

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-020
September 2023

**FLORIDA STATE COLLEGE AT
JACKSONVILLE**



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the period January through December 2022, Dr. John Avendano served as President of the Florida State College at Jacksonville and the following individuals served as Members of the Board of Trustees:

	<u>County</u>
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Roderick D. Odom	Nassau
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^a The Vice Chairs serve with equal rank and status on the Board. The purpose of the dual office is to ensure leadership representation from each of the two counties served by the College.

^b Trustee position vacant 4-29-22, through 10-26-22.

The team leader was Donald D. Hemmingway, CPA, and the audit was supervised by Ivo Njabe, 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 STATE COLLEGE AT JACKSONVILLE

SUMMARY

This operational audit of Florida State College at Jacksonville (College) focused on selected College processes and administrative activities and included a follow-up on the finding noted in our report No. 2021-052. Our operational audit disclosed the following:

Finding 1: Some unnecessary information technology user access privileges continued to exist, increasing the risk for unauthorized disclosure of sensitive student information to occur.

BACKGROUND

Florida State College at Jacksonville (College) is under the general direction and control of the Florida Department of Education, Division of Florida Colleges, and is governed by State law and State Board of Education rules. A board of trustees (Board) governs and operates the College. The Board constitutes a corporation and is composed of 9 members appointed by the Governor and confirmed by the Senate. The College President serves as the Executive Officer and the Corporate Secretary of the Board and is responsible for the operation and administration of the College.

The College has campuses in Jacksonville, FL, and centers in Jacksonville and Yulee. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Duval and Nassau Counties.

FINDING AND RECOMMENDATION

Finding 1: Information Technology User Access Privileges

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 such information. Effective controls restrict employees from accessing information unnecessary for their assigned duties and provide for documented, periodic evaluations of information technology (IT) user access privileges.

The College collects and uses SSNs for various purposes, such as to comply with Federal tax reporting requirements and other Federal and State requirements related to financial and academic assistance. According to College personnel and records, the College established a unique identifier, other than the SSN, to identify each student and also maintained student information, including SSNs, in the College Student Information System (SIS) and Document Imaging System (DIS). The College also maintains an admissions system that gives prospective students the option to provide their SSNs.

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

As of May 2023, the SIS and DIS contained SSNs for 1,235,961 students, including 1,182,582 former, 42,618 current, and 10,761 prospective students, and the admissions system contained SSNs for 96,821 prospective students. As part of our audit, we examined College records, made inquiry with College personnel, and found that:

- 303 employees had access to current, former, and prospective student SSNs in the SIS and DIS. We examined College records supporting the access privileges of 95 selected employees and found that 6 employees had access to the DIS but no longer needed that access. College personnel reviewed the access privileges for the 208 other employees and found 66 employees with unnecessary access privileges in the DIS. The 72 employees with unnecessary access included, for example, 12 business services employees, 4 information technology employees, 3 adjunct instructors, and 3 test examiners or proctors, who needed access to some student records but not access to student SSNs. Subsequent to our inquiry, College personnel removed the unnecessary access privileges for the 72 employees.
- The 174 employees with access to the admissions system had access to prospective student SSNs although the employees' job responsibilities did not require that access. In response to our inquiry, College personnel indicated that they started working with a vendor to resolve this issue.
- The SIS and the DIS did not have the ability to differentiate access privileges to sensitive information for former, current, and prospective students. As a result, some employees had unnecessary access to some student SSNs in the systems.

According to College personnel, they periodically evaluated employee access privileges to student SSNs but did not always identify those with unnecessary access. In addition, they were not aware that employees could view student SSNs in the admissions system or that the access privileges needed to be differentiated in the SIS and the DIS. 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 to commit a fraud against College students or others. A similar finding was noted in our report No. 2021-052.

Recommendation: The College should continue efforts to ensure that access privileges are limited to those necessary for employees to perform their assigned duties. Such efforts should include:

- **Effective periodic evaluations of IT user access privileges to ensure those privileges restrict employees from accessing information unnecessary for their assigned duties and timely removal of any unnecessary privileges detected.**
- **Upgrades to the SIS and DIS that differentiate access privileges to current, former, and prospective student information.**

PRIOR AUDIT FOLLOW-UP

As discussed in Finding 1, the College had not taken corrective action for the finding included in our report No. 2021-052.

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 July 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 College 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 action for the finding included in our report No. 2021-052.
- 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 2022 calendar year audit period 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 and the related requirements.
- Reviewed College information technology (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 finance and human resources applications during the audit period for 30 of the 266 users 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 that prohibit former employees' access to College IT data and resources. From the population of 424 employees who separated from College employment during the 2021-22 fiscal year, we examined the access privileges for 16 selected former employees to determine whether their access privileges had been timely deactivated.
- Evaluated College procedures for protecting sensitive personal information of students, including social security numbers (SSNs). As of May 2023, from the 477 employees with access privileges to student sensitive personal information in the Student Information System (SIS), Document Imaging System (DIS), and admissions system, we examined College records supporting the access privileges granted to 95 selected employees with access to the SIS and the DIS, along with the 174 employees with access to the admissions system, to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- Evaluated the appropriateness of the College comprehensive IT disaster recovery plan effective during the audit period and determined whether it had been recently tested.
- Reviewed operating system, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- 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.
- Determined whether the College's unencumbered balance in the general fund was below the threshold established in Section 1011.84, Florida Statutes.
- Reviewed the College's 5-year capital improvement plan for the 2023-24 through 2027-28 fiscal years to determine whether the College properly reported the capital outlay project funding sources in accordance with the Division of Florida Colleges instructions for consideration in the Florida Department of Education annual legislative budget request for Public Education and Capital Outlay funding submitted to the Legislature.
- Evaluated College records to determine whether College procedures were effective in identifying, accounting for, and inventorying College-owned tangible personal property.

- To determine whether student fees totaling \$51.8 million during the audit period were properly assessed and authorized, accurately calculated, and correctly recorded in accordance with Board policies and statutory and State Board requirements:
 - Examined College records for 30 selected students and their related fees totaling \$110,347 to determine whether the College correctly assessed tuition in compliance with Sections 1009.22 and 1009.23, Florida Statutes, and State Board of Education Rules 6A-10.044 and 6A-14.054, Florida Administrative Code.
 - Determined whether the College had established effective procedures for canceling the registration of students who did not timely pay fees and recording deferred fees as a receivable. From the population of fee deferments totaling \$7 million, we examined supporting documentation for 30 selected students with deferments totaling \$150,537 to determine the adequacy of College procedures.
- From the population of 1,294 distance learning courses with fee revenue totaling \$3.6 million during the audit period, examined College records supporting 30 selected distance learning courses with fee revenue totaling \$83,655 to determine whether the fees were assessed, collected, and separately accounted for in accordance with Section 1009.23(16)(a) and (b), Florida Statutes.
- From the population of \$14.6 million fee waivers during the audit period, examined documentation for 30 selected students with waivers totaling \$113,081 to determine whether College procedures complied with Section 1009.26, Florida Statutes, and Board policies.
- Examined College records supporting extra compensation totaling \$65,500 paid in September 2022 to 131 part-time non-instructional employees and stipends totaling \$428,129 paid to 197 employees during the audit period to determine whether the payments were in accordance with Section 215.425, Florida Statutes.
- From the population of compensation payments totaling \$86.5 million made to 2,915 employees during the audit period, selected payments totaling \$47,035 made to 30 employees and examined College records supporting the payments to determine whether the rate of pay was accurate, employment contracts were valid, performance evaluations were completed, leave records were accurate, and 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 200 employees who separated from College employment during the audit period and were paid \$1.8 million for terminal leave, we selected 30 employees with terminal payments totaling \$1.1 million and examined the supporting records to determine compliance with Sections 110.122 and 1012.865, Florida Statutes, and Board policies.
- Examined severance pay provisions in the President's and administrative and professional employees' contracts to determine whether the provisions complied with Section 215.425(4)(a), Florida Statutes.
- Examined College records supporting compensation payments totaling \$443,619 made to the President during the audit period to determine whether the amounts paid did not exceed the limits established in Section 1012.885, Florida Statutes.
- 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 State laws, Board policies, and contract terms. Specifically, from the population of expenses totaling \$121.8 million for the audit period, we examined College records supporting 30 selected payments for general expenses totaling \$1.6 million.

- From the population of 10,081 purchasing card (P-card) transactions totaling \$3 million during the audit period, examined College records supporting 40 selected P-card transactions totaling \$19,899 to determine whether the P-card program was administered in accordance with Board policies and College procedures and transactions were not of a personal nature.
- Examined P-card records for the 19 cardholders who separated from College employment during the audit period to determine whether the College timely canceled the cardholders' P-cards.
- Examined College records supporting all 22 transactions totaling \$470,709 between the College and its direct-support organization during the 2021-22 fiscal year to determine whether the transactions were authorized as described in Section 1004.70(1)(a)2., (3), and (4), Florida Statutes.
- From the population of \$6.9 million of student activity and service fees, capital improvement fees, student financial aid fees, and technology fees expended during the audit period, examined documentation supporting expenses totaling \$1.4 million to determine whether the College expended the collected fees as required by Section 1009.23, Florida Statutes.
- Examined College records to determine whether the College implemented adequate procedures to monitor and document the cost savings realized under an energy performance contract entered into in a prior fiscal year in accordance with Section 1013.23, Florida Statutes.
- From the population of 2,141 adult general education instructional students reported for 184,112 contact hours for the Spring and Fall 2022 Semesters, examined College records supporting 1,041 reported contact hours for 30 selected students to determine whether the College reported the instructional contact hours in accordance with the Florida Department of Education requirements.
- From the population of 701 industry certifications reported for performance funding that were attained by students during the 2021-22 fiscal year, examined 30 industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- Inquired whether the College had any expenses or entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period.
- 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 finding and recommendation that is 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 fluid and cursive, with a large initial 'S' and 'N'.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



September 18, 2023

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

Dear Ms. Norman,

Enclosed is Florida State College at Jacksonville's written statement of explanation concerning the tentative audit finding. The response also includes the proposed corrective actions.

Please accept our sincerest appreciation for the collaboration and assistance received from the Auditor General team members throughout the duration of the audit. Feel free to contact us if you have any questions or if additional information is needed.

Sincerely,

A handwritten signature in blue ink that reads "John Avendano". The signature is fluid and cursive, written over a light blue horizontal line.

John Avendano, PhD
President

Florida State College at Jacksonville
Operational Audit
Preliminary & Tentative Audit Findings as of August 23, 2023
FCSJ Written Statement of Explanation/Proposed Correction Action

The State of Florida Auditor General's office conducted an operational audit on select processes and administrative activities at Florida State College at Jacksonville including a follow-up on a finding noted in their report No. 2021-052.

There was one finding noted related to Information Technology User Access Privilege that was related to the follow up from the prior audit.

- **Finding:**

- 72 employees had access to student SSNs in the document imaging system but did not need access for their current job responsibilities. Once this was identified the college removed the unnecessary access privileges for those 72 employees.
- 174 employees in admissions have access to prospective student SSNs within the admissions system. The college is working with the vendor to resolve the issue as there is not a current way to mask the information.
- The Student Information System (SIS) and the Document Imaging System (DIS) did not have the ability to differentiate access privileges to sensitive information for former, current, and prospective students. As a result, some employees had unnecessary access to some student SSNs in the systems.

- **Recommendation:**

The College should continue efforts to ensure that access privileges are limited to those necessary for employees to perform their assigned duties. Such efforts should include:

- Effective periodic evaluations of IT user access privileges to ensure those privileges restrict employees from accessing information unnecessary for their assigned duties and timely removal of any unnecessary privileges detected.
- Upgrades to the SIS and DIS that differentiate access privileges to current, former, and prospective student information.

- **Written Statement of Explanation/Proposed Corrective Action:**

The College will continue its efforts to ensure that access privileges are limited to those necessary for employees to perform their assigned duties. These efforts will include:

- Continuing to perform periodic evaluations of IT user access privileges to ensure employee restrictions regarding accessing information unnecessarily for assigned duties and timely revoking unnecessary privileges. The current evaluation process

for the SIS and DIS systems will be further refined to include additional scrutiny regarding the justification for the request for security access.

- FSCJ is currently working with Element451 to create role-based security within the system which will allow the College to restrict and monitor access timelier and more precisely. The College will continue to monitor the vendor's progress in the development and implementation of strategies for resolution.
- The College has received confirmation that while PeopleSoft has the ability to store information about a student's enrollment status (prospective, current, or former), there is currently not a function within the delivered product to limit access based on those criteria. FSCJ will continue to work with the vendor to identify possible solutions for addressing this issue.