

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2021-057
November 2020

THE COLLEGE OF THE FLORIDA KEYS



Sherrill F. Norman, CPA
Auditor General

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The team leader was Kristina L. Tinkler, CPA, and the audit was supervised by Hector J. Quevedo, CPA.

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THE COLLEGE OF THE FLORIDA KEYS

SUMMARY

This operational audit of The College of the Florida Keys (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2018-176. Our operational audit disclosed the following:

Finding 1: As similarly noted in our report No. 2018-176, the College did not always make timely efforts to collect payments from students with delinquent accounts.

Finding 2: Contrary to College procedures, required background screenings were not always timely performed and documented for new employees.

Finding 3: Some unnecessary information technology user access privileges existed that increased the risk for unauthorized disclosure of student social security numbers to occur. A similar finding was noted in our report No. 2018-176.

BACKGROUND

The College of the Florida Keys (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.

Pursuant to Section 1001.60(2)(b)1., Florida Statutes, the College's Board approved the name change from Florida Keys Community College to The College of the Florida Keys, effective July 1, 2019.

The College has a main campus in Key West. Additionally, credit and noncredit classes are offered in virtual campuses and in public schools throughout Monroe County.

FINDINGS AND RECOMMENDATIONS

Finding 1: Collection Procedures

State law¹ provides that a Florida College System (FCS) institution board of trustees shall exert every effort to collect all delinquent accounts and may employ the services of a collection agency when deemed advisable to collecting delinquent accounts. The law also provides that the Board may adopt rules to implement this process, including setoff procedures and restrictions on the release of transcripts, awarding of diplomas, and access to other College resources and services.

¹ Section 1010.03, Florida Statutes.

College procedures² require that College personnel attempt collection of student receivables for at least 2 months or through the end of the term in which charges are due. During that period, College personnel must make collection efforts by telephoning the student at least twice and, at least once, e-mailing and sending a letter to the student. Following these collection efforts, College procedures³ require that, for accounts with a balance of \$50 or greater, College personnel send an additional letter (30-day notice of collection placement) notifying the student that the outstanding account balance will be referred to a collection agency unless full payment is received or a payment plan is established with the College within 30 days. Upon conclusion of the 30-day period, College personnel are to refer students with outstanding account balances to a collection agency.

As part of our audit, from the population of 587 student accounts totaling \$894,694, at December 31, 2019, we examined College records supporting 30 selected student accounts totaling \$139,229. We found that, for 3 accounts totaling \$14,580 with balances past due 91 days or more, College records did not evidence that the College's collection efforts comported with State law and College procedures. Specifically:

- For a \$5,009 past due student account balance, College records did not demonstrate any efforts, such as documented telephone calls, e-mails, or letters to the student, to collect this balance, which became delinquent in January 2018 and continued through the end of the Fall 2019 Term. On June 4, 2020, the College referred the student account to a collection agency; however, the College never sent the student the 30-day notice of collection placement letter and made the referral to the collection agency 909 days after the end of the Fall 2017 Term in December 2017.
- For two past due student account balances, each \$50 or greater and totaling \$9,571, the College sent the 30-day notice of collection placement letters to the students 96 and 142 days after the notice was required to be sent. On May 30, 2018, and November 1, 2018, the College referred these student accounts to a collection agency; however, the referrals were 47 and 13 days, respectively, after the College-established deadline.

According to College personnel, College collection procedures were not always followed due to staff oversights.

Prompt actions to notify students with past due account balances and the timely use of collection agencies could improve collections and reduce the amount of student accounts receivable written off as uncollectible. A similar finding was noted in our report No. 2018-176.

Recommendation: The College should ensure that College collection procedures are followed and that timely and appropriate efforts are made to collect all delinquent student accounts.

² College Procedure No. 21.403, *Invoicing Receivables*.

³ College Procedure No. 21.404, *Collection Placement*.

Finding 2: Background Screenings

State law⁴ requires colleges to designate the positions of special trust or responsibility subject to a level 2 background screening.⁵ College procedures⁶ expand the statutory screening requirements to require all employees to undergo a background screening during new hire orientation or at specified time scheduled by the Office of Human Resources for the purpose of providing a safe and secure student and employee environment. According to College personnel, background screenings generally occur before the employee start date, but no later than 30 days after that date.

As part of our audit, we requested, and the College provided a list of 87 employees who began College employment during the 2019 calendar year. From that list we requested for examination College records supporting the background screenings for 30 selected employees; however, College records were not provided to evidence the screenings for 3 employees (a tutor, a faculty member, and an adjunct instructor). Subsequent to our request, screenings for 2 of the 3 employees were obtained with no unsuitable backgrounds disclosed; however, College personnel indicated that the other employee had separated from College employment prior to the date of our request.

Our examination of the records provided for the other 27 selected employees disclosed that the background screenings for 3 employees (a camp assistant, a Nursing and Health Sciences Director, and an adjunct instructor) were obtained 148, 42, and 39, days, respectively, after the employees began College employment. College personnel indicated that background screenings were not always conducted as required and that, during the 2020-21 fiscal year, the Office of Human Resources began monitoring completion of all new hire documentation, including background screenings, through use of the College enterprise resource planning system.

Absent effective controls to ensure that required level 2 background screenings are timely obtained and the results promptly verified, there is an increased risk that the College will employ individuals with unsuitable backgrounds.

Recommendation: The College should continue efforts to ensure that level 2 background screenings are timely obtained and documented for all employees. In addition, the College should make appropriate personnel decisions based on the background screening results.

Finding 3: Information Technology User Access Privileges to Sensitive Personal Information

The Legislature has recognized in State law⁷ 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 sensitive personal information unnecessary for their assigned duties and provide for

⁴ Section 1012.8551, Florida Statutes, effective July 1, 2019.

⁵ A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the Florida Department of Law Enforcement (FDLE), national criminal history records checks through the Federal Bureau of Investigation and may include local criminal checks through local law enforcement agencies.

⁶ College Procedure - 56.254 *Criminal Background Investigations*.

⁷ Section 119.07(5)(a), Florida Statutes.

documented, periodic evaluations of employee access privileges to help prevent personnel from accessing sensitive personal information inconsistent with their duties.

According to College personnel and records, the College established a unique identifier, other than the SSN, to identify each student. However, the College collects and uses SSNs pursuant to State law for various purposes, such as to register newly enrolled students, comply with Federal tax reporting requirement, and other Federal and State requirements related to financial and academic assistance. Designated College officials and personnel are provided access to sensitive personal student information to perform an administrative, supervisory, or instructional responsibility that serves a legitimate education purpose. College procedures⁸ provide for the periodic evaluation of user access privileges to the College IT system and, according to College personnel, this evaluation extends to access privileges to student SSNs. However, in response to our inquiry, College personnel indicated that the College did not perform an evaluation of user access privileges to the College IT system during the 2019 calendar year.

College procedures⁹ assign responsibility for the protection of the privacy of student educational and financial records to the directors of enrollment services and the financial aid departments, respectively. As of September 21, 2020, the College IT system contained the SSNs of 72,192 students, including former, current, and prospective students, and nine College employees had access to the student SSNs. While our inquiries of College personnel and our examination of College records supporting the access privileges of these nine employees to student SSNs disclosed that the employees had an educational purpose for having access to current student SSNs, College records were not readily available to demonstrate that these employees needed continuous access to former and prospective student SSNs. In addition, the College had not established a time frame for discarding sensitive personal information of prospective students who never enrolled in the College and, although we requested, College records were not provided to demonstrate a cost-benefit or risk analysis to justify the maintenance of this information indefinitely. In response to our inquiry, College personnel indicated that the College IT system did not have a mechanism to differentiate employee access privileges to former, current, or prospective student SSNs.

The existence of unnecessary access privileges increases the risk of unauthorized disclosure of student SSNs and the possibility that sensitive personal information may be used in fraud against College students. A similar finding was noted in our report No. 2018-176.

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

- **Periodically conduct and document evaluations of user access privileges to the College IT system in accordance with College procedures.**
- **Establish a reasonable time frame for maintaining the information of prospective students who do not enroll in the College and delete the information when the records are no longer needed or the time frame expires.**
- **Upgrade the College IT system to include a mechanism differentiating IT user access privileges to former, current, and prospective student information. Additionally, if an**

⁸ College Procedure 49.18, *Annual User Access Application Review*.

⁹ College Procedure 78.10, *Student Records & Vault Procedure*.

employee only requires occasional access, the access should be granted only for the time needed.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2018-176 except that Findings 1 and 3 were noted in report No. 2018-176 as Findings 2 and 7 respectively.

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 March 2020 through September 2020 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.

This operational audit focused on The College of the Florida Keys (College) information technology (IT) resources and related controls; direct-support organizations; student fees; textbook affordability; compensation, construction, and other expenses; and other processes and administrative activities. For those areas, our audit objectives 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. 2018-176.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

In planning and conducting our audit, we assessed whether internal controls were significant to our audit objectives by considering the internal control integrated framework established by the Committee of Sponsoring Organizations (COSO)¹⁰ and adapted for a government environment within the *Standards*

¹⁰ The Committee of Sponsoring Organizations (COSO) of the Treadway Commission was established in 1985 to develop guidance in the areas of risk and control which enable good organizational governance and reduction of fraud. Pursuant to their mission, COSO developed a framework for internal control that consists of five components and 17 underlying principles.

for *Internal Control in the Federal Government* issued by the United States Government Accountability Office. That framework is illustrated in the following table.

COSO Internal Control Integrated Framework

Internal Control Component	Description	Underlying Principles (To be Applied by the Board and Management)
Control Environment	Standards, processes, and structures that provide the basis for carrying out internal control across the organization. Represents the foundation on which an effective internal control system is built.	<ul style="list-style-type: none"> • Demonstrate commitment to integrity and ethical values. • Exercise oversight responsibility. • Establish structures and reporting lines and assign authorities and responsibilities. • Demonstrate commitment to a competent workforce. • Hold individuals accountable for their responsibilities.
Risk Assessment	Management’s process to consider the impact of possible changes in the internal and external environment and to consider actions to mitigate the impact. The basis for how risks will be managed.	<ul style="list-style-type: none"> • Establish clear objectives to define risk and risk tolerances. • Identify, analyze, and respond to risks. • Consider the potential for fraud. • Identify, analyze, and respond to significant changes that impact the internal control system.
Control Activities	Activities in the form of policies, procedures, and standards that help management mitigate risks. Control activities may be preventive in nature or detective in nature and may be performed at all levels of the organization.	<ul style="list-style-type: none"> • Design control activities to achieve objectives and respond to risks. • Design control activities over technology. • Implement control activities through policies and procedures.
Information and Communication	Information obtained or generated by management to support the internal control system. Communication is the dissemination of important information to help the organization meet requirements and expectations.	<ul style="list-style-type: none"> • Use relevant and quality information. • Communicate necessary information internally to achieve entity objectives. • Communicate necessary information externally to achieve entity objectives.
Monitoring	Periodic or ongoing evaluations to verify that the internal control system is present and functioning properly.	<ul style="list-style-type: none"> • Conduct periodic or ongoing evaluations of the internal control system. • Remediate identified internal control deficiencies on a timely basis.

We determined that all internal control components were significant to our audit objectives. The associated underlying principles significant to our objectives included:

- Board and management commitment to integrity and ethical values.
- Board exercise of oversight responsibility.
- Management establishment of an organizational structure, assignment of responsibility, and delegation of authority to achieve the college’s goals and objectives.
- Management commitment to recruit, develop, and retain competent individuals.
- Management establishment of clear objectives to enable the identification of risks and define risk tolerances.
- Management consideration of the potential for fraud.
- Management design of control activities to achieve the College’s objectives and respond to risks.
- Management design of controls over information technology.
- Management establishment of policies and procedures to implement internal control activities.
- Management use of relevant and quality information to achieve the College’s objectives.
- Management communication of information internally necessary to achieve the College’s objectives.

- Management communication of information externally necessary to achieve the College's objectives.
- Management activities to monitor the College's internal control system and evaluate the results.
- Management remediation of identified internal control deficiencies on a timely basis.

This audit was designed to identify, for those areas included within the scope of the audit, weaknesses in management's internal controls significant to our audit objectives; 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; identifying and evaluating internal controls significant to our audit objectives; 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 2019 through December 2019 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 applicable laws, rules, College policies and procedures, and other guidelines, and interviewed College personnel to obtain an understanding of applicable processes and administrative activities.
- Reviewed College IT policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, system development and maintenance, disaster recovery, and incident response and recovery.
- Evaluated College procedures for maintaining and reviewing employee access to IT data and resources. We examined access privileges to the database and finance and human resources applications during the audit period for the 30 users as of February 2020 to determine the appropriateness and necessity of the access based on the employees' job duties and user

account functions and the adequacy with regard to preventing the performance of incompatible duties.

- Evaluated College procedures for protecting sensitive personal information of students, including social security numbers. We examined College records supporting the access privileges granted to 9 employees to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- Determined whether a comprehensive IT security awareness and training program was in place for the audit period.
- Reviewed the College's IT security incident response plan and evaluated the College's response to any security breach occurred prior to, or during the audit period.
- Examined College records to determine whether the College had developed an anti-fraud policy for the audit period 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.
- From the population of 554 course sections offered during the audit period, examined College records supporting textbook adoptions to determine whether the College textbook affordability procedures complied with Section 1004.085, Florida Statutes.
- Determined whether the College's unencumbered balance in the general fund at June 30, 2019, was below the threshold established in Section 1011.84, Florida Statutes.
- From the population of 426 electronic funds transfers (EFTs) totaling \$5,051,313 during the audit period, examined 30 selected EFTs totaling \$477,973 to determine whether the EFTs were adequately supported and properly authorized.
- Examined College records to determine whether bank account reconciliations were timely prepared, approved, and performed by employees who were independent of the cash handling and recording functions.
- Determined whether College deposits were secured in a qualified public depository.
- Evaluated the effectiveness of College's controls over its check preparation and printing process.
- From the population of 587 student receivables totaling \$894,694 recorded as of December 2019, examined documentation relating to 30 selected student receivables totaling \$139,229 to determine whether student receivables were properly authorized, adequately documented, and properly recorded. In addition, we evaluated whether College collection efforts were adequate and restrictions on student records were appropriate and enforced for students with delinquent accounts pursuant to Section 1010.03, Florida Statutes, and College Procedures 21.403 and 21.404.
- Examined College records to determine whether uncollectible accounts totaling \$83,718 written off during the audit period were properly approved by the Board.
- Evaluated the effectiveness of College controls during the audit period to ensure that students who had not paid fees in an approved manner were not considered in calculating full-time equivalent enrollments for State funding purposes pursuant to Sections 1009.22(11) and 1009.23(9), Florida Statutes.
- Evaluated College's method for calculating the allowance for doubtful accounts to determine adequacy of provisions.
- Examined College records related to a land acquisition for \$3 million to determine compliance with Sections 1013.14(1)(b) and 1013.36, Florida Statutes.

- Examined documentation related to College facilities rental arrangements with fees totaling \$78,000, selected from the total facilities rental fees collected totaling \$80,863 during the audit period, to determine whether the College properly monitored compliance with the arrangements' terms and insurance provisions.
- Examined College records for 30 students who were assessed tuition and fees totaling \$67,622 of the student tuition and fees totaling \$3,299,568 during the audit period to determine whether the College documented Florida residency and complied with Sections 1009.21, 1009.22, and 1009.23, Florida Statutes; State Board of Education Rules 6A-10.044 and 6A-14.054, Florida Administrative Code; and Board Rule 7.310.
- Determined whether the College had established procedures to cancel the registration of students who did not timely pay fees and record deferred fees as a receivable.
- Determined whether certain student fees totaling \$611,539, assessed during 2018-19 fiscal year pursuant to Section 1009.23, Florida Statutes, were within amounts authorized, paid into appropriate accounts to maintain accountability, and used as required by State law.
- Examined College records supporting collections totaling \$30,914 selected from the population of fees totaling \$101,503 collected at a decentralized collection location during the audit period, to determine the effectiveness of College collections procedures.
- Evaluated Board policies and College procedures for enrolling transient students and ensuring compliance with Section 1006.735(4), Florida Statutes.
- From the population of compensation payments totaling \$7,751,531 made to 218 employees during the audit period, selected payments totaling \$78,147 made to 30 employees and examined College records supporting the payments to determine the accuracy of the rate of pay, the validity of employment contracts, whether the employees met the required qualification, whether performance evaluations were completed, the accuracy of leave records, and whether supervisory personnel reviewed and approved employee reports of time worked.
- Evaluated Board policies and College 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. Specifically, from the population of 98 employees who separated from College employment during the audit period and were paid \$66,507 for terminal leave, we selected 25 employees with terminal payments totaling \$65,890, and examined the supporting records to determine compliance with Sections 110.122 and 1012.865, Florida Statutes, and Board policies
- Evaluated College policies and procedures for obtaining personnel background screenings and examined College records for 30 employees of the 87 employees hired during the audit period, to determine compliance with Section 1012.8551, Florida Statutes.
- Examined College records supporting compensation payments totaling \$207,490 made to the President during the audit period to determine whether the amounts paid from State-appropriated funds did not exceed the limits established in Sections 1012.885, Florida Statutes.
- Examined College records to determine whether the Board had prescribed by rule, pursuant to Section 1004.70(3)(b), Florida Statutes, the conditions with which the direct-support organizations (DSOs) must comply in order to use College property, facilities, and personal services and whether the Board documented consideration and approval of anticipated property, facilities, and personal services provided to the DSOs and the related costs.
- Examined College records to determine whether a transfer of DSO assets, liabilities, and operations to the College and the subsequent lease of a DSO-donated student residency hall to a former DSO majority bondholder was of benefit to the College and complied with applicable State laws and Board policies.

- Examined College records to determine whether selected expenses 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. Specifically:
 - From the population of general expenses totaling \$6,751,982 for the audit period, we examined College records supporting 30 selected payments for general expenses totaling \$34,177.
 - From the population of contracted services totaling \$1,245,437 for the audit period, we examined documentation related to 32 payments for contracted services totaling \$457,875.
- From the population of 1,660 purchasing card (P-card) transactions totaling \$349,878 during the audit period, examined College records supporting 35 selected P-card transactions totaling \$54,889 to determine whether the P-card program was administered in accordance with Board policies and College procedures and transactions served a College purpose.
- Examined P-card records for the one cardholder who separated from College employment during the audit period to determine whether the College timely canceled the cardholder's P-card.
- Evaluated the credit limits for the 18 P-cardholders during the audit period to determine whether the credit limits were in compliance with Board Policies and P-card program procedures and reasonable based on the P-cardholder's job responsibilities.
- Reviewed Board policies and College procedures related to identifying potential conflicts of interest. We also researched the Department of State, Division of Corporations, records and reviewed the statements of financial interest and College records for the seven Board members and the five executive management team members who had significant purchasing responsibilities or access to funds to identify any relationship that represented a potential conflict of interest.
- From the population of 5 major construction projects with contract amounts totaling \$23,538,969, and construction costs totaling \$1,093,917 during the audit period:
 - Selected 9 payments totaling \$427,755 and examined College records to determine whether the payments were made in accordance with provisions of applicable State laws, State Board of Education rules, Board policies, College procedures, and contract terms and conditions.
 - Determined whether the College process for selecting design professionals and construction managers was in accordance with Sections 287.055 and 255.103, Florida Statutes, respectively; the College adequately monitored the subcontractor selection process; the Board had adopted a policy establishing minimum insurance coverage requirements for design professionals; and design professionals provided evidence of required insurance.
- From the population of Public Education Capital Outlay and other restricted capital outlay expenses totaling \$1,906,831 during the audit period, examined records supporting 30 selected expenses totaling \$1,685,113 to determine whether the funds were expended in compliance with the restrictions imposed on the use of these resources.
- From the population of 5 non-Federal grants received totaling \$231,818 during the 2018-19 and 2019-20 fiscal years, selected a grant totaling \$172,217, and examined College records to determine whether payments were made in accordance with the grant terms and conditions.
- From the population of 125 industry certifications reported for performance funding that were attained by students from October 2017 to March 2019, examined 31 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

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.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large initial 'S'.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Sherrill F. Norman, CPA
Auditor General
Claude Denson Pepper Building, Suite G74
Tallahassee, Florida 34399-1450

Dear Ms. Norman:

Please find The College of the Florida Keys' response to the preliminary and tentative audit findings for the operational audit.

Finding 1: As similarly noted in our report NO. 2018-176, the College did not always make timely efforts to collect payments from students with delinquent accounts.

The College of the Florida Keys concurs with the audit finding related to timely efforts to collect payments from students with delinquent accounts. The greatest obstacles faced with managing accounts receivables is unforeseen position vacancies, college closures, and internal audit controls. The College has updated its Procedure 21.403 *Invoicing Receivables* to include clarity that receivable collection attempts start within two months of the receivable's assessment date. The College has also updated Procedure 21.404 *Collection Placement* to include language regarding the timeline for accounts being placed in collections, which is no later than ten business days from conclusion of thirty-day notice. Lastly, the College has included an internal audit control component to Procedure 21.404 where the Business Office Manager or Controller will conduct an internal audit of accounts receivables once per semester. Selections will include ten accounts or less depending on the number of open receivables. Procedures will be documented on form 21.404(B) *Collections Tracking Form*.

Finding 2: Contrary to College procedures, required background screenings were not always timely performed and documented for new employees.

The College of the Florida Keys concurs with the audit finding that background screenings were not always timely performed and documented for new employees. The Office of Human Resources will continue its efforts to ensure that Level II background screenings are obtained in accordance with College procedures by utilizing the College's Enterprise Resource Planning system for tracking of due dates. College personnel who do not provide timely background screening documentation will not be permitted to continue working until the documentation is received.

Finding 3: Some unnecessary information technology user access privileges existed that increased the risk for unauthorized disclosure of student social security numbers to occur. A similar finding was noted in our report No. 2018-176.

The College of the Florida Keys concurs with the audit finding that information technology user access privileges exist that increase the risk for unauthorized disclosure of student social security numbers. The College will conduct User Access to Banner Application Review Procedure 49.18 starting in December 2020. The College will investigate options for removing prospective student data from the Banner Application. The College will monitor vendor releases and upgrades to the Banner system for opportunities to accommodate differentiating of records.

Sincerely,

Dr. Charlene C. White Digitally signed by Dr. Charlene C. White
Date: 2020.11.18 15:48:05 -05'00'

Dr. Charlene C. White

Vice President, Finance and Administrative Services

cc: Dr. Jonathan Gueverra