

**FREDERICK COUNTY  
INTERAGENCY INTERNAL AUDIT AUTHORITY**

**FREDERICK COMMUNITY COLLEGE  
REGISTRATION PROCESS  
FOR THE PERIOD  
SUMMER 2007 THROUGH SPRING 2008 SEMESTERS**

**REPORT #09-05  
DECEMBER 17, 2008**





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# **FCC Registration Process For the Period Summer 2007 through Spring 2008 Semesters**

Frederick County  
Internal Audit Division

## **I. Introduction**

Internal Audit (IA) conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report is intended to provide information to management; however, it also a matter of public record, and with the exception of any applicable disclosure exemptions, distribution should not be limited. Information extracted from this report may also serve as a method to disseminate information to the public as a reporting tool to help citizens assess government operations. Management responsible for the functional area reviews the report, and their formal written responses are incorporated into the final report per IIAA policy and generally accepted government auditing standards.

It is management's responsibility to design and implement an adequate system of internal control, and it is the Internal Audit Division's responsibility to determine if management's system of internal control is functioning properly in relation to the audit objectives. It is also management's responsibility to decide if action should be taken in response to any reported audit recommendations, taking into consideration related costs and benefits. Management, therefore, assumes the risk of making the decision not to implement any reported recommendations.

## **II. Background**

The Welcome and Registration Center (WRC), Counseling/Advising (CA), and academic department chairs and program managers are authorized to register students using the PeopleSoft HRMS database, referred to as the Student Administration database. Students can also register for classes. For the Summer 2007 through Spring 2008 semesters, there were 255,737 registration attempts.

The Student Administration database uses the student's scores and grades along with course pre-requisite requirements and financial account data to determine whether the student's registration transaction can be successfully processed. When certain requirements have not been met, an error message or a negative service indicator icon alerts the student or College personnel that a stop code or hold applies and further action must be taken. These holds are applied when a student has not taken the required developmental or course pre-requisites; has not met all financial obligations or complied with financial arrangements; is on academic probation or dismissal or was suspended for disciplinary reasons. College personnel can then perform an override and authorize the student to register for class if certain academic and/or financial criteria have been met.

### **III. Objectives, Scope and Methodology**

The overall audit objective was to assess the effectiveness of FCC's management oversight of its student registration process for the Summer 2007, Fall 2007, and Spring 2008 semesters. To perform this assessment, we determined compliance with FCC's developmental course enrollment policies and pre-requisite requirements and the effectiveness of stop codes. Although we did not conduct tests of systems controls, we tested inputs and outputs to assess the reliability of the applicable data in the Student Administration database.

To answer the audit objectives, we:

1. Extracted registration data from the Student Administration database using Query software; and,
2. Randomly selected 49 registration transactions and performed detail tests of the prerequisite and stop code attributes, as applicable, to determine if:
  - Required developmental and prerequisite courses were taken;
  - Financial and academic probation stop codes were applied when appropriate, and were effective in preventing student enrollments; and,
  - Financial, academic probation, and prerequisite stop codes were removed or overridden, when appropriate, so students could enroll in classes.

## IV. Condition and Recommendations

Overall, FCC's management oversight of the student registration process is effective. We found that FCC complied with their developmental course enrollment policies and prerequisite requirements, and that stop codes were applied and removed as intended. However, we did note a Student Administration system design flaw that could result in the inappropriate registration of students. Accordingly, we are recommending additional controls to prevent this from occurring.

### **Condition: Controls Are Needed to Address Student Administration System Design Flaw**

Students must satisfy financial and academic requirements before being allowed to register, unless authorized to do so. However, there is a design flaw in the Student Administration database that could allow students to register for class when there is more than one type of hold. Specifically, the Student Administration database only has one negative service indicator<sup>1</sup> override associated with a financial hold and other registration holds for academic probation, academic dismissal and disciplinary suspension. For example, a student who is on academic probation and who has defaulted on his bill payment should not be allowed to register for a class until authorized to do so or the bill is satisfied and a counselor/advisor approves an override for the academic probation. Although we found only one instance where FCC personnel improperly allowed a student to register for a class because of the design flaw, the potential still exists for improper registrations to occur.

Additionally, although Finance provides written authorization to the WRC to override students' financial holds, such authorization is not documented in the Student Administrative database. As a result, there is no efficient means for management to review and verify that overrides were authorized and in compliance with policies and procedures.

Verifying that overrides are authorized and in compliance with policies and procedures is an important management control. According to the *Committee of Sponsoring Organizations* (COSO), "internal control is a *process* ...effected by *people*...designed to provide reasonable assurance regarding the achievement of objectives."<sup>2</sup> They state that controls include:

"Making available to management information it needs to carry out its responsibilities related to prevention or timely detection of such unauthorized activities."<sup>3</sup>

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<sup>1</sup> A negative service indicator is an alert that automatically stops the registration process from proceeding.

<sup>2</sup> Coopers & Lybrand. COSO (Oversight). Internal Control – Integrated Framework, Executive Summary volume. New Jersey: AICPA, 1992. Pg 9.

<sup>3</sup> Coopers & Lybrand. COSO (Oversight). Internal Control – Integrated Framework, Addendum to Reporting to External Parties volume. New Jersey: AICPA, 1994. Pg 6.

Additionally, “whenever duties are delegated to others, it is important that an adequate system be devised to assure that the duties will be handled in a satisfactory manner ... In the design of ... procedures, provision should be made for proper authorization of all transactions, with the record of such authorization serving to establish full accountability...”<sup>4</sup>

FCC management was aware of the Student Administration system design flaw, and we brought the documentation issue to their attention. Management agreed to our recommendations to strengthen controls over the student registration process.

### **Recommendations:**

To address the system design flaw until an upgrade to the Student Administration database system occurs and the delegation of authority issues, we recommend that FCC:

- 1a.** Document, in the Student Administration database, that Finance has given the WRC authorization to perform an override and specify the date of authorization.
- 1b.** Develop a report that would allow management to perform reviews of service indicator overrides to verify that they were authorized and in compliance with policies and procedures. The report should identify students that have a negative service indicator related hold associated with their accounts at the time they registered and the personnel that processed the students’ registration transactions.

## **V. Response**

See Attachment 1, for the auditee’s response, which appropriately addresses the condition and indicates concurrence with the recommendations.

*Interagency Internal Audit Authority*

December 17, 2008

Interagency Internal Audit Authority

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<sup>4</sup> Howard F. Stettler. Systems Based Independent Audits, Second Edition. New Jersey: Prentice-Hall, Inc., 1974. Pg 59.

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# Memorandum

**To:** Frederick County Interagency Internal Audit Authority

**From:** Kathy Frawley - Associate Vice President/Registrar  
Jane Beatty - Accounts Receivable Manager

**Date:** 12/17/2008

**Re:** Frederick Community College Registration Process Summer 07 through spring 08

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This memo is the official response for the Summer 07 – Spring 08 registration process as outlined in the recommendation report from the Internal Audit Division of Frederick County.

First, we would like to thank you for your time and effort while performing this audit. The group, consisting of Dr. Suzanne Beal, Deborah Dickinson, Dr. Debby McClellan, Jane Beatty and Kathy Frawley felt the report was overall an accurate assessment, highlighting PeopleSoft system design flaws within our negative service indicator functionality. The report addressed setting up additional internal procedures and controls to overcome and reduce potential errors in the future.

## RECOMMENDATION RESPONSE:

“To address the system design flaw until an upgrade to the Student Administration database system occurs and the delegation of authority issues, we recommend that FCC:

**1a. Document, in the Students Administration dataset, that Finance has given the WRC authorization to perform and override and specify the date of authorization.”**

The FCC Finance Department has agreed that effective immediately all staff with the ability to override financial obligation holds, which includes all cashiers and (2) student finance employees, will document any financial overrides given to the WRC by adding a comment within the PeopleSoft system “person comment entry” function for each specific instance. This will include details such as; detailed reasoning, date and term for each student.

This new step will enhance the process already in place for documenting such overrides which currently includes written notification to the WRC by the Finance office, which is then scanned into Image Now by

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the WRC for supporting documentation.

**1b. “Develop a report that would allow management to perform reviews of service indicator overrides to verify that they were authorized and in compliance with policies and procedures. The report should identify students that have a negative service indicator related hold associated with their accounts at the time they registered and the personnel that processed the students’ registration transactions.”**

The FCC IT Department had written a similar report that was used during this audit process; this report will have some modifications made and will be available to management prior to the end of the Spring 09 semester. This will then be used to query service indicator activity.

Additionally, the FCC team wishes to report that effective in January 2009, overrides for all probations will no longer use the same system “check box” within PeopleSoft that is used for finance overrides. The new procedure will be handled within the “unit load box” function. It is thought that by separating these two negative service indicators functions, operator error with financial holds will be significantly reduced when trying to override academic holds.

Thank You