

# SOUTH FLORIDA COMMUNITY COLLEGE

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## Operational Audit

For the Fiscal Year Ended  
June 30, 2009



## BOARD OF TRUSTEES AND PRESIDENT

Members of the Board of Trustees and President who served during the 2008-09 fiscal year are listed below:

	<u>County</u>
Tamela Cullens, Chair from 8-28-08	Highlands
David Leidel, Vice Chair from 8-28-08	Highlands
Jan B. Brewer	DeSoto
Gary Delatorre, Vice Chair to 8-27-08	Hardee
Joan H. Hartt	Highlands
Dr. Louis H. Kirschner, Chair to 8-27-08	DeSoto
Richard L. Maenpaa	Hardee
Anne D. Raynolds	Highlands

Dr. Norman L. Stephens, Jr., President

The audit team leader was Yuling Liu, CPA, and the audit was supervised by David A. Blanton, CPA. Please address inquiries regarding this report to James R Stultz, CPA, Audit Manager, by e-mail at [jimstultz@aud.state.fl.us](mailto:jimstultz@aud.state.fl.us) or by telephone at (850) 922-2263.

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**SOUTH FLORIDA COMMUNITY COLLEGE**

**SUMMARY**

**Our operational audit for the fiscal year ended June 30, 2009, disclosed the following:**

**Finding No. 1: The College did not timely provide the required written notification to new employees when their social security numbers were collected.**

**BACKGROUND**

The College is under the general direction and control of the Florida Department of Education, Division of Community Colleges, and is governed by State law and State Board of Education rules. A board of trustees governs and operates the College. The Board constitutes a corporation and is composed of eight members appointed by the Governor and confirmed by the Senate.

South Florida Community College has campuses in Avon Park, Lake Placid, Bowling Green, and Arcadia, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Highlands, Hardee, and DeSoto counties. The College reported enrollment of 2,757 full-time equivalent students for the 2008-09 fiscal year.

The results of our financial audit of the College for the fiscal year ended June 30, 2009, will be presented in a separate report. In addition, the Federal awards administered by the College are included within the scope of our Statewide audit of Federal awards administered by the State of Florida and the results of that audit, for the fiscal year ended June 30, 2009, will be presented in a separate report.

**FINDING AND RECOMMENDATION**

**Finding No. 1: Collection of Social Security Numbers**

The Legislature has acknowledged in Section 119.071(5)(a), Florida Statutes, the necessity of collecting social security numbers (SSNs) for certain purposes because of their acceptance over time as a unique numeric identifier for identity verification and other legitimate purposes. The Legislature has also recognized that 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 to ensure its confidential status.

Section 119.071(5)(a), Florida Statutes, provides that the College may not collect an individual’s SSN unless the College has stated in writing the purpose for its collection and unless it is specifically authorized by law to do so, or it is imperative for the performance of the College’s duties and responsibilities as prescribed by law. Additionally, this Section requires that, as the College collects an individual’s SSN, it must provide the individual with a copy of the written statement indicating the purpose for collecting the number. Further, this section provides that SSNs collected by the College may not be used by the College for any purpose other than the purpose provided in the written statement. This Section also requires that the College review whether its collection of SSNs is in compliance with the above requirements and immediately discontinue the collection of SSNs for purposes that are not in compliance. Our review disclosed that the College did not provide the required written notification to new employees when their SSNs were collected, until February 10, 2009, approximately 16 months after the required date to provide such notification.

**Recommendation:** The College should continue its efforts to provide timely notification to employees when SSNs are collected.

**PRIOR AUDIT FOLLOW-UP**

The College had taken corrective actions for findings included in our report No. 2008-034.

**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 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.


The objectives of this operational audit were to: (1) obtain an understanding and make overall judgments as to whether College internal controls promoted and encouraged compliance with applicable laws, rules, regulations, contracts, and grant agreements; the economic and efficient operation of the College; the reliability of records and reports; and the safeguarding of assets; (2) evaluate management’s performance in these areas; and (3) determine whether the College had taken corrective actions for findings included in our report No. 2008-034. Also, pursuant to Section 11.45(7)(h), Florida Statutes, our audit may identify statutory and fiscal changes to be recommended to the Legislature.

The scope of this operational audit is described in Exhibit A. Our audit included examinations of various records and transactions (as well as events and conditions) occurring during the 2008-09 fiscal year.

Our audit methodology included obtaining an understanding of the internal controls by interviewing College personnel and, as appropriate, performing a walk-through of relevant internal controls through observation and examination of supporting documentation and records. Additional audit procedures applied, to determine that internal controls were working as designed, and to determine the College’s compliance with the above-noted audit objectives, are described in Exhibit A. Specific information describing the work conducted to address the audit objectives is also included in the individual findings.

**AUTHORITY**

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.

  
David W. Martin, CPA  
Auditor General

**MANAGEMENT’S RESPONSE**

Management’s response is included as Exhibit B.

**EXHIBIT A**  
**AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Security awareness and training program regarding the confidentiality of information.	Examined supporting documentation relating to the College's information technology (IT) security awareness and training program.
Procedures to timely prohibit terminated employees' access to electronic data files.	Sampled employees who terminated during the audit period and examined supporting documentation evidencing when the College terminated access privileges.
Fraud policy and related procedures.	Examined written policies, procedures, and supporting documentation relating to the College's fraud policy and related procedures.
Sunshine Law requirements for Board meetings (i.e., proper notice of meetings, ready access to public, maintain minutes).	Read Board minutes and, for selected Board meetings, examined supporting documentation evidencing compliance with Sunshine Law requirements.
Student activity and service fees assessed.	Compared the activity and service fee to verify that this fee did not exceed 10 percent of the total tuition fee.
Procedures for calculating user and laboratory fees.	Requested copy of College procedures to determine if the policy was approved by the Board of Trustees. Selected a sample of user and laboratory fees and examined supporting documentation to determine whether the College properly calculated these fees.
Adult general education program enrollment reporting.	Selected a sample of adult education students and examined supporting documentation to determine whether the College reported instructional and contact hours in accordance with FDOE requirements.
Social security number requirements of Section 119.071(5)(a), Florida Statutes.	Examined supporting documentation to determine whether the College had provided individuals with a written statement as to the purpose of collecting social security numbers.
Procedures for adopting and amending the budget.	Examined supporting documentation to determine whether budgets and amendments to budgets were prepared and adopted in accordance with applicable Florida Statutes and State Board of Education Rules.
Background checks for personnel in a position of special trust or that had direct contact with children.	Selected a sample of College personnel who had direct contact with children or worked in an area requiring special trust to determine whether the College had obtained background checks for the individuals included in our sample.
Procedures for insuring architects and engineers.	Selected a sample of significant or representative major construction projects in progress during the audit period to determine whether architects and engineers engaged during the audit period were properly selected and, where applicable, had evidence of required insurance.
Procedures for insuring buildings.	Determined, on a test basis, whether insurance coverages were updated for major asset acquisitions and/or disposals occurring in the audit period.

**EXHIBIT A (Continued)**  
**AUDIT SCOPE AND METHODOLOGY**

Scope (Topic)	Methodology
Travel to a terrorist state.	Examined the College's travel records and made inquiry of key personnel to determine if funds were used for travel to terrorist states.
Information technology disaster recovery plan.	Examined the College's simulation test records and made inquiry of key personnel to determine if the College tested its disaster recovery plan in a simulated exercise to ensure it includes all necessary components.
Purchasing card program.	Selected a sample of representative P-card transactions to determine whether these purchases were properly authorized, supported, recorded, and reported.
Annual safety inspection reports.	Examined annual safety inspection reports to determine whether the College complied with the buildings life safety, fire safety, and sanitation standards prescribed by the State Board of Education.
Textbook affordability.	Selected a sample of courses to determine whether the College posted on its website at least 30 days prior to the first day of class for each term, a list of each textbook required for each course offered at the institution during the upcoming term.
Employee fingerprinting checks.	Determined that the College performed fingerprinting checks for employees in positions of special trust or of a sensitive nature.
Subcontractor licenses.	Determined, on a test basis that the College verified subcontractor's licenses to ensure that only licensed subcontractors were used on construction projects.
Telecommunication charges.	Reviewed College controls over current telecommunication charges. Determined that the College had properly received and recorded a credit for amounts previously billed in error.

EXHIBIT B  
MANAGEMENT'S RESPONSE



OFFICE OF THE PRESIDENT

August 26, 2009

Mr. David W. Martin  
Office of the Auditor General  
111 W. Madison Street  
Tallahassee, FL 32399

Dear Mr. Martin:

The College appreciates the professionalism exhibited by your staff in the conduct of the recent audit. We have responded to the Preliminary & Tentative Finding for South Florida Community College's Operational audit for the fiscal year ending June 30, 2009.

Finding #1 Collection of Social Security Numbers

The College should continue its efforts to provide timely notification to employees when social security numbers are collected.

Response:

The College has implemented procedures to timely notify employees how social security numbers will be used as they are collected and will continue to do so.

Should you have any questions, please do not hesitate to call me at 863.784.7111.

Sincerely,

Norman L. Stephens, Jr.  
President

cc: David Blanton, Audit Supervisor