



**Governing Board Study Session  
Audit Review  
Executive Summary**

**September 5, 2017**

**Location: District Office C-105**

**Time: 5:00 p.m.**

Completed By:  
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## **Study Session Executive Summary – Audit Results**

The Office of the Internal Auditor Executive Summary is designed to provide a brief overview of audit results for audit projects completed in FY 2016/2017. Selected conditions (findings) and an overall audit conclusion for the audit reports to be reviewed during the Governing Board Study Session are listed below to aid the Governing Board in review and discussion. Please note that the final Office of the Internal Auditor audit reports were provided for Governing Board review prior to the Study Session and contain additional detailed audit information.

The Office of the Internal Auditor audit reports to be reviewed at the Study Session are the following: Automotive Audit; Intercollegiate Athletics Follow-Up Audit; Clery Act Compliance; Center for International Education and Global Engagement Follow-Up Audit; Aviation Center Controls Follow-Up Audit. Please note that two audit reports will be reviewed in Executive Session, Information Technology: Data Security, Cybersecurity Training & Business Continuity Planning Follow-Up Audit Report (Confidential) and Health Insurance Portability and Accountability Act (HIPAA) Data Security Follow-Up Audit Report (Confidential).

### **1. Automotive Audit**

#### **Conditions (Findings)**

- Automotive Building physical security access control issues.
- A complete and current Automotive Program inventory listing is not available.
- Student job placement rates and trending analysis processes have not been developed for all Automotive Program students resulting in complete data for identifying trends and employment expectations.

#### **Overall Conclusion and Recommendations:**

Automotive Program Administration should continue their efforts to fully address all findings by completing management corrective actions plans or identifying alternative solutions to fully address the findings. A full inventory of all Automotive Program inventory items should be generated and inventory accurately maintained and updated. A process to ensure job placement rates and trending analysis should be performed for all Automotive Program students and consider working with College Institutional Research and Career Services to develop a new process.

### **2. Intercollegiate Athletics Follow-Up Audit**

#### **Conditions (Findings)**

- Athletic donations internal control weaknesses continue to exist, including segregation of financial duties and significant delays in depositing donation checks.
- NJCAA compliance violations occurred during the spring 2016 semester due to coaches not following NJCAA procedures placing the College at risk
- Game receipt cash handling controls are not fully implemented resulting in delays in depositing game day funds and unidentified cash found in the Athletics cash safe.
- Archived student records going back decades were found to be accessible to unauthorized individuals placing former students at risk for identifying theft. Also, the College is in non-compliance with College and state records retention requirements.

### Overall Conclusion and Recommendations:

The Office of the Internal Auditor found that significant internal control weaknesses continue to exist within Intercollegiate Athletics. There was little evidence of a strong compliance culture within the Athletics organization. Developing a strong compliance culture will take substantial efforts by Athletics management and staff, and input and oversight by senior administration to improve current practices, compliance and audit results. Athletics management did not begin implementation of critical elements of their Management Corrective Action Plans until after the follow-up audit began, resulting in delays and increased risk to the College. Much work remains to remediate the open Athletics issues. It is important that senior management periodically monitors and evaluates how progress is being made to improve the effectiveness of the Athletics organization overall.

### 3. Clery Compliance

#### Conditions (Findings)

- Campus Security Authorities Clery Act Training is substantially complete. Of the 302 College employees identified as Campus Security Authorities for 2016 78% completed their training.
- The Campus Emergency Contact List is substantially complete.
- CSA Crime Survey Reporting 124 out of 302 (41%) of College employees designated as CSAs in 2016 responded to the CSA Crime Survey sent by the Clery Compliance Officer.

### Overall Conclusions and Recommendations:

The Office of the Internal Auditor recommends the PCC Police Commander and Clery Compliance Officer continue to work diligently to implement plans to ensure that all (100%) of College CSAs complete their CSA training and respond to the CSA Crime Survey in 2017. PCC administration should ensure the “red book” procedures are included in the College Emergency Response Plan.

### 4. Center for International Education and Global Engagement Follow-Up Audit

#### Conditions (Findings)

- The College’s agreement for the Becalos program was of most concern. The Becalos Program is an agreement between the College and Mexican organizations to provide Mexican student’s exposure to United States Culture, Science, Technology, Engineering and Mathematics (STEM) disciplines and English as a Second Language. The written proposal for fall 2016 semester was not reviewed by College General Counsel thus increasing risk of liability, exposure, and reputational issues for terms and conditions and responsibilities not addressed in the agreement. The Vice President for International Development signed the agreement on behalf of the College; current College policies and procedures do not delegate authority to the VPID to sign such agreements.

#### Overall Conclusions and Recommendations:

Management and staff have and continue to work diligently to address conditions. CIEGE leadership should work with General Counsel to develop a standard template to use with future Becalos agreements to streamline the process and ensure the necessary terms and conditions are included to limit the College's liability exposure.

#### **5. Aviation Controls Follow-Up Audit**

##### Conditions (Findings)

- Comprehensive cash handling procedures for supplemental income for fees charged by faculty for FAA certification examinations has not been fully-addressed. A committee of stakeholders was established in January 2017 to develop cash handling procedures and new payment processes.
- Aviation Center building physical access issues.

#### Overall Conclusions and Recommendations:

The new Aviation Academic Director and Dean, Business, Occupational and Professional Programs are working diligently to address findings as they were not involved in prior audits. Overall, two of six audit findings are not fully addressed; however substantial progress has been made.

#### **Executive Session:**

The following Office of the Internal Auditor audit reports will be reviewed in Executive Session during the Study Session.

#### **6. Information Technology: Data Security, Cybersecurity Training & Business Continuity Planning Follow-Up Audit Report (Confidential), and**

#### **7. Health Insurance Portability and Accountability Act (HIPAA) Data Security Follow-Up Audit Report (Confidential)**