

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-029
October 2023

THE COLLEGE OF THE FLORIDA KEYS



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the period January through December 2022, Dr. Jonathan Gueverra served as President of The College of the Florida Keys and the following individuals served as Members of the Board of Trustees:

Kevin Madok, Chair from 9-29-22,
Vice Chair through 9-28-22
Sheldon Suga, Vice Chair from 9-29-22
Stephanie S. Scuderi, Chair through 9-28-22 ^a
Dan Leben from 8-26-22 ^b
Michelle S. Maxwell from 8-26-22 ^c
Michael H. Puto
Elena G. Spottswood through 5-24-22 ^b
Richard Weinstein from 8-26-22 ^c

^a Trustee position vacant 9-29-22, through 12-31-22.

^b Trustee position vacant 5-25-22, through 8-25-22.

^c Trustee position vacant 1-1-22, through 8-25-22.

The team leader was Giancarlo Guerrero, CPA, and the audit was supervised by Ramon L. Bover, 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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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. 2021-057. Our operational audit disclosed the following:

Finding 1: As similarly noted in our report No. 2021-057, required background screenings were not always timely performed and documented for new employees.

Finding 2: Some unnecessary information technology user access privileges continued to exist, increasing the risk for unauthorized disclosure of student social security numbers to occur.

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.

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: Background Screenings

State law¹ requires colleges to designate the positions of special trust or responsibility subject to a level 2 background screening.² For the purpose of providing a safe and secure student and employee environment, College procedures³ expand the statutory screening requirements to require all employees to undergo a level 2 background screening during new hire orientation or at a specified time scheduled by the Office of Human Resources.

College procedures also provide that the Talent Acquisition, Development, and Accountability (TADA) Department is responsible for monitoring background screenings. College personnel indicated that background screenings generally occur before the employee's start date but no later than 30 days after

¹ Section 1012.8551, Florida Statutes.

² 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 (FBI), and may include local criminal checks through local law enforcement agencies.

³ College Procedure - 56.254 *Criminal Background Investigations*.

that date; however, College-established procedures do not require anyone to verify that the screenings were timely obtained.

According to a list provided by the College, 81 employees began College employment during the 2022 calendar year. From that list, we requested for examination College records supporting the background screenings for 30 selected employees and found that the College:

- Did not obtain background screenings until an average of 190 days after the start dates for four employees, including two other personal services employees, an adjunct instructor, and a professional support employee.
- Did not maintain records demonstrating that one work study student obtained a background screening. Subsequent to our request, College personnel indicated that the student's fingerprints card was mailed to the FBI and, on July 25, 2023, 280 days after the student's start date, the screening results were received and disclosed no unsuitable background.

In response to our inquiry, College personnel indicated that, in July 2023, the College started using an FDLE-assigned originating agency identifier that allows the College to perform background screenings and receive the results electronically. College personnel also indicated that, to ensure compliance with College procedures, the TADA Department began running bi-weekly reports to identify employees who needed to complete background screenings.

Absent effective controls to ensure that required level 2 background screenings are timely obtained and the results promptly evaluated, there is an increased risk that the College will employ individuals with unsuitable backgrounds. A similar finding was noted in our report No. 2021-057.

Recommendation: The College should continue efforts to ensure that level 2 background screenings are timely obtained and documented for all employees and that personnel decisions are based on the screening results. Such efforts should include the establishment of procedures that require the TADA Director or designee to verify that background screenings have occurred timely.

Finding 2: Information Technology User Access Privileges to Sensitive Personal Information

The Legislature has recognized in State law⁴ 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 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 for various purposes, such as to register newly enrolled students, Federal tax reporting purposes, and to comply with 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,

⁴ Section 119.07(5)(a), Florida Statutes.

supervisory, or instructional responsibility that serves a legitimate education purpose. College procedures⁵ provide for the periodic evaluation of user access privileges to the College information technology (IT) system and, according to College personnel, the evaluation addresses access to student SSNs.

As of August 29, 2023, the College IT system contained the SSNs of 65,076 former and current students and 8,720 prospective students, and 14 College employees had access to the student SSNs. As part of our audit procedures, we confirmed that the 14 employees had a legitimate education purpose for having access to current student SSNs; however, not all 14 employees needed access to former and prospective student SSNs and the College IT system did not have a mechanism to differentiate employee access privileges to former, current, and prospective student SSNs.

We also found that, while State *General Records Schedules*⁶ require retention periods of 5 years for certain records of students who apply for admission but are denied or who did not register, the College had retained sensitive personal information for 80 percent of the prospective students for more than 5 years. In addition, the College had not established a time frame for discarding the information and College records did not demonstrate a cost-benefit or risk analysis to justify maintaining this information indefinitely.

Subsequent to our inquiry, in July 2023 the College established procedures⁷ to discard after 5 years sensitive personal information of prospective students who never enrolled in the College. However, as of August 2023, the College had not discarded the sensitive personal information of 7,027 prospective students who had applied but more than 5 years later still had not enrolled in the College. 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. A similar finding was noted in our report Nos. 2018-176 and 2021-057.

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

- **Upgrade the College IT system to include a mechanism to differentiate IT user access privileges to former, current, and prospective student information and limit access to that information based on employee responsibilities.**
- **Continue efforts to discard the information of prospective students who are not enrolled in the College 5 years after applying for admission.**

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report Nos. 2021-057 and 2018-176 except as noted in Findings 1 and 2 and shown in Table 1.

⁵ College Procedure 49.18, *Annual User Access Application Review*.

⁶ Florida Department of State, Division of Library and Information Services - *General Records Schedule GS5 For Public Universities and Colleges*, Item #97.

⁷ College Procedure 49.13, *Retention of Prospective Student Information*.

**Table 1
Findings Also Noted in Previous Audit Reports**

Finding	Operational Audit Report No. 2021-057, Finding	Operational Audit Report No. 2018-176, Finding
1	2	Not Applicable
2	3	7

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 actions for findings included in our report No. 2021-057.
- 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 transactions, as well as events and conditions, occurring during the audit period of January 2022 through December 2022 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, systems 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 for the 16 users as of February 2023 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 (SSNs). We examined College records supporting the access privileges granted to the 14 employees with access to student SSNs to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- 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.
- From the population of 505 student receivables totaling \$789,730 and recorded as of December 2022, examined documentation relating to 30 selected student receivables totaling \$49,845 to determine whether College collection efforts were adequate and whether student receivables were properly authorized, adequately documented, properly recorded, and complied with Section 1010.03, Florida Statutes, and Board policies. In addition, we evaluated whether College collection efforts were adequate and restrictions on student permanent records were appropriate and enforced for students with delinquent accounts.

- To determine whether student tuition and fees totaling \$3,462,036 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 \$67,521 to determine whether the College documented Florida residency and correctly assessed tuition in compliance with Sections 1009.21, 1009.22, and 1009.23, Florida Statutes, and State Board of Education (SBE) Rules 6A-10.044 and 6A-14.054, Florida Administrative Code and Board Rule 7.310.
- Determined whether certain student fees (activity and service, financial aid, technology, and capital improvements) totaling \$687,928 and assessed during 2021-22 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.
- Determined whether procedures were effective to prevent the College from reporting students for full time equivalent funding purposes if the students had not paid for fees in an approved manner.
- From the population of compensation payments totaling \$8,605,239 made to 207 employees during the audit period, selected payments totaling \$80,024 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 obtaining personnel background screenings and examined College records for 30 of the 81 employees hired during the audit period to determine compliance with Section 1012.8551, Florida Statutes; Board policies; and College procedures.
- 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 \$27,448,752 for the audit period, we examined College records supporting 30 selected payments totaling \$376,223.
- For the only significant major construction project during the audit period with contract costs totaling \$17,411,431 and cumulative construction payments totaling \$15,056,582, examined College records to determine whether:
 - The \$1,003,919 in payments during the audit period were made in accordance with provisions of applicable State laws, SBE rules, Board policies, College procedures, and contract terms and conditions.
 - The College process for selecting design professionals and construction managers complied with Sections 255.103 and 287.055, Florida Statutes; the College adequately monitored the selection process of subcontractors; the Board had adopted a policy establishing minimum insurance coverage requirements for design professionals; and design professionals provided evidence of required insurance.
- From the 11 non-Federal grants received totaling \$1,010,097 for the audit period, selected 2 grants totaling \$700,421 and examined College records to determine whether the funds were used in accordance with grant terms and conditions.
- From the population of 84 industry certifications reported for performance funding that were attained by students from July 2022 through June 2023, examined 30 industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- Determined whether the College's unencumbered balance in the general fund was below the threshold established in Section 1011.84, Florida Statutes.

- 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 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 fluid and cursive, with the first name being the most prominent.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



October 3, 2023

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

Dear Ms. Norman,

This letter is in response to the September 11, 2023, list of tentative and preliminary audit findings for the operational audit for the period January 2022 through December 2022 for The College of the Florida Keys (CFK).

Finding 1: Background Screenings

The College concurs with the audit finding. To support continued efforts to ensure that level 2 background screenings are obtained and documented in a timely manner for all employees and that personnel decisions are based on the screening results, the Director, Talent Acquisition, Development, and Accountability (TADA) has implemented a biweekly monitoring process to ensure that any outstanding background checks are noted, and the employee and their immediate supervisor are notified. Further, the notification states that the employee will not be permitted to work if results are not received by TADA within the 30-day deadline and until such time as results are received and the criminal certification form is completed. Changes have been made to College Procedure 56.254, *Criminal Background Investigations*, to reflect this process. The revised procedure has been submitted to the CFK Audit Committee and will be reviewed during the October 2023 meeting.

Finding 2: Information Technology User Access Privileges to Sensitive Personal Information

The College concurs with the audit finding that the College needs to make improvements in its controls to restrict employees from accessing social security numbers in the enterprise resource planning (ERP) system. In 2020, the College implemented College Procedure 49.18, *User Access to Banner Application Review*, which requires review of user access to ERP screens containing social security numbers. The College continues to identify mechanisms within its ERP system to restrict access.

To enhance the restrictions of user access to ERP screens with social security numbers, the College has developed College Procedure 49.13, *Retention of Prospective and Former Student Information*, which addresses the retention of social security numbers. The retention of prospective student information is limited to five (5) years from the submission of an application and has been fully implemented as of Summer 2023. The retention of former student information is limited to ten (10) years from the last registered term and is pending CFK Audit Committee review at the next scheduled meeting in October 2023.

Regards,

Brittany Snyder
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by Brittany Snyder
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Brittany Snyder, D.M.
Executive Vice President & CFO