

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2018-094  
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**SANTA FE COLLEGE**



Sherrill F. Norman, CPA  
Auditor General

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The team leader was Courtney J. Carlsen, CPA, and the supervisor was Denita K. Tyre, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Manager, 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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# SANTA FE COLLEGE

## ***SUMMARY***

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This operational report of Santa Fe College (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2016-053. Our operational audit disclosed the following:

**Finding 1:** College textbook affordability policies and procedures continue to need improvement.

**Finding 2:** The College did not ensure that employee performance evaluations were always annually performed and documented in the personnel files.

**Finding 3:** College rules and records could be improved to document the College direct support organization's use of College property, facilities, and personal services.

**Finding 4:** Some unnecessary information technology user access privileges existed that increased the risk that unauthorized disclosure of employee and student social security numbers may occur.

## ***BACKGROUND***

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Santa Fe 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 eight 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 a campus in Gainesville and educational centers in Alachua, Archer, Gainesville, Keystone Heights, and Starke. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Alachua and Bradford Counties.

This operational audit focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2016-053. The results of our financial audit of the College for the fiscal year ended June 30, 2017, 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, 2017, will be presented in a separate report.

# ***FINDINGS AND RECOMMENDATIONS***

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## **Finding 1: Textbook Affordability**

State law<sup>1</sup> requires each college to examine the cost of textbooks and instructional materials by course and course section for all general education courses offered at the institution to identify any variance in the cost of textbooks and instructional materials among different sections of the same course. Courses that have a wide variance in costs among sections or that have frequent changes in textbook and instructional materials selections are to be identified and a list of such courses sent to the appropriate academic chair for review.

State law<sup>2</sup> also requires each college to post prominently in the course registration system and on its Web site, as early as 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. Additionally, State law<sup>3</sup> requires colleges to obtain confirmation by the course instructor or academic department offering the course, before each textbook and instructional materials adoption is finalized, of the intent to use all items ordered.

The College's *Textbook Affordability Guidelines*, posted on the College Web site, require each instructor to prepare textbook affordability affidavits and provide that the applicable department chair or director are responsible for reviewing, approving, and maintaining the affidavits. The affidavits are to document instructor confirmation of the textbooks to be used, justify how textbooks differ from older editions, and list any open access (i.e., online) textbooks that were considered. In addition, College procedures require departments to collect and maintain textbook affordability affidavit forms that include course instructor confirmations that the textbooks and other instructional materials ordered will be used and identify the date that adopted textbooks and instructional materials were formally approved and submitted to the College Bookstore.

The College offered 2,987 course sections for the 415 Fall 2016 Semester courses. As part of our audit procedures, we inquired of College personnel and examined College records associated with the Fall 2016 Semester relating to textbook affordability. We noted that:

- The College contracted with a vendor to manage and operate the College Bookstore, as well as to compile and post lists of adopted textbooks in the College course registration system and on the College Bookstore Web site. According to College personnel, textbook and instructional materials information was simultaneously updated in the course registration system and on the Bookstore Web site. We examined the documentation evidencing the date on which the required and recommended textbooks and instructional materials were posted on the Bookstore Web site and identified 364 course sections that had textbook and instructional materials posting dates that were not at least 45 days before the first day of class. Specifically, the textbook and instructional materials posting dates for the 364 course sections ranged from 42 days before the first day of classes to 59 days after the first day of classes. As the College only timely posted the textbooks

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<sup>1</sup> Section 1004.085(4), Florida Statutes, effective July 1, 2016.

<sup>2</sup> Section 1004.085(6), Florida Statutes, effective July 1, 2016.

<sup>3</sup> Section 1004.085(7)(b), Florida Statutes.

and instructional materials for 2,623 (88 percent) of the course sections, the College did not comply with State law requiring such information be timely posted for at least 95 percent of the course sections.

In response to our inquiries, College personnel indicated that textbook and instructional materials information was submitted late to the College Bookstore by instructors or department heads, instructors assigned later to courses changed the textbook requirements, and other issues resulted in textbook and instructional materials information being posted late to the Bookstore Web site. Without evidence of the timely posting of textbook information on the Bookstore Web site, the College cannot demonstrate compliance with State law and students may misunderstand course textbook requirements and not have sufficient time to consider textbook purchase options and limit their textbook costs.

- For the 415 Fall 2016 Semester courses, new or used textbook prices and instructional materials costs for sections of the same course varied by as much as \$227 for new textbooks and instructional materials and \$248 for used textbooks and instructional materials. Table 1 provides examples of the price differences that exceeded \$100 for textbooks and instructional materials used in the same course.

**Table 1**  
**Course Textbook and Instructional Materials Prices**  
**Fall 2016 Semester**

Course	Cost of New			Cost of Used <sup>a</sup>		
	High	Low	Difference	High	Low	Difference
ENC 1101	\$240	\$13	\$227	\$170	\$170	\$ -
MAC 2233	336	120	216	252	90	162
PHY 2048	259	46	213	187	38	149
MAC 2311	451	243	208	338	90	248
CPO 2001	279	82	197	209	61	148
SYG 2000	241	51	190	181	181	-
REL 2000	217	32	185	163	24	139
PSY 2012	223	41	182	167	167	-
BSC 2010	192	20	172	129	129	-
MAC 1140	287	120	167	209	90	119

<sup>a</sup> Not all course sections provided an option for used books.

Source: College records.

According to College personnel, instructors independently selected their course textbooks and instructional materials because the College wanted instructors to have flexibility in selecting their resources. However, as a result of this flexibility, different textbooks and instructional materials may be used for the same course and costs paid by the students may not be fair and equitable.

- College records did not demonstrate the proper completion and approval of textbook affordability affidavit forms. Specifically, we requested for examination the instructor-prepared textbook affordability affidavit forms for 16 courses and found that:
  - Textbook affordability affidavit forms for 2 courses were not maintained by the departments.
  - Instructors completed and signed textbook affordability affidavit forms for 4 courses, but the instructors' justification for not using an older edition or indication of whether online textbooks were available for use was not documented.

- The textbook affordability affidavit form for 1 course was not signed by the instructor confirming the instructor's intent to use the textbook ordered and the form did not include justification for how the textbook differed from older editions or list any online textbooks that were considered.

Without properly completed textbook affordability affidavit forms subjected to department chair or director review and approval, the risk that instructors may use textbooks and instructional materials not adopted by their departments is increased and students may unnecessarily purchase textbooks and instructional materials that are not needed for their courses.

A similar finding was noted in our report No. 2016-053.

**Recommendation: The College should ensure compliance with State law by prominently posting in the course registration system and on its Web site, as early as 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. The College should also ensure that textbooks and instructional materials of acceptable quality are available to students at the lowest prices and that properly completed instructor affidavits containing confirmations related to textbook and other instructional materials use are maintained.**

## **Finding 2: Employee Evaluations**

State law<sup>4</sup> requires each board of trustees to establish the personnel program for all employees of the Florida College System institution pursuant to the provisions of Chapter 1012, Florida Statutes, and rules and guidance of the State Board of Education. College rules<sup>5</sup> require that annual evaluations be performed for employees in full-time administrative, faculty, and technical and professional positions and provide that all career service employees be evaluated in a manner approved by the President. However, the President had not approved procedures establishing guidelines for annual career service employee evaluations.

As part of our audit, we requested for examination evaluations for 22 selected employees (7 faculty members, 7 career service employees, and 8 technical and professional employees) from the population of 2,523 College employees during the 2016 calendar year. Our examination of the documentation provided disclosed that 12 employees, including 7 full-time faculty members, 3 career service employees, and 2 technical and professional employees, did not receive an evaluation during the 2016 calendar year. The most recent documented evaluations for the 12 employees were dated during the 2005 through 2015 calendar years.

In response to our inquiries, College personnel indicated that each faculty member collected and analyzed data as it related to the faculty member's performance each term and, since the Fall 2008 Semester, each full-time faculty member had performed a formal summary self-evaluation on a triannual basis. Notwithstanding this response, good business practice indicates that timely conducted and documented performance evaluations are important management tools that inform employees of

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<sup>4</sup> Section 1001.64(18), Florida Statutes (2016).

<sup>5</sup> College Rule 3.3, *Criteria for Selection and Evaluation of Full-Time Administrative, Faculty, and Technical and Professional Positions* and College Rule 3.12, *Evaluation: Career Service Employees*.

their accomplishments, needed improvements, and training needs, and also help management make and support personnel decisions.

**Recommendation:** The College should ensure that performance evaluations are performed at least annually for all full-time College employees and documented in the personnel files. We also recommend that the President approve procedures establishing the manner in which career service employees will be evaluated.

### Finding 3: Direct Support Organization

To promote accountability over College property, facility, and personal services use, it is important that public records document the conditions for such use, document appropriate approval before the use occurs, and demonstrate appropriate use. Such records help document authorization for the use, demonstrate the reasonableness of the value associated with that use, and enhance government transparency.

State law<sup>6</sup> provides that a direct-support organization (DSO) is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to, or for the benefit of, a Florida College System institution such as the College. Additionally, State law authorizes the College Board of Trustees (Board) to permit the use of College property, facilities, and personal services by a DSO, and to prescribe by rule any condition with which a DSO must comply for such use.

The Board approved the Santa Fe College Foundation, Inc. (Foundation) as a DSO and the Foundation routinely receives and uses charitable contributions for the benefit of the College. To accomplish the Foundation's funding mission, the Office of Advancement administratively manages the Foundation and the College Associate Vice President, Advancement also serves as the Deputy Executive Director of the Foundation and is responsible for identifying and securing external funds and managing the operations and assets of the Foundation. However, while the Board approved the Foundation as a DSO permitting the use of College property, facilities, and personal services by the Foundation, the Board had not prescribed by rule any condition with which the Foundation must comply in order to use College resources.

As part of our audit, we interviewed College personnel and requested for examination College records related to the Foundation. According to College personnel, during the 2016 calendar year the College provided personal services with related costs totaling \$290,000 to the Foundation. College personnel indicated that these costs were based on the services of six College employees who provided 4 to 100 percent of their work efforts for the Foundation. According to the job descriptions, all six employees worked in the College Office of Advancement and used College property and facilities to, for example, seek, secure, and manage external funding from both private and public resources for the benefit and advancement of College students. However, the College did not require or maintain records to document College employee actual time and effort provided to the Foundation to support the purpose for the personal services provided or the related costs. As such, College records did not demonstrate that personal services costs were appropriately distributed among the specific College and Foundation activities.

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<sup>6</sup> Section 1004.70(1)(a)2., Florida Statutes.

College personnel provided us records of the September 2017 Board approval of the Foundation's Federal Internal Revenue Service Return of Organization Exempt from Income Tax Form 990 (IRS Form 990) for the calendar year 2016. While the IRS Form 990 indicated that the Foundation engaged in sharing facilities, equipment, and employees with related organization(s), the associated value and the name of the related organization was not disclosed in the Foundation's IRS Form 990. As such, neither the form nor other College records evidenced Board approval for Foundation use of College property, facilities, and personal services and the purpose for and value of such use.

College personnel indicated that the College was unaware of a requirement for the Board to document consideration and approval of Foundation use of College resources especially since three of the Board members and the President are members of the Foundation Board of Trustees. College personnel also indicated that an agenda item pertaining to Foundation matters is discussed at every College Board meeting. Notwithstanding these responses, we found that College records associated with Foundation use of College resources could be improved by prescribing in Board-approved rule any conditions with which the Foundation must comply in order to use College resources. Such rule could prescribe, for example, conditions to:

- Restrict Foundation use of College resources to those Board-approved public purposes consistent with the mission, vision, and values of the College.
- Require Foundation management to certify that College resources will only be used for Board-approved purposes and to affirm, after use, that the resources were only used for such purposes.

College records could also be enhanced by obtaining Board approval of anticipated Foundation use of College resources and the value of such use before the use occurs; documenting when the Foundation used College resources and the purpose for and value of such use; and documenting College employee actual time and effort provided to the Foundation to support the purpose for and value of those services. Such records would document authorization, demonstrate the reasonableness of the value, and enhance transparency for the College resources provided for Foundation use.

**Recommendation: We recommend that:**

- **The Board prescribe by rule any condition with which the Foundation must comply in order to use College property, facilities, and personal services.**
- **The College document Board consideration and approval of the Foundation's anticipated use of College resources, at least annually, before the use occurs. To enhance transparency, Board approval documentation should identify the positions of the employees who will provide the personal services, the square footage of the office space and related buildings that will be used by the Foundation, and the estimated value of the College resources provided.**
- **The College document College employee actual time and effort provided to the Foundation to support the purpose for and value of those services and the distribution of applicable personal service costs among specific College and Foundation activities for employees who work on more than one activity.**



#### **Finding 4: Information Technology User Access Privileges**

The Legislature has recognized in State law<sup>7</sup> that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals, or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining the confidential status of such information. Effective controls restrict employees from accessing information unnecessary for their assigned job responsibilities and provide for documented, periodic reviews of employee access privileges to help prevent personnel from accessing sensitive personal information inconsistent with their responsibilities.

The College collects and uses SSNs pursuant to State law for various purposes, such as identification and verification of employees and students, employee benefit processing, and to comply with Federal employee tax and student scholarship reporting requirements. According to College personnel and records, the College established a unique identifier, other than the SSN, to identify employees and students and maintained employee and student SSNs in the College database.

As of October 2017, College personnel indicated that the College database contained the SSNs for a total of 510,300 employees and students, including 6,700 current and former employees and 503,600 current and former students. However, according to College personnel, the database did not have a mechanism to differentiate user access privileges to:

- Employee information from access privileges to student information.
- Current employee information from access privileges to former employee information.
- Current student information from access privileges to former student information.

To protect employee and student information from unauthorized disclosure, modification, or destruction, the College implemented an Information Security (IS) Use Policy that requires individuals who use College information technology (IT) resources or have access to information to agree not to disclose information improperly or to use information improperly or unethically for personal or professional gain, or to discredit or to harass someone. Each time employees access the database online for the first time or change their password, employees must certify that they accept and will abide by the College IS Use Policy. The College IS Use Policy requires systems owners (i.e., 13 security administrators) or their designee to certify the propriety of IT user access privileges at least every 60 days. The 13 security administrators are responsible for granting access to IT resources and information, including employee and student SSNs; however, the College had not established written procedures for granting such access.

As part of our audit procedures, we examined College records and confirmed that the security administrators or their designees performed periodic reviews of IT user access privileges by certifying the propriety of certain privileges; however, those reviews did not extend to access privileges to student SSNs. We also reviewed the user access privileges of 62 selected employees from the population of 118 employees who had access to employee and student SSNs as of June 2017. We found, and College personnel confirmed, that:

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<sup>7</sup> Section 119.071(5)(a), Florida Statutes.

- 48 employees had been granted unnecessary access privileges to current or former employee or student SSNs because, once granted, the database allowed the employees to access additional SSN information that was not necessary for the performance of the employees' assigned duties. Specifically:
  - 45 of the 48 employees included, for example, admissions specialists, records administrative support specialists, and employees in the dual enrollment program whose responsibilities required access to student SSNs also had unnecessary access to employee SSNs.
  - 3 Payroll Department employees had responsibilities that required access to employee SSNs but also had unnecessary access to student SSNs.
- 9 Human Resources Department employees had access privileges to all employee and student SSNs. While the employees' responsibilities required access to the SSNs of employees and College-employed students for Federal tax reporting purposes; due to the database limitations, these 9 employees also had unnecessary access to all current and former student SSNs in the database.
- 3 employees had unnecessary access privileges to both employee and student SSNs. Two of these 3 employees had inadvertently been granted unnecessary access and the other employee had recently changed jobs and no longer needed the access privileges. Subsequent to our inquiry, in July 2017 the College removed the unnecessary access privileges for these 3 employees.

The existence of unnecessary access privileges increases the risk of unauthorized disclosure of employee and student SSNs and the possibility that sensitive personal information may be used to commit a fraud against College employees and students.

**Recommendation:** To ensure access to sensitive employee and student information is properly safeguarded, the College should:

- Upgrade the College database to include a mechanism to differentiate IT user access privileges to current employee and student information from access privileges to former employee and student information.
- Establish appropriate procedures for granting user access privileges based on a demonstrated need for such access.
- Incorporate user access privileges to SSNs into the periodic reviews of IT user access privileges.

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

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Except as noted in Finding 1, the College had taken corrective actions for findings included in our report No. 2016-053.

## ***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 February 2017 through May 2017 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. 2016-053.
- 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 January 2016 through December 2016, and selected College actions taken 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 College 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, from the population of 102 employees with access to the College database and finance and human resources applications during the audit period, we examined College records supporting the access privileges for 24 employees to determine the appropriateness and necessity of the access privileges based on the employees' job duties and user account functions and whether access prevented the performance of incompatible duties.
- Evaluated College procedures for protecting employee and student social security numbers (SSNs). Specifically, we examined College records supporting the access privileges of employees who had access to employee and student SSNs to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- Reviewed College procedures to prohibit former employees' access to electronic data files. We also examined the access privileges for 42 former employees with access to the enterprise resource planning software who separated from College employment during November and December 2016 to determine whether their access privileges had been timely deactivated.
- Reviewed operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Evaluated Board of Trustees, committee, and advisory board meeting minutes to determine whether Trustee approval was obtained for the 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 to determine whether the College informed employees and students 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 College records for the 8 payments totaling \$13,371, made during the audit period, from the College to its direct-support organization (DSO), to determine whether the payments were authorized by Section 1004.70(1)(a)2. and (3), Florida Statutes.
- Examined College records to determine whether:
  - The Board had prescribed by rule any condition with which the Foundation must comply in order to use College property, facilities, and personal services.
  - The Board documented consideration and approval of the Foundation's anticipated use of College resources.

- The College required and maintained College records to document when the Foundation used College property and facilities, the purpose of such use, and the value of that use.
- The College maintained records to document the College employee actual time and effort provided for the Foundation, the purpose for such services, and the value of those services.
- Examined College records for 30 selected student receivables totaling \$31,253 from the population of 6,632 student receivables totaling \$6,869,219 as of December 31, 2016, to determine whether student receivables were properly authorized, adequately documented, properly recorded, and complied with Section 1010.03, Florida Statutes, and College rules.
- From the population of 796 delinquent student receivables written-off in June 2016 totaling \$499,284, examined College records relating to 30 selected delinquent student receivables totaling \$30,360 to determine whether the College's collection efforts were adequate and restrictions on student records and holds on transcripts and diplomas were appropriate and enforced for students with delinquent accounts. We also examined College records to determine whether uncollectible accounts written-off were properly approved.
- From the population of 1,085 distance learning course sections with fee revenue totaling \$729,220 during the audit period, examined College records for 30 selected distance learning course sections with fee revenue totaling \$32,270 to determine whether distance learning fees were assessed and collected as provided by Section 1009.23(16)(b), Florida Statutes.
- Examined College records supporting the College's four auxiliary operation contracts, which generated revenue totaling \$908,963 for the audit period, to determine whether the College properly monitored compliance with the contract terms for fees, insurance, and other provisions. Also, we performed analytical procedures to determine whether the College's auxiliary services were self-supporting.
- Examined documentation to determine whether College policies and procedures regarding textbook affordability were in accordance with Section 1004.085, Florida Statutes.
- From the population of 2,523 employees compensated a total of \$61,962,566 during the audit period, examined 30 payroll transactions totaling \$45,573 and examined related payroll and personnel records to determine the accuracy of the rate of pay, the validity of employment contracts, whether the employees met the required qualifications, the accuracy of leave records, and whether supervisory personnel reviewed and approved employee reports of time worked. We also examined records for 22 employees selected from the employees related to the 30 payroll transactions and determined whether performance evaluations had been completed.
- 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 College rules. Specifically, from the population of 59 employees who separated from College employment during the audit period and were paid \$481,267 for terminal leave, we selected 23 employees with terminal payments totaling \$416,009 and examined the supporting records to evaluate the payments for compliance with Sections 110.122 and 1012.865, Florida Statutes, and College rules.
- Examined severance pay provisions in the two employee contracts that contained such provisions, including the contract with the President, to determine whether the provisions complied with Section 215.425(4), Florida Statutes.
- Examined College records to determine whether the amounts paid to the 6 Vice Presidents and the President, who received compensation totaling \$1,656,502 during the audit period, complied with the applicable provisions and limits established in Sections 1012.885 and 1012.886, Florida Statutes.
- Evaluated College policies and procedures for obtaining personnel background screenings and examined the records for 30 individuals from a population of 365 persons identified as employees

in positions of special trust and responsibility or volunteers or summer camp workers, to determine whether the individuals had undergone the appropriate background screenings.

- Examined College records supporting expenditures 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, and whether the applicable vendors were properly selected and carried adequate insurance. Specifically, from the population of expenditures totaling \$133,187,779 for the audit period, we examined College records supporting:
  - 31 selected payments for general expenditures totaling \$79,783.
  - 10 selected agreements for contractual service payments totaling \$1,751,173.
- From the population of 1,324 purchasing card (P-card) expenditures totaling \$186,930 during the audit period, examined College records supporting 30 selected expenditures totaling \$3,559 to determine whether the P-card program was administered in accordance with College policies and procedures and expenditures were not of a personal nature. We also determined whether the College promptly canceled the P-cards for the 4 cardholders who separated from College employment during the audit period.
- From the population of \$12,832 in total travel expenditures for the President and Board Members during the audit period, examined the 14 largest travel reimbursements, totaling \$12,585, to determine whether the expenditures were reasonable, adequately supported, for valid College purposes, and limited to amounts allowed by Section 112.061, Florida Statutes.
- From the population of 938 payments totaling \$42,901 during the audit period made to employees for other than travel and compensation, examined College records supporting 30 selected payments totaling \$1,478 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.
- Examined documentation supporting the only software applications payment of \$174,135 to determine whether the College evaluated the effectiveness and suitability of the applications prior to purchase; whether the purchase was made through the competitive vendor selection process; and whether deliverables met the contract terms and conditions.
- Reviewed College policies and procedures related to identifying potential conflicts of interest. We also reviewed Department of State, Division of Corporation, records; and College records for College officials to identify any potential relationships that represented a conflict of interest with vendors used by the College.
- From the population of nine major construction contracts totaling \$43,481,805 and in progress during the audit period, selected eight payments totaling \$1,051,052 related to one major construction project with contract amounts totaling \$8,180,000 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. Additionally, for the one major construction project selected, we examined:
  - Documentation to determine whether the College properly selected design professionals and construction managers and adequately monitored the selection process of subcontractors;
  - Documentation to determine whether the College had adopted a rule establishing minimum insurance coverage requirements for design professionals, such as architects and engineers.
  - Documentation to determine whether architects and engineers provided evidence of required insurance.
- From the population of 81,712 contact hours reported for 841 adult general education instructional students during the audit period, examined College records supporting 4,602 reported contact

hours for 60 selected students to determine whether the College reported the instructional contact hours in accordance with Florida Department of Education requirements.

- From the population of 129 industry certifications reported for performance funding that were attained by students for the period January through May 2016, examined 30 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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January 29, 2018

Ms. Sherrill F. Norman, CPA  
Auditor General of the State of Florida  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman,

In response to the preliminary and tentative audit findings and recommendations from your operational audit of Santa Fe College, we submit the following comments including corrective action taken or to be taken.

Finding 1: Textbook Affordability

Recommendation: The College should ensure that compliance with State law by prominently posting in the course registration system and on its Web site, as early as 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 sections offered at the College during the upcoming term. The College should also ensure that textbooks and instructional materials of acceptable quality are available to students at the lowest prices and that properly completed instructor affidavits containing confirmations related to textbook and other instructional materials use are maintained.

Response: The College understands and fully endorses the affordability of textbooks and other required instructional materials for its students. Academic Affairs leadership, in coordination with Academic Chairs/Directors and faculty, will continue to review its policies, procedures and processes, related to textbook and material course adoptions, to ensure compliance with applicable Florida Statutes and State Board of Education Rules.

Finding 2: Employee Evaluations

Recommendation: The College should ensure that performance evaluations are performed at least annually for all full-time College employees and documented in personnel files. We also recommend that the President approve procedures establishing the manner in which career service employees will be evaluated.

Response: College leadership, in consultation with legal counsel, will review the Florida Statutes and College Board rules noted in this finding and make a recommendation to the Board and/or Cabinet regarding any proposed changes to its Rules and/or procedures regarding employee evaluations, including procedures for career service evaluations.

3000 Northwest 83rd Street • Gainesville, Florida 32606-6211  
Main (352) 395-5164 • Fax (352) 395-5895 • [www.sfcollege.edu](http://www.sfcollege.edu) • [j.sasser@sfcollege.edu](mailto:j.sasser@sfcollege.edu)



Finding 3: Direct Support Organization

Recommendation: We recommend that:

- The Board prescribe by rule any condition with which the Foundation must comply in order to use College property, facilities, and personal services.
- The College document Board consideration and approval of the Foundation's anticipated use of College resources, at least annually, before the use occurs. To enhance transparency, Board approval documentation should identify the positions of the employees who will provide personnel services, the square footage of the office space and related buildings that will be used by the Foundation, and the estimated value of the College resources provided.
- The College document College employee actual time and effort provided to the Foundation to support the purpose for and value of those services and the distribution of applicable personal service costs among specific College and Foundation activities for employees who work on more than one activity.

Response: The College understands the importance of the accountability of its resources. College leadership, in consultation with legal counsel, will review the Florida Statutes and College Board rules noted in this finding and make a recommendation to the Board and/or Cabinet regarding any proposed changes to its Rules and/or procedures regarding the College's Direct Support Organization. The College agrees to improve documentation to support the use of College property, facilities, and personal services by its direct support organization.

Finding 4: Information Technology User Access Privileges

Recommendation: To ensure access to sensitive employee and student information is properly safeguarded, the College should:

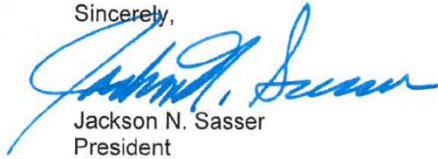
- Upgrade the College database to include mechanisms to differentiate IT user access privileges to current employee and student information from access privileges to former employee and student information.
- Establish appropriate procedures for granting user access privileges based on a demonstrated need for such access.
- Incorporate user access privileges to SSN's into the periodic review of IT user access privileges.

Response: The College takes the security of student and employee personal information very seriously. The College's Student and Employee information system does not currently provide a mechanism to restrict access or distinguish access between current employee and student information and former employee and student information. The College is currently upgrading the database to include a mechanism to differentiate IT user access privileges to current employee and student information from access privileges to former employee and student information. The College anticipates this upgrade will be installed next month. The College has taken steps and will continue to take steps to enhance procedures for granting user access as well as the periodic review of IT user access privileges.

January 29, 2018  
Ms. Norman  
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Should you have any questions regarding the College's responses, please contact, Ms. Ginger Gibson, Vice President for Administrative Affairs/CFO at (352) 395-5208 or [ginger.gibson@sfcollge.edu](mailto:ginger.gibson@sfcollge.edu).

Sincerely,



Jackson N. Sasser  
President

cc: Ginger Gibson  
Lisa Armour  
Ed Bonahue  
Patti Locascio  
Naima Brown  
Chuck Clemons