

April 25, 2022

Dr. Dusty R. Johnston, President
Vernon College
200 Vernon Drive
Baytown, TX 77520

RE: Final Report - A Compliance Monitoring Desk Review of Formula Funding at Vernon College,
Report No. THECB-CM-FF-22-008

Dear Dr. Johnston,

I am attaching the final report on *A Compliance Monitoring Desk Review of Formula Funding at Vernon College*, Report No. THECB-CM-FF-22-008. There was one observation related to information technology controls resulting from this engagement.

Summary

Information security controls over student enrollment information at Vernon College require improvement. Vernon College did not perform an information security review, as required by Texas Administrative Code Title 1, Part 10, Chapter 202, Subchapter C, Section 202.76 Security Control Standards Catalog.

A follow up review will be performed to evaluate Vernon College's information security controls. This will serve as a basis for future base period assessments of the accuracy of contact hours reported for formula funding purposes.

This Compliance Monitoring report will be presented to the Texas Higher Education Coordinating Board (THECB) Committee on Agency Operations, a standing committee of the THECB Board, in July 2022.

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
Assistant Commissioner, 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 to comply with Texas Administrative Code (TAC), Title 1, Part 10, Chapter 202, Subchapter C, Section 202.76 Security Control Standards Catalog.**

Information technology processes and controls over security access to the student information system should be strengthened to comply with the Texas Administrative Code (TAC), Title 1, Part 10, Chapter 202, Subchapter C, Section 202.76. There has not been a comprehensive or formalized information security review performed over the student information system at Vernon College. Vernon College has not met the security standards requirement established by the Department of Information Resources (DIR) for institutions of higher education.

The Texas Administrative Code (TAC), Title 1, Part 10, Chapter 202, Subchapter C, Section 202.76 states that “a review of the institution’s information security program for compliance with these standards will be performed at least biennially....”

Enhanced oversight of the College’s student information system and compliance with statutory requirements provides greater assurance that student information security and data integrity are achieved.

Recommendation:

Strengthen oversight of student information security and comply with TAC Section 202.76 and DIR security standards.

Management’s Response:

Vernon College does have a current security plan filed with the Texas Department of Information Resources (DIR). Vernon College will be updating the current bi-annual plan prior to the June 1, 2022, deadline.

After the resignation of the Vernon College personnel providing oversight to these functions in September 2021, Vernon College began discussion with DIR staff in November 2021 to schedule a DIR Texas Cybersecurity Framework Assessment and a penetration test to comply with TAC Section 202.76 and DIR security standards. The new Vernon College team member came on board February 1, 2022 and is proceeding to schedule the external assessment and penetration test through DIR processes.

Vernon College is in the early stages (beginning January 2022) of transition from the current student information system to a new system—Ellucian Colleague. The Ellucian Colleague ERP/SIS is designed to provide more secure processes and controls of system information and data integrity including student information. The implementation process should be completed by September 2023.

PERFORMED BY:

Ms. Shebah Washington, Compliance Specialist

cc:

THECB

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