditors.**

### Executive Summary

We recently completed an audit of the External Relations Department (Department) as of November 18, 2016. The audit focused on compliance to numerous College policies related to purchasing, travel, inventory control, cash handling, work study, employee leave, select HR rules, safety, training, and IT security. The following table summarizes the areas reviewed, and our results:

Topic	Test Focus	Results
Purchasing	Split purchases, proper approvals, proper documentation, clear benefit to College, completed training purchasing training.	In compliance. Isolated exceptions and management recommendations, but no material exceptions.
Procurement Cards	Secure custody of cards, monthly completion and reconciliation of logs, legitimate purchases, proper approvals, split purchases, training.	In compliance.
Travel	Legitimacy of travel, proper approval, correct State rates.	In compliance.
Inventory Control	Assets are secured, physical inventory was accurately completed within the last year, any transferred, missing, or disposed of items have the appropriate documentation on file.	In compliance. Isolated exceptions and management recommendations, but no material exceptions.
Cash Handling	Access to cash is properly restricted, all cash on hand is accounted for, and there are proper segregation of duties are in place.	Not applicable. The Department does not handle cash.
Work Study	Student workers schedules and duties, validity of timesheets, financial need of students.	Not applicable. The Department does not employ student workers.
Staffing Levels	Appropriateness of staffing levels.	Levels appeared appropriate.
Employee Leave	Approval for all leave, appropriate documentation on file for extended leaves of absences.	In compliance. Isolated exceptions and management recommendations, but no material exceptions.

Performance Evaluations	Written employee performance evaluations performed in the past year.	Determined that evaluations are not consistently performed. Management immediately corrected issue.
Safety	Safety awareness and compliance to hazardous chemicals, fire extinguishers, indoor air quality, eyewash and showers stations, concealed handgun policy, small appliance policy, driver safety program.	In compliance. Isolated exceptions and management recommendations, but no material exceptions.
Minors on Campus	Appropriate training and background checks.	Not applicable. The Department does not regularly interact with minors.
Required Training	Driver Safety, Information Security Awareness, Active Shooter, Title IX	In compliance.
Time Keeping	Unusual entries, proper approval, timely submission, and overtime amounts on timesheets.	Not applicable. Department does not have any non-exempt employees.
IT	Password protected screensavers, appropriate Colleague access, Identity Finder software, use of OIT servers, social engineering.	In compliance. Isolated exceptions and management recommendations, but no material exceptions.

Overall, the Department was in compliance with the governing policies tested. As noted above, isolated exceptions were identified, but none represented material non-compliance. Those incidences were discussed with management, and corrective action was implemented.

### Introduction

The External Relations Department consisted of the Chief Government Affairs Officer (CGAO), an Associate Vice Chancellor, and a Director in fiscal year 2016, with an Executive Vice President added at the end of fiscal year 2016 and an Administrative Assistant added in fiscal year 2017. The Department had total expenditures of \$559,345 for fiscal year 2016. Regarding the expenditures, the total amounts were from local and Foundation funds. The actual expenditures in fiscal year 2016 were \$468,455 in salaries, \$16,177 in travel, \$49,108 in rent and utilities, \$20,243 expenditures paid by the Foundation, and \$5,362 in other operating cost.

The External Relations Office duties include guiding the TSTC budget approval process through the Legislature, providing executive leadership with information regarding laws that impact TSTC, and assisting with all legislative information activities undertaken by TSTC. The CGAO also cultivates and maintains relationships with all federal and state agencies, to include the Texas Higher Education Coordinating Board, the Texas Workforce Commission, and the State Legislature and Governor's Office.

### **Objectives**

The objective of the audit was to ensure the Department acted in accordance to College policy in the select areas previously noted.

### **Scope & Methodology**

The scope of our audit included all Departmental activities and transactions in fiscal year 2016 related to purchasing, travel, inventory control, cash handling, work study, employee leave, select HR rules, safety, training, and IT security . The following Statewide Operating Standards and other guidelines formed the basis of our testing: FA 1.16, FA 5.4, Procurement Card Program Guidelines and training, FA 6.1, FA 1.13, FA 1.19, FA 2.1, FA 2.2, IFAP Volume 6 Chapter 2, HR 2.3.12 through HR 2.3.14, HR 2.3.18, HR 2.2.3, HR 2.2.8, GA 5.1.1 through GA 5.1.7, and GA 1.6.1 through GA 1.6.12 We also reviewed departmental staffing levels and required training participation.

### **General Observations**

The External Relations Office supports TSTC by working with legislators in Austin to promote TSTC in a consistent manner. They provide key guidance in cultivating relationships that help the College fulfill its State mandated mission of placing more Texans. They are mindful to comply with College policies while fulfilling these responsibilities.

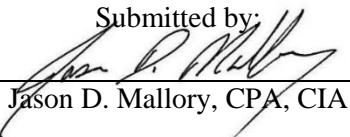
### **Summary of Findings**

No material exceptions were identified.

### **Opinion**

Based on the audit work performed, we determined that the External Relations office is in compliance with the College policies tested in this audit. We would like to express our gratitude for the time and assistance provided by the staff during this audit.

Submitted by:

  
Jason D. Mallory, CPA, CIA

December 14, 2016

Date



Office of Internal Audit  
254.867.3999  
Fax: 254.867.3912

January 4, 2017

Mr. Ivan Andarza, TSTC Audit Committee Chairman  
Texas State Technical College  
Waco, Texas 76705

SUBJECT: Interim Report on TAC 202 Audit (17-002A)

Mr. Andarza:

We are conducting an audit of the College's Information Security Program to ensure it complies with Texas Administrative Code §202 (TAC 202). Given the number of controls to be tested, the audit's anticipated completion date is August 2017. The purpose of this letter is to communicate audit results to date. These results will change once the audit is completed because: 1) there are several controls we still need to test, 2) some of the controls we have already tested were not technically required yet, and 3) we will retest controls marked as not implemented if management implements them before the final day of our testing.

Originally proposed in 2002, TAC 202 established the baseline information security standards for Texas agencies and institutions of higher education. Over the years it was amended to address wireless technology, encryption standards, and firewall, encryption, and incident management practices. In 2014, it was revised to closely align with the Federal Information Security Management Act (FISMA) and the National Institute of Standards and Technology (NIST) 800-53. A phase-in period was granted to allow organizations time to implement the required controls, with implementation deadlines of February 2015, February 2016, and February 2017. An audit of these controls must be performed every 2 years.

TAC 202 defines 282 controls that are divided into 26 control families. Of these controls, 135 are required to be implemented by February 2017. The following is a breakdown of those controls and their respective families:

Control Family	Total # of Controls	# of Required Controls
Access Controls	25	12
Authority and Purpose	2	0
Accountability, Audit, and Risk Management	8	0
Awareness and Training Controls	5	4
Audit and Accountability Controls	16	10
Security Assessment and Authorization Controls	9	7
Configuration Management	11	8
Contingency Planning	13	7
Data Quality and Integrity	2	0
Data Minimization and Retention	3	0

Identification and Authentication	11	7
Individual Participation and Redress	4	0
Incident Response	10	7
Maintenance	6	4
Media Protection	8	4
Physical and Environmental Protection	20	10
Planning	9	3
Program Management	16	16
Personnel Security	8	8
Risk Assessment	6	4
System and Services Acquisition	22	7
System and Communications Protection	44	11
Security	2	0
System and Information Integrity	17	6
Transparency	3	0
Use Limitation	2	0
	282	135

In this audit, we are only testing the 135 required controls. *[NOTE: Because several of the required controls are application level controls, we opted to test these controls only on 2 critical systems - Colleague and ImageNow. Future audits will include other systems.]*

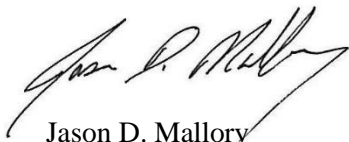
The following are the results of our testing of the required controls as of January 3, 2017:

Control Family	Implemented	Implemented with Recommendations	Not Implemented	Test Pending	Total
Access Controls	2	0	2	8	12
Awareness and Training Controls	1	1	2	0	4
Audit and Accountability Controls	2	0	0	8	10
Security Assessment and Authorization Controls	0	2	1	4	7
Configuration Management	1	0	1	6	8
Contingency Planning	1	0	3	3	7
Identification and Authentication	2	0	0	5	7
Incident Response	0	1	2	4	7
Maintenance	0	0	1	3	4
Media Protection	0	0	4	0	4
Physical and Environmental Protection	4	0	6	0	10
Planning	1	0	2	0	3
Program Management	8	4	3	1	16

Personnel Security	0	2	1	5	8
Risk Assessment	2	1	1	0	4
System and Services Acquisition	1	0	0	6	7
System and Communications Protection	0	0	0	11	11
System and Information Integrity	0	0	0	6	6
	25	11	<b>29</b>	<b>70</b>	<b>135</b>
	19%	8%	<b>21%</b>	<b>52%</b>	<b>100%</b>
	<b>36</b>				
	<b>27%</b>				

The results indicate that management has implemented many of the required controls, with work still yet to be done. Management and personnel have been very responsive to our audit requests, and are actively resolving control gaps we identify. We anticipate many of the controls listed as “Not Implemented” to be in various stages of implementation before the audit concludes in August.

Sincerely,



Jason D. Mallory  
Director of Audits

Cc: Mike Reeser, Chancellor/CEO  
Rick Herrera, VC/CIO



Kim Vickers  
Executive Director

## TEXAS COMMISSION ON LAW ENFORCEMENT

### AGENCY AUDIT REPORT

6330 East Highway 290, STE 200  
Austin, Texas 78723

(512)936-7700

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<u>Audit Number</u>	<u>Audit Date</u>	<u>Auditing Agent</u>	<u>Audit Type</u>	<u>Audit Findings</u>	<u>Audit Status</u>
6302	October, 25 2016	CLIFTON, JIM T	Full	No Deficiencies Noted	Approved-Closed

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Agency Number: 309008  
TSTC - WACO Police Department  
1101 AIRLINE DRIVE  
WACO, TX 76705

Administrator: Brian Davis  
brian.davis@tstc.edu

Admin on Audit Date:

Brian Davis

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#### Auditor's Comments

Met with Chief Brian Davis to audit commission records related to personnel appointments. A copy of the CDS was provided to the Chief, and he verified the appointment of 12-licensees. The records of the 12-persons currently appointed were examined, and no deficiencies were identified. The agency's calendar year Firearms Qualification records were current.

Discussed with Chief Davis: local issues; the audit process; audit results; commission forms (including Self Audit sheets); the correct use of the Salary Status categories; and, the yearly Firearms Qualification requirements for a peace officer. A Preliminary Audit Report was provided to the Chief.

This agency has submitted a Racial Profile Report for 2010 thru 2015 as required.

The deficiencies identified in the prior audit # 4529 on 06-10-14 were addressed.

This agency is not a Training Provider.

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FA-12

TEXAS COMMISSION ON LAW ENFORCEMENT  
PRELIMINARY AUDIT REPORTAgency Name: TSTC-Waco PD - 309008 Chief Administrator or Designee: Chief Brian Davis, 64500Field Agent/email: Jim Clifton / jim.clifton@tcole.texas.gov Date: 10-25-16 Full Audit ☒ Partial Audit ☐

X indicates deficiency/missing document(s).

PID	Name	L1	T1/ L1-T	L2 >5	L3 >5	L2 <5	L3 <5	F5	F5R	CCH	DPS FBI Fingerprint Return	Education	Military Discharge	Citizen	PHS	Firearms Calendar Year
	No Deficiencies															

This certifies that I am now aware of which items are missing or in need of correction and I will take the necessary steps to bring all our files into compliance by

na, 20\_\_, unless the deficiency involves an L2, L3, or Firearms Qualification, in which case the compliance date is byna, 20\_\_, for L2/L3 deficiencies and na, 20\_\_ for Calendar Year Firearms Qualification deficiencies.

*\*If an agency fails to correct the deficiencies by the compliance date, TCOLE may take disciplinary action on the license of the chief administrator and/or assess an administrative penalty under Texas Occupations Code 1701.507 of up to one thousand dollars (\$1000) per day, per violation.*

Signature: Brian DavisDate: 10-25-16



Kim Vickers  
Executive Director

## TEXAS COMMISSION ON LAW ENFORCEMENT AGENCY AUDIT REPORT

6330 East Highway 290, STE 200  
Austin, Texas 78723  
(512)936-7700

<u>Audit Number</u>	<u>Audit Date</u>	<u>Auditor Agent</u>	<u>Audit Type</u>	<u>Audit Findings</u>	<u>Audit Status</u>
5505	January, 12 2016	BAKER, MARTY O	Full	Deficiencies Noted	In Suspense

Agency Number: 353005  
TSTC - SWEETWATER D.P.S.  
TEXAS STATE TECHNICAL INST.  
300 COLLEGE DR.  
SWEETWATER, TX 79556

Administrator: Brock Carter  
mike.keller@tstc.edu  
Brock Carter

Admin on Audit Date:

### Auditor's Comments

I met with Chief Brock Carter for the purpose of auditing credentialing records. Chief Carter verified the four appointments on the Condensed Department Summary (CDS). He also verified the department contact information. The physical address and email address are incorrect. He was instructed to go to the Department Reporting System (DRS) and make the appropriate corrections. The Racial Profiling Reports for all previous years have been submitted as required. Chief Carter was reminded that the 2015 Racial Profiling Report is due by March 1, 2016. I furnished him with the latest copy of the Law Enforcement Agency Checklist for future appointments. I examined the files and found the deficiencies listed below. We discussed local issues as well as recent changes to include everything on the New Chief Administrator Checklist. We also discussed the School Marshal Program, Telecommunicator Licensing and the Commission's name change. A deadline of 1/18/2016 was given to correct the Firearms Qualification deficiencies. Chief Carter electronically signed a preliminary audit and a copy was furnished to him. The official audit will be sent upon supervisory approval.

Name	P ID	Type	Licenses					Prints	Education	Firearms		Citizen Doc	T1	Military	Bkgnd Invt/ Pers Hist Sumt
			Expired	L1	L2	L3	F5	F5R	CCH	Qual					
ROBERTS, AARON (1)	418047	Peace Officer License								X					
SMITH, STEPHEN (2)	405088	Peace Officer License								X					
SPEARS, BILLY (3)	85909	Peace Officer License								X					

#### Required Corrective Action:

- (1) The checked deficiencies were corrected during audit.
- (2) The checked deficiencies were corrected during audit.
- (3) The checked deficiencies were corrected during audit.

Audit Number	Audit Date	Auditing Agent	Audit Type	Audit Findings	Audit Status
5505	January, 12 2016	BAKER, MARTY O	Full	Deficiencies Noted	In Suspense

Agency Number: 353005  
 TSTC - SWEETWATER D.P.S.  
 TEXAS STATE TECHNICAL INST.  
 300 COLLEGE DR.  
 SWEETWATER, TX 79556

Administrator: Brock Carter  
 mike.keller@tstc.edu  
 Admin on Audit Date: Brock Carter

### Chief Administrator Certification of Correction of Deficiencies:

I certify that I am the chief administrator of the above-named agency, or person designated by the chief administrator to sign this document. I further certify that this agency has on file readily accessible to the Commission the appropriate documents to show that the aforementioned deficiencies have been corrected and the listed individuals meet the minimum standards for licensing and/or appointment.

Brock Carter Chief  
 Name and Title of Chief Administrator or Designee (Type or Print)

Brock Carter  
 Signature of Chief Administrator or Designee

Sworn to and subscribed before me, this the 19 day of January, 2016

Notary public in and for, State of Texas

My commission expires 05 / 30 / 2018

Lupe R. Acosta  
 Printed Name of Notary

Notary Seal or Stamp



Notary without Bond

Lupe R Acosta  
 Signature of Notary



Texas State Technical College  
Internal Audit  
Attestation Disclosures

Responsible Management	Issue Reported by Management	Report Date	Management's Corrective Action Plan	Internal Audit Assistance/Follow-up
	No new issues were reported this quarter.			

The noted items were reported during the attestation process, and have been disclosed to the Chancellor. These were deemed to be worthy of disclosure to the Audit Committee.