

HYBRID MEETING OF AUDIT COMMITTEE
Community College of Philadelphia
Monday, September 26, 2022 – 10:00 a.m.

Present: Mr. Anthony J. Simonetta (*via Zoom*), Mr. Steve Herzog (*via Zoom*), Mr. Harold Epps (*via Zoom*), Donald Generals, Ed.D., Mr. Jacob Eapen, Victoria Zellers, Esq., Mr. Gim Lim, Mr. Robert Lucas, Mr. Derrick Sawyer, Ms. Anela Kruse (*via Zoom*), Ms. Mellissia Zanjani (*via Zoom*), Mr. Gerald Jones (*via Zoom*), representing Grant Thornton: Ms. Angelica Roiz and Mr. Alex Ney, Mr. Dennis Morrone, National Managing Partner of NFP & Higher Education Practices (*via Zoom*) and Mr. Anthony (Tony) B. Scott, Chairman & CEO, The Meridian Group, Limited (*via Zoom*)

Absent: Mr. Rob Dubow

AGENDA – PUBLIC SESSION

1. Approve Minutes of Audit Committee Meeting on June 8, 2022 (Action Item):

Action: Mr. Anthony Simonetta asked whether anybody has corrections or changes to the minutes. Hearing no changes, Mr. Simonetta asked for a motion to recommend acceptance of the June 8, 2022 Audit Committee meeting minutes (Attachment A). Mr. Harold Epps made the motion. Mr. Simonetta seconded the motion. The motion passed unanimously.

2. 2021-22 Fiscal Year Audit Report (Action Item):

Since there were several new attendees to the Audit Committee meeting, Ms. Angelica Roiz introduced herself, her team and Grant Thornton's minority partner for the engagement. This included Mr. Alex Ney, the Audit Manager, Mr. Dennis Morrone, National Managing Partner for Not-for-Profit and Higher Education Practices and Mr. Tony Scott from the Meridian Group, the Minority Partner.

Ms. Roiz then proceeded to present the results of the 2021-2022 annual audit (Attachment B). She informed the Committee that she planned to issue the final short form report of the June 30, 2022 Financial Statements (Attachment C) on Friday, September 30, 2022.

She reviewed the Audit Timeline and Scope and briefly explained the activities of each phase. She reported that the College has a clean report without any misstatements or disclosure issues as of this time. Mr. Simonetta noted that the short form of the report had 71 pages and readers may not agree with her description. The auditors will be back in the fall to perform the Uniform Guidance Audit which will be reported to the Audit Committee in March 2023. The Uniform Guidance Audit will take a deeper look at the impact of various federal relief programs as well as other grants and contracts.

Mr. Ney then proceeded to overview the areas of significant audit focus. He reported that within federal awards and state grants, if any time there is a potential of management override of controls, the auditors have to presume fraud risk and therefore consider it as an area of significant audit focus. Other areas of significant audit focus were tuition revenue, receivables, deferred revenue, valuation of investments, appropriations, GASB 75 Other post-retirement benefits (OPEB), New Market Tax Credit, and new for this year was the implementation of GASB 87 on leases. The College recorded about \$1 million in lease liability as a lessee and recorded about \$16 million in lease asset as lessor for the Hamilton ground lease. Mr. Gerald Jones asked about the process for testing the reasonableness of tuition revenue. Mr. Ney explained they performed detailed testing of student payments and also performed analytics using census data and published rates to compute the expected results and comparing that to the recorded revenue numbers. Mr. Epps and Mr. Jones expressed interests in benchmarking tuition revenues with other colleges which they agree to address at a different meeting. Ms. Roiz added that Federal and State grants and contracts included in non-operating revenues were very material since it was over \$100 million of which about \$60 million was from HEERF 3 funds. The auditors performed detailed testing over those expenditures, including funds used to discharge student debt. Ms. Roiz noted that there were about \$3.4 million remaining in the HEERF funds that is available for use in fiscal 2023. The testing on investments included the Foundation's investments. The auditors also reviewed the new Foundation's investment policy and performed testing to ensure the investments were consistent with the new policy and there were appropriate disclosures.

Ms. Roiz also explained that technology support was part of the audit scope. Grant Thornton's technology specialists performed a review of the Banner system since it feeds the financial system. The auditors also reviewed the financial aid module, tested administrator access and conducted password testing. As part of the technology support, Ms. Roiz reported that it is their practice to share best practices and recommendations with the College but noted that there were no findings or significant deficiencies or material weaknesses that needs to be brought to the attention of the Committee. On other required communications, Ms. Roiz reported that they performed detailed journal entry testing, reviewed New Market Tax Credit last year and for this year the auditors reviewed the implementation of GASB 87 on leases as part of what they consider as unusual transactions. Their auditor's report for this year was modified to include the College's adoption of GASB 87 and the election of a single year presentation because of this adoption. On accounting estimates and disclosures, the auditors are comfortable with the College's estimates and have no issues. Ms. Roiz then reminded the Committee of GASB 96 implementation for next year which requires the College to record subscription based on information technology arrangements similar to GASB 87.

Hearing no questions, Ms. Roiz then shared with the Committee their firm's Diversity, Equity and Inclusion goals, initiatives and progress to date. This includes increasing new hires of Black and African American or Hispanic and Latinx, increasing hot-skills training opportunities and increasing representation of veterans, military spouses and individuals with disabilities across the firm. Mr. Simonetta asked whether Grant Thornton has a mentoring program to help new employees succeed and advance their career. Ms. Roiz explained that every new employee is assigned to a coach and the firm offers formal mentoring programs by service line depending on each employee's career trajectory as well as informal coaching and mentoring opportunities as staff are placed into different development groups.

Mr. Morrone then provided an industry update. He reported that in speaking with boards and audit committees across the country he was able to summarize six commonalities:

1. Renewed interest in strategic planning, e.g., areas of focus, addressing changes in operating environment, ensuring resources are in place to support the strategic initiatives
2. Performing more financial modeling and budgeting
3. Enterprise risk management, e.g., addressing shutdowns, remote work, performing surveys and preparing responses to surveys
4. Focus on cyber risks, e.g., performing table top exercises to support or prevent cyber breach
5. Focus on master campus planning, e.g., using campus to optimize delivery of pedagogy while ensuring sustainability
6. Inflation impact, e.g., addressing rising operating costs, addressing limitations to increasing tuition while extending access, building up liquidity to response to the expected volatile market

Ms. Roiz thanked Management for all of their hard work and cooperation during the audit.

Action: Mr. Simonetta asked for a motion to recommend acceptance of the June 30, 2022 Financial Statement Audit report. Mr. Herzog made a motion to accept the June 30, 2022 Financial Statement Audit. Mr. Epps seconded the motion. The motion passed unanimously.

3. Internal Audit Committee/Internal Audit Plan (Information Item):

Mr. Lucas provided an update on the 2020-2022 Internal Audit Plan. He provided a summary report of activities since the last Audit Committee meeting and a spreadsheet of the Internal Audit Plan by email in advance of the meeting. Mr. Lucas stated that, since the last Audit Committee meeting, two audits had been finalized, one draft report is in the review process with management, and two audits were in various stages of progress.

Mr. Lucas also reviewed the 2020-2022 Internal Audit Plan in the provided Excel spreadsheet showing what stages the 2020-2022 audits were at based on the codes shown on the spreadsheet. He also noted that the audits which were not completed during fiscal years 2021 or 2022 were rolled into the proposed 2022–2024 audit plan proposed to management. Mr. Lucas stated the new plan includes two audits of federal student aid in each fiscal year.

Mr. Lucas then reviewed with the Committee the Internal Audit Follow Up Matrix on which the audit comments, recommendations, and management's action plans are tracked. The matrix had also been distributed to the committee members by email in advance of the meeting. He provided an overview of the status of the audit comments based on the color coding on the spreadsheet to denote the status of management's actions plans. Mr. Lucas noted that there were no items highlighted in red designated as not addressed within a year of the original target date. He also noted that the action plans for seven items had been fully addressed by management and, as such, were now highlighted in green, and that these items will be moved off the matrix before the next Audit Committee meeting while new items from finalized audits will be added.

For the benefit of new Audit Committee members and guests, Mr. Lucas explained the history of the Internal Audit Committee (IAC) meetings. He stated that this forum, created at the request of Dr. Generals, provides the means for senior managers in divisions with items on the matrix which can be discussed, and questions addressed to help

management complete the action plans as indicated by the seven which have been completed since the last Audit Committee meeting.

Mr. Lucas stated that he was now tracking revised College policies based on the new policy on policies. The goal of the new policy is to help ensure all policies are updated within the next five years. He also stated that the policy includes the responsibility for tracking policy revisions as a function of the Internal Audit.

Mr. Lucas noted that he had attended training on federal student aid during August.

Mr. Epps asked Mr. Lucas whether he had any areas of concerns or considered any area as high risk. Mr. Lucas stated that Information Technology is constantly changing and is a high risk for any company. He also noted that the Department of Education had concerns during their last review, but that management had worked to address the Department of Education's concerns and update documentation as needed. Mr. Lucas noted that unknown concerns may arise during any audit but that he believes management is working hard to minimize risks during regular operational activities.

Mr. Simonetta asked if any concerns have arisen during the Internal Audit Committee meetings. Mr. Lucas responded that no concerns have arisen during those meetings.

4. March 2023 Meeting Date (Information Item):

The next meeting will be to discuss the results of the College's Uniform Guidance Audit. Typically, this meeting is scheduled for the month of March, since the deadline to submit the results to the Department of Education is March 31st of each year.

EXECUTIVE SESSION

An Executive Session of the Audit Committee was held with the College staff.

GSL/lh
Attachments

cc: Dr. Donald Generals, Jr.
Mr. Jacob Eapen
Ms. Victoria Zellers, Esq.
Mr. Robert Lucas
Mr. Derrick Sawyer
Representing Grant Thornton: Ms. Angelica Roiz
Representing Grant Thornton: Mr. Alex Ney

ATTACHMENT A
MINUTES FROM JUNE 8, 2022
AUDIT COMMITTEE MEETING

**MEETING OF AUDIT COMMITTEE
Community College of Philadelphia
Wednesday, June 8, 2022 – 10:00 a.m.**

Present: Mr. Anthony J. Simonetta (*via Zoom*), Mr. Jeremiah White (*via Zoom*), Mr. Michael Soileau (*via Zoom*), Donald Generals, Ed.D., Mr. Jacob Eapen (*via Zoom*), Victoria Zellers, Esq., Mr. Gim Lim, Mr. Vijay Sonty, Ms. Anela Kruse (*via Zoom*), Derrick Sawyer (*via Zoom*), Mr. Robert Lucas, and representing Grant Thornton: Ms. Angelica Roiz and Mr. Alex Ney (*via Zoom*)

Not Present: Mr. Steve Herzog

AGENDA – PUBLIC SESSION

The Audit Committee meeting was held on-campus and also available via Zoom for those who could not attend in person.

5. Approve Minutes of Audit Committee Meeting on March 29, 2022 (Action Item):

Action: Mr. Anthony Simonetta asked whether anybody had corrections or changes to the minutes. Hearing no changes, Mr. Simonetta asked for a motion to recommend acceptance of the March 29, 2022 Audit Committee meeting minutes (Attachment A). Mr. Jeremiah White made the motion and Mr. Simonetta seconded the motion. The motion passed unanimously.

6. 2021-2022 Audit Process (Information Item):

Attachment B contains the formal presentation made by Ms. Angelica Roiz, Engagement Partner from Grant Thornton and Mr. Alex Ney. Ms. Roiz began her presentation by reviewing the audit timeline and scope for the 2022 annual audit. From May to July, they will be performing preliminary risk assessment procedures, walkthroughs, planning and meeting with management. Fieldwork will be from August through September. Mr. Simonetta asked whether this audit will continue to be performed remotely as in past two years. Ms. Roiz stated that it will be hybrid but they are fine either way depending on management. Mr. Simonetta asked whether the College is on hybrid work schedule at this point and Mr. Jacob Eapen explained employees are currently working two days on-campus each week during summer.

Mr. Ney then proceeded to review the area of significant risks and areas of focus. Mr. Michael Soileau asked whether the areas of significant risks were the results of past history or general areas identified by the auditors. Mr. Ney explained they were areas identified based on their risk assessments. Ms. Roiz added that they were not specific to the College because of prior issues but were presumed to be areas of potential fraud relating to management controls. For these areas, they will perform additional procedures to determine proper segregation of duties, test the recognition of revenues and expenses and posting of journal entries. Other areas included appropriations of revenue, GASB 75 and New Market Tax Credit. Ms. Roiz then provided an overview of GASB 87 which requires the College to report liabilities for all leases of land, buildings, and equipment that were

not previously reported as liabilities. Mr. Simonetta asked what disclosures on the financial statements will look like associated with GASB 87. Ms. Roiz reviewed the required qualitative and quantitative disclosures which were on the presentation. It included general description of the leases, terms and conditions, the total amount of lease assets and related accumulated amortizations. Mr. White suggested that Mr. Eapen brief Mr. Soileau on GASB 87 since it will impact the balance sheet.

Ms. Roiz then provided an overview of the areas of focus for the Single Audit. They will be looking at the major programs which include the Student Financial Aid cluster, HEERF III and the Education and Technical Education grants.

From a technology support perspective, Grant Thornton will examine Banner's General Ledger module and the Student Financial Aid module as part of their testing. They will review administrator access, proper segregation of duties, change management and perform password testing.

Ms. Roiz then provided a brief industry update. She mentioned that generally enrollment continues to be flat or down across institutions. Mr. Soileau asked whether the industry outlook considered consolidations and closings of institutions. Ms. Roiz said yes and added that institutions are doing more cost modeling on programs offered, partnering with other institutions or closing programs that are not economical. Mr. Simonetta mentioned that according to a higher education report it is still unclear what the impact will be on revenues and enrollments from these consolidations and other changes. Mr. Soileau asked about the status of deploying State and Federal funding to the higher education sector. Ms. Roiz mentioned that industry wide there are challenges in spending the awarded funds because of the terms and conditions and finding projects that qualify.

7. Internal Audit Plan /Internal Audit Committee Update (Information Item):

Mr. Robert Lucas provided an update on the 2020-2022 Internal Audit Plan (Attachment C). He provided a summary report of activities since the last Audit Committee meeting and a spreadsheet of the Internal Audit Plan by email in advance of the meeting. Mr. Lucas stated that, since the last Audit Committee meeting, two audits had been finalized, two other reports had been drafted and were being discussed with management, and three audits were in various stages of progress.

Mr. Lucas also reviewed the 2020-2022 Internal Audit Plan in the provided Excel spreadsheet showing what stages the 2020-2022 audits were at based on the codes shown on the spreadsheet. He also noted that there were several audits which were deferred at the request of management due to the available time of staff in that area and due to staffing shortages in others. Mr. Soileau inquired about the codes used to indicate the various stages of progress on the audits and Mr. Lucas noted there is a legend at the bottom of the spreadsheet which provides a description of each stage.

Mr. Lucas then reviewed with the Committee the Internal Audit Follow Up Matrix on which the audit comments, recommendations, and management's action plans are tracked. The matrix had also been distributed to the committee members by email in advance of the meeting. He provided an overview of the status of the audit comments based on the color coding on the spreadsheet to denote the status of management's actions plans. Mr. Lucas noted that the action plans for ten items had been fully addressed by management and, as such, were highlighted in green. He also noted that these items will be moved off the matrix before the next Audit Committee meeting while new items from finalized audits will be added.

Mr. Lucas stated that there had been two Internal Audit Committee (IAC) meetings since the last Audit Committee meeting in March. He stated that this forum provides the means for senior managers in divisions with items on the matrix which can be discussed, and questions addressed to help management complete the action plans as indicated by the ten which have been completed since the last Audit Committee meeting.

Mr. Soileau inquired about the PII (personally identifiable information) item on the Follow Up Matrix. Ms. Zellers responded that her team is working on an updated policy for the subject which should be completed by the next Audit Committee meeting. She noted that she would provide an update to the Committee at that time.

Mr. Lucas stated that he was facilitating the updates of each division disaster recovery plans. He noted that the plans for each of the larger divisions have been provided to him along with several of the smaller divisions. Mr. Lucas noted that he expects to have all of the plans by June 30 as planned each year for these updates.

Mr. Lucas noted that he is working to develop the 2022-2024 Internal Audit Plan. He stated that he has solicited the Cabinet members for their input in the plan development and has asked them to consider areas or functions in their division, or others, which may have higher risk and should be considered for an internal audit. Mr. Lucas noted that he expects to have a plan approved by management to present to the committee at the September meeting.

Mr. White asked about the status of the Department of Education audit of student financial aid and the results of any work performed by Internal Audit related to that audit. Ms. Zellers responded that the College has not received any response from the DOE since the College sent its responses to the audit. She also noted that the work performed by Internal Audit related to this could be discussed at the next Audit Committee meeting in September in Executive Session.

Mr. White also asked whether federal student aid would be included in the 2022-2024 Internal Audit Plan. Mr. Lucas responded that he expects there will be one or more such audits included in the plan. Mr. Lucas also noted that he will be participating in a multi-day training course on the subject in August.

Ms. Roiz stated that she had contacted Mr. Lucas to offer the assistance of Grant Thornton if the College wanted to use them to perform or help with financial aid audits included in the new Internal Audit Plan.

Mr. Vijay Sonty presented an update on the Network Security Assessment report issued by AccessIT ([Attachment D](#)). AccessIT was engaged in 2019 to identify potential vulnerabilities on our network infrastructure. Mr. Sonty reported that ITS has addressed all the items identified as urgent, critical or high severity on the report and provided an update to Grant Thornton last September.

8. September 2022 Meeting Date (Information Item):

Mr. Simonetta announced that the next meeting of the Committee will be in September 2022 at which time Grant Thornton will present the results of the 2021-2022 audit.

Mr. White made an announcement that he will be stepping down as Chair of the Board after September but will remain as a Board member. Mr. White mentioned that the new Chair will attend future Audit Committee meetings.

Hearing no other questions, comments or announcements, Mr. Simonetta asked for a motion to adjourn the meeting. Mr. White moved and Mr. Simonetta seconded the motion.

EXECUTIVE SESSION

During any audit committee meeting; Management, The Independent Auditors or the Internal Auditor may request an Executive Session to meet privately with the Audit Committee.

GSL/lmh
Attachments

cc: Dr. Donald Generals
Mr. Jacob Eapen
Victoria Zellers, Esq.
Mr. Robert Lucas
Mr. Derrick Sawyer
Ms. Anela Kruse
Mr. Vijay Sonty
Representing Grant Thornton: Ms. Angelica Roiz
Representing Grant Thornton: Mr. Alex Ney

ATTACHMENT B
GRANT THORNTON'S
2022 ANNUAL AUDIT RESULTS PRESENTATION



PRESENTATION TO THOSE CHARGED WITH GOVERNANCE

2022 Annual Audit Results Presentation

Community College of Philadelphia

September 26, 2022

This communication is intended solely for the information and use of management and those charged with governance of the Community College of Philadelphia and is not intended to be and should not be used by anyone other than these specified parties.

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With you today

We are pleased to meet with you today to discuss our 2022 audit results and look forward to continuing to work with Community College of Philadelphia (the “College”).

Angelica Roiz (Engagement Partner)

Audit Partner, Not-for-Profit and Higher Education Practice

T +1 215.814.1711

E angelica.roiz@us.gt.com

Dennis J. Morrone (National Managing Partner)

Managing Partner of Grant Thornton LLP's National Not-for-Profit & Higher Education Practices

T +1 732.516.5582

E dennis.morrone@us.gt.com

Alex Ney (Engagement Senior Manager)

Audit Senior Manager, Not-for-Profit and Higher Education Practice

T +1 215.814.1757

E alex.ney@us.gt.com

Anthony B. Scott (The Meridian Group, MBE)

Chairman and CEO

T +1 888.407.5550

E ascott@themeridiangroupltd.com

Audit timeline & scope

May 2022	Client continuance	<ul style="list-style-type: none"> • Confirm independence and perform client continuance procedures • Issue engagement letters • Conduct internal client service planning meeting, including coordination with audit support teams (Tax and IT)
June / July 2022	Planning	<ul style="list-style-type: none"> • Meet with management to confirm expectations and discuss business risks • Discuss scope of work and timetable as well as identify current year audit issues • Initial Audit Committee communications (e.g., discuss recently issued accounting pronouncements of relevance) • Materiality determination
June / July 2022	Preliminary risk assessment procedures	<ul style="list-style-type: none"> • Develop an audit plan that addresses risk areas/identify significant risks & focus areas • Update understanding of internal control environment • Coordinate planning with management and develop work calendar
July 2022	Walkthroughs	<ul style="list-style-type: none"> • Perform walkthroughs of business processes and controls
August / September 2022	Final fieldwork	<ul style="list-style-type: none"> • Perform final phase of audit and year-end fieldwork procedures • Meet with management to discuss results, including review of draft financial statements, misstatements (if any) and completeness/accuracy of disclosures • Present results to the Audit Committee
Report issuance date	Deliverables	<ul style="list-style-type: none"> • Financial Statements (Short-form September 2022 and Uniform Guidance March 2023) • Listing of unrecorded/recorded misstatements and omitted disclosures (if any)

Significant risks and other areas of focus

The following provides an overview of significant risks and areas of focus based on our risk assessments.

Significant risk	Results
State and federal grants & contracts	<ul style="list-style-type: none">• Reviewed contract documents to obtain understanding of the terms.• Compared revenues and recorded expenses to determine that amounts are being recorded appropriately based upon the terms of the contracts.• Reviewed any deferred amounts for reasonableness.• Agreed any subsequent collections to year-end receivable balances.• Reviewed propriety of financial statement presentation and disclosures. <p><i>Procedures are in process</i></p>
Management override of controls – <i>(presumed fraud risk and therefore significant risk in all audits)</i>	<ul style="list-style-type: none">• Considered the design and implementation of entity-level controls, including information technology controls, designed to prevent/detect fraud.• Assessed the ability of the College to segregate duties in its financial reporting, information technology, and at the activity-level.• Conducted interviews of individuals involved in the financial reporting process to understand (1) whether they were requested to make unusual entries during the period and (2) whether they are aware of the possibility of accounting misstatements resulting from adjusting or other entries made during the period.• Performed risk assessment for journal entries and detail tested a sample of journal entries based on our risk assessments to ensure propriety of the entries. <p><i>Procedures are in process</i></p>

Significant risks and other areas of focus (continued)

The following provides an overview of significant risks and areas of focus based on our risk assessments.

Area of focus	Results
Tuition revenue, auxiliary enterprises and related receivables/deferred revenue	<ul style="list-style-type: none">• Performed reasonableness test on tuition and fees, student aid and auxiliary revenue amounts.• Performed detail testing of a sample of transactions, agreeing to source documentation.• Assessed management's analysis of allowances for doubtful accounts for reasonableness, consistency with methodology and accuracy of inputs.
	<i>Procedures are in process</i>
Valuation of investments	<ul style="list-style-type: none">• Obtained independent investment valuation and monitoring reports from investment managers.• Confirmed existence of investment holdings directly with custodians.• Tested reasonableness of investment-related income, including unrealized appreciation/(depreciation) in fair values.• Obtained fiscal 2022 roll-forwards for each of the College's significant non-marketable alternative investment positions. Tested a sample of capital additions, withdrawals, fees and income.• Obtained most recent independent auditors' reports for all non-marketable alternative investment positions. Reviewed auditors' reports to assess quality of financial reporting and type of opinion received.• Obtained SSAE16 reports from investment custodians.• Evaluated prioritization of inputs used to determine fair value of investment assets is reasonable and in accordance with Topic 820, <i>Fair Value Measurements</i>, and reviewed related disclosures.
	<i>Procedures are in process</i>

Significant risks and other areas of focus (continued)

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Area of focus	Results
Appropriations revenue (City & State)	<ul style="list-style-type: none">• Obtained detail of appropriations received.• Confirmed amounts, agreeing to revenue recorded in the general ledger.• Reviewed receivable balance, reconciled the cash received to amounts outstanding, if any. <p><i>Procedures are in process</i></p>
GASB 75, <i>Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions</i>	<ul style="list-style-type: none">• Reviewed the analysis of accrued postretirement benefit obligations.• Assessed the reasonableness of actuarial assumptions: discount factor, trend rates and cash flows, amongst others.• Tested participant census data. <p><i>Procedures are in process</i></p>
New Market Tax Credit (NMTC) and CCP Development, LLC	<ul style="list-style-type: none">• Confirmed outstanding balances of notes payable and loan receivable as of year end.• Tested a sample of construction in process transactions related to the Career and Advanced Technology Center (CATC). <p><i>Procedures are in process</i></p>

Significant risks and other areas of focus (continued)

The following provides an overview of the areas of significant audit focus based on our risk assessments.

Area of focus	Results
Accounting estimates	The preparation of the College's financial statements requires management to make multiple estimates and assumptions that affect the reported amounts of assets and liabilities as well as the amounts presented in certain required disclosures in the notes to those financial statements. The most significant estimates relate to the allowance for doubtful accounts, valuation of level 2 investments based on NAV per share, and actuarial estimates for the College's post-retirement plan (OPEB) under GASB 75. Our procedures have been designed in part, to review these estimates and evaluate their reasonableness.
Financial statement disclosures	<p>Our procedures also include an assessment as to the adequacy of the College's financial statement disclosures to ensure they are complete, accurate and appropriately describe the significant accounting policies employed in the preparation of the financial statements and provide a detail of all significant commitments, estimates and concentrations of risk, amongst other relevant disclosures required by US GAAP.</p> <p>Current year procedures included reviewing the propriety of the implementation of GASB 87, <i>Leases</i>, and completeness of related financial statement disclosures.</p>

Technology support as part of the audit process



An important component of our audit approach is to understand how IT is used and deployed in supporting business operations and producing financial reports. Our technology specialists place particular emphasis on the risks relating to the use of technology and its associated controls, processes and practices. Our general controls review evaluates the design of controls that mitigate risk in areas such as organization and operations, protection of physical assets, application systems development and maintenance, access controls and computer operations.

In-scope Application: Banner

1. Financial aid module review
2. Administrator Access & Password Testing

Summary of misstatements

Disclosure misstatements

None noted.

Description	Increase (Decrease) to:			
	Assets	Liabilities	Net assets	Change in Net Assets
<u>Material, corrected misstatements</u>				
None noted as of 9/26/22.				
Net impact	\$ -	\$ -	\$ -	\$ -
<u>Uncorrected misstatements</u>				
None noted as of 9/26/22.				
Net impact	\$ -	\$ -	\$ -	\$ -

Other required communications

Professional standards require that we communicate the following matters to you, as applicable.

Going concern matters

Fraud and noncompliance with laws and regulations

Significant deficiencies and material weaknesses in internal control over financial reporting

Use of other auditors

Use of internal audit

Related parties and related party transactions

Significant unusual transactions

Disagreements with management

Management's consultations with other accountants

Significant issues discussed with management

Significant difficulties encountered during the audit

Other significant findings or issues that are relevant to you and your oversight responsibilities

Modifications to the auditor's report

Other information in documents containing audited financial statements



Quality of accounting practices

Accounting policies	Accounting policies are consistently applied and appropriate. The College's accounting policies put in place related to the adoption of GASB 87 are appropriate.
Accounting estimates	Accounting estimates are reasonable and disclosed in the financial statements. The most significant estimates relate to the allowance for doubtful accounts, valuation of level 2 investments based on NAV per share, and actuarial estimates for the College's post-retirement plan (OPEB) under GASB 75.
Disclosures	Financial statement disclosures are complete and accurate.
Other related matters	None noted.





Technical updates - GASB

Selected pronouncements effective for the year ending June 30, 2022, or subsequent periods - GASB

Title	Effective date
GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements	Periods beginning after June 15, 2022
GASB 96 – Subscription-Based Information Technology Arrangements	Periods beginning after June 15, 2022
GASB 100 – Accounting Changes and Error Corrections	Periods beginning after June 15, 2023
GASB 101 – Compensated Absences	Periods beginning after December 15, 2023

GASB Statement 96, *Subscription-Based Information Technology Arrangements*

Summary

- Defines subscription-based information technology arrangements (SBITA) as a contract that conveys control of the right to use another party's IT software,
 - alone or with underlying tangible IT assets,
 - For a period of time (noncancelable period, plus options to extend),
 - In an exchange or exchange-like transaction.
- Government should recognize a right-to-use subscription asset and a corresponding subscription liability
 - Measured as the present value of expected subscription payments
 - Discounted using the rate the SBITA vendor charges, or the incremental borrowing rate
- Subscription asset to be amortized over the subscription term
- Activities associated with a SBITA, other than subscription payments, should be grouped into the following three stages and costs accounted for accordingly:
 - Preliminary project stage – expensed as incurred
 - Initial implementation stage – capitalized as an addition to the subscription asset
 - Operation and additional implementation stage – expensed as incurred, unless they meet specific capitalization criteria
- Effective for fiscal years beginning after June 15, 2022, with early adoption encouraged.

Potential Impact

- For those universities using subscription-based IT arrangements, this standard could have a significant impact on the financial statements of the university upon adoption. As with the new lease standard, management should consider the impact on financial covenants, as well as ensuring a complete inventory of existing agreements that will be subject to the new accounting and disclosures.



Diversity, Equity & Inclusion



Diversity, Equity and Inclusion

What makes us different makes us powerful



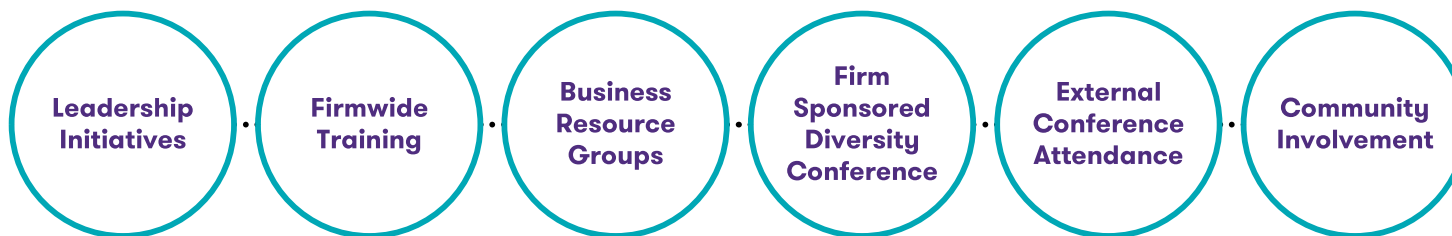
People thrive when their perspectives are valued, when they enjoy working with each other and when they are comfortable being exactly who they are. That is why at Grant Thornton, we are committed to building a more diverse, equitable and inclusive workplace, where everyone is valued and respected.

Our culture and practice of diversity, equity and inclusion (DE&I) are embraced top-down, through action and ongoing commitment from the CEO and the national leadership team, as well as bottom-up through business resource groups (BRGs) led by employees cross the firm.

We recently published our second annual Diversity, Equity and Inclusion Report ([click to read](#)) in furtherance of our intensified efforts to build a more diverse, equitable and inclusive firm for all those we serve.

Commitment to diversity

Our people thrive personally and professionally because all perspectives are valued and heard. **In turn, our inclusive culture enables us to craft creative solutions for ourselves and the clients we serve.** In keeping with our culture of DE&I, Grant Thornton's DE&I team develops strategies, programs and tools to unlock the power of difference.



“Our words are our promise, but our actions are our integrity. We’ll continue to take action to make our firm a better and more equitable place to work and stand together as a positive force for change.”

Brad Preber, CEO,
Grant Thornton LLP



BUSINESS RESOURCE GROUPS

- Black Professionals & Allies
- Disability Alliance
- Equality GT (LGBTQ+ & Allies)
- Future Leaders & Allies
- Latinxs/Hispanics & Allies
- Pan-Asians & Allies
- Veterans & Allies
- Women & Allies
- Working Parents & Allies

NATIONAL CONFERENCE ATTENDANCE

- Ascend National Convention
- Association of Latino Professionals for America National Convention
- National Association of Black Accountants Annual Convention

GRANT THORNTON CONFERENCE

- Unified Inclusion Conference

Diversity, Equity and Inclusion initiatives



- Assembled a **National Leadership Team Committee** to fast-track DE&I imperatives within our firm
- Created a True North culture immersion for all GTUS employees to foster a community of **belonging**
- Expanded firmwide **DE&I-focused training** adding psychological safety and micro-aggressions to unconscious bias
- Included DE&I Badges as part of Partner/Principal scorecard
- Launched a “Train the Trainer” program with TMCF and Amex to **prepare HBCU students** for post-college success
- Rolled out GT Empower and other early identification programs to expand recruiting pipeline
- Expanded range of schools at which we **recruit to recognize** the value of diverse backgrounds
- Launched DE&I badges via LinkedIn Learning
- Amplified focus on **mental well being** and employee welfare
- Contributions to worthy charities and non-profits as part of the **GT Foundation’s annual contribution**
- Up to **40 annual chargeable hours** for each employee to give back to community and towards DE&I efforts
- Continued addition of **Purple Paladins** - our signature cause program where we select non-profits that support the needs of diverse populations
- Enhancing benefits and equitable policies such as **military spouse self-ID**, paid caregiver leaves etc.
- Expanded our fellowship program with **Hiring Our Heroes** for veterans and military spouses
- Reached over **4,000 members** of our Business Resource Groups

Progress report on 2025 DE&I goals

Our DE&I strategy is anchored in our vision to serve as a champion for diversity and inclusion, where everyone fearlessly contributes to arrive at the best solutions — achieving equity across our firm. Grant Thornton aspires to reach five key diversity goals by the end of our fiscal 2025, which coincides with our 100th anniversary in 2024.

Goal	FY21 year-over-year % progress
30% of our new hires will be Black and African American or Hispanic and Latinx (also recognizing opportunities for increased hiring for Pan-Asians, Native Americans, Hawaiians and Pacific Islanders).	+25%
35% of our National Leadership Team and market-focused leaders will be women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses.	+6%
40% of our partners, principals and managing directors will be women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses.	+12%
50% of our hot-skills training opportunities (including firm-sponsored certifications, advanced technology skills and leader-sponsored training and development initiatives) will include women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses.	+62%
50% We will increase our representation of veterans, military spouses and individuals with disabilities across the firm by 50% from fiscal year 2020.	+22%



Industry updates



Moody's 2022 outlook for the Higher Education sector* has changed to “stable” from “negative”

Positive financial results in Fiscal 2021 coming out of the pandemic with enrollment levels and inflation key concerns for the future

Positive Developments

- Fiscal 2022 operating revenue projected to rise 4-6% following Fall 2021 return to campus
- Increased liquidity can allow flexibility to manage budget challenges

Risks to Monitor

- Inflation and labor shortages will lead to higher costs and lower margins
- Social and cyber risks pose key risks
- Operating budgets for most institutions remain strained

Outlook could turn negative if operating revenue growth falls substantially below inflation, enrollments decline further than expected, or constrained states' tax revenues lead to cuts in state appropriations

Moody's 2022 Sector Update, continued

MOODY'S

Global credit themes affecting higher education



Reshaped economies

- » High susceptibility to inflation and labor shortages, since over 50% of expenses relate to compensation
- » Economic shifts and changes in job market creates new demands for credentials and programs
- » Rebound in economy leads to losses of enrollment at community colleges and regionals



Debt sustainability

- » Universities have taken advantage of low borrowing costs to refinance outstanding debt at lower cost
- » Colleges also locked in lower rates over the long term to invest in strategic capital projects
- » Entities that did become highly leveraged will be more exposed to any financial market volatility



Policy shifts

- » Supportive federal environment, with extra student aid and funding for minority-focused colleges likely
- » State policies and greater politicization of academic issues are complicating operating environments
- » More open immigration policies and focus on new national strategy will bolster international enrollment



New technologies

- » Online teaching and digitization of recruitment and administration require significant investment
- » Expansion of online providers will offer competition, especially as pricing becomes more of a focus
- » Cyber risk will continue to rise with greater use of technology and the migration to cloud storage



Path to net zero

- » Many universities are implementing net zero energy systems and buildings
- » Research departments are working on developing new technologies to address decarbonization
- » Sector environmental risk is not high but liable to affect colleges in regions exposed to severe weather



Inequality & social risk

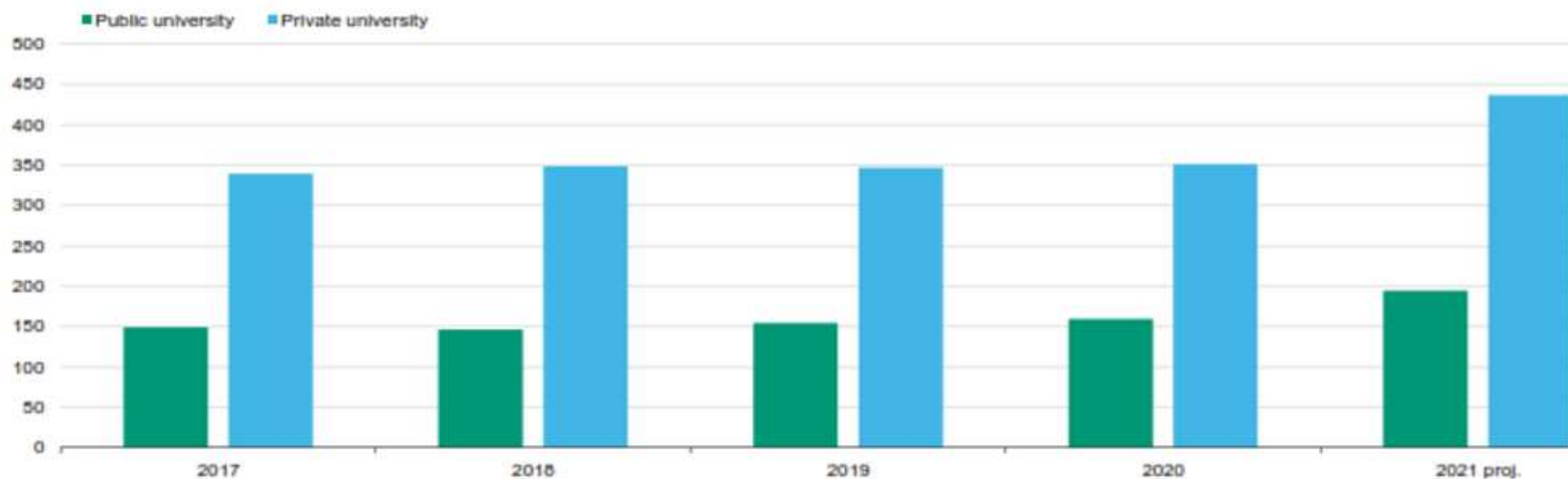
- » Cost of student support to rise amid lower academic preparedness and wellness issues due to COVID
- » Financial aid will rise as colleges respond to growing student need and affordability of higher education
- » Falling numbers of high-school graduates will hit enrollment and intensify competition, price pressures

Moody's 2022 Sector Update, continued

MOODY'S

Greater financial assets largely driven by outsized fiscal 2021 investment gains will help stave off immediate adverse credit effects for most colleges and universities. Even with recent investment market volatility, the gains in endowment values and liquidity will provide financial flexibility and help universities manage through budget difficulties in fiscal 2023. Median monthly days cash on hand for public and private universities improved by 22% and 24% in fiscal 2021, respectively

Increased liquidity affords some runway to manage budget difficulties
Median monthly days cash on hand by fiscal year



Source: Moody's Investors Service

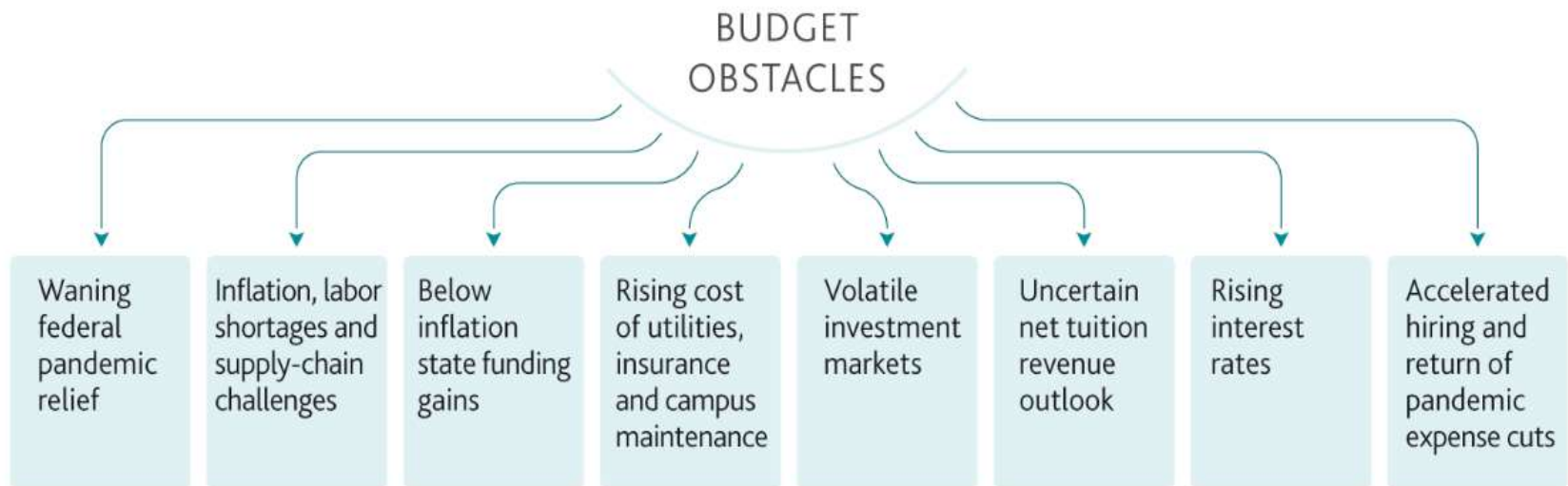
Moody's 2022 Sector Update, continued

MOODY'S

While there is an overall stable outlook for the higher education sector there are many potential budget obstacles to consider as well

Budget obstacles lay path of uncertainty

Converging revenue and expense difficulties drive looming budget stress in fiscal 2023



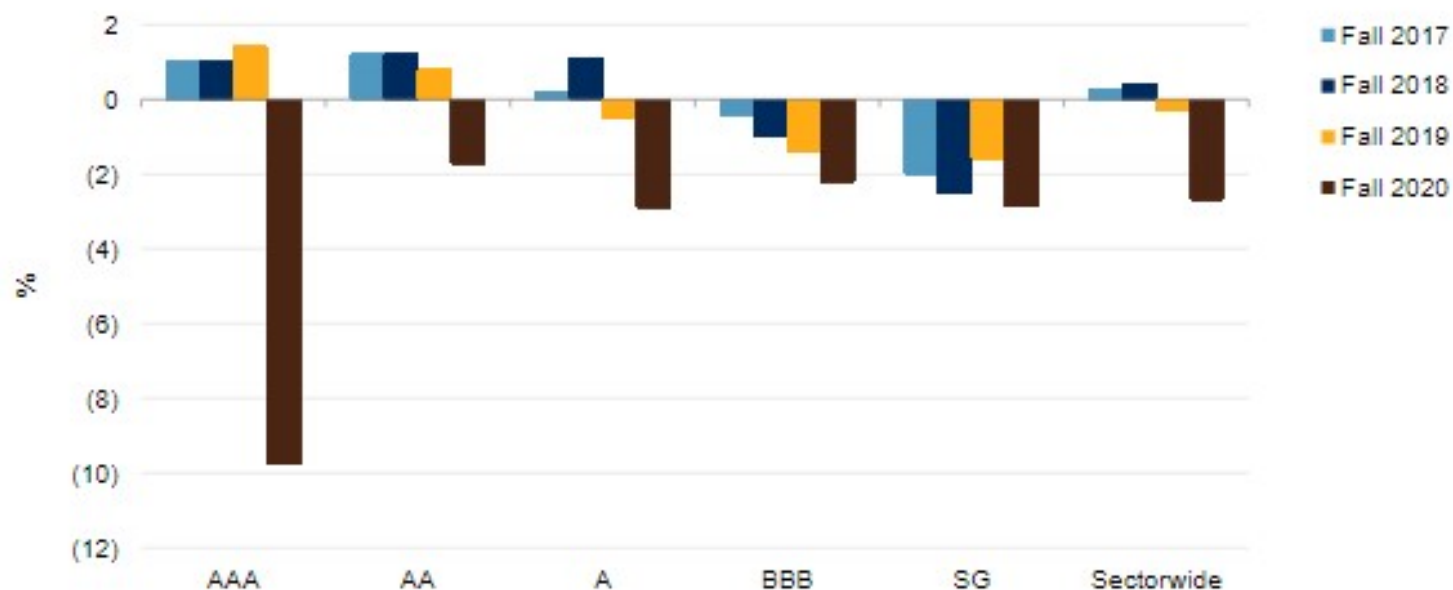
S&P's 2022 outlook for the Higher Education sector* has changed to “stable” after four years of “negative”

S&P Global
Ratings

All ratings categories saw sharp enrollment declines due to a large number of selective institutions seeing large deferrals during the pandemic and by not decreasing their admissions standards with the expectation of a future increase.

The lower rated schools may be seeing enrollment declines that are less likely to recover in the future and note the BBB and SG institutions have been trending down each of the 4 years shown.

Private Colleges And Universities--Median Full-Time Equivalent Enrollment Change, Year Over Year



SG--Speculative grade.

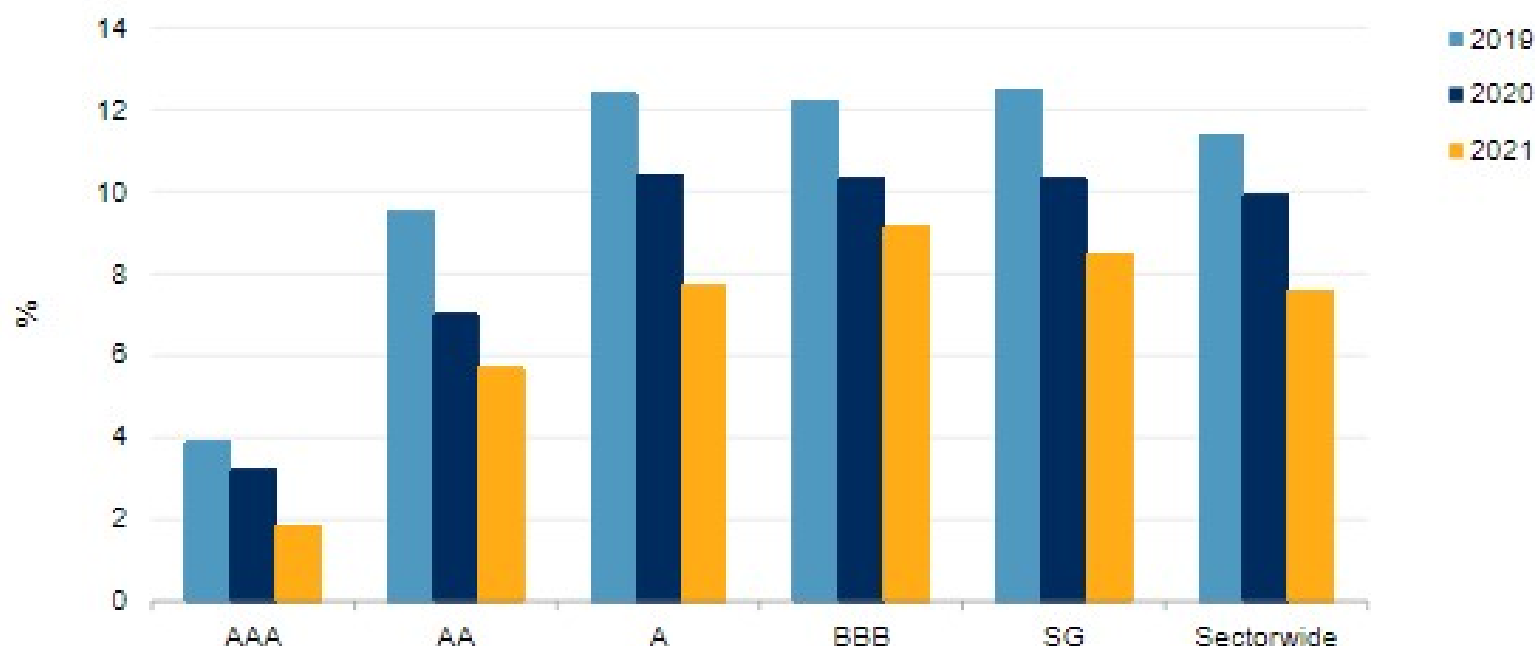
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S&P 2022 Sector Update, continued

S&P Global
Ratings

Private Colleges And Universities--Auxiliary Revenue Dependence

As was expected during the pandemic, due to campus closings and fully virtual or hybrid virtual instruction periods, auxiliary revenue decreased from a high of 11% sectorwide in 2019 to just under 8% in 2021 as a percent of total revenue at institutions in all categories.

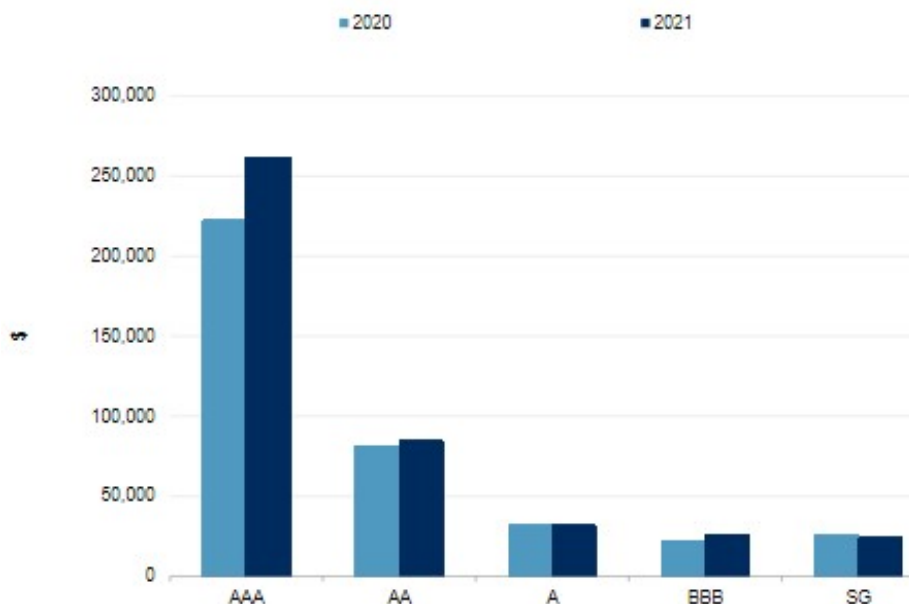


SG--Speculative grade.

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S&P 2022 Sector Update, continued

Private Colleges And Universities: Median Debt Per Full-Time Equivalent

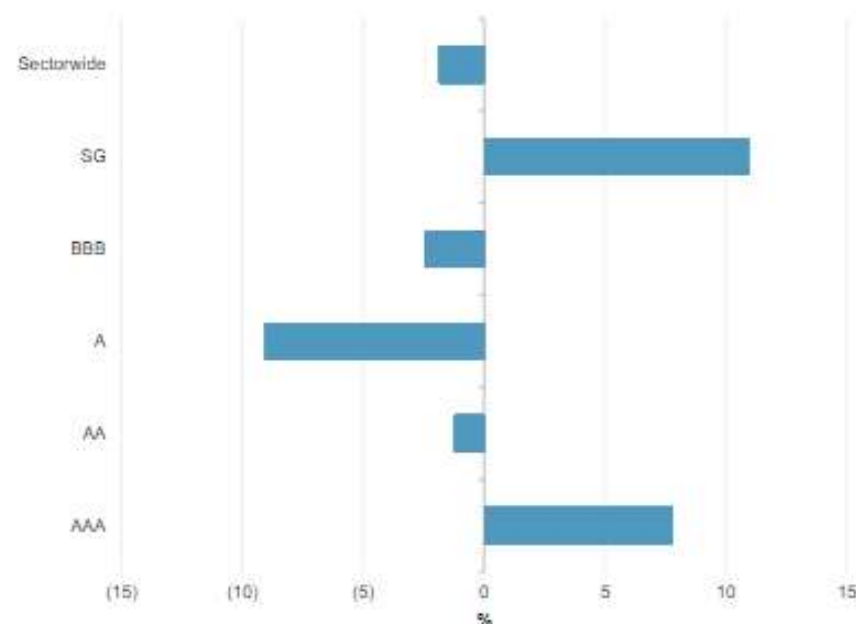


SG--Speculative grade.

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The highest rated schools can carry a large debt per FTE ratio.

Private Colleges And Universities--Change In Median Debt Outstanding Between

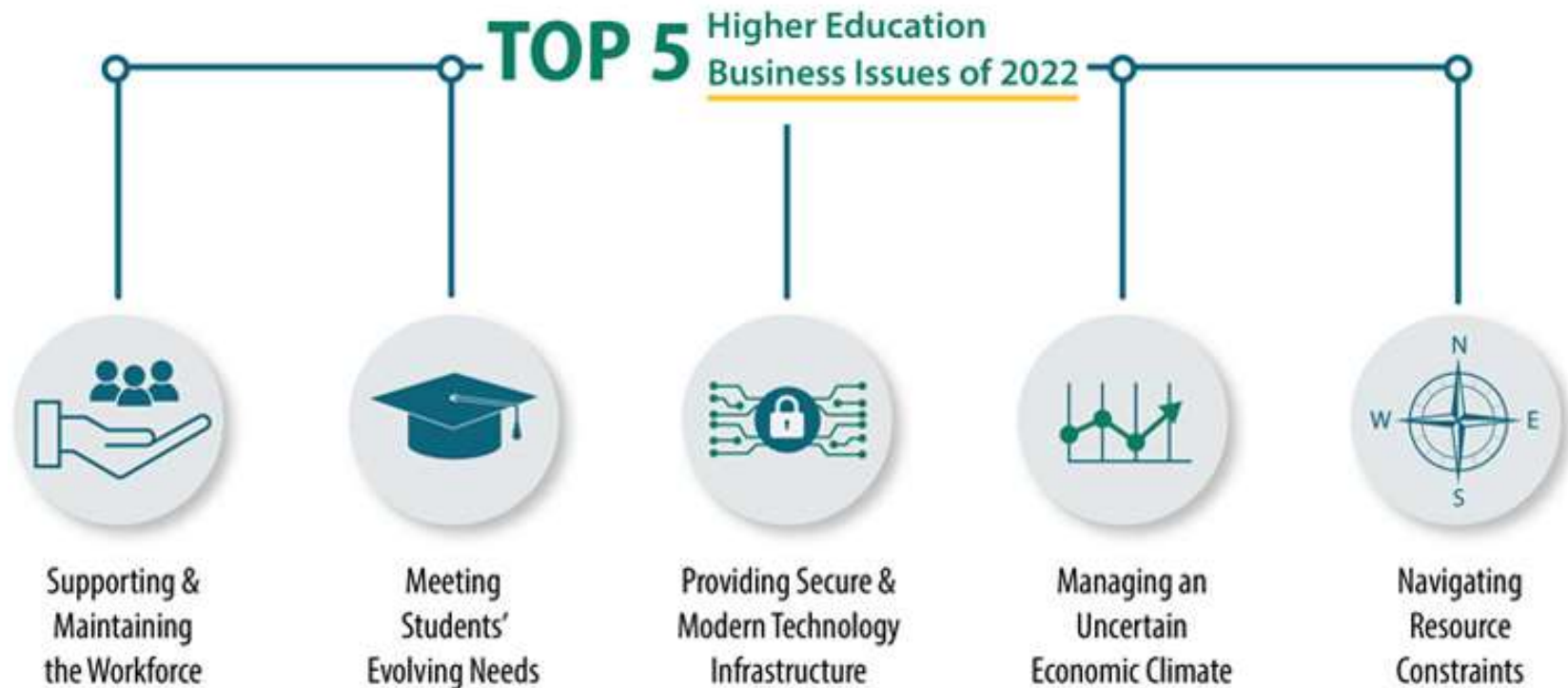


SG--Speculative grade.

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In Fiscal 2021 the median highest rated (AAA) and lowest rated (SG) sectors increased their debt, with the former for expansion and the latter for necessity, whereas the middle tiers were able to reduce overall debt.

Top 5 Business Issues per NACUBO



Source: <https://www.nacubo.org/Research/2022%20Top%20Business%20Issues>

Enrollment Changes – by sector

Figure 1. Percent Change in Enrollment from Previous Year by Institutional Sector: 2018 to 2022

The total higher education enrollment decrease from Spring 2021 to Spring 2022 is 4.1%, the highest change in the past 5 years.

While public four-year and private nonprofit four-year institutions fared better than two-year and for-profit institutions, their declines from Spring 2021 to 2022 was the highest they have seen in the past 5 years.



Student Loans

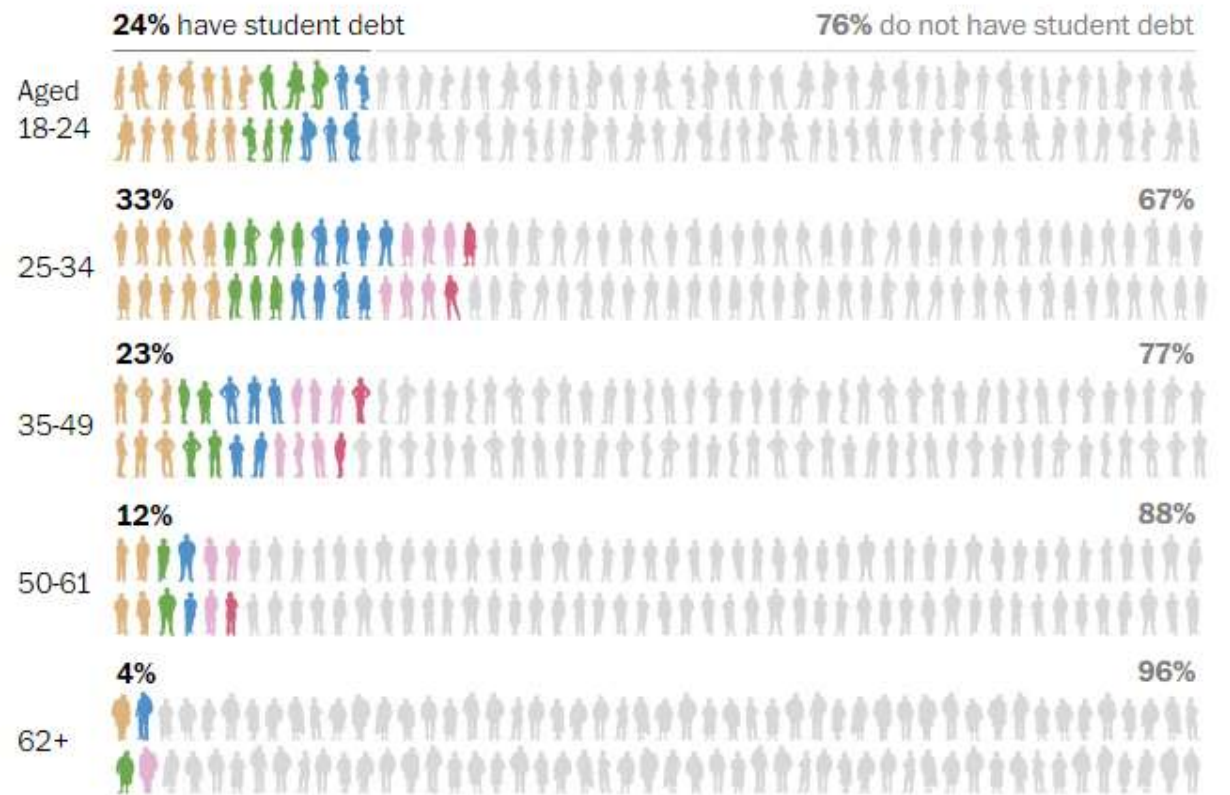
As of 6/30/2022 there is over \$1.74 trillion in outstanding federal student debt*. This table was published by the Washington Post.

About 1 in 5 Americans hold student loans. More than half of those 45 million people with federal student loans have \$20,000 or less to pay, with about a third of all borrowers owing less than \$10,000. Seven percent of people with federal debt owe more than \$100,000.

*Per data posted by the Board of Governors of the U.S. Federal Reserve System

Who holds student debt?

Percent of Americans in each age group that owe:



Washington Update

President Joe Biden announced plans for student loans in August*:

- Forgive up to \$10,000 in federal student loan debt for individual borrowers making up to \$125,000 per year or households making up to \$250,000 per year
- Forgive up to \$20,000 for those who received federal Pell Grants when they were in college
- For new borrowers, cut in half the amount undergraduates enrolled in these loan plans pay each month to 5% of their discretionary income (income-based payments)
- For new borrowers, change the threshold for discretionary income, cover unpaid monthly interest to prevent balances growing for borrowers who make payments, and forgive \$12,000 in loan balances that remain after 10 years (down from the current standard of 20 years)

Moody's has analyzed the plans and in their September 1, 2022 analysis, estimated a total of \$300 billion in debt for 43 million borrowers will be forgiven. More than half of those borrowers, 27 million, are eligible to receive up to \$20,000 in forgiveness. They further noted the forgiveness limits are high enough to clear the entire loan balances for about 20 million eligible borrowers.

Moody's considers the debt forgiveness a modest credit positive for the sector mainly due to the fact it is a one-time action unlikely to have a long-term effect on the demand for higher education or its cost. They did warn of the possibility that lawsuits trying to block the move could delay or prevent it from taking place.

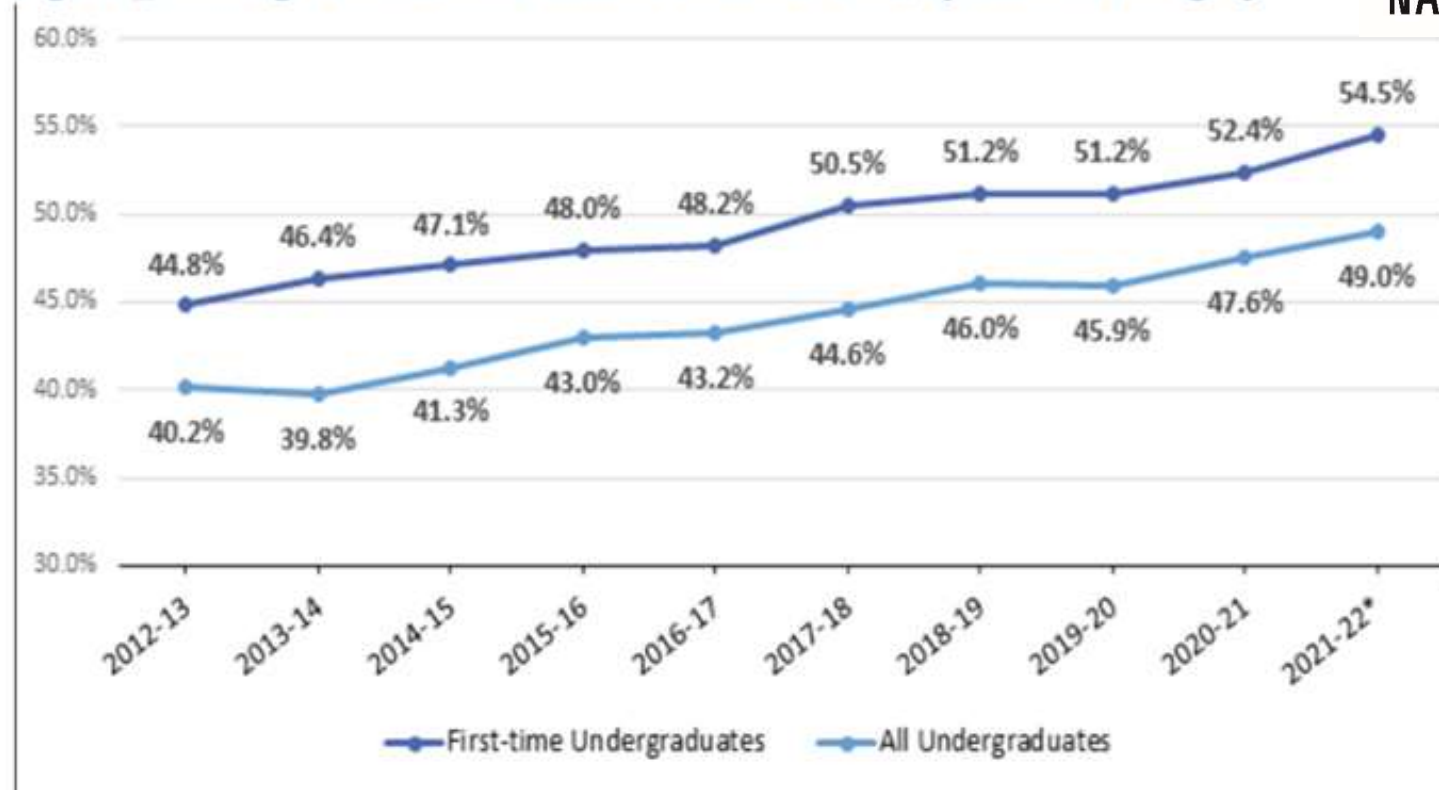
*Information is from the August 22, 2022 fact sheet that accompanied the President's announced student loan forgiveness plan

Trends in tuition discounting



Discount rates continue their steady climb to record highs projected for 2021-22

Figure 1: Average Institutional Tuition Discount Rate, by Student Category



Source: NACUBO Tuition Discounting Study, data as of May 2022.

*Preliminary estimates.

Environmental, social, and governance (ESG)

In 2022 Moody's began rating institutions on ESG under the following framework:

ESG Classification System Incorporates Credit Relevant Considerations

Our assessment of ESG risks is framed by the classification



Environmental

Physical climate risks
Carbon transition
Water management
Waste and pollution
Natural capital



Social

Private sector	Public sector
Customer relations	Access to basic services
Demographic and societal trends	Demographics
Human capital	Education
Health and safety	Health and safety
Responsible production	Housing
	Labor and income



Governance

Private sector	Public sector
Financial strategy & risk management	Institutional structure
Management credibility & track record	Policy credibility and effectiveness
Organizational structure	Budget management
Board structure, policies & procedures	Transparency and disclosure
Compliance & reporting	

Source: Moody's Investors Service

Environmental, social, and governance (ESG)

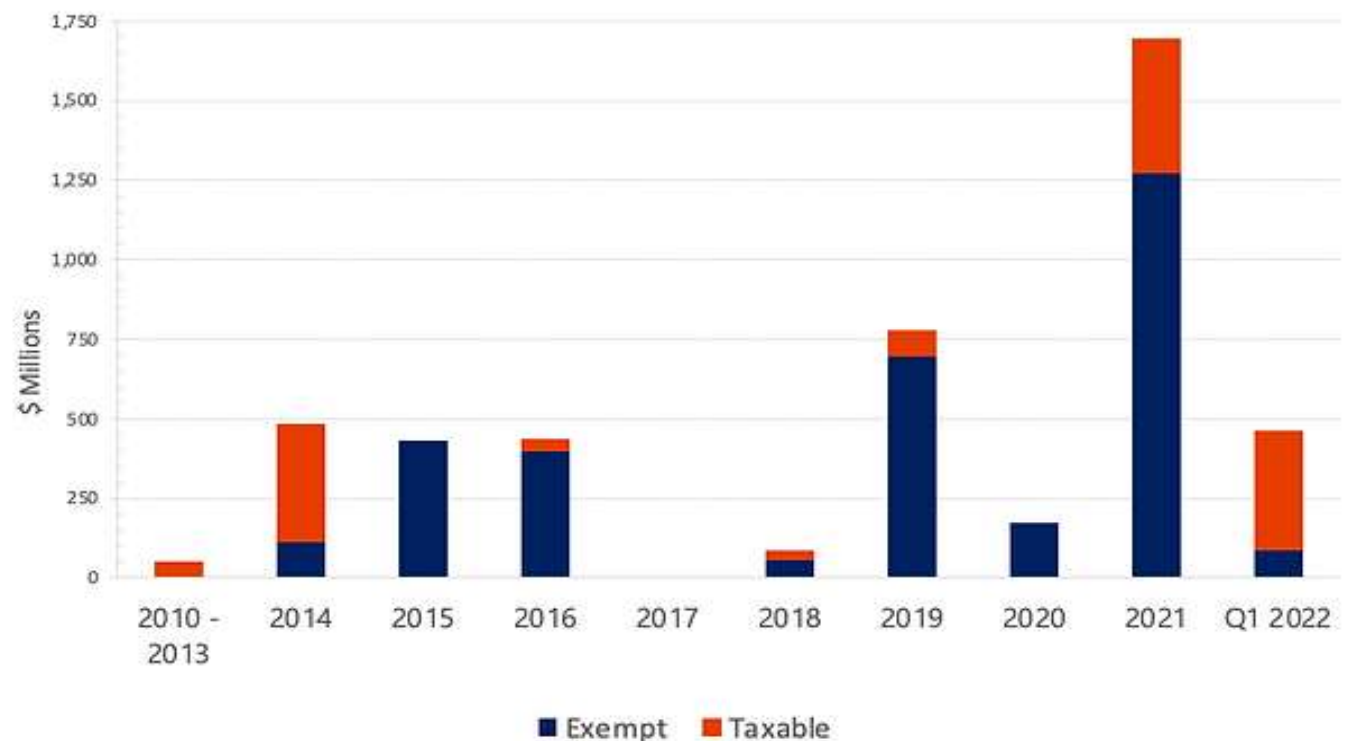
A commitment to environmental sustainability is common for higher education institutions and there is now an opportunity to raise money to finance these projects. H2C Securities Inc. and Fifth Third Capital Markets published this chart which shows over \$1.7 billion in ESG bonds being issued by institutions in 2021 with an expectation for continued growth.

Green bonds: These bonds enable capital-raising and investment for new and existing environmental projects.

Social bonds: Proceeds from these bonds are applied to projects that are intended to have positive social outcomes.

Colleges Embrace Green Bonds

Higher Education Not-For-Profit ESG Issuance



What presidents are saying:

"Confident my institution will be financially **stable**"

Over five years...

81%

All institutions "agree" or "strongly agree"

84%

Public universities "agree" or "strongly agree"

78%

Nonprofit private colleges "agree" or "strongly agree"

Over ten years...

77%

All institutions "agree" or "strongly agree"

76%

Public universities "agree" or "strongly agree"

79%

Nonprofit private colleges "agree" or "strongly agree"



Inside Higher Ed 2022 Survey of College and University Presidents

Merging or Consolidating Programs



■ Yes ■ No

Presidents at private nonprofit colleges are nearly twice as likely as their public college peers (20% vs. 11%) to say they have made merger discussions.

Have senior administrators at your college had serious internal discussions in the last year about merging with another college or university? (n=328)



Have senior administrators at your college had serious internal discussions in the last year about consolidating some of its programs or operations with another college or university? (n=328)



What chief business officers say overall:

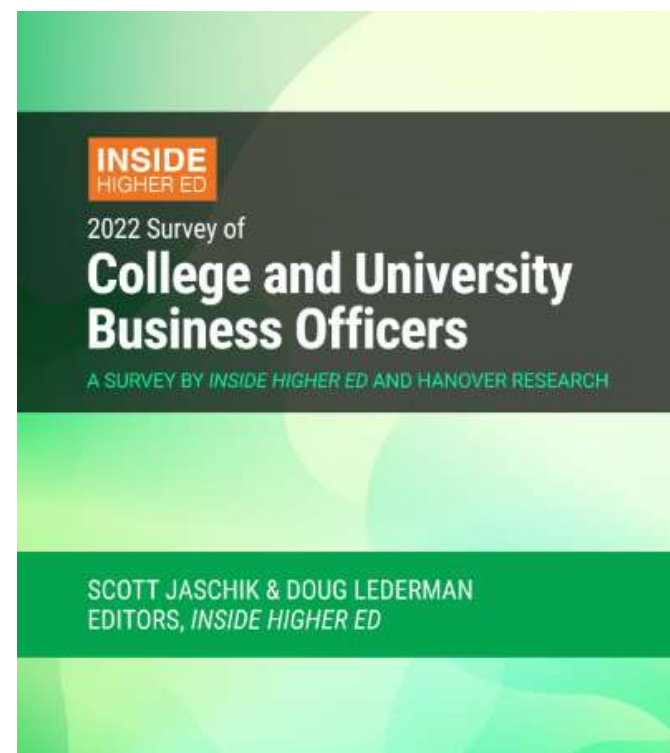
"Confident my institution will be financially **stable over ten years**"

65%
in 2022

73%
in 2021

53%
in 2020

Confidence has declined since the high point of 2021 but still above 2020 levels.

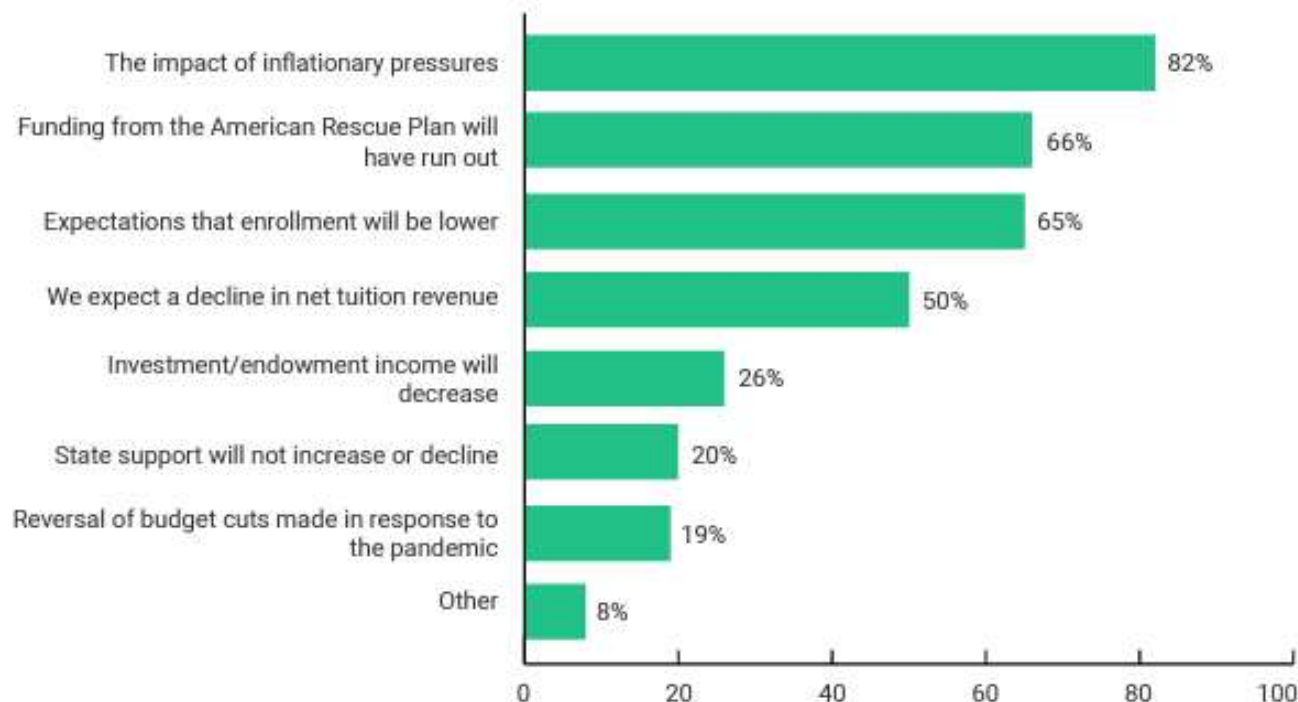


This most recent survey was completed in **July 2022**

What chief business officers say overall:

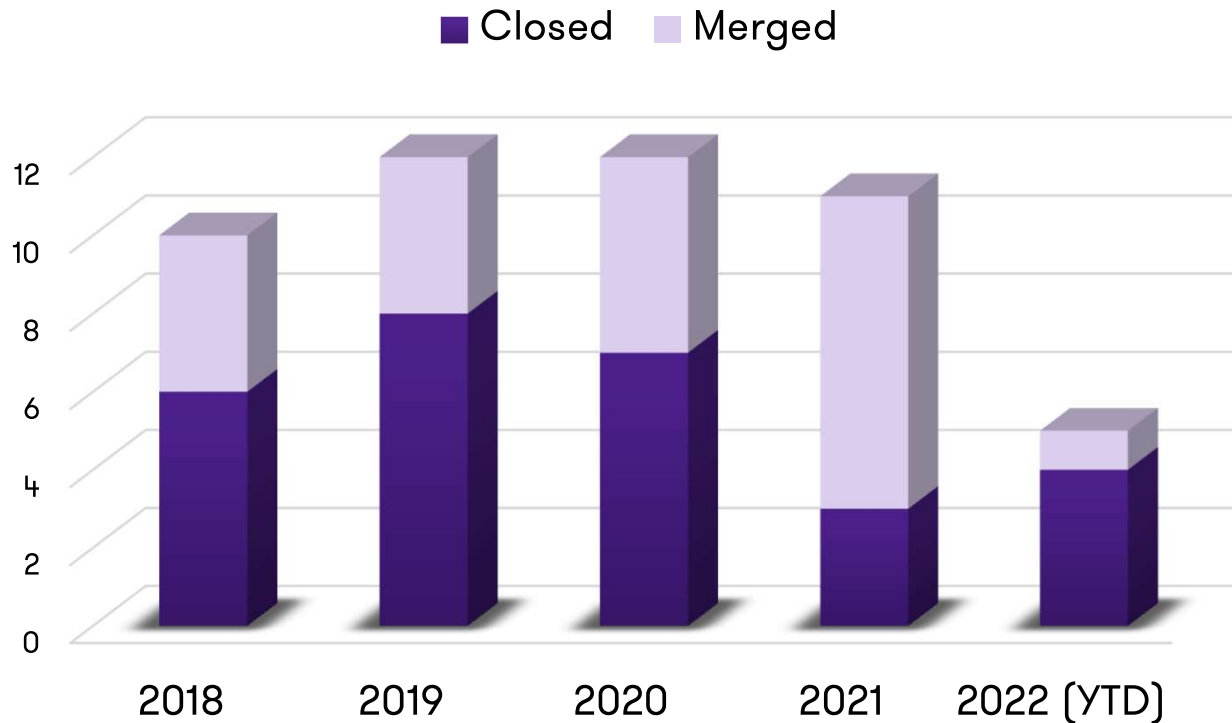


Why do you feel that your institution is in better financial shape now than it will be a year from now? Please select all that apply. (n=101)



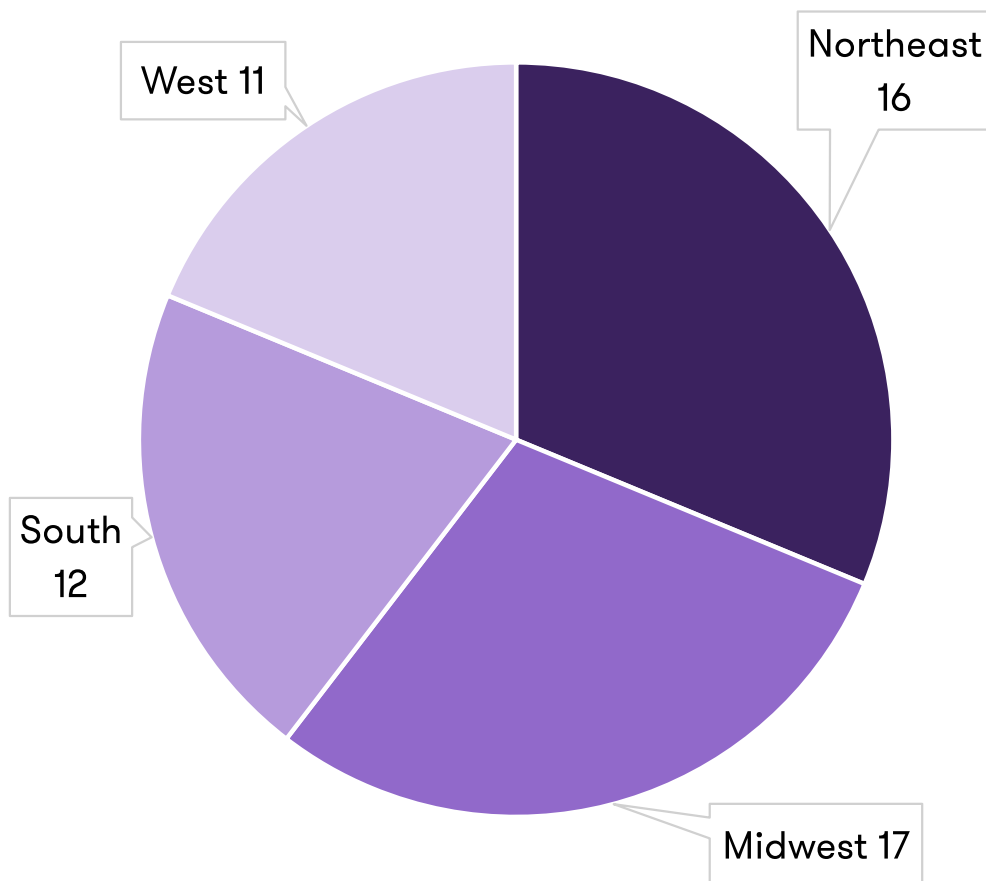
Note the top 3 concerns are consistent with the credit rating agencies concerns: 1) inflation, 2) ending of pandemic funds, and 3) future enrollment challenges

Closed or merged 2018-2022 (YTD)



- 56 closings and mergers 2017-2021 (YTD)
- Moody's projects closures and mergers to continue to accelerate

Closed or merged in 2017-2022 (YTD) by region



2022 (YTD) Closings

- Lincoln College (IL)
- Wave Leadership College (VA)
- San Francisco Art Institute (CA)
- Indiana University-Purdue University Indianapolis (IN)
 - This joint venture institution will close with Indiana University keeping the campus location

2022 (YTD) Mergers:

- St. Louis Christian College (MO)

Guidance on important emerging developments and challenges

Articles in the 2022 report for higher education institutions:

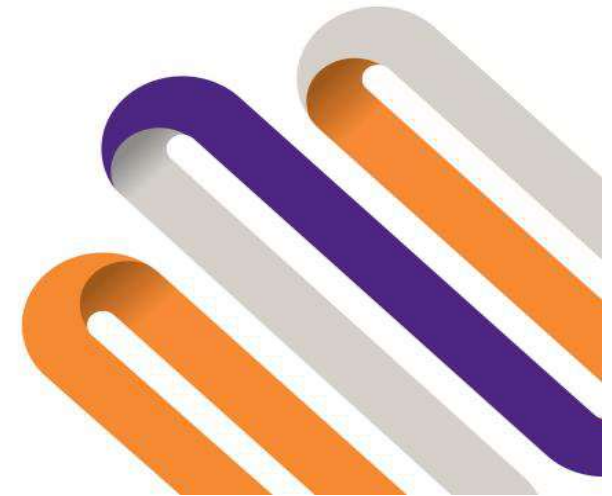
- A framework for educational equity
- Student preferences help drive change
- Facilities and workforce expenses
- M&A accelerates in higher education

Other articles in the report that may be of interest:

- Strategies for hiring and retaining talent
- Learning from life sciences companies
- The case for a customer-centric approach
- Embracing a holistic ESG strategy
- DE&I, ESG and the compliance function
- Leveraging your mission to succeed
- Supporting mission through technology
- Leadership strategies in a virtual world
- The future of the corporate foundation

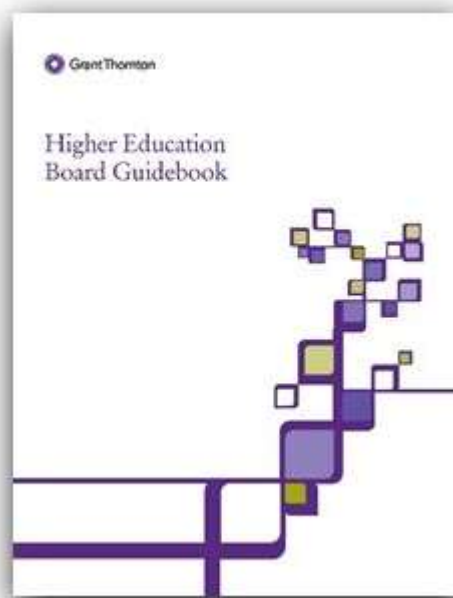
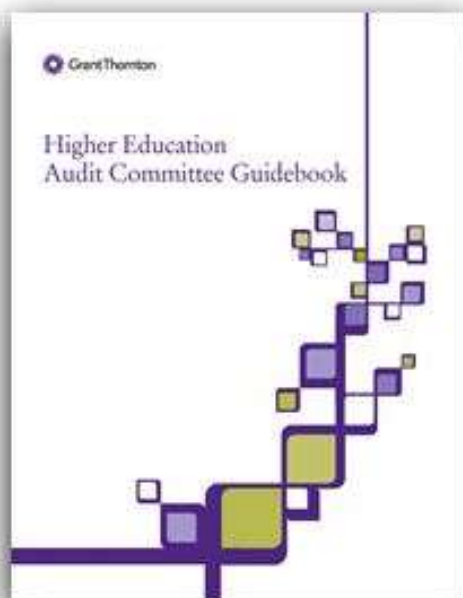
The State of Not-for-Profit & Higher Education in 2022

Eleventh annual report



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2022 Webcast series

Each year, leaders from Grant Thornton LLP's Not-for-Profit and Higher Education Practices provide learning opportunities through our webcast series. These sessions cover a wide variety of trending topics and regulatory updates relevant to not-for-profit and higher education management and trustees. We welcome you to visit [grantthornton.com/nfp](https://www.grantthornton.com/nfp) for more information on upcoming webcasts and to access past webcasts, which are archived for one year.



MAR 24

The state of the not-for-profit and higher education sectors



SEP 14

Not-for-profit accounting, regulatory and Uniform Guidance update



JUN 15

The race for talent: Attracting and retaining your nonprofit workforce



DEC 7

Evolving role of a not-for-profit's chief diversity officer

All webcasts are from 1:00-2:30 p.m. CT.

Re-broadcasts available and Registrations at: <https://www.grantthornton.com/events-and-webcasts/nfp>

ATTACHMENT D

2022-2022 INTERNAL AUDIT PLAN STATUS

COMMUNITY COLLEGE OF PHILADELPHIA

Date: September 22, 2022
To: Audit Committee Members
From: Robert Lucas, Internal Auditor
Subject: Internal Audit – Plan Status and Other Information
Copies: Donald Generals, Jacob Eapen, Victoria Zellers

Since the last Audit Committee meeting, the following audit work has been performed:

- Audit reports finalized:
 - Right-to-Know Requests
- Draft reports issued to management:
 - 50th Anniversary Scholars Program
 - IT Equipment Lending Program
- Audits in progress:
 - Part-Time Faculty Medical Benefits
 - Veterans' Benefits
- Updated the Internal Audit Follow Up Matrix based on responses, updates, and target dates from senior management.
- Internal Audit Committee meetings are scheduled quarterly and continue to occur chaired by the Internal Auditor.
- Developed a proposed 2022-2024 Internal Audit Plan for senior management review and approval.
- Began tracking scheduled policy updates as designated in new College policy.
- Attended Student Financial Aid audit seminar in August. SFA audits are included in proposed 2022-2024 Internal Audit Plan.

* * * * *

Community College of Philadelphia
Internal Audit Plan - July 1, 2020 to June 30, 2022

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Financial Audits					
Check Requests - Vendors	L	Verify controls for payments to vendors	2021	7	2
Check Requests - Employees	L	Verify controls for reimbursements to employees	2021	7	2
403(b) Transactions *	L	Determine controls over payments to retirement savings vendors	2022	**	2
Operational Audits					
403(b) Administration *	L	Determine controls over employee requests related to retirement savings	2022	**	2
Part-Time Faculty Medical Benefits	L	Determine controls and accuracy of medical coverage paid by staff	2021	4	4
Veterans' Resource Center	M	Compliance with Veterans' Education Benefits Laws	2022	4	1
Compliance					
Catto Scholarship	M	Determine compliance with requirements	2022	**	3
Right to Know Requests	L	Compliance with related laws	2022	7	3
State Recruiting Regulations	M	Determine compliance with regulations / restrictions	2022		1
Family Medical Leave Act	L	Determine compliance with policies, procedures and regulations	2022	**	4
Vendor Management	L	Determine the controls, procedures and risk management in place to ensure vendors are meeting their stated levels of goods, services, timing and pricing.	2022		4
Forgivable Loans	L	Compliance with procedures and controls for such loans	2021	7	1

Community College of Philadelphia
Internal Audit Plan - July 1, 2020 to June 30, 2022

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
IT Audits					

Network Security	L	Determine adequacy of controls for systems access via review of external audit work	2021	7	1
Send Word Now	M	Determine adequacy of administration controls (roles and responsibilities; database; testing)	2021	7	3
CAN-SPAM Act (Email Solicitations)	L	Determine adequacy of controls for access and posting to College social media accounts and for email solicitations	2021	7	3
Social Media Accounts	L	Determine adequacy of controls for access and posting to College social media accounts and for email solicitations	2021	7	3
IT PC Lending Programs	M	Determine adequacy of procedures and controls related to lending laptops and other IT equipment to employees and students	2021	6	4
Alternate Audits					
Other Accounts Receivable	L	Determine adequacy of procedures and controls over A/R other than tuition			
Computer Loans	L	Determine adequacy of procedures and controls related to employees loans for computer purchases			
Lion Card	L	Determine controls over prepaid card program			
Paid Time Off Recordkeeping	L	Determine adequacy of procedures and controls over PTO recordkeeping			

Community College of Philadelphia
Internal Audit Plan - July 1, 2020 to June 30, 2022

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Administrative					
Follow Up on Prior Issues			Ongoing		Ongoing
Committee Meetings (Grants, Data Breach, EMT, external audits/reviews)			Ongoing		Ongoing

Stage:

Audit deferred at the request of management	**
Risk Assessment / Planning	1
Announcement / Contact	2
Opening Meeting Held	3
Fieldwork	4
Draft Report Issued	5

Closing Meeting Held	6
Final Report Issued	7

Risk Ratings are Low (L), Medium (M), or High (H) based on a compilation of individually-rated risk factors including: financial statement impact; transaction volume; public relations/reputation; student satisfaction; legal/regulatory compliance; corporative initiatives; significant changes; known problems/issues; staff/faculty satisfaction; and executive override.

Community College of Philadelphia

Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
45	12/8/2015 ADA / Center on Disability Joan Bush	Internal Audit recommends that the Center on Disability follow the advice expected shortly from the Data Breach Committee in regard to personal identifiable information, especially SSNs, obtained in the processes for adjudicating student requests for accommodations.	2/29/16 6/30/17 (Update of Progress) 12/22/17 (Status Update) 6/15/18 (Status Update) 9/15/18 (Status Update) 5/31/19 (Status Update) 5/31/20 (Status Update) 6/30/21 6/30/22	9/12/2022	<p>A database designed to manage data on students with disabilities will be reviewed with IT for implementation. No SSN's numbers will be included in the database. Target date for completion is February 29, 2016.</p> <p>In its 2016-2017 budget, COD management has requested a stand-alone database to manage the online information related to accommodations requested by students. Target date is TBD.</p> <p>An external ADA review was performed in 2018 which concurred with the recommendation for a COD database. Senior management is now reviewing this need and upon approval, a timeline for the purchasing and implementation of this database will be established. Target date remains TBD.</p> <p>The expected cost of the database was included in the approved 2018-2019 budget. Target date remains TBD.</p> <p>An RFP is expected to be distributed for the purchase of the COD database by May 31.</p> <p>Database (Accommodate by Symplicity) was purchased this past year for the COD and is in the implementation phase. The implementation team is working towards the goal of going live in the next few months.</p> <p>Implementaion team is working on importing files from Banner for Accommodate. Once those files are in place, the team will work to ensure their files will flow into Accommodate. We are looking at a "soft" roll out some time this summer (2022).</p> <p>COD management has implemented the Accommodate program/database which is now in use to help manage the student requests and related accommodations. PII such as SSNs are no longer used for any of the forms or within the database. Additional functionality within the database is continuing to be evaluated and implemented as deemed appropriate to provide staff and students with greater efficiency and timely interactions.</p>
59	5/25/2016 ITS Physical Security John Wiggins	ITS and Facilities management should take appropriate steps and plans to reduce the risks associated with connectivity rooms left wide open.	6/30/17 6/30/18 9/15/18 (Status Update) 8/31/22		<p>ITS management noted that a plan to move the connectivity hardware to a separate room. ITS management states that the project has again been included and approved in the capital budget for the 2016-2017 fiscal year although they do not know when construction will begin.</p> <p>The project has been re-scheduled for the Spring/Summer of 2018.</p> <p>The current IT Closet has been locked down at the WERC campus and is no longer used by custodians or others. An alternative space for this ITS connectivity room has been included in a larger project for this regional center. Consequently, the project has been re-scheduled for the fall semester of 2018.</p> <p>The college will be building the Career And Advanced Technology Center @ the WRC campus . An IT closet will be in the new building and all equipment will be moved from the current closet to the new closet. The projected completion for the new building will be August 2021.</p>

Community College of Philadelphia

Internal Audit Follow Up Matrix

<i>Report Date</i>	<i>Area/ Responsible Party</i>	<i>Recommendation</i>	<i>Target Date</i>	<i>Update Date</i>	<i>Management Response / Follow up</i>
77	5/24/2018 Disaster Recovery and Response Plan Vijay Sonty	Cyber Breach Committee should meet quarterly to determine the status of data which may not be sufficiently secured. The CIO should be empowered to direct actions to be taken to secure this data. Senior management should be informed of risk areas not secured in a timely manner.	9/30/18 5/31/21 8/31/21		Data Breach Committee will begin meeting again prior to the end of the spring 2018 term. (Meeting was held on May 2.) The committee charge will be reviewed and refined during the first meeting. A meeting schedule will be presented to setup quarterly meetings. A survey for College units, similar to the 2016 survey, will be performed to determine the state of our PII data and the locations of such data. Will address this in the new Technology Plan which has been been drafted. Waiting to review will all College-wide committees to seek approval. Will be completed by end-of-May 2021. The Cyber Breach Committee had its first meeting on October 27, 2021 under the leadership of the new CIO. The agenda included: review of CCP data security tools & applications. 11/1/21 Committe advise will be sought and it will be results-oriented committee. Input and recommendations from all (27) members will be taken into consideration. 12/7/21 We have a very robust set of tools and applications in place. We have the PII Survey Data from all departments and the above-mentioned tools address the required security. 5/4/22 PII Information Sheet, Filled Sample Survey Form, and a blank Survey Form was sent to 60 individuals/department heads asking for the required PII information to updated and returned to ITS by 5/20/22.
86	6/19/2018 Emergency Operations Plan Randolph Merced	Internal Audit recommends that the EOP be amended to include appropriate references to the DRRP. During an actual event, ITS management should be informed of all updates to help them prepare and respond in a timely manner to scenarios which will impact IT operations.	01/20/20		The DRRP mentions and points to the EOP in its preamble statement. Further, the crafters of the DRRP and EOP have worked together to ensure cohesion in processes and protocols in the event of an emergency. A review of both documents will be added to the EOP agenda as a standing item going forward with respect to incursions which both plans may be called into service. This bifurcated model will ensure there is no overlap, duplication or obstructive response from the Emergency response administrators. The Target date for a comprehensive review of these documents is January 20, 2020. Neither document has been updated to reference the other. <u>The EOP now includes reference to the DRRP developed by ITS.</u>
87	6/19/2018 Emergency Operations Plan Randolph Merced	Internal Audit understands that the Director of Public Safety is initiating a process for the EOP to be reviewed, and updated as necessary, in the near future. Please confirm this understanding and provide the date of expected completion. Future reviews should be scheduled at least annually.	9/30/2019 8/31/21		The EOP is reviewed by the members of the Emergency Management Team throughout the year and, on an annual basis, the EMT chair reviews the agenda, recommendations, notes and commentary throughout the year and does a comprehensive review of the plan. The updated plan and its revisions are place in the Public Safety Website for public consumption. The target date for completion of the current revision of the EOP is September 30, 2019. The Director of Public safety has assigned a working group form in the summer months to review and update the EOP. The data from the year, recommendations and revisions will be documented at that time. If there are no changes then the working group will advance the current report with an updated date reviewed signature on the Document's signature page.

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88	6/19/2018 Emergency Operations Plan Robert Lucas	Internal Audit recommends recovery activities should be prioritized as approved by senior management with outlines of specific actions and activities. In addition, a list of current vendors, and vendors whose services may be needed (e.g. hazardous materials clean up, water and smoke damage services, etc.) should be maintained within the EOP for quick reference.	5/15/2020 4/30/21 8/31/21		<p>The Chief of Staff will recommend that the Cabinet direct all divisions to review existing, or develop new, disaster response and recovery plans that comply with the decentralization of recovery activities and detailed in the EOP. The target date for verifying that all divisions have such plans in place is May 15, 2020. The Cabinet will direct management to review and update these division plans on an annual basis.</p> <p>The Chief of Staff accepted responsibility for working with the Cabinet to ensure recovery plans were in place where needed through the College. Disaster Recovery Plans were developed in late 2019/early 2020 by all functional areas deemed to be critical by the division VP. Annual updates will be performed each year. The 2020 consolidated plan will be distributed by April 30, 2020.</p>
93A	9/7/2018 Non-ITS Administered Programs Vijay Sonty	Internal Audit recommends that the Cyber Breach Group establish goals and timetables to address education of department owners related to PII, as well as the security of PII within the College's physical areas and systems.	TBD 5/31/21 8/31/21		<p>A search for a new AVP of Information & Technology is in progress. As facilitator of the Cyber Breach Group, that person will be responsible for following up on any information still needed from the users departments of the SaaS programs based on the most recent survey. The new AVP will schedule another meeting of the Cyber Breach Group within 90 of his/her start date to review progress and next steps for this action.</p> <p>Cyber Breach Committee will be established and timetable and goals will be addressed in the next 90 days.</p> <p>11/1/21 Previously PII Survey was completed and will be revisited in our next Data Breach and Cyber Security Group meeting.</p> <p>12/7/21 See Item 77 response.</p> <p>3/29/22 Cyber Breach Committee has been established and to date (2) meetings have been facilitated. At the last meeting the importance of PII was discussed and an updated matrix of SaaS applications along with PII data and departmental ownership was reviewed. The data is 95% complete and is being shared with departments for validation and updates.</p>
93B	9/7/2018 Non-ITS Administered Programs Victoria Zellers	Internal Audit recommends that the Cyber Breach Group establish goals and timetables to address education of department owners related to PII, as well as the security of PII within the College's physical areas and systems.	10/31/2019 5/31/21 8/31/21		<p>The Office of the General Counsel is also expected to recommend procedures related to paper documents with PII held by various departments throughout the College. The target date for these recommendations to be made to Division management is October 31, 2019.</p> <p>Cyber Breach Committee will be established and timetable and goals will be addressed in the next 90 days.</p> <p>8/24/2022 Management has developed a new College policy (Personal Information Privacy and Protection Policy) to address both electronic and hardcopy personal identifiable information within the College and related procedures, responsibilities and security of such data. The policy was reviewed by the Cabinet, approved by the President, and posted to the College's website on August 24, 2022.</p>

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96	9/7/2018 Non-ITS Administered Programs Vijay Sonty	Internal Audit recommends that ITS review the programs listed in the PII survey and determine if there are time sensitive programs for which downtime for any reason could interfere with the functionality required by staff to perform their duties and provide services to both staff, faculty and students. Since ITS is well versed in continuity planning for the programs they manage, it would be prudent for ITS to assist departments with time sensitive programs in developing procedures related to such downtime.	TBD 5/31/21 8/31/21	3/29/22 5/4/22	The new AVP, when hired, will solicit management's input for each of the programs to determine if any are considered critical to the mission and work of the College, both academic and as a business, such that downtime will quickly be problematic. For any such programs, ITS will offer to consult with management to help ensure that the department and/or vendor is sufficiently prepared to address interrupted access promptly. The target date to solicit this information from management is 120 days after the start date of the new AVP. See response to item 93A. ITS has taken the lead and updated the PII Data and SaaS Applications Matrix. ITS is working with departments in providing whatever support is needed. Please see Item 77 response.
120	1/29/2020 Residency Verification Shannon Rooney	Internal Audit recommends that management consider that the procedures related to residency verification for students as currently documented and available in various areas, are not the procedures which are currently in practice during the application and admission processes.	06/30/21	9/15/2022	The College will update the Residency policy. The College's admissions office will document the procedures that they currently use to verify residency in an internal facing procedures manual by June 30, 2021. Management worked with General Counsel staff to develop residency verification procedures which are now finalized and approved for staff to reference and follow.
122B	9/30/2020 Network Security Review Vijay Sonty	Internal Audit recommends that management consider revising the policy to include audits and reviews such as this one which may not fall under the current defined scope of those which are the subject of the policy. This would ensure that the results of audits and reviews are presented to the Board including the findings, recommendations and action plans. The Board should be informed of the status of any such action plans until they are completed.	02/08/21		Management agrees with the recommendation to revise the current policy to ensure that the results of such reviews which include recommendations to create or strengthen internal controls, will be reported to the Audit Committee including progress updates related to recommended actions until they are completed.
142	5/26/2021 Send Word Now Randolph Merced Jessica Hurst	Internal Audit recommends that the opt out process include or trigger communications to the person opting out to inform them of the risks of opting out of SWN messages.	TBD	6/15/22	ITS will explore sending an email to opting person to inform them of the risks of opting out. The emergency communications page has been updated to display the opt out text when someone decides to opt out from receiving the notifications to their cell phone, and emails have been sent to those who already have.
143	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit recommends that Policies #306 and #307 be reviewed and updated as appropriate or incorporated into another policy. Internal Audit also recommends management consider incorporating language into a policy which denotes that the same guidance and governance over the College's interactive systems applies to management and staff who are responsible for (1) the College's own social media accounts; and (2) all College affiliated social media accounts such as those for departments, groups and programs.	05/31/23		Vice President of Enrollment Management and Strategic Communications will be working to revise language in policies #306 and #307 to include all relevant accounts within the next year.
144	5/11/2022 Social Media Accounts Shannon Rooney	There are a small number of staff within Strategic Communications who have user access to the College's social media accounts. Internal Audit recommends documented procedures be developed for users of the current accounts to help ensure consistency among users and to reinforce security steps.	05/31/23		VP of Enrollment Management and Strategic Initiatives will work with the Director of Communications to create this document within the next year.

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145	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit suggests it may be prudent to establish certain protocols for review and approval processes of social media posts. Examples include posts which reference legal situations, the Federation, or employment situations in which it would be prudent for General Counsel to approve; or posts regarding ongoing emergency situations which should be approved by the Director of Public Safety.	05/31/23		VP of Enrollment Management and Strategic Communications and the Director of Communications will incorporate review policies into the above-referenced document over the next year.
148	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit recommends that a master list of such social media accounts be compiled to help ensure the groups and their designated users are aware of related College policies. It may be prudent to share procedures developed by Strategic Communications to help ensure prudent processes and security protocols are in place for these accounts. Training needs may also be identified for these users to help them ensure appropriate use of these accounts.	05/31/23		VP of Enrollment Management and Strategic Communications and Director of Communications will compile the list and establish a social media workgroup to conduct regular trainings and check-ins within the next year.
149	5/31/2022 CAN-SPAM Act Shannon Rooney	Internal Audit recommends a formal protocol be developed which clarifies that departments and groups that send such solicitations must be in compliance with the law, offering opt outs when appropriate, processing such elections on a timely basis, and doing so in a manner consistent across the College.	12/31/22		Strategic Communications will develop a protocol in which will document the procedures our group uses to help ensure compliance with the CAN-SPAM Act. Our protocol will reference the database we use and the process we use to ensure opt-out instructions are included as required by the Act. We plan to have the protocol completed by December 31, 2022.
150	5/31/2022 CAN-SPAM Act Shannon Rooney	Internal Audit recommends the Strategic Communications group work with other survey respondents to determine if any of their emails may be subject to the ACT, and if so, have procedures or processes which followed to help ensure compliance with the Act. Procedures should be developed and shared across these group to ensure consistency as well as compliance with the Act. Procedures should address opt-out/unsubscribe methods as well as database updates for those who request to be removed from future solicitations.	12/31/22		As stated above, we plan to develop a CAN-SPAM Act protocol for our group by December 31, 2022. We will provide this protocol by the same date to the Cabinet which they may be able to use or modify for email communications in their respective divisions that may be covered by the Act.
151	5/31/2022 CAN-SPAM Act Shannon Rooney	There are approximately six other databases in use by other departments and group which should have similar controls. Internal Audit recommends that similar procedures be used by all groups that send emails to help ensure compliance with the Act regarding review and approval of emails, opt-out/unsubscribe links when appropriate, and database updates as needed to reflect recipients' opt-out elections.	12/31/22		Strategic Communications is conferring with colleagues in the ITS Department to determine how to compile a single and comprehensive database of record. That project is ongoing and is expected to take approximately a year. In the meanwhile, Strategic Communications will work with the Cabinet to prepare a protocol on email communications that includes opt-out requirements.
152	8/16/2022 Right-to-Know Requests Victoria Zellers	Internal Audit is aware that the General Counsel is currently updating the RTK policy to comply with the new Policy on College Policies (#319). The policy revisions must be approved and updated policy needs to be posted on the College's website. The webpage specifically designed for the policy should also be reviewed, and revised as necessary to reflect any changes in the policy.	10/31/2022		Management has drafted an update of the RTK policy which has been reviewed by the President. The draft policy will be presented to the Cabinet and is expected to be posted to the College's website by October 31, 2022.
153	8/16/2022 Right-to-Know Requests Victoria Zellers	Internal Audit recommends the date that a hard copy request is received is stamped or written on the letters to comply with the policy and to provide a recorded date in case the response times are questioned by the requestor or by an external reviewer of this process.	N/A		Management has revised procedures for instances in which RTK requests are received in hardcopy form. Such requests will be stamped or initialed by the person who received it along with date of receipt. Such occurrences are rare and all staff in the General Counsel's Office have been advised of this updated procedure.

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		Action plans are complete and will be moved to the Completed Items Tab			
		Actions plans are in progress			
		Action plans are over 1 year past the original target date; limited progress has been made; and/or no update was received			
		Actions plans are expected to be reviewed with the new Internal Audit Committee			
		The action plans related to this item are expected to completed in an extended timeframe for which senior management is aware that the related risks may still exist, but may have been reduced to the extent possible			

Community College of Philadelphia
PROPOSED Internal Audit Plan - July 1, 2022 to June 30, 2024

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Financial Audits					
403(b) Transactions *	L	Determine controls over payments to retirement savings vendors	2024	**	2
Other Accounts Receivable	L	Determine adequacy of procedures and controls over A/R other than tuition	2024		4
Computer Loans	L	Determine adequacy of procedures and controls related to employees loans for computer purchases	2023		3
Lion Card	L	Determine adequacy of procedures and controls over prepaid card program	2024		1
Operational Audits					
403(b) Administration *	L	Determine controls over employee requests related to retirement savings	2024	**	2
Part-Time Faculty Medical Benefits	L	Determine controls and accuracy of medical coverage paid by staff	2022	4	4
Vendor Management	L	Determine the controls, procedures and risk management in place to ensure vendors are meeting their stated levels of goods, services, timing and pricing	2023		2
Paid Time Off Recordkeeping	L	Determine adequacy of procedures and controls over PTO recordkeeping	2024		3
Compliance					
Veterans' Educational Benefits	M	Compliance with Veterans' Education Benefits Laws	2022	3	4
Catto Scholarship	M	Determine compliance with policies, procedures and scholarship documents	2023	**	4
State Recruiting Regulations	M	Determine compliance with regulations / restrictions	2023		2
Family Medical Leave Act	L	Determine compliance with policies, procedures and regulations	2024	**	4
Federal Student Loans	H	Determine compliance with federal regulations and College policies, procedures and controls for such loans	2023		3
Pell Grants	H	Determine compliance with federal regulations and College policies, procedures and controls for such grants	2024		3

Federal Work Study Program	H	Determine compliance with federal regulations and College policies, procedures and controls for such payments.	2024		4
Iraq, Afghanistan Service / In the Line of Duty Grants	H	Determine compliance with federal regulations and College policies, procedures and controls for such grants	2023		4

Community College of Philadelphia
Internal Audit Plan - July 1, 2020 to June 30, 2022

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
IT Audits					
Alternate Audits					

Community College of Philadelphia
Internal Audit Plan - July 1, 2020 to June 30, 2022

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Administrative					
Follow Up on Prior Issues			Ongoing		Ongoing
Committee Meetings (Grants, Data Breach, EMT, external audits/reviews)			Ongoing		Ongoing

Stage:

Audit deferred at the request of management	**
Risk Assessment / Planning	1
Announcement / Contact	2
Opening Meeting Held	3
Fieldwork	4
Draft Report Issued	5
Closing Meeting Held	6
Final Report Issued	7

Risk Ratings are Low (L), Medium (M), or High (H) based on a compilation of individually-rated risk factors including: financial statement impact; transaction volume; public relations/reputation; student satisfaction; legal/regulatory compliance; corporative initiatives; significant changes; known problems/issues; staff/faculty satisfaction; and executive override.