

**AUDIT COMMITTEE MEETING OF THE BOARD OF TRUSTEES  
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
AND RICHLAND COLLEGIATE HIGH SCHOOL**

**District Office  
1601 South Lamar Street  
Dallas, TX 75215  
Lower Level, Room 007  
Tuesday, July 9, 2013  
1:30 PM**

**AGENDA**

- |   |                     |
|---|---------------------|
| I. Certification of posting of notice of meeting  | Dr. Wright Lassiter |
| II. Presentation of <i>Quarterly Summary of Internal Audit Activities for the Quarter Ended May 31, 2013</i> (as provided by Board of Trustees policy CDC-Local)<br><b>Committee action:</b> Review | Rafael Godinez      |
| III. Review of Chancellor's Travel<br><b>Committee Action:</b> No action required   | Susan Hall          |
| IV. Executive session   |                     |

The Board may conduct an executive session as authorized under §551.074 of the Texas Government Code to deliberate on personnel matters.

As provided by §551.072 of the Texas Government Code, the Board of Trustees may conduct an executive session to deliberate regarding real property since open deliberation would have a detrimental effect upon negotiations with a third person.

The Board may conduct an executive session under §551.071 of the Texas Government Code to seek the advice of its attorney and/or on a matter in which the duty of the attorneys under the Rules of Professional Conduct clearly conflict with the Open Meetings Act. The Board may seek or receive its attorney's advice on other legal matters during this executive session.

- V. Adjournment

**CERTIFICATION OF NOTICE POSTED  
FOR THE JULY 9, 2013  
AUDIT COMMITTEE MEETING OF THE  
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
AND RICHLAND COLLEGIATE HIGH SCHOOL  
BOARD OF TRUSTEES**

I, Wright L. Lassiter, Jr., Secretary of the Board of Trustees of the Dallas County Community College District, do certify that a copy of this notice was posted on the 5<sup>th</sup> day of July 2013, in a place convenient to the public in the District Office Administration Building, and a copy of this notice was provided on the 5<sup>th</sup> day of July 2013, to John F. Warren, County Clerk of Dallas County, Texas, and the notice was posted on the bulletin board at the George Allen, Sr. Courts Building, all as required by the Texas Government Code §551.054.



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Wright L. Lassiter, Jr., Secretary

**TO:** Audit Committee of the Board of Trustees

**FROM:** Rafael J. Godinez, CPA

**DATE:** June 18, 2013

**RE:** Quarterly Summary of Activities  
For the 3<sup>rd</sup> Quarter Ended May 31, 2013

The following is a summary of activities by the DCCCD Internal Audit Department since the Audit Committee meeting of April 2, 2013.

**AUDITS COMPLETED – Reports Issued**

**- Texas Workforce Commission Grants – Cedar Valley College**

This audit was a request from the President of Cedar Valley College to review the operations of the college's Community, Resource and Economic Development (CRED) team that manages and maintains the Texas Workforce Commission grants. At the time of the audit, CVC managed three skills development grants from the TWC – Solar Turbines, Technology Consortium, and Construction Consortium. The objective of the audit was to ensure compliance with TWC rules and regulations, District policies and procedures, and review the program used to track and report on grant activities to the TWC. There were no significant exceptions noted pertaining to grant compliance. However, we did make several recommendations for improving the monitoring, tracking and reporting of grant activities.

**- Non-Teaching Extra Service Contracts – District Wide**

The purpose of the audit was to review payments (stipends) to employees for activities other than their primary work duties. The scope of the audit included stipends from the Spring, Summer and Fall 2012 semesters. The stipends tested included Overtime (time and one half), Straight Time over 40 hours per week, Miscellaneous, Non-Teaching, Special, and Substitute Teaching stipends. The objectives of the audit were to ensure compliance with District policies and procedures pertaining to stipend pay, and to ensure sufficient and adequate documentation existed supporting the stipends. There were no significant findings noted as a result of the audit. However, we noted and recommended that all colleges and District locations consistently scan on a timely manner all stipend documentation into the PaperWise system in order to ensure the adequate retention of required records.

**- Inventory of Fixed Assets - District Wide**

This was the annual audit of the District's fixed assets inventory system. All property and equipment with a value of \$1,000 or more is assigned a specific bar code number and input into the inventory system. The purpose of the audit is to ensure that assets are safeguarded against theft and to determine that the inventory records accurately reflect the physical assets at each college and location. A sample of 25 items from the asset listings for each college and District location was selected for verification. No exceptions were noted.

**- International Students Compliance and Reporting – District Wide**

Current U.S. laws allow the District colleges to enroll students from foreign countries who apply for and receive an F-1 or M-1 visa. The students must submit and the colleges must retain a number of documents in order for the student to maintain an acceptable status with the federal government. Students entering the country are recorded in the Immigration and Customs Enforcement's Student and Exchange Visitor Information System (SEVIS). Students must maintain full-time enrollment status in order to remain in compliance. Each college has access to SEVIS and must report whenever a student's status falls out of compliance. We selected a random sample of 178 international students for testing ensuring the accuracy and completeness of necessary records and ensuring compliance with SEVIS reporting status. Other than six students who were missing the required medical information in their files, no exceptions were noted.

**- Employee Travel Expenses – District Wide**

The District reimburses employees for expenses incurred during travel to professional conferences, training seminars or other business related purpose. The District's policies and procedures provide guidelines to be followed during out of town travel pertaining to the purchase of airline tickets, hotel accommodations, meals, and other miscellaneous expenses. In order to meet District and Internal Revenue Service requirements, employees must submit receipts to document certain expenditures. The District allows management to exercise professional judgment and discretion for certain travel situations such as departing a day before the start of a conference or staying a day after the termination of the conference or event depending on the circumstances. No reimbursements are allowed for alcoholic beverages or for "entertainment" expenses. The purpose of the audit was to ensure compliance with all District

travel policies and procedures and with Internal Revenue Service rules and regulations. A sample of 10 travel vouchers from each District college and location was selected and tested for compliance. No exceptions were noted.

**AUDITS IN PROGRESS**

- A/P Disbursements – Various Computer Aided Testing
- Cedar Valley College Veterinary Technology
- Gasoline Credit Cards – Maintenance and Utilization

**OTHER**

Internal Audit's Grants Compliance Specialist position was filled one year ago. During the past twelve months, she has met with all locations' grants personnel, implemented a monitoring process for all major grants, and has assisted Contracts and Grants department personnel in the resolution of grant reporting issues.

cc Wright Lassiter  
Ed DesPlas