

PALM BEACH COMMUNITY COLLEGE

Operational Audit

For the Fiscal Year Ended
June 30, 2008



STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

BOARD OF TRUSTEES AND PRESIDENT

Members of the Board of Trustees and President who served during the 2007-08 fiscal year are listed below:

Carolyn L. Williams, Chair from 8-14-07,
Vice-Chair to 8-13-07
Kenneth B. Kirby, Vice-Chair from 8-14-07
Susan K. Baumel, Chair to 8-13-07 (1)
William Berger from 8-17-07
Wendy S. Link from 8-17-07
Larry L. Pelton to 8-13-07 (1)
David H. Talley

Dr. Dennis P. Gallon, President

Note: (1) Positions were vacant from
August 14, 2007, to August 16,
2007.

The audit team leader was Stefanie P. Johnson, CPA, and the audit was supervised by Ida Marie Westbrook, CPA. For the information technology portion of this audit, the audit team leader was Bill Allbritton, CISA, and the supervisor was Nancy Reeder, CPA, CISA. Please address inquiries regarding this report to James R. Stultz, CPA, Audit Manager, by e-mail at jimstultz@aud.state.fl.us or by telephone at (850) 922-2263.

This report and other audit reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

PALM BEACH COMMUNITY COLLEGE

SUMMARY

Our operational audit for the fiscal year ended June 30, 2008, disclosed the following:

Finding No. 1: The College's procedures relating to approval and documentation of student user fee assessments needed improvement.

Finding No. 2: The College's procedures for monitoring the food service contractor's compliance with the terms of a written agreement needed improvement.

Finding No. 3: The College's internal controls related to the disposal of surplus tangible personal property were not operating effectively.

Finding No. 4: The College needed to enhance its procedures for monitoring usage of College-owned motor vehicles.

Finding No. 5: The College did not adequately monitor cellular telephone (cell phone) usage, and did not report to the Internal Revenue Service the value of cell phone services as income for employees.

Finding No. 6: Two new Board Members did not timely file their statements of financial interests with the local supervisor of elections contrary to law.

Finding No. 7: The College needed to enhance its procedures to ensure that terminated employees' computer access is timely removed.

Finding No. 8: The College did not maintain written policies and procedures governing certain important security functions.

Finding No. 9: The College's security controls within the financial application and supporting IT environment needed improvement.

BACKGROUND

The College is under the general direction and control of the Florida Department of Education, Division of Community Colleges, and is governed by State law and State Board of Education rules. A board of trustees governs and operates the College. The Board constitutes a corporation and is composed of five members appointed by the Governor and confirmed by the Senate.

The College has campuses in Lake Worth, Boca Raton, Belle Glade, and Palm Beach Gardens, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Palm Beach County. The College reported enrollment of 16,624 full-time equivalent students for the 2007-08 fiscal year.

The results of our financial audit of the College for the fiscal year ended June 30, 2008, will be presented in a separate report. In addition, the Federal awards administered by the College are included within the scope of our Statewide audit of Federal awards administered by the State of Florida and the results of that audit, for the fiscal year ended June 30, 2008, will be presented in a separate report.

FINDINGS AND RECOMMENDATIONS

Finding No. 1: Student User Fees

Section 1009.23(12), Florida Statutes, authorizes each community college board of trustees to establish user fees, including laboratory fees. Such user fees cannot exceed the cost of the services provided and may only be charged to persons receiving the service. State Board of Education Rule 6A-14.054(6), Florida Administrative Code, authorizes each board of trustees to establish user fees in addition to tuition fees for services that incur unusual costs.

The Florida Community College Council of Business Affairs and the Florida Department of Education, Division of Community Colleges, have issued guidelines for assessing additional laboratory, special course, and other user fees. The guidelines provide that each local board of trustees establish policies for the implementation and justification of additional user fees, defining which costs are in excess of base instructional costs, and describing the documentation required to support the fees, the time period for review of such fees, and the manner of presenting such fees to the Board for approval.

Laboratory and user fee collections totaled approximately \$3.7 million for the 2007-08 fiscal year. Each year, College personnel prepare a fee manual which lists the standard and special fees for approval by the Board of Trustees. Our test of 10 credit courses that included laboratory or special course fees disclosed that for 4 courses, the Board of Trustees had not, of record, approved the laboratory or special course fees, contrary to Section 1009.23(12), Florida Statutes.

Our review of laboratory and user fees disclosed the following:

- The College had a written procedure for assessing a laboratory or special course fee. These procedures required that a Course Special Fee Assessment Form (Form) be completed documenting the request, approval, rationale, and justification for laboratory and course special fees; however, documentation of the methodology for determining the amount of the fee was not included.
- Our test of 20 courses for which laboratory or special course fees were assessed during the 2007-08 fiscal year disclosed that documentation supporting the cost used to calculate the laboratory or special course fees for 9 courses was not provided for audit. Absent this information, the College is not able to demonstrate that the fees assessed, did not exceed the costs of the services provided.

Recommendation: The College should enhance procedures for preparing the fee manual to ensure that all fees for credit courses are included in the manual and thereby approved by the Board. The College should also amend their fee assessment approval process to include documenting, and retaining, the methodology used for determining fee rates to ensure that such fees do not exceed the related cost.

Finding No. 2: Auxiliary Contract

The College outsources its food service operations to a private contractor. As similarly noted in our report No. 2007-032, the College had not established adequate controls for monitoring contractor compliance with terms of the written agreement.

On March 1, 2008, an assignment and assumption agreement for food services took place between the College, the original contractor, and a new contractor with the terms of the original contract still valid. The contract required the contractor to maintain insurance coverage including \$1 million for general liability coverage, the statutory limit for

worker's compensation coverage, \$1 million in automotive liability coverage, \$1 million in product liability coverage, and \$10 million in umbrella coverage. The new contractor's insurance certificate only provided for the \$1 million general liability coverage requirement.

Recommendation: The College should monitor the food service contractor's compliance with the terms of the written agreement.

Finding No. 3: Disposal of Surplus Property

The College's internal controls related to the disposal of surplus tangible personal property were not operating effectively as noted below:

- The last monthly surplus property listing presented to the Board for disposal approval was on September 11, 2007, for items surplused through August 23, 2007. At June 30, 2008, College records indicated 497 items costing \$1.6 million were held as surplus awaiting Board approval for disposal. The timely approval and disposal of surplus property reduces the risk of loss through theft, decrease in value due to increasing obsolescence over the time held, or the disposal prior to Board approval. College staff indicated the delay was due to a personnel shortage in the Property Department.
- Our test of 30 property deletions included two surplus items disposed of (sold) prior to Board approval. These items were a sound system sold for \$3,500 on November 27, 2007, and computer equipment sold on April 11, 2008, for \$32,179; however, the Board did not approve these items for disposal until August 12, 2008. Effective controls over the disposal of surplused property decreases the possibility of unlawful or unauthorized disposals.

Recommendation: We recommend that the College ensure that surplused property be presented to the Board for its approval to allow for timely disposal.

Finding No. 4: Vehicle Records

As of March 31, 2008, the College maintained 15 motor vehicles for use by employees for off-campus or inter-campus travel while conducting official College business. The College allocated 8 vehicles to the Lake Worth campus, 3 to the Palm Beach Gardens campus, and 2 each to the Belle Glade and Boca Raton campuses.

The College's policies and procedures require that vehicle users submit a vehicle request form, complete a vehicle mileage log, and use the vehicles for official College business only. Our review of vehicle logs for seven vehicles disclosed the following:

- Logs were not always complete regarding documenting the driver's name, destination, date, time, beginning odometer reading, or ending odometer reading.
- Logs for two vehicles contained numerous gaps between the ending mileage on one trip and the beginning mileage on the next trip, ranging from 4 to 677 miles.
- Logs for four vehicles were unavailable for time periods ranging from 6 to 47 days resulting in 6,590 miles unaccounted for.
- Logs were not consistently forwarded to the College's Grounds Supervisor for use in monitoring vehicle usage to assist in scheduling preventative maintenance.

- Logs, maintained by vehicle number, did not provide a space to state the purpose of the trip. The vehicle request form did provide a space to state the purpose, but did not include the vehicle number making matching the request to the log cumbersome.

Absent accurate vehicle mileage logs, there is an increased risk that College-owned vehicles may be used for unauthorized purposes. In addition, completed logs provided to the College's Grounds Supervisor would assist in scheduling preventive maintenance for the vehicles to help minimize vehicle repair or replacement costs. A similar finding was noted in our report No. 2007-032.

Recommendation: The College should improve the monitoring of the vehicle mileage logs to ensure they are accurately completed and are available for use in scheduling of preventative maintenance.

Finding No. 5: Cellular Phones

The College provided cellular telephones (cell phones) to certain employees for use in performing their duties. According to College records, 45 employees were assigned cell phones as of June 17, 2008, and costs associated with these cell phones totaled approximately \$23,500 during the 2007-08 fiscal year.

Pursuant to United States Treasury Regulations, Section 1.274-5T(e), an employee may not exclude from gross income any amount of the value of property listed in Section 280F(d)(4) of the Internal Revenue Code (IRC), unless the employee substantiates the amount of the exclusion in accordance with the requirements of Section 274(d) IRC, and United States Treasury Regulations, Section 1.274-5T. Because cell phones are listed property, their use is subject to the substantiation requirements of the United States Treasury Regulations, Section 1.274-5T(b)(6), which require employees to submit records to the College to establish the amount, date, place, and business purpose for each business call (a notated copy of the employee's cell phone bill is an example of such a record). In addition, employers must review the employee's cell phone bills to confirm the cell phone was used only for business.

The College had not developed and implemented policies and procedures requiring employees to submit records substantiating the business use of cell phones, or requiring that cell phone bills be routinely checked to determine whether any personal calls were made. In the absence of demonstrated compliance with substantiation requirements prescribed by United States Treasury Regulations, the College is required to report to the Internal Revenue Service (IRS) the value of cell phone services provided to employees. The College did not, for employee provided cell phones, include the value of cell phone service in the income reported on the employees' W-2 forms for the 2007 calendar year.

Recommendation: The College should establish and implement policies and procedures requiring employees to document the business use of cell phones and requiring supervisory review of cell phone bills to confirm that cell phones were used for business. In the absence of such policies and procedures, the College should report appropriate amounts as income to the IRS in accordance with Federal requirements.

Finding No. 6: Statement of Financial Interests

Pursuant to Section 112.3145(2), Florida Statutes, each local officer must file, with the supervisor of elections, a statement of financial interests no later than July 1 of each year. In addition, newly appointed local officers must file a statement of financial interests within 30 days from the date of appointment, except that any person whose appointment is subject to confirmation by the Senate must file prior to confirmation hearings or within 30 days from the date of appointment, whichever comes first. Section 112.3145(1), Florida Statutes, specifies that local officers for

a community college include district board of trustee members, the president, and purchasing agents having the authority to make any purchases exceeding \$15,000.

Our review disclosed that two Board members, appointed on August 17, 2007, did not file the required statements of financial interests until February 11, 2008, 147 days late.

Recommendation: The College should ensure that all local officers timely file the statement of financial interests with their local supervisor of elections.

Finding No. 7: Information Technology – Access Controls

Access controls provide safeguards to assist in the prevention or detection of deliberate and accidental errors. Errors may be caused by the improper use or manipulation of data files, unauthorized or incorrect use of computer programs, and improper use of computer resources. Access controls should limit access to computer data files, programs, and hardware to authorized persons who require them in the performance of their duties.

Our test of 19 terminated employees disclosed that 8 did not have their access to the College's computer systems removed in a timely manner; with 5 of the 8 having access to data systems. For the 8 terminated employees, access was not removed until 9 to 164 days after the employees' termination date. A similar finding was noted in our report No. 2007-032.

Although access to computer data files and systems had been removed for all terminated employees tested, failure to timely remove such access increases the risk of unauthorized use of computer resources.

Recommendation: The College should ensure that access to computer resources is timely removed for terminated employees.

Finding No. 8: Information Technology – Security Policies and Procedures

An effective security program includes written security policies and procedures that address all major systems and facilities and outline the duties of those who are responsible for overseeing security (the security management function) as well as those who own, use, or rely on the entity's computer resources.

The College did not maintain written policies and procedures to control the following security activities:

- The administration of vendor-supplied user identification codes (IDs),
- Assigning access based on least privilege required for job function,
- Creating, maintaining, changing, and reviewing user IDs and associated access privileges,
- Guest accounts,
- Administrative passwords,
- Administration of other security devices such as routers and firewalls, and
- Access privileges and responsibilities granted to help desk personnel (including procedures to reset passwords when required by users).

Without written policies and procedures, controls may be inadequate or inconsistently applied and responsibilities may be unclear, misunderstood, and improperly implemented. This increases the risk that sensitive or critical IT resources will not be sufficiently protected.

Recommendation: The College should develop and maintain written policies and procedures to govern the above-listed security activities to protect the confidentiality, integrity, and availability of information resources.

Finding No. 9: Information Technology – Security Controls

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain College security controls that needed improvement in the areas of managing access privileges and protecting the confidentiality of user passwords. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising the College's data and IT resources. However, we have notified appropriate College staff of the specific issues. Without adequate security controls, the confidentiality, integrity, and availability of data and IT resources may be compromised, increasing the risk that College data and IT resources may be subject to improper disclosure, modification, or destruction.

Recommendation: The College should improve its security controls related to managing access privileges and protecting the confidentiality of user passwords to provide increased assurance of the continued confidentiality, integrity, and availability of College data and IT resources.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, the College had taken corrective actions for findings included in our report No. 2007-032.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational 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.

The objectives of this operational audit were to: (1) obtain an understanding and make overall judgments as to whether College internal controls promoted and encouraged compliance with applicable laws, rules, regulations, contracts, and grant agreements; the economic and efficient operation of the College; the reliability of records and reports; and the safeguarding of assets; (2) evaluate management's performance in these areas; and (3) determine whether the College had taken corrective actions for findings included in our report No. 2007-032. Also, pursuant to Section 11.45(7)(h), Florida Statutes, our audit may identify statutory and fiscal changes to be recommended to the Legislature.

The scope of this operational audit is described in Exhibit A. Our audit included examinations of various records and transactions (as well as events and conditions) occurring during the 2007-08 fiscal year.

Our audit methodology included obtaining an understanding of the internal controls by interviewing College personnel and, as appropriate, performing a walk-through of relevant internal controls through observation and examination of supporting documentation and records. Additional audit procedures applied to determine that internal controls were working as designed, and to determine the College's compliance with the above-noted audit objectives, are described in Exhibit A. Specific information describing the work conducted to address the audit objectives is also included in the individual findings.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA
Auditor General

MANAGEMENT'S RESPONSE

Management's response is included as Exhibit B.

**EXHIBIT A
AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Information technology (IT) policies and procedures.	Reviewed the College's written IT policies and procedures to determine whether they addressed certain important IT control functions.
Procedures for authorizing access to IT resources.	Reviewed documentation to determine the College's process for requesting, approving, implementing, and removing system access to IT resources. Selected a sample of access privileges granted to determine whether the College properly authorized and granted application access in relation to employees' job functions.
Security awareness and training program regarding the confidentiality of information.	Examined supporting documentation relating to the College's IT security awareness and training program.
Fraud policy and related procedures.	Reviewed written policies and procedures, and examined supporting documentation relating to the College's fraud policy and related procedures.
Interim financial reports presented to the Board.	Read Board minutes and, for selected Board meetings, examined the financial review and analysis presented to the Board to ensure they included comparisons of financial results with budget estimates.
Procedures for adopting and amending the budget.	Examined supporting documentation to determine whether budgets and amendments to budgets were prepared and adopted in accordance with applicable Florida Statutes and State Board of Education Rules. Reviewed final budget to expenditure comparison.
Statement of Financial Interest requirements of Section 112.3145(2), Florida Statutes.	Contacted county Supervisor of Elections and obtained names and filing dates for College Board Members and certain College employees to determine filing timeliness.
Social security number requirements of Section 119.071(5)(a), Florida Statutes.	Examined supporting documentation to determine whether the College had provided individuals with a written statement as to the purpose of collecting social security numbers, certified compliance pursuant to Section 119.071(5)(a)4.b., Florida Statutes, and filed the required report specified by Section 119.071(5)(a)9.a., Florida Statutes, no later than January 31, 2008.
Banking agreement, services, accounts, and related controls.	Reviewed current banking agreement and recent changes in terms and conditions. Tested certain monthly bank reconciliations and electronic fund transfers for proper approvals and/or authorizations.
Obsolete maintenance inventory.	Verified elimination of obsolete maintenance inventory, including related amounts reported in the financial records.

**EXHIBIT A (Continued)
AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Procedures for property deletions and disposals.	Examined Board minutes for agenda items relating to approval of surplus property deletions and disposals. Obtained a listing of surplus property items awaiting Board approval for disposal as of June 30, 2008. Discussed control procedures with applicable College staff.
Cash collection procedures at decentralized collection points.	Reviewed collection procedures at selected locations and tested daily cash collections to determine the effectiveness of the College's collection procedures.
Compliance with College contract provisions for auxiliary operations.	Selected a sample of auxiliary operation contracts, reviewed contract provisions, then obtained and reviewed documentation to determine compliance with contract provisions.
Special student fees assessed for student activity and service fee, student financial aid fee, technology fee, and capital improvement fee.	Compared the fees to the amounts allowable per Section 1009.23, Florida Statutes, to verify compliance.
Procedures for calculating user and laboratory fees.	Requested copy of College procedures to determine if the policy was approved by the Board of Trustees. Selected a sample of user and laboratory fees and examined supporting documentation to determine whether the College properly calculated these fees.
Student fee collections.	Selected a sample of student fee transactions to determine accuracy of assessment, collection, and reporting of the fees.
New hires: (1) met necessary qualifications and (2) fingerprinting and background checks for those in a position of special trust or that had direct contact with children.	Selected a sample of new hires and verified documentation existed to (1) demonstrate position qualifications were met and (2) for those who had direct contact with children or work in an area requiring special trust, determined whether the College had obtained fingerprint and background checks for the individuals included in our sample.
Terminal pay policies and procedures.	Reviewed the College's policies and procedures for terminal pay to ensure policies and procedures are consistent with Florida law. Selected a sample of former employees and determined whether the College properly calculated terminal pay in accordance with College policies and procedures.
Procedures to timely prohibit terminated employees' access to electronic data files.	Obtained a listing of all employees who terminated during the audit period, selected a sample, and examined supporting documentation evidencing when the College terminated access privileges.
Procedures for overtime payments.	Obtained a listing of all employees who received overtime pay for the audit cycle and selected a sample to determine whether payments were supported by approved time records, appeared justified, and were made in accordance with approved pay rates.

**EXHIBIT A (Continued)
AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Procurement policies and procedures.	Selected a sample of significant dollar purchases and examined supporting documentation evidencing compliance with bid requirements. Also, performed analytical procedures to determine whether purchases were split to bypass bid requirements.
Purchasing card procurement policies and procedures.	Selected a sample of purchasing card expense transactions to test for propriety and compliance with related laws, rules, and College policies.
Procedures for travel reimbursement.	Selected a sample of travel reimbursements to test for compliance with Section 112.061, Florida Statutes.
Procedures for monitoring motor vehicle utilization.	Selected a sample of vehicle logs to test for completeness, supervisory review, and use of logs to schedule preventive maintenance.
Procedures for contractual services.	Selected a sample of instructional and non-instructional contracted service payments to ensure the expenses were adequately supported.
Student activity and service fee and capital improvement fee expenses.	Selected a sample of expenses from moneys generated by student activity and service fees and capital improvement fees to test for proper and lawful usage.
Procedures for major construction contracts, including insuring architects and engineers.	Selected a sample of representative major construction projects in progress during the audit period to verify that the College maintained project ledgers or other records that account for project expenses made during the audit period and to determine architects and engineers were properly selected and, where applicable, had evidence of required insurance.
Procedures for monitoring cellular telephone usage and compliance with related IRS reporting requirements.	Determined whether the College provided for compliance with IRS substantiation requirements for cellular telephone usage or, for the most recent calendar year, reported the value of cellular telephone services provided to employees as income for those employees.

EXHIBIT B
MANAGEMENT'S RESPONSE

PALM BEACH COMMUNITY COLLEGE

OFFICE OF THE
PRESIDENT



4200 CONGRESS AVENUE
LAKE WORTH, FL 33461-4796

561-868-3500 tel
561-868-3504 fax

November 21, 2008

Mr. David W. Martin, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

We have received the Preliminary and Tentative Audit Findings for Palm Beach Community College Operational Audit for the fiscal year ended June 30, 2008. The recommendations identified in this audit will be used to improve the operations of the College in the future.

Our response to the findings, which were received electronically on October 29, 2008, is attached. Please contact Mr. Richard A. Becker, vice president of administration and business services, at (561) 868-3137, if additional information is needed.

Sincerely,

Dennis P. Gallon, Ph.D.
President

attachment

cc: District Board of Trustees
Mr. Richard A. Becker

**Palm Beach Community College
Responses to Audit Findings for the
Fiscal Year ended June 30, 2008**

Finding No. 1 The College's procedures relating to approval and documentation of student user fee assessments needed improvement.

The College is in the process of redesigning the student user fee process which will be implemented in 2009. This redesigned process will address the areas of weakness as identified by the Auditors.

Finding No. 2 The College's procedures for monitoring the food service contractor's compliance with the terms of a written agreement needed improvement.

The College has on file a certificate of insurance for the various insurance requirements. The contract has been amended appropriately and the document is on file. The College will continue to monitor compliance annually.

Finding No. 3 The College's internal controls related to the disposal of surplus tangible personal property were not operating effectively.

The College has already presented these surplus property items to the District Board of Trustees for an "after the fact" approval on their disposal. The College will work to ensure our procedures for disposals are carried out in the proper sequence.

Finding No. 4 The College needed to enhance its procedures for monitoring usage of College-owned motor vehicles.

The College is revising its fleet vehicle procedures to address the comments of the Auditors. We will add a review of all fleet vehicle logs by each campus security office. Staff who do not follow the procedures or fail to complete the travel logs will lose their privilege of driving in a fleet vehicle.

Finding No. 5 The College did not adequately monitor cellular telephone (cell phone) usage, and did not report to the Internal Revenue Service the value of cell phone services as income for employees.

The College does have a cellular phone plan that provides a taxable cash stipend (in accordance with US Treasury Regulations). However this plan is segregated into three layers of benefit and to date we have only implemented the highest layer (generally for senior management). The implementation of the other two layers of benefit was delayed as there was discussion in Washington of removing cellular phones as a taxable benefit. This effort failed and therefore the College will eliminate all cellular phones provided to individuals and will implement the second and third layers of the taxable stipend plan so that all of our employees and the college is in full compliance with Treasury Department Regulations.

**Palm Beach Community College
Responses to Audit Findings for the
Fiscal Year ended June 30, 2008**

Finding No. 6 Two new Board Members did not timely file their statements of financial interests with the local supervisor of elections contrary to law.

This item is resolved and the College will work with everyone involved in filing this report to ensure timely reporting.

Finding No. 7 The College needed to enhance its procedures to ensure that terminated employees' computer access is timely removed.

The College has implemented procedures to correct a similar issue in the last audit. However we still have departments who do not timely notify human resources when an employee (usually part time) stops working. We will implement a process whereby an exception report showing all employees who do not receive a paycheck will be reviewed to ensure they are still employed by the College.

Finding No. 8 The College did not maintain written policies and procedures governing certain important security functions.

The College hired a network security officer (a new position) who was developing a set of written policies and procedures as a very high priority project. Unfortunately this employee relocated out of the area and we are in the process of hiring a replacement which should happen in the next few weeks. Again the written policies and procedures will be a high priority project and we hope to have these documents completed by within the next year.

Finding No. 9 The College's security controls within the financial application and supporting IT environment needed improvement.

The College is taking the appropriate actions to address our security controls.

