DEL MAR COLLEGE
OFFICE OF THE PRESIDENT

July 19, 2024

BOARD OF REGENTS' CALLED MEETING

The **Called Meeting** of the Board of Regents of the Del Mar College District will convene at **11:00 a.m., Tuesday, July 23, 2024,** at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas.

AGENDA

CALL TO ORDER
QUORUM CALL
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
DMC VISION STATEMENT: *Del Mar College will be the premier choice for life-changing educational opportunities, provided by responsive, innovative faculty and staff who empower students to improve local and global communities.*

Del Mar College is streaming live audio and video from the official Board of Regents meetings on the College's website in real-time, with the exception of portions of the meeting considered as "closed session" by statute.

GENERAL PUBLIC COMMENTS (Non-Agenda Items) – 3-minute time limit

- Specific public comments will be allowed on agenda items prior to action by the Board.
- General Public Comments may be moved on the agenda at the discretion of the Board Chair and as an accommodation to those in attendance.
- Pursuant to the Texas Open Meetings Act, the College is limited in responding to public comments or inquiries as follows:
    1. Provide a statement of specific factual information in response to an inquiry.
    2. Recite existing policy in response to an inquiry.
    3. Propose placing the subject of the inquiry on the agenda for a subsequent meeting.

    (Tex. Govt. Code Section § 551.042)

ITEMS OF BUSINESS:

1. Discussion of the proposed Maintenance & Operations Budget and the Debt Service Budget for Fiscal Year 2024-2025..Mr. Raul Garcia
   (Goal 6: Financial Effectiveness and Affordability)

   Public comments for this agenda item

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REGULAR AGENDA

2. Discussion and possible action regarding the College's Internal Audit Activity including: Accounts Payable and Disbursements Audit Report; Payroll Follow-Up Audit Report; Environmental Health & Safety (EH&S) Advisory Project Status; and College-Wide Reporting Project Status..Ms. Tammy McDonald
   (Goal 4: Learning Environments)

   Public comments for this agenda item

3. Discussion and possible action regarding revisions to Board Policy B9.1 Policy Prohibiting Sexual Misconduct (Title IX)..Ms. Tammy McDonald
   (Goal 4: Learning Environments and Goal 5: Workforce Development, Community Partnerships, and Advocacy)

   Public comments for this agenda item

4. Discussion and possible action regarding update to College Free Speech Policy ....Mr. Augustin Rivera, Jr.
   (Goal 4: Learning Environments)

   Public comments for this agenda item

5. CLOSED SESSION pursuant to:

   a. **TEX. GOV'T CODE § 551.071**: (Consultation with legal counsel), regarding pending or contemplated litigation, or a settlement offer, with possible discussion and action in open session; and the seeking of legal advice from counsel on pending legal or contemplated matters or claims, with possible discussion and action in open session;

   b. **TEX. GOV'T CODE § 551.076:** (Deliberation regarding security devices or audits), regarding the deployment or specific occasions for implementation of security personnel or devices, or a security audit, including the Safety & Security Advisory Report, with possible discussion and action in open session;

   c. **TEX. GOV'T CODE § 551.089**: (Deliberation regarding IT security devices or audits), regarding security assessments or deployments related to information, resources, technology, IT and network security information, or the deployment of specific occasions for implementation of security personnel, critical infrastructure, or security devices, including the IT Security Follow-up Audit Report, with possible discussion and action in open session; and

   d. **TEX. GOV'T CODE § 551.074(a)(1)**: (Personnel matters), regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; including, 1.) Evaluation of College President, and 2.) College President's Contract, with possible discussion and action in open session.

CALENDAR: Discussion and possible action related to calendaring dates.

ADJOURNMENT

PUBLIC NOTICE is given that the Board may elect to go into executive session at any time during the meeting in order to discuss matters listed on the agenda, when authorized by the provisions of the Open Meetings Act, Chapter 551, of the Texas Government Code.

Item 1

Fiscal Year 2025 Preliminary Budget

July 23, 2024

Raul Garcia, Vice President & Chief Financial Officer
Tammy McDonald, Vice President of Administration & HR
Dr. Cathy West, Director of Accounting & Budget Officer
Jackie Landrum, Assistant Comptroller & Budget Analyst

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Agenda

- Budget Plan Calendar-FY 2025
- Operating Revenue Budget
- Strategic Plan-Resource Allocation
- Operating Expense Budget
- Questions

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Budget Plan Calendar- FY 2025

Month	Date	Activity
Jul.	31	Preliminary Budgets sent to Departments
Aug.	7	• Publish the No-New Revenue Rate on DMC website

	13	• Regular Board Meeting-Budget Update. Board to adopt action items:
		  • An order to conduct a public hearing for the FY 2024-2025 proposed College budget
		  • An order to conduct a public hearing for the FY 2024-2025 proposed property tax rate

	18	• Publish notice for budget and tax rate public hearings

	27	• Board Public hearing:
		  • Public comments on the proposed Budget & Property tax rate
		• Board to adopt action items:
		  • M&O Budget
		  • Debt Service Proposed Budget
		  • M&O Proposed Tax Rate
		  • Debt Service Proposed Tax Rate
		  • Proposed Tax Exemptions

Sept	1	• Deadline to approve budget
	30	• Deadline to approve tax rate

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Revenue Challenges & Assumptions FY 2025 Budget

- **Tuition & Fees:**
    - 2% increase over current enrollment
    - $2 in-district tuition rate increase
- **Property Tax:**
    - Overall tax rate evaluated
    - Assumes a 4.27% net valuation decrease
    - $768M in new construction
- **State Appropriations:**
    - TBD-Final run expected 1st week of August
    - FAST-Based on Fall 2023 and Spring 2024

Forecasting Outcomes: Projecting Performance Tier Outcomes

THECB will use historical outcomes data to estimate performance tier outcomes for FY24 and FY25:

Data Availability

FY 2018-2023 data will be used to project traditional credential outcomes, and data from FY 2020-2023 will be used for Occupational Skills Awards (OSAs).

Guardrails

Year-to-year changes will be limited to +10% / -5% to ensure forecasted outcomes fall within realistic limits and to provide stability to colleges.

Funding Calculation

Funding will use actual FY23 outcome data and estimated FY24-25 outcome data with initial funding based on the best of FY25 estimates or average of FY23-25 estimates.

Dynamic Payments: Funding Schedule and Adjustments

FY25 OCT

Foundation Payment (50%)

*50% of fiscal year's base tier payment +50% of performance tier payment calculated based on **projected outcomes***

FY25 FEB

Dynamic Adjustment (25% + Plus-Up)

*25% of current year funding + **mid-year positive (+) adjustment** if preliminary outcomes are greater than projected*

FY25 JUN

Remaining Foundation Payment (25%)

25% of current year funding paid to colleges in June

FY26 OCT/FEB

Settle-up Adjustments

***Adjustments (+/-) in October and mid-year positive (+) adjustments in February** (if earned) for differences between projected and **certified/preliminary outcomes** applied as FY24 FY25 data becomes available*

FY27 OCT

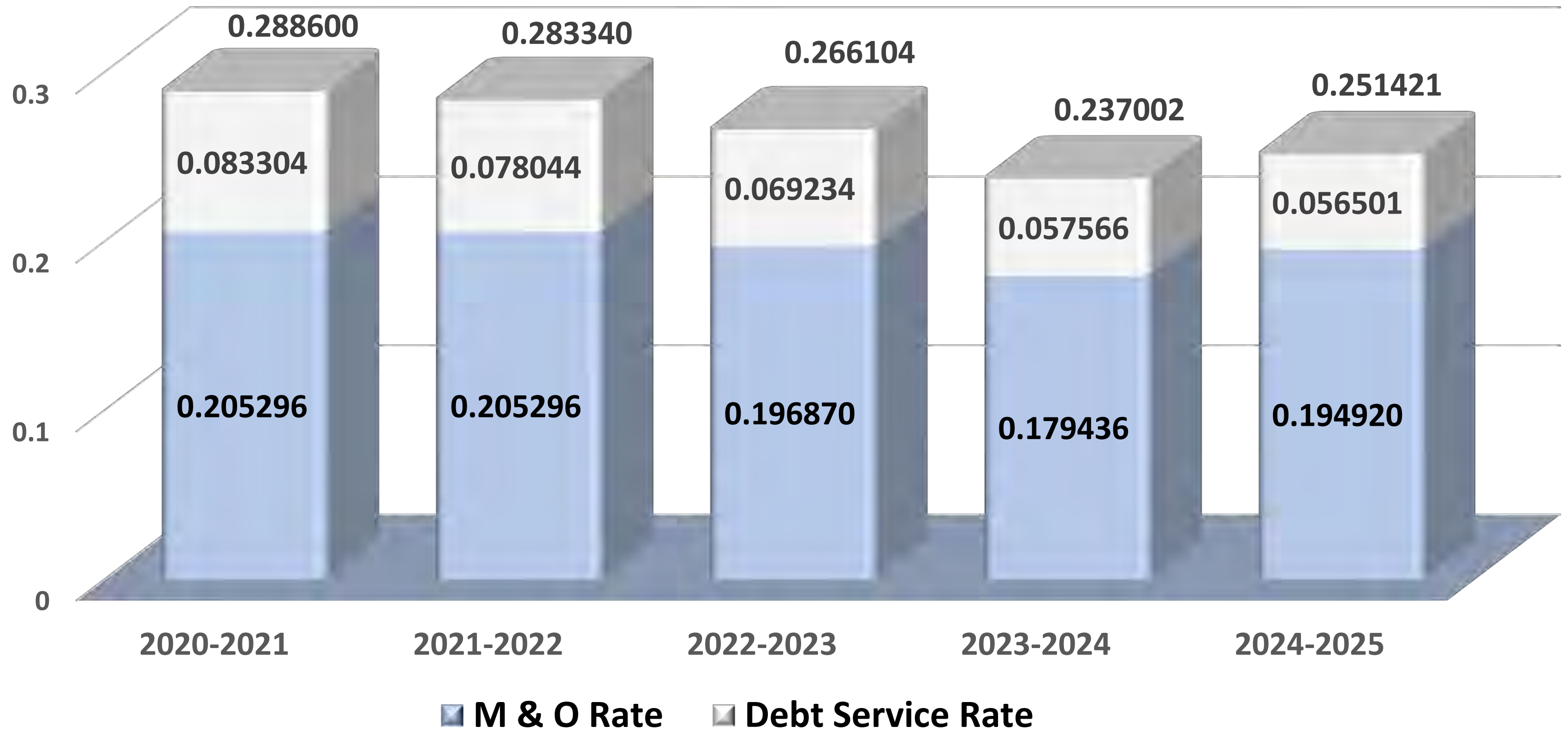
Close-Out Adjustments

***Final adjustments (+/-)** for differences between projected and **certified outcomes** applied 2 years later due to data lag*

Preliminary Revenue Budget FY 2025

Category	Budget FY 2024	Increase/ (Decrease)	Preliminary Budget FY 2025	% Change
State Appropriations	$ 19,508,146	$ (202,578)	$ 19,305,568	-1%
FAST Appropriations	1,141,504	45,660	1,187,164	4%
Insurance Contribution	4,281,371	-	4,281,371	0%
Retirement Contribution	1,966,711	-	1,966,711	0%
Total State Funding	**$ 26,897,732**	**$ (156,918)**	**$ 26,740,814**	**-1%**
Tuition & Fees	22,001,700	-	22,001,700	0%
Property Taxes	65,068,806	6,986,835	72,055,641	11%
Miscellaneous	1,262,144	-	1,262,144	0%
Total Preliminary Revenues	**$ 115,230,382**	**$ 6,829,917**	**$ 122,060,299**	**6%**

Tax Rate History



	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Annual Homeowner Property Tax	$ 526	$ 516	$ 534	$ 532	$ 618

*Based on 2023 Average Taxable Homestead Value of $245,920

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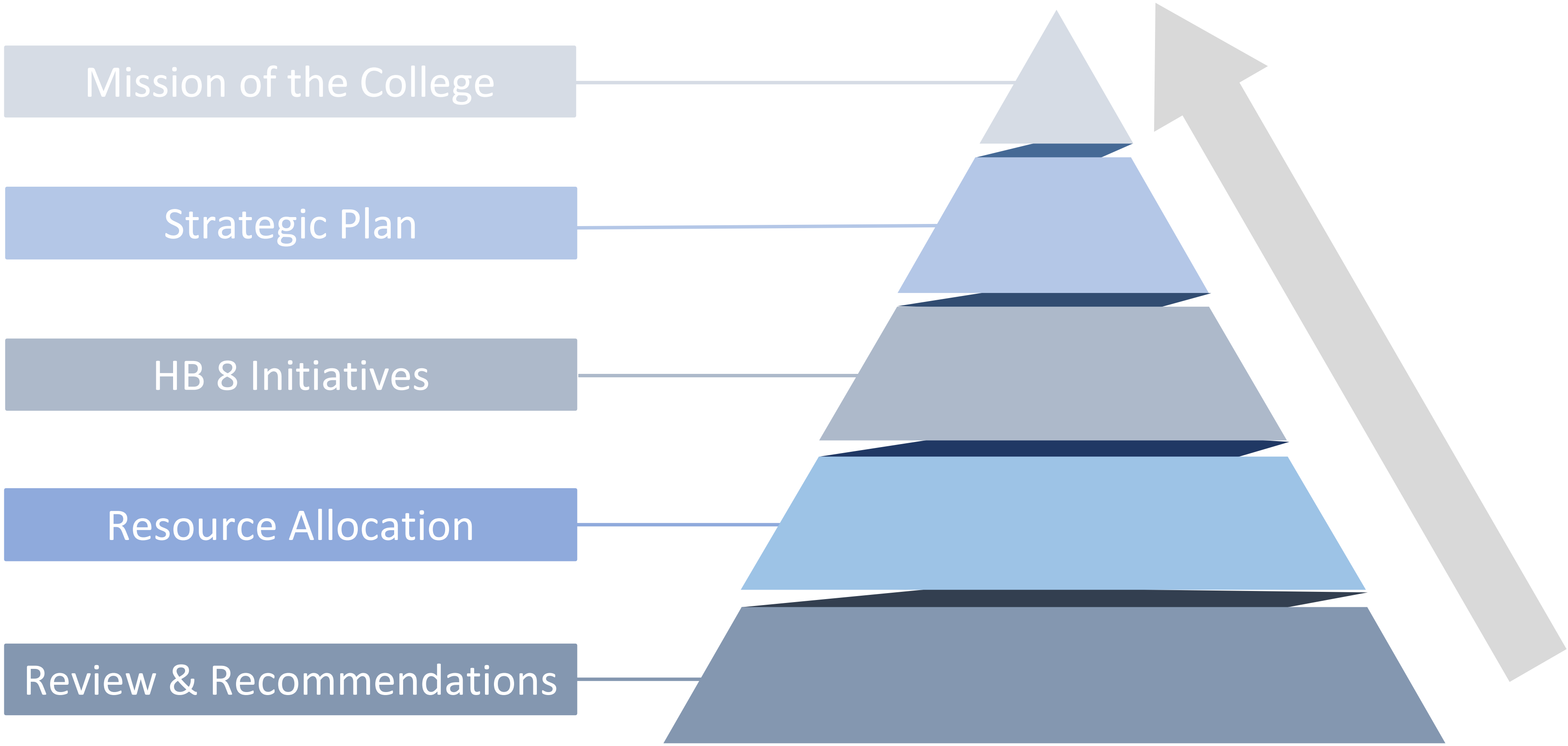
Strategic Alignment



Strategic Plan Goals

COMMUNICATE • '24-'29 STRATEGIC PLAN •

Goal 1: Collaborate across the College.
Goal 2: Connect beyond the College.

ELEVATE • '24-'29 STRATEGIC PLAN •

Goal 1: Increase Completion for all students.
Goal 2: Maximize resources entrusted to the College.

CULTIVATE • '24-'29 STRATEGIC PLAN •

Goal 1: Nurture our faculty and staff to achieve their full potential.
Goal 2: Optimize the Viking Student Experience.

Strategic Plan Initiatives

Increase Completion for all students

- Bachelor of Applied Science-Organizational Management & Leadership
- Instructional Equipment

Optimize the Viking Student Experience

- Creation of the ideal new student experience
- Promote DMC programs and recruit students

Maximize resources entrusted to the College

- Campus maintenance
- Deferred maintenance
- Information Technology Infrastructure

Proposed Salary & Benefit Increase Options

Employee Classification	Option #1	Option #2	Option #3	Option #4
Faculty Full-Time	1 Yr. Experience Pay @$829 2% to Schedules for Rank, Education & Base Includes promotions & summer pay	1 Yr. Experience Pay @$829 3% to Schedules for Rank, Education & Base Includes promotions & summer pay	1 Yr. Experience Pay @$829 4% to Schedules for Rank, Education & Base Includes promotions & summer pay	1 Yr. Experience Pay @$829 6% to Schedules for Rank, Education & Base Includes promotions & summer pay
Adjunct/Overload	5% to Schedule	5% to Schedule	5% to Schedule	5% to Schedule
Exempt (includes Instruction CE/WD)	2%	3%	4%	5%
Non-Exempt F/T	2%	3%	4%	5%
Non-Exempt P/T (Excludes Workstudy, Student Assistants, Instructional & Grants) *Must meet eligibility requirements	3%	3%	3%	3%

Salary & Benefit Cost:	Option #1	Option #2	Option #3	Option #4
Faculty F/T	$838,012	$1,076,898	$1,314,091	$1,793,553
Adjunct/Overload	263,237	263,237	263,237	263,237
Benefits	232,799	287,743	342,297	452,573
Total Faculty	**1,334,048**	**1,627,878**	**1,919,625**	**2,509,363**
Exempt	319,798	479,697	639,596	799,495
Benefits	73,554	110,330	147,107	183,884
Total Exempt	**393,352**	**590,027**	**786,703**	**983,379**
Non-Exempt F/T	165,458	248,185	330,916	413,643
Non-Exempt P/T	65,000	65,000	65,000	65,000
Benefits	44,555	63,583	82,611	101,638
Total Non-Exempt	**275,013**	**376,768**	**478,527**	**580,281**
Total Salary & Benefit Increase	**$2,002,413**	**$2,594,673**	**$3,184,855**	**$4,073,023**

Preliminary Expense Increases
FY 2025

Other Maintenance & Operation Expenses - $2.4M

- Increase completion for all students
- Optimize the Student Viking Experience
- Maximize resources entrusted to the College
- Election expense

- HB 8 Initiatives
  - Development of Open Educational Resources (OER)
  - Instructional equipment for high-demand programs
  - Occupational Skills Awards (Academic & Continuing Education)

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Preliminary Expense Budget FY 2025

Category	Budget FY 2024	Increase/ (Decrease)	Preliminary Budget FY 2025	% Change
Faculty Salaries	$ 33,593,394	$ 2,922,022	$ 36,515,416	9%
Exempt Salaries	14,127,168	268,236	14,395,404	2%
Exempt Salaries-Instructional	2,986,319	20,121	3,006,440	1%
Non-Exempt Salaries	10,154,930	254,992	10,409,922	3%
Non-Exempt Salaries-Instructional	2,666,287	136,972	2,803,259	5%
Benefits	20,487,813	712,513	21,200,326	3%
Total Salaries & Benefits	**84,015,911**	**4,314,856**	**88,330,767**	**5%**
Non-Salary Expenses	29,486,015	2,412,613	31,898,628	8%
Contingency	1,728,456	102,448	1,830,904	6%
Total Non-Salary Expenses	**31,214,471**	**2,515,061**	**33,729,532**	**8%**
Total Preliminary Expense	**$ 115,230,382**	**$ 6,829,917**	**$ 122,060,299**	**6%**

Preliminary Expense Budget FY 2025

Category	Budget FY 2024	Increase/ (Decrease)	Preliminary Budget FY 2025	% Change
Salaries & Benefits:				
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Benefits	20,487,813	712,513	21,200,326	3%
Total Salaries & Benefits	**84,015,911**	**4,314,856**	**88,330,767**	**5%**
Non-Salary Expenses:				
Contract Instruction	158,600	-	158,600	0%
Supplies, Postage, Dupl, Copier Rental	3,497,541	52,196	3,549,737	1%
Maintenance & Repairs	1,747,539	200,360	1,947,899	11%
Equipment	776,699	154,049	930,748	20%
Student Recruiting & Marketing	1,139,569	139,337	1,278,906	12%
Audit & Legal, Tax Appraisal, Coll Fees	1,633,106	190,588	1,823,694	12%
Contract Labor & Consultants	3,064,494	531,662	3,596,156	17%
Accreditation	65,636	(2,300)	63,336	-4%
Special Pop Interpretor	114,397	5,603	120,000	5%
Comp Software, Hardware, License & Serv	3,612,534	523,083	4,135,617	14%
Travel & Professional Development	499,515	13,998	513,513	3%

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Preliminary Expense Budget FY 2025

Category	Budget FY 2024	Increase/ (Decrease)	Preliminary Budget FY 2025	% Change
Non-Salary Expenses-Continued				
Election	-	175,000	175,000	100%
Security	1,565,000	62,304	1,627,304	4%
Recruitment	32,000	-	32,000	0%
Food & Beverage	84,811	14,501	99,312	17%
Library	250,976	8,321	259,297	3%
Bad Debt	151,707	73,293	225,000	48%
Membership & Dues	227,283	46,306	273,589	20%
Utilities & Telephone	3,061,600	31,261	3,092,861	1%
Insurance	4,805,000	(269,956)	4,535,044	-6%
Bank & Collection Fees	192,300	(37,000)	155,300	-19%
Campus Police	302,858	-	302,858	0%
Tuition Bond Transfers Out	1,952,500	(1,500)	1,951,000	0%
Miscellaneous	550,350	1,507	551,857	0%
Deferred Maintenance	-	250,000	250,000	100%
HB 8 Initatives	-	250,000	250,000	100%
Total Non-Salary Expenses	**29,486,015**	**2,412,613**	**31,898,628**	**8%**
Contingency	1,728,456	102,448	1,830,904	6%
Total Preliminary Expense	**$ 115,230,382**	**$ 6,829,917**	**$ 122,060,299**	**6%**

DEL MAR COLLEGE

Thank you!

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REGULAR AGENDA

Item 2

DMC DEL MAR COLLEGE
OFFICE OF VICE PRESIDENT
ADMINISTRATION AND HUMAN RESOURCES

TO: Mark Escamilla, Ph.D.
President and CEO

FROM: Tammy McDonald TMc
Vice President of Administration and Human Resources

DATE: July 17, 2024

RE: Internal Audit Report to the Board of Regents

SUMMARY:

As part of the internal audit process, for board review and acceptance, the following information will be presented by Daniel Graves, a partner with Weaver.

Regular Agenda

- Accounts Payables & Disbursements Audit Report
- Payroll Follow Up Audit report
- EH&S Advisory Project Status
- College-Wide Reporting Project Status

Closed Session

- IT Security Follow-up Audit Report
- Safety & Security Advisory Report

BACKGROUND:
The anticipated inclement weather from hurricane Beryl resulted in the cancellation of the Board of Regent's Audit Committee scheduled for July 9th. The decision was made to forego the audit committee meeting and defer this audit report to the full board.

RECOMMENDATION:
Board Action to accept the Internal Audit Report.

LIST OF SUPPORTING DOCUMENTS:
Presentation
Accounts Payables & Disbursements Audit Report
Payroll Follow Up Audit report

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Del Mar College

Internal Audit Status Report to the Board of Regents

July 23, 2024

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2024 IA Update

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2024 Internal Audit Plan Status

- Accounts Payable and Disbursements Internal Audit Report
- Payroll Follow-Ups Audit Report
- EHS Advisory Status
- College-Wide Reporting and Data Collection Advisory Status
- Risk Assessment Refresh Status
- Information Security Follow-Ups Audit Report
- Safety and Security Advisory Report

Internal Audit of Accounts Payable and Disbursements

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Scope

- This audit focused on the Accounts Payable and Disbursements processes performed within the Business Office and throughout the College.
- We reviewed the procedures in place for appropriate risk and regulatory coverage and compliance to ensure efficient and effective processes.
- Key functions and sub-processes reviewed included:
  - Vendor Invoice Review, Approval and Recording
  - Vendor Payments
  - Travel and Expense Reimbursement
  - Independent Contractors
- Fieldwork: January 24, 2024, through April 24, 2024

Procedures

- Our procedures included interviewing key personnel within the College's Business Office to gain an understanding of the current processes in place, examining existing documentation, performing walkthroughs, and evaluating the internal controls over the process.

Internal Audit of Accounts Payable and Disbursements – Summary Results

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Based on our evaluation, the Accounts Payable function has procedures and controls in place designed to mitigate risks within the significant processes. However, we identified five opportunities to strengthen the Accounts Payable and Disbursements processes and effectiveness of controls within the Business Office:

1. Develop formalized Standard Operating Procedures that include all key processes and controls performed by the Accounts Payable team.

2. Implement a process for calculating and paying interest on late payments to ensure compliance with Texas Government Code Title 10 Subtitle F Ch. 2251.

3. Update and implement policies and procedures over employee travel expense reimbursement to reflect the current process and usage of Concur.

4. Reinforce existing processes and policies to ensure only expenses submitted within the 30-day window are approved and therefore reimbursed to the employee.

5. Establish a formal, periodic process for reviewing Colleague user access.

Internal Audit Follow-Up Procedures Over Payroll

Scope and Objectives

- The follow-up procedures focused on the remediation efforts taken by Del Mar College Management to address the finding included in the 2023 Internal Audit Report over Payroll, and to validate that appropriate corrective action had been taken.
- We evaluated the corrective actions of the one internal audit finding identified in the 2023 Internal Audit Report over Payroll.
- **Fieldwork:** June 13, 2024, through June 26, 2024

Risk Rating	Total Findings	Remediated
High	-	-
Moderate	-	-
Low	1	1
Total	**1**	**1**

Internal Audit Follow-Up Procedures Over Payroll – Summary Results

Based on our evaluation, Del Mar College Management made significant efforts to remediate the one finding from the 2023 Internal Audit Report, including the development of new documented procedures to address the risk areas identified.

2023 Finding	Results
Finding 1 – LOW – Formalized Payroll Standard Operating Procedures: The College does not have a complete, formalized and documented set of Standard Operating Procedures to address all key risks and processes within the Payroll cycle performed at the College.	**Finding Remediated**

Advisory Consultation Over Environmental Health and Safety

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Status

- Preliminary results are being validated with process owners and additional data is being gathered. We will report on this area at the next Audit Committee Meeting.

Scope

- This internal audit advisory engagement is focused on Del Mar College's BCP Form development procedures, clarity of content, and recommendations to enhance the BCP form's usability for departments.
- We plan to complete procedures and finalize reporting by the end of July 2024.

Advisory Consultation Over College-Wide Reporting and Data Collection

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Scope

- Advisory consultation will include assisting the College with inventorying the people, processes, data, and technology required to prepare key institutional/college-wide reports for internal governance and those required by state and/or federal regulations including HB8 Reporting.

Status

- We have completed initial walkthrough discussions with all key departments and are in the process of developing the matrix and validating the information captured.
- We anticipate that fieldwork will be complete in the next 2-3 weeks.

Risk Assessment Refresh

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- We are currently planning and preparing materials for the upcoming Risk Assessment Refresh, which will inform the FY2025 Internal Audit Plan.
- Our team will be meeting with the College on August 14, 2024, to conduct the refresh.

Internal Audit Follow-Up Procedures Over Information Security

Scope

- The follow-up procedures focused on the remediation efforts taken by Del Mar College Management to address findings included in the 2022 Internal Audit Report over Information Security, and to validate that appropriate corrective action had been taken.
- We evaluated the corrective actions of the internal audit findings identified in the 2022 Internal Audit Report over Information Security.
- Fieldwork: April 26, 2024, through May 31, 2024

Based on our evaluation, Del Mar College Management made significant improvements and is on track to complete remediation of all findings in May of 2025.

Advisory Consultation Over Safety and Security

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Scope

- This advisory audit focused on the Safety and Security processes performed within the Department for Campus Safety and Security and across the College.
- Key functions and sub-processes reviewed included:
  - Security Compliance and Reporting
  - Emergency Management and Incident Response
  - DMC Police
- Fieldwork: November 17, 2023, through May 31, 2024

Procedures

- Our procedures included interviewing key personnel to gain an understanding of the current processes, examining existing documentation, and evaluating the areas where management is implementing policies and procedures. We evaluated the existing policies, procedures, and processes in their current state.
- Our procedures represented a design analysis and were consultative in nature. Validation procedures were not performed across all areas as processes and controls may have not yet been implemented.

FY24 Internal Audit Plan

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Audit Area	Risk Rating	Planned Timing
2024 Planned Internal Audits		
Safety and Security (*Add EHS*)	**High**	April / May 2024
Accounts Payable and Disbursements	**High**	February / March 2024
Financial Aid	**High**	*Tentatively Rescheduled for FY25*
Database Administration / ERP	**High**	*Tentatively Rescheduled for FY25*
Institutional Research and Reporting	**Moderate**	*Tentatively Rescheduled for Future Year*
College-Wide Reporting and Data Collection Advisory	**Moderate**	June/July 2024
2024 Planned Audit Follow-Up		
Information Security Follow-Up	**High**	April / May 2024
Bursar's Office Follow-Up	**High**	*Tentatively Rescheduled for FY25*
Payroll Follow-Up	**High**	June 2024
2024 Planned Annual Requirements		
Project Management	N/A	Ongoing
Risk Assessment Refresh and IA Plan Development	N/A	July 2024
Annual and Quarterly Board Reports	N/A	Quarterly

Discussion

Daniel Graves, CPA | Partner
512.609.1913 | daniel.graves@weaver.com

Brandon Tanous, CIA, CFE. CGAP, CRMA | Partner
832.320.3275 | Brandon.Tanous@weaver.com

Del Mar College

IA #01-2024 Internal Audit Report over Accounts Payable and Disbursements

Report Date: April 24, 2024

Issued: June 10, 2024

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CONTENTS

Dr. Mark Escamilla
Del Mar College
101 Baldwin Blvd.
Corpus Christi, Texas 78404

This report presents the results of the internal audit procedures performed for Del Mar College (DMC or the College) during the period January 24, 2024 through April 24, 2024 relating to the Accounts Payable processes of the College.

The objectives of the internal audit were to evaluate the design and effectiveness of Del Mar College's Accounts Payable processes as follows:

A. Determine whether internal controls over AP and Disbursements processes are designed to effectively address the risks within the associated sub-processes and to ensure efficient operations.
B. Ensure that controls over selected critical processes within AP and Disbursements processes are operating efficiently, effectively, and resulting accurate, and timely payments to vendors.
C. Evaluate user access and ensure that access to disburse payments in the College's key applications is restricted to appropriate personnel and that access is periodically reviewed.

To accomplish these objectives, we conducted interviews and walkthroughs with personnel responsible for Accounts Payable processes within the Accounts Payable Department. We also examined existing documentation, evaluated internal controls over the processes, and performed specific testing procedures to assess controls. Our coverage period was from July 1, 2022, through December 31, 2023. Procedures were performed both onsite and remotely and an exit meeting was conducted on April 24, 2024.

The following report summarizes the findings identified, risks to the organization, recommendations for improvement and management's responses.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
June 10, 2024

Del Mar College

Internal Audit Report over Accounts Payable
April 24, 2024
Issued: June 10, 2024

Background

Del Mar College Business Office personnel are responsible for managing the Accounts Payable and Disbursements processes at the College. Accounts Payable works with Purchasing and College departments to ensure invoices are accurate, goods/services are received, and approval from the appropriate authority is obtained to process invoices timely.

The majority of vendor invoices are received by the Business Office via email. Some invoices are sent directly to end user departments and forwarded to the Business Office upon confirmation of receipt of goods or services. Business Office staff utilize Colleague to determine whether there is an existing purchase order associated with the invoice and whether the goods or services were accepted by the end user department. Upon review in Colleague, Business Office staff forwards the invoice to appropriate end user department for review and approval. After departmental approval of the invoice, Business Office staff record the invoices in Colleague. Payments to vendors are processed on a semi-weekly basis.

In addition to processing vendor invoices, Business Office staff are also responsible for reviewing and approving travel expense reimbursements. Travel requests and expense reports are processed using the Concur system. Business Office staff ensure that travel expenses are allowable, adequately approved and have sufficient supporting documentation prior to processing reimbursements.

Finally, Business Office staff are responsible for processes related to approval of agreements with independent contractors as well as payments to independent contractors and tax reporting. Business Office personnel ensure that agreements with independent contractors are adequately approved and have appropriate supporting documentation. At the end of each calendar year, Business Office staff are responsible for preparing and mailing 1099 tax forms to independent contractors. Business Office staff generate a report of all independent contractors in Colleague and review the report to ensure that independent contractors are accurately classified in the system prior to mailing 1099 forms.

Audit Objective and Scope

This audit focused on the Accounts Payable and Disbursements processes performed within the Business Office and throughout the College. We reviewed the procedures in place for appropriate risk and regulatory coverage and compliance to ensure efficient and effective processes. The scope included an evaluation of the processes currently in practice covering the activities within the key areas, including:

- Vendor Invoice Review, Approval and Recording
- Vendor Payments
- Travel Expense Reimbursement
- Independent Contractors

The scope of the audit did not include Vendor Management or Credit Card processing activities as they are covered under the Purchasing and Bursar's audit areas respectively.

Our procedures were designed to ensure relevant risks were covered and verify the following:

Del Mar College

Internal Audit Report over Accounts Payable
April 24, 2024
Issued: June 10, 2024

Vendor Invoice Review, Approval and Recording

- Invoices were reviewed and approved by personnel with corresponding authority prior to disbursing payment.
- All invoices received were logged and liabilities are appropriately recorded.
- Invoices matched an approved Purchase Order (PO) and goods/service receipt.
- Duties to accept, approve, and pay for purchases were appropriately segregated.

Vendor Payments

- Monthly Accounts Payable Reconciliations were prepared and reviewed timely and accurately.
- Vendor payments and disbursements were authorized by appropriate personnel.
- Duplicate payments were not made to vendors.
- Payments were made to approved vendors.

Travel Expense Reimbursement

- All travel conducted and travel expenses incurred by the College were in compliance with the travel expense policies.
- Travel expenses were appropriately approved prior to travel.
- Travel expense pre-payments or reimbursements were appropriately supported by receipts.

Independent Contractors

- Payments to independent contractors were reviewed and approved by personnel with corresponding authority prior to disbursing payment.
- Duties to post, approve, and make payments to independent contractors were appropriately segregated.
- Payments to independent contractors were appropriately classified.
- Tax reporting for independent contractors was complete and timely.

Our procedures included interviewing key personnel within the College's Business Office to gain an understanding of the current processes in place, examining existing documentation, performing walkthroughs, and evaluating the internal controls over the process. Our coverage period was from July 1, 2022, through December 31, 2023.

The objectives of this internal audit were as follows:

A. Determine whether internal controls over AP and Disbursements processes are designed to effectively address the risks within the associated sub-processes and to ensure efficient operations.
B. Ensure that controls over selected critical processes within AP and Disbursements processes are operating efficiently, effectively, and resulting accurate, and timely payments to vendors.
C. Evaluate user access and ensure that access to disburse payments in the College's key applications is restricted to appropriate personnel and that access is periodically reviewed.

Del Mar College

Internal Audit Report over Accounts Payable
April 24, 2024
Issued: June 10, 2024

Executive Summary

Through our interviews, evaluation of internal control design and testing of transactions, we identified five findings. The listing of findings include those items that have been identified and are considered to be non-compliance issues with documented Del Mar College policies and procedures, rules and regulations required by law, or where there is a lack of procedures or internal controls in place to cover risks to the College. These issues could have significant financial or operational implications.

A summary of our results, by audit objective, is provided in the table below. *See the Appendix for an overview of the Assessment and Risk Ratings*.

OVERALL ASSESSMENT	Satisfactory

SCOPE AREA	RESULT	RATING
Objective A: Determine whether internal controls over AP and Disbursements processes are designed to effectively address the risks within the associated sub-processes and to ensure efficient operations.	We identified 15 controls to be in place in the Accounts Payable and Disbursements processes. We identified opportunities for improvement, including the following: • Implement Standard Operating Procedures for AP and Disbursements • Implement a process for ensuring interest for late payments is calculated and paid for in accordance with Texas Government Code Title 10 Subtitle F Chapter 2251 • Update the published policies and procedures over employee travel expense reimbursement to reflect the current processes and usage of Concur.	Satisfactory
Objective B: Ensure that controls over selected critical processes within AP and Disbursements processes are operating efficiently, effectively, and resulting accurate, and timely payments to vendors.	Controls are place; however, we identified two employee travel expenses which were approved by the College and submitted outside of the 30-day deadline.	Satisfactory
Objective C: Evaluate user access and ensure that access to disburse payments in the College's key applications is restricted to appropriate personnel and that access is periodically reviewed.	We identified four users with inappropriate access in Colleague to create payment vouchers and/or update ACH payment disbursements.	Satisfactory

Del Mar College

Internal Audit Report over Accounts Payable
April 24, 2024
Issued: June 10, 2024

Conclusion

Based on our evaluation, the Accounts Payable function has procedures and controls in place designed to mitigate risks within the significant processes. However, we identified opportunities to strengthen the Accounts Payable and Disbursements processes and effectiveness of controls within the Business Office.

Most significantly, we recommend that the College develop formalized Standard Operating Procedures that include all key processes and controls performed by the Accounts Payable team, including travel expense reimbursement. Del Mar College should also implement a process for calculating and paying interest on late payments to ensure compliance with Texas Government Code Title 10 Subtitle F Ch. 2251.

Additionally, the College should update and implement policies and procedures over employee travel expense reimbursement to reflect the current process and usage of Concur. Along with this, the AP team should reinforce existing processes and policies to ensure only expenses submitted within the 30-day window are approved and therefore reimbursed to the employee.

Lastly, the College should establish a formal, periodic process for reviewing Colleague user access.

Follow-up procedures will be performed in Fiscal Year 2025 to evaluate the effectiveness of remediation efforts taken to address the findings identified.

Detailed Procedures Performed, Findings, Recommendations and Management Response

Detailed Procedures Performed, Findings, Recommendations and Management Response

Our procedures included interviewing key personnel within the Business Office to gain an understanding of the current processes in place, examining existing documentation, evaluating the internal controls over the process, and testing the effectiveness of the controls in place.

Objective A: Design of Internal Controls

Determine whether internal controls over Accounts Payable processes are designed to ensure effective and efficient management, administration, and compliance of Accounts Payable processes.

Procedures Performed: We gained an understanding of the current Accounts Payable and Disbursement processes by conducting interviews and walkthroughs with key personnel within the Business Office and examined existing documentation to gain an understanding of the current Accounts Payable and Disbursements processes. We documented our understanding of the processes and identified controls over the following critical sub processes:

- Vendor Invoice Review, Approval and Recording
- Vendor Payments
- Travel Expense Reimbursement
- Independent Contractors

We evaluated whether the identified internal controls are sufficiently designed to comply with College policies and procedures and mitigate the critical risks associated with the Accounts Payable and Disbursements processes. We identified any unacceptable risk exposures due to control gaps in the existing control structure as well as opportunities to strengthen the effectiveness and efficiency of the existing procedures. Additionally, we evaluated the existing control design to verify that College processes are designed to ensure compliance with relevant guidance and regulations.

Results: We identified 15 total unique controls in place over the significant activities within the Accounts Payable processes. We identified one area for improvement that should be made in the processes, policies and procedures.

Process Area	Identified Controls	Finding
Vendor Invoice Review, Approval and Recording	4	**Finding 1**
Vendor Payments	4	**Finding 2**
Travel Expense Reimbursement	3	**Finding 3**
Independent Contractors	4	-
Total	**15***	

**Indicates the number of unique controls identified. However, the controls identified also overlap and cover multiple process areas.*

Finding 1 – Low – Formalized AP and Disbursements Standard Operating Procedures:
The College does not have a complete, formalized, and documented set of Standard Operating Procedures to address all key risks and controls within the accounts payable and disbursements processes. While the College has some documented accounts payable and disbursements policies within Chapter IV of the 2023-2024 Manual of Policies and Procedures, key procedures and controls that are performed throughout the process are not sufficiently documented in departmental Standard Operating Procedures to ensure future consistency and compliance among Accounts Payable personnel.

Recommendation: The College should create and implement AP and Disbursements Standard Operating Procedures that include all key processes and controls performed by the Accounts Payable group, including travel expense reimbursement. The procedures should be communicated to and utilized by all relevant personnel involved in the AP and disbursements process. Additionally, the College should implement a process for periodically updating and approving these procedures as processes change.

Management Response: We are in the process of updating and enhancing the Accounts Payable and Disbursements Standard Operating Procedures. These procedures will be communicated and utilized by all relevant personnel involved in the AP and disbursement process. We will also implement a process to periodically update and approve the procedures on process changes.

Responsible Party: Accounts Payable / Financial Analyst
Implementation Date: September 1, 2024

Finding 2 – Moderate – Late Payment Interest Calculation:
The College does not have a process for ensuring interest for late payments is calculated and paid for in accordance with Texas Government Code Title 10 Subtitle F Chapter 2251. According to subchapter B (Sec. 2251.021), payments are considered overdue and begin accruing interest on the 31st day after the later of: (1) the date the goods are received, (2) the date the performance of the service is completed; or (3) the date the invoice for the goods or service is received. The rate of interest that accrues on an overdue payment is the rate in effect on September 1 of the fiscal year in which the payment becomes overdue and is equal to the sum of one percent and the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday (Sec. 2251.025). There is not a process in place to ensure the College is compliant with these code requirements and interest is appropriately calculated and paid in the event that a vendor payment is not made timely.

Recommendation: We recommend the College establish and implement a process for calculating and paying interest on late payments to ensure compliance with Texas Government Code Title 10 Subtitle F Ch. 2251. The process should be documented within the Accounts Payable and Disbursements Standard Operating Procedures and communicated to relevant personnel involved in the process.

Management Response: Management agrees. We are in the process of establishing and implementing a process for calculating and paying interest on late payment of invoices. The process will be documented in the Accounts Payable and Disbursements Standard Operating Procedures and communicated to relevant personnel involved in the process.

Responsible Party: Accounts Payable / Financial Analyst
Implementation Date: September 1, 2024

Finding 3 – Moderate – Travel Expense Policies Updates:
Published policies and procedures over employee travel expense reimbursement are outdated and no longer relevant to the current process. The College's Travel Policy does not reflect the current usage of the Concur system to carry out travel reservations and includes outdated requirements for submitting an approved Request for Travel in advance and submitting the approved Statement of Travel Expense Form to the CFO. We determined these processes are no longer in place and the travel request and expense reimbursement processes are now consolidated within the Concur system.

Recommendation: The College should update the published policies and procedures over employee travel expense reimbursement to reflect the current process and usage of Concur. Additionally, the College should implement a process for periodically updating the policies on a regular basis and as needed when process changes occur.

Management Response: Management agrees. The policies and procedures over employee travel expense reimbursement have been updated to reflect the current process and usage of Concur. A process for periodically updating the policies on a regular basis and as needed when process changes occur will be implemented.

Responsible Party: Accounts Payable / Financial Analyst
Implementation Date: September 1, 2024

Objective B: Effectiveness of Controls

Ensure that controls over selected critical processes within Accounts Payable processes are operating efficiently, effectively, and resulting in complete, accurate, and timely to vendors.

1. **Procedures Performed:** We selected a sample of 25 out of 10,252 paid vendor invoices between July 1, 2022, through December 31, 2023, and verified the following:
    - The invoice was appropriately logged within Colleague.
    - The invoice was stamped for approval by the appropriate personnel.
    - The invoice details appropriately matched the corresponding purchase order.
    - The vendor attached to the invoice and purchase order was maintained on an approved vendor list.
    - The blanket purchase order was matched to an approved email by the requisitioner.
    - The vendor paid timely within the required time frame according to Government Code Sec. 2251.

- The accrued interest due to non-timely payment was calculated correctly according to Government Code Sec. 2251.
- The related check-run and reconciliation was appropriately reviewed and approved with a documented sign off by appropriate personnel.
- The check was signed by appropriate personnel (CFO, Comptroller, Director of Accounting, or CEO of the College).

Results: No findings identified.

2. **Procedures Performed:** We selected a sample of 25 out of 1,029 travel reimbursement documentations between July 1, 2022, through December 31, 2023, and verified the following:
   - The Request for Travel form was completed in advance and approved by the appropriate supervisor.
   - A Statement of Travel Expense was submitted by the employee within 30 days of returning from their trip.
   - Itemized receipts were submitted with the Statement of Travel Expense as evidence of the expense.
   - The Statement of Travel Expense was reviewed and approved by the employee's supervisor the amount was equal to or less than the original request.
   - The Statement of Travel Expense was reviewed and approved by additional parties if the amount was equal to or more than the original request.
   - The Statement of Travel Expense was submitted to the CFO.
   - The travel reimbursement was in compliance with College Policies.

   Results: We identified two instances where an approved expense was submitted outside of the 30-day deadline.

   Finding 4 – Moderate – Expense Report Timely Submission:
   We selected and reviewed approved travel expenses during our scope period of July 1, 2022 to December 31, 2023, to verify a Request for Travel was completed in advance approved by the appropriate supervisor, a Statement of Travel Expense and itemized receipts were submitted by the employee within 30 days of returning from the trip, the Statement was appropriately approved and submitted to necessary personnel, and the expense was appropriate based on College Travel Policies (B3.14). Of the 25 reimbursed travel expenses evaluated, two expenses which were approved by the College were submitted outside of the 30-day deadline.

   One meal expense was submitted for reimbursement by the employee at least 68 days after the last date of travel. The expense was combined with expenses for two other trips and submitted on a single Statement of Travel Expense. The two other trips were submitted timely, within the 30-day deadline, however, the earliest trip which ended over 60 days ago was not submitted within the deadline. The employee was still reimbursed for the full Statement amount.

   One mileage expense was submitted for reimbursement by the employee 184 days after the latest of the included trips. The expense was for an employee who travels each Monday to track students during their externships. The employee was reimbursed for three separate Mondays in February 2022 (February 7, February 21, and February 28), however the Expense Report was submitted on August 31, 2022, 184 days after the latest date of travel and 205 days after the earliest date of travel. Additionally, the employee used an Expense Report originally opened July 10, 2018.

Recommendation: We recommend the AP team reinforce existing processes and policies to ensure only expenses submitted within the 30-day window are approved and therefore reimbursed to the employee. The College should establish a process to follow up with employees who submit expenses that are out of compliance with College policies and procedures and remind them of the appropriate process. AP staff should only approve expenses that are submitted appropriately and in compliance with College policies.

Management Response: Management Agrees. The Accounts Payable Team will continue to follow the existing processes and policies to ensure employees submit their travel related expenses within the 30 day window for approval and reimbursement. However, the policies will be updated to include instructions to allow for a 30 day extension for instances when an employee cannot meet the 30 day window to submit their travel invoices, not to exceed a total of 60 days. The employee must submit the travel invoices and a documented explanation for the extension that has been approved by their Director/Supervisor. The Accounts Payable Team will implement a process to follow-up with employees who submit expenses out of compliance and remind such employees of the appropriate process.

Responsible Party: Accounts Payable / Financial Analyst
Implementation Date: September 1, 2024

3. **Procedures Performed:** We selected a sample of nine out of 90 independent contractor payments between July 1, 2022, through December 31, 2023, and verified the following:
   - The independent contractor documentation package received from HR was reviewed and signed off by the CFO.
   - The related check run report and reconciliation, which includes the payment, was appropriately reviewed and approved.
   - The check was signed by authorized personnel.
   - The independent contractor was classified appropriately according to the Texas Workforce Commission.
   - Form 1099-NEC was delivered timely to the independent contractor.

   Results: No findings identified.

Objective C: User Access

Evaluate user access and ensure that access to disburse payments in the College's key applications is restricted to appropriate personnel and that access is periodically reviewed.

4. **Procedures Performed:** We selected all 11 active Colleague users with permissions to create payment vouchers and update ACH payment disbursements as of February 21, 2024, and verified the following:
   - The user's access is reasonable and appropriate based on their position and they are an active employee at the College.
   - The Colleague user access listing was formally reviewed and evaluated.

Results: We determined four users had inappropriate access and user access reviews are not formally conducted.

Finding 5 – Moderate – User Access:

The College does not have a process in place to ensure formal, periodic reviews over Colleague user access are conducted and inappropriate users are removed. We reviewed user access privileged to create payment vouchers (VOUM screen access) and update ACH payment disbursements (ECHP screen access) in Colleague and identified 4 users with inappropriate access. These users had access to create payment vouchers (VOUM screen access) and/or update ACH payment disbursements and we determined this was not appropriate based on job function. The College currently performs user access reviews on an ad hoc or as needed basis and the reviews are not documented or formalized. Compensating controls are in place which require the AP team to match an approved invoice to the payment voucher created in Colleague.

Recommendation: We recommend the Accounts Payable team establish a formal, periodic process for reviewing Colleague user access. Access for any inappropriate or unnecessary users identified should be updated or removed. The review should be documented and signed off, along with any resulting adjustments. Additionally, view access should be removed for all Weaver employees and update access removed for the four inappropriate users to strengthen internal controls.

Management Response: Management agrees. We will be implementing a formal, periodic, process for reviewing Colleague user access to identify and remove inappropriate or unnecessary users which will include the documentation and signature approval of any adjustments. This process will also include reviewing, updating and removing Weaver employees requiring access to Colleague for internal audit purposes.

Responsible Party: Financial Analyst
Implementation Date: May 1, 2024 through September 1, 2024

Appendix

The appendix defines the approach and classifications utilized by Internal Audit to assess the residual risk of the area under review, the priority of the findings identified, and the overall assessment of the procedures performed.

Report Ratings

The report rating encompasses the entire scope of the engagement and expresses the aggregate impact of the exceptions identified during our test work on one or more of the following objectives:

- Operating or program objectives and goals conform with those of the College
- College objectives and goals are being met
- The activity under review is functioning in a manner which ensures:
    - Reliability and integrity of financial and operational information
    - Effectiveness and efficiency of operations and programs
    - Safeguarding of assets
    - Compliance with laws, regulations, policies, procedures and contracts

The following ratings are used to articulate the overall magnitude of the impact on the established criteria:

Strong	The area under review meets the expected level. No high risk rated findings and only a few moderate or low findings were identified.
Satisfactory	The area under review does not consistently meet the expected level. Several findings were identified and require routine efforts to correct, but do not significantly impair the control environment.
Unsatisfactory	The area under review is weak and frequently falls below expected levels. Numerous findings were identified that require substantial effort to correct.

Risk Ratings

Residual risk is the risk derived from the environment after considering the mitigating effect of internal controls. The area under audit has been assessed from a residual risk level utilizing the following risk management classification system.

High High risk findings have qualitative factors that include, but are not limited to:

- Events that threaten the College's achievement of strategic objectives or continued existence
- Impact of the finding could be felt outside of the College or beyond a single function or department
- Potential material impact to operations or the College's finances
- Remediation requires significant involvement from senior College management

Moderate Moderate risk findings have qualitative factors that include, but are not limited to:

- Events that could threaten financial or operational objectives of the College
- Impact could be felt outside of the College or across more than one function of the College
- Noticeable and possibly material impact to the operations or finances of the College
- Remediation efforts that will require the direct involvement of functional leader(s)
- May require senior College management to be updated

Low Low risk findings have qualitative factors that include, but are not limited to:

- Events that do not directly threaten the College's strategic priorities
- Impact is limited to a single function within the College
- Minimal financial or operational impact to the College
- Require functional leader(s) to be kept updated, or have other controls that help to mitigate the related risk

Del Mar College

IA # 05-2024 Internal Audit Follow-Up Procedures
Report Over Payroll
Report Date: June 26, 2024
Issued: June 26, 2024

weaver
Assurance • Tax • Advisory

CONTENTS

Dr. Mark Escamilla
Del Mar College
101 Baldwin Blvd.
Corpus Christi, Texas 78404

This report presents the results of the internal audit follow-up procedures performed for Del Mar College (the College) during the period June 13, 2024, through June 26, 2024, related to the findings from the Internal Audit Report over Payroll dated June 7, 2023.

The objective of these follow-up procedures was to validate that adequate corrective action has been taken in order to remediate the issues identified in the fiscal year 2023 Internal Audit Report over Payroll.

To accomplish this objective, we conducted interviews with key personnel within the Payroll Department and reviewed supporting documentation to validate actions taken. Procedures were performed remotely, and an exit meeting was conducted on June 26, 2024.

The following report summarizes the finding identified, risks to the organization, recommendations for improvement and management's response.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
June 26, 2024

Del Mar College

IA # 05-2024 Internal Audit Follow-Up Procedures
Report Over Payroll
June 26, 2024
Issued: June 26, 2024

Background

In Fiscal Year 2023, an internal audit over the College's Payroll process was completed. The internal audit identified one area of improvement related to formalizing the Payroll Standard Operating Procedures.

The 2024 Internal Audit Plan included performing follow-up procedures to validate that Del Mar College Management has taken steps to address this internal audit finding.

Follow-Up Objective and Scope

The follow-up procedures focused on the remediation efforts taken by Del Mar College Management to address the finding included in the 2023 Internal Audit Report over Payroll, and to validate that appropriate corrective action had been taken.

We evaluated the corrective actions of the one internal audit finding identified in the 2023 Internal Audit Report over Payroll.

Executive Summary

The finding from the 2023 Internal Audit Report over Payroll included an item that was identified and was considered to be non-compliance issues with Del Mar College's policies and procedures, rules and regulations required by law, or where there is a lack of procedures or internal controls in place to cover risks to Del Mar College. These types of issues could have significant financial or operational implications.

Through our interviews, review of documentation, observations and testing we determined the one prior finding has been fully remediated.

A summary of our results is provided in the table below.

Risk Rating	Total Findings	Remediated
High	-	-
Moderate	-	-
Low	1	1
Total	**1**	**1**

Conclusion

Based on our evaluation, Del Mar College Management made significant efforts to remediate the finding from the 2023 Internal Audit Report, including the development of new documented procedures to address the risk areas identified.

Detailed Follow-Up Results, Findings, Recommendations and Management Response

Del Mar College

IA # 05-2024 Internal Audit Follow-Up Procedures
Report Over Payroll
June 26, 2024
Issued: June 26, 2024

Detailed Follow-Up Results, Recommendations and Management Response

Our procedures included interviewing key Payroll personnel to gain an understanding of the corrective actions taken in order to address the findings identified in the 2023 Internal Audit Report over Payroll, as well as examining existing documentation and performing testing in order to validate the effectiveness of those corrective actions implemented. We evaluated the existing policies, procedures, and processes in their current state.

Finding 1 – LOW – Formalized Payroll Standard Operating Procedures:

The College does not have a complete, formalized and documented set of Standard Operating Procedures to address all key risks and processes within the Payroll cycle performed at the College. While the College has documented payroll policies and maintains procedural documentation over processing payroll in Colleague, key procedures and controls that are performed throughout the process are not sufficiently documented in departmental Standard Operating Procedures to ensure future consistency and compliance among Payroll personnel.

Results: Finding Remediated

We obtained the new Payroll Office Standard Operating Procedures which includes all key processes and controls performed during the Payroll cycle. The "Steps to Run Payroll" checklist has also been enhanced to include a column for preparer and reviewer signoffs. We obtained the three June 2023 and three March 2024 checklists used for each payroll run during that month and confirmed preparer and reviewer sign offs were consistently documented for each item.

Additional considerations not impacting remediation status: We recommend that the College document managements approval of the Standard Operating Procedures (SOPs). Additionally, management should review the SOPs for necessary updates at least annually or any time processes are changed. Any updates to the procedures should be reviewed and approved by College Management and corresponding approvals should be recorded and tracked within the related document.

Appendix

Del Mar College

IA # 05-2024 Internal Audit Follow-Up Procedures
Report Over Payroll
June 26, 2024
Issued: June 26, 2024

The appendix defines the approach and classifications utilized by Internal Audit to assess the residual risk of the area under review, the priority of the findings identified, and the overall assessment of the procedures performed.

Risk Ratings

Residual risk is the risk derived from the environment after considering the mitigating effect of internal controls. The area under audit has been assessed from a residual risk level utilizing the following risk management classification system.

High

High risk findings have qualitative factors that include, but are not limited to:

- Events that threaten the College's achievement of strategic objectives or continued existence
- Impact of the finding could be felt outside of the College or beyond a single function or department
- Potential material impact to operations or the College's finances
- Remediation requires significant involvement from senior College management

Moderate

Moderate risk findings have qualitative factors that include, but are not limited to:

- Events that could threaten financial or operational objectives of the College
- Impact could be felt outside of the College or across more than one function of the College
- Noticeable and possibly material impact to the operations or finances of the College
- Remediation efforts that will require the direct involvement of functional leader(s)
- May require senior College management to be updated

Low

Low risk findings have qualitative factors that include, but are not limited to:

- Events that do not directly threaten the College's strategic priorities
- Impact is limited to a single function within the College
- Minimal financial or operational impact to the organization
- Require functional leader(s) to be kept updated, or have other controls that help to mitigate the related risk

REGULAR AGENDA

Item 3

DEL MAR COLLEGE
OFFICE OF VICE PRESIDENT
ADMINISTRATION AND HUMAN RESOURCES

TO: Mark Escamilla, Ph.D.
President and CEO

FROM: Tammy McDonald TMc
Vice President of Administration and Human Resources

DATE: July 17, 2024

RE: DMC B9.1 Title IX Policy Revisions for Board Review and Approval

SUMMARY:

This policy work is to comply with changes recently issued by the U.S. Department of Education with an impending effective date of August 1, 2024.

STAFF RECOMMENDATION:

- Board Action to Approve recommended revisions to "B" board policy.

SUPPORTING DOCUMENTS:
Tracking Form
Policy/Procedure Work

101 Baldwin Blvd.
Corpus Christi, TX 78404-3897
p: 361.698.1133 | f: 361.698.1134
delmar.edu

"B" BOARD POLICY RECOMMENDATION
"A" ADMINISTRATIVE PROCEDURE NOTIFICATION

Del Mar College Manual of Policies and Procedures

7 23 24 001

Policy/Procedure: B9.1

Originator: T McDonald & Title IX Team TMC

Tammy McDonald, VP Admin & HR

For Review or Courtesy Copy To:	Review	Courtesy Copy	Date
Deans' Council		X	7/17/2024
Chairs' Council		X	7/17/2024
Faculty Council		X	7/17/2024
Exempt Council		X	7/17/2024
Non-Exempt Council		X	7/17/2024

President's Signature: Date: 7/17/24

Presented to Board of Regents: Date: 7 23 24

Board Policy or Administrative Procedure Notice "B" Approval

Rev 06/24

Blue = New/Revised language **Red Strikethrough= Deletion**

B9.1 Policy Prohibiting *Sex-Based Harassment and Discrimination* ~~Sexual Misconduct~~ Revised August 1, 2024:

B9.1.1 Purpose and Authority: Del Mar College establishes this policy and related procedures and processes in its continuing effort to seek equity in education and employment, and consistent with its legal responsibility and authority to take measures to address, report, investigate, and prevent *sex-based harassment and discrimination* ~~sexual misconduct~~, as required by Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. § 1681, et. seq.; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e; Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act of 1990, 20 U.S.C. § 1092(f), including the Campus Sexual Violence Elimination Act (Campus SaVE) amendment to the Clery Act (2013); Violence Against Women Reauthorization Act of 2013 (VAWA), as amended; and, Texas Education Code § 51.252 (Tex. SB 212)."

This policy is intended to inform students and employees of their rights if they are subjected to or accused of *sex-based harassment and discrimination* ~~sexual misconduct~~, including the complaint procedures and support services that a survivor of *sex-based harassment and discrimination* ~~sexual misconduct~~ can access. This policy is also intended to inform students and employees of their responsibilities if they are aware that *sex-based harassment and discrimination* ~~sexual misconduct~~ has occurred to a Del Mar College student or employee.

Sex-based ~~Sexual misconduct~~ includes: sexual violence, sexual harassment, domestic violence, dating violence, sexual assault, stalking, and sex-*based discrimination*.

The College is committed to complying with local, state and federal laws and regulations, as related to sex-based harassment and discrimination.

B9.1.2 Statement of Policy: Del Mar College (the "College") will not tolerate and strictly prohibits *sex-based harassment and discrimination* ~~sexual misconduct~~. The College will act to protect its students and employees from incidents of *sex-based harassment and discrimination* ~~sexual misconduct~~ committed by employees, students, or outside third parties. Conduct prohibited under this policy will not be tolerated and will be subject to disciplinary action, up to and including dismissal from employment and/or from the College, in accordance with Federal and State regulations and College policy.

B9.1.3 Scope: This policy applies to and may be used by all students and employees, regardless of gender, sexual orientation or gender identity, to report incidents of *sex-based harassment and discrimination* ~~sexual misconduct~~ occurring on or off campus. Procedures and processes under this policy will distinguish between reporting sexual misconduct incidents and Filing Formal Complaints.

Student and employee grievances and complaints that do not contain allegations of *sex-based harassment and discrimination* ~~sexual misconduct~~ are excluded from this process. General student complaints or grievances reflecting a student's disagreement with the application of a specific College rule, practice and/or policy are processed through Board Policy **B7.12**. Employee complaints or grievances regarding general terms and conditions of employment are processed through Board Policy **B5.43**. Student complaints of discrimination, retaliation, and harassment, that do not contain allegations of *sex-based harassment and discrimination* ~~sexual misconduct~~, are processed in accordance with Board Policy **B7.19**. Employee complaints of discrimination, retaliation and harassment that do not contain allegations of *sex-based harassment and discrimination* ~~sexual misconduct~~ are processed through Board Policy **B5.50**.

REGULAR AGENDA

Item 4

DMC
DEL MAR COLLEGE
OFFICE OF GENERAL COUNSEL

TO: Board of Regents
College President and CEO

FROM: Augustin Rivera, Jr. AR
General Counsel

DATE: July 19, 2024

RE: Update to Del Mar College Free Speech Policy

SUMMARY:

On March 27, 2024, Governor Greg Abbott issued Executive Order No. GA-44, relating to addressing acts of antisemitism in institutions of higher education. The Executive Order directed institutions to review and update their free speech policies to address antisemitic speech; ensure that the policies are being enforced on campus; and include a specific definition of antisemitism referenced in the Texas Government Code. Administration has reviewed the Del Mar College free speech policy and confirmed that an enforcement mechanism is in place.

Attached for the Board's consideration and approval are proposed edits to the Del Mar College Free Speech policy in compliance with the Executive Order. The Executive Order further provides that confirmation be provided to the Office of the Governor upon completion of the tasks.

Note: A fuller and more comprehensive review and update of the Free Speech Policy is being planned and expected to begin the Fall.

RECOMMENDED ACTION:

Board Action to approve recommended revisions to the Del Mar College Free Speech Policy.

SUPPORTING DOCUMENTS:

College Free Speech policy with proposed edits.
Campus Free Speech Flyer (Oct. 20, 2022)

PROPOSED EDITS HIGHLIGHTED

DEL MAR COLLEGE POLICY
CHAPTER III GENERAL ADMINISTRATION

B3.11 Public Speech: Del Mar College supports all individuals' First Amendment right to free speech, and is committed to intellectual growth and exploration by means of the free exchange of ideas. Accordingly, the College encourages campus groups and individuals to speak or to invite speakers to the campus, particularly those whose presentations are consistent with the free exchange of ideas and with the mission and goals of the College. Other speakers that promote these goals are welcome on the campus, as well.

The College recognizes that free speech will sometimes provoke and disturb, but any constitutionally permitted form of speech is permitted on campus. Speakers assume responsibility for any violation of law or policy that they may commit on campus, and no public speech activities will be permitted to interfere with the normal activities of the institution. The views expressed by any outside speaker are not necessarily those of the College or of any sponsoring organization or faculty member.

The College, its Regents, employees, and students will abide by all state, local, and federal laws and Del Mar College policies regarding public speech, campaigning, and other political activities on College property or at official College functions. Del Mar College is required by State law and by this policy to remain neutral in all partisan political activities, issues, and campaigns.

Any political candidate, or proponent or opponent of a political issue, who speaks on campus does so without the endorsement of Del Mar College. The President of the College or designee is responsible for encouraging free public speech on campus and for decisions regarding scheduling and compliance with this policy. This public speech policy does not apply to any classroom or instructional activity, with the exceptions specified in A3.11.3 and A3.11.4.

A3.11.1 Invited Speakers: Any officially recognized student organization, faculty member, faculty organization, or other campus unit may invite outside speakers to the campus. Outside speakers may provide their own security forces only when approved in advance by the President or his designee. The presentations of outside speakers may be recorded for review by the administration or the Board of Regents.

A3.11.2 Non-invited Speakers: Individuals unconnected with Del Mar College are invited to speak publicly on campus after they notify and register with the Office of the Chief Student Affairs Officer (CSAO), the Office of the Chief Public Relations Officer (CPRO) or the Office of the Chief Academic Officer (CAO). Individuals who wish to speak will be supplied with a copy of this public speech policy. The office contacted will ensure that any necessary security precautions or other preparations are in place and will direct speakers to centrally located public forum venues where significant pedestrian traffic would reasonably be expected.

The College is committed to making all preparations for non-invited speech as quickly as is reasonably possible and in no case will take longer than 24 hours. Non-invited speakers are not permitted to use electronic amplification, bullhorns, whistles, drums, or any other noisemaking device that may disrupt the campus environment. Non-invited speakers may not use any campus resources, equipment, or security and are not entitled to assistance from College personnel, or special parking privileges. Non-invited speakers may not electronically record students or College employees without their express written consent. No individual, group, or other organization may use the College name to indicate or imply College sponsorship or endorsement without the express authorization of the institution. Non-invited speakers shall hold the College harmless from any or all damages caused by speaking publicly on campus.

A3.11.3 Political Speech: Texas Government Code Section 556.004 (Prohibited Acts of Agencies and Individuals) prohibits any state agency, including Del Mar College, from using state appropriations for financing or supporting the candidacy for any person for political office. Further, a State officer or employee may not use official authority or influence to interfere with or affect the result of an election or for any other political purpose. Finally, a State officer or official is prohibited from interfering in any way with contributions for political purposes. Accordingly, while Del Mar College faculty, staff, and students retain all constitutional rights and privileges related to freedom of speech and participation in political activities, the College requires them to avoid any behavior that might reasonably be construed as official College endorsement or official College support of political candidates or activities. No College funds, services, or supplies may be used to influence the outcome of any election or for political activity. College facilities may be used by outside political groups and candidates only after appropriate rental fees and charges for other services are paid. Only requests for such use that can be reasonably and safely accommodated without detracting from the mission, purpose, and normal operation of the College will be approved.

The renting entity will be responsible for displaying signs near the venue for the event with the following wording: "By law and by policy, Del Mar College is required to remain neutral in political activities. The use of Del Mar College facilities and property by candidates and political organizations does not imply or indicate support for any candidate or political party." Candidates for political office may not be invited to campus to speak publicly or in classrooms about their campaigns or to promote their candidacy except that candidates may hold a press conference on campus to announce their candidacy. In addition, individuals or groups may sponsor political forums if they invite all candidates for an office or all sides of a political issue and if the purpose of the forum is informational or educational.

A3.11.4 Speech Limitations: Del Mar College permits and encourages the exercise of all constitutionally protected speech. Nevertheless, the College reserves the rights to deny, cancel, or postpone an invitation to a speaker or to terminate any ongoing speech activity as specified in A3.11.5. All speech activity is subject to the availability of the requested meeting place, and no speech activity will be permitted to interfere with the normal operations of the College. Any speech activity that requires College funds will be subject to the availability of those funds.

The College prohibits speech that advocates or reasonably appears to advocate (1) the violent overthrow of the government of the United States, the State, or any political subdivision thereof; (2) the willful destruction or seizure of the institution's buildings or other property; (3) the disruption or impairment by force of the institution's regularly scheduled classes or other educational functions; (4) the physical harm, coercion, intimidation, or other invasion of lawful rights of the administrative officials, faculty members, or students; and/or (5) other campus disorder of a violent nature.

A3.11.5 Sanctions and Enforcement: The Chief Executive Officer (CEO) of the College or designee may enforce sanctions (or appropriate disciplinary action under College policy) on speakers or anyone else who fails to comply with this procedure or these Board policies. Violators will be subject to the following sanctions: (1) an order to leave the premises of the meeting or event; (2) an order to leave all property owned or controlled by the institution on a temporary or permanent basis; and/or (3) arrest for criminal trespass or other legal action. The Chief Student Affairs Officer (CSAO), the Chief of Police, and the Chief Academic Officer (CAO) are designated as authorized representatives of the CEO for the purposes of enforcing the provisions of this policy.

B3.12 Disruptive Physical Activities: The Board of Regents authorizes the appropriate administrators to initiate measures to prohibit any person or persons from using or threatening to use physical force, or inflict physical harm which might tend to disrupt the operations of the College.

B3.12.1 Sanctuary: Del Mar College offers no sanctuary to any individual or group that advocates the initiation or use of physical force or physical activity that interferes with the orderly operation of any part of the institution.

B3.12.2 Action: By authority of the Board, the administration and officials of Del Mar College are directed to act, immediately and without hesitation, to expel any student and to eject from the campus and criminally prosecute any student or any other person guilty of such tactics.

B3.12.3 Speech Constituting "Harassment" or "Discrimination":

Speech or other activity constituting "harassment," "discrimination," or a "hostile environment," that is based on a person's protected classification, including race, color, national origin, citizenship or immigration status, religion, age, disability, sex, sexual orientation, gender identity, military status, or any other protected classification, violates the legal rights of others and Del Mar College is legally obligated to respond appropriately. The protections of Title VI of the Civil Rights Act of 1964 also encompass antisemitism and other forms of discrimination when based on shared ancestry or ethnic characteristics. For more information, please see: U.S. Department of Education Office for Civil Rights, Fact Sheet: Harassment based on Race, Color, or National Origin on School Campuses (July 2024); U.S. Department of Education Office for Civil Rights, Dear Colleague Letter: Protecting Students from Discrimination, such as Harassment, Based on Race, Color, or National Origin, including Shared Ancestry or Ethnic Characteristics (May 2024); Texas Executive Order GA-44 (March 2024); Texas Government Code Section 448.001 (definition of "antisemitism").

DEL MAR COLLEGE PRESENTS

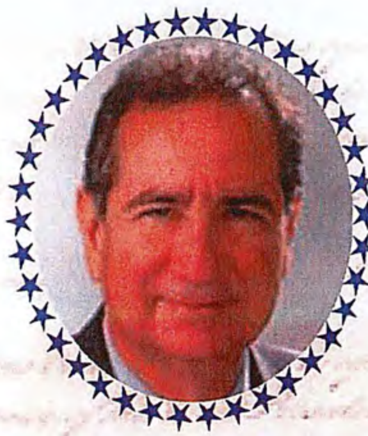
FREE SPEECH DAY

Oct. 20, 2022 • Retama Room, Harvin Center — Heritage Campus

Campus Speech

9:30 a.m.

KEYNOTE SPEAKER: Augustin Rivera Jr., General Counsel to Del Mar College



Freedom of the Press: A Cornerstone of Democracy Round Table

11 a.m.

Protecting Faculty Speech Panel

12:45 p.m.

ALSO FEATURING:

Tom Whitehurst
Longtime local journalist

Ana Tamez
Digital Director, KIII 3 News

Robert Muilenburg
Journalism professor, DMC

Jim Klein
Political Science professor, DMC

& OTHERS!

Presented by the Department of Social Sciences and Department of Communications, Languages and Reading