

**Governing Board's Finance and Audit Committee
Meeting Notice and Agenda*
Friday, August 26, 2022
9:00am
Virtual Meeting#**

General Matters

- | | | |
|------------------|------------|--------|
| 1. Call to Order | Ken Marcus | 9:00am |
|------------------|------------|--------|

Action Items

- | | | |
|---|------------|--------|
| 2. Approval of Minutes from June 17, 2022 | Ken Marcus | 9:05am |
|---|------------|--------|

Reports and Feedback

- | | | |
|--|-----------------|---------|
| 3. Strategy, Analytics and Research | Nic Richmond | 9:10am |
| a. Enrollment Update | | |
| 4. Internal Audit | Jose Saldamando | 9:40am |
| a. 2022 Third Quarterly Report | | |
| 5. Facilities Projects and Centers of Excellence Updates | Brandye D'Lena | 9:55am |
| 6. CFO Update | David Bea | 10:15am |
| a. Enterprise Risk Management - August 2022 Report | | |
| b. Revenue Bonds | | |
| c. Classification and Compensation Study Update | | |
| d. Three-Year Budget Plan for Fiscal Years 2024-2026 | | |

Effectiveness Discussion**Information Items**

- | | |
|---------------------------------|--|
| 7. Future Agenda Items | |
| a. Marketing and Enrollment | |
| b. Workforce Update | |
| c. Adult Education | |
| d. Office of Dispute Resolution | |
| e. Space Usage | |

Adjournment

Next Meeting
October 21, 2022
Zoom Webinar

***Option to recess into executive session** – Pursuant to A.R.S. 38-431.03(A)(2) the Committee may vote to go into executive session for discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law. Pursuant to A.R.S. 38-431.03(A)(3) the Committee may vote to go into executive session for discussion or consultation with legal counsel for the College.

Additional Information – Additional information about the above agenda items is available for review on the College's [website](#).

The Committee reserves the right to change the order of agenda items.

To request a reasonable accommodation for individuals with disabilities, a minimum of five (5) business days before the event is requested. Contact Phone: (520) 206-4539 Fax: (520) 206-4567.

Members of the Committee may participate by telephone, video, or internet conferencing.

#VIRTUAL MEETING

Following the guidance of public health officials, the College has closed its facilities to the public and allows only restricted access for essential personnel to promote social distancing and limit the spread of the coronavirus. Accordingly, the Finance and Audit Committee will conduct this meeting through remote technology only. Members of the public interested in following the proceedings may do so via Zoom webinar.

Please click the link below to join the webinar:

<https://pima.zoom.us/s/99003807532>

Phone one-tap

Phone one-tap: US: +16699006833,,99003807532# or +17193594580,,99003807532#

Join by Telephone

For higher quality, dial a number based on your current location.

Dial:

US : +1 669 900 6833 or +1 719 359 4580 or +1 253 215 8782 or +1 346 248 7799 or +1 669 444 9171 or +1 301 715 8592 or +1 309 205 3325 or +1 312 626 6799 or +1 386 347 5053 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860

Webinar ID: 990 0380 7532

Passcode: 962524



Governing Board's Finance and Audit Committee

Friday, June 17, 2022

9:00am

Virtual Meeting - Zoom Webinar

Meeting Minutes

In Attendance:

Scott Odom (Chair), David Bea (Ex-Officio), Ben Tuchi, Ken Marcus, Daniel Soza (Ex-Officio), Kathleen Witt, Laura Ward, Jesus Manzanedo, Demion Clinco, Maria Garcia, Keri Hill (Recorder)

Not in Attendance:

Agnes Maina (Ex-Officio)

Guests:

Jose Saldamando, Internal Auditor; David Parker, Director of Enterprise Risk Management

General Matters

1. Call to Order

Chair Odom called the meeting to order at 9:04am, noting a quorum was met.

Action Items

2. Approval of Minutes from April 15, 2022

Chair Odom asked if the Committee had any changes to the minutes. With one change to update the attendance and a clarification on page five, a motion was made to approve the minutes.

Motion No. 202206-01: Approve Minutes from April 15, 2022

First: Ken Marcus

Second: Laura Ward

Vote: Motion passed unanimously (Odom, Tuchi, Ward, Witt, Marcus, Clinco, Manzanedo voting in favor)

Motion Carried.

Reports and Feedback

3. Internal Audit (Jose Saldamando)

a. 2022 Second Quarterly Report

Mr. Saldamando introduced the most recent quarterly report, noting the co-sourced Information Technology (IT) Audit status. The Construction Projects Business Process Report is being finalized and will be reviewed with management.

Mr. Saldamando continued with the Internal Audit Investigation Report for the Facilities Management Concerns on the Energy Management RFP and Contract Process, which was recently sent to this Committee. The report reviews concerns related to the Comprehensive Integrated Energy Management Program, and there were no findings.

Dr. Bea joined the meeting in progress.

Moving to the recap, the Center for International Education and Global Engagement audit is progressing, with a new Memorandum of Understanding clarifying the roles of the Consulate of Mexico and the College. The Disaster Recovery Plan (DRP) Policy has been implemented for Information Technology. DRP testing is continuing on critical applications, with full testing to be completed by June 30, 2022.

Ms. Garcia joined the meeting in progress.

Mr. Saldamando continued with summaries of the Key Controls, Clery Act Compliance, and Procurement and Contracts Audits. The latter has one recommendation to strengthen internal controls related to vendor maintenance, and remediation is in process with an implementation date of August 31, 2022.

A chart depicting the full summary of audit statuses was reviewed, as well as an overview of the activities by the Arizona Auditor General.

Mr. Tuchi inquired about the process for completing an audit. Mr. Saldamando described the process. First, he will issue the report with the findings, recommendations, management response, and proposed timeline. The report is sent to the management and staff associated with the remediation, the Chancellor, the Governing Board, and the Finance and Audit Committee. Internal Audit quarterly follows up with management to ensure implementation is in process and to verify and confirm that the remediation has occurred and is documented. Then the finding is closed.

The quarterly report concluded with the Detailed Audit Plan and compliance and guidance items.

b. 2022 PCC Risk Assessment & Audit Plan Report

Mr. Saldamando introduced the 2022 PCC Risk Assessment & Audit Plan Report. He described the purpose of the Risk Assessment, and a summary of the top five highest risks identified: Governance, Human Resources, Advising and Academic Support, Enrollment Management, and Information Technology. Internal Audit analyzes the actual risks associated with each of these areas and the perceptions that led to their identification in this assessment.

Mr. Saldamando consulted with Enterprise Risk Management during the development of the assessment. It was sent to 90 Directors and above, with an 80% response rate. Responses were reviewed against previous risk assessments at the College and external risk trends at other organizations and industries.

The engagement plan and risk matrix were reviewed, focusing on the impact and the likelihood. Mr. Saldamando also described the resource allocation for the proposed Audit Plan, including time, administrative activities, and co-sourcing.

The Engagement Plan described the audits/projects for 2022-2023 and the preliminary timeline based on current priorities. Mr. Saldamando noted there is flexibility with this plan, as new priorities may arise. Chair Odom inquired about Human Resources and Enrollment Management audits, which have shifted from the current fiscal year to the next. As an example, Mr. Saldamando stated the Facilities Management Audit was reprioritized based on alignment with the Chancellor's Goals. Since the classification and compensation study was underway, Internal Audit opted to focus on the HR audit in the next fiscal year.

The Appendices of the report included the number of responses to specific internal controls questions. Mr. Saldamando will follow up with respondents to get more insights and clarifications. For instance, the fraud question yielded three responses to instances of "known" fraud, and Mr. Saldamando spoke to two of the respondents. The first respondent misunderstood the question, and the second identified concerns related to the student-device lending program, for which new controls have already been implemented. Ms. Ward thanked Mr. Saldamando for the clarification.

With no further discussion, Mr. Saldamando concluded his reports. A motion was made to approve the 2022 PCC Risk Assessment & Audit Plan Report.

Motion No. 202206-02: Approve 2022 PCC Risk Assessment & Audit Plan Report

First: Ken Marcus

Second: Ben Tuchi

Vote: Motion passed unanimously (Odom, Tuchi, Ward, Witt, Marcus, Clinco, Manzanedo, Garcia voting in favor)

Motion Carried.

4. Enterprise Risk Management (David Parker)

a. June 2022 Report

Mr. Parker and the Enterprise Risk Management (ERM) Workgroup held a two-hour summit in May to develop tools and resources and identify models. The following are tentatively complete: Strategy Guides, Risk Assessment Tools, Risk Evaluation Tools, and ERM Maturity Models. The ERM Workgroup reviewed five maturity models for best practice and fit with the

College. Mr. Parker is part of a state-wide ERM group, and other Arizona community colleges are reaching out to PCC.

He continued with an update on the College's insurance program, starting with a review of coverage by the Arizona School Risk Retention Trust, including coverage changes and loyalty credits. Workers' compensation insurance was reviewed, and Mr. Parker expressed gratitude for the safety culture at the College to keep employees from getting injured.

With the departure of Dr. Bruce Moses from the College, the ERM department will be reporting to General Counsel effective July 1, 2022. Mr. Parker was recently awarded the Compliance Certification Board with the Certified Compliance and Ethics Professional designation.

b. Board Policy 4.03, Enterprise Risk Management

Mr. Parker stated that the Governing Board approved revisions to Board Policy 4.03 at their June 8, 2022, meeting.

Chair Odom asked about the tools developed and the College's risk appetite. Mr. Parker described the College's risk appetite statement and the development of risk tolerance, which is more challenging. Chair Odom inquired about risk tolerance and how it will be built into policy or other frameworks. Mr. Parker stated the risk assessment tools would include risk tolerance and an associated Administrative Procedure.

Ms. Ward asked about the College's cyber insurance and the definition of the total insured value. Mr. Parker explained it is driven by the risk of cyber rather than the property's actual value. With no further questions, Mr. Parker concluded his report.

5. Proposed 2022-2023 Annual Meeting Calendar (Scott Odom)

Chair Odom introduced the tentative schedule for next year. He will be unavailable for the August meeting, and Mr. Marcus will lead the session.

6. CFO Update (David Bea)

a. Revenue Bonds

The College is continuing to experience issues with the supply chain, as previously discussed with this Committee.

b. Fiscal Year 2023 Adopted Budget

The Governing Board set the property tax rates and levies and adopted the budget for Fiscal Year 2023. Property taxes increased by 4%, as previously discussed with this Committee. The College received one written public comment about costs per enrollment, and Dr. Bea stated that metrics like cost per full time student equivalent (FTSE) are monitored.

The budget prioritizes employee compensation, including a new classification and compensation structure, an adjunct faculty tier system, and a minimum salary adjustment for regular employees. Approximately \$9.0M was allocated for compensation for regular employees. To date, approximately \$7.0M has been committed to salary and wages, with \$2.0M remaining for benefits and additional adjustments that may arise during implementation.

Dr. Bea informed the Board that a three-year plan will be developed for Fiscal Years 2024-2026; a significant component will be the sustainability of personnel costs given revenues and enrollment. If enrollment for Fall is flat compared to the prior year, recommendations will be made to start reducing operations.

c. Classification and Compensation Structure

The College contracted with Segal to conduct a comprehensive classification and compensation study, which included employee surveys and matching to market data. A new structure will be essential to recruiting and retaining talent, as the prior system is over 20 years old and has significant compression problems. Resource limitations in the past have left many regular employees clustered at Step 1 for staff and administrators and Step 6 for faculty. Further, there were challenges with recruitment in areas like Information Technology because the compensation was misaligned with the market.

Dr. Bea reviewed the highlights of classification and compensation for staff and administrators, which includes moving to 12 grades and setting a minimum wage of \$16.15 for regular staff. Initial placement in the new bands will be based on years of experience in the position. Placement for staff and administrators with 12 years or more of experience will be capped at the $\frac{3}{4}$ point of the grade for this implementation.

Segal proposed two structures for faculty, one like the staff/administrator bands and a second that closely resembles the previous structure with additional steps. The latter option was selected by the Faculty Steering Committee, with the new system including 20 steps to provide the ability for movement given the seniority of many faculty members. As a result, the faculty pay scales have more individuals paid above the market due to their years of experience.

Mr. Marcus departed the meeting.

Given the pressures of inflation, a minimum increase of \$2,000 will be provided to all regular employees. There will be an appeal process since there is limited time for implementation and more than 1,000 positions to be adjusted. Next steps on class/comp were discussed, including educational attainment and an executive compensation review. Further, the development of a performance-based pay adjustment will be included in the Chancellor's goals. Dr. Bea noted this is a work in progress and that there is still much to be done.

Mr. Tuchi asked about the number of days of accountability for faculty, and Dr. Bea described how faculty contracts are structured (example: 30 load hours, 169 days of accountability for nine-month faculty). Mr. Tuchi also inquired about the implementation timeline and how the placement is determined. Dr. Bea said this would be implemented effective July 2, 2022, and placement is based on the new criteria and the market data.

Ms. Ward stated that this is a phenomenal job. Dr. Bea noted the importance of completing this study when the College has the resources to implement and place employees appropriately to market in the first year.

d. Three-Year Budget Plan

In the Fall, Dr. Bea will begin conversations on the three-year plan and include feedback from the Governing Board and this Committee. An update on enrollment and class/comp will be provided to this Committee in August.

e. Health Plan Trust

The College maintains a self-insured health care plan and is reviewing whether to develop a trust to oversee the program. Mr. Parker is working on the project, and this Committee will be engaged in advance of possible action by the Governing Board.

f. Finance and Audit Committee 2021-2022 Report

The Committee's annual report to the Governing Board was provided as information.

g. Fiscal Year 2022 Capital Project Plan Update, Third Quarterly Report

The most recent update on capital projects was provided as information.

Ms. Ward announced that she had accepted a new position, and her new supervisor is a former member of this Committee.

Information Items

7. Future Agenda Items

- a. Workforce Update
- b. Marketing
- c. Adult Education
- d. Office of Dispute Resolution
- e. Space Usage
- f. Three-Year Budget Plan

Adjournment

The meeting adjourned at 10:49am.

Next Meeting:

August 26, 2022


Virtual Meeting - Zoom Webinar

Enrollment Update

Finance and Audit Committee
August 2022



BY **2030**
→ **60%** OF **PIMA COUNTY RESIDENTS**
AGED **25 TO 64** WILL HOLD A **POSTSECONDARY CREDENTIAL OR DEGREE.**



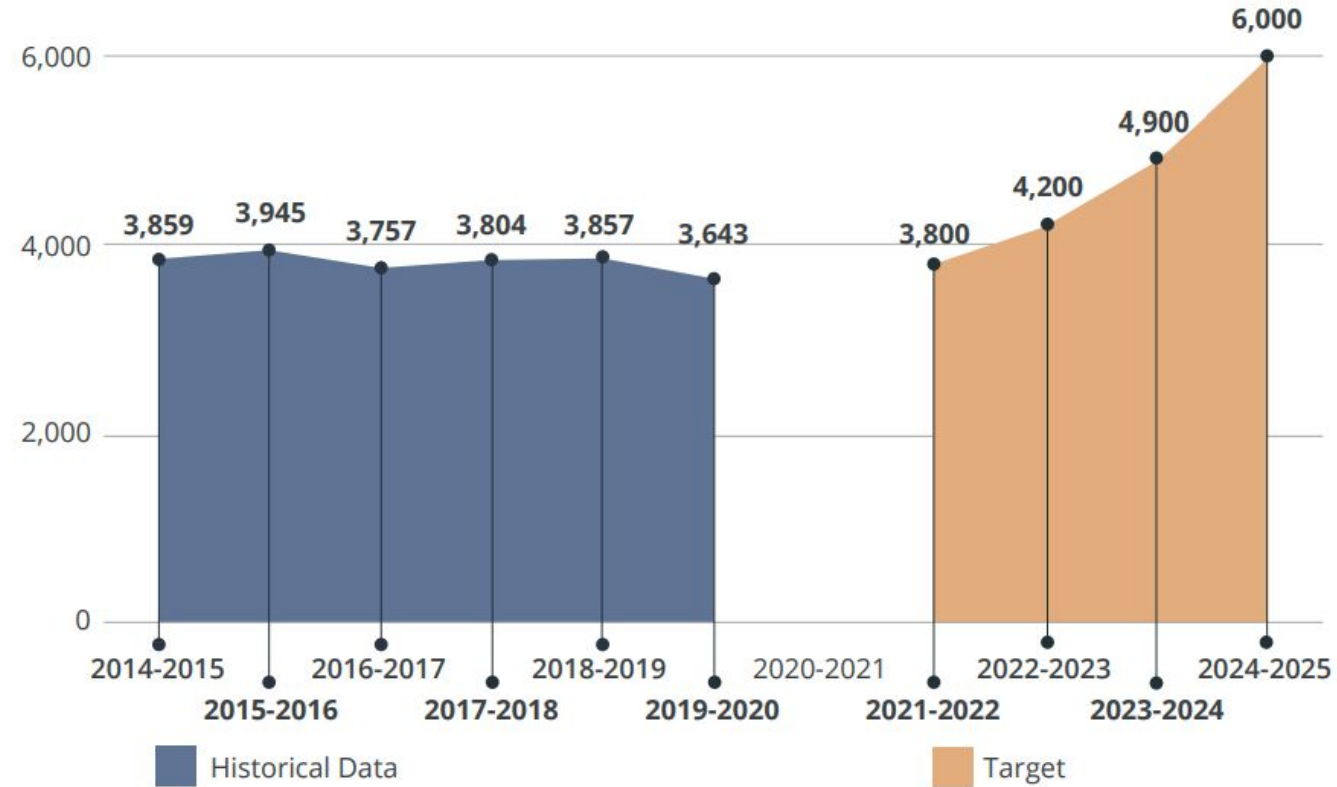
This means **60%** for each of the diverse race/ethnicity populations we serve.

From PCC's 2021-2025 Strategic Plan

>> INSTITUTIONAL TARGET 1:

Increase completer counts to 6,000 by 2024-2025

PCC completer counts including historical data and the targets established through the Strategic Plan.



From PCC's 2021-2025 Strategic Plan

RACE/ETHNICITY	PROPORTION OF THE TOTAL NUMBER OF RESIDENTS BY RACE/ETHNICITY WHO HOLD AN ASSOCIATE DEGREE OR HIGHER
Black or African American	37.5%
American Indian and Alaska Native	15.6%
Asian	61.6%
Some other race alone	17.0%
Two or more races	33.7%
White	50.5%
Hispanic or Latino	22.7%
Total	38.6%

Note: People identifying as Hispanic or Latino are not counted in the other categories. There is no data provided for the Native Hawaiian or Other Pacific Islander population as the ACS data are not reported due to the small population within Pima County.

» INSTITUTIONAL TARGET 2:

Double the completer counts of Hispanic or Latino, American Indian and Alaska Native, and Black or African American learners by 2024-2025.

Proportion of the total number of Pima County residents by race/ethnicity who hold an Associate Degree or higher from the 2019 American Community Survey (ACS) one-year estimates. The grey shading highlights those populations with a lower proportion than the average across all populations.

The trend data for the last six years and targets for these three populations.

Historical completer counts and targets for three race/ethnicity groups. The 2021-2022 targets are the median values from the six years of historical data.

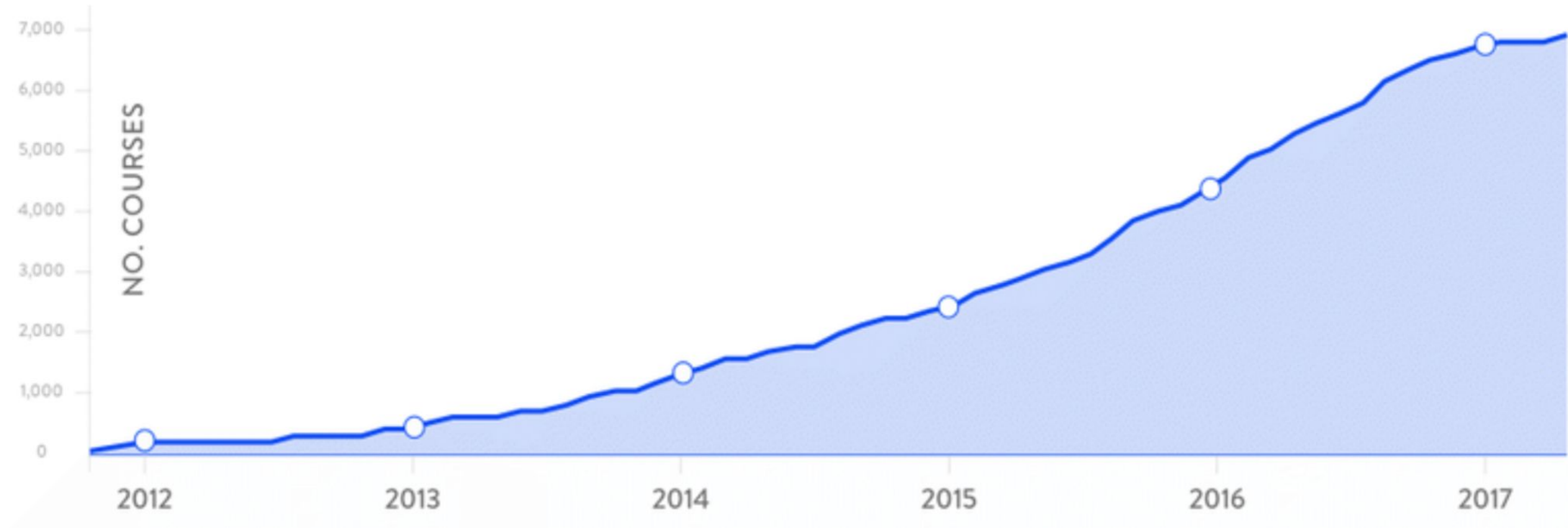
RACE/ETHNICITY	HISTORICAL DATA						TARGETS			
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2021-2022	2022-2023	2023-2024	2024-2025
American Indian & Alaska Native	94	102	104	91	96	82	95	105	125	190
Black or African American	196	175	132	159	186	161	168	185	220	340
Hispanic or Latino	1,417	1,496	1,465	1,489	1,505	1,545	1,493	1,640	1,940	3,000

Pima County population: Big picture observations

- Hispanic residents are younger
- Concentration of older Non-Hispanic residents
- Narrowing at the top and at the base



Growth of massive open online courses



Data excludes China, from https://www.researchgate.net/figure/Growth-of-MOOCs-Source-Class-Central_fig2_319903301



Americans' Views of the Importance of a College Education, by Age

16

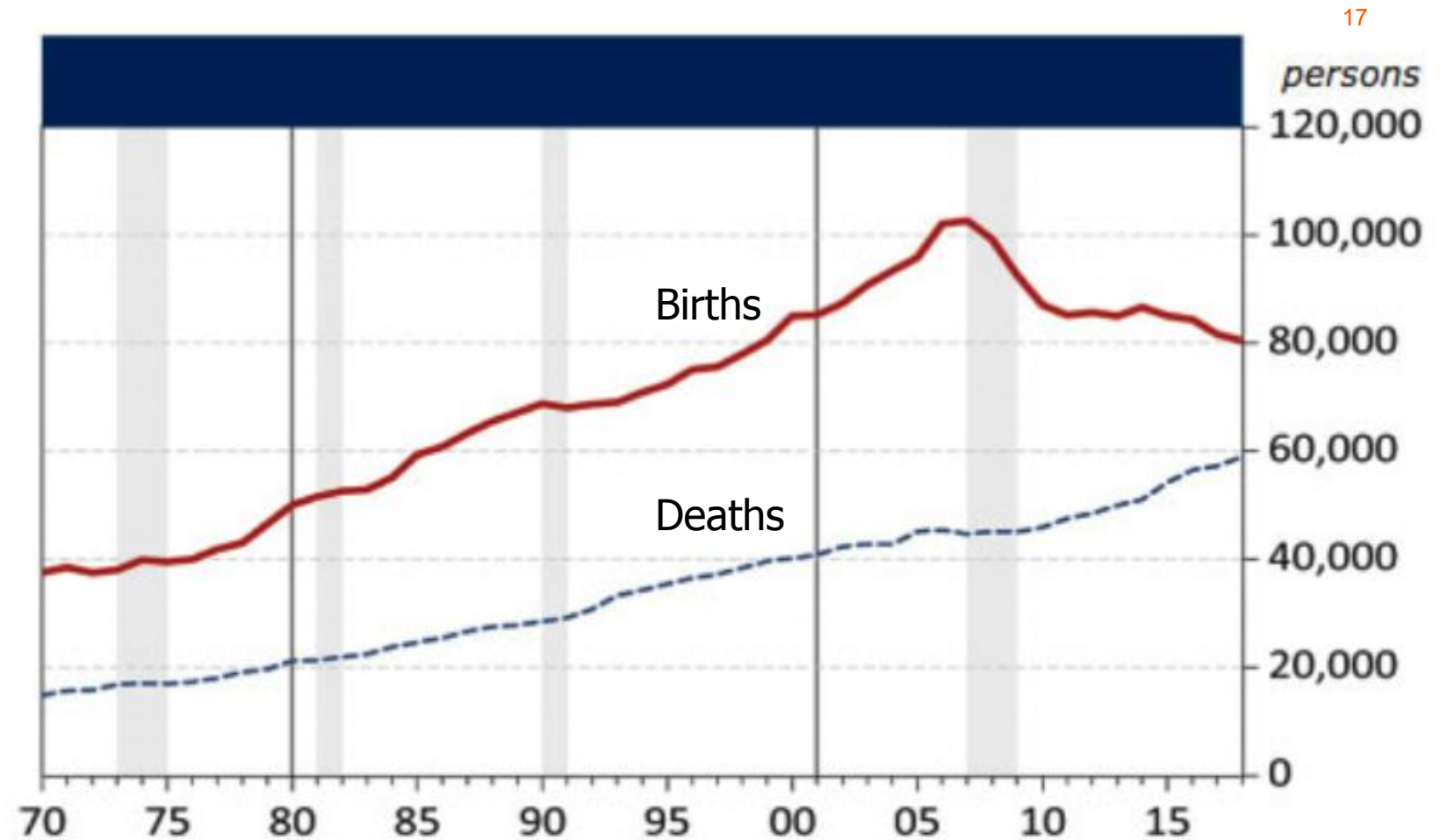
% Very important

	2013	2019
	%	%
U.S. adults	70	51
18-29	74	41
30-49	70	51
50-64	68	55
65+	67	55

GALLUP

<https://www.gallup.com/education/272228/half-consider-college-education-important.aspx>

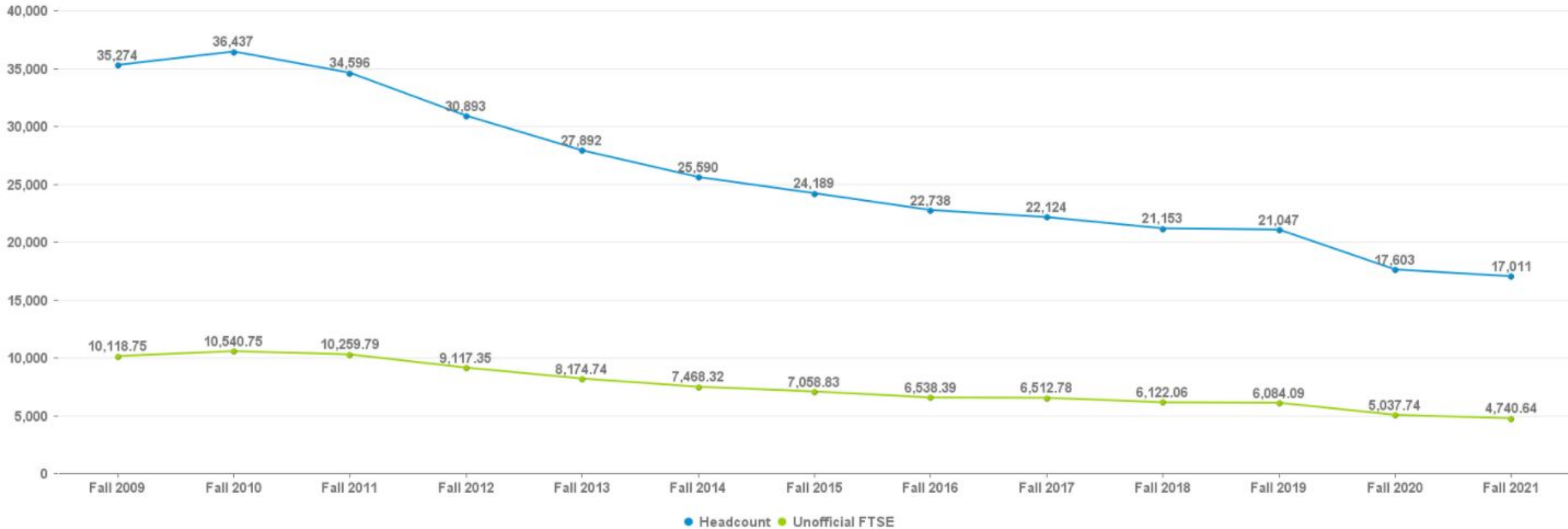
Declining Arizona birth rate



Source: Arizona Dept. of Health Services, Vital Statistics
UA Economic and Business Research Center, forecast.eller.arizona.edu

<https://www.azecconomy.org/2019/12/demographics-census/arizonas-baby-bust-birth-rates-decline-22-in-a-decade/>

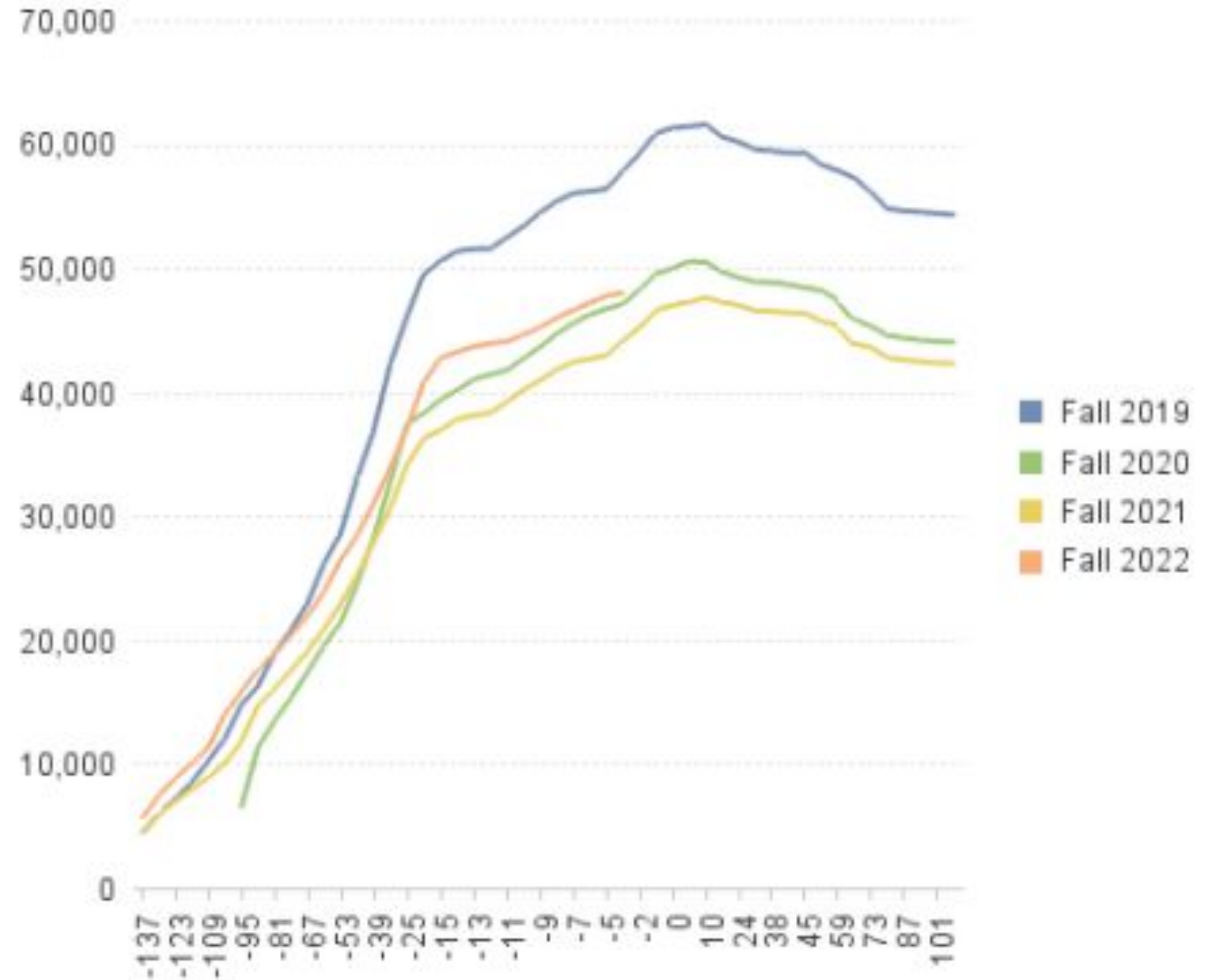
Headcount and unofficial FTSE



Data Source: PCC's Interactive Reports

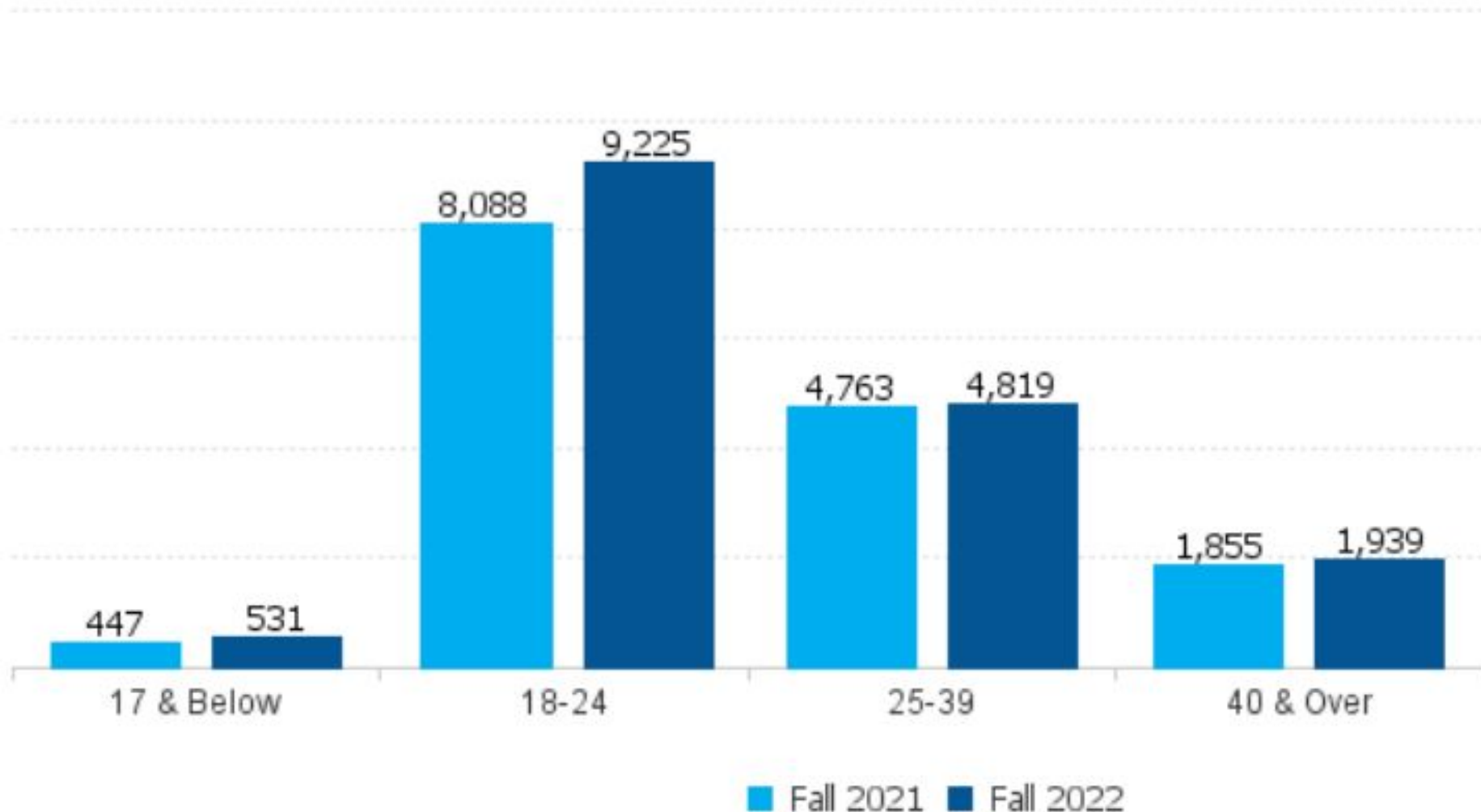
Enrollment by Days After Start of Registration

Enrollment	
47,974	8.72%
as of 8/21/22 Fall 2022	Change from the previous term



Data Source: PCC's Interactive Reports

Fall 2022 headcount by age

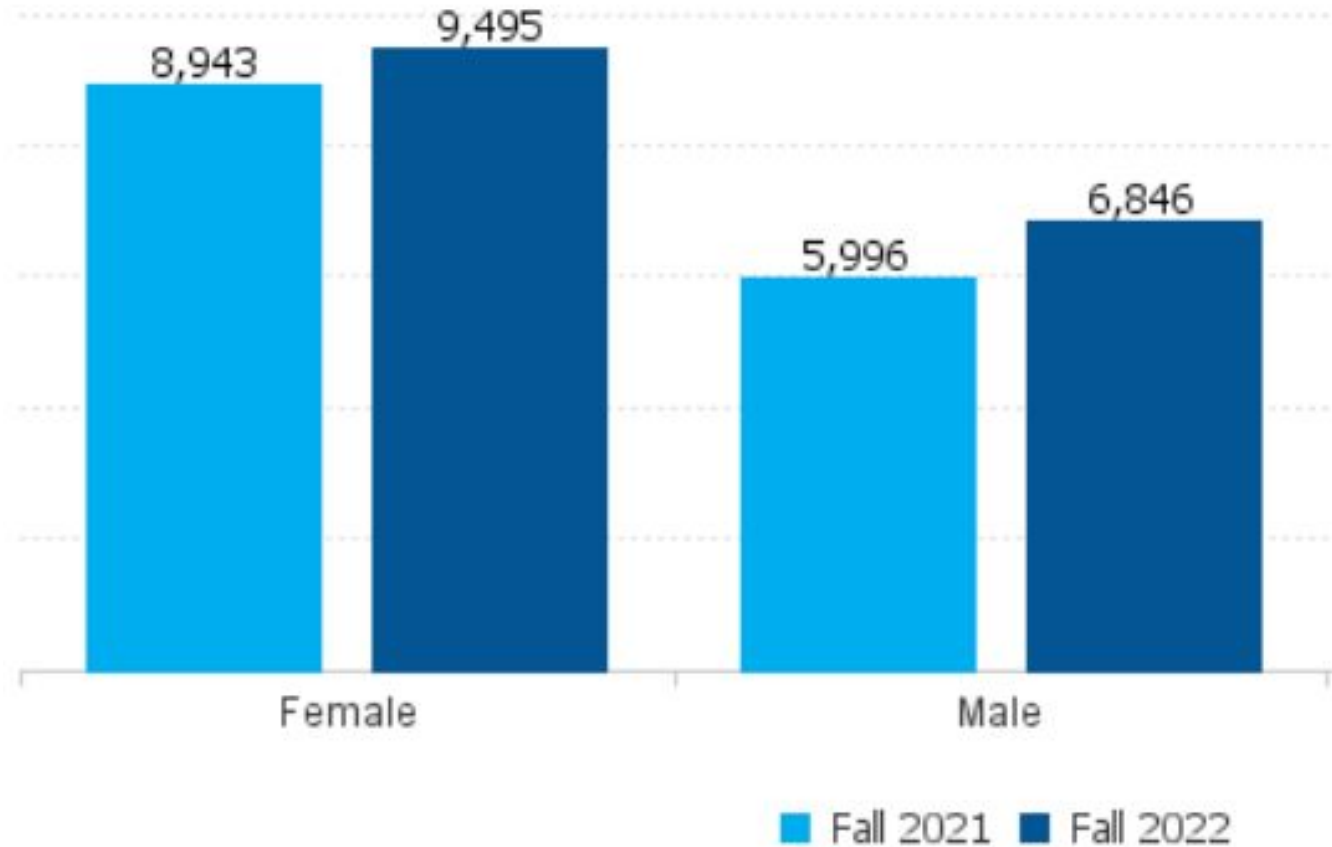


Unknowns are excluded

Data as of August 21, 2022

Keep striving.

Fall 2022 headcount by gender



Unknowns are excluded

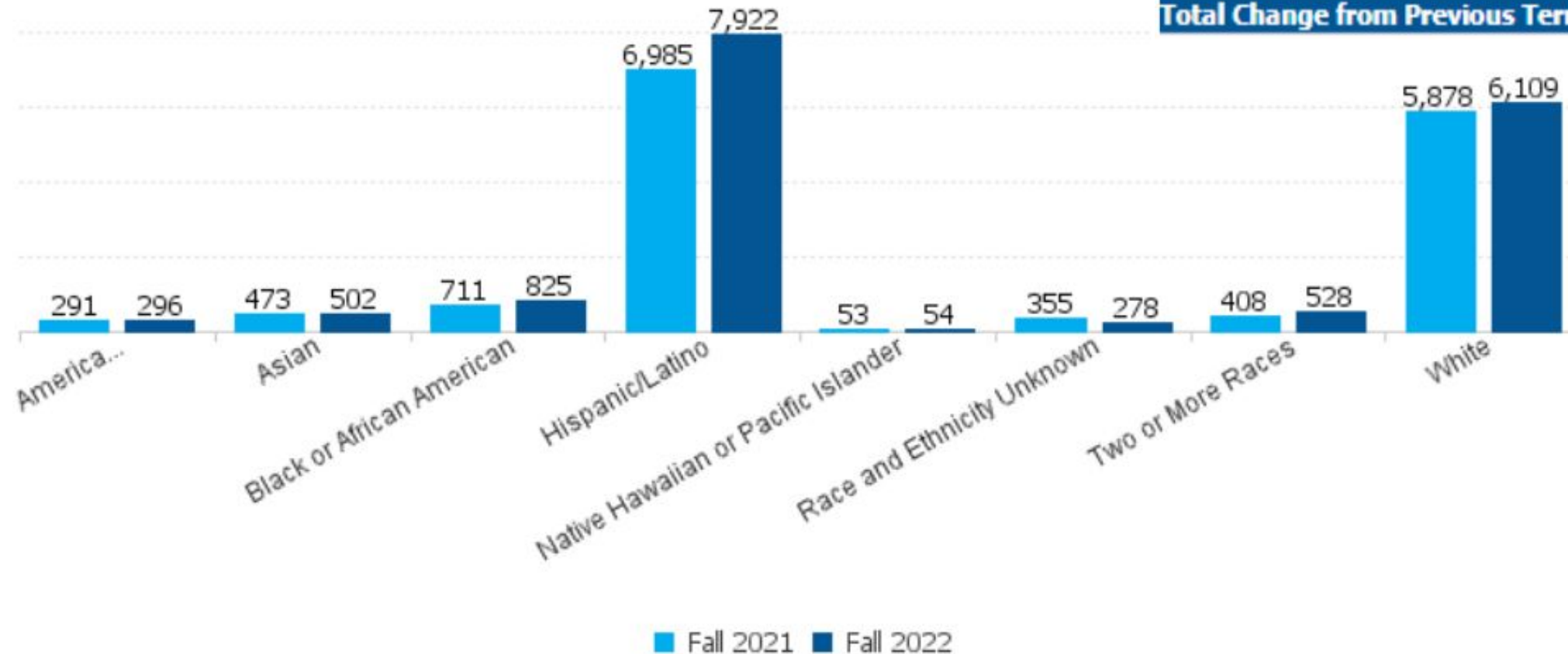
Data as of August 21,
2022

Data Source: PCC's Interactive Reports

Fall 2022 headcount by race and ethnicity

Data as of August 21, 2022

	Fall 2022	
	#	% Change
American Indian or Alaskan Native	296	1.72%
Asian	502	6.13%
Black or African American	825	16.03%
Hispanic/Latino	7,922	13.48%
White	6,109	3.95%
Total Change from Previous Term	4,917	9.22%



Data Source: PCC's Interactive Reports

Keep striving.

Enrollment percent change by division

Data as of
August 21,
2022

	Fall 2021		Fall 2022 ²³	
	#	% Change	#	% Change
Applied Technology	2,282		2,659	16.52%
Arts	2,407		2,981	23.85%
Business and Information Technology	2,290		2,370	3.49%
College Readiness & Student Success	1,295		1,737	34.13%
Communications	3,490		4,224	21.03%
Health Professions	3,363		4,002	19.00%
Mathematics	3,162		3,809	20.46%
Pima Online	15,752		17,542	11.36%
Sciences	3,394		3,261	-3.92%
Social Sciences, Humanities & Education	4,420		4,442	0.50%
Workforce Development and Continuing Education	1,092		947	-13.28%
Total Change from Previous Term			5,027	11.71%

Data Source: PCC's Interactive Reports

A note about new students

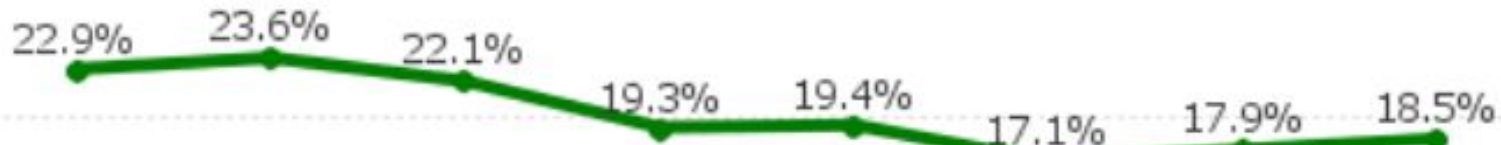
The headcount of new to higher education students has increased by 39%, compared to a 1% increase for continuing or returning students



VFA two-year progress measures



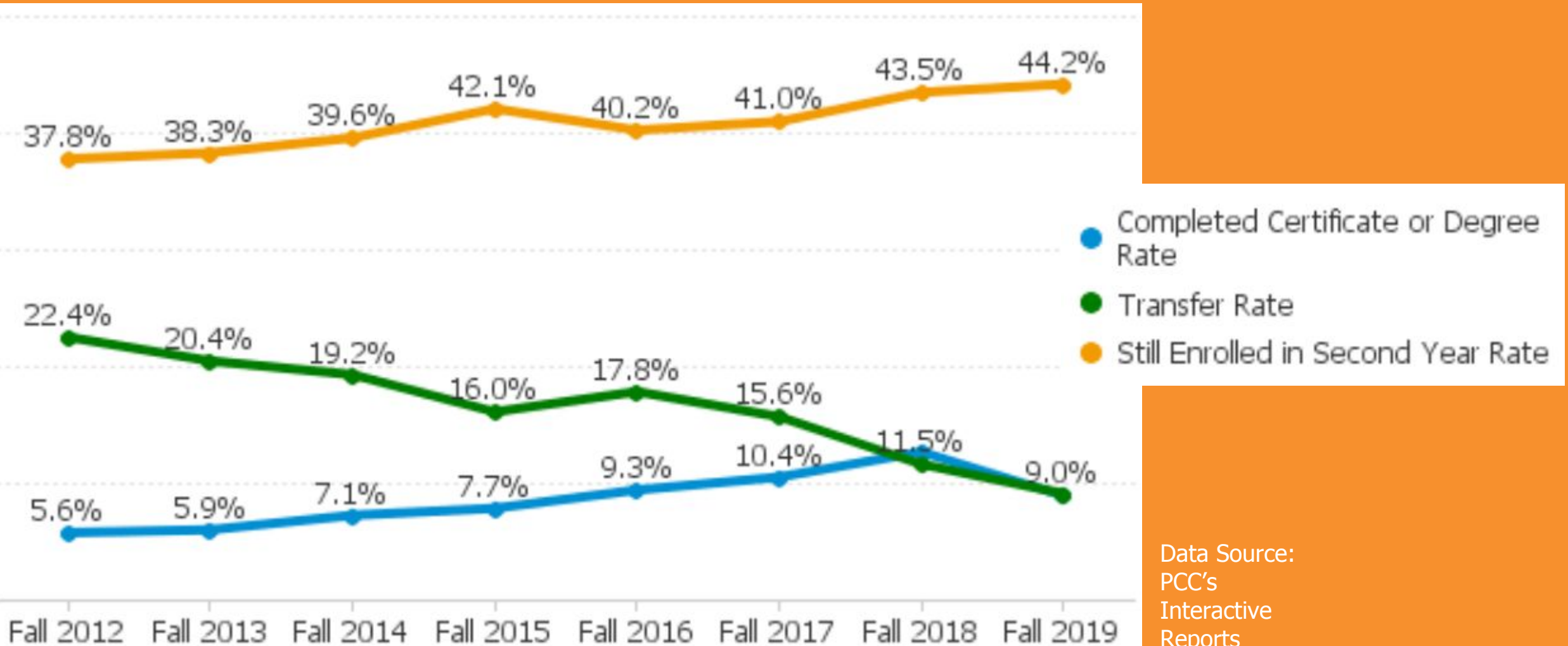
- Fall to Next Term Retention Rate
- First Term No Success Rate
- 1st Term Completed Credits Rate



Data Source:
PCC's
Interactive
Reports

Fall 2012 Fall 2013 Fall 2014 Fall 2015 Fall 2016 Fall 2017 Fall 2018 Fall 2019

VFA two-year outcomes



VFA two-year outcomes

	Hispanic/Latino				
	Fall to Next Term Retention Rate	First Term No Success Rate	First Term Completed Credits Rate	Completed Certificate or Degree Rate	Transferred Rate
Fall 2012	70.8%	23.0%	60.1%	4.3%	16.8%
Fall 2013	67.6%	25.2%	58.7%	4.3%	14.5%
Fall 2014	67.0%	23.4%	59.7%	5.9%	14.8%
Fall 2015	69.7%	21.2%	63.0%	5.3%	12.5%
Fall 2016	70.9%	19.4%	67.3%	7.5%	13.4%
Fall 2017	72.0%	18.0%	68.6%	7.8%	10.4%
Fall 2018	69.0%	18.2%	66.5%	7.2%	8.8%
Fall 2019	70.7%	18.8%	67.4%	7.9%	7.3%

Data Source: PCC's
Interactive Reports

VFA two-year outcomes

This includes the two largest race/ethnicity populations. Progress and outcomes measures are carefully monitored for all students across a variety of demographics.

	Hispanic/Latino		White ²⁸	
	Completed Certificate or Degree Rate	Transferred Rate	Completed Certificate or Degree Rate	Transferred Rate
Fall 2012	4.3%	16.8%	5.8%	25.9%
Fall 2013	4.3%	14.5%	5.7%	25.1%
Fall 2014	5.9%	14.8%	6.9%	22.8%
Fall 2015	5.3%	12.5%	8.1%	19.8%
Fall 2016	7.5%	13.4%	9.5%	23.1%
Fall 2017	7.8%	10.4%	9.9%	22.0%
Fall 2018	7.2%	8.8%	10.7%	15.0%
Fall 2019	7.9%	7.3%	8.3%	11.0%

Data Source: PCC's Interactive Reports

Areas of strategic focus

- Standardizing and simplifying processes
- Implementing autoconfer and reverse transfer
- Expanding adult education, dual enrollment and credit for prior learning
- Improving how we engage with adult learners
- Expanding completion points to include industry credentials and micro-credentials
- Reinventing how learners pay
- Developing and implementing a Strategic Enrollment Management Plan



Summary

- The College continues to be committed to ambitious goals that focus on completion across diverse populations
- Enrollment in fall 2022 is up from fall 2021, but it continues to lag behind pre-pandemic levels
- We are seeing improvements in progress and outcomes measures, but gaps remain across our diverse student population
- Efforts are underway to improve student enrollment, progress and outcomes



PimaCommunityCollege

/// Keep striving.



**Office of the Internal Auditor Executive Summary Quarterly Report
August 2022**

The Office of the Internal Auditor Executive Summary Quarterly Report provides an overview of the department activities during the third quarter of 2022. The report includes the following sections: General Department Update, Audit Recap, Audit Plan and Important Compliance and Guidance Items.

General Department Update

The Office of the Internal Auditor (OIA) continues to monitor and follow-up with management on all open audit findings. During the past quarter, the Internal Auditor checked periodically on the status of actions to address findings in the following areas: Automotive Technology Audit, Information Technology Audit, Key Controls Review, 2020 CIEGE Audit, Clery Act Compliance Audit and Procurement and Contracts Audit. See the Audit Recap section below for more details.

Internal Audit will issue the Information Technology (IT) Audit Report this month. The objective of this engagement was to perform a risk assessment of Pima Community College’s information technology key controls. Management responses and estimated implementation dates were received this month; there were twenty-one (21) items noted. Internal Audit co-sourced this audit with HeinfeldMeech.

On July 20, 2022, the draft Construction Project Audit report was shared with Facilities, Procurement and Finance management. The objective of this audit was to conduct a business process review of fiscal controls, accounting controls, project monitoring, and funding compliance. Management responses and implementation dates were recently provided. Internal Audit co-sourced this audit with HeinfeldMeech. The final report will be issued this month.

Internal Audit has delayed its Safety and Security review until True North Consulting Group (TNCG) share final results, so that those results may inform and focus the Internal Audit review. As indicated during the past quarterly updates, the Facilities Management Department contracted with TNCG to perform a Security Master Plan Points of Interest. The review included a Comprehensive Security Threat, Risk, and Vulnerability Assessment; On-site Security Assessment; and an Analysis and Recommendation report.

On August 10, 2022, Internal Audit conducted the entrance meeting for the Grants Management Audit. The objectives for this engagement are to: evaluate the effectiveness and efficiency of administering grant funds, evaluate the policies and procedures in place, and provide recommendations to improve grant management activities to make them more effective and efficient.

Internal Auditor assisted the Arizona Auditor General with the requested items for the Pima County Community College District Financial Statement Audit. All requested items were provided.



Pima County Community College District

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Internal Audit attended the Security and Access Control Work Group (SACG) meetings during the months of July and August. The SACG is a monitoring work group established by Facilities and is comprised of designated representatives from various departments (e.g. Facilities Operations, Access Control, College Police, Human Resources, Information Technology, Environmental Health and Safety) that define and recommend standards for College access control within the Security and Access Control Operating Procedures per AP 8.01.02. The role of Internal Audit is to assess and make recommendation on the effectiveness of the existing and new/proposed controls. Attendance at these meetings also allows Internal Auditor to monitor progress on the access control project, which will take until 2023 to complete. The group meets every two weeks.

Internal Auditor participated in the Selection Advisory Committee for the Investigator position within the Office of Dispute Resolution. Required training courses were completed and meetings were attended.

Internal Audit continues to work with the Strategy, Analytics and Research (STAR) Department and management from various departments on College-wide projects. Some of these projects include: Job Placement Rates (e.g. to ensure programs are meeting the needs of students and industry through the Office of Economic Opportunity statewide employment portal project) and Information Technology Data Security Committee.

On July 1, 2022, Internal Auditor attended the Active Shooter Preparedness Workshop at the Northwest Campus. The workshop was coordinated by Pima County Sheriff's Department, in partnership with Pima Community College Police and other local law enforcement agencies. This workshop was designed to help teachers, administrators and staff develop critical thinking skills during high stress events. Training included an active shooter preparedness presentation from the School Resource Officers, an introduction to critical wound care, training scenarios featuring student role players and a walk-through demonstration to showcase a police response to these types of scenarios.

During this quarter, Internal Auditor attended the Association of College and University Auditors (ACUA) Athletics virtual webinar, Pima Community College Wellness Webinars and PCC All College Day event at the West Campus. The ACUA webinar offered Continuing Professional Education (CPE) credits.

Audit Recap

Internal Audit continues to monitor and follow-up with management on all audits with open items for both current and past audit engagements (Automotive Audit, Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning Audit, Key Controls Review, 2020 Center for International Education and Global Engagement Audit, Clery Act Compliance Audit, and Procurement and Contracts Audit). During this quarter, there were two findings closed. Currently there are thirteen (13) findings closed (68%) and six (6) findings open (32%) as depicted below.



Pima County Community College District

4905C East Broadway Boulevard
 Tucson, Arizona 85709-1300
 Telephone (520) 206-4589
 www.pima.edu

Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date * (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Automotive Audit	Mar. 23, 2017	3	1	Dean of Applied Technology	Mar. 2019 (longest date out)	Sep. 2022
<p>Comments: Strategy, Analytics and Research management is working on the remediation for this item (job placement rates to ensure programs are meeting the needs of students and industry; a college-wide project). Based on the last update, the Office of Economic Opportunity (OEO) will meet with all data partners (Including DES, ABE) and will present the proposal. The next step is to work on the configuration of how partners will access the data. The implementation date was moved from 6/30/2022 to 9/30/2022. The risk rating for the remaining open item is medium.</p>						
2020 Center for International Education and Global Engagement	Nov. 20,2020	5	1	Vice President of International Development & Vice Chancellor for Educational Services and Institutional Integrity	Apr. 2021 (longest date out)	Aug. 2022
<p>Comments: The remaining open item is related to formalizing job descriptions and providing training to staff working at the Educational Orientation Window (EOW) at the Consulate of Mexico, Tucson Office. The Memorandum of Understanding (MOU) clarifying the roles for each party has been updated and signed by the college and consulate. The Human Resources Department is rewriting the job description for the staff member that will be working in this position; training will be provided next. The new implementation date is 8/31/2022. The risk rating for the remaining open item is medium.</p>						
Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning	May 26, 2016 & May 31, 2017	3	1	Director of Cybersecurity	May 2019	Dec. 2022
<p>Comments: IT Management implemented the Disaster Recovering Plan (DRP) Policy. Based on the last update, DRP testing continues on key applications. Data centers DRP testing will follow. IT Management is working on the remediation of this item. The risk rating for the remaining open item is high.</p>						



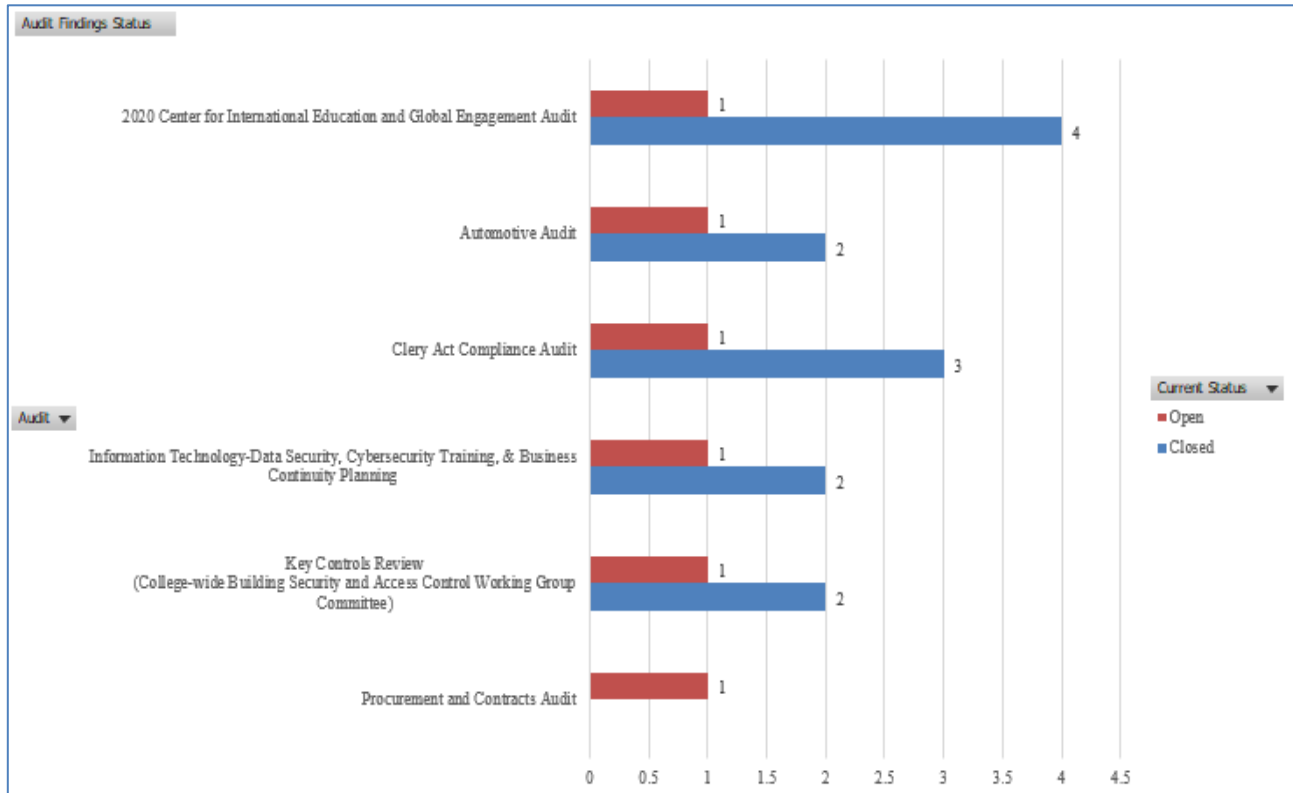
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Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date * (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Key Controls Review	Jan. 6, 2017	3	1	Director of Facilities	Jan. 2017	Jun. 2023
<p>Comments: This item is expected to be complete by the end of this fiscal year. Current percentage of completion for Perimeter Card Access plan is approximately 80% across the College district. In addition, progress has been made on the installation of other security equipment (e.g. current percentage of completion for video surveillance is approximately 87%; several camera servers are being configured; twenty-five additional Traka cabinets were installed in FY22, etc.). The risk rating for the remaining open item is high.</p>						
Clery Act Compliance Audit	May 25, 2021	4	1	Public Safety Management	Mar. 2022 (longest date out)	Sep. 2022
<p>Comments: There were two items closed in this quarter; these items are related to updating the PCC Police Department Administrative Policy-Jeanne Clery Campus Security Act and updating the Employee Handbook, Section-Workplace Safety Policy with enrollment to the Text Alert System. The remaining open item is related to identifying and training all Campus Security Authority (CSA) staff. The Clery Act Compliance Officer and Public Safety Management are currently working on the remediation of this item. The risk rating for the open item is currently low.</p>						
Procurement and Contracts Audit	6/30/2021	1	1	Procurement and Payment Services Management	Dec. 2021	Aug. 2022
<p>Comments: The noted item is an auditor recommendation to further strengthen the internal controls related to vendor maintenance (i.e. remove duplicate and inactive vendors). Finance and IT management are actively working on the remediation of this item (e.g. configuring, designing and testing modules; vendor registration; etc.). The "Go-Live" implementation is pending. The risk rating for this item is low.</p>						
TOTAL		19	6	Percentage Closed 68%	Percentage Open 32%	

* Audit findings and expected completion date are based on the last report issued by Internal Audit.

** Internal Audit conducts follow-ups on audit findings based on management implementation date (e.g. prior to completion date).



Below are the Audit Findings Implementation Status:

Audit Findings Implementation Status			
			Total
Automotive Audit	1	2	3
Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning	1	2	3
Key Controls Review(College-wide Building Security and Access Control Working Group Committee)	1	2	3
2020 Center for International Education and Global Engagement Audit	1	4	5
Clery Act Compliance Audit	1	3	4
Procurement and Contracts Audit	1	0	1
Total	6	13	19



Implementation Status Classifications	Descriptions	Tickmark
Addressed /Completed	Implemented at 100% or risk/issue addressed	●
Substantially Complete > 50%	Substantially complete with more than 50% completion; but less than 100%	◐
Partially Complete ≤ 50%	Partially complete with less than 50% completion; but more than 0%	◑
No Progress	No progress observed or action taken	○

Based on the most recent audit completed by the Arizona Auditor General (Year Ended June 30, 2021), there were no findings identified.

The Arizona Auditor General is currently conducting the Financial Statement Audit for year ended June 30, 2022. Results will be provided in early 2023.

Note: *The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing (Standards)* requires that Internal Audit follow-up upon the disposition of management’s actions to address risks identified and to communicate the results to management. Internal Auditor updates the Internal Audit Findings Matrix when open items are followed-up with management (e.g. contact name, date, reason, status, etc.). Supporting documentation is requested and reviewed prior to closing a finding.



Audit Plan

The Detail Audit Plan is included below for Internal Audit activities and status.

ENGAGEMENT TYPE & DESCRIPTION*	TIMING		STATUS	RISK LEVEL**
	FY22 (2021 – 2022)	FY23 (2022 – 2023)		
<u>Audits / Projects:</u>				
2022 College Risk Assessment & Audit Plan Report	Spring 2022		Complete	-
Information Technology	Spring 2022		Complete	High
Construction Projects Business Process Review (Facilities Management)	Spring 2022		Complete	High
Safety and Security (Facilities Management)	Fall 2021		On Hold	Medium
Grants Management		Fall 2022	In Progress	Medium
Human Resources/Payroll		Fall 2022	-	Medium
Governance		Spring 2023	-	Medium
Enrollment Management		Spring 2023	-	Medium
<u>Advisory Services:</u>				
Special Projects and Reviews		Fall 2022 – Spring 2023	Ongoing	-
Advising & Academic Support		Fall 2022 – Spring 2023	Ongoing	-
<u>External Audits Support / Follow-ups:</u>				
Arizona Office of the Auditor General’s Audit Support and follow-up	-	Fall 2022	-	-
Follow-up on Audit Findings*** (e.g. Automotive Audit; 2020 Center for International Education and Global Engagement; Clery Act Compliance Audit; Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning; Key Controls; Procurement and Contracts Audit)	Fall 2021 - Spring 2022	Fall 2022 - Spring 2023	In Progress	-

*Due to the dynamic environment of the College and risk environment, the plan will be reviewed quarterly and updated as necessary. Any changes or updates to the plan will be reviewed with the Finance and Audit Committee and the Board.

** Risk level is based on heat map reflected in audit plan. The significance of risks is assessed based on impact and likelihood.

***Internal Audit will issue an audit report for each audit engagement; the report will include audit scope, findings, recommendations and management responses (if deficiencies are noted). In addition, Internal Audit will issue a quarterly report with an update on the status of the audit findings based on management implementation date.



Important Compliance and Guidance Items:

U.S. Department of Education

August 10, 2022

The Importance of Academic Advising in Higher Education.

<https://blog.ed.gov/2022/08/the-importance-of-academic-advising-in-higher-education/#more-31424>

This website is being monitored by the Vice Chancellor for External Relations.

U.S. Department of Education

July 13, 2022

U.S. Department of Education Awards Final \$198 Million of American Rescue Plan Higher Education Funds to Support Students at Community Colleges, Rural, and Minority-Serving Institutions

<https://www.ed.gov/news/press-releases/us-department-education-awards-final-198-million-american-rescue-plan-higher-education-funds-support-students-community-colleges-rural-and-minority-serving-institutions>

This website is being monitored by the Vice Chancellor for External Relations.

U.S. Department of Education

June 23, 2022

The U.S. Department of Education Releases Proposed Changes to Title IX Regulations, Invites Public Comment.

<https://www.ed.gov/news/press-releases/us-department-education-releases-proposed-changes-title-ix-regulations-invites-public-comment>

This website is being monitored by the Vice Chancellor for External Relations.

Facilities Projects and CoE Updates

8/26/2022



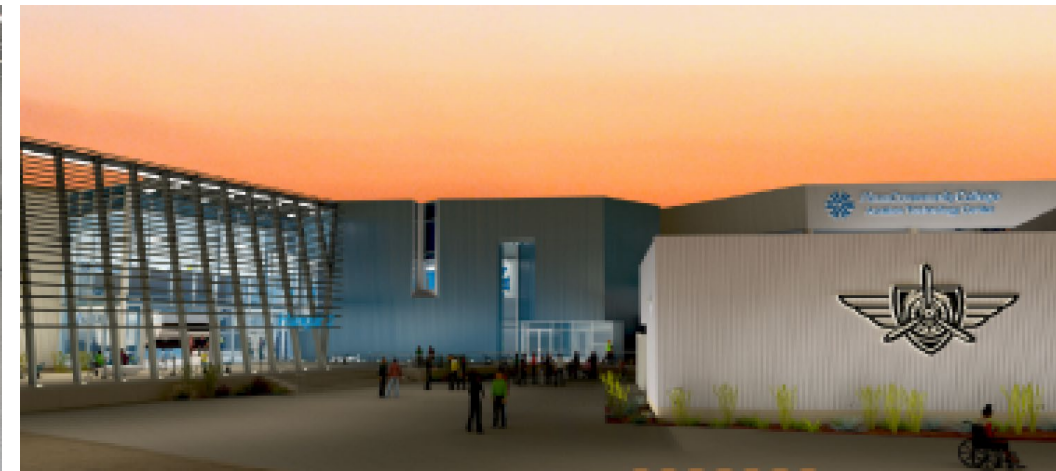
Advanced Manufacturing Building

- Building construction at approximately 88% complete.
- EIFS on southwest side of building is in progress - 65% complete
- Exterior finishes and Interior partitions in process.
- Planned completion - November 2022.



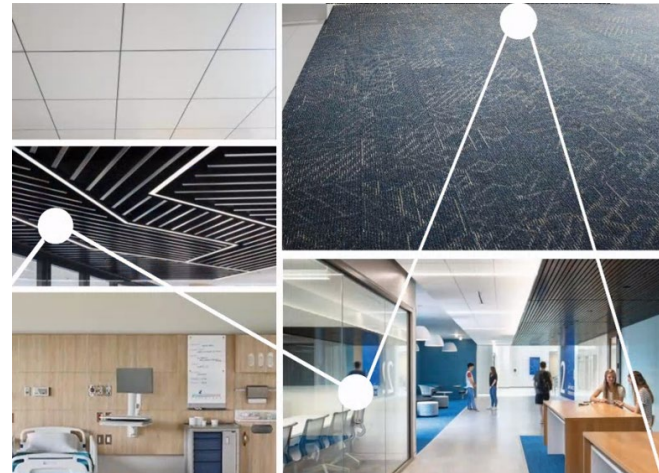
Aviation Technology Center

- Furniture installation completed by August
- Hangar, Lab and Toolcrib Epoxy flooring completed
- Hardscapes - 80% completed
- Landscaping and Irrigation on going
- Substantial completion August 2022.



West Campus Allied Health

- Design Development documents complete
- CM@R engaged with developing project budget
- Faculty and Staff move out
- Abatement and demo to follow
- Construction Documents scheduled complete
November 2022



West Campus Science Labs

- HVAC ductwork and piping complete.
- Underground utility work complete.
- Construction at approximately 70% completion
- Planned completion date October 2022



Desert Vista Campus Culinary

Title V Grant Project (Year 3) - Bakery Pastry Kitchen

- Structural framing is ongoing
- Electrical demo is complete
- Kitchen equipment procurement underway
- Target completion is December 2022

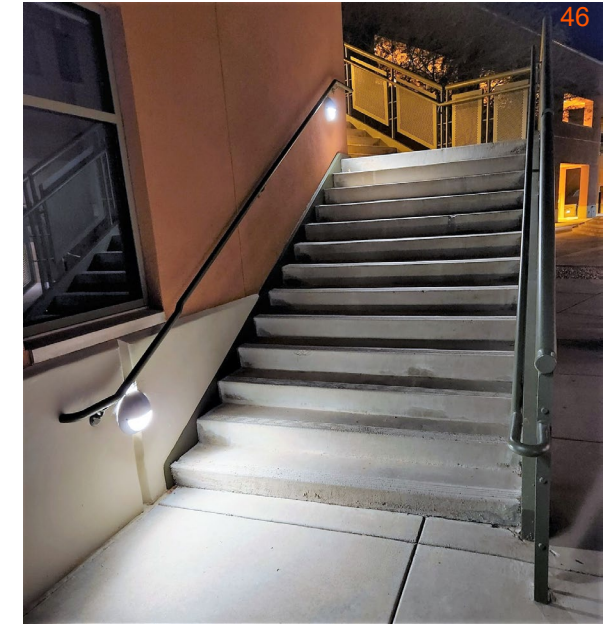
Capital Project - Bistro

- Value Engineering has been completed
- Construction start date of September 2022
- Planned completion date of December 2022



College Wide Trane Project

- Heat exchanger plates removed for service on four out of five units
- Materials for lighting and controls arriving
- DO controls installation in progress
- DV and MS controls engineering in progress
- NW Exterior lighting replacement beginning



Campus	Lighting	Controls
Desert Vista Campus	1%	3%
District Office	1%	8%
Downtown Campus	1%	0%
East Campus	1%	0%
Maintenance and Security	1%	1%
Northwest Campus	3%	0%
West Campus	1%	0%

College Wide Honeywell Project

- Perimeter card readers for building access
- Cameras installed at all College-owned sites and 29th St.
 - Some locations waiting server integration
 - Camera locations defined by College Police
- Ongoing initiative based on available resources and priorities



Campus	Cameras	Perimeter Card Readers
Desert Vista Campus	90%	95%
District Office	90%	100%
Downtown Campus	80%	65%
East Campus	90%	90%
Maintenance and Security	90%	95%
Northwest Campus	85%	15%
West Campus	85%	80%

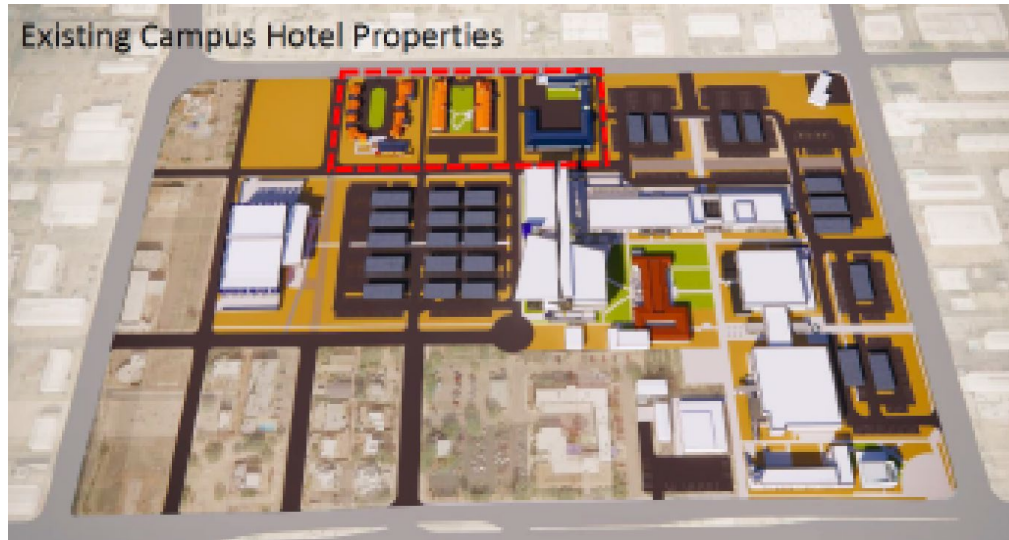
College Wide EV (Electric Vehicle) Charging Stations

- Continuing PCC Sustainability Endeavors
- Performing campus surveys
- Collaborating with TEP



Downtown Campus Hotel Properties

- Architect approved at May Board Meeting
- Construction Manager at Risk approved at June Board Meeting
- Design Kick Off anticipated soon after Fall Semester start up



Tucson Inn Sign Restoration

- Color scheme approved, Restoration Underway
- Progressing through Historic Review
- Pending presentation to Thrive in '05
- Planned completion - December 2022



Truck Driving Modular Replacement

- Outdated and require extensive repair
- Replace existing units with new unit of same size
- Improve interior environment for staff & students
- Project Programming 40% completed





PimaCommunityCollege

/// Keep striving.



Enterprise Risk Management and Compliance Report August 2022

<p>Pima Community College's Enterprise Risk Management (ERM) framework is primarily ISO 31000 based, complemented by principles from the COSO standard.</p>	<p>Our objective is to integrate risk assessment and risk awareness into everyday decision-making, understanding that risk is the effect of uncertainty upon objectives. Risk includes both opportunity and consequence, as the effect can be both positive and negative. This requires decision-makers to have a clear understanding of our strategic and key tactical objectives.</p>
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ERM and Compliance became part of the Legal Department as an element of the realignment that occurred with Dr. Moses' departure to become President of Allen Community College.

ERM Program Development Update

The Governing Board approved the Board Policy update to an ERM framework and work is underway on a new Administrative Procedure.

The summer proved to be a challenging time for ERM Workgroup team member schedules, slowing us down a little. The planned functional exercise will be considered later in the development process.

A stakeholder meeting is scheduled for early September to gather insight. Participants were identified based upon their being more on the leading edge of innovation or potential disruption, or may feel anchored down in their attempts to move forward or innovate, or both. Our goals include:

- The positive side of risk, opportunity, is better recognized.
- Developed processes and resources are relevant and effective.
- Unrecognized and emerging risk is identified and assesses.
- All levels and complexities of decision making are supported.
- Decision making is facilitated and the basis for decisions is better documented.

Operational/Insurance Risk Update

We had a very successful insurance program renewal at 7/1. We are in the renewal application process for our Fiduciary and Cyber programs that renew on 9/1 and 10/1, respectively. As is typical in a 'hard' market, underwriters continue to ask for new and additional detail. We continue to anticipate retention of limits with a reasonable premium increase at renewal.

Revenue Bond Projects - Inception to Date

FY=22 Period=14

<u>FUND</u>	<u>FUND_DESC</u>	<u>Revenues</u>	<u>Personnel</u>	<u>Other Expenditures</u>	<u>Transfers</u>	<u>Fund Balance</u>
581999	Rev Bonds Control Fund	67,808,594	0	(443,102)	(43,830,379)	23,535,113
5R8000	RVB PROJ - Control	67,808,594	0	(443,102)	(43,830,379)	23,535,113
581001	RVB Proj -Advanced Mfg.New Bldg	0	0	(23,270,623)	19,860,324	(3,410,299)
5R8001	RVB PROJ - Applied Tech- Building	0	0	(23,270,623)	19,860,324	(3,410,299)
581003	RVB Proj - Transportation New Bldg	0	0	(13,491,730)	13,535,034	43,303
5R8002	RVB PROJ - AppTech COE AE WFD SS	0	0	(13,491,730)	13,535,034	43,303
581005	RVB Proj - ST Bldg Renovations	0	0	(85,481)	94,016	8,536
5R8003	RVB PROJ - AppTech Weld,Mach,Engr,M	0	0	(85,481)	94,016	8,536
581007	RVB Proj - AppTech Makerspace CAD	0	0	(1,787)	1,787	0
5R8004	RVB PROJ - AppTech Makerspace CAD	0	0	(1,787)	1,787	0
581011	RVB Proj -DC Copper RE	0	0	(1,373,263)	1,373,263	0
581009	RVB Proj -DC Frontier RE	0	0	(1,361,845)	1,361,845	0
581037	RVB Proj -DC CoE Program Space Renv	0	0	(439,381)	439,381	0
581036	RVB Proj -DC RE Infrastructure Dev	0	0	(366,567)	366,567	0
581034	RVB Proj -DC 333 W Drachman (FT2)	0	0	(1,712,800)	1,712,800	0
581032	RVB Proj -DC Historic Assessment	0	0	(178,055)	178,055	0
5R8005	RVB -DC Campus Expansion & Developm	0	0	(5,431,911)	5,431,911	0
581013	RVB Proj -PSI ESI	0	0	(49,277)	49,277	0
5R8007	RVB PROJ -PSEI EMSI	0	0	(49,277)	49,277	0
581015	RVB Proj -Science Labs	0	0	(4,963,013)	4,332,129	(630,884)
5R8008	RVB PROJ -Science Labs	0	0	(4,963,013)	4,332,129	(630,884)
581017	RVB Proj -Allied Health COE	0	0	(20,032)	20,032	0
5R8009	RVB PROJ -Allied Health COE	0	0	(20,032)	20,032	0
581019	RVB Proj -EC Bookstore/Food Svc	0	0	(49,443)	49,443	0
5R8010	RVB PROJ -EC Bookstore/Food Svc	0	0	(49,443)	49,443	0
581021	RVB Proj -DC Bookstore/Food Svc	0	0	(446,916)	446,916	0
5R8011	RVB PROJ -DC Bookstore/Food Svc	0	0	(446,916)	446,916	0
581023	RVB Proj -NW Bookstore/Food Svc	0	0	(3,642)	3,642	0
5R8012	RVB PROJ -NW Bookstore/Food Svc	0	0	(3,642)	3,642	0
581025	RVB Proj -WC Campus Store	0	0	0	0	0
5R8013	RVB PROJ -WC Bookstore/Food Svc	0	0	0	0	0
581027	RVB Proj -DV Cafe	0	0	0	0	0
5R8014	RVB PROJ -DV Bookstore/Food Svc	0	0	0	0	0

Revenue Bond Projects - Inception to Date

FY=22 Period=14

<u>FUND</u>	<u>FUND_DESC</u>	<u>Revenues</u>	<u>Personnel</u>	<u>Other Expenditures</u>	<u>Transfers</u>	<u>Fund Balance</u>
500005	"Revenue Bonds" Revenue	0	0	0	0	0
5RVBND	Revenue Bond Funded Projects	0	0	0	0	0
		67,808,594	0	(48,256,955)	(5,870)	19,545,769