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November 27, 2018

Betty A. McCrohan, President
Wharton County Junior College
911 Boling Highway
Wharton, Texas 77488

Dear Ms. McCrohan,

I am attaching the final report on *A Desk Review of Formula Funding at Wharton County Junior College*, Report No. THECB-CM-FF-18-032. There was one finding related to information technology controls resulting from this engagement. Management's response has been incorporated into the final report.

Summary

Information security controls over student enrollment information at Wharton County Junior 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 Wharton County Junior College, were unable to be met. A follow up audit will be performed to evaluate Wharton County Junior 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 January 2019.

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

Sincerely,

A handwritten signature in black ink that reads "Mark A. Poehl".

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 Wharton County Junior 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

Audit logs provide documentary evidence to track a sequence of events, and the ability to monitor unauthorized system use or unusual activity. Without audit logs, maintaining the integrity of system information, and ensuring the reliability of data is limited.

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 action or actions will be implemented by the director of database services regarding the information technology controls over student enrollment information at Wharton County Junior College:

- *The vendor database audit tracking feature will be activated. A launch date is anticipated in late April 2019.*
- *If the system experiences severe performance degradation while using the vendor database audit tracking feature, custom triggers will be created to*

capture changes to critical formula funding data. An anticipated implementation date will occur in June 2019.

PERFORMED BY:

Ms. Jamyen Robinson-Hall, Compliance Specialist

CC:

THECB

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