

# **Blinn College**

Fiscal Year 2023 Annual Internal Audit Report  
August 31, 2023

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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.

Blinn College (Blinn or College) will post this report and its Fiscal Year 2024 Internal Audit Plan on its website at <https://www.blinn.edu>. Blinn's Board reviewed and approved the Annual Internal Audit Report as part of their regular meeting held on August 15, 2023. In accordance with Texas Government Code, Section 2102.015, Blinn will post the Annual Internal Audit Report and Fiscal Year 2024 Internal Audit Plan on its website within 30 days of the Board's approval.

Blinn 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. Blinn will also update the posting with the corrective action taken to address any issues identified.

### II. Internal Audit Plan for Fiscal Year 2023

The internal audits planned and performed for fiscal year 2023 were selected to address the college's open internal audit findings and significant processes that have not been previously audited. The audits conducted during fiscal year 2022 are listed below.

Internal Audit	Report Date	Current Status
Campus Operations	January 20, 2023	<b>Complete</b> Follow-up procedures to verify that corrective action has been performed on the remaining open findings are included in the proposed 2024 Internal Audit Plan.
Database Administration / ERP	July 21, 2023	<b>Complete</b> Follow-up procedures to verify that corrective action has been performed on the remaining open findings are included in the proposed 2024 Internal Audit Plan.
Prior Years' Follow-up	July 21, 2023	<b>Complete</b> We performed follow-up procedures on prior years' internal audits including Student Accounting and Financial Aid, Safety and Security, Admissions and Registrar, Facilities and Maintenance.
Prior Years' Follow-up	July 21, 2023	<b>Complete</b> We performed follow-up procedures on prior years' internal audits including Information Technology Services, and Cybersecurity.

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### 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 completed the following consulting and non-audit services for FY 2023.

Internal Audit provided consulting with Blinn Management over grant management procedures and revenue. Consulting including updating the grants management manual and modifying procedures in the grants management process.

Internal Audit	Report Date	Current Status
Revenue and Grant Management	April 28, 2023	<p><b>Complete</b></p> <p>Updated the College's grant management manual in order to assist with remediating findings related to the grant management internal audit. We will perform follow-up procedures in fiscal year 2024.</p>

### 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 September 2022.



#### Report on Firm's System of Quality Control

September 19, 2022

To the Partners of Weaver & 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 & Tidwell, L.L.P. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. 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).

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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](http://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 and compliance with the firm's system of quality control 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, 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.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Weaver & Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, 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 & Tidwell, L.L.P. has received a peer review rating of *pass*.



Eide Bailly LLP

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### V. Internal Audit Plan

The Internal Audit Plan was submitted to the Blinn Board of Trustees. The Board approved the plan on August 15, 2023. Below is the Fiscal Year 2024 Internal Audit Plan submitted to the College's Board based on the results of the 2023 Internal Audit Risk Assessment update.

Fiscal Year 2024 Internal Audit Plan		
Audit Area	Risk Rating	Estimated Hours
Application Selection / Development	High	320
Purchasing / Purchase Cards	Moderate	320
Cash Management and Cashiering	Moderate	300

Planned follow-up procedures for fiscal year 2024 to verify and communicate with Management the remediation efforts of prior Internal Audit Recommendations.

Fiscal Year 2024 Follow-up Procedures		
Audit Area	Risk Rating	Estimated Hours
Database Administration	High	30
Cybersecurity	High	30
Information Technology Services	High	10
Grant Management	Moderate	40
Admissions and Registrar	High	10
Safety and Security	High	10
Facilities and Maintenance	High	10
Campus Operations	High	80

As part of the risk assessment, Blinn assesses the probability and impact of the following risk categories across all significant activities of the agency, which include the information technology risks and considerations related to Title 1, Texas Administrative Code, Chapter 202:

- financial stability and fraud risk
- operational, compliance, and human capital risk
- student experience risk
- information technology risk
- reputational risk

Taking into consideration the input from Blinn management, all significant activities are assigned a risk rating for probability and impact related to each risk category. The overall risk rating (High, Moderate or Low) is assigned to each significant activity based on the activity's average risk rating.

The internal audit plan is developed by considering risk ratings for each significant activity and prioritizing "High" risk activities. The risk assessment is updated on an annual basis.

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The 2024 Internal Audit Risk Assessment resulted in 13 Significant Activities rated as “High” risk. Four of these significant activities are not included in the Fiscal Year 2024 Internal Audit Plan. Those activities are as follows:

1. Disaster Recovery/Business Continuity
2. Executive Office
3. Student Accounting
4. Financial Aid

### **VI. External Audit Services Procured in FY 2023**

Blinn procured external audit services from Lott, Vernon & Company, P.C. for the audit of the fiscal year 2023 annual financial statements.

### **VII. Reporting Suspected Fraud, Waste and Abuse**

Blinn has provided instructions on reporting suspected fraud, waste, and abuse to the State Auditor's Office (SAO) on the agency's website. The instructions include the SAO Hotline phone number and a link to the SAO Fraud Reporting page. Additionally, Blinn has developed a Fraud Prevention Policy which includes information for reporting suspected fraud, waste, and abuse to the SAO.

If the Chancellor 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 Chancellor, 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 Chancellor and College staff will coordinate the investigation with the State Auditor's Office.