

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2025-056
November 2024

**FLORIDA SOUTHWESTERN STATE
COLLEGE**



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2023 calendar year, Dr. Jeffrey S. Allbritten served as President of Florida SouthWestern State College and the following individuals served as Members of the Board of Trustees:

	<u>County</u>
Julia Du Plooy, Chair from 9-12-23, ^a and Vice Chair through 9-11-23	Hendry
David Ciccarello, Vice Chair from 9-12-23	Lee
Christian Cunningham through 6-29-23, Chair ^a	Collier
William Banfield	Lee
Kristina Heuser, J.D. from 6-30-23	Collier
Bruce Laishley through 6-29-23	Charlotte
Eviana Martin, J.D. from 6-30-23	Lee
Lisa Metclafe Swinto from 6-30-23 ^b	Lee
Denise Murphy from 6-30-23	Collier
Danny Nix Jr.	Charlotte
Dr. Tyler Patak from 6-30-23 ^b	Lee
Laura Perry through 6-29-23	Glades

^a Chair position vacant 6-30-23 through 9-11-23.

^b Trustee position vacant through 6-29-23.

The team leader was Soumaly Phonyothy, and the audit was supervised by Hector J. Quevedo, 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 SOUTHWESTERN STATE COLLEGE

SUMMARY

This operational audit of Florida SouthWestern State College (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2022-043. Our operational audit disclosed the following:

Finding 1: As similarly noted in our report No. 2022-043, some unnecessary information technology user access privileges existed, which increased the risk for unauthorized disclosure of sensitive personal information to occur.

BACKGROUND

Florida SouthWestern State College (College) is under the general direction and control of the Florida Department of Education, Division of Florida Colleges, and is governed by State law and State Board of Education rules. A board of trustees (Board) governs and operates the College. The Board constitutes a corporation and is composed of nine 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 Fort Myers, LaBelle, Naples, and Punta Gorda. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Charlotte, Collier, Glades, Hendry, and Lee 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 the confidential status of such information. Effective controls include granting user access to information technology (IT) resources based on a demonstrated need to view, change, or delete data and restricting users from performing functions incompatible or inconsistent with their assigned job responsibilities.

Periodic evaluations of assigned IT access privileges are necessary to ensure that employees can only access those IT resources that are necessary to perform their assigned job responsibilities. College personnel indicated that an evaluation of IT user access privileges is completed annually to detect and remove any unnecessary and inappropriate access privileges.

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

The College 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 College responsibilities. Additionally, the College maintains former students' SSNs to provide student transcripts to colleges, universities, and potential employers based on authorized requests. As of August 2024, the College student records system contained the sensitive personal information, including SSNs, of 531,368 current and former students, and 51 College employees had access to that information.

As part of our audit, we examined College records supporting access privileges granted to the 51 employees with access to current and former student SSNs to determine the appropriateness and necessity of the access privileges based on the employees' assigned job duties. We found that 7 College personnel, including 4 admission processing specialists, an associate director of communications and outreach, a director of testing services, and a student service specialist, had access to current and former student SSNs not needed to perform their job responsibilities. In response to our inquiry, College personnel agreed and in September 2024 indicated that the access privileges for the 7 employees had been removed.

In addition to maintaining current and former student information, the College maintained sensitive personal information, including SSNs, of more than 137,000 prospective students. Prospective student information was retained for at least 10 years and 2 IT administrators had user access privileges to view and update that information. However, the State-adopted *General Records Schedule*² only require retention periods of 5 years for certain records of students who apply for admission but are denied or who did not register. In response to our inquiry, College personnel indicated that the College maintained prospective student information in College records for at least 10 years to avoid duplicate student records in the IT system and that procedures were implemented to log and audit any changes made by the IT administrators to the field containing prospective student SSNs.

Although we agree that the College should retain certain prospective student records for at least 5 years to comply with the *General Records Schedule*, College records did not demonstrate that the risks associated with maintaining prospective students' sensitive personal information more than 5 years had been minimized. Subsequent to our inquiries, in October 2024 the College purged prospective student sensitive personal information records over 6 years old for 86,915 prospective students and indicated that the College was in the process of purging records over 5 years old for the remaining 50,114 prospective students.

The existence of unnecessary access privileges increases the risk of unauthorized disclosure of sensitive student personal information and the possibility that such information may be used to commit a fraud against College students or others. A similar finding was noted in audit report No. 2022-043.

Recommendation: To ensure that students' sensitive personal information, including SSNs, is properly safeguarded, the College should continue efforts to:

- **Restrict employees from accessing information unnecessary for their assigned job duties. Such efforts should include identification of potential incompatible access during periodic**

² Florida Department of State, Division of Library and Information Services – *General Records Schedule GS5 For Public Universities and Colleges*, Item #97.

evaluations of IT user access privileges and timely deactivation of any unnecessary and inappropriate access privileges detected.

- **Periodically purge prospective student sensitive personal information over 5 years old to minimize the risks associated with maintaining that information.**

PRIOR AUDIT FOLLOW-UP

For the two findings in our report No. 2022-043, the College had taken correction action for Finding 2 but not for Finding 1.

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 April 2024 through October 2024 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. 2022-043.
- 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 2023 through December 2023 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, Board policies and College procedures, and other guidelines, and interviewed College personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Examined Board meeting minutes and other College related records to determine whether Board approval was obtained for Board policies and College procedures in effect during the audit period and for evidence of compliance with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- 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 27 current employees to determine the appropriateness and necessity of the access based on the employees' job duties and account functions and the adequacy with regard to preventing the performance of incompatible duties. We also examined whether the College timely removed the access privileges of 30 former employees.
- 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 51 employees with access to sensitive personal information of students during the audit period 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 and approved by employees who were independent of the cash handling and recording functions.
- Examined College records to determine whether student receivables were properly authorized, adequately documented, and properly recorded. Specifically, from the population of 1,469 delinquent student receivables totaling \$1.8 million as of December 31, 2023, we examined College records related to 30 selected delinquent student receivables totaling \$70,406, evaluated

the adequacy of College collection efforts, and determined whether restrictions on student records and holds on transcripts and diplomas were appropriate and enforced for students with delinquent accounts in accordance with Board policies established pursuant to Section 1010.03, Florida Statutes.

- 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.
- To determine whether student tuition and fees totaling \$47.7 million during the audit period were properly assessed and authorized, accurately calculated, and correctly recorded in accordance with State law, State Board of Education (SBE), and Board policy requirements, examined College records for 30 selected students charged tuition and fees totaling \$100,240 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 SBE Rules 6A-10.044 and 6A-14.054, Florida Administrative Code.
- From the population of compensation payments totaling \$69.4 million made to 1,627 employees during the audit period, selected payments totaling \$56,972 made to 30 employees and examined College records supporting the payments to determine whether the rate of pay was accurate, employment contracts were valid, employees were qualified, performance evaluations were completed, and leave records were accurate.
- Evaluated Board policies and College procedures for obtaining personnel background screenings 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 expenses totaling \$51.1 million for the audit period, we examined College records supporting 30 selected payments for general expenses totaling \$168,012.
- Examined College records to determine whether contractual payments were reasonable, correctly recorded, and adequately documented; for a valid College purpose; properly authorized and approved; and in compliance with applicable State law, contract terms, and Board policies. Specifically, from the population of contractual expenses totaling \$7.9 million for the audit period, we examined College records supporting 25 selected payments for contractual services totaling \$1.4 million.
- Reviewed documentation related to the major construction contract totaling \$8.1 million and with total construction costs of \$4.4 million during the audit period to determine whether the College process for selecting design professionals and construction managers complied with Section 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. Also, for 5 construction payments totaling \$945,919, we examined College records to determine whether the payments were made in accordance with contract terms and conditions, Board policies and College procedures, and provisions of applicable State law and rules.
- Examined College records to determine whether non-Federal student financial aid funds were used in accordance with applicable financial aid terms and conditions.
- From the population of 4,836 purchasing card (P-card) transactions totaling \$1.1 million during the audit period, examined College records supporting 30 selected P-card transactions totaling

\$50,835 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.

- Evaluated the issuance of 22 P-cards selected from the 64 P-cards issued by the College during the audit period and determined whether the approved credit limits complied with Board policies and P-card program procedures and were reasonable based on the cardholder's job responsibilities.
- Examined P-card records for 28 cardholders who separated from College employment during the audit period to determine whether the P-cards were promptly canceled.
- Evaluated the College vendor information change process to determine whether the changes were appropriate and verified before vendor payments were made.
- From the population of 437 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.
- Inquired whether the College had any expenditures 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.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



November 15, 2024

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

Dear Ms. Norman:

Pursuant to Florida Statutes Section 11.45(4)(d), Florida SouthWestern State College is submitting to you a written response, including our proposed corrective actions to the preliminary and tentative findings of the operational audit dated October 29, 2024.

Finding 1: To ensure that students' sensitive personal information, including SSNs, is properly safeguarded, the College should continue efforts to:

- **Restrict employees from accessing information unnecessary for their assigned job duties. Such efforts should include identification of potential incompatible access during periodic evaluations of IT user access privileges and timely deactivation of any unnecessary and inappropriate access privileges detected.**
- **Periodically purge prospective student sensitive personal information over 5 years old to minimize the risks associated with maintaining that information**

College Response:

FSW takes the protection of sensitive student and employee information very seriously. In response to the tentative audit findings, we have already taken decisive actions, including restricting access for the identified personnel and enhancing procedures to align with both State and NIST standards for user access management.

The employees identified in the audit were part of a departmental reorganization of job duties which impacted what they do during their day-to-day jobs. This took place after the annual audits were performed and subsequently, users did not need the access they had to SSNs. FSW will increase evaluations of user access, particularly following reorganizations, to ensure privileges remain appropriate and necessary.

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www.FSW.edu

Florida SouthWestern State College is an equal access, equal opportunity organization.

Additionally, FSW has purged over 86,000 records and is committed to maintaining compliance with the five-year retention requirement through our updated records management procedures. FSW expects to be completed with the purges by the end of the year. In response to the IT Administrators and their access, these administrators of the CRM are trusted positions and access to this information is part of administrator access. All changes to sensitive data fields (SSN) are logged to ensure transparency and accountability.

FSW remains steadfast in our commitment to safeguarding the information of current, former, and prospective students through robust access controls, regular audits, and continuous procedural improvement.

Sincerely,



Gina Doeble, Ed.D., CPA
Senior Vice President/Chief Operating Officer

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