

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2016-190
May 2016

MIAMI DADE COLLEGE



Sherrill F. Norman, CPA
Auditor General

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The team leader was Michael K. Hollinger and the audit was supervised by Hector J. Quevedo, CPA.

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MIAMI DADE COLLEGE

SUMMARY

This operational audit of the Miami Dade College (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2013-075. Our operational audit disclosed the following:

Finding 1: Contrary to Federal regulations, the College has not implemented a Board-approved identity theft prevention program. A similar finding was noted in our report No. 2013-075.

Finding 2: College investment policies did not always comply with State law and College personnel did not always follow College-prescribed investment procedures.

Finding 3: According to College personnel, the College President authorized the Miami Book Fair International, Inc. (MBFI) to use College grounds and facilities for the MBFI's 2013 and 2014 Book Fairs. However, the College did not enter written agreements with the MBFI, charge the MBFI any fees for use of College grounds and facilities, or recover College-incurred costs associated with the Book Fairs.

Finding 4: The College needs to enhance procedures to ensure supervisors document the review and approval of employee time worked and leave used.

Finding 5: As similarly noted in our report No. 2013-075, the College needs to strengthen controls to ensure the accurate reporting of instructional contact hours for adult general education classes to the Florida Department of Education. Additionally, the College needs to establish procedures to ensure College records document attendance records or work data to support instructional contact hours reported for adult general education distance learning, on-line labs, classroom labs, and home material based class contact hours.

Finding 6: College procedures did not always ensure that student receivables were timely recorded, holds were placed on records of students with receivable balances to prevent students from enrolling in classes, or returned checks were referred to the State Attorney's Office to assist with collection efforts.

Finding 7: The College collected \$4.9 million and \$4.5 million in total parking and access fees during the 2013-14 and 2014-15 fiscal years, respectively; however, contrary to State law, the fees were not assessed only to the students who received the services.

Finding 8: During the course of our audit, College management did not always provide our audit team with complete and timely access to information requested. Our ability to access this information in an efficient and timely manner was crucial to achieving our audit objectives.

BACKGROUND

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

President serves as the executive officer and the corporate secretary of the Board, and is responsible for the operation and administration of the College.

The College has campuses in Doral, Hialeah, Homestead, and Miami, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Miami-Dade County. The College reported enrollment of 54,472 and 53,685 full-time equivalent students for the 2013-14 and 2014-15 fiscal years, respectively.

This operational audit of the College focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2013-075. The results of our financial audit of the College for the fiscal year ended June 30, 2015, are presented in our report No. 2016-181. 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, 2015, are presented in our report No. 2016-159.

FINDINGS AND RECOMMENDATIONS

Finding 1: Identity Theft Prevention Program

Federal regulations¹ provide guidance to businesses and other organizations that process certain personal information that places them at high risk for identity theft. Included in those regulations is the Red Flags Rule (Rule),² which was effective November 1, 2008, with enforcement beginning January 1, 2011.

The Rule requires financial institutions and creditors that hold consumer accounts designed to permit multiple payments or transactions or any other account for which there is a reasonable foreseeable risk of identity theft to develop and implement an identity theft prevention program for new and existing covered accounts. The Rule also requires the Board to approve the initial written program, which should be designed to detect, prevent, and mitigate identity theft through the identification of warning signs, or “red flags,” in day-to-day operations. Additionally, the Rule requires the College to train staff, as necessary, to effectively implement the program. The identity theft prevention program must be appropriate for the College’s size and complexity and the nature and scope of its activities and contain four elements. That is, the program must contain reasonable policies and procedures to: (1) identify relevant red flags (i.e., patterns, practices, and specific forms of activity that signal possible identity theft for the covered accounts) and incorporate those red flags into the program; (2) detect red flags that have been incorporated into the program; (3) respond appropriately to any red flags detected to prevent and mitigate identity theft; and (4) ensure the program is updated periodically to reflect changes in risks from identity theft.

Because of its student lending activity, the College meets the Federal Trade Commission’s (FTC’s) definition of a creditor and, as such, must comply with the Rule. The College’s Board of Trustees

¹ Section 114 of the Fair and Accurate Credit Transaction Act of 2003, amending the Federal Trade Commission's Fair Credit Reporting Act of 1970.

² Title 16, Section 681, Code of Federal Regulations.

approved a policy,³ on December 20, 2012, which provides that the College's President will be responsible for establishing an identity theft prevention program designed to detect, prevent, and mitigate the risks that may contribute to identify theft through the identification of warning signs in daily operations, and will address staff training for the effective implementation of the program.

In response to our inquiry, College personnel indicated that identity theft considerations are communicated during security awareness training and through data management, classification, and handling procedures. Notwithstanding this response, our review of College records and procedures disclosed that the College had not developed, approved, and implemented a written identity theft prevention program for new and existing covered accounts that contained policies and procedures addressing the four elements specified in the Rule. Due to the sensitive nature of information that is obtained, held, and processed through the student lending process, an established identity theft prevention program with procedures designed to detect, prevent, and mitigate identity theft through the identification of red flags is essential. In addition, noncompliance with the Rule could result in monetary penalties imposed by the FTC. A similar finding was noted in our report No. 2013-075.

Recommendation: The College should develop and implement a Board-approved written identity theft prevention program that fully complies with Federal requirements.

Finding 2: Investment Policy and Procedures

State law⁴ requires that investment activity be consistent with written investment policies adopted by the governing body. Such policies are to address appropriate performance measures; portfolio composition, including limits on security issues, issuers, and maturities; and bid requirements.

The Board established an investment policy⁵ and College management developed investment procedures⁶ requiring that surplus moneys be invested in those institutions and instruments permitted under the provisions of State law.⁷ College procedures also require that these investments be limited to fixed-income securities or funds that invest in certain types of fixed-income securities. Further, the investments must maintain a weighted average quality (WAQ) rating of at least 8.0, which is equivalent to a Standard & Poor's quality rating of AA or higher.

To provide for effective monitoring of surplus money investments, the College established an investment advisory committee which is to include the College's Senior Vice Provost for Business Affairs (as Chair), the Controller, and the Assistant Controller/Treasurer. College procedures require the Committee to meet on a monthly basis to review investment returns and objectives and determine the appropriate investment strategy to meet the investment objectives. The advisory committee is also responsible for maintaining surplus moneys investment program records that reflect investment performance.

³ Board Policy No. I-92, *Identity Theft Prevention - Red Flags Rule*.

⁴ Section 218.415, Florida Statutes.

⁵ College Policy III-11, *Investment of College Funds*.

⁶ College Procedures No. 3820, *Investments of Surplus Funds*.

⁷ Section 218.415(16), Florida Statutes.

College management also adopted investment procedures for endowment funds.⁸ These procedures establish objectives, allowable types of security investments, and evaluation criteria necessary to measure the performance of endowment investments. Pursuant to the procedures, endowment investments are limited to domestic equity, international equity, domestic fixed income, and cash and cash equivalents. The procedures also provide that each domestic fixed-income investment manager is authorized to invest up to 10 percent of his or her respective endowment investment portfolio in certain non-U.S. securities. To monitor the performance of endowment investments, the College established an external investment advisory committee composed of a Board representative, four non-College community members, the College President or his designee, the Senior Vice Provost for Business Affairs, and a member of the College's Administration appointed by the College President.

At June 30, 2015, the College reported total investments of \$381 million, including surplus moneys of \$269 million and endowment funds of \$112 million, and the College reported comparable investment amounts at June 30, 2014. Also, at June 30, 2014, and June 30, 2015, the College reported total cash and cash equivalents surplus moneys of \$475 million and \$518 million, respectively, which were invested with the State Board of Administration and in the State Treasury Special Purpose Investment Account. College investment procedures designate to the Senior Vice Provost for Business Affairs the responsibility to make investment transactions for the College surplus and endowment moneys.

Our discussions with College personnel and review of College records, including the Board's investment policy, the College's investment procedures, and documentation supporting investment transactions and balances disclosed the following noncompliance and control deficiencies:

- Contrary to State law,⁹ the investment policy and procedures for surplus moneys did not contain:
 - Performance measures;
 - Certain guidelines for portfolio composition, including limits on security issues, issuers, and maturities; or
 - Bid requirements, including a determination of the approximate maturity date based on cash flow needs and market conditions, in order to analyze and select one or more optimal types of investments, and competitively bid the security in question when feasible and appropriate.

According to College personnel, they were unaware that the investment policy and procedures for surplus moneys did not include all the State law requirements.

- During the period June 1, 2014, through June 30, 2015, the advisory committee was composed only of the Senior Vice Provost for Business Affairs and the Controller and, although requested, College records could not be provided to evidence advisory committee meetings or discussions, the advisory committee's determination of investment strategies and objectives, or analyses of the investment program performance. Further, College records did not evidence other independent monitoring of surplus moneys investments or independent review and approval of these transactions.

In response to our inquiry, College personnel indicated that the Assistant Controller/Treasurer position was vacant during that period and that they did not believe documentation was required to evidence advisory committee meetings or discussions. However, given the sizable amount of

⁸ College Procedures No. 3821, *Investments of the Endowment Funds*.

⁹ Section 218.415(3), (7), and (12), Florida Statutes.

surplus moneys available for investment (\$787 million at June 30, 2015), it was not readily apparent why the College did not provide a temporary replacement for the vacant member position to help the advisory committee function as intended. Additionally, without records to evidence the monitoring of surplus money investments, the Senior Vice Provost for Business Affairs and investment managers had the ability to make surplus money investment purchases, sales, exchanges, or other transactions without appropriate oversight by the advisory committee or other independent review and approval of investment transactions.

- The College invested surplus moneys totaling \$6.5 million and \$15.6 million in a Cayman Islands company (alternative investments) at June 30, 2014, and June 30, 2015, respectively. Our review of the audited financial statements of this company at December 31, 2014, disclosed that underlying investments in the company were not fixed-income securities as required by Board procedures. Further, College records did not demonstrate that the underlying investments of this company would be considered fixed-income securities. Although we requested, College personnel could not provide an explanation for why the College made these investments that were not authorized by Board procedures.
- The College had surplus money investments in alternative hedge funds and alternative investments totaling \$39.6 million and \$45 million at June 30, 2014, and June 30, 2015, respectively, for which WAQ ratings were not available. In response to our inquiry, College personnel indicated that, for the purpose of calculating the ratings for surplus money investments, these alternative hedge funds and alternative investments should be assigned a minimum rating of 6.0 (equivalent to the Standard and Poor's rating of BBB). However, the College did not provide documentation to support the minimum rating assigned by College personnel or how the College's calculation of this rating complied with College procedures.

Also, although we requested, the College did not provide documentation showing that the College monitored the WAQ rating of the surplus money investments. We extended our procedures and calculated the rating of the collective surplus money investments at June 30, 2014, and June 30, 2015, using the 6.0 WAQ rating suggested by College personnel for the alternative hedge funds and alternative investments. We determined that the ratings were approximately 7.86 and 7.81 at June 30, 2014, and June 30, 2015, respectively, and therefore, the ratings were less than the College investment procedures minimum rating of 8.0, which is also less than the Standard & Poor's quality rating equivalent of AA.

- One of the domestic fixed-income investment managers invested 100 percent of the manager's respective endowment investment portfolio, totaling \$5.9 million and \$5.8 million at June 30, 2014, and June 30, 2015, respectively, in non-U.S. securities, which is contrary to College investment procedures. Although we requested, College personnel could not provide an explanation for why the College's controls did not prevent the manager from making these investments.

Effective investment policies and procedures that comply with State law and good business practices, such as appropriate investment committee oversight of investment activities or independent review and approval of investment transactions, provide additional assurance for the safety and liquidity of College investments.

Recommendation: The College should ensure that investment policies comply with State law and that College personnel follow College-prescribed investment procedures. The College should also ensure that the surplus moneys investment advisory committee is sufficiently staffed to help the committee function as intended and that committee records are maintained to evidence timely monitoring of surplus moneys investment transactions. If the College decides not to sufficiently staff the committee, the College should establish adequate compensating controls, such as appropriate, independent review and approval of investment transactions.

Finding 3: College Grounds and Facility Use

State law¹⁰ authorizes the Board to permit the use of educational grounds and facilities for any legal assembly. College procedures¹¹ require that all external organization requests to use College facilities be submitted in writing in advance of the date requested and include, for example, proof of insurance for general liability coverage and whether any admission charge or sales are involved. Once the College approves an external organization's request for College facility use, the organization representative and designated College employee are to sign a grounds and facility use agreement to authorize the rental. The College sends a rental invoice to the organization based on the College's rental fee and rate schedule and requires the organization to provide the College a check made payable to the College.

During the 2013-14 and 2014-15 fiscal years, the College reported collections of \$1.8 million and \$1 million, respectively, for rental fees for College facility use. According to College personnel, the College President authorized the Miami Book Fair International, Inc. (MBFI), a Florida nonprofit corporation, to use the College's Wolfson Campus grounds and facilities for the MBFI's 2013 and 2014 Miami Book Fair International events (Book Fairs). Each year, the Book Fair events lasted 8 days and utilized a significant number of the College's facilities. Although the MBFI provided an insurance certificate of general liability insurance for the events, the College did not follow College procedures by establishing a grounds and facility use agreement with the MBFI, charging the MBFI a rental fee, or receiving reimbursement for the College's costs associated with the Book Fairs. During the 2013 Book Fair,¹² the MBFI collected \$339,659 in admission fees including exhibitor and other fees; however, records were not available to document the admission fees collected during the 2014 Book Fair. In addition to providing grounds and facilities for the Book Fairs, the College provided security personnel for the events that resulted in additional College expenditures totaling \$894,646 and \$820,047 for the 2013-14 and 2014-15 fiscal years, respectively.

In response to our inquiries, College personnel indicated that the College did not enter into a grounds and facility use agreement because the College viewed the Book Fair as a partnership between the College and the MBFI that mainly benefited the College, its students, and visitors. However, based on our discussions with College personnel, the College received no fees from vendors or donations associated with the Book Fairs as all amounts collected went directly to the MBFI. Subsequent to our inquiries in April 2015, the MBFI Board of Directors voted to dissolve the MBFI nonprofit corporation.

Absent written agreements with organizations that use College facilities, there is an increased risk of misunderstandings between the College regarding the responsibilities of the contracting parties, including the types of activities that may be conducted on College grounds and in College facilities, and the basis for payment. Additionally, without grounds and facility use fee collections and reimbursements of College-incurred costs associated with such uses, the College is not complying with the College's rental fee and rate schedule and will not recover the costs associated with an external organization's use of the College grounds and facilities.

¹⁰ Section 1013.10, Florida Statutes.

¹¹ College Procedures No. 3908, *Use of College Facilities by External Organizations*.

¹² Amount obtained from the MBFI's 2013 Internal Revenue Service tax return, which is public information for a nonprofit corporation.

Recommendation: The College should ensure that written agreements are established with external organizations seeking to use College grounds and facilities. Such agreements should require that the organizations be charged grounds and facility use fees in accordance with the College rental fee and rate schedule and should also provide for recovery of all College-incurred costs associated with the organizations' grounds and facility use.

Finding 4: Payroll Processing Procedures

Effective internal controls require supervisory approval of time worked and leave used by employees to ensure that compensation payments are appropriate and leave balances are accurate. According to College personnel, all employees are required to prepare attendance records and leave request forms and supervisors are required to electronically review and approve the attendance records prior to processing payroll. If attendance records are not reviewed and approved prior to payroll processing, payroll supervisors must manually submit approved attendance records to the College's Payroll Department. College Payroll Department personnel further indicated that, upon the supervisor's approval, leave taken is recorded in the payroll system and deducted from the employee's accumulated leave balance.

During the 2013-14 and 2014-15 fiscal years, the College reported salary costs of \$264.6 million and \$270.6 million, respectively, and a liability for compensated absences of \$27.8 million and \$28.7 million, respectively. As part of our audit procedures, we selected three pay periods (two in October 2013 and one in November 2013) to determine whether attendance and leave use records were properly reviewed and approved and whether leave used was timely recorded in the College's payroll system. From a College exception report for those three pay periods, we identified 103 employees who had time sheets that did not evidence supervisory review and approval. We selected and examined the leave records for 30 of these employees for whom the exception reports indicated a total of 490 leave hours used. Our examination disclosed that the College records did not evidence supervisory review and approval for 353.5 leave hours used by 18 of the 30 employees and the leave hours had not been recorded in the payroll system. As a result, the College did not adjust the accumulated leave balances for the 353.5 hours of leave used by these employees.

Subsequent to our inquiry in July 2015, College personnel indicated that they reviewed and approved attendance records from January 2006 to August 2014, including the attendance records of the 103 employees that we identified, and corrected the accumulated leave balances for the 18 employees. Notwithstanding this response, College records were not readily available to determine the extent of other leave use errors that needed to be corrected. Without supervisory review and approval of time worked and leave used, there is limited assurance that services are provided consistent with Board expectations. In addition, without timely supervisory approval and recording of leave used, there is an increased risk that employees may be incorrectly compensated, employee leave balances may not be accurate, and the compensated absences liability may be misstated in the College's financial records.

Recommendation: The College should enhance procedures to ensure that supervisory personnel timely review and approve employee time worked and leave requests and that employee leave balances are timely adjusted for leave used. The College should also continue efforts to determine whether other leave use errors exist and, if so, correct accumulated leave balances for those errors.

Finding 5: Adult General Education

State law¹³ defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. The College received State funding for adult general education, and General Appropriations Act¹⁴ proviso language requires each college to report enrollment for adult general education programs in accordance with Florida Department of Education (FDOE) instructional hours reporting procedures.¹⁵

FDOE procedures state that fundable 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. In addition, scheduled hours must be consistent with expected hours of attendance and reported lab hours must be supported by attendance records or work data. Similarly, contact hours for distance learning classes, online labs, and home material based classes must be within the constraints of the hours that the students are reasonably expected to attend and the College is expected to document the participation of students in these classes and online labs through assignments, tests, or attendance records. The procedures also require colleges to develop a procedure for withdrawing students for nonattendance and provide that the standard for setting the withdrawal date be six consecutive absences from a class schedule, with the withdrawal date reported as the day after the last date of attendance. There is also a minimum enrollment threshold of 12 hours of attendance for each program that must be met before a student can be counted for funding purposes.

For the 2013-14 fiscal year, the College reported 1,746,141 instructional contact hours for 1,765 adult general education classes provided to 6,733 students. As part of our audit, we requested College records to support the 5,932 instructional contact hours reported for 29 students enrolled in 97 adult general education classes. We reviewed the records provided and found that, for 4 students enrolled in 12 classes with lab components, the College over reported contact hours by a total of 517 hours. The 517 hours include instances in which the College inadvertently reported more contact hours than the actual class hours and lab component contact hours that were not supported by attendance records.

For the 2014-15 fiscal years, the College reported 2,206,564 instructional contact hours for 2,039 adult general education classes provided to 8,503 students. As part of our audit, we reviewed College records supporting 8,829 instructional contact hours reported for 30 students enrolled in 135 adult general education classes. Our review disclosed that, due to various errors, the College over reported a total of 3,778 instructional contact hours. Specifically, we noted that:

- For 8 students enrolled in 61 distance learning classes, online labs, or home material based classes, College personnel could not provide records, such as attendance records or work data, to support 3,300 reported contact hours. In response to our inquiry, College personnel indicated that the College reported scheduled hours for the students when they completed their online tests or class assignments; however, the College had not established procedures to document the contact hours associated with the completion of such tests or assignments and records were unavailable to support the contact hours reported.

¹³ Section 1004.02(3), Florida Statutes.

¹⁴ Chapter 2013-40, Laws of Florida, Specific Appropriation 120 for the 2013-14 fiscal year and Chapter 2014-51, Laws of Florida, Specific Appropriation 126 for the 2014-15 fiscal year.

¹⁵ FDOE Memorandum No. 06-14, dated May 15, 2006, *Reporting Procedures for Adult General Education Enrollments*.

- For 7 students enrolled in 26 classes held in classrooms (i.e., traditional classes), the College inadvertently reported 191 more contact hours than the scheduled class contact hours.
- For 3 students enrolled in 9 traditional classes, the College reported 287 lab hours that were scheduled for the same time as other classes' lab hours.

Since future funding is based, in part, on enrollment data reported to the FDOE, it is important that the College report accurate data. A similar finding was noted in our report No. 2013-075.

Recommendation: The College should strengthen controls to ensure instructional contact hours for adult general education classes are accurately reported to the FDOE. The College should also determine to what extent the adult general education hours were misreported for the 2013-14 and 2014-15 fiscal years and contact the FDOE for proper resolution of the misreported hours. Additionally, the College should establish procedures to ensure College records document attendance or work data to support instructional contact hours reported for adult general education distance learning, online labs, classroom labs, or home material based class contact hours.

Finding 6: Student Accounts and Notes Receivables

At June 30, 2014, and June 30, 2015, the College reported current funds – unrestricted accounts receivable totaling \$7.8 million and \$7.2 million, respectively. These receivables were composed of amounts for insufficient student fees, fee deficiencies, over-disbursed financial aid, rejected e-checks, and returned checks. Additionally, at June 30, 2014, and June 30, 2015, the College reported loan and endowment funds notes receivable totaling \$4.2 million and \$4.1 million, respectively. These receivables were composed of amounts for student short term loans, book advances, book loans, loan processing fees, and loan penalties.

For students who owe money to the College, College procedures¹⁶ require the College to withhold the student's records, privileges for registration, and grade reports and transcripts until the debt is satisfied. The procedures also require delinquent student receivables be referred to a collection agency and student receivables delinquent for more than 2 years be written off. Table 1 shows the student receivables amounts written-off by the College during the 2013-14 and 2014-15 fiscal years.

**Table 1
Student Receivables Written-Off**

Student Receivables	2013-14 Fiscal Year	2014-15 Fiscal Year
Current Funds - Unrestricted	\$2,022,143	\$2,080,946
Loan and Endowment Funds	1,126,742	1,053,339
Totals	<u>\$3,148,885</u>	<u>\$3,134,285</u>

To evaluate student accounts and notes receivables, we examined College records for 30 receivables totaling \$134,784 selected from the population of 24,448 student accounts and notes receivables totaling \$11.3 million at June 30, 2015. Our test results disclosed that:

¹⁶ College Procedures No. 3106, *Student Returned Checks*; No. 3149, *Financial Obligations – Students (Loans and Fee Deficiencies)*; No. 3243, *Outstanding Financial Obligations to the College*; and No. 4050-A, *Administration of Student Short Term Loans*.

- College personnel untimely recorded 12 receivables ranging from \$607 to \$13,933 (totaling \$79,910) from 2 to 28.5 months after the term for which the receivables were accrued.
- College personnel did not place holds on the students' records for 8 receivables ranging from \$1,400 to \$13,900 (totaling \$62,990) until 1 to 3 terms after the term for which the receivables were accrued. The 8 applicable students incurred an additional \$60,629 in College debt during those subsequent terms.
- College personnel had placed holds on the students' records related to 12 receivables ranging from \$607 to \$11,781 (totaling \$45,171); however, the holds did not prevent the students from registering and incurring \$36,405 in additional debt to the College for 1 to 6 subsequent terms.
- For 3 receivables ranging from \$7,116 to \$11,781 (totaling \$26,310), although the applicable students had receivables from a prior term, College personnel did not place holds on the students' records until after the students had registered and been allowed to enroll in classes.

In addition to our receivables' test results, we noted that student accounts receivable at June 30, 2015, included 151 returned checks totaling \$69,773. Although collection procedures included referrals to a collection agency and the placement of holds on the students' records, College procedures did not require that returned checks be referred to the State Attorney's Office for assistance with collection efforts.

In response to our inquiries, College personnel indicated that they would consider our test results. College personnel also indicated that, despite holds on their records, some students may have been allowed to enroll in classes due to waivers from College deans. However, although we requested, the College did not provide any documentation evidencing such waivers. Further, although we requested, College personnel could not explain why receivables were not timely recorded, holds were not placed on the records of students with debt balances, or returned checks were not referred to the State Attorney's Office. When student receivables are not timely recorded, and efforts to collect student receivables are insufficient, there is an increased risk that the College may not be able to collect amounts due from students.

Recommendation: The College should enhance procedures to ensure that student receivables are timely recorded, holds are placed on records of students with receivable balances to prevent those students from enrolling in classes, and returned checks are referred to the State Attorney's Office for assistance with collection efforts.

Finding 7: Parking and Access Fees

State law¹⁷ authorizes the College to establish certain specified user fees, such as parking and access fees, that are not to exceed the cost of services provided and are only charged to persons who receive the service. However, we noted that, for the 2013-14 and 2014-15 fiscal years, the College assessed all students a parking and access fee of \$3 per College credit hour regardless of whether or not the students used parking services or accessed the College's facilities. In response to our inquiry, College personnel indicated that all students were assessed the fee because all students benefit from having access to college resources, either through parking, physical access to facilities, or technical infrastructure access.

During the 2013-14 and 2014-15 fiscal years, the College collected parking and access fees totaling \$4.9 million and \$4.5 million, respectively, and our review of College records disclosed that the proceeds

¹⁷ Section 1009.23(12), Florida Statutes.

were used to construct a parking structure. Although we requested, College personnel could not provide documentation showing that the fee revenue was used for any other types of access projects. Since some students, such as those enrolled in online study courses, may not use parking facilities or receive services related to the access fee, the College may, contrary to State law, be assessing access fees to students who are not receiving those services.

Recommendation: The College should ensure that user fees are charged only to persons receiving the services.

Finding 8: Audit Information Requests

State law¹⁸ provides that all officers whose respective offices the Auditor General is authorized to audit or examine shall enter into their public records sufficient information for proper audit or examination, and shall make the same available to the Auditor General on demand. Additionally, *Governmental Auditing Standards (GAS)*, issued by the Comptroller General of the United States, require that auditors obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions. *GAS* also provide that management and officials of government programs are responsible for providing reliable, useful, and timely information for transparency and accountability of these programs and their operations. According to generally accepted auditing standards,¹⁹ examples of significant findings include circumstances that cause the auditor significant difficulty in applying necessary audit procedures.

College personnel required all our audit requests for information be made through an audit liaison who would process the requests and then provide the requested information to our audit team. During the course of our audit, we made verbal inquiries and provided written requests for information to the audit liaison and held periodic meetings with the liaison to discuss the status of pending information requests and other audit concerns. However, despite these meetings, status discussions, and numerous follow-up requests, the College did not timely provide the information requested in many of our written requests. Specifically, for 20 requests initially made between April 21, 2014, and March 30, 2015, we had to make numerous follow-up requests and, for 15 of those requests, the College did not provide the information until 121 to 415 days after the date of our initial request. For example:

- On April 21, 2014, we requested electronic funds transfer information; however, the College did not provide us the information until March 9, 2015, after four written follow-up requests.
- On April 21, 2014, we requested purchasing card information; however, the College did not provide us the information until November 12, 2014, after six written follow-up requests.
- On May 13, 2014, we requested distance learning fee information; however, the College did not provide us the information until June 25, 2015, after four written follow-up requests.
- On May 16, 2014, we requested identity theft program information; however, the College did not provide us the information until April 22, 2015, after five written follow-up requests.

In response to our request for an explanation as to the causes for the delays, College personnel indicated that the transition to the College's new enterprise resource planning software had occupied abundant

¹⁸ Section 11.47(1), Florida Statutes.

¹⁹ American Institute of Certified Public Accountants, *Codification of Statements on Auditing Standards AU-C Section 230.A10, Audit Documentation*.

human capital resources and, as a result, certain College personnel, including the audit liaison, had additional responsibilities and workloads that were not previously assigned. Consequently, the audit liaison's ability to assist the auditors and timely respond to audit requests was limited. Notwithstanding this response, College management's delays in providing the requested information impeded the audit process and our ability to provide timely and relevant information to the Legislature and other decision makers. Absent an effective and efficient audit liaison process established by College management and management's commitment to encourage complete and timely access to information requested for audit, information needed to promote College accountability and stewardship and improve College operations will not be timely available.

Recommendation: In future audits of the College, management should, upon audit request, timely provide information to facilitate a complete and timely audit.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for the findings included in our report No. 2013-075, except as noted in Findings 1 and 5.

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 from April 2014 to February 2016 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:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2013-075.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of records and transactions. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit we:

- Reviewed the College's written information technology (IT) policies and procedures for the 2013-14 and 2014-15 fiscal years to determine whether they addressed certain important IT control functions, such as security, systems development and maintenance, and disaster recovery.
- Reviewed College procedures for maintaining and reviewing employee access to IT resources for the 2013-14 and 2014-15 fiscal years to determine the appropriateness and necessity of the access based on employees' job duties and whether the access prevented the performance of incompatible duties.
- Evaluated the College's written security policies and procedures for the 2013-14 and 2014-15 fiscal years governing the classification, management, and protection of sensitive and confidential information.
- Evaluated College documentation for IT authentication controls for the 2013-14 and 2014-15 fiscal years to determine whether such controls were configured and enforced.
- Determined whether a written, comprehensive IT risk assessment had been developed for the 2013-14 and 2014-15 fiscal years to document the College's risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.

- Determined whether an adequate comprehensive IT security awareness and training program was in place during the 2013-14 and 2014-15 fiscal years.
- Examined Board, committee, and advisory board meeting minutes to determine whether Board approval was obtained for policies and procedures in effect during the 2013-14 and 2014-15 fiscal and for evidence of compliance with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- Examined College records to determine whether the College informed students and employees at orientation and on its Web site of the existence of the Florida Department of Law Enforcement sexual predator and sexual offender registry Web site and the toll-free telephone number that gives access to sexual predator and sexual offender public information, as required by Section 1006.695, Florida Statutes.
- Examined College records to determine whether the College had developed an anti-fraud policy and procedures for the 2013-14 and 2014-15 fiscal years to provide guidance to employees for communicating known or suspected fraud to appropriate individuals. Also, we determined whether the College had implemented appropriate and sufficient procedures to comply with its anti-fraud policy.
- Determined whether the annual financial reports for the 2013-14 and 2014-15 fiscal year presented to the Board were consistent with the reports submitted to the Florida Department of Education (FDOE).
- Evaluated College investment policies and procedures during the 2013-14 and 2014-15 fiscal years to determine whether such policies and procedures were in compliance with Section 218.415, Florida Statutes, and adhered to good business practices, and to determine whether investments were in accordance with those policies and procedures.
- Analyzed the unencumbered balance in the unrestricted current fund of the College Board of Trustees' approved operating budget to determine whether the balance was below 5 percent of the total available fund balances at June 30, 2015. We also performed analytical procedures to determine whether financial transactions in other funds may require resources from other unrestricted funds that would cause a significant reduction in available unrestricted current or auxiliary funds.
- Examined College records, from the population of 4 transfers totaling \$85,000 made by the College to its direct-support organization during the 2013-14 and 2014-15 fiscal years, to determine whether the transfers were authorized by Section 1004.71(1)(a)2. and (3), Florida Statutes.
- Determined whether student receivables were properly authorized, adequately documented, properly recorded, and in compliance with Section 1010.03, Florida Statutes, and applicable Board policies. We examined:
 - From the population of 24,448 student receivables, totaling \$11.3 million and recorded as of June 30, 2015, documentation relating to 30 selected student receivables totaling \$134,784.
 - From the population of 1,948 student receivables for students receiving Title IV funding at March 31, 2015, documentation relating to 30 selected student receivables totaling \$83,455.
 - Documentation supporting the write-off of uncollectible accounts to determine whether the write offs were properly approved.
 - From the population of 151 returned checks for students totaling \$69,773 at June 30, 2015, examined College records to determine if returned checks were referred to the State Attorney's Office for assistance with collection efforts.
- Evaluated the effectiveness of the College's controls during the 2013-14 and 2014-15 fiscal years to ensure that students who had not paid fees in an approved manner were not considered in

calculating full-time equivalent (FTE) enrollments for State funding purposes pursuant to Sections 1009.22(11) and 1009.23(9), Florida Statutes.

- Evaluated whether student fees totaling \$190.3 million during the 2014-15 fiscal year were properly assessed, authorized, accurately calculated, and timely collected. Also, we determined whether College procedures were appropriate to ensure timely cancellation of classes for students who did not pay fees when due.
- From the population of 596 distance learning courses with fee revenues totaling \$1.9 million during the 2013-14 fiscal year, examined College records for 30 selected distance learning courses with fee revenue totaling \$1,365 to determine whether distance learning fees were assessed and collected as provided by Section 1009.23(16)(b), Florida Statutes.
- Examined supporting documentation for selected adult general education instructional and contact hours reported by the College to the FDOE for the 2013-14 and 2014-15 fiscal years, respectively, to determine whether the hours were reported in accordance with FDOE requirements.
- Reviewed College policies and procedures related to the dual enrollment program. We examined College records supporting 42 dual enrollment contract payments with revenues totaling \$1.9 million during the 2013-14 and 2014-15 fiscal years to determine whether revenues collected for dual enrolled students were consistent with the applicable dual enrollment agreement and Section 1007.271, Florida Statutes.
- Examined College records for parking and access fees with fee revenues totaling \$4.9 million and \$4.5 million during the 2013-14 and 2014-15 fiscal years, respectively, to determine whether the fees were assessed only to students who received the relevant services. We also examined supporting documentation to determine whether the College properly calculated the fees in compliance with Section 1009.23(12)(a), Florida Statutes.
- Selected three auxiliary operations vendor contracts with commission revenues totaling \$3.3 million and \$3.5 million for the 2013-14 and 2014-15 fiscal years, respectively, and examined College records to determine whether the College properly monitored compliance with the contract terms regarding fees, insurance, and other provisions. Also, we performed analytical procedures to determine whether the College's auxiliary services were self-supporting.
- From the population of 6,140 textbooks added during the Spring 2014 term, examined documentation for 31 selected textbooks to determine whether the College's policies and procedures regarding textbook affordability were in accordance with Section 1004.085, Florida Statutes.
- From the population of 10,171 employees compensated a total of \$264.6 million during the 2013-14 fiscal year, examined records for 30 selected employees, who were compensated a total of \$57,641, to determine whether attendance and leave use records were properly reviewed and approved and whether leave used was timely recorded to evaluate the accuracy of the rate of pay, validity of employment contracts, adequacy of qualifications, timely completion of performance evaluations, and the accuracy of leave records.
- Reviewed the College's policies and procedures for payments of accumulated annual and sick leave (terminal pay) to determine whether the policies and procedures promoted compliance with State law and Board Policies. From the population of 224 employees who separated from College employment during the 2013-14 fiscal year, we selected 22 employees with terminal leave payments totaling \$147,241 and examined the supporting records to evaluate the payments for compliance with Sections 110.122 and 1012.865, Florida Statutes, and Board Policies.
- Examined records for the four employees (including the President) who were paid compensation exceeding \$200,000 during the 2013-14 fiscal year to determine whether the four employees'

compensation, totaling \$1.4 million, did not exceed limits established by Sections 1012.885 and 1012.886, Florida Statutes.

- Evaluated College policies and procedures during the 2013-14 and 2014-15 fiscal years for obtaining personnel background screenings to determine whether individuals in positions of special trust and responsibility, such as positions that have direct contact with persons under age 18, had undergone the appropriate background screenings.
- Reviewed College policies and procedures during the 2013-14 and 2014-15 fiscal years to determine whether health and life insurance was provided only to eligible employees, retirees, and dependents. Also, we determined whether the College had procedures for reconciling health insurance costs to employee, retiree, and Board-approved contributions.
- Examined College expenditure documentation to determine whether the expenditures were reasonable, correctly recorded, and adequately documented; for a valid College purpose; properly authorized and approved; and in compliance with applicable laws, contract terms, and College rules. We also determined whether the applicable vendors had been properly selected. From the population of expenditures totaling \$692 million for the 2013-14 and 2014-15 fiscal years, we examined:
 - Documentation relating to 30 selected payments for general expenditures totaling \$939,475.
 - Documentation relating to 84 selected purchasing card (P-card) transactions totaling \$99,342.
 - Documentation relating to 30 selected travel expenditures totaling \$231,032.
 - Documentation relating to the competitive selection of, and contract term compliance for, 30 selected vendors with payments totaling \$702,717.
- Evaluated College records supporting P-cards issued to employees to determine whether the P-card program was administered in accordance with College policies and procedures. From the population of 419 P-cards issued as of March 31, 2015, we examined documentation for 25 of the 99 P-cards issued to employees to determine whether P-cards were issued in accordance with College procedures. We also examined documentation for 15 of the 40 former employees who had been issued P-cards to determine whether the P-cards were timely canceled upon the cardholder's separation from College employment.
- Reviewed College policies and procedures during the 2013-14 and 2014-15 fiscal years related to identifying potential conflicts of interest. For selected College officials, we reviewed Department of State, Division of Corporation, records; statements of financial interests; and College records to identify any potential relationships that represented a conflict of interest with vendors used by the College.
- Examined documentation for the seven payments, totaling \$4,100, made to employees for other than travel and compensation during the 2013-14 and 2014-15 fiscal years, to determine whether such payments were reasonable, adequately supported, and for valid College purposes or related to employees doing business with the College, contrary to Section 112.313, Florida Statutes.
- Evaluated College policies and procedures during the 2013-14 and 2014-15 fiscal years related to the procurement of insurance services to determine whether the College used a competitive vendor selection process.
- Examined College records for selected rentals of campus facilities during the 2013-14 and 2014-15 fiscal years to determine compliance with College policies and procedures for grounds and facility use agreements, proof of insurance, and rental payments.
- From the population of 13 major construction projects totaling \$166.6 million and in progress during the 2014-15 fiscal year, selected six payments totaling \$3.2 million related to 3 major construction projects with contract amounts totaling \$52 million and examined College records to

determine whether the payments were made in accordance with contract terms and conditions, College policies and procedures, and provisions of applicable State laws and rules.

- Reviewed documentation related to 3 major construction projects in progress during the 2014-15 fiscal year with construction costs totaling \$52 million to determine whether the College adequately monitored the selection process of architects and engineers, construction managers, and subcontractors; the Board had adopted a policy establishing minimum insurance requirements for design professionals; and design professionals provided evidence of required insurance.
- Selected six payments totaling \$3.2 million from the population of Public Outlay Capital Outlay (PECO) and other restricted capital outlay payments totaling \$32 million for the 2013-14 fiscal year, and examined supporting College records to determine whether the funds were expended in compliance with the restrictions imposed on the use of these resources.
- Reviewed College records to determine whether PECO funds during the 2013-14 fiscal year to determine whether the funds were properly encumbered by the required reversion date or returned as required by Section 216.301(2)(a) and (c), Florida Statutes.
- From the population of 672 electronic funds transfers and payments totaling \$912.5 million during the 2014-15 fiscal year, examined 30 selected transfers and payments totaling \$210.1 million to determine whether the transfers and payments were adequately supported and properly authorized.
- Determined whether the College evaluated, prior to purchase, the effectiveness and suitability of the software applications costing \$8.5 million during the 2013-14 fiscal year to determine whether the College used a competitive vendor selection process. Also, we examined College documentation supporting the related payments to determine whether the deliverables met the terms and conditions of the contract.
- Reviewed the College's policies and procedures related to its identity theft prevention program for compliance with the Federal Trade Commission's Red Flags Rule.
- Reviewed procedures for the sale of surplus College IT assets during the 2013-14 fiscal year to determine whether such transactions were appropriate.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each College on a periodic basis. 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.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

Office of the College President
300 N.E. Second Avenue
Miami, Florida 33132-2297



Eduardo J. Padrón
College President
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email: eduardo.padron@mdc.edu

April 15, 2016

Ms. Sherrill F. Norman
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Please find the attached College response to the Preliminary and Tentative Findings for the 2016 Miami Dade College Operational Audit. Should you have any questions, please contact Mr. E.H. Levering at (305) 237-2389.

Sincerely,

A handwritten signature in blue ink, appearing to read 'EJP', with a large, sweeping flourish extending downwards and to the right.

Eduardo J. Padrón

Attachment

Miami Dade College
RESPONSE TO PRELIMINARY AND TENTATIVE FINDINGS
2016 Operational Audit

Finding #1 – Identity Theft Prevention Program

Contrary to Federal regulations, the College has not implemented a Board-approved identity theft prevention program. A similar finding was noted in report No. 2013-075.

AG Recommendation

The College should develop and implement a Board-approved written identity theft prevention program that fully complies with Federal requirements.

College Response

In response to new Federal regulations and the noted prior audit finding, the College did create and the Board approved Policy I-92, Identity Theft Protection – Red Flags Rule on December 20, 2012 and subsequently has conducted collegewide training for all employees for such matters. The College will amend the Policy to include the specific language contained in the Federal regulation and cited in this finding and present it to the Board for approval.

Finding #2 – Investment Policy and Procedures

College investment policies did not always comply with State law and College personnel did not always follow College-prescribed investment procedures.

AG Recommendation

The College should ensure that investment policies comply with State law and that College personnel follow College-prescribed investment procedures. The College should also ensure that the surplus moneys investment advisory committee is sufficiently staffed to help the committee function as intended and that committee records are maintained to evidence timely monitoring of surplus moneys investment transactions. If the College decides not to sufficiently staff the committee, the College should establish adequate compensating controls, such as appropriate, independent review and approval of investment transactions.

College Response

While the College disagrees with this finding, applicable State law and College controls will be reviewed in order to introduce changes to policies and procedures as deemed appropriate by the College.

Finding #3 – College Grounds and Facility Use

According to College personnel, the College President authorized the Miami Book Fair International, Inc. (MBFI) to use College grounds and facilities for the MBFI's 2013 and 2014 Book Fairs. However, the College did not enter written agreements with the MBFI, charge the MBFI any fees for use of College grounds and facilities, or recover College-incurred costs associated with the Book Fairs.

RESPONSE TO PRELIMINARY AND TENTATIVE FINDINGS
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AG Recommendation

The College should ensure that written agreements are established with external organizations seeking to use College grounds and facilities. Such agreements should require that the organizations be charged grounds and facility use fees in accordance with the College rental fee and rate schedule and should also provide for recovery of all College-incurred costs associated with the organizations' grounds and facility use.

College Response

The prior dissolution of the MBFI corporation addresses this finding in full.

Finding #4 – Payroll Processing Procedures

The College needs to enhance procedures to ensure supervisors document the review and approval of employee time worked and leave used.

AG Recommendation

The College should enhance procedures to ensure that supervisory personnel timely review and approve employee time worked and leave requests and that employee leave balances are timely adjusted for leave used. The College should also continue efforts to determine whether other leave use errors exist and, if so, correct accumulated leave balances for those errors.

College Response

There are known, non-material system weaknesses related to back-dated leave requests, within the legacy Odyssey system that will be rectified with the April, 2016 implementation of the third-party Peoplesoft software system MDCConnect.

Finding #5 – Adult General Education

As similarly noted in report No. 2013-075, the College needs to strengthen controls to ensure the accurate reporting of instructional contact hours for adult general education classes to the Florida Department of Education. Additionally, the College needs to establish procedures to ensure College records document attendance records or work data to support instructional contact hours reported for adult general education distance learning, on-line labs, classroom labs, and home material based class contact hours.

AG Recommendation

The College should strengthen controls to ensure instructional contact hours for adult general education classes are accurately reported to the FDOE. The College should also determine to what extent the adult general education hours were misreported for the 2013-14 and 2014-15 fiscal years and contact the FDOE for proper resolution of the misreported hours. Additionally, the College should establish procedures to ensure College records document attendance or work data to support instructional contact hours reported for adult general education distance learning, online labs, classroom labs, or home material based class contact hours.

RESPONSE TO PRELIMINARY AND TENTATIVE FINDINGS
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College Response

The College acknowledges this finding and will take the actions necessary to rectify it.

Finding #6 – Student Accounts and Notes Receivables

College procedures did not always ensure that student receivables were timely recorded, holds were placed on records of students with receivable balances to prevent students from enrolling in classes, or returned checks were referred to the State Attorney's Office to assist with collection efforts.

AG Recommendation

The College should enhance procedures to ensure that student receivables are timely recorded, holds are placed on records of students with receivable balances to prevent those students from enrolling in classes, and returned checks are referred to the State Attorney's Office for assistance with collection efforts.

College Response

The College acknowledges this finding and will take the actions necessary to rectify it.

Finding #7 – Parking and Access Fees

The College collected \$4.9 million and \$4.5 million in total parking and access fees during the 2013-14 and 2014-15 fiscal years, respectively; however, contrary to State law, the fees were not assessed only to the students who received the services.

AG Recommendation

The College should ensure that user fees are charged only to persons receiving the services.

College Response

The Student Access/Parking fee that was initially authorized by the Board and implemented in 2011-12 has to date been used principally to support the construction of parking related construction projects, since those cannot be funded by State PECO funds. In order to resolve this finding, larger year-end closing allocations of this fund source to broader access initiatives will be made and clearly documented to eliminate the possibility that it is not clear that the Access/Parking fee applies to all students, as was intended with its initial implementation.

Finding #8 – Audit Information Requests

During the course of the audit, College management did not always provide the audit team with complete and timely access to information requested. The ability to access this information in an efficient and timely manner was crucial to achieving audit objectives.

RESPONSE TO PRELIMINARY AND TENTATIVE FINDINGS

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AG Recommendation

In future audits of the College, management should, upon audit request, timely provide information to facilitate a complete and timely audit.

College Response

The College acknowledges this finding. The College will increase its efforts to provide the auditors with the requested information in a timely manner.