

# GULF COAST COMMUNITY COLLEGE

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## Operational Audit



## BOARD OF TRUSTEES AND PRESIDENT

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

	<u>County</u>
Charles S. Isler, III, Vice Chair to 7-15-09, Chair from 7-16-09	Bay
Denise D. Butler, Vice Chair from 7-16-09	Franklin
William C. Cramer, Jr., to 12-28-09, Chair to 7-15-09 (1)	Bay
Karen L. Durden	Bay
Danny A. Estes	Bay
Shirley J. Jenkins from 9-02-09 (2)	Gulf
Dr. Stephen C. Myers (3)	Bay
William C. Sumner to 5-31-10	Gulf
Linda R. Wood	Gulf

Dr. Jim Kerley, President

- Notes: (1) Board member resigned effective December 28, 2009, and the position remained vacant to June 30, 2010.
- (2) Position remained vacant from July 1, 2009, to September 1, 2009.
- (3) Board member served beyond the end of his term, May 31, 2010.

The audit team leader was Juan A. Fernandez, CPA, and the audit was supervised by Patricia S. Crutchfield, CPA. For the information technology portion of this audit, the audit team leader was Deidre Melton, 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](mailto: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](http://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.

GULF COAST COMMUNITY COLLEGE

SUMMARY

Our operational audit disclosed the following:

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

BACKGROUND

Gulf Coast Community 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 has campuses in Panama City and Port St. Joe, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Bay, Gulf, and Franklin Counties. The College reported enrollment of 5,074 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: 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 verifications 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 to 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, prospective employees, and certain vendors. The College did not always provide the required notification of SSN collection and use for students, employees, and prospective employees, as noted below:

- The written notifications provided to students, employees, and prospective employees did not identify the specific Federal or State law governing the collection, use, or release of SSNs.
- Written notification was not provided to students when providing their SSNs for logging on or resetting their PIN number online on the College's Online Academic Student Information System.

Additionally, the College had not performed a review to determine whether its collection of SSNs was in compliance with the above-cited law. Subsequent to our inquiry, the College initiated a review of its procedures to ensure compliance with Section 119.071(5)(a), Florida Statutes. As of September 17, 2010, the College was in the process of revising their written notifications to include all required information and that these written notifications would be provided to all individuals that are requested to provide their 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.

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

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#### PRIOR AUDIT FOLLOW-UP

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The College had taken corrective actions for findings included in our report No. 2009-062.

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#### OBJECTIVES, SCOPE, AND METHODOLOGY

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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 to August 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. 2009-062. 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
Information technology (IT) policies and procedures.	Reviewed the College's written policies and procedures to determine whether they addressed certain important IT control functions.
IT logical access controls.	Examined supporting documentation to determine whether authentication controls were configured and enforced in accordance with IT best practices.
Security awareness and training program regarding the confidentiality of information.	Determined whether the College had developed a comprehensive information technology security awareness and training program.
Security incident, response, and reporting procedures.	Reviewed documentation to determine the College's process for reporting and responding to suspected security incidents.
Statement 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 interest 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 social security numbers.
Florida residency determination and tuition.	Tested student registrations to determine whether the College documented Florida residency and correctly assessed tuition in compliance with Section 1009.21, Florida Statutes, and State Board of Education Rule 6A-10.044, Florida Administrative Code.
Contracts paid from appropriated State funds requirements of Section 1012.83(2), Florida Statutes.	Examined the College President's and other senior management employee contracts and verified that the contracts limit any settlements, to be paid from appropriated State funds, to the amount of their annual salary.
Tangible personal property.	Examined supporting documentation for tangible personal property to determine if the College's records were complete and included adequate information. Determined whether an annual inventory of tangible personal property was performed and reconciled to the College's records.
Construction management policies and procedures.	Tested records supporting a major construction project to determine compliance with laws.
Purchasing card transactions.	Tested transactions to determine whether the purchasing card program was administered in accordance with College policies and procedures.
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.

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

<b>Scope (Topic)</b>	<b>Methodology</b>
Procedures for limiting wireless communication devices.	Reviewed policies and procedures to determine whether the College limited the use of, and documented the level of service provided for, wireless communication devices.
Adult general education program enrollment reporting.	Tested adult education students and examined supporting documentation to determine whether the College reported instructional and contact hours in accordance with Florida Department of Education requirements.
Textbook affordability.	Examined supporting documentation to determine whether the College's policies and procedures regarding textbook affordability were in accordance with Section 1004.085, Florida Statutes.

**EXHIBIT B  
MANAGEMENT'S RESPONSE**



October 6, 2010

Mr. David W. Martin, CPA  
Auditor General, State of Florida  
G74 Claude pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

The following is Gulf Coast Community College's response to the preliminary and tentative finding resulting from our operational audit for the fiscal year ended June 30, 2010.

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

College staff agrees with this finding and is taking the following steps to address the issue:

- As stated in the finding, the college has already assigned unique student and employee numbers to replace social security numbers for identification purposes and is continuing to educate those individuals on the use of the new identification numbers.
- College staff has also already reviewed many of its forms, documents, and administrative software login screens and has removed the SSN field from them and will continue this process until all are in compliance.
- College staff is also reviewing all forms, documents, and administrative software login screens to ensure that if collection of the SSN is required by law, the specific Federal and/or State law authorizing collection is provided to the individual at the point of collection.

Should you have any questions, please contact me at (850) 872-3807.

Respectfully,

A handwritten signature in black ink, appearing to read 'Jim Kerley', is written over a white background.

Jim Kerley, Ph.D.  
President

**Jim Kerley, Ph.D.** . President

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