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January 24, 2018

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Dr. Brenda Kays, President  
Kilgore College  
1100 Broadway  
Kilgore, Texas 75662

Dear Dr. Kays,

I am attaching the final report on *A Compliance Audit of Formula Funding at Kilgore College*, Report No. THECB CM-FF-18-008. There was one finding related to information technology controls resulting from this engagement.

## Summary

Information security controls over student enrollment information at Kilgore College require improvement. Audit trails over key enrollment data such as class meeting days and times must be established to ensure the reliability and integrity of data used for formula funding decision making purposes. Therefore, our original review objectives, including a determination of the accuracy of contact hours reported by Kilgore College, were unable to be met. A follow up audit will be performed to evaluate Kilgore College's information security controls as a basis for future base period assessment of the accuracy of contact hours reported for formula funding purposes.

This Compliance Monitoring report will be presented to the THECB Committee on Agency Operations, a standing committee of the THECB Board, in April 2018.

The cooperation of your staff during this review is greatly appreciated. If you have any questions or comments, please let me know.

Sincerely,

Mark A. Poehl, CPA, CIA, CISA, CFE  
Director, Internal Audit and Compliance

## Detailed Observation, Recommendation and Management's Response

### 1. Information technology processes and controls over student information system enrollment data should be strengthened.

Information technology processes and controls over student information system enrollment data should be strengthened. Although Kilgore College has policies and procedures in place to limit access to information systems, the student information system does not provide audit logs or change history for critical formula funding data, including:

- Credit hours
- Lab hours
- Lab contact hours
- Instruction mode
- Meeting times
- Lecture hours
- Lecture contact hours
- Type of Instruction
- Meeting days
- Instructor of record

The lack of audit logs or change history limits the ability to rely upon the integrity of the data.

Family Educational Rights and Privacy Act (FERPA) 34 CFR 99.31(a)(1)(ii) requires that "An educational agency or institution must use reasonable methods to ensure that school officials obtain access to only those education records in which they have legitimate educational interests." Security standards (TAC 202) established by the Department of Information Resources (DIR) for institutions of higher education are also a good source of information to strengthen the information technology control environment.

#### **Recommendation:**

Capture and retain student information system audit logs or change history for the critical data used for formula funding.

#### **Management Response:**

*The following corrective actions have been implemented by the director of information technology regarding the information technology controls over student enrollment information at Kilgore College:*

- *On October 26, 2017, audit tracking of catalog and course master files was implemented.*
- *On November 30, 2017, audit tracking of student data information related to formula funding was implemented.*

*Kilgore College strives to comply with the Family Educational Rights and Privacy Act (FERPA) to protect student educational records and works diligently to improve our security information controls.*

**PERFORMED BY:**

Ms. Carol Conner, Compliance Specialist

cc:

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