

To the Board of Trustees and Management  
of San Jacinto Community College District:

We have examined San Jacinto Community College District's (the College) compliance with the applicable provisions of the Public Funds Investment Act (PFIA) pursuant to Texas Government Code Title 10, Subtitle F, Chapter 2256, Subchapter A, Authorized Investments for Governmental Entities for the year ended August 31, 2019.

Management is responsible for the College's compliance with the PFIA requirements. Our responsibility is to plan and perform the examination to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings.

Our examination was conducted in accordance with auditing standards issued by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the College's compliance with the PFIA requirements and performing such other procedures as we considered necessary in the circumstances. Our examination does not provide a legal determination on the College's compliance with the specified requirements.

As a result of testing performed, we noted the following noncompliance:

Investment Officer Training

Texas Government Code Section 2256.007 requires that an investment officer attend at least one training session related to the person's responsibilities within six months after assuming duties. As a result of testing procedures performed, we noted that the College's investment officer assumed duties during the year ended August 31, 2018 and that a training session was not taken by the investment officer within six months after assuming duties.

*Management's Response: Effective January 3, 2018, the College's Vice Chancellor of Fiscal Affairs (VCFA) assumed the investment officer role. While the VCFA did not take the required training within six months after assuming duties, the VCFA had the required training of five hours every two years.*

Quarterly Investment Reports

Texas Government Code Section 2256.023 requires that not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by the PFIA for the preceding reporting period. As a result of testing procedures performed, we noted that the written investment report for the quarter ended May 31, 2019 was not presented to the governing board.

*Management's Response: The Board of Trustees meeting that typically includes the 3<sup>rd</sup> quarter investment report did not occur. The 3<sup>rd</sup> quarter investment report was presented at a later meeting of the Board of Trustees that occurred on December 2, 2019. A process has been developed to ensure that future investment reports are presented timely, even when monthly Board of Trustee meetings do not occur.*

This report is intended solely for the information and use of the Board of Trustees and management of the College, and is not intended to be and should not be used by anyone other than these specified parties.



Houston, Texas  
December 12, 2019