



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Comments and Recommendations Regarding
Internal Accounting Controls and Operating Procedures**

August 31, 2002



717 North Harwood Street
Suite 3100
Dallas, TX 75201-6585

November 15, 2002

Board of Trustees
Collin County Community College District
Plano, Texas

Ladies and Gentlemen:

We have audited the basic financial statements of Collin County Community College District (the District) as of and for the year ended August 31, 2002 and have issued our report thereon dated November 15, 2002. In planning and performing our audit of the financial statements of the District, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized in Exhibit 1.

Our audit procedures are designed primarily to enable us to form an opinion on the basic financial statements and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the District's organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the board of trustees, management, federal and state awarding agencies and pass-through entities, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



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SCT Fixed Asset System Access

During our test work, we noted that system access to the SCT Fixed Asset system is not appropriately restricted. KPMG inspected a security report for the SCT Fixed Asset system and noted that six programmers and five accounts payable personnel had access to modify data in the system. Without restricting access to those individuals who have a job requirement to add, change, or delete fixed asset information, the risk increases that assets may be inappropriately recorded or depreciated. Allowing programmers access to production data increases the risk of unauthorized changes to production.

Recommendation

We recommend that the District review its system access and properly restrict the access of personnel who do not have a functional requirement for it. We also recommend that programmers be restricted to the SCT Fixed Asset test environment only.

Management Response

The District implemented this system during fiscal year 2001-02. Since it is now in place and operational, security issues will be addressed so that only necessary personnel will have access to this system.

BuySpeed Application Access

During our test work, we noted that system access to the BuySpeed purchasing application is not appropriately restricted. KPMG inspected a security report for the BuySpeed system and noted that all purchasing office employees had "AS" or *All Systems Privileges* access, which can be used to perform approval paths maintenance and vendor master maintenance. Without restricting access to those individuals who have purchasing super user functions, the risk of unauthorized transactions increases.

Recommendation

We recommend that the District review its system access and properly restrict the access of personnel who do not have a functional requirement for it. We recommend "AS" level access be limited to the purchasing super user(s) or purchasing lead(s).

Management Response

All systems access is necessary for all purchasing employees because it is required to process purchase orders and bids. These functions are performed by all purchasing employees. In addition, any purchasing employee needs to be able to assist a user with any problem that requires full access to the BuySpeed system.

User Approval and Changes Procedures

During our test work, we noted that new user approval and changes to existing users on the BuySpeed application are not formally documented. Failure to have documented procedures for user setup may result in unauthorized users or inappropriate user access to purchasing functions.

Recommendation

We recommend the District document procedures for user setup and maintenance on BuySpeed. We also recommend procedures should include a process for Human Resources to notify BuySpeed administrators when users are terminated or transferred to a position where their access is no longer required.

Management Response

The BuySpeed system maintains a record of the person who has made the last change to a user's profile. Setup of new users is at the request of the user's dean or director and the new user does not receive access until completion of required training. Human Resources currently notifies Purchasing of terminations so that necessary changes can be made to the BuySpeed system. Employee transfers are accomplished when the new dean or director requests access for the employee in their new position and at that time previous access is terminated.

Discovery Grant Reporting

The Discovery Grant program is required to participate in the Telecommunications Infrastructure Fund (TIF) Boards' Quality Assurance (QA) Program. The District submitted the second QA survey online; however, the survey was not printed and maintained by Discovery Grant personnel. Therefore, we were unable to verify the approval of the QA survey.

Recommendation

We recommend the District establish procedures to ensure that a copy of the QA survey submitted with the signature of all required officials be maintained on file to document the review and approval.

Management Response

In future years, the Chief Information Officer will be responsible for ensuring that printed copies are kept of all forms submitted online by that office.

