

Del Mar College

Fiscal Year 2021 Annual Internal Audit Report

August 31, 2021

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I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit information on Internet Web site

Texas Government Code, Section 2102.015 requires state agencies and higher education institutions, as defined in the statute, to post their Internal Audit Plan, Internal Audit Annual Report, and other audit information on the Internet.

The Del Mar College (Del Mar or the College) will post this report and its 2022 Internal Audit Plan on its website at www.delmar.edu on or before November 1, 2021. Del Mar College's Board of Regents reviewed and approved the Annual Internal Audit Report as part of their meeting held on October 5, 2021.

Del Mar will update its posting with a detailed summary of the weaknesses, deficiencies, wrongdoings or other concerns raised by performance of the audit plan as they are identified or by November 1, 2021. Del Mar will also update the posting with the corrective action taken to address the weaknesses, deficiencies, wrongdoings or other concerns identified in the internal audits.

II. Internal Audit Plan for Fiscal Year 2021

The internal audits planned and performed for Fiscal Year 2021 were selected to focus on follow-up procedures and closing internal audit findings identified in prior years' reports.

Internal Audit	Report #	Report Date	Current Status
Internal Audit Advising over Grant Administration	01-2021	NA	Due to the combination of the campus closure from the COVID-19 pandemic, and management's focus on remediation efforts from prior audits, the internal audit advising procedures were cancelled.
Internal Audit Advising over College Policies	02-2021	NA	Results from the audit advisory procedures were provided to the Board during the October 13, 2020 Board Workshop.
Internal Audit Follow-Up over Grants Management	03-2021	February 10, 2021	The report was issued February 12, 2021. Follow-up procedures to verify that corrective action has been implemented for the remaining open findings will be included in the 2022 Internal Audit Plan
Internal Audit Follow-up over Student Services	04-2021	July 29, 2021	The report was issued July 29, 2021. Follow-up procedures to verify that corrective action has been implemented for the remaining open findings will be included in the 2022 Internal Audit Plan.
Internal Audit Follow-Up over Admissions / Registrar	05-2021	NA	Due to the timing of the remediation efforts for the College, these follow-up procedures have been postponed and will be included in the 2022 Internal Audit Plan.
Internal Audit Follow-Up on IT General Controls	06-2021	NA	Due to the College working with other vendors for the remediation of findings from the IT General Controls audit and the focus on implementing the College's new ERP system, these follow-up procedures were cancelled.
Internal Audit Follow-up over Human Resources	07-2021	February 24, 2021	The report was issued June 7, 2021. As a result of the follow-up procedures, all findings were identified to be remediated or were closed by management.

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Internal Audit Follow-Up over Purchasing	08-2021	June 7, 2021	<p>The report was issued June 7, 2021.</p> <p>As a result of the follow-up procedures, all findings were identified to be remediated or were closed by management.</p>
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The College's rules and policies for the purchasing of goods and services were assessed during the Follow-up Internal Audit of the Purchasing Processes, which was conducted in FY21 and issued on June 7, 2021, and determined to be in compliance with the requirements identified within Texas Education Code, Section 51.9337.

III. Consulting Services and Nonaudit Services Completed

As defined in the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and the Government Auditing Standards, 2018 Revision, Sections 3.64 – 3.106, Weaver performed consulting services related to College policies. The summary of those services are included in the table as part of section II of this report.

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IV. External Quality Assurance Review

In accordance with professional standards, and to meet the requirements of the Texas Internal Auditing Act, Internal Audit is required to undergo an external quality assurance review at least once every three years. Weaver's review was performed in October 2019.



Report on Firm's System of Quality Control

October 16, 2019

To the Partners of Weaver and Tidwell, L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].)

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

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Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Weaver and Tidwell, L.L.P. has received a peer review rating of pass.



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V. Internal Audit Plan for Fiscal Year 2022

The Internal Audit Plan for fiscal year 2022 will be developed as part of the risk assessment process for the College. The College performed an entity-side facilitated risk assessment in 2015, and has reviewed and updated that risk assessment annually. As part of the fiscal year 2022 audit plan, the College will conduct an entity-wide risk assessment in October of 2022. The results of that risk assessment will be utilized to develop an internal audit plan. Once the plan is developed and approved by the Colleges Board of Regents, it will be posted to the College's website and provided to the SAO, LBB and Governor's office.

VI. External Audit Services Procured in Fiscal Year 2021

Del Mar College engaged Collier, Johnson & Woods, P.C., a certified public accounting firm, during Fiscal Year 2021 as its external auditors.

VIII. Reporting Suspected Fraud and Abuse

To ensure compliance with Article IX, Section 7.09, the General Appropriations Act (86th Legislature) and for the coordination of investigations to ensure compliance with Texas Government Code, Section 321.022, employees are encouraged to report suspected fraud, waste and abuse involving state resources to College Management or directly to the SAO at <https://sao.fraud.state.tx.us/hotline.aspx>.

If the President of the College believes that any money received from the state is lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the College, the President, or their designee will report the reason and basis for that belief to the State Auditor's Office. If any investigation is deemed necessary, the President and College staff will coordinate the investigation with the State Auditor's Office.