

# KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM FY 2025 INTERNAL AUDIT REPORT

FEBRUARY 27, 2025



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# EXECUTIVE SUMMARY

Kentucky Community and Technical College System (KCTCS) engaged Dean Dorton Allen Ford (Dean Dorton) to provide internal audit services for KCTCS during the fiscal year ended June 30, 2025. The following details internal audits completed during the period November through January 31, 2025.

KCTCS SYSTEM OFFICE AUDITS	COLLEGE AUDITS	INFORMATION TECHNOLOGY
<ul style="list-style-type: none"> <li>• Document Retention Audit</li> <li>• Return of Title IV Funds (carried over from FY 2024)</li> </ul>	<ul style="list-style-type: none"> <li>• Elizabethtown Community and Technical College</li> <li>• West Kentucky Community and Technical College</li> <li>• Henderson Community College</li> <li>• Jefferson Community and Technical College</li> <li>• Maysville Community and Technical College</li> </ul>	<ul style="list-style-type: none"> <li>• IT Key Control Testing               <ul style="list-style-type: none"> <li>○ Back-up</li> <li>○ Network Management</li> <li>○ User Access</li> <li>○ User Awareness Training</li> </ul> </li> </ul>

## OVERALL RESULTS

We were pleased with the overall results from the internal audit projects. The observations and recommendations identified for areas assessed are included in the detail report for each focus area. Management action plans were solicited from the relevant stakeholders and have been incorporated into this report alongside our findings. The recommendations included in this report, if implemented, will further strengthen the organization's internal controls, and improve compliance with relevant regulations. Maintaining and improving internal controls is a key management responsibility and is necessary to ensure proper allocation of resources.

We would like to thank the management and other personnel at KCTCS for their time and efforts during the engagements.

## DEFINITION OF RISK RANKING

<b>High Risk</b>	A serious internal control or risk management issue that if not mitigated, may with a high degree of certainty, lead to substantial losses, serious violations of corporate strategies, policies, or values; serious reputational damage; and/or significant adverse regulatory impact.
<b>Moderate Risk</b>	An internal or risk management issue which could lead to financial losses, loss of controls within the organization, reputation damage in local or regional media; and/or adverse regulatory impact such as public sanctions or immaterial fines.
<b>Low Risk</b>	An internal control or risk management issue, the solution to which may lead to improvements in the quality and/or efficiency of the organization. Risks are limited.
<b>Other Observation</b>	An area for operational enhancement that, while not meeting the criteria for a formal observation, merits management's attention due to its potential impact on process efficiency.

## ISSUES IDENTIFIED BY AUDIT FOCUS AREA AND RISK RATING

Audit Focus Area	High Risk Issues	Moderate Risk Issues	Low Risk Issues	Other Observation
Elizabethtown Community and Technical College Business Office Review	-	-	2	-
West Kentucky Community and Technical College Business Office Review	-	-	2	-
Henderson Community College Business Office Review	-	-	2	-
Jefferson Community and Technical College Business Office Review	-	2	-	-
Maysville Community and Technical College Business Office Review	-	-	3	-
Document Retention Audit	-	1	3	-
Return of Title IV Funds Audit	-	-	3	-
IT – Key Control Testing	-	-	-	-

Pages 5 – 21 contain comprehensive summaries for each report, including detailed descriptions of all identified issues.

# ELIZABETHTOWN COMMUNITY & TECHNICAL COLLEGE – BUSINESS OFFICE AUDIT

This project was identified during the FY2025 Risk Assessment process. Each college operates its own business office that oversees the day-to-day operations for that college. Due to the nature of these operations, it is important for internal audit to test the controls at each college on an individual basis.

Elizabethtown Community and Technical College (ECTC) consists of 5 campuses with approximately 6,400 students in and around Elizabethtown, Kentucky. ECTC has an experienced President, Dr. Juston Pate and Director of Finance, Joseph Mattingly who have been with the College for several years.

KEY TESTING STEPS	STRENGTHS IDENTIFIED
<ul style="list-style-type: none"> <li>• Interviewed the college Chief Business Affairs Officer for ECTC to gain an understanding of the operations and environment.</li> <li>• Reviewed segregation of duties, cash procedures, asset tagging procedures, conflict of interest and purchasing processes.</li> <li>• Obtained documentation on ECTC’s leases, cash receipt procedures, bank reconciliations, capital projects, and pro-card use/oversight.</li> <li>• I-9 compliance testing</li> </ul>	<ul style="list-style-type: none"> <li>• ECTC has a mature internal control environment that follows closely with the KCTCS system procedures for cash and cash handling.</li> <li>• Pro-card activity selections made for this audit were well documented and supported in PeopleSoft.</li> <li>• The ECTC business office internal control procedures are operating at an acceptable level with very few findings.</li> </ul>

DETAILED FINDINGS BY RISK RATING

	Low Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
1.	Internal audit's testing of leases revealed that one of the lease agreements addresses did not match what they have in the system.	Review true address of property and correct if the address has been entered into PeopleSoft incorrectly or amend the lease to correct for true address.	11/27/2024	ECTC Director of Finance
2.	Internal audit's testing of payroll revealed that one employee's I-9 was not completed properly by the employee. Section 1 on the I-9 form showed no date on which it was completed.	HR to Address to ensure I-9's are completed fully moving forward, and correct incomplete information on I-9s, if plausible.	12/02/2024	ECTC Director of Finance

# WEST KENTUCKY COMMUNITY & TECHNICAL COLLEGE – BUSINESS OFFICE AUDIT

This project was identified during the FY2025 Risk Assessment process. Each college operates its own business office that oversees the day-to-day operations for that college. Due to the nature of these operations, it is important for internal audit to test the controls at each college on an individual basis.

West Kentucky Community and Technical College (WKCTC) consists of 6 campuses with approximately 4,900 students in and around Paducah, Kentucky. WKCTC has an experienced President, Dr. Anton Reece and Chief Financial Officer, Jennifer Tubbs who has been with the College for several years.

KEY TESTING STEPS	STRENGTHS IDENTIFIED
<ul style="list-style-type: none"> <li>• Interviewed the college Chief Financial Officer for WKCTC to gain an understanding of the operations and environment.</li> <li>• Reviewed segregation of duties, cash procedures, asset tagging procedures, conflict of interest and purchasing processes.</li> <li>• Obtained documentation on WKCTC’s leases, cash receipt procedures, bank reconciliations, capital projects, and pro-card use/oversight.</li> <li>• I-9 compliance testing</li> </ul>	<ul style="list-style-type: none"> <li>• WKCTC has a mature internal control environment that follows closely with the KCTCS system procedures for cash and cash handling.</li> <li>• Pro-card activity selections made for this audit were well documented and supported in PeopleSoft.</li> <li>• The WKCTC business office internal control procedures are operating at an acceptable level with no findings.</li> </ul>



DETAILED FINDINGS BY RISK RATING

	Low Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
1.	Internal audit's testing of payroll revealed that one employee's I-9 was not completed properly by the employer. Section 2 on the I-9 form was not completed showing no evidence of verification of the employee's identification documents.	WKCTC's Human Resource department will review I-9s for all current employees and correct any issues found.	Review will begin in January 2025	WKCTC Chief Financial Officer
2.	Internal audit's testing of payroll revealed that one employee's I-9 was not completed properly by the employee. Section 1 on the I-9 form showed no date on which it was completed.  Dean Dorton recommends that there be an I-9 review internally to ensure that all I-9s are properly completed.	WKCTC's Human Resource department will review I-9s for all current employees and correct any issues found.	Review will begin in January 2025	WKCTC Chief Financial Officer

# HENDERSON COMMUNITY COLLEGE – BUSINESS OFFICE AUDIT

This project was identified during the FY2025 Risk Assessment process. Each college operates its own business office that oversees the day-to-day operations for that college. Due to the nature of these operations, it is important for internal audit to test the controls at each college on an individual basis.

Henderson Community College (HCC) consists of 1 campus with approximately 1,000 students in and around Henderson, Kentucky. HCC has an experienced President, Dr. Jason Warren and Chief Financial Officer, Kathryn Lea who has been with the College for several years.

KEY TESTING STEPS	STRENGTHS IDENTIFIED
<ul style="list-style-type: none"> <li>• Interviewed the college Chief Financial Officer for HCC to gain an understanding of the operations and environment.</li> <li>• Reviewed segregation of duties, cash procedures, asset tagging procedures, conflict of interest and purchasing processes.</li> <li>• Obtained documentation on HCC’s leases, cash receipt procedures, bank reconciliations, capital projects, and pro-card use/oversight.</li> <li>• I-9 compliance testing</li> </ul>	<ul style="list-style-type: none"> <li>• HCC has a mature internal control environment that follows closely with the KCTCS system procedures for cash and cash handling.</li> <li>• Pro-card activity selections made for this audit were well documented and supported in PeopleSoft.</li> <li>• The HCC business office internal control procedures are operating at an acceptable level with no findings.</li> </ul>

## DETAILED FINDINGS BY RISK RATING

	Low Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
1.	Internal audit's testing of payroll revealed that one employee's I-9 was not completed properly by the employer. The form I-9 was missing the original hire date of the employee.	Original hire date was added to the I-9 in question by HR department staff.	Completed November 20, 2024	HCC Chief Financial Officer
2.	Internal audit's testing of payroll revealed that one employee's I-9 was not completed properly by the employer. Section 2 of the I-9 was not filled out.  Dean Dorton recommends the college conduct an I-9 review internally to ensure that all I-9s are properly completed.	Missing section was completed by HR department staff.  All I-9s of active employees were reviewed and no further omissions were found.	Completed November 20, 2024	HCC Chief Financial Officer

# JEFFERSON COMMUNITY & TECHNICAL COLLEGE – BUSINESS OFFICE AUDIT

This project was identified during the FY2025 Risk Assessment process. Each college operates its own business office that oversees the day-to-day operations for that college. Due to the nature of these operations, it is important for internal audit to test the controls at each college on an individual basis.

Jefferson Community and Technical College (JCTC) consists of 6 campuses with approximately 13,400 students in and around Louisville, Kentucky. JCTC has an experienced president, Ty Handy and Chief Business Officer, Gary Dryden who have been with the College for several years.

KEY TESTING STEPS	STRENGTHS IDENTIFIED
<ul style="list-style-type: none"> <li>• Interviewed the college Chief Business Affairs Officer for JCTC to gain an understanding of the operations and environment.</li> <li>• Reviewed segregation of duties, cash procedures, asset tagging procedures, and purchasing processes.</li> <li>• Obtained documentation on JCTC’s monthly reporting, Budgets, journal entry procedures, bank reconciliations, purchasing, and pro-card use/oversight.</li> <li>• I-9 compliance testing</li> </ul>	<ul style="list-style-type: none"> <li>• JCTC has mature internal control environment that follows closely with the KCTCS system procedures for cash and cash handling.</li> <li>• Pro-card activity selections made for this audit were well documented and supported in PeopleSoft.</li> <li>• The JCTC business office internal control procedures are operating at an acceptable level.</li> </ul>

## DETAILED FINDINGS BY RISK RATING

	Low Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
1.	Internal audit's testing of month end procedures revealed that for one of the bank reconciliations we tested we found that the preparer did not sign off or date when they prepared it.	The preparer's supervisor will ensure a signature is present on the form before they sign off. The date of preparation is listed on the form, it was just missing the signature.	Completed	JCTC Chief Business Officer
2.	Internal audits testing of Payroll/HR revealed that for one employee their information was not uploaded correctly by the employer. We found that one employee's social security number and birthday as entered in the system did not match the employees I-9.	The college will implement an internal review to ensure that all I-9s are properly completed and reconciled to the system.	Completed	JCTC Chief Business Officer
3.	Internal audit's testing of payroll revealed that one employee's I-9 was not completed properly by the employer. Section 2 on the I-9 form showed no date on which the employee first started work.  Dean Dorton recommends that there be an I-9 review internally to ensure that all I-9s are properly completed.	The college will implement an internal review to ensure that all I-9s are properly completed.	Completed	JCTC Chief Business Officer

# MAYSVILLE COMMUNITY & TECHNICAL COLLEGE – BUSINESS OFFICE AUDIT

This project was identified during the FY2025 Risk Assessment process. Each college operates its own business office that oversees the day-to-day operations for that college. Due to the nature of these operations it is important for internal audit to test the controls at each college on an individual basis.

Maysville Community and Technical College (MCTC) consists of 4 campuses with approximately 4,500 students in and around Maysville, Kentucky. MCTC has an experienced president, Laura McCullough and Chief Business Officer, Barbara Campbell who have been with the College for several years.

KEY TESTING STEPS	STRENGTHS IDENTIFIED
<ul style="list-style-type: none"> <li>• Interviewed the college Chief Business Affairs Officer for MCTC to gain an understanding of the operations and environment.</li> <li>• Reviewed segregation of duties, cash procedures, asset tagging procedures, and purchasing processes.</li> <li>• Obtained documentation on MCTC’s monthly reporting, Budgets, journal entry procedures, bank reconciliations, purchasing, and pro-card use/oversight.</li> <li>• I-9 compliance testing</li> </ul>	<ul style="list-style-type: none"> <li>• MCTC has mature internal control environment that follows closely with the KCTCS system procedures for cash and cash handling.</li> <li>• Pro-card activity selections made for this audit were well documented and supported in PeopleSoft.</li> <li>• The MCTC business office internal control procedures are operating at an acceptable level.</li> </ul>

DETAILED FINDINGS BY RISK RATING

	Low Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
1.	Internal Audit's testing of expenses revealed that one of the expenses did not match the supporting documentation	The supporting documentation has been updated and is now correct. To prevent further errors, supervisor training on the review and approval of Procard purchases to check for errors will be held. A checklist will be developed to help with supervisor review process.	December 2024 – January 2025	MCTC Chief Business Officer
2.	Internal Audit's testing of HR/Payroll revealed that one employee's I-9 was completed incorrectly, the employer did not fill out hire date in section 2.	The I-9 for this employee has been updated with the hire date. MCTC will implement monthly review of all I-9 forms for new hires to ensure they are correct and uploaded to OnBase.	December 2024 – January 2025	MCTC Chief Business Officer
3.	Internal Audit's testing of HR/Payroll revealed that one employee did not have an I-9 on file with the college.	The I-9 was completed for this employee and filed in OnBase. MCTC will implement monthly review of all employee I-9 forms.	December 2024 – January 2025	MCTC Chief Business Officer

# DOCUMENT RETENTION AUDIT

This project was identified during the FY2024 Risk Assessment process. Due to the nature of these operations, it is important for internal audit to test the controls related to document retention to ensure KCTCS is following laws and regulations. Dean Dorton performed comprehensive review of its document retention management policies and procedures to enhance institutional effectiveness and ensure regulatory compliance. This report presents the results of our review and offers recommendations designed to transform KCTCS’s document retention management approach to ensure regulatory compliance.

KEY TESTING STEPS	STRENGTHS IDENTIFIED
<ul style="list-style-type: none"> <li>• Interviewed the employees responsible for maintaining and monitoring the documents online to gain an understanding of the retention process.</li> <li>• Reviewed and documented current KCTCS document retention process.</li> <li>• Reviewed current effective dates of the policies and procedures to determine if in compliance with laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• KCTCS has document retention policies and procedures in place over the for the whole system.</li> <li>• KCTCS maintains a centralized repository for their documents.</li> </ul>

## DETAILED FINDINGS BY RISK RATING

	Moderate Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
1.	During Dean Dorton’s review of polices and interviews of staff, we found that there wasn’t an annual training for both college and system staff on regulations surrounding document retention and the importance of monitoring it.	Add annual mandatory training for document management and retention to the existing Vector system training. This consolidation ensures that all required training topics are addressed in a streamlined and efficient manner.	9/1/2025	Electronic Records Director and Office of General Counsel



	Low Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
2.	During Dean Dorton's review of policies and interviews of staff, we found that given the nature of the monitoring and enforcing of document retention the system should assign additional staff to meet the system's monitoring and document retention needs.	Identify individuals at each college, System Office, and Fire Commission responsible for training, communication or awareness to document management and retention requirements. Designated System Office staff will provide training to the identified contacts to ensure consistent communication, enforcement, and effective training delivery across the system.	8/1/2025	Electronic Records Director, and Electronic Records Manager
3.	During Dean Dorton's review of policies and interviews of staff, we found that the current policies do not outline in a detailed manner a guideline that each college should follow or who to reach out to when questions arise.	Move to production the new Document Management and Retention SharePoint page. This page includes department guidelines and identifies the System Office contacts, providing a centralized resource for staff and faculty across the system ensuring easy access.	4/15/2025	Electronic Records Director, and Electronic Records Manager

	Low Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
4.	During Dean Dorton’s review of policies and interviews of staff, we found that there isn’t interoffice communication about policy and procedure updates and that by having the document retention teams meet often would allow them to have a universal understanding of the updates.	Plan two meetings per academic year for college, System Office, and Fire Commission contacts. These meetings, which may be held online or in person, will focus on training, discussing updates or changes from Kentucky Department of Libraries and Archives (KDLA), and ensuring that the Document Management and Retention SharePoint page remains current and accurate. In addition, a document retention newsletter can be sent to the identified contacts as updates occur.	8/1/2025	Electronic Records Director, and Electronic Records Manager

# RETURN TO TITLE IV FUNDS REVIEW

This project was identified during the FY24 Risk Assessment process. Compliance with regulations associated with return to Title IV (R2T4) calculations can be highly complex and the size of the KCTCS student population could lead to errors in this area.

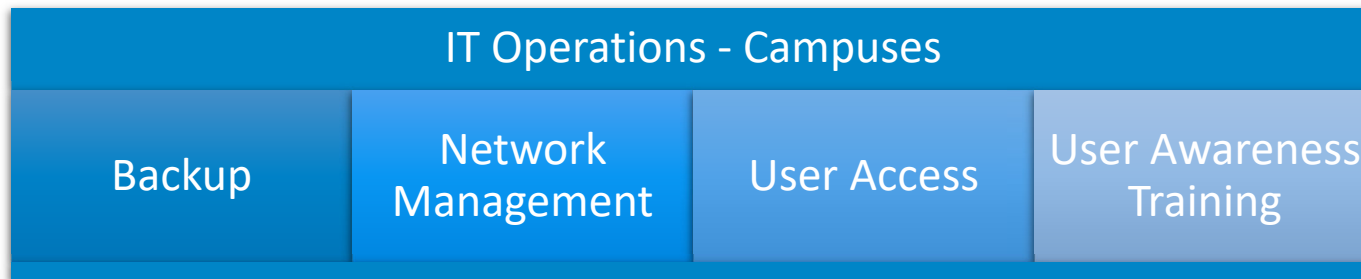
KEY TESTING STEPS	STRENGTHS IDENTIFIED
<ul style="list-style-type: none"> <li>Leveraged previous personnel interviews personnel about their role and responsibilities within R2T4 process.</li> <li>Selected students from each college and obtained documentation on individual R2T4 calculations and related reporting for Fall 2023 and Spring 2024</li> </ul>	<ul style="list-style-type: none"> <li>Previously interviewed personnel were knowledgeable in their roles.</li> <li>KCTCS' centralized processes allows for consistent documentation.</li> </ul>

DETAILED FINDINGS BY RISK RATING

	Moderate Risk Observations and Recommendations	Management Action Plan	Anticipated Completion Date	Responsible Individual
1.	For 13 out of 80 sampled students, the institution was unable to provide documentation verifying that guarantors were notified of fund returns within the required 60-day timeframe.	Management will review the current procedure for enrollment reporting when an R2T4 is completed. We will review the process to ensure enrollment reporting on R2T4's are done in a timely fashion. We will spot check dates to ensure that the proper dates are being recorded.	January 31, 2025	Program Director
2.	In our recalculation of Return to Title IV funds for 80 sampled students, we identified discrepancies in the return amount calculations for 9 students.	Management will review the calculations on the 9 students to see where any corrective actions need to take place and conduct training with the staff. We will also conduct a sample review monthly to ensure they are being calculated properly.	January 31, 2025	Program Director

## IT – KEY CONTROL TESTING

Bluegrass Community Technical College (BCTC) and Southeast Kentucky Community and Technical College (SCTC) campuses were in scope for this quarter. Our testing included gaining an understanding of the IT general control environment for BCTC and SCTC to identify areas where the level of autonomy campus IT departments have could lead to controls and standards not being consistently applied, and to identify areas of risk that could benefit from in-depth control testing.



### AUDIT OVERVIEW AND RESULTS

Key Testing Steps	Strengths Identified
<ul style="list-style-type: none"> <li>• Interviews were performed to obtain an understanding of the IT environment for BCTC and SCTC.</li> <li>• Walkthroughs were performed to understand and observe relevant processes.</li> <li>• Discussed issues of IT management at BCTC concerning challenges of the Chief Finance Officer being the manager for IT operations for the college.</li> <li>• Gained an understanding of IT General Controls (ITGC) for the campus environments to determine adherence to organizational standards and controls.</li> </ul>	<ul style="list-style-type: none"> <li>• No major deviations from organizational standards and controls for the IT environment was identified.</li> <li>• IT staff are knowledgeable about their local environment.</li> <li>• For BCTC, the CFO also having IT management responsibilities has led to an increased understanding in the overall management structure of the importance of IT to the overall organization. The CFO also effectively delegates day-to-day operational management to appropriate department heads, which has increased the level of trust between finance and IT. Conflicts in responsibilities are minimal, executive leadership team makes budgetary decisions together and requires input from every area.</li> </ul>

## FINDINGS

No findings noted.

## AREAS IDENTIFIED FOR POTENTIAL FUTURE TESTING

BCTC	SCTC
<ul style="list-style-type: none"><li>• A large server deployment using VM Ware VCenter, typically Hyper-V is seen in local environments. Further testing may be beneficial to determine adherence to standards for a large local server deployment.</li><li>• Organization is making use of many custom-made PowerShell scripts developed by IT for automation purposes. Further testing may be beneficial to determine if scripts are tested effectively and changes to them are managed for critical processes that rely on them.</li><li>• Some local backup procedures for local data that may need to be tested for effectiveness.</li></ul>	<ul style="list-style-type: none"><li>• Staffing and retention of IT talent can be an issue.</li><li>• SCTC uses a different help desk ticketing system than what is used at the System Office. While not an issue, testing may be beneficial to determine if help desk procedures are consistent with organizational standards.</li><li>• Some local backup procedures on local data that may need to be tested for effectiveness, particularly in the Marketing department.</li></ul>

# PRIOR ACTION PLANS: FOLLOW-UP SUMMARY

The following table provides a summarization of action plans with implementation dates through January 31, 2025, and their completion status.

ACTION PLAN FOLLOW-UP						
FACILITY	ISSUES	ACTION PLANS	TOTAL DUE	IN PROGRESS	COMPLETE	DUE PLAN PROGRESS %
Internal Audits	19	19	3	16	3	100%
Business Office	-	-	-	-	-	0%
Information Technology	-	-	-	-	-	0%
<b>Total</b>	<b>19</b>	<b>19</b>	<b>3</b>	<b>16</b>	<b>3</b>	<b>100%</b>

Details of each action plan and individual status are included at Attachment A.

## ATTACHMENT A – PRIOR ACTION PLANS: FOLLOW-UP DETAIL

#	FACILITY	AUDIT	REPORT DATE	RISK RATING	ACTION PLAN	RESPONSIBLE INDIVIDUAL	DUE DATE	STATUS
1.	System	Disaster Response and Active Shooter Preparedness	April 2024	Moderate	Director of Safety & Emergency Services will prepare communication to send to all employees who are involved with safety and security at the System and college level that electronic RFID fobs and cards should be used over mechanical keys and should look into adding as soon as possible if not in currently in place.	Director of Safety & Emergency Services	June 2025	In process
2.	System	Disaster Response and Active Shooter Preparedness	April 2024	Moderate	Director of Safety & Emergency Services will prepare communication to send to all employees who are involved with safety and security at the System and college level that each college should have an adequate amount of security cameras so they can monitor their campuses appropriately.	Director of Safety & Emergency Services	June 2025	In process
3.	System	Disaster Response and Active Shooter Preparedness	April 2024	Moderate	Director of Safety & Emergency Services will prepare communication to send to the appropriate people at the System to allow colleges to work on their own safety and security projects so they can be completed in a timely manner.	Director of Safety & Emergency Services	June 2025	In process
4.	System	Disaster Response and Active Shooter Preparedness	April 2024	Low	System Leadership will prepare communication to send to all employees who are involved with safety and security at the System level to determine different ways to distribute funding appropriately so colleges can complete necessary safety and security projects for their college.	System Leadership	June 2025	In process



#	FACILITY	AUDIT	REPORT DATE	RISK RATING	ACTION PLAN	RESPONSIBLE INDIVIDUAL	DUE DATE	STATUS
5.	System	Disaster Response and Active Shooter Preparedness	April 2024	Low	System Leadership will prepare communication to send to all employees who are involved with safety and security at the System level to determine different ways to distribute funding appropriately so colleges can add additional security personnel each college needs.	System Leadership	June 2025	In process
6.	System	Disaster Response and Active Shooter Preparedness	April 2024	Low	Director of Safety & Emergency Services will prepare communication to send to all employees who are involved with safety and security at the college level to make sure active shooter training is being perform at least once a year.	Director of Safety & Emergency Services	June 2025	In process
7.	System	Disaster Response and Active Shooter Preparedness	April 2024	Low	Director of Safety & Emergency Services will prepare communication to send to all employees who are involved with safety and security at the college level to use a system to track and ensure staff/faculty have the proper training the college requires.	Director of Safety & Emergency Services	June 2025	In process
8.	System	Disaster Response and Active Shooter Preparedness	April 2024	Low	Director of Safety & Emergency Services will prepare communication to send to all employees who are involved with safety and security at the college level to create a crisis management team.	Director of Safety & Emergency Services	June 2025	In process
9.	System	Disaster Response and Active Shooter Preparedness	April 2024	Low	Director of Safety & Emergency Services will prepare communication to send to all employees who are involved with safety and security at the college level to add Campus Guard to their alert systems so they can specifically notify emergency responders where the emergency is located.	Director of Safety & Emergency Services	June 2025	In process

#	FACILITY	AUDIT	REPORT DATE	RISK RATING	ACTION PLAN	RESPONSIBLE INDIVIDUAL	DUE DATE	STATUS
10.	System	Disaster Response and Active Shooter Preparedness	April 2024	Low	Director of Safety & Emergency Services will prepare communication to send to all employees who are involved with safety and security at the System level to consider creating their own team that could provide all the services that Centurion Solutions provides so they do not have to rely on a 3 <sup>rd</sup> party and perform in-house.	Director of Safety & Emergency Services	June 2025	In process
11.	System	Disaster Response and Active Shooter Preparedness	April 2024	Low	Director of Safety & Emergency Services will prepare communication to all colleges that will open the door for more discussion and shared knowledge between colleges and the System when it comes to safety and security as well as open up the ability for colleges to discuss their immediate needs.	System Leadership	June 2025	In process
12.	System	Whistleblower	May 2024	Low	System Leadership will prepare a required training for all faculty and staff to ensure they know how to access ethics hotline and report complaints.	System Leadership	December 2024	Completed
13.	System	Whistleblower	May 2024	Low	System Leadership will create the posters and send out communication of their existence and require them to be distributed across the whole system.	System Leadership	March 2025	In process
14.	System	Whistleblower	May 2024	Low	The Head of Human Resources will adjust the onboarding process that makes sure new hires get an appropriate amount of training and understanding of their Ethics and Whistleblower policies.	Head of Human Resources	December 2024	Completed
15.	System	Policy and Procedures Review	July 2024	Moderate	KCTCS will incorporate a periodic review cycle for each new policy that goes through the new policy framework and the policy template shall include a required periodic review. The standard	Policy Administrator	March 2025	In Process

#	FACILITY	AUDIT	REPORT DATE	RISK RATING	ACTION PLAN	RESPONSIBLE INDIVIDUAL	DUE DATE	STATUS
					review period with be every three years but some policies may be reviewed more frequently depending on the policy. KCTCS will update existing policies with a review cycle when it reviews existing policies for potential consolidation and therefore will occur outside of the time frame above.			
16.	System	Policy and Procedures Review	July 2024	Moderate	KCTCS is exploring the purchase and utilization of a policy management platform to assist with developing, revising, and posting policies. KCTCS will update the current format to include more requirements and this format will be input into the platform system if acquired. If the platform is not acquired, KCTCS will provide the template to policy owners via the KCTCS web page or the intranet.	Policy Administrator	March 2025	Completed
17.	System	Policy and Procedures Review	July 2024	Moderate	KCTCS is working to develop and adopt a streamlined policy development and standardized review process for all System Administration policies and procedures. KCTCS has researched the review process at other Kentucky institutions as well as other Community College Systems and leadership is actively working to develop a framework that will benefit KCTCS and ensure timeliness.	Policy Administrator	March 2025	In Process

#	FACILITY	AUDIT	REPORT DATE	RISK RATING	ACTION PLAN	RESPONSIBLE INDIVIDUAL	DUE DATE	STATUS
18.	System	Policy and Procedures Review	July 2024	Moderate	KCTCS has researched the policy review structure at other institutions and is discussing with leadership the best structure to implement. KCTCS will ensure that stakeholders and the members of the KCTCS community can review policies prior to their approval and posting and will develop information materials to educate policy owners and sponsoring VP's of the process and time frames for policy approval and implementation.	Policy Administrator	March 2025	In Process
19.	System	Policy and Procedures Review	July 2024	Moderate	KCTCS plans to review all current policies once the new framework is implemented and to meet with the respective VP regarding updating current policies into the new template, adding review cycles, and possible consolidation of policies if applicable. Since there are over 100+ policies, this will be a lengthy process that can begin once the framework is set and the policy platform is up and running.	Policy Administrator	January 2026	In Process

## ATTACHMENT B – FY 2025 INTERNAL AUDIT PLAN UPDATE

FY2024 AUDIT PLAN	PLANNED AUDIT PROJECT	STATUS
<b>FY 2024 Internal Audits - Q4 (Carried Over from FY 2024)</b>	<ul style="list-style-type: none"> <li>▪ Student financial aid – Return of Title IV Funds</li> </ul>	Completed
<b>FY 2025 Internal Audits - Q1</b>	<ul style="list-style-type: none"> <li>▪ Big Sandy Community &amp; Technical College – Business Office Audit</li> <li>▪ Southeast Kentucky Community &amp; Technical College – Business Office Audit</li> </ul>	Completed
<b>FY 2025 Internal Audits - Q2</b>	<ul style="list-style-type: none"> <li>▪ Documents Retention Review</li> <li>▪ West Kentucky Community &amp; Technical College – Business Office Audit</li> <li>▪ Henderson Community &amp; Technical College – Business Office Audit</li> <li>▪ Elizabethtown Community &amp; Technical College – Business Office Audit</li> <li>▪ Henderson Community &amp; Technical College – Business Office Audit</li> <li>▪ Jefferson Community &amp; Technical College – Business Office Audit</li> <li>▪ Maysville Community &amp; Technical College – Business Office Audit</li> </ul>	Completed
<b>FY 2025 Internal Audits - Q3</b>	<ul style="list-style-type: none"> <li>▪ Human Resources – Policy and Procedure Review</li> </ul>	TBD
<b>FY 2025 Internal Audits - Q4</b>	<ul style="list-style-type: none"> <li>▪ Student Financial Aid – Eligibility</li> <li>▪ Student Financial Aid – Cohort Default Activities</li> <li>▪ Student Financial Aid – Return of Title IV Funds</li> <li>▪ Cash Receipts Audit</li> <li>▪ 2026 Risk Assessment and Audit Plan</li> </ul>	TBD

## ATTACHMENT C – FY 2025 INFORMATION TECHNOLOGY PLAN UPDATE

FY2024 AUDIT PLAN	PLANNED AUDIT PROJECT	STATUS
<b>FY 2025 IT Internal Audits - Q1</b>	<ul style="list-style-type: none"> <li>▪ Limiting access to sensitive data</li> <li>▪ Identification and authentication</li> <li>▪ Awareness and training for third-party service providers</li> <li>▪ IT operations related to campuses and their level of autonomy</li> </ul>	Completed
<b>FY 2025 IT Internal Audits – Q2</b>	<ul style="list-style-type: none"> <li>▪ Periodically assessing risk</li> <li>▪ Remediating risks and vulnerabilities identified</li> <li>▪ Periodic assessment and updating of the security program</li> <li>▪ Developing action plans based on security program assessments</li> <li>▪ Identifying unauthorized use of organization systems</li> <li>▪ Appropriate and ethical use of AI</li> <li>▪ IT operations related to campuses and their level of autonomy</li> </ul>	Completed
<b>FY 2025 IT Internal Audits – Q3</b>	<ul style="list-style-type: none"> <li>▪ Establish and enforce security confirmation settings</li> <li>▪ Track, review, and approve changes to organization systems</li> <li>▪ Analyze the security impact to changes prior to implementation</li> <li>▪ Restrict, disable, prevent the use of nonessential programs, functions, ports, protocols, and services</li> <li>▪ IT operations related to campuses and their level of autonomy</li> </ul>	TBD
<b>FY 2025 IT Internal Audits – Q4</b>	<ul style="list-style-type: none"> <li>▪ Employ the principle of least functionality</li> <li>▪ Prevent unauthorized and unintended information transfer via shared system resources</li> <li>▪ Implement subnetworks for publicly accessible system components</li> <li>▪ Establish and manage cryptographic keys</li> <li>▪ Employ FIPS-validated cryptography</li> <li>▪ Incident response</li> </ul>	TBD