

NORTH FLORIDA COMMUNITY COLLEGE

Operational Audit

For the Fiscal Year Ended
June 30, 2008



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	<u>County</u>
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Mr. Morris G. Steen, Jr.

- Notes: (1) Member's term expired May 31, 2007. Continued to serve until reappointment on August 30, 2007.
- (2) Appointment withdrawn effective May 4, 2007. Subsequently reappointed on August 30, 2007.
- (3) Appointment withdrawn effective May 4, 2007. Subsequently reappointed on August 30, 2007. Resigned January 29, 2008. Position remained vacant until replaced.

The audit team leader was Glenda K. Hart, CPA, and the audit was supervised by Robert L. Kuitert, CPA. For the information technology portion of this audit, the audit team leader was Danielle Alvarez, CPA, 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.

NORTH FLORIDA COMMUNITY COLLEGE

SUMMARY

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

Finding No. 1: The College does not have a written policy for communicating and reporting known or suspected fraud.

Finding No. 2: Audit tests disclosed a potential conflict of interest involving the procurement of technical and consulting services from a company owned by the spouse of an administrator at the Green Industries Institute. Also, there were no written agreements with the company specifying limits for the total compensation to be paid, the terms of payments, the scope of the work to be performed, and the work completion dates.

Finding No. 3: Although required by contract terms, the construction manager for the defensive driving and firing range project did not solicit competitive proposals for subcontractors on the project. In addition, College staff advised us that they had not established procedures to verify that subcontractors were properly licensed.

Finding No. 4: Audit tests disclosed 33 instances in which funds disbursed to athletic coaches for student athlete meals, in excess of documented needs, were not properly reimbursed to the College.

Finding No. 5: Student enrollment in adult general education programs was not properly reported to the Florida Department of Education.

Finding No. 6: The College was not fully aware of its notification and record keeping responsibilities relating to the collection of social security numbers.

Finding No. 7: The College lacked written policies and procedures for certain information technology (IT) functions.

Finding No. 8: Certain security controls 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 nine members appointed by the Governor and confirmed by the Senate.

North Florida Community College has its main campus in Madison, and a special purpose center in Monticello designated as the Green Industries Institute. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Madison, Hamilton, Jefferson, Lafayette, Suwannee, and Taylor counties. The College reported enrollment of 956.4 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: Policies for Reporting Fraud

The College had not developed formal policies for communicating and reporting known or suspected fraud. Such policies should clearly identify actions constituting fraud, incident reporting procedures, responsibility for fraud investigation, and consequences for fraudulent behavior. Fraud policies are necessary to educate employees about proper conduct, create an environment that deters dishonesty, and maintain internal controls that provide reasonable assurance of achieving management objectives and detecting dishonest acts. In addition, such policies serve to establish the responsibilities for investigating potential incidents of fraud, taking appropriate action, reporting evidence of such action to the appropriate authorities, and avoiding damage to the reputations of persons suspected of fraud but subsequently exonerated. Further, in the absence of such policies, the risk increases that a known or suspected fraud may not be identified or reported to the appropriate authority.

Recommendation: **The College should develop policies for the detection, prevention, and reporting of fraud.**

Finding No. 2: Procurement of Services – Related-Parties

Green Industries Institute (Institute) was established in November 2000, and is an educational partnership created by a memorandum of understanding between North Florida Community College, the University of Florida, Florida Agricultural and Mechanical University, and the horticulture, landscape, and arboriculture industry. During the 2006-07 and 2007-08 fiscal years, North Florida Community College was responsible for the oversight of day-to-day management and operations of the Institute.

To ensure public confidence over procurement practices, it is essential that any and all appearances of a conflict of interest be avoided in order to retain the public's trust. During the 2006-07 and 2007-08 fiscal years, the Institute procured technical and consulting services, from a private company, primarily related to the selection and implementation of the Content Management System and Learning Management System for the Institute's web site. Expenditures for the 2006-07 and 2007-08 fiscal years with the company totaled \$122,142. Our review disclosed that this company was owned by the spouse of the Institute's Director of Professional Services, whose job duties included web site administration and update, selection, and implementation of the Learning Management System, as well as, oversight of the technical web site consultant. We further noted that the Director of Professional Services was one of three members of the Web Site Planning Team who reviewed and ranked the requests for proposals (RFPs) received for the web site design services.

Upon inquiry, College staff indicated that the Board did not have official policies that restricted related-party transactions to avoid potential conflicts of interest. However, they referred us to the College's employee handbook, which allows the hiring of relatives as long as the relative's influence is not used to obtain the position for the other relative; neither relative is placed in a supervisory position over the other; and neither relative occupies an administrative position which could directly influence the area in which the other relative is employed. College staff further indicated that while this applies to employees, it could be said to apply to the hiring of consultants, with the President's approval. Based on the preceding paragraph, it appears that the Director of Professional Services was in a position to influence the selection of the company and was in an administrative position with supervisory responsibilities over the company's work at the College.

Our review further disclosed that there were no written agreements with the company specifying limits for the total compensation to be paid, the terms of payments, the scope of the work to be performed, and the work completion dates. Written agreements would also define the important legal responsibilities and obligations in the event of disputes and litigation and may also provide for liquidated damages in the event the work is not timely completed. The College discontinued purchases from this company effective June 30, 2008.

Recommendation: The College should establish formal policies restricting related-party transactions to avoid the appearance of conflicts of interest and to maintain the public's trust in its procurement practices. The College should also ensure that purchases of professional and technical services are made in accordance with written contracts which are presented to the Board for approval and properly monitored for performance.

Finding No. 3: Construction Administration

Pursuant to Section 1013.45(1), Florida Statutes, a community college may contract for the construction or renovation of facilities using various delivery methods, including competitive bid or selection of a construction manager. The College is responsible for monitoring the work of construction managers and general contractors, which should include reviewing documentation submitted by contractors in support of payment requests, ensuring that projects are administered in accordance with applicable laws and rules, ensuring that potential savings in material and labor costs are realized, and preventing cost overruns or other impediments to the successful completion of construction projects.

In January 2005, the College entered into a construction management contract which included: (1) construction of a building for science labs and classrooms; (2) construction of a defensive driving range; and (3) demolition of buildings at the old Madison Primary School.

In June 2006, the Board negotiated a guaranteed maximum price for the defensive driving range project of \$2,304,611. In November 2006, the Board approved a change order in the amount of \$1,493,242, to the defensive driving range project to include a firing range building.

According to the contract, the construction manager (CM) was responsible for selecting subcontractors using a competitive bid process by soliciting proposals for all subcontracts in excess of \$10,000 from at least three firms. The written proposals or bids were to be opened publicly at the location, date, and time named by the CM in the request for proposal, and a tabulation of the results was to be furnished to the College, architect, and each firm submitting a proposal.

In response to our request for bid documentation and tabulations, we were informed by College personnel that the CM did not solicit competitive bid proposals for the defensive driving and firing range project as required. Instead, the CM used subcontractors who had performed work on the demolition of the old Madison Primary School and the new science building projects. In the absence of competitive bids for the defensive driving and firing range project, College records do not demonstrate that the lowest and best price was obtained for this project consistent with product quality and performance.

In addition, Section 1013.45(1)(c), Florida Statutes, provides that a construction management entity must consist of, or contract with, licensed or registered professionals for the specific fields or areas of construction to be performed, as required by law. Chapter 489, Florida Statutes, establishes certain licensing requirements for specialty contractors such as electrical, air conditioning, plumbing, and roofing contractors. College staff advised us that they had not established procedures to verify that the defensive driving and firing range project subcontractors were properly

licensed. Rather, the College relied on the CM to ensure that only licensed subcontractors were used on the project. Monitoring the verification of subcontractor licenses would provide the College additional assurance that subcontractors met the qualifications to perform the work for which they were engaged.

Recommendation: The College should establish procedures to ensure that competitive bids or proposals are solicited when required by law, administrative rule, or contract terms. In addition, the College should improve its monitoring procedures for construction projects to include verification that subcontractors are properly licensed.

Finding No. 4: Student Athlete Meal Reimbursements

Audit tests disclosed several instances in which funds disbursed to athletic coaches for student athlete meals in excess of documented needs were not properly reimbursed to the College. During the 2007-08 fiscal year, the College disbursed \$22,221.22 to coaches for student athlete meals. College procedures allow athletic coaches to request funds in advance for meals for student athletes traveling to away games. The coaches may choose to use the funds advanced to pay for student athlete meals in one of two ways: (1) The coach may pay for athlete meals and remit the meal receipts and any excess funds to the Business Office; or (2) The coach may disburse funds to athletes who sign a roster indicating receipt of funds and provide the roster with any undisbursed funds to the Business Office.

Our review of 38 disbursements to coaches for student athlete meals disclosed 33 instances in which funds disbursed to the coaches, in excess of documented needs, were not properly reimbursed to the Business Office. Disbursements to coaches, that could not be supported, totaled \$4,404.98. Subsequent to audit inquiry, the College recovered \$4,022.27 from the athletic coaches through payroll deduction.

Recommendation: College personnel should establish procedures to ensure the use of funds disbursed to athletic coaches for student athlete meals are adequately documented and excess funds are properly reimbursed to the College. The College should also continue its efforts to collect the remaining \$382.71.

Finding No. 5: Adult Basic Education Hours

Section 1004.02(3), Florida Statutes, defines adult education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. Chapter 2007-72, Laws of Florida, requires that each college report enrollment for adult general education programs in accordance with Florida Department of Education (FDOE) instructional hours reporting procedures. Procedures provided by the FDOE stated that instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner. Additionally, there is a minimum enrollment threshold of 12 hours of attendance that must be met before a student can be counted for funding purposes.

Our review of attendance hours reported to FDOE for 20 adult education students, disclosed 11 instances in which hours reported did not agree with documented hours of attendance. Of the 911 hours reported to FDOE for these 20 students, approximately 230 hours could not be supported by College records. Errors noted included a lack of documentation to support the students' attendance for the hours reported, and clerical input errors.

We also noted that one vocational preparatory course held during the Fall term was reported in error as an adult basic education course. Vocational preparatory courses are not subject to the 12-hour minimum. As a result, approximately 71 vocational hours were not properly reported to the FDOE for funding of students who attended this course for less than 12 hours.

Since future funding may be based, in part, on enrollment data submitted to the FDOE, it is important that the College submit accurate data.

Recommendation: We recommend that the College enhance its controls to ensure the accuracy of reporting instructional contact hours for students enrolled in adult general education courses to the FDOE. In addition, the College should contact the FDOE to determine if corrective actions are necessary regarding the over- and under-reporting of hours.

Finding No. 6: Collection of Social Security Numbers

The Legislature has acknowledged in Section 119.071(5)(a), Florida Statutes, the necessity of collecting social security numbers (SSNs) for certain purposes because of their acceptance over time as a unique numeric identifier for identity verification and other legitimate purposes. The Legislature has also recognized that SSNs can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining such information to ensure its confidential status.

Effective October 1, 2007, Section 119.071(5)(a), Florida Statutes, as amended by Chapter 2007-251, Laws of Florida, provides that an agency may not collect an individual's SSN unless the agency has stated in writing the purpose for its collection and unless it is: specifically authorized by law to do so; or it is imperative for the performance of that agency's duties and responsibilities as prescribed by law. Additionally, this Section requires that an agency collecting an individual's SSN provide that individual with a copy of the written statement indicating the purpose for collecting the number, and that SSNs collected by an agency will not be used for any purpose other than the purpose provided in the written statement. This Section also requires that each agency review whether its collection of SSNs is in compliance with the above requirements; immediately discontinue the collection of SSNs for purposes that are not in compliance; and certify to the President of the Senate and the Speaker of the House of Representatives its compliance with these requirements no later than January 31, 2008.

Although the College has assigned unique student and employee identification numbers to replace using SSNs for record keeping purposes, the College collected SSNs from students, employees, prospective employees, and certain contracted vendors for various record keeping purposes related to student enrollment, employment, and withholding taxes.

Our review disclosed that the College submitted the certification of its compliance with the requirements to the President of the Senate and the Speaker of the House of Representatives by January 31, 2008. However, prior to our inquiries, the College was not fully aware of its record keeping responsibilities relating to the collection of SSNs. Although the College had established notification procedures for employees and prospective employees, no such procedures had been established for students and other individuals. As a result, the College did not conduct the required review and evaluation of the reasons for collection of SSNs from these individuals or prepare written statements notifying the individuals of the purpose for collection of their numbers, contrary to Section 119.071(5)(a), Florida Statutes. Effective controls to properly monitor the need for and use of SSNs and ensure compliance with statutory requirements reduce the risk that SSNs may be used for unauthorized purposes.

Subsequent to our inquiry, College management initiated actions to fully comply with the requirements of Section 119.071(5)(a), Florida Statutes.

Recommendation: The College should continue its efforts to ensure compliance with Section 119.071(5)(a), Florida Statutes. In those instances in which the College determines that collection of the social security number is not imperative for performance of its duties and responsibilities, the College should discontinue obtaining such numbers.

Finding No. 7: Information Technology – Written Policies and Procedures

Each information technology (IT) function needs complete, well-documented policies and procedures to describe the scope of the function and its activities. Sound policies and procedures provide benchmarks against which compliance can be measured and contribute to an effective control environment.

Our audit disclosed that the College lacked written policies and procedures for the following IT functions:

- Requesting, prioritizing, and authorizing system changes.
- Administration of user identification codes (IDs), vendor-supplied IDs, guest accounts, and security devices (such as routers and firewalls).
- Prohibiting the sharing of administrative IDs.
- Denial of administrator rights on workstations used by end-users.
- Access privileges granted and responsibilities of help-desk staff.
- Provision of least privilege for user access based on job function.
- Network and system administration.
- Change, storage, and communication of administrative passwords.
- User password reset, including positive identification of the user.

Without written policies and procedures the risk is increased that IT controls may not be followed consistently and in a manner pursuant to management's expectations.

Recommendation: The College should establish written policies and procedures to document management's expectations for the performance of the above-listed IT functions.

Finding No. 8: Information Technology – Security Controls

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain security controls relating to user authentication that needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising College data and IT resources. However, we have notified appropriate College management of the specific issues. Without adequate security controls over user authentication, 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 security controls in the area of user authentication to ensure the continued confidentiality, integrity, and availability of College data and IT resources.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2007-083.

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. 2007-083. 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
Security awareness and training program regarding the confidentiality of information.	Examined supporting documentation relating to the College's information technology (IT) security awareness and training program.
Procedures to timely prohibit terminated employees' access to electronic data files.	Sampled employees who terminated during the audit period and examined supporting documentation evidencing when the College terminated access privileges.
Information Technology (IT) policies and procedures.	Inspected the College's written IT policies and procedures to determine whether they addressed certain important IT control functions.
Program change management procedures.	Reviewed documentation that supported the College's change management methodology for requesting, approving and implementing system changes related to IT resources.
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.
Procedures for IT authentication controls.	Examined supporting documentation to determine whether authentication controls were configured and enforced in accordance with IT best practices.
Fraud policy and related procedures.	Examined written policies, procedures, and supporting documentation relating to the College's fraud policy and related procedures.
Sunshine Law requirements for Board meetings (i.e., proper notice of meetings, ready access to public, maintain minutes).	Read Board minutes and, for selected Board meetings, examined supporting documentation evidencing compliance with Sunshine Law requirements.
Interest allocation on pooled bank accounts.	Tested accuracy and reasonableness of College's interest allocation procedures for pooled cash accounts.
Student activity and service fees assessed.	Verified that the activity and service fee did not exceed 10 percent of the total tuition fee.
Telecommuting employee arrangements.	Examined written policies, procedures, and supporting documentation relating to employee telecommuting arrangements.
Minimum teaching hours and minimum office hours for College faculty.	Selected a sample of faculty and examined College records to verify that faculty met minimum teaching hours and were available during posted office hours.
Procedures for calculating user and laboratory fees.	Examined College's policies for user and laboratory fees and reviewed supporting documentation to determine whether the College properly calculated these fees.
Adult general education program enrollment reporting.	Selected a sample of adult education students and examined supporting documentation to determine whether the College reported instructional contact hours in accordance with FDOE requirements.

EXHIBIT A (Continued)
AUDIT SCOPE AND METHODOLOGY

Scope (Topic)	Methodology
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.
Travel to terrorist states.	Examined the College’s travel records and made inquiry of key personnel to determine if funds were used for travel to terrorist states.
College procedures relating to construction manager selection and monitoring of contracts.	Examined records supporting selection of construction manager and evidence that the College adequately monitored compliance with significant contract provisions.
Direct purchase of materials and supplies.	Tested contract expenditures and reviewed contract records to determine if the College made use of sales tax exemption for direct materials and supplies purchased for significant construction projects.
Procedures for insuring architects and engineers.	Selected a sample of significant or representative major construction projects in progress to determine whether architects and engineers engaged during the audit period had evidence of required insurance.
Reporting Public Education Capital Outlay (PECO) allocations.	Verified that PECO amounts reported to the Florida Department of Education as expended or encumbered agreed with the College’s records.
Procedures for monitoring cellular telephone usage and compliance with related Internal Revenue Service (IRS) reporting requirements.	Determined whether the College either 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.
Economy and efficiency of College operations relating to the Green Industries Institute.	Performed analysis of current year operations of the Green Industries Institute. Examined College efforts to correct disparity noted between cost of operations and continued low enrollments.
Procurement – contractual services relating to the Green Industries Institute.	Selected a sample of contractual services payments and examined supporting documentation evidencing that there was an approved contract that adequately described the services to be provided and the amount paid.

**EXHIBIT B
MANAGEMENT'S RESPONSE**



Office of the
President

February 17, 2009

Mr. David W. Martin
Auditor General, State of Florida
C74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

This letter is in response to our receipt of the list of preliminary and tentative findings and recommendations made to North Florida Community College as a result of the operational audit for the fiscal year ended June 30, 2008. There were eight findings in this report.

Finding No. 1 – The college does not have a written policy for communicating and reporting known or suspected fraud.

The Dean of Administrative Services will research best business practices in this area, create and secure District Board of Trustee approval for policies for the detection, prevention, and reporting of fraud, and communicate this policy and subsequent procedures to the North Florida Community College faculty and staff.

Finding No. 2 – Audit tests disclosed potential conflict of interest involving procurement of technical and consulting services and found no written agreements specifying limitations for these expenditures.

Current North Florida Community College Procurement Policies and Procedures will be updated to include clearer language regarding related party transactions and setting clear procedures for contracts and agreements utilized to secure goods and services. Additionally, training in utilization and compliance with these policies and procedures will be completed with all employees.

Finding No. 3 – Competitive proposals for subcontractors were not sought for the project which included construction of the Defensive Driving Range and the Firing Range Building on the NFCC campus. Additionally, documentation did not clearly indicate that subcontractors' qualifications were routinely checked.

As it relates to NFCC's construction projects, bids from subcontractors are routinely sought for each individual job. However, in the case of the project listed above, the construction management firm of Culpepper Construction, Inc.

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sought and received permission from the District Board of Trustees to utilize the subcontractors currently under contract for the construction of the Science Building. This process was recommended and approved as a cost and time savings measure.

Qualifications and licensure of subcontractors are routinely checked and verified at the initial utilization of services. However, the Director of Physical Plant has instituted procedures to ensure documentation of these checks for each individual project.

Finding No. 4 – Audit tests disclosed 33 instances in which funds disbursed to athletic coaches for student athletic meals, in excess of documented needs, were not properly reimbursed to the College.

The Business Office staff have recovered all funds in question, with the exception of \$382.71, which has been invoiced to a former employee. Current accounts payable procedures now offer a stop-gap measure to ensure that no loss occurs in the future.

Finding No. 5 – Inaccurate documentation and reporting of adult education students.

To ensure the accuracy of reporting instructional contact hours for students enrolled in adult general education courses to the FDOE, we will be initially reviewing current reporting and data collection procedures at NFCC. Personnel involved in this review will be the Director of Adult Education, Chief Academic Officer, and the IT representative who reports adult education instructional data to the FDOE. Based on a review of current procedures, corrective actions with regard to hours of enrollment as defined by Florida Statutes and FDOE will be taken to resolve discrepancies in reporting and documentation. After a thorough review of current procedures, documentation, and data, North Florida Community College staff will contact FDOE to determine if corrective actions are necessary regarding any over or under-reporting of hours.

Finding No. 6 – The College was not fully aware of its notification and record keeping responsibilities relating to the collection of social security numbers.

The College now complies with the notification of students and employees regarding utilization of social security numbers, and will continue to monitor these requirements and submit the proper certification to the President of the Senate and the Speaker of the House of Representatives.

Finding #7: The college lacked written policies and procedures for certain information technology functions.

Mr. Martin
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The office of Computer Services is currently in the process of writing formal policies and procedures for the functions cited in the audit. While we have established procedures utilized within the department, many are not formally documented. All documentation will be complete by March 1, 2009.

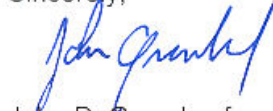
Finding #8: Certain security controls needed improvement.

The security controls cited in this audit pertain to the length of time that users must change passwords to access the NFCC network and the information system. Currently, Banner passwords must be changed every three months, and the network password must be changed every 90 days. Beginning February 1, 2009, we will require end users to change their Banner passwords every three months and network passwords every 45 days. We will also require an increased complexity in the password, meaning that passwords must contain an alpha/numeric mixture.

The College had taken corrective actions for findings in your audit report No. 2007-083.

As always, we appreciate the professional manner in which the audit was conducted. We look forward to continued growth in accountability based on the recommendations given and will continue to work to ensure compliance with all state statutes and rules.

Sincerely,



John D. Grosskopf
President

Cc: Robert L. Kuitert