

Report No. 2017-027  
September 2016

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

**STATE COLLEGE OF FLORIDA,  
MANATEE-SARASOTA**



Sherrill F. Norman, CPA  
Auditor General

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During the period March 2015 through February 2016, Dr. Carol Probstfeld served as President of the State College of Florida, Manatee-Sarasota and the following individuals served as Members of the Board of Trustees:

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<sup>a</sup> Board member position vacant through 3-26-15. Board member resigned on 2-17-16, and position remained vacant through 2-29-16.

<sup>b</sup> Board member resigned on 10-22-15, and position remained vacant through 1-14-16.

The team leader was Janet Case, CPA, and the audit was supervised by Karen J. Collington, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Supervisor, by e-mail at [jaimehoelscher@aud.state.fl.us](mailto:jaimehoelscher@aud.state.fl.us) or by telephone at (850) 412-2868.

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# STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA

## ***SUMMARY***

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This operational report of State College of Florida, Manatee-Sarasota (College) focused on selected College processes and administrative activities and included a follow-up on the finding noted in our report No. 2015-040. Our operational audit disclosed the following:

**Finding 1:** The College did not always perform background screenings for contract workers in positions of special trust and responsibility.

**Finding 2:** The College needs to provide for management's independent review and approval of supervisor time worked.

**Finding 3:** College textbook affordability procedures could be enhanced.

**Finding 4:** Certain information technology access controls continue to need improvement.

## ***BACKGROUND***

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State College of Florida, Manatee-Sarasota (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 9 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 Bradenton, Lakewood Ranch, and Venice, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Manatee and Sarasota Counties. The College reported enrollment of 7,409 full-time equivalent students for the 2015-16 fiscal year.

This operational audit focused on selected College processes and administrative activities and included a follow-up on the finding noted in our report No. 2015-040. The results of our financial audit of the College for the fiscal year ended June 30, 2016, 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, 2016, will be presented in a separate report.

## ***FINDINGS AND RECOMMENDATIONS***

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### **Finding 1: Background Screenings**

Although not specific to colleges, State law<sup>1</sup> provides for background screenings for employees in positions of special trust and responsibility. For example, a level 2 background screening<sup>2</sup> is required for owners, operators, employees, and volunteers working in summer camps providing care for children; personnel hired to fill positions requiring direct contact with students in any district school system or university lab school; and certain State employment positions. College procedures<sup>3</sup> require State and national criminal (i.e., level 2) background screenings for designated employees, students, volunteers, and contracted staff (e.g., contractors and contracted staffing agency personnel). The procedures also require background checks for those designated individuals who are in positions of special trust or responsibility or in sensitive locations. For contractors, the College requires background screenings for those who provide continual services beyond 6 consecutive months.

In response to our inquiry, the College identified 970 employees, contractors, and volunteers as of May 3, 2016, who were required to obtain a level 2 background screening. As part of our audit, we requested documentation of background screenings for 38 selected individuals (34 employees and 4 contracted staffing agency personnel) and the College provided evidence of level 2 background screenings for those 38 individuals. However, during our information technology (IT) access privilege tests, discussed in Finding 4, we identified two IT contract workers (employed by one contractor) who the College had not identified for level 2 background screenings, although the workers had access to sensitive or confidential information. In response to our further inquiries, College personnel identified two other IT contract workers (employed by the same contractor) with similar access who also had not obtained level 2 background screenings. Specifically, regarding the 4 IT contract workers, we noted that:

- Three of the IT contract workers had access to sensitive student information (i.e., student names and demographic information). One of the 3 also had access to confidential student social security numbers and another also had access to confidential employee bank account information (i.e., bank account names and numbers) and unnecessary or incompatible functions within the finance application (as discussed in Finding 4).
- The remaining IT contract worker had access to confidential employee bank account information (i.e., bank account names and numbers) and unnecessary or incompatible functions within the human resource application (as discussed in Finding 4).

According to College personnel, the background screenings were not obtained because the 4 IT contract workers were not physically located on campus and did not provide continual services beyond 6 consecutive months. Notwithstanding this response and College procedures, when individuals who work in positions of special trust and responsibility are not required to have level 2 background

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<sup>1</sup> Sections 110.1127, 409.175, and 1012.32(2)(a), Florida Statutes.

<sup>2</sup> A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the Florida Department of Law Enforcement and national criminal history records checks through the Federal Bureau of Investigation, and may include local criminal records checks through local law enforcement agencies.

<sup>3</sup> Procedure No. 2.57.01, *Background Checks and Fingerprinting for Employment*.

screenings, there is an increased risk that the individuals may have backgrounds that are not suitable for those positions.

**Recommendation: College procedures should be revised to require and ensure that level 2 background screenings, including fingerprinting, are obtained for all individuals in positions of special trust and responsibility, such as contract workers with access to sensitive or confidential information.**

## **Finding 2: Payroll Processing – Time Records**

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. The College pays exempt employees (i.e. Career Exempt, Administrative, Professional Support, and Faculty) on a payroll-by-exception basis whereby employees are paid a fixed authorized gross amount for each payroll cycle unless the amount is altered. A payroll-by-exception methodology assumes, absent any payroll action to the contrary, that an employee worked or used available accumulated leave for the required number of hours in the pay period. To document time worked, College procedures require supervisors to sign payroll registers to certify that the employees listed on the registers worked during the pay period and the pay in the amount column appeared reasonable. The payroll registers include information such as employee name, hours worked, and pay amount for that pay period. However, College procedures allow supervisors to approve their own time worked on the payroll registers rather than requiring the payroll register be submitted to the next level of management for review and approval.

During the period March 2015 through February 2016, the College reported salary costs of \$21.8 million for exempt employees. Of that amount, College personnel indicated that there were 57 supervisors compensated a total of \$4.5 million and an independent management review and approval of their time worked was not performed. According to College personnel, they believe existing procedures were adequate based on the level of trust between the President and these supervisors and because the demands of the positions ensure that the hours of the position are worked. Nevertheless, without independent management review and approval, there is limited assurance that the supervisors' services were provided consistent with Board expectations. In addition, without management review and approval of time worked, there is an increased risk that the supervisors may be incorrectly compensated and their leave balances may not be accurate.

**Recommendation: We recommend that the College implement procedures requiring management to document the independent review and approval of supervisor time worked.**

## **Finding 3: Textbook Affordability**

State law<sup>4</sup> required colleges to post on their Web sites, as early as is feasible, but not less than 30 days prior to the first day of classes, a list of each textbook required for each course offered at the institution during the upcoming term. Additionally, State Board of Education (SBE) rules<sup>5</sup> require colleges to collect and maintain, before each textbook adoption is finalized, written or electronically transmitted certifications

<sup>4</sup> Section 1004.085(3), Florida Statutes (2015).

<sup>5</sup> SBE Rule 6A-14.092(3), Florida Administrative Code (FAC).

from course instructors attesting that all textbooks and other instructional materials ordered will be used, particularly each individual item sold as part of a bundled package. Further, the Textbook Affordability Workgroup (Workgroup)<sup>6</sup> recommended that each college reduce textbook costs by developing and monitoring policies and guidelines for textbook adoption, such as a course-wide adoption of textbooks for the same course.

During the period March 2015, through February 2016, the College adopted 4,888 textbooks, including 1,078 textbooks for the Summer 2015 term, 2,092 textbooks for the Fall 2015 term, and 1,718 textbooks for the Spring 2016 term. Although College procedures provide that a list of textbooks be posted on the College Bookstore Web site, College personnel indicated that the College had not adopted the Workgroup's recommendation for course-wide textbook adoption. Our audit procedures also disclosed that:

- The College had not established monitoring procedures to ensure that textbook information was posted on the College Bookstore Web site at least 30 days prior to the first day of classes. The College contracted with a vendor to manage and operate the College Bookstore, as well as to compile and post lists of adopted textbooks on the College Bookstore Web site. As part of our audit, we reviewed the dates the vendor posted textbook information to the College Bookstore Web site for the 4,888 textbooks. Our review disclosed that for the Spring 2016 term, College records documented the date the vendor was provided the list of adopted textbooks. However, although we requested, College records could not be provided to document the dates the textbook information was posted to the College Bookstore Web site. In response to our inquiries, College personnel indicated that a new bookstore vendor was used for Spring 2016 and the vendor did not maintain records to document the textbook posting dates.

The timely posting of required textbook information on the College Bookstore Web site is necessary for students to understand course textbook requirements and have sufficient time to consider textbook purchase options and limit their textbook costs. Without evidence of the timely posting of textbook information on the College Bookstore Web site, the College cannot demonstrate compliance with State law. Effective July 1, 2016, State law<sup>7</sup> was revised to require each college to post prominently in the course registration system and on its Web site, as early as is feasible, but at least 45 days before the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course sections offered at the college during the upcoming term.

- Our review of textbook prices for 15 courses during the Spring 2016 term disclosed that new or used textbook prices for the same course varied by as much as \$315 for new and \$236 for used textbooks. Table 1 provides examples of the price differences that exceeded \$100 for textbooks used in the same course.

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<sup>6</sup> The Workgroup, consisting of membership from the Florida College System, in cooperation with the Florida Department of Education, Division of Florida Colleges, issued a report dated December 1, 2009, that contained certain recommendations.

<sup>7</sup> Section 1004.085(6), Florida Statutes (2016).

**Table 1**  
**Textbook Prices**  
**Spring 2016**

Course	Cost of New Textbooks			Cost of Used Textbooks		
	High	Low	Difference	High	Low	Difference
BSC2086	\$315	\$ -	\$315	\$236	\$ -	\$236
STA2023	397	125	272	298	94	204
PHI2600	237	-	237	178	-	178
ENC1102	229	-	229	172	-	172
MAC1114	307	93	214	230	70	160
BULL2131	322	134	188	241	101	140
MAC1105	299	120	179	224	90	134
ACG2071	345	171	174	259	128	131
ACG2021	341	171	170	256	128	128

Source: College records.

According to College personnel, certain classes had no textbook costs due to open source or online resource options for students and because faculty members sometimes use different textbooks for the same course as they independently select their course textbooks. However, when different textbooks are used for the same course, instructional costs paid by students may not be fair and equitable.

**Recommendation: The College should enhance procedures to ensure that records are maintained to document that lists of required and recommended textbooks and materials are timely posted in accordance with State law. In addition, the College should ensure that textbooks are available to students at the lowest and best prices within acceptable quality by enhancing textbook affordability procedures to require course-wide adoption of textbooks for the same course.**

#### **Finding 4: Information Technology – Access Controls**

Access controls are intended to protect data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls provide employees and contractors access to IT resources based on a demonstrated need to view, change, or delete data and restrict employees and contractors from performing incompatible functions or functions inconsistent with their assigned responsibilities. Periodic reviews of assigned IT access privileges are necessary to ensure that employees and contractors can only access those IT resources that are necessary to perform their assigned job responsibilities and that assigned access privileges enforce an appropriate separation of incompatible duties.

According to College personnel and review of College records, College personnel periodically reviewed access reports of assignments to application security groups and group members. However, College personnel indicated that the access reports did not identify the individual forms within an application for which each employee and contractor had access. The absence of such detail decreases the effectiveness of such reviews.

Our test of access privileges to the College finance and human resources (HR) applications for 31 selected individuals disclosed that some individuals had access privileges that permitted them to perform unnecessary or incompatible functions. Specifically, we found that:

- Five College employees (Director of IT Administrative Services, Director of Finance, Assistant Director of Finance, Executive Assistant, and Senior Accountant) and one IT contract worker had update privileges to critical functions within the finance application, including the ability to add and update vendor records and addresses, add and change purchase orders, and receive goods. The IT contract worker also had access to sensitive student information and confidential employee bank account information, as mentioned in Finding 1, and could process payments. These access privileges permitted these six individuals to perform unnecessary or incompatible functions. Subsequent to our inquiry, College management removed the unnecessary or incompatible access for the 5 College employees and the IT contract worker.
- One College employee (Staff Assistant) and one IT contract worker, who also had access to confidential employee bank account information as mentioned in Finding 1, had the capability to add an employee within the HR application and had update privileges to one or more other critical functions within the HR application, including the ability to adjust salary records, update direct deposit information, and input time worked. The access privileges did not enforce an appropriate separation of end-user duties. Subsequent to our inquiry, College management removed the incompatible access for the Staff Assistant and indicated that the access for the IT worker was necessary to provide remote support. Notwithstanding this response, the access privileges granted to the IT contract worker were contrary to an appropriate separation of assigned responsibilities.

College records indicated that the College had certain controls (e.g., periodic reviews of access privileges, supervisory monitoring of finance and HR transactions, and supervisory review and approval of transactions such as journal entries) that partially mitigated the effect of the noted deficiencies and our review did not disclose any misuse as a result of the unnecessary or inappropriate access privileges. However, the existence of inappropriate or unnecessary access privileges increases the risk of unauthorized disclosure, modification, or destruction of College data or IT resources and indicate a need for an improved review of IT access privileges. A similar finding was noted in our report No. 2015-040.

**Recommendation:** The College should enhance procedures to ensure that assigned access privileges enforce an appropriate separation of incompatible duties and restrict employee and IT contract worker access to only those functions necessary for their assigned job responsibilities. Such procedures could include periodic reviews of detailed access reports that identify the access privileges for each individual.

## ***PRIOR AUDIT FOLLOW-UP***

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As noted in Finding 4, the College had not taken action to fully correct the finding included in our report No. 2015-040.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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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 March 2016 to July 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. 2015-040.
- 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 transactions, as well as events and conditions, occurring during the audit period of March 2015 through February 2016, and selected College actions taken prior and subsequent thereto. 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 to determine whether the policies and procedures 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. Specifically, we examined access privileges over the finance and human resources applications as of February 2016 for 31 of the 287 individuals with such privileges to determine the appropriateness and necessity of the privileges based on job duties and user account functions and whether the privileges prevented the performance of incompatible duties.
- Evaluated the College's written security policies and procedures governing the classification, management, and protection of sensitive and confidential information.
- Evaluated the appropriateness of the College's comprehensive IT disaster recovery plan to determine whether it was in place and had been recently tested.
- Reviewed operating system, database, network, and application security settings as of February 2016 to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Evaluated the data center's physical access controls as of February 2016 to determine whether vulnerabilities existed.
- Evaluated Board, committee, and advisory board minutes to determine whether Board approval was obtained for policies and procedures in effect during the audit period 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 for the audit period 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 to provide guidance to employees for communicating known or suspected fraud to appropriate individuals. Also, we examined College records to determine whether the College had implemented appropriate and sufficient procedures to comply with its anti-fraud policy.
- Examined authorized signatures for the College's two investment and banking agreements for timely changes in response to personnel changes during the audit period.
- Examined College records to determine whether the 21 payments totaling \$117,390 from the College to its direct-support organization during the audit period were authorized by Section 1004.70(1)(a)2. and (3), Florida Statutes.
- Examined College records for 30 selected student receivables totaling \$140,237 from the population of 2,599 student receivables totaling approximately \$2 million at February 29, 2016, to determine whether student receivables were properly authorized, adequately documented, properly recorded, and complied with Section 1010.03, Florida Statutes, and Board policies. We also evaluated whether College collection efforts were adequate and restrictions on student records and holds on transcripts and diplomas were appropriate and enforced for students with delinquent accounts.

- Examined College records to determine whether uncollectible accounts written-off during the audit period totaling \$479,324 were properly approved.
- Evaluated the effectiveness of College controls to determine whether 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 Section 1009.23(9), Florida Statutes.
- From two student populations with in-State tuition fees totaling \$3 million for the period January 2015 through February 2016 that were composed of: (1) 3,777 new students and (2) 79 students with status changes, examined College records relating to 30 selected students with fees totaling \$22,468 to determine whether the College correctly assessed tuition in compliance with Section 1009.21, Florida Statutes, and State Board of Education Rule 6A-10.044 Florida Administrative Code.
- From the population of 4 contracts for auxiliary operations, which generated revenue totaling \$173,485 for the audit period, examined 2 selected contracts, which generated revenues totaling \$124,881, to determine whether the College properly monitored compliance with the contract terms for fees, insurance, and other provisions.
- From the population of 4,888 textbooks added during the audit period, examined supporting documentation to determine whether College policies and procedures regarding textbook affordability were in accordance with Section 1004.085, Florida Statutes.
- From the population of payroll transactions totaling approximately \$30 million during the audit period for 1,327 employees, selected 30 payroll transactions totaling \$53,524 and examined the related payroll and personnel records to determine the accuracy of the rate of pay, validity of employment contracts, completion of employee performance evaluations, and whether supervisory personnel reviewed and approved employee reports of time worked.
- Evaluated College policies and procedures for management review and approval of supervisor time worked.
- Evaluated College policies and procedures for payments of accumulated annual and sick leave (terminal leave pay) to determine whether the policies and procedures promoted compliance with State law and Board policies. From the population of 55 employees who separated from College employment during the audit period and paid \$561,347 for terminal leave, we selected 5 employees with terminal payments totaling \$299,378 and examined the supporting records to evaluate the payments for compliance with Sections 110.122 and 1012.865, Florida Statutes, and Board policies.
- Examined severance pay provisions in the College President's contract for the 2015-16 fiscal year to determine whether the provisions complied with Section 215.425(4), Florida Statutes.
- Examined the compensation contract for the College President who received \$292,868 in remuneration for the 2015-16 fiscal year to determine whether the amounts paid did not exceed the limits established in Section 1012.885, Florida Statutes.
- Evaluated College policies and procedures for obtaining personnel background screenings, to determine whether individuals in positions of special trust and responsibility, such as positions with direct contact with persons under age 18 and information technology contracted staff, had undergone the appropriate background screenings.
- 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 Board policies; and applicable vendors were properly selected. Specifically, from the population of expenditures totaling \$16,910,335 for the audit period, we examined:
  - Documentation relating to 30 selected payments for general expenditures totaling \$121,754.

- Documentation relating to 30 selected payments totaling \$275,840 for contractual service agreements.
- From the population of purchasing card (P-card) transactions totaling \$354,171 during the audit period, examined College records supporting 30 selected P-card transactions totaling \$85,815 to determine whether the P-card program was administered in accordance with College policies and procedures and transactions were not of a personal nature.
- Examined P-card records for the 3 cardholders who separated from College employment during the audit period to determine whether the P-cards were timely canceled upon the cardholders' employment separation.
- From the population of 278 payments totaling \$46,567 during the audit period and made to employees for other than travel and compensation, examined 8 selected payments totaling \$11,696 to determine whether such payments were reasonable, adequately supported, for valid College purposes and whether such payments were related to employees doing business with the College, contrary to Section 112.313, Florida Statutes.
- From the population of 2 major construction projects, with contract amounts totaling \$3 million, in progress during the audit period, selected 6 payments totaling \$1.8 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 one construction project that was in the design phase during the audit period and had estimated costs of \$13.5 million to determine whether the College adequately monitored the selection process of design professionals; the Board had adopted a policy establishing minimum insurance coverage requirements for design professionals; and design professionals provided evidence of required insurance.
- Examined documentation for the 13 transfers between funds totaling \$1.6 million during the audit period to determine the propriety of transfers of restricted moneys between funds.
- From the population of 115 industry certifications reported for performance funding that were attained by students during the 2015-16 fiscal year, examined 25 industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- 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***

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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

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STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA

OFFICE OF THE PRESIDENT  
Carol F. Probstfeld, Ed.D.

September 26, 2016

Sherrill F. Norman, CPA  
Auditor General  
3505 East Frontage Rd, Suite 350  
Tampa, FL 33607

Dear Ms. Norman:

In response to your letter dated August 31, 2016 regarding the operational audit for the fiscal year ended June 30, 2016, please find attached a written statement of explanation and the actual or proposed corrective actions to the Preliminary and Tentative Audit Findings.

Please let me know if you have questions or need additional information.

Respectfully,

Carol F. Probstfeld, President  
State College of Florida, Manatee-Sarasota  
5840 26th Street West  
Bradenton, Florida 34207

scf.edu • Mailing Address: P.O. Box 1849, Bradenton, FL 34206 • Office Phone: 941-752-5201

SCF BRADENTON  
5840 26th Street West • 941-752-5000

SCF LAKEWOOD RANCH  
7131 Professional Parkway East • 941-363-7000

SCF VENICE  
8000 South Tamiami Trail • 941-408-1300

**STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA  
RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS AND  
RECOMMENDATIONS**

OPERATIONAL AUDIT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The following is the State College of Florida, Manatee-Sarasota response to the findings identified in the State Auditor General's Operational Audit Report for the Fiscal Year Ended June 30, 2016.

**RESPONSE TO FINDINGS AND RECOMMENDATIONS**

**Finding No. 1: Background Screenings**

Recommendation: College procedures should be revised to require and ensure that level 2 background screenings, including fingerprinting, are obtained for all individuals in positions of special trust and responsibility, such as contract workers with access to sensitive or confidential information.

**College Response:**

The College has updated our procedures and will expand out background checks to include a level 2 background check on all consultants/contractors who have access to sensitive or confidential student information. All contractors specific to this finding have been informed of the requirement and have been scheduled to complete the background checks prior to their next engagement with the College.

**Finding No. 2: Payroll Processing – Time Records**

Recommendation: We recommend that the College implement procedures requiring management to document the independent review and approval of supervisor time worked.

**College Response:**

The College has established and will implement a mechanism for management review and approval of supervisors' time worked.

**Finding No. 3: Textbook Affordability**

Recommendation: The College should enhance procedures to ensure that records are maintained to document that lists of required and recommended textbooks and materials are timely posted in accordance with State law. In addition, the College should ensure that textbooks are available to students at

the lowest and best prices within acceptable quality by enhancing textbook affordability procedures to require course-wide adoption of textbooks for the same course.

**College Response:**

While the College remains confident of timely postings, during the spring of 2016 the College transitioned to a new bookstore vendor whose reporting system did not preserve the posting date in any records or reports we could provide for this audit. We have implemented processes to ensure that data for current and future semesters will be collected as required.

Regarding the textbook affordability procedures and where it is in the best interest of the student, continued progress will be made to calibrate textbook pricing. It is to be noted that for Fall 2016, SCF Manatee-Sarasota had 27 total General Education sections with price variances between sections. This number compares to an average of 147 sections per college based on a review of 11 FCS colleges. Further, our practice of encouraging open source educational materials creates pricing differentials between sections of the same course and the requirement for course-wide adoption of textbooks will increase the price to students for some courses.

**Finding No. 4: Information Technology – Access Controls**

Recommendation: The College should enhance procedures to ensure that assigned access privileges enforce an appropriate separation of incompatible duties and restrict employee and IT contract worker access to only those functions necessary for their assigned job responsibilities. Such procedures could include periodic reviews of detailed access reports that identify the access privileges for each individual.

**College Response:**

The College has implemented procedures to mitigate these issues including the creation of periodic reports detailing all security class assignments for review and action and the associated training for data custodians to ensure employee and IT contract worker access to only those functions necessary for their assigned job responsibilities.