Lee College
101501

ACCOUNTING
AUDITS

CDC
(LOCAL)

The Board shall select an auditing firm for a designated period through a Request for Proposal (RFP) or an engagement letter that outlines the Board's expectations for the annual audit and ensures that the audit firm follows the guidelines and standards of the American Institute of Certified Public Accountants (AICPA) and the Governmental Accounting Standards Board (GASB).

The annual audit of all funds shall be made to determine:

1. The adequacy of the Board's fiscal policies;

2. The execution of those fiscal policies; and

3. A check and review of the College District's fiscal actions for the preceding year.

A comprehensive audit report of all funds and accounts of the College District, including a management letter, shall be submitted annually to the Board. A copy of the independent audit shall become a part of the Board's official minutes and shall be available to the public for inspection during regular office hours.

Periodically, the College President shall submit reports to the Board evaluating the work of the College District's external auditor.

Internal Audits

All College District accounts shall be subject to internal audit as deemed appropriate. The objective of internal accounting control is to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and to evaluate the reliability of financial records for preparing financial statements and maintaining accountability for assets. Findings of such audits shall be reported to the Board.

The President shall approve the hiring of an Internal Auditor to provide objective assurance and consulting activities designed to add value and improve Lee College (College) operations. Audit will assist the College accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control while adhering to the State of Texas' Internal Auditing Act (Texas Government Code, Chapter 2102), Institute of Internal Auditor's Global Standards, and US Government Auditing Standards.

The Internal Auditor, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all of the College' records, physical properties, and personnel pertinent to carrying out any audit work. All employees are requested to assist Internal Audit in fulfilling its roles and responsibilities. The Internal Auditor will also have free and unrestricted access to the President, Board of Regents and its Committees.

Based on an annual risk assessment, the Internal Audit Plan is developed, confirmed by the President, and approved by the Audit and Investment Committee. Internal audit services include assessing the adequacy of:

1. Governance, risk management, and controls
2. Effectiveness and efficiency of departments, processes, and technology
3. Change initiatives such as new technology, process rationalization, new/updated products
4. Compliance with College and State of Texas regulatory policies, requirements, and standards
5. Safeguarding of College' assets
6. Fraud investigations; and
7. Special requests such as due diligence, consulting, and training.

Internal Audit Reports are issued to the area audited, College management, the Board and, in compliance with State of Texas' statute, the Governor's Office, Legislative Budget Board, and State Auditor's Office.

Periodically, the College President shall submit reports to the Board evaluating the work of the College District's internal auditor.

Link – Lee College Internal Audit Charter

Audit Collaboration:

The Board expects transparent communication and coordination between Lee College Internal Audit and the External Auditor to ensure the most effective use of Lee College assets, personnel, and data, as well as the auditors' use of their resources.