

ST. JOHNS RIVER COMMUNITY COLLEGE

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:

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Preston B. Sloan (1)	Putnam

Joe H. Pickens, J.D., President

Notes: (1) Member continued to serve after term expired on May 31, 2010.
(2) Position was vacant from July 1, 2009, to July 14, 2009.

The audit team leader was Tina M. McFarlin, CPA, and the audit was supervised by John P. Duffy, CPA. For the information technology portion of this audit, the audit team leader was Heidi G. Burns, CPA, CISA, and the supervisor was Nancy M. 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 JOHNS RIVER COMMUNITY COLLEGE

SUMMARY

Our operational disclosed the following:

STUDENT ENROLLMENT

Finding No. 1: The College needed to establish supervisory review procedures to ensure that required documentation is obtained to support classifications of students as Florida residents for tuition purposes.

Finding No. 2: The College needed to strengthen its controls to ensure the accuracy of reporting student enrollment in adult general education programs to the Florida Department of Education (FDOE).

Finding No. 3: The College reported student enrollment in the adults with disabilities program as fundable for the College Program Fund, contrary to law and FDOE instructions.

PROCUREMENT OF GOODS AND SERVICES

Finding No. 4: Contrary to procurement requirements, the College procured services without using a competitive selection process.

CONFIDENTIAL INFORMATION

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

INFORMATION TECHNOLOGY

Finding No. 6: The College’s IT access controls environment needed improvement.

Finding No. 7: Certain IT security controls related to the logging of security activity needed improvement.

BACKGROUND

St. Johns River 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 seven members appointed by the Governor and confirmed by the Senate.

The College has campuses in Palatka, Orange Park, and St. Augustine, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Putnam, Clay, and St. Johns Counties. The College reported enrollment of 4,913 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.

FINDINGS AND RECOMMENDATIONS

Student Enrollment

Finding No. 1: Student Residency

Section 1009.21, Florida Statutes, states, in part, that students shall be classified as residents or nonresidents for the purpose of assessing tuition. According to this Statute, to qualify as a resident for tuition purposes, legal residency must be established and maintained in Florida for at least 12 months immediately prior to qualification. Section 1009.21(3), Florida Statutes, provides that a college may require individuals to provide evidence related to legal residency and its duration to obtain the resident tuition rate.

State Board of Education (SBE) Rule 6A-10.044, Florida Administrative Code (2009), established the documentation requirements for determining the classification or reclassification of students as Florida residents for tuition purposes. This rule provided that student applicants who meet certain criteria shall be initially classified as “All Florida” residents for tuition purposes, and students not meeting all the criteria must be evaluated to determine residency status. Such students had to provide at least two of the items that are acceptable for purposes of documenting Florida residency as prescribed by SBE Rule 6A-10.044(7), Florida Administrative Code.

Our test of students’ records for 27 students classified as Florida residents for tuition purposes disclosed that 2 of the students had been incorrectly classified as Florida residents. One student was classified as a Florida resident even though both forms of required documentation listed on the residency affidavit were issued within the previous 12 months, contrary to the requirements of the above-cited Statute. The other student had a permanent out-of-state address and had not applied for Florida resident status, but was incorrectly classified as a Florida resident beginning with the Fall 2009 semester. Because these students were classified as Florida residents, they were assessed tuition fees as Florida residents, resulting in \$10,412 in uncollected fees from these students for the Fall 2009 through Summer 2010 academic terms. In response to our inquiry, College personnel advised us that these misclassifications were caused by human error and that the students were reclassified to out-of-state students and assessed an additional \$10,412 in tuition fees. Subsequently, in June 2010, the College used fee waivers to exempt \$3,229, awarded institutional scholarships to reimburse \$5,627, and collected the balance of \$1,556 from the students for the fees owed to the College.

The College had not established procedures requiring supervisory personnel to verify that responsible personnel had properly classified students as Florida residents for tuition purposes. Absent such supervisory review procedures, there is an increased risk that the College may not properly assess and collect all the tuition fees to which it is entitled.

Recommendation: **The College should establish supervisory review procedures to ensure that required documentation is obtained to support classifications of students as Florida residents for tuition purposes.**

Finding No. 2: Adult General Education

Section 1004.02(3), Florida Statutes, defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State’s workforce. The College received State funding for adult general education and proviso language included in Chapter 2009-81, Laws of Florida, Specific Appropriation 114, required that each college report enrollment for adult general education programs identified in Section 1004.02, Florida Statutes, in accordance with Florida Department of Education (FDOE) instructional hours reporting procedures.

Procedures provided by FDOE stated that fundable instructional contact hours are those scheduled hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner. The FDOE procedures also provided that the College must develop a procedure for withdrawing students for nonattendance and that the standard for setting the withdrawal date shall be six consecutive absences from a class schedule. Additionally, there is a minimum enrollment threshold of 12 hours of attendance that must be met per program before a student can be counted for funding purposes; however, when the threshold is not met the actual hours of attendance should still be included to satisfy other reporting requirements. For students who transfer between classes, FDOE procedures require hours to be separately reported for the first class from the date of enrollment to the date of transfer and for the second class from the date of transfer or enrollment in the new class to the final withdrawal date or the end of the class, whichever is sooner.

The College reported 88,056 instructional hours for adult general education courses provided to students during the 2009-10 fiscal year. Our test of 20 students enrolled in two adult general education courses, adult basic education (ABE) program and general education diploma (GED) program, for which the College reported 1,598 hours to FDOE for the Fall 2009 term, disclosed errors in reporting instructional contact hours for 15 of the 20 students tested, as discussed below:

- One student transferred from the ABE program to the GED program for which the College did not correctly report hours of attendance to FDOE. According to College enrollment records, the student's actual hours of attendance for the ABE class were 5 hours; however, the College reported 12 hours, resulting in 7 hours being over reported and also allowing the student to be counted for funding purposes, contrary to FDOE instructions. For the second class (GED), the student's scheduled hours from the date of enrollment to the date of withdrawal were 84 hours; however, the student was reported for 180 hours, resulting in 96 hours being over reported for this program.
- Five students in the adult general education program were reported to FDOE as having instructional contact hours of 24, 90, 48, 72, and 24 hours; however, Colleges records reflected actual hours of attendance for these five students of 7, 4, 11, 8, and 4 hours, respectively. Because College records did not evidence that the 12-hour threshold had been met, actual hours should have been reported. As a result, the College over reported 224 hours for these five students to FDOE.
- For one student, the College did not track the actual instructional contact hours in the adult general education program due to the student not electronically signing in and out. Therefore, College records did not evidence that the 12-hour threshold had been met or what number of hours should have been reported. The College reported the student for 24 hours, which is approximately the scheduled hours for the period of attendance.
- Two students who enrolled late and withdrew early from the adult general education program were reported for the full semester for 180 hours each, instead of their scheduled hours of 126 and 141 for the periods of attendance, resulting in 93 hours being over reported.
- One student stopped attending for more than six consecutive classes at the end of the semester and should have been withdrawn. The student was reported for the full semester, or 180 hours, instead of the 147 scheduled hours through the withdrawal date resulting in 33 hours over reported.
- For five students, the instructional contact hours were either over or under reported by amounts ranging from 3 to 75 hours resulting in a net under reporting of 66 hours. According to College personnel, this occurred due to calculation and human errors with the electronic attendance system when the adult general education department relocated during the fall semester, and staff not being fully aware of the current reporting procedures.

Since future funding may be based, in part, on enrollment data submitted to FDOE, it is important that the College submit accurate and complete data.

Recommendation: The College should enhance its controls to ensure the accuracy of reporting instructional contact hours for students enrolled in adult general education classes in accordance with instructions from FDOE. In addition, the College should contact FDOE to determine what corrective actions are necessary regarding the over- and under-reported hours.

Finding No. 3: Adults With Disabilities

The College received State funding for its adults with disabilities (AWD) program for the 2009-10 fiscal year pursuant to Chapter 2009-81, Laws of Florida, Specific Appropriation 27, and was similarly funded for its AWD program for the 2008-09 fiscal year pursuant to Chapter 2008-152, Laws of Florida. Pursuant to proviso language included in these laws, and FDOE reporting instructions, the College was prohibited from reporting enrollment for its AWD students to FDOE for College Finance Program (CFP) funding purposes. The hours reported for AWD students are to be reported with the adult general education hours as discussed in our Finding No. 2 of this report.

The College reported 82,261 and 88,056 instructional hours for the adult general education program to FDOE for the 2008-09 and 2009-10 fiscal years, respectively. Our test of 10 students enrolled in the AWD program disclosed that 2,700 instructional contact hours for these students were reported as CFP fundable students to FDOE, contrary to the above-cited laws and FDOE instructions.

We expanded our audit tests to identify all AWD students reported as CFP fundable students for the 2008-09 and 2009-10 fiscal years. For the 2008-09 fiscal year, 86 AWD students with a total of 51,586 hours were reported as CFP fundable students and these hours represented 63 percent of the total adult general education hours reported for the 2008-09 fiscal year. For the 2009-10 fiscal year, 75 AWD students with a total of 52,360 hours were reported as CFP fundable students, and these hours represented 59 percent of the total adult general education hours reported for the 2009-10 fiscal year. College personnel indicated that the reporting of these hours as CFP fundable was due to an incorrect code being used in the “fee kind” field of the student database that was submitted to FDOE. Subsequent to our inquiry, College personnel indicated that this field had been automated to correctly report AWD enrollment in the future.

Recommendation: The College should continue its efforts to ensure that instructional contact hours for students enrolled in the AWD program are reported in accordance with the above-cited laws and FDOE instructions. In addition, the College should contact FDOE to determine the corrective actions necessary regarding the reporting of instructional contact hours for its AWD program for the 2008-09 and 2009-10 fiscal years.

Procurement of Goods and Services
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Finding No. 4: Competitive Procurement

State Board of Education (SBE) Rule 6A-14.0734, Florida Administrative Code, and Board of Trustees Rule No. 4.07(R2), *Bid Procedures*, require the College to publicly solicit for competitive offers (i.e., competitive sealed bids, proposals, or replies) from at least three sources for purchases exceeding a specified threshold, unless otherwise exempt. The SBE Rule and Board Rule list several purchasing actions that are not subject to a competitive procurement process, such as emergency or sole source purchases. During the 2009-10 fiscal year, the College’s competitive procurement threshold was \$50,000.

As similarly noted in our report No. 2009-071, the College procured services that exceeded the \$50,000 threshold without soliciting competitive offers. Our audit of transactions from 11 of 27 vendors, who were paid greater than \$50,000 during the 2009-10 fiscal year, disclosed that the College entered into one-year service agreements during the 2008-09 fiscal year for routine HVAC maintenance totaling \$128,508 with one vendor. The service agreements did not contain provisions for renewals; however, the College continued the agreements with the same terms through the 2009-10 fiscal year. The College’s routine HVAC maintenance services were not subjected to the competitive selection process for the 2008-09 or 2009-10 fiscal years, nor were we provided documentation showing that the services were exempt from the competitive selection process.

Absent the use of a competitive selection process for the procurement of goods or services the College cannot be assured that it is obtaining goods and services at the best price consistent with acceptable quality.

Recommendation: The College should ensure that goods and services are procured using a competitive selection process or document that such procurements are exempt from competitive selection requirements.

Confidential Information

Finding No. 5: 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 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 SSN 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, applicants for employment, and certain vendors. As similarly noted in our report No. 2009-071, College procedures needed improvement, as follows:

- The College’s notification of SSN collection and use was posted on its Web site and was included in its online catalog; however, prospective students, enrolled students, and applicants for employment were not required to view the written notification. In addition, when prospective students, enrolled students, or applicants for employment manually prepared forms that included their SSN, they were not provided the required written notification at the time they submitted the forms.

- Although the notification on the College's Web site did identify the specific Federal or State law governing the collection, use, or release of SSNs for each purpose for which a SSN is collected, it did not always indicate whether collection was authorized or mandatory under Federal or State law.

In response to our inquiries, College management indicated that they were working on the authorized or mandatory requirement and that they had previously believed the comprehensive online statement fulfilled the notification requirements of the Statute. As of August 5, 2010, the College had updated its notification statement to meet the authorized and mandatory requirement. College management is continuing their efforts to fully comply with the requirements of Florida Statutes, including providing written notification at the time the SSN is collected.

Effective controls to properly monitor the need for and use of SSNs and to ensure compliance with statutory requirements reduce 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.

Information Technology

Finding No. 6: Access Authorization

Effective access controls permit authorized employees access to application and systems software processing functions solely for purposes of performing assigned duties and preclude unauthorized employees from gaining access. Clear division of roles and responsibilities between information technology (IT) development staff and functional end users and within the established overall IT function helps preclude the possibility of a single employee subverting a critical process. For example, the functions of application end user, application development and maintenance, and database administration are typically separated.

Certain College employees had been granted access capabilities that were unnecessary for the performance of their job duties. In addition, assignment of incompatible job duties within the IT department resulted in the existence of excessive access privileges. Specifically:

- Within the College's Business Office, nine employees had been granted a Banner-delivered access class (grouping of access privileges) allowing update access to most transactions within the Banner Finance Module. The nine employees and three additional employees were also assigned other classes that provided the authority to perform finance-related transactions. The combination of access classes provided the employees the ability to input, update, and approve a requisition, purchase order, and an invoice; add or modify a vendor; process a warrant for payment; and input and update journal entries. Four of the employees were authorized to print checks. In response to audit inquiry, College management indicated that the Business Office has completed a review and design of Banner security for the purpose of reassigning access privileges with implementation expected upon completion of testing following the close of the 2009-10 fiscal year.
- Within the College's Administrative Affairs department, one employee had been granted access classes within the Human Resources Module that provided the ability to add a new employee, adjust salaries, and process payroll warrants. An additional employee had the ability to add a new employee, adjust salaries, and process a one-time payment through assigned classes.
- Four IT employees maintained applications access rights within the Banner Finance and Human Resources Modules in addition to their access assigned for technical support of the Banner environment including application maintenance and database administration.

Although the College had some compensating controls in place and guidance on the use of IT employees' technical and functional access privileges to mitigate the risks of the control deficiencies noted above, inadequate separation of duties increases the risk that unauthorized disclosure, modification, or loss of data and IT resources will occur and not be timely detected.

Recommendation: The College should complete the implementation of increased security within the Finance Module and continue to critically evaluate assigned job duties and access privileges to ensure an appropriate and enforced separation of duties to the extent practicable, thereby allowing for a more preventive control structure.

Finding No. 7: Security Controls

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed certain security controls related to logging of security activity that needed improvement. We are not disclosing specific details of the issues in this report to avoid the possibility of compromising College data and IT resources. However, we have notified appropriate College management of the specific issues. Without adequate security controls related to logging of security activity, the confidentiality, integrity, and availability of data and IT resources may be compromised, increasing the risk that College data and IT resources may be subject to improper disclosure, modification, or destruction.

Recommendation: The College should improve security controls related to logging of security activity to ensure the continued confidentiality, integrity, and availability of College data and IT resources.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, the College had taken corrective actions for findings included in our report No. 2009-071.

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 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. 2009-071. 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 IT policies and procedures to determine whether they addressed certain important IT control functions.
IT access controls.	Tested application access privileges to determine whether access granted to users in Finance and Human Resources systems was appropriate based on job functions and responsibilities.
Procedures to timely prohibit former employees' access to electronic data files.	Tested access privileges for employees who terminated employment during the audit period and verified that the College timely terminated access privileges.
IT authentication controls.	Examined supporting documentation to determine whether authentication controls were configured and enforced in accordance with IT best practices.
IT audit logging and monitoring controls.	Examined supporting documentation to determine whether audit logging and monitoring controls were configured and enforced in accordance with IT best practices.
Board meetings.	Reviewed Board minutes and, for selected Board meetings, examined supporting documentation evidencing compliance with Sunshine Law requirements (i.e., proper notice of meetings, ready access to public, maintain minutes).
Fraud policy and related procedures.	Examined written policies, procedures, and supporting documentation related to the College's fraud policy and related procedures.
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.
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.
Related parties.	For the College President and Board members, reviewed financial disclosure forms to identify potential related parties and compared to vendors used by the College.
Electronic payments.	Reviewed the College's procedures for performing electronic transfers and payments.
Auxiliary operations.	Reviewed policies and procedures and financial data to determine whether the College was adequately monitoring its auxiliary operations.
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.
Procedures for calculating technology fees.	Verified that the sum of the tuition fee and technology fee credit hour did not exceed the amount authorized by law.

EXHIBIT A (Continued)
AUDIT SCOPE AND METHODOLOGY

Scope (Topic)	Methodology
Procedures for calculating capital improvement fee.	Verified that the capital improvement fee did not exceed 10 percent of the tuition fee per credit hour and was limited to an increase of \$2 per credit hour over the prior year.
Adult general education program enrollment reporting.	Examined supporting documentation on a test basis to determine whether the College reported instructional and contact hours in accordance with Florida Department of Education requirements.
Procurement policies and procedures.	Tested purchases subject to competitive bids and proposals to determine compliance with bid requirements.
Purchasing card transactions.	Tested transactions to determine whether the purchasing card program was administered in accordance with College policies and procedures.
Contracts paid from appropriated State funds requirements of Section 1012.83(2), Florida Statutes.	Examined the College President's and other senior management's employment contracts and verified that the contracts limit any settlements, to be paid from appropriated State funds, to the amount of the annual salary.
Procedures for limiting wireless communication devices.	Reviewed policies and procedures for wireless communication devices to determine whether the College limited their acquisition and use, and documented the level of service provided.
Mandatory and nonmandatory transfers.	Tested transfers for all College-restricted funds to determine the purpose and legal authority of such transfers.
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.
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**



ST. JOHNS RIVER COMMUNITY COLLEGE
FLORIDA SCHOOL OF THE ARTS
CLAY, PUTNAM AND ST. JOHNS COUNTIES COOPERATING

November 3, 2010

JOE H. PICKENS, J.D.
PRESIDENT

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Mr. David W. Martin, CPA
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Dear Mr. Martin:

Enclosed is a copy of the college's response to the preliminary and tentative findings of the operational audit for St. Johns River Community College. Please let me know if you need additional information. Thank you.

Sincerely,

Joe H. Pickens, J.D.
President

EXHIBIT B (CONTINUED)
MANAGEMENT'S RESPONSE

Finding 1

The College has improved supervisory review procedures in the area of student residency, and we expect future misclassifications, if any, to be caught in the review process.

Finding 2

The College agrees and will implement improved controls to ensure the accuracy of reporting instructional contact hours for students enrolled in adult general education classes in accordance with instructions from FDOE. Additionally, in order to avoid over-and-under reporting of attendance hours, staff will attend MISATFOR and NRS meetings as well as review FDOE regulation procedures and their updates to keep abreast of changes to data reporting requirements. The College will contact FDOE to determine what corrective actions, if any, are necessary regarding the over- and under-reported hours.

Finding 3

The College has modified the procedures for reporting Adults With Disabilities to ensure future compliance. All data was reported under the proper ICS codes as mandated by the Division, the students were coded appropriately, but the course was not properly marked as an Adults With Disabilities class. An analysis of the funding actually received as a result of this error found the dollar value to be insignificant. The College will contact FDOE to determine if any additional corrective actions are necessary.

Finding 4

The College has communicated the bid requirements with all appropriate personnel, and will ensure that future contracts critical to our environmental systems are handled in the same manner as all other contracts with the appropriate bid process. Services related to the single contract in question has now been properly bid and awarded by the District Board of Trustees.

Finding 5

The College will continue its efforts to monitor the need for and use of social security numbers. The College will continue to provide written statements at the time of collection indicating the reason for, and statutory authority requiring or mandating collection.

Finding 6

The College will continue to review and implement access controls based upon the employee's job requirements. Where separation of duties are not possible due to small staff size, the College will use compensating controls; including independent review of data and access changes.

EXHIBIT B (CONTINUED)
MANAGEMENT'S RESPONSE

Finding 7

The College will improve procedures related to logging of system activity in order to ensure confidentiality, integrity, and availability of data. The College has undertaken a major change management initiative to implement logging well beyond the audit recommendations.