



compliance
Internal Audit
independent
risk
add value
effective
improve
efficient
assurance
objective

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May is Internal Audit Awareness Month and the perfect time for us to share “The Audit Selection Process”

Receiving notice that your department has been selected for an audit can sometimes cause anxiety. We often hear the same question, “Why did my department get selected?” We understand your concern. Usually, no one wants to be the focus of a review until they have a good understanding of the audit selection process.



The Audit Selection Process

The Internal Audit (IA) Director develops a new audit plan each fiscal year. The plan provides an outline of the areas to be reviewed. The audit plan is presented to the Board of Trustees for approval in August.



The Enterprise Risk Management (ERM) Assessment is the key element used to determine which areas are included in the audit plan. An annual ERM assessment is performed by Risk Management with the assistance of the IA Director. The assessment includes interviews with department heads to help identify the areas that pose the highest risk to the College’s operations, financial reporting, or compliance with laws and regulations.

Certain departments, such as College Operations, are subject to specific regulatory requirements that require regular audits. IA prioritizes these departments for review to ensure

compliance with regulations and the safety of our campuses. A compliance review of Safety and Environmental Operations is performed at three HCC colleges every year.

IA also performs follow-up reviews in areas that previously had issues or weaknesses in their control environment to ensure corrective actions have been taken.

Other factors that are considered when developing the audit plan include the following:

- Input received from the governing board members
- Consultants use
- External Audits
- Top risks identified by the United Educator's Risk Management Premium Credit program
- KPMG's Internal Audit key risks and focus areas
- Standards for the professional practice of internal auditing
- Texas Internal Auditing Act
- Alignment with HCC's strategic priorities

IA wants to Help

The goal of IA is to provide independent assurance to management and the Board of Trustees that the College's risk management, control, and governance processes are operating effectively.



IA is here to help, not to change or hinder your department's operations. We always want to enhance and protect HCC's value by providing good risk management information and advice. It is our goal to help you identify gaps in business processes, reduce risks, and achieve your department goals.



Please visit the Compliance and Ethics website to report suspected incidents of fraud through the Ethics Point hotline:

<https://www.hccs.edu/about-hcc/compliance--ethics/>

For additional information you can watch our Fraud Awareness Lunch & Learn presentation by clicking [here](#).

Need help performing a risk assessment? Contact Terry Corrigan, Internal Audit Director

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Houston Community College (HCC) is composed of 14 Centers of Excellence and numerous satellite centers that serve the diverse communities in the Greater Houston area by preparing individuals to live and work in an increasingly international and technological society. HCC is one of the country's largest singly-accredited, open-admission, community colleges offering associate degrees, certificates, workforce training, and lifelong learning opportunities. To learn more, visit www.hccs.edu.

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