



Internal Audit Engagement Plan & Risk Assessment
Fiscal Year 2025

Dallas College Internal Audit Department

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INTERNAL AUDITING STANDARD – INTERNAL AUDIT PLAN

The chief audit executive must base the internal audit plan on a documented assessment of the organization's strategies, objectives, and risks. This assessment must be informed by input from the board and senior management as well as the chief audit executive's understanding of the organization's governance, risk management, and control processes. The assessment must be performed at least annually.

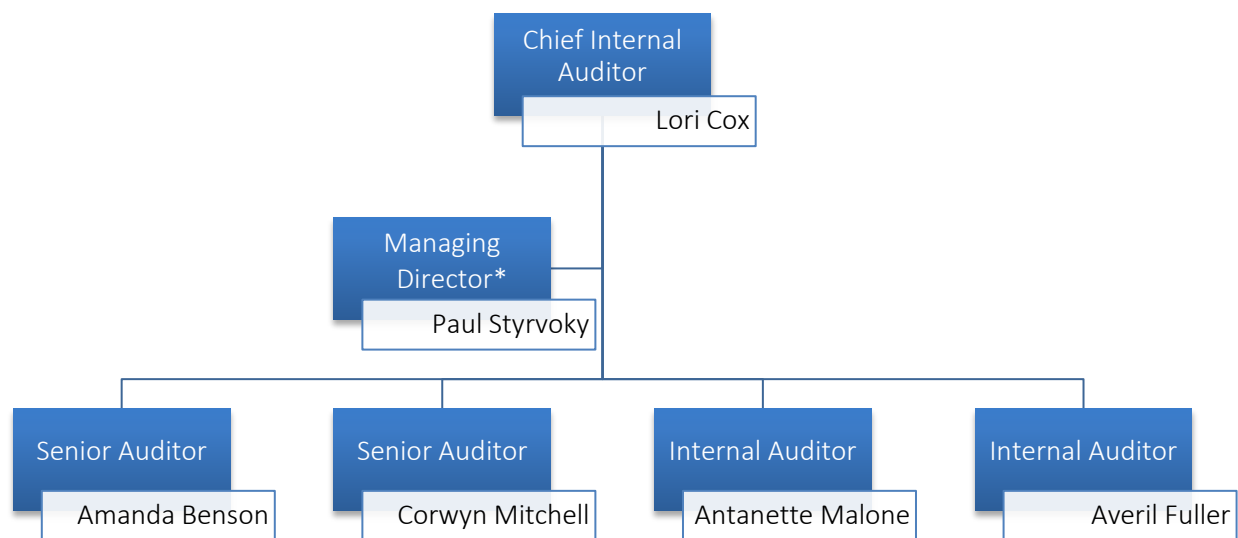
PURPOSE STATEMENT

Internal auditing strengthens the College's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the College's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

INTERNAL AUDIT DEPARTMENT (IAD) STRUCTURE



**{Note: Staff report to Managing Director on a project basis.}*

RISK

A risk is the effect of an event or exposure on the achievement of objectives.

RISK ASSESSMENT

A risk assessment involves the identification and analysis of risks relevant to the achievement of an organization's objectives. The significance of risks is typically assessed in terms of impact and likelihood.

The IAD's risk assessment is designed to identify relevant risks (issue, situation, process, etc.) that could impact the achievement of the College's goals, operational objectives, and strategic priorities, and to help determine how risks should be managed. Primarily, risks are assessed to:

- Identify vulnerable areas within a unit/department – or for the College as a whole – that may need modifications.
- Direct resources effectively; too much time may be spent on processes that do not need much attention while 'riskier' processes are lacking attention.
- Communicate risks and help to identify where issues may arise.

The IAD's Risk Assessment is the primary source of information in developing the Engagement Plan. The risk assessment process is a continual effort to remain informed of emerging risks, initiatives, and opportunities to work with the College to help manage risks, provide independent assurance, and advise on projects, implementations, and initiatives.

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RISK ASSESSMENT PROCESS OVERVIEW

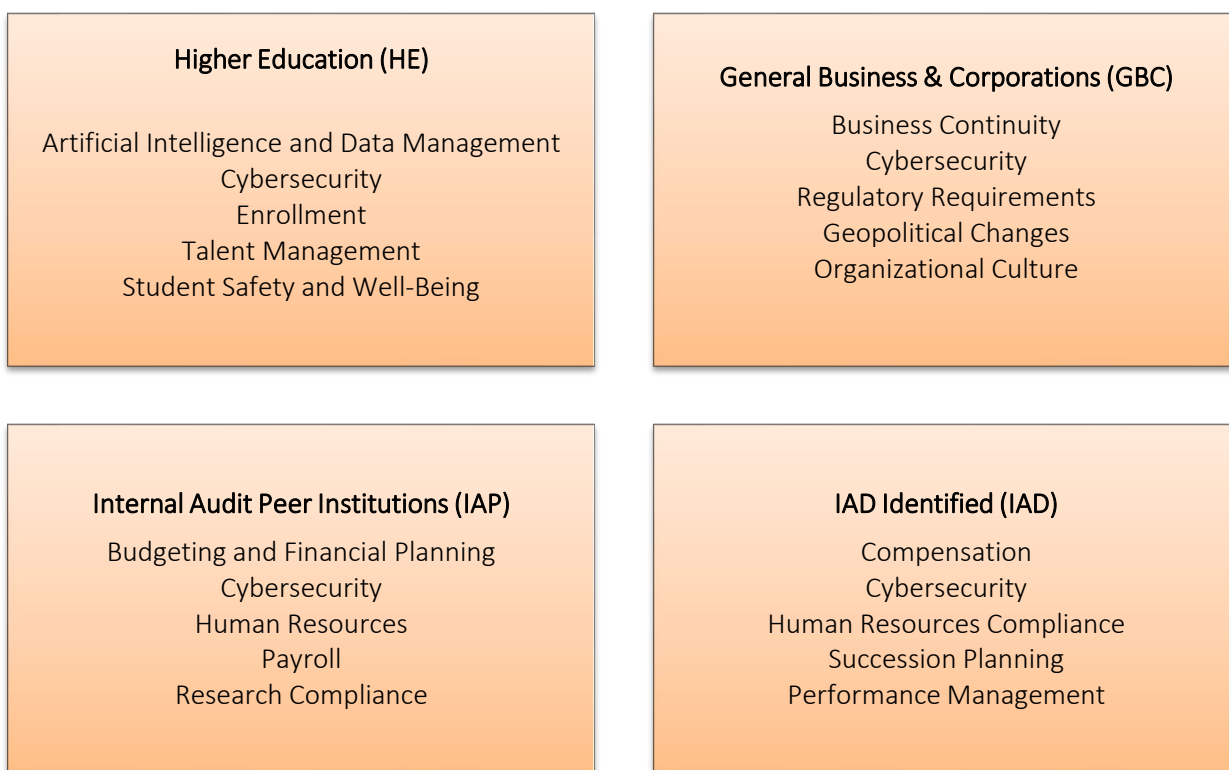


The IAD's risk assessment and audit plan supports the College's commitment to the following Board of Trustees' defined priorities:

- Strengthen the Career Connected Learner Network and Implement the Student-Centric One College Organization
- Streamline and Support Navigation to and Through Our College and Beyond
- Impact Income Disparity Throughout Our Community
- Foster a college environment of opportunity and belonging for all students, employees, and suppliers.
- Create a High-Performance Work and Learning Culture That Develops Leaders at All Levels, Increases Skill Proficiency, and Supports Collaboration and Equity
- Serve as the Primary Provider in the Talent Supply Chain Throughout the Region
- Leverage College Facilities, Land, Technology, Programs, Partnerships, and Other Capabilities to Strengthen and Build Our Communities and Workforce, Now and For the Future

IDENTIFY RISKS

To help ensure a full understanding of risks that may be relevant to the College, the IAD researched the top risks common to higher education, from general business and industry, and those identified by internal audit activities from peer institutions; the IAD also researched varied College information and reports (including exit interview documents). The top risks and areas of concern are identified below.



In addition, the IAD conducted workshops, meetings, and interviews with senior management, staff, and faculty to gain information to understand areas of risk or concern within the College. The chart that follows identifies the highest ranked areas from a broad perspective of the College's functions and areas.

IDENTIFY RISKS, CONTINUED

Highest Ranked Items – By Function/Area

ACADEMICS	Academic Compliance
	Data Governance
	Dual Credit Program/Early College High School
ADVANCEMENT & INNOVATION	Innovation and Business Strategy
	Workforce Education
BUSINESS CONTINUITY AND PUBLIC SAFETY	Business Continuity
	Emergency Preparedness
	Police Department (Operations)
COMPLIANCE AND RISK MANAGEMENT	Information Privacy & Security
FACILITIES	Construction
	Facilities Operations and Maintenance
	Hazardous Materials Management
	Space Management and Planning
FINANCE	Budget & Treasury
	Payroll
	Procurement Services
FOUNDATION AND GOVERNMENT RELATIONS	DC Foundation Fundraising Operations
	DC Foundation Scholarships
	Emergency Aid Fund (for students)
HUMAN RESOURCES	Compensation
	Human Resources Compliance (ADA, I-9, etc.)
	Talent Acquisition
INSTITUTIONAL EFFECTIVENESS & STRATEGY	Strategic Planning
INFORMATION TECHNOLOGY	Cybersecurity
MARKETING & COMMUNICATIONS	Brand Management
	DC Public Website
STUDENT SUCCESS	Enrollment Management
	Financial Aid
	Strategic Research and Analytics
	Success Coaching

MEASURING RISKS

The significance of risks is assessed based on impact, probability, and velocity.

- **Impact (I):** *The effect on the College and stakeholders if an event or exposure occurs or if the area is not functioning as intended.*
Impact can include lost revenue, increased expenses, fines, adverse publicity, sanctions, reputational damage, and reduced employee morale.
- **Probability (P):** *The likelihood a risk event occurs, or the area is not functioning as intended.*
Probability factors can include prior audit results, turnover, management and staff concerns, lack of internal monitoring and/or governance, operational and control weaknesses, and poor training.
- **Velocity (V):** *The pace at which the organization is expected to experience the impact of risk.*
The speed of regulatory enforcement action is an example of velocity. Velocity is measured as rapid, reasonable, or slow.

Area/Function/Risk						
PROBABILITY	Almost Certain				▪ Human Resources Compliance	
	Likely				▪ Cybersecurity* ▪ Data Governance ▪ DC Public Website ▪ Emergency Preparedness ▪ Information Privacy & Security* ▪ Payroll ▪ Space Management and Planning ▪ Success Coaching	
	Possible			▪ Foundation Scholarships	▪ Brand Management ▪ Budget & Treasury ▪ Compensation ▪ Construction ▪ DC Fundraising Operations ▪ Dual Credit Program/Early College High School ▪ Emergency Aid Fund (Students) ▪ Enrollment Management ▪ Facilities Operations and Maintenance ▪ Financial Aid ▪ Hazardous Materials Management ▪ Police Department (Operations) ▪ Procurement Services ▪ Strategic Research and Analytics ▪ Talent Acquisition ▪ Workforce Education	▪ Academic Compliance ▪ Business Continuity*
	Unlikely				▪ Innovation and Business Strategy ▪ Strategic Planning	
	Rare					
VELOCITY		Insignificant	Minor	Moderate	Major	Catastrophic
IMPACT						

* Areas of rapid velocity.

PRIORITIZE RISKS AND PLAN DEVELOPMENT

The areas/functions/risks below will be included in the FY25 engagement plan; items included in the plan met one or more of the following prioritization factors:

- (1) High ranked item with a risk rating of (a) catastrophic impact or (b) likely or almost certain probability.
- (2) Top risks common to higher education, general business and industry, peer institutions, or IAD identified items (from research of varied College information and reports).
- (3) Special requests or another high ranked item.
- (4) Regulatory, required, or on-going items.
- (5) Items moved from FY24 Engagement (Audit) Plan.

Area/Function/Risk	(1)	(2)	(3)	(4)	(5)
Artificial Intelligence		✓	✓		
Business Continuity (Includes Emergency Preparedness)	✓	✓			✓
Chancellors Performance Review			✓	✓	
Customer Service			✓		
Cybersecurity	✓	✓	✓		
DC Public Website	✓		✓		
Data Governance	✓	✓	✓		
Data Security & Privacy (Includes Information Security & Privacy)			✓		✓
Grant Compliance (select grants)		✓	✓	✓	
Human Resources Compliance	✓	✓	✓		
Leadership Accord			✓		
Payroll	✓	✓	✓		
Performance Management		✓			✓
Police Department (Operations)			✓		
Procurement	✓		✓		
Property Management			✓	✓	
Safety & Security		✓	✓	✓	
Senate Bill-17 Compliance		✓		✓	
Space Management and Planning	✓	✓	✓		
Success Coaching	✓		✓		
Travel (Student & Employee)			✓		

[NOTE: Academic Compliance not included in plan due to timing of department events and IAD resources.]

In addition, follow-up reviews will be performed for the following engagements completed in FY24:

- Construction
- Emergency Relief Fund
- Employee Recruitment & Retention
- Procurement (Third Party/Vendor Management)
- Professional Development
- Records Management & Retention
- Scholarship Compliance & Processes
- Student Care Network
- Workforce Planning & Staffing

ENGAGEMENT PLAN – FY 2024-2025

ENGAGEMENT TYPE	DESCRIPTION	TARGET FISCAL QUARTER
Audits/Continuous Engagements (Cont.) * <i>*Continuous Engagements (CE) - Broken down into separate focus areas, completed periodically, due to the size and scope of the function/department.</i>	Business Continuity	1 st
	Cyber Security*	Cont.
	Human Resources Compliance	1 st
	Payroll	3 rd
	Property Management*	Cont.
	Safety & Security*	Cont.
Special Reviews/Advising Engagements	Artificial Intelligence	2 nd
	Chancellor's Performance Review	4 th
	Data Governance	3 rd
	Data Security & Privacy	3 rd
	DC Public Website	2 nd
	Grant Compliance	3 rd
	Performance Management	4 th
	Police Department Operations	1 st
	Procurement	2 nd
	Senate Bill 17 Compliance	4 th
	Space Management & Planning	2 nd
	Success Coaching	2 nd
	Travel (Student & Employee)	2 nd
Follow-up Audit/Review	Construction	2 nd
	Emergency Relief Fund	2 nd
	Employee Recruitment & Retention	4 th
	Procurement (3 rd Party/Vendor Management)	4 th
	Professional Development	3 rd
	Records Management & Retention	3 rd
	Scholarship Compliance & Processes	4 th
	Student Care Network	3 rd
	Workforce Planning & Staffing	4 th
OTHER SERVICES, DUTIES, & SPECIAL PROJECTS		
Customer Service		
Leadership Accord		
Fraud Hotline Administration and Monitoring (On-Going)		
Investigations (As Needed)		
Workday Implementation Participation (On-Going)		

PLAN FLEXIBILITY

The Engagement Plan is subject to change due to new or emerging risks or priorities; management requests; and special investigations/reviews/advising services.

IAD HORIZONS

In addition to the activities outlined in the Engagement Plan, IAD development projects planned for the 2024/2025 fiscal year include:

- Fraud Hotline (New) Implementation
- Internal Audit Related Training for College Employees
- Implement New Internal Audit Standards and Requirements