



COLLIN COLLEGE

INTERNAL AUDIT

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED

AUGUST 31, 2025

OFFICE OF INTERNAL AUDIT

October 21, 2025

H. Neil Matkin, Ed.D., District President
Members of the Board of Trustees:

Attached is the annual report for the Office of Internal Audit for the fiscal year (FY) which ended August 31, 2025. This report is required by the Texas Government Code, Section 2102.015, and provides information on the activities of the internal audit function.

If you have any questions about the contents of this report, please do not hesitate to contact me.

Respectfully submitted,

Ilse Contreras, CPA
Senior Internal Auditor

Report Distribution:

Members of the Board of Trustees:

Trustee Jay Saad
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PURPOSE

The purpose of this annual report is to provide information on the assurance and consulting services and activities of the internal audit function. In addition, the annual internal audit report assists oversight agencies in their planning and coordination efforts.

I. COMPLIANCE WITH TEXAS GOVERNMENT CODE, SECTION 2102.015

Section 2102.015 of the Texas Government Code requires that the internal audit plan and the internal audit annual report be posted on the institution’s website. Accordingly, the Office of Internal Audit has posted the FY 2025 Annual Internal Audit Report and the approved FY 2026 Audit Plan on the Office of Internal Audit’s [departmental website](#).

II. INTERNAL AUDIT PLAN FOR FY 2025

Project		Report #	Status / Report Dates
1	Key Shop	25-01	Final report issued on January 21, 2025. Follow-up procedures to verify that corrective action has been performed on the remaining open finding is included in the proposed 2026 Internal Audit Plan.
2	Texas Administrative Code 202 - Directory Services	25-02	Final report issued on October 21, 2025
3	Accounts Payable	25-03	Final report issued on October 21, 2025
4	Contracts and Grants	25-04	Final report issued on October 21, 2025
5	Technical Campus Academic Programs Consumable Review	25-05	Final report issued on October 21, 2025

II. INTERNAL AUDIT PLAN FOR FY 2025 (CONT.)

Project		Report #	Status / Report Dates
6	Job Order Contracting	25-06	Final report issued on October 21, 2025
7	Copier Lease Review	25-07	Final report issued on October 21, 2025
8	Sick Bank Balance	25-08	Final report issued on October 21, 2025

The initial plan was approved on September 24, 2024. The Office of Internal Audit added a revision to the approved audit plan, which the Board of Trustees approved on January 31, 2025. Follow-ups will be conducted for all projects in FY 2026.

III. CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED

In FY 2025, as defined in the IIA International Standards for the Professional Practice of Internal Auditing, there were no consulting services that were performed. Consulting services are advisory in nature and are generally performed at the specific request of a client.

IV. EXTERNAL AUDIT SERVICES PROCURED IN FY 2025

The following external audit services, including financial and performance audits and attestation engagements, reviews, and agreed-upon procedures, were procured or in process during FY 2025 by management :

- PSK CPA, LLP - Annual audit of the District's Foundation
- Whitley Penn, LLP - Annual audit of the District's financial statements
- Whitley Penn, LLP - Audit to evaluate compliance with requirements of the Texas Public Investments Act.

IV. EXTERNAL QUALITY ASSURANCE REVIEW (EQAR)

An external quality assurance review was completed on October 9, 2024. the Office of Internal Audit received a rating of “Pass/Generally Conforms” and is in compliance with the Institute of Internal Auditors (IIA) Internation Standards for the Professional Practice of Internal Auditing and Code of Ethics. See Appendix 2 for executive summary.

V. INTERNAL AUDIT PLAN FOR FY 2026

The FY 2026 Internal Audit Plan was approved by the college's Board of Trustees on October 21, 2025. Updates provided to the Finance and Audit Committee can be obtained by reviewing [status reports](#) that are publicly accessible. A copy of the plan is included in Appendix 1.

VII. REPORTING SUSPECTED FRAUD AND ABUSE

Actions taken to implement the requirements of Article IX, Section 7.09, page IX-37, Fraud Reporting, General Appropriations Act (84th Legislature, Conference Committee Report) are noted below:

- The college has placed a link on the institution's homepage that states "[Fraud, Waste or Abuse](#)." The link offers guidance for directly reporting fraud, waste, and abuse to the State Auditor's Office.
- A policy on how to report suspected fraud is in place. See the [Policy](#).

APPENDIX 1: FY 2026 AUDIT PLAN

The FY 2026 audit plan was prepared using risk assessment techniques that identify the individual audits to be conducted during the year. The risk factors utilized by the department during the risk assessment process include:

- Criticality of the Unit
- Financial Impact
- Regulatory Compliance
- Public Sensitivity
- Control Environment
- Changes in the Unit
- Complexity of Monitoring Activities
- Audit History

The projects detailed on page 8 were approved by the college's Board of Trustees on October 21, 2025.

Texas Administrative Code (TAC) 202 is audited periodically as required by statute, and the last TAC 202 audit was performed in FY 2025.

Date: October 21, 2025

To: H. Neil Matkin, Ed.D., District President
Members of the Finance and Audit Committee

From: Ilse Contreras, CPA
Senior Internal Auditor, Office of Internal Audit

Subject: Fiscal Year 2026 - Audit Plan Approval

The Internal Audit Charter requires that the Board of Trustees approves the annual Audit Plan. Based on the methodology detailed on page three, the following projects are recommended for approval:

Audit Area	Risk Rating	Estimated Hours
Workday Production Environment	High	315
Emergency Management	High	240
Workforce Economic Development	High	240
Data Privacy and HIPPA	High	315
Police Department	High	220
Procurement	High	240

The plan was based on the utilization of Weaver and Tidwell, L.L.P. and one full-time Senior Internal Auditor.

APPENDIX 2: EXECUTIVE SUMMARY EQAR



Audit and Consulting Services

MEMO

Lone Star College
5000 Research Forest Drive
The Woodlands, TX 77381

Date: October 9, 2024

To: Members of Collin College's Board of Trustees' Finance and Audit Committee
H. Neil Matkin, Ed.D., District President

From: Leticia Charbonneau, Executive Director of Audit and Consulting Services

Subject: External Quality Assurance Review of Collin College's Office of Internal Audit

I have conducted an External Quality Assurance Review (EQAR) of Collin College's Office of Internal Audit. The primary objective was to assess compliance with The Institute of Internal Auditors Code of Ethics and International Standards for the Professional Practice of Internal Auditing in effect at the time the audits were conducted. The review included projects performed by Collin College's Office of Internal Audit from January 2020 through May 2024.

Based on the information received and evaluated during this EQAR, it is our opinion that the Collin College Office of Internal Audit receives a rating of "**Pass/Generally Conforms**" and is in compliance with the Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics. This opinion, which is the highest of the three possible ratings, means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the internal audit function.

We found that the Office of Internal Audit is independent, objective, and able to render impartial and unbiased judgments on the audit work performed. The staff members are qualified, proficient, and knowledgeable in the areas they audit. Individual audit projects are planned using risk assessment techniques; audit conclusions are supported in the working papers; and findings and recommendations are communicated clearly and concisely.

The Office of Internal Audit is well managed internally. In addition, the Office of Internal Audit has effective relationships with the Board and is well respected and supported by management. Surveys and interviews conducted during the quality assurance review indicate that management considers Internal Audit an integral part of the overall College operations and finds the audit process and report recommendations add value and help improve the College's operations.

We appreciate the courtesy and cooperation extended to us by the Internal Audit Director, the Board of Trustees Chair, the Finance and Audit Committee Chair, the District President, and the executive management who participated in the interview process. We would also like to thank each participant who completed surveys for the quality assurance review. The feedback from surveys and interviews provided valuable information regarding the operations of the Office of Internal Audit and its relationship with management.