

**AUDIT COMMITTEE
OF THE BOARD OF TRUSTEES
HOUSTON COMMUNITY COLLEGE**

February 9, 2017

Minutes

The Audit Committee of the Board of Trustees of Houston Community College held a meeting on Thursday, February 9, 2017 at the HCC Administration Building, Second Floor Auditorium, 3100 Main, Houston, Texas.

Members Present

Christopher Oliver, Committee Chair
Robert Glaser, Committee Member
Neeta Sane, Committee Member
Dave Wilson, Alternate Committee Member
Zeph Capo
Carolyn Evans-Shabazz
John P. Hansen
Eva Loreda
Adriana Tamez

Administration

Cesar Maldonado, Chancellor
Melissa Gonzalez, Vice Chancellor/Chief of Staff
Ashley Smith, General Counsel
Teri Zamora, Senior Vice Chancellor, Finance and Administration
Stephen Levey for Kimberly Beatty Vice Chancellor, Instructional Services/Chief Academic Officer
Athos Brewer, Vice Chancellor, Student Services
Madeline Burillo, President, Southwest College
Margaret Ford Fisher, President, Northeast College
Muddassir Siddiqi, President, Central College
Zachary Hodges, President, Northwest College
Phillip Nicotera, President, Coleman College
Irene Porcarello, President, Southeast College
Janet May, Chief Human Resources Officer
Deborah Chambers, Interim Executive Director, HCC Foundation
Terrance Corrigan, Director, Internal Audit

Others Present

Jarvis Hollingsworth, Board Counsel, Bracewell LLP
Mellissa Miller-Waters, President, Faculty Senate
Other administrators, citizens, and representatives from the news media

CALL TO ORDER

Mr. Robert Glaser, Committee Member, called the meeting to order at 3:04 p.m. and declared the Board convened to consider matters pertaining to Houston Community College as listed on the duly posted Meeting Notice.

(The following Trustees were present: Capo, Evans-Shabazz, Glaser, Loredo, Hansen, Sane, and Tamez)

TOPICS FOR DISCUSSION AND/OR ACTION

REPORT ON FY 2017 INTERNAL AUDIT PLAN

Dr. Maldonado noted that Mr. Terrance Corrigan would provide an update on the Internal Audit Plan.

Mr. Corrigan provided an updated to include the following:

- Staffing Update
- Staffing Highlights
- Internal Audit Department Organization Chart
- FY 2017 Audit Plan Status Report Issued Report Summary: 15-12 Human Resources Operations
- FY 2017 Audit Plan Status Report – Details Summary

Ms. Loredo noted it was good news to see the department staffing complete.

PROPOSED CHANGES - FY 2017 INTERNAL AUDIT PLAN

Motion: Mrs. Sane motioned and Mr. Glaser seconded.

Dr. Maldonado noted that Mr. Corrigan would provide a report on the proposed changes to the FY 2017 Internal Audit Plan.

(Mr. Oliver joined the meeting at 3:10 p.m.)

(Mr. Wilson joined the meeting at 3:11 p.m.)

Mr. Corrigan provided the following proposed changes:

- 17-1 Procurement Contracting
 - Internal Control Framework is at the Initial/Repeatable level
 - Propose splitting the project into two projects
 - 17-1-1 Legal Policy Compliance
 - 17-1-2 Contracting Control Self-Assessment Advisory Services

Mr. Glaser inquired if this was pertaining to compliance. Mr. Corrigan noted legal policy compliance would be in the first project. Dr. Maldonado clarified that the audit was regarding compliance and not compliance management.

Mrs. Sane inquired what would be the difference from the previous years and what are the achieving goals. Mr. Corrigan noted that when completed the Procurement Department will have formal a documented processes with flowcharts, risk assessment, and documentation on risk mitigation.

Mr. Oliver inquired of the name of the external auditors and the duration of the contract. Mr. Corrigan informed that Grant Thornton is the current auditor and noted the firm is in its third year of a five-year contract.

(Dr. Evans-Shabazz stepped out at 3:16 p.m.)

Mr. Oliver inquired as to what prompted the changes. Mr. Corrigan noted the effort was to be proactive in adjusting the audit plan according to the maturity of the process.

Mr. Corrigan continued with the proposed changes to include:

- 17-2 Procurement – Third Party Relationships/Vendor Set-up
 - Third party relationships audit be focused on IT service organizations that provide IT outsourcing services, which impact the control environment managed by the IT department
 - Proposing the originally planned project be split into two projects:
 - 17-2-1 Vendor Set-up
 - 17-2-2 Third Party Relationships

Mr. Glaser inquired if there has been an audit of the procurement department since Mr. Corrigan's arrival. Mr. Corrigan noted there has not. Mr. Glaser inquired if the item is for auditors to work with management to clarify procedures and documentation for a proper audit format. Mr. Corrigan concurred that was the purpose and that auditing would not own the process but would facilitate the documentation of the process for procurement to own the process.

Mr. Corrigan noted the second proposed change is splitting the project into two projects.

Vote: Motion passed with a vote of 3-0.

(Dr. Evans-Shabazz returned at 3:22 p.m.)

REPORT ON QUARTERLY CONTROL AND COMPLIANCE ATTESTATION

Dr. Maldonado noted the quarterly attestation letter was being presented and opened the floor for questions.

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Mr. Glaser inquired on the timeframe and the goal for setting up a compliance department. Dr. Maldonado noted Mr. Ashley Smith, General Counsel would provide an update.

Mr. Smith noted the job description for a Compliance Officer is complete and noted the focus is on training, internal oversight, and enforcement. He noted the individual serving as Officer of Compliance is providing information on how to proceed.

Mr. Oliver inquired as to the timeline for hiring the Compliance Officer. Mr. Smith noted the job posting would be next week.

Mr. Glaser inquired if the staff is in place to continue with the compliance activities. Mr. Smith noted staff is in place. He added he is considering reaching out to the various divisions familiar with their regulations to review and make recommendations and assist with hastening the process.

Dr. Maldonado noted that by adopting TASB recommendations, it has saved time and the updates describing the changes makes it easy to focus on the policies. He added there would be someone to facilitate the regulation of the policies similar to other departments.

Mr. Oliver inquired whom will the Compliance Officer report to. Mr. Smith apprised the position would report to General Counsel.

ADJOURNMENT

With no further business coming before the Board, the meeting adjourned at 3:30 p.m.

Minutes submitted by Sharon Wright, Director, Board Services

Minutes Approved as Submitted: April 20, 2017