DEL MAR COLLEGE
OFFICE OF THE PRESIDENT

August 22, 2025

NOTICE OF COMMITTEE MEETING

The Called Meeting of the Audit Committee of the Del Mar College District Board of Regents will convene at **1:15 p.m., August 26, 2025,** at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas.

CALL TO ORDER
QUORUM CALL
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
DMC VISION STATEMENT: *Del Mar College empowers our communities to achieve their dreams.*

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)

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ITEMS FOR DISCUSSION AND POSSIBLE ACTION…Mr. Rudy Garza Jr., Chair

1. Approval of Minutes:
   Called Audit Committee Meeting, April 30, 2025
   (I: Communicate, Goal 2: Connect beyond the College)

2. Discussion and possible action regarding the College's Internal Audit Activity including: FY25 Internal Audit status for Financial Aid; Maintenance, and follow-up internal audit report for IT Security; FY25 Annual Report; FY26 Proposed Audit Plan
   (II Elevate, Goal 2: Maximize resources entrusted to the College)

3. CLOSED SESSION pursuant to:

   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/or the seeking of legal advice from counsel on pending legal or contemplated matters or claims, or other legal matters.

ADJOURNMENT

PUBLIC NOTICE is given that the Audit Committee 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

MINUTES OF THE CALLED MEETING
OF THE AD HOC AUDIT COMMITTEE
OF THE BOARD OF REGENTS OF THE DEL MAR COLLEGE DISTRICT

April 30, 2025

The Ad Hoc Audit Committee Meeting of the Del Mar College District Board of Regents convened at the Center for Economic Development, 3209 S. Staples, Room 106, Corpus Christi, Texas, at 2:30 p.m. on Thursday, April 30, 2025, with the following present:

From the Board:

Present: Mr. Carl E. Crull, Mr. Rudy Garza, Jr., and Mr. David Loeb.

NOTE: Regent Carol Scott joined the meeting at 2:40 p.m.

From the College:

Dr. Mark Escamilla, President and CEO; Mr. Raul Garcia, Vice President and CFO; Ms. Tammy McDonald, Vice President of Administration and Human Resources; Mr. Augustin Rivera, Jr., General Counsel; and Delia Perez, Director of CEO Office and Board Relations, and other staff and faculty.

CALL TO ORDER QUORUM CALL/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE/VISION STATEMENT

Chair Garza called the meeting to order with a quorum present. He requested a moment of silence followed by the Pledge of Allegiance and Del Mar College Vision Statement.

GENERAL PUBLIC COMMENTS – The public was given the opportunity to provide public comments (both general and specific to any agenda item).

There were no public comments.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION:

1. Approval of Minutes:
   Called Audit Committee Meeting, September 26, 2024
   (I: Communicate, Goal 2: Connect beyond the College)

   Regent Crull made a motion to approve the September 26, 2024, Called Audit Committee Meeting Minutes. Regent Garza seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken, and the motion carried unanimously 3-0, amongst Regents present, with Regents Crull, Garza, and Loeb in favor.

2. Discussion and possible action regarding the College's Internal Audit Activity including: FY 25 Plan status; Internal audit reports for SB 17; and Bursar and Accounts Payable & Disbursements
(II Elevate, Goal 2: Maximize resources entrusted to the College)

Mr. Dan Graves from Weaver provided the status of the 2025 Internal Audit Plan which includes SB 17 compliance, financial aid and maintenance audits, bursar's office report, accounts payable and disbursements, and information security.

Mr. Graves stated the SB 17 Compliance Audit is complete. The audit focused on compliance with Senate Bill 17 which is related to diversity, equity, and inclusion restrictions and codified in the Texas Education Code. He worked with college administration, reviewed documentation, and reviewed testing documents. The report detailing the audit will be presented in Closed Session.

He provided details of the following audits:

The Financial Aid audit is in progress. A previous audit was conducted in 2015. The current audit focused on testing and confirming knowledge from the prior audit, specifically focusing on key IT systems and covering institutional, local, state, and federal financial aid.

The Maintenance audit is in the planning phase and scheduled to start in the spring. The potential areas include facilities maintenance, construction and repairs, tools and supplies, custodial grounds, and deferred maintenance. The detailed scope and objectives are still under development in coordination with management.

Mr. Graves provided follow-ups to the following areas:

The audit of the Bursar's Office is complete and out of the original six findings, four have been remediated, one was closed due to a change in circumstances, and one is partially remediated related to a secondary review of tuition waivers.

The audit of Accounts Payable and Disbursements is complete and of the original five findings, one is still open and pending policy decisions, two are partially remediated regarding policy updates and reviews, and two are remediated.

The audit of Information Security has begun with the IT Department and is in the planning and coordinating stage. Procedures will be performed in the spring.

Mr. Graves advised the Committee that the Annual Report and Risk Assessment updates are scheduled for July/August and quarterly reports will also be presented to the Committee.

The Committee had an in-depth discussion.

Mr. Graves, and Dr. Escamilla responded to questions.

At 2:49 p.m., the Chair announced that the Board was going into Closed Session pursuant to:

3. CLOSED SESSION pursuant to:

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/or the seeking of legal advice from counsel on pending legal or contemplated matters or claims, or other legal matters.

The Audit Committee reconvened in Open Session at 3:23 p.m. with the following action:

> Regent Crull made a motion to accept the Audit Report from Mr. Graves and that the report be presented to the full Board of Regents. Regent Loeb seconded the motion. There was no further discussion from the Board. There were no public comments. A voice vote was taken, and the motion carried unanimously 4-0, amongst Regents present, with Regents Crull, Garza, Loeb, and Scott in favor.

General Counsel provided commentary regarding the Audit Committee charter.

ADJOURNMENT: The meeting was adjourned at 3:25 p.m.

MINUTES REVIEWED BY GC: /s/ARjr

Item 2

Del Mar College

Internal Audit Status Report to the Audit Committee

August 26, 2025

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2025 IA Update

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2025 Internal Audit Plan Status

- Senate Bill 17 Compliance: Complete
- Financial Aid: Expected to be complete by 8/31
- Maintenance: October 2025

- Bursar's Office Follow-up: Complete
- Accounts Payable and Disbursements Follow-up: Complete
- Information Security Follow-up: Complete

Internal Audit over Financial Aid

Scope

- This internal audit is focused on the design and effectiveness of Del Mar College's (DMC's) Financial Aid processes. The scope *Institutional (Fellowships), *Local, *State, and *Federal Financial Aid.

Objectives

- We are confirming that the processes in place have controls to address the relevant key risks.
- We are performing testing of controls and compliance for the significant activities in the financial aid processes. These procedures primarily focus on the compliance activities and procedures in the federal single audit guidance.
- We are also reviewing user access within key IT systems for financial aid to ensure access is restricted to appropriate individuals and appropriate levels.

Status

- Fieldwork has been delayed by higher than anticipated activity in the Freedom to Dream initiative
- Testing is expected to be complete by August 31

Internal Audit over Maintenance

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Scope

- This internal audit will be focused on the design and effectiveness of Del Mar College's (DMC's) Maintenance processes to ensure internal controls are appropriately designed and procedures are efficiently and effectively performed. The audit will include the following activities:
  - Facilities Maintenance
  - Construction and Repairs
  - Grounds Maintenance
  - Deferred Maintenance
- The following processes will not be included:
  - Tools and Supplies
  - Custodial

Internal Audit over Maintenance

Objectives

1. Determine whether annual maintenance plans are completed and verify that the annual maintenance plans are monitored to prioritize critical maintenance to avoid increasing items in the deferred maintenance listing.

2. Determine whether unscheduled maintenance items are resolved effectively and in a timely manner.

3. Determine whether planning and budgeting for annual maintenance, capital projects and addressing deferred maintenance are integrated to effectively manage and monitor overall facilities for the College.

Information Security Follow-Ups

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Scope

- This internal audit is focused on the follow-up procedures to validate that corrective action has been taken to remediate the one remaining open issue identified in the Internal Audit over Information Security.

Status

- All fieldwork and reporting is complete. All issues from the Information Security audit have been remediated.

Risk Assessment and Annual Report

Procedures to update the risk assessment and develop the FY 2026 internal audit plan are in progress. Considerations for the 2026 plan will include:

- Updated risk profile
- Internal audit history
- Emerging risks

The FY 2025 annual internal audit report has been drafted. Upon completion of the FY 2026 internal audit plan, we will present it to the Board for approval.

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Discussion

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