

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-007
August 2023

FLORIDA POLYTECHNIC UNIVERSITY



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the period January through December 2022, Dr. Randy K. Avent served as President of Florida Polytechnic University and the following individuals served as Members of the Board of Trustees:

Clifford "Cliff" K. Otto, Chair	Dr. Laine Powell
Beth Kigel, Vice Chair from 9-1-22	Melia Rodriguez from 4-28-22 ^b
R. Mark Bostick, Vice Chair through 8-31-22	Dr. W. Earl Sasser through 6-30-22 ^c
Dr. Ala J. Alnaser through 5-5-22 ^a	Lyn D. Stanfield
Samantha Ashby through 4-27-22 ^b	Robert W. Stork
Dr. Narendra Kini	Gary C. Wendt
Dr. Susan LeFrancois from 5-6-22 ^a	Dr. David Williams from 11-9-22 ^c

^a Faculty Senate Chair.

^b Student Body President.

^c Trustee resigned 6-30-22, and position was vacant through 11-8-22.

Note: Two Trustee positions were vacant the entire calendar year.

The team leader was Pakeishia L. Johnson, and the audit was supervised by Mark A. Arroyo, CPA.

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

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FLORIDA POLYTECHNIC UNIVERSITY

SUMMARY

This operational audit of Florida Polytechnic University (University) focused on selected University processes and administrative activities and included a follow-up on findings noted in our report No. 2021-008. Our operational audit disclosed the following:

Finding 1: The University had not established a time frame for purging sensitive personal information of prospective students to reduce the risk of unauthorized disclosure.

BACKGROUND

The Florida Polytechnic University (University) is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors (BOG). The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the BOG appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered 5-year terms. The Faculty Senate Chair and Student Body President also are members.

The BOG establishes the powers and duties of the Trustees. The Trustees are responsible for setting University policies, which provide governance in accordance with State law and BOG Regulations. The University President is selected by the Trustees and confirmed by the BOG. The University President serves as the Executive Officer and the Corporate Secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees for the University.

FINDING AND RECOMMENDATION

Finding 1: Sensitive Personal Information of Prospective Students

The Legislature has recognized in State law¹ 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. University policies² provide that the record retention period is based on the nature of the information and varies from immediate destruction to permanent retention. The policies also provide that retention periods can be found in the State *General Records Schedules*,³ which require retention periods of 5 years for certain records of students who apply for admission but are denied or who did not register.

¹ Section 119.071(5)(a), Florida Statutes.

² FPU Policy - 1.0122P, *Record Retention Policy*.

³ Florida Department of State, Division of Library and Information Services – *General Records Schedule GS5 For Public Universities and Colleges*, Item #97.

The University collects and uses student SSNs for various purposes, such as to register newly enrolled students, comply with Federal and State requirements related to financial and academic assistance, and perform other University responsibilities. The University maintains sensitive personal records, including SSNs, of prospective, current, and former students. The University maintains former students' SSNs to provide student transcripts to universities and potential employers based on authorized requests.

As of June 2023, the University had retained 10,718 prospective student SSNs for over 5 years and some up to 10 years. In response to our inquiry, University personnel indicated that this information had been retained indefinitely for the applicant's convenience; however, the University had not established a time frame for purging the SSNs or documented the public purpose served for indefinitely retaining this information. Retaining prospective student SSNs without an established public purpose increases the risk of unauthorized disclosure of the information and the possibility that the information may be used to commit a fraud against the prospective students or others.

Recommendation: To ensure sensitive personal information, including SSNs, of prospective students who apply but do not enroll in the University is properly safeguarded, the University should document the public purpose served by retaining that information beyond 5 years, and based on that purpose, establish a reasonable time frame for retention and promptly purge the information when the time frame expires.

PRIOR AUDIT FOLLOW-UP

The University had taken corrective actions for findings included in our report No. 2021-008.

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 2023 through June 2023 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 selected University 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. 2021-008.
- 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 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 the selection and examination of transactions and records, as well as events and conditions, occurring during the audit period of January 2022 through December 2022 and selected University 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, University policies and procedures, and other guidelines, and interviewed University personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Reviewed University information technology (IT) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security access, systems development and maintenance, user authentication, and disaster recovery.
- Evaluated University procedures for maintaining and reviewing employee access to IT data and resources. We examined access privileges for the 19 employees with access to selected critical

functions within the finance and human resources applications during the audit period to determine the appropriateness and necessity of the access privileges based on the employees' job duties and user account functions and whether the access prevented the performance of incompatible duties.

- Evaluated University procedures for protecting the sensitive personal information of students, such as social security numbers. For the 17 employees who had access privileges to the sensitive personal information of students during the audit period, we examined University records supporting the access privileges to evaluate the appropriateness of and necessity for the access privileges based on the employees' assigned job responsibilities.
- Evaluated University procedures for purging sensitive personal information of prospective students.
- Evaluated the appropriateness of the University's comprehensive IT disaster recovery plan during the audit period and determined whether it had been recently tested.
- Reviewed operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- From the population of 426 course sections offered during the audit period, examined University records supporting textbook adoptions to determine whether the University textbook affordability procedures complied with Section 1004.085, Florida Statutes.
- Evaluated University policies and procedures for obtaining personnel background screenings to determine compliance with Section 1012.915, Florida Statutes.
- From the two major construction projects in progress during the audit period with expenses totaling \$10,821,463, selected seven expenses totaling \$3,548,112 related to the largest construction project (with total construction expenses totaling \$9,362,835) and examined University records to determine whether the expenses were in accordance with contract terms and conditions, University policies and procedures, and provisions of applicable State laws and rules.
- Reviewed University records for the largest construction project in progress during the audit period to determine whether the University's process for selecting design professionals and construction managers was in accordance with State law; the selection process of subcontractors was adequately monitored including verification of licenses; the Trustees had adopted a policy establishing minimum insurance coverage requirements for design professionals; design professionals provided evidence of required insurance; and construction funding sources were appropriate.
- From the population of expenses totaling \$13,318,757 from Public Education Capital Outlay and other restricted capital outlay resources during the audit period, examined records supporting 17 selected expenses totaling \$4,569,136 to determine whether funds were expended in compliance with the restrictions imposed on the use of the resources. Also, we determined whether Education and General carryforward funds were budgeted and used in accordance with Board of Governors Regulation 9.007.
- Determined whether the University maintained a minimum carryforward balance of at least 7 percent of its State operating budget and whether the University prepared a spending plan for balances in excess of the 7 percent minimum balance as required by Section 1011.45, Florida Statutes.
- Reviewed University records supporting expenses totaling \$53,918 incurred under the authority granted by a state of emergency, declared or renewed during the audit period to determine whether the expenses were appropriate and reasonable.

- 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 University 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



**FLORIDA POLYTECHNIC
UNIVERSITY**

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August 9, 2023

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

Dear Ms. Norman:

Pursuant to Section 11.45(4)(d), Florida Statutes, the university is required to submit a written statement of explanation concerning the finding and proposed corrective action.

Please find the attached response to the Preliminary and Tentative Finding for Florida Polytechnic University's recent operational audit. Should you have any questions, please contact David Blanton at (863) 874-8441.

We appreciate the thoroughness and professionalism of the Auditor General's Lakeland team in examining university processes and administrative activities. The resulting recommendations will assist the university in improving operations.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy K. Avent".

Dr. Randy K. Avent
President
Florida Polytechnic University

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Florida Polytechnic University
Response to Operational Audit Finding

Finding 1: Sensitive Personal Information of Prospective Students

Recommendation: To ensure sensitive personal information, including SSNs, of prospective students who apply but do not enroll in the University is properly safeguarded, the University should document the public purpose served by retaining that information beyond 5 years, and based on that purpose, establish a reasonable time frame for retention and promptly purge the information when the time frame expires.

Response: The University concurs with the auditor's finding concerning the safeguarding of sensitive personal information. The University is in the process of developing procedures to document the public purpose for records needed in excess of the 5-year retention period and/or timely disposing of such information otherwise.