

ST. PETERSBURG COLLEGE

Operational Audit



BOARD OF TRUSTEES AND PRESIDENT

Members of the Board of Trustees and Presidents who served during the 2009-10 fiscal year are listed below:

Terrence E. Brett, Chair from 7-21-09
Kenneth P. Burke, Vice Chair
Deveron M. Gibbons, Chair to 7-20-09 (1)
Evelyn M. Bilirakis
W. Richard Johnston (1)

Dr. Carl M. Kuttler, Jr.,
President to December 31, 2009

Dr. Thomas E. Furlong, Interim President
From January 1, 2010, to June 6, 2010

Dr. William D. Law, Jr.,
President from June 7, 2010

Note: (1) Board members served beyond the
end of their term, May 31, 2010.

The audit team leader was Vanessa Cellini, CPA, and the audit was supervised by Karen J. Collington, CPA. For the information technology portion of this audit, the audit team leader was Kathy Sellers, CISA, and the supervisor was Nancy Reeder, CPA, CISA. Please address inquiries regarding this report to James R. Stultz, CPA, Audit Manager, by e-mail at jimstultz@aud.state.fl.us or by telephone at (850) 922-2263.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

ST. PETERSBURG COLLEGE

SUMMARY

Our operational audit disclosed the following:

Finding No. 1: The College did not provide complete written notification to individuals when their social security numbers were collected, contrary to Section 119.071(5)(a), Florida Statutes.

BACKGROUND

St. Petersburg 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 five members appointed by the Governor and confirmed by the Senate.

The College has campuses in St. Petersburg, Clearwater, Tarpon Springs, and Seminole, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Pinellas County. The College reported enrollment of 20,679 full time equivalent students for the 2009-10 fiscal year.

The results of our financial audit of the College for the fiscal year ended June 30, 2010, 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, 2010, will be presented in a separate report.

FINDING AND RECOMMENDATION

Finding No. 1: Collections 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 is imperative for the performance of the College’s duties and responsibilities as prescribed by law. Additionally, this Section requires that if the College collects an individual’s SSN, it must provide that individual with a written statement indicating whether the collection of the SSN is authorized or mandatory under Federal or State law, and identifying the specific Federal or State law governing the collection, use, or release of SSNs for each purpose for which a SSN is collected. This Section also provides that SSNs collected by the College may not be used for any purpose other than the purpose provided in the written statement. This Section further 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.

Although the College had assigned unique student and employee identification numbers to replace SSNs for record keeping purposes, it continued to obtain SSNs from students, employees, and certain vendors. The College posted a notification of SSN collection and use for employees and students on its Web site. However, as noted below, College procedures needed improvement:

- The College collected SSNs from students at the time of application for admission to the College. The application on its Web site provided the reasons for the collection of the SSN. However, this written notification did not include the specific Federal or State law governing the collection, use, or release of SSNs and whether the collection was authorized or mandatory under Federal or State law. In addition, the application did not provide a link to the notification of SSN collection and use on the College’s Web site. Although the paper copy student application provided more generic reasons for the collection of the SSN, the paper copy did not include all information required by law.
- The College collected SSNs on its application for employment. However, the application did not disclose the specific reasons for the collection of the SSNs or include a link to the notification of SSN collection and use on the College’s Web site. In addition, the College did not provide the written statement to the applicants at the time the SSNs were collected. When an employee was hired, the College provided a written notification to the employee. However, this written notification did not state whether the collection of SSNs was authorized or mandatory under Federal or State law, and did not identify the specific Federal or State law governing the collection, use, or release of SSNs.

Effective controls to properly monitor the need for and use of SSNs and ensure compliance with statutory requirements reduces the risk that SSNs may be used for unauthorized purposes.

Recommendation: The College should continue its efforts to ensure compliance with Section 119.071(5)(a), Florida Statutes.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2009-057.

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 February 2010 through July 2010 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. 2009-057. 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 2009-10 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 controls for audit monitoring and logging.	Examined monthly reports that are run for logging and monitoring of changes to the Peoplesoft security tables. Also examined reports for logging and monitoring of selected Financial Aid roles.
Logical access controls for the human resource/payroll application.	Tested employees with selected high-level privileges (roles) for appropriateness of system access based on their job functions and responsibilities.
Logical access controls for the Student Financial Aid application.	Tested employees with selected Student Financial Aid access capabilities for appropriateness of system access based on their job functions and responsibilities.
Procedures for sensitive and confidential information.	Examined written policies, procedures, and Board of Trustees Rules governing the proper storage, handling, transmission, use, and format of sensitive and confidential data or information.
Information Technology (IT) security incident response and reporting.	Examined written policies, procedures, and Board of Trustees Rules related to reporting suspected IT security incidents and responding to such incidents.
Statements of financial interest requirements of Section 112.3145(2), Florida Statutes.	Determined whether the College President, Board members, and purchasing agents filed statements of financial interests in accordance with law.
Fraud policy and related procedures.	Examined written policies, procedures, and supporting documentation related to the College's fraud policy and related procedures.
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 their social security numbers.
Florida residency determination and tuition.	Tested student registrations to determine if the College documented Florida residency and correctly assessed tuition in accordance with Section 1009.21, Florida Statutes, and State Board of Education Rule 6A-10.044, Florida Administrative Code.
Adult general education program enrollment reporting.	Examined supporting documentation to determine whether the College reported instructional and contact hours in accordance with Florida Department of Education requirements.
Contracts paid from appropriated State funds requirements of Section 1012.83(2), Florida Statutes.	Determined whether the College President's contract and any new employee contracts limit any settlements, to be paid from appropriated State funds, to the amount of the annual salary as required by Section 1012.83(2), Florida Statutes.
Terminal pay policies and procedures.	Reviewed the former College President's terminal pay to determine whether the payment was in accordance with Florida Statutes.
Purchasing card transactions.	Tested transactions to determine whether the purchasing card program was administered in accordance with College policies and procedures.

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

Scope (Topic)	Methodology
Procedures for limiting wireless communication devices.	Reviewed policies and procedures for wireless communication devices to determine whether the College limits their acquisition and use, and documents the level of service provided.
Annual safety inspections.	Obtained copies of the most recent annual life safety, fire safety, and sanitation inspection reports and determined whether the deficiencies noted were timely corrected.
Procedures for administering construction projects.	Tested construction projects in progress during the audit period to determine whether the College was verifying subcontractors were properly licensed.
Procedures for insuring architects and engineers.	Determined whether the Board had adopted a policy establishing minimum insurance coverage requirements for design professionals, such as architects and engineers. Examined recent construction projects and determined whether architects and engineers provided evidence of the required insurance.
Textbook affordability.	Examined supporting documentation to determine whether the College's procedures regarding textbook affordability were in accordance with Section 1004.085, Florida Statutes.

EXHIBIT B
MANAGEMENT'S RESPONSE

SPC ST. PETERSBURG COLLEGE
OFFICE OF THE PRESIDENT

September 8, 2010

David W. Martin, CPA
Auditor General
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Operational Audit Responses

Dear Mr. Martin:

In response to the preliminary and tentative findings audit findings related to your operational audit of St. Petersburg College for the fiscal year ended June 30, 2010, we submit the attached statements of explanation and corrective action.

We wish to express our appreciation to your staff for the professional and helpful manner in which they conducted the audit.

If I can be of further assistance, please do not hesitate to call me.

Sincerely,


William D. Law, Jr.
President

St. Petersburg College 2009-2010 Operational Audit Responses

Finding No. 1: Collection of Social Security Numbers

Recommendation: The College should continue its efforts to ensure compliance with Section 119.071(5)(a), Florida Statutes.

Response: Student Applications, Collection of Social Security Numbers (SSN)

The College collects admissions application information two ways. First, the majority of students apply to the College using the college's online admissions application. Second, remaining applicants may choose to fill out a paper version of the application. The College will take the following course of action in response to finding no. 1.

1. The College will add a link to the notification of SSN Collection and Use for Students, presently found on the college's web site, to the online admissions application. In addition to the current language on the online application regarding why the College collects the SSN, the applicant will be able to click on the link and read the specific laws governing the collection, use, and release of the SSN for the College's students.
2. The College will create a hard-copy document which will include the same language from the web site referenced above and attach this document as an addendum to the hard-copy applications for applicant use.

Response: Employment Applications, Collection of Social Security Numbers (SSN)

The College collects employment application information using the College's online employment application system. The College has taken the following course of action in response to finding No. 1.

1. The College has added a link in the employment application to the information regarding SSN collection currently found on the College's web site. In addition, the applicant is now directed to check a box to indicate that they have read the College's SSN Collection and Usage statement concerning the specific laws governing the collection, use, and release of the SSN for College employees.
2. In addition to the written notification of SSN collection that is provided to employees at time of hire, the College also provides a hard-copy document that includes the complete statutory requirements and the specific reasons for the collection of the SSNs.