



MEMORANDUM

Ref: 25-32-32

DATE: December 12, 2025
TO: College Presidents
FROM: Maryam Jacobs
System Internal Auditor
SUBJECT: INTERNAL AUDIT & CIVIL RIGHTS REVIEW PLAN

Each year the State Board for Community and Technical Colleges (SBCTC) develops a plan of audits and grant monitoring reviews for the upcoming review cycle. These reviews include civil rights reviews, subrecipient monitoring for grants, and traditional operational reviews to ensure all required SBCTC, Washington State, and federal guidelines are being followed.

As required by standards and due to limited resources, SBCTC has adopted a risk-based approach to planning. The annual risk assessment used for planning is based on various factors such as results of prior reviews and audits, discussion with SBCTC staff, the size of the organization, and changes in college leadership. Based on this year’s planning efforts the following colleges have been selected for audit in the current year:

College	Last Review
Clark College	2023
Walla Walla Community College	2023
Edmonds College	2022
South Puget Sound College	2022
Clover Park Technical College	2023
Whatcom Community College	2023
Green River College	2022
Columbia Basin College	2021

The reviews will include an examination of the following high-risk areas:

- Correction of Prior Year Findings – As noted in prior audit reports, each engagement will include procedures to verify the college has implemented corrective action plans submitted after prior audits. Procedures will be performed to ensure the corrective

measures have been implemented and that systems and controls are in place to reduce the risk of the prior finding reoccurring to a reasonable level.

- Reconciliation of general ledger with grant invoices, financial aid, student accounts, and other systems: This part of the engagement will include a review of the process used by each college to reconcile year-end general ledger information with amounts invoiced and received from each grant. Procedures will be performed to ensure this reconciliation is performed in a timely manner, is accurate, and that grant records reconcile with information in the general ledger. In addition, the audit will ensure colleges are reconciling financial aid and student account information with the general ledger to ensure information in each system is reliable, accurate, complete, and that the risk of error and fraud has been reduced to a reasonable level.
- Direct Benefit Payments to Students: Another area of audit will include procedures to ensure benefits payments to students (i.e., transportation, clothing, etc.) are accurately recorded and tracked. This will include procedures to ensure payments are only made to eligible students, within applicable guidelines and for allowable expenses. The review will also verify the college has systems and controls in place to ensure direct payments to students are properly documented and supported, and that systems and controls are in place to track and reconcile payment records with underlying records. When appropriate, the audit will include procedures to verify gift cards, parking passes, and other cash equivalents and assets disbursed to students are tracked, safeguarded, and reconciled with purchase and payment records.
- Perkins Program Income – As part of this engagement, program income for Perkins supported courses will be reviewed. Procedures will include ensuring that all income is identified, tracked, accounted for, recorded, and accurately categorized. In addition, engagement will include procedures to verify internal controls and systems are in place to regularly monitor and report program income as required. Finally, the audit will include procedures to ensure all relevant grant requirements are being followed.
- BEdA Program Review – This engagement will also include procedures to review the following BEdA grant requirement:
 - Waivers – The audit will verify that students who did not pay for basic education classes have a complete and up-to-date waiver on hand and, that the college has procedures to ensure all enrolled student have either paid tuition or have a waiver on file.
 - Match Requirement – As part of this engagement, procedures will be performed to ensure the college's match report is accurate and complete, and that general ledger supports information on the report.

- Early Achiever Grant (EAG): As in the prior year, a review of a state grant has been incorporated into the audit plan to ensure compliance with state grant provisions. The EAG grant, received from Washington State Department of Children, Youth, and Families (DCYF), has seen an increase in compliance requirements by DCYF. In addition, the amounts provided to colleges have continued to increase. Due to these factors, a compliance audit for this grant will be performed as part of this year’s audit.
- Cybersecurity Review: Finally, with the increase in cybersecurity risk and continuing incidents across the nation and especially in higher education, the current year audit will include a general overview of controls and processes used to safeguard information and IT assets. This review will include procedures to verify the college is following generally recommended industry guidelines and WATech suggested processes.

Overall, the audit procedures are designed to ensure each college has adequate controls over financial transactions, follows federal and state grant requirements, and properly maintains and safeguards information and technology. In accordance with standards, the audit will include a review of transactions on a sample basis to ensure and verify that records support amounts recorded in the college’s general ledger and invoiced from various grants. If initial testing finds instances of error and noncompliance, the audit sample and procedures may be expanded based on auditor judgment.

As in previous years, each college will receive a letter notifying leadership that the review has begun and a report at the completion of each engagement. The final report will describe the results of the engagement and corrective action required.

All audit plans are subject to change due to changes in risk, emerging issues, timing constraints, or other factors. Any changes to the plan affecting the system will be communicated to college leadership as soon as possible.

In addition to fiscal reviews, the following colleges will receive a civil rights review as required by the Department of Education’s Office of Civil Rights:

College	Last Review
Bellevue College	2016
Big Bend Community College	2018
Columbia Basin College	2017
Grays Harbor College	2020
Lake Washington Institute of Technology	2020
Pierce College	2015
Renton Technical College	2016
Tacoma Community College	2017
Spokane Falls Community College	2019
Wenatchee Valley College	2018

If you have any questions or require further information, please contact Maryam Jacobs, SBCTC System Internal Auditor at mjacobs@sbctc.edu or (253) 691-718.

cc. **Business Officers**

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