

SEMINOLE STATE COLLEGE OF FLORIDA

Operational Audit



BOARD OF TRUSTEES AND PRESIDENT

Members of the Board of Trustees and President who served during the 2012-13 fiscal year are listed below:

Scott D. Howat, Chair
Cynthia L. Drago, Vice Chair (1)
Jeffrey M. Bauer
Wendy H. Brandon
Alex Setzer

Dr. E. Ann McGee, President

Note: (1) Board member served beyond the end
of term, May 31, 2013.

The audit team leader was Nancy Heyman, CPA, and the audit was supervised by Keith A. Wolfe, CPA. 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) 412-2869.

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) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

SEMINOLE STATE COLLEGE OF FLORIDA

EXECUTIVE SUMMARY

Our operational audit disclosed the following:

ADMINISTRATIVE MANAGEMENT AND BOARD POLICIES

Finding No. 1: The Board had not adopted written policies and procedures relating to electronic funds transfers.

Finding No. 2: The College needed to enhance its monitoring procedures to ensure that instructors provide the required certifications that all required textbooks and other instructional items will be used in their courses.

STUDENT TUITION AND FEES

Finding No. 3: The College needed to enhance its procedures to limit parking fees to only those students that actually use parking services, as required by Section 1009.23(12), Florida Statutes.

PURCHASING

Finding No. 4: The College needed to enhance its procedures to ensure verification of vendor information prior to a vendor being approved to do business with the College.

INFORMATION TECHNOLOGY

Finding No. 5: The College had not developed a written, comprehensive information technology (IT) risk assessment.

Finding No. 6: The College had not developed a written IT security incident response plan.

Finding No. 7: The College’s IT security controls related to user authentication needed improvement.

BACKGROUND

Seminole State College of Florida (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 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 Altamonte Springs, Heathrow, Oviedo, and Sanford, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Seminole County. The College reported enrollment of 14,891 full-time equivalent students for the 2012-13 fiscal year.

The results of our financial audit of the College for the fiscal year ended June 30, 2013, 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, 2013, will be presented in a separate report.

FINDINGS AND RECOMMENDATIONS

Administrative Management and Board Policies

Finding No. 1: Electronic Funds Transfers

Section 1010.11, Florida Statutes, requires each college board of trustees to adopt written policies prescribing the accounting and control procedures under which funds are allowed to be moved by electronic transaction for any purpose including direct deposit, wire transfer, withdrawal, investment, or payment. This law also requires that electronic transactions comply with the provision of Chapter 668, Florida Statutes, which discusses the use of electronic signatures in electronic transactions between the colleges and other entities.

According to the College's records, approximately \$92 million of electronic funds transfers (EFTs) were made during the 2012-13 fiscal year for transactions such as employee payments, retirement payments, investment transactions, and vendor payments. In response to our inquiry, College personnel stated that they did not have a Board-approved policy for EFTs; however, they had informal processes to monitor and control EFTs, such as instructions for the initiation, approval, and recording of the electronic transactions to monitor and control electronic transmission of funds. While the College had informal controls over EFTs, the lack of specific guidance in the form of Board-approved written policies and procedures increases the risk that electronic transactions will not be executed in accordance with Board directives and the provisions of Chapter 668, Florida Statutes. Subsequent to our inquiry, the Board approved Policy 5.051, Electronic Transfers of Funds prescribing the accounting and control procedures under which funds are allowed to be moved by electronic transaction.

Recommendation: The College should continue its efforts to implement the Board's policy and procedures related to electronic funds transfers.

Finding No. 2: Textbook Affordability

Section 1004.085(3), Florida Statutes, requires that colleges post on their Web sites, as early as is feasible, but not less than 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. Additionally, State Board of Education (SBE) Rule 6A-14.092(3), Florida Administrative Code (FAC), requires colleges to collect and maintain, before each textbook adoption is finalized, written or electronically transmitted certifications from course instructors attesting that all textbooks and other instructional items ordered will be used, particularly each individual item sold as part of a bundled package, and to document the extent to which a new edition differs significantly and substantively from earlier versions, along with the value of changing to a new edition. The SBE created the Textbook Affordability Workgroup (Workgroup), which has issued recommendations for textbook affordability for students. These recommendations included a provision that each college develop and monitor policies and guidelines for textbook adoption.

The Board adopted Policy 5.200, Textbook Adoption, and the College implemented Procedure 5.2100, Textbook Adoption, to establish procedures to monitor compliance with Section 1004.085(3), Florida Statutes, and SBE Rule 6A-14.092(3), FAC. Our test of textbooks and other instructional materials as listed on the College's Web site for 10 courses taught in the Fall 2012 Term disclosed that the required instructor certifications had not been obtained from faculty or department heads. Failure to obtain and maintain the certifications from faculty or department heads

increases the risk that students may unnecessarily purchase textbooks or other instructional materials that are not going to be used for their courses.

Recommendation: The College should enhance its monitoring procedures to ensure that instructor certifications are obtained for required textbooks and other instructional materials used in their courses.

Student Tuition and Fees

Finding No. 3: Parking Fees

Section 1009.23(12), Florida Statutes, authorizes each college board of trustees to establish certain user fees, including parking fees, that shall not exceed the cost of the services provided and can only be charged to persons receiving the services. The College collected \$515,428 for parking fees during the 2012-13 fiscal year.

The College assessed students a parking fee of \$1.60 per College credit hour, \$1.50 per credit hour equivalent for Post-Secondary Adult Vocational, and \$1.50 per contact hour for Continuing Workforce Education students, excluding Distance Learning (on-line) students. In assessing these fees, the College charged students a parking fee whether or not the students used parking services. As a result, parking fees may have been assessed to students who did not use College parking services, contrary to Florida law. A similar finding was noted in report Nos. 2010-046 and 2012-074.

On April 15, 2013, the Board approved revised policy 5.040, College Fees and Charges, to allow students who do not use any parking facilities at any Campus or College site, to opt out of paying parking fees if they have never been issued a parking decal or parking ticket in the student's name, and complete a parking fee waiver form that is required to be approved by the Business Services Department. The College added a form on the College's Web site under the Business Services Web page providing for a form to be used by students to request to opt out of the parking fees. However, notification of a student's ability to opt out of the parking fees was not included in the College's Catalog available on the College's Web site, and notifications were not posted on campus, such as in proximity of the cashier windows.

Recommendation: The College should continue its efforts to ensure that parking fees are charged only to those persons using parking services, as required by Florida law. In addition, the College should develop and implement procedures to provide effective notification to students of their ability to opt out of parking fees, in accordance with Board policy.

Purchasing

Finding No. 4: Vendor Approval

Section 112.313(3), Florida Statutes, prohibits employees, acting in their official capacity, from doing business with any business entity of which the employee or employee's spouse or child has a material interest. In addition, the College's purchasing manual prohibits College employees from doing business with the College.

Our review disclosed that College procedures did not require vendor information for new vendors be independently verified prior to adding the business to the vendor listing. Failure to verify vendor information prior to authorizing vendors to do business with the College increases the risk of fictitious, invalid, or inappropriate vendors (such as College employees) being approved to do business with the College.

College procedures require the submission of a completed Internal Revenue Service Form W-9, Request for Taxpayer Identification and Certification (W-9) for companies that want to do business with the College. We were made aware that a College employee completed a W-9 and used a fictitious name as the company owner and was able to have the employee's company added to the vendor listing. Subsequent to submitting this W-9 form, the employee performed work for the College and was paid \$6,000 for the work. According to College personnel, they performed a fictitious name search subsequent to making the payment to the employee's company and as a result discovered that the company was owned by a College employee. As a result of not verifying vendor information prior to adding this company to the vendor list, the College had not detected that the vendor was also an employee of the College. College personnel indicated that the employee involved in this incident is no longer employed by the College.

Recommendation: The College should enhance its procedures to provide for verification of vendor's information prior to vendors being approved to do business with the College.

Information Technology

Finding No. 5: Risk Assessment

Management of information technology (IT)-related risks is a key part of enterprise IT governance. Incorporating an enterprise perspective into day-to-day governance actions helps an entity understand its greatest security risk exposures and determine whether planned controls are appropriate and adequate to secure IT resources from unauthorized disclosure, modification, or destruction. IT risk assessment, including the identification of risks and the evaluation of the likelihood of threats and the severity of threat impact, helps support management's decisions in establishing cost-effective measures to mitigate risk and, where appropriate, formally accept residual risk.

Although the College had informally considered external and internal risks and identified security controls to mitigate these risks, it had not developed a written, comprehensive IT risk assessment. The Florida College System (comprised of 28 Florida colleges) and the College Center for Library Automation have contracted with a vendor who developed a best practices information security framework, including security risk management best practices. In response to our inquiry, the College indicated that it utilized the document as a basis to develop a plan to assess and improve the College's network security plans. In addition, according to College personnel, a security assessment is scheduled for completion during the 2013-14 fiscal year. The absence of a written, comprehensive IT risk assessment may limit the College's assurance that all likely threats and vulnerabilities have been identified, the most significant risks have been addressed, and appropriate decisions have been made regarding which risks to accept and which risks to mitigate through security controls. A similar finding was noted in our report No. 2012-074.

Recommendation: The College should continue its efforts to develop a written, comprehensive IT risk assessment to provide a documented basis for managing IT-related risks.

Finding No. 6: Security Incident Response Plan

Computer security incident response plans are established by management to ensure an appropriate, effective, and timely response to security incidents. These written plans typically detail responsibilities and procedures for identifying, logging, and analyzing security violations and include a centralized reporting structure, provision for designated staff to be trained in incident response, notification to affected parties, and incident analysis and assessment of additional actions needed.

Although the College had identified some types of IT security incidents and methods to reduce their effects within its Disaster Recovery Plan, the College did not have a written security incident response plan. In addition, the College did not provide formal training to designated staff to provide for notification to affected parties. Should an event occur that involves the potential or actual compromise, loss, or destruction of College data or IT resources, the lack of a written security incident response plan could result in the College’s failure to take appropriate and timely action to prevent further loss or damage to the College’s data and IT resources. A similar finding was noted in our report No. 2012-074.

Recommendation: The College should develop a written security incident response plan to provide reasonable assurance that the College will respond timely and in an appropriate manner to events that may jeopardize the confidentiality, integrity, or availability of data and IT resources.

Finding No. 7: Security Controls – User Authentication

Security controls are intended to protect the confidentiality, integrity, and availability of data and IT resources. Our audit disclosed that certain College security controls related to user authentication 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 user authentication, the risk is increased that the confidentiality, integrity, and availability of data and IT resources may be compromised. A similar finding was communicated to College management in connection with our report No. 2012-074.

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

PRIOR AUDIT FOLLOW-UP

The following table provides information on recurring audit findings for the College:

Current Fiscal Year Finding Numbers	Preceding Fiscal Year Audit Report and Finding Numbers	Second Preceding Fiscal Year Audit Report and Finding Number
3	2012-074, Finding No. 1	2010-046, Finding No. 1
5	2012-074, Finding No. 3	
6	2012-074, Finding No. 4	
7	2012-074, Finding No. 5	

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 January 2013 to August 2013 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:

- 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, safeguarding of assets, and identifying weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2012-074.
- 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 programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls; 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.

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; 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.

The scope and methodology of this operational audit are described in Exhibit A. Our audit included the selection and examination of records and transactions occurring during the 2012-13 fiscal year. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of 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 agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

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) risk management and assessment.	Determined whether a written, comprehensive IT risk assessment had been developed to document the College's risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.
IT security incident response.	Determined whether the College had developed an adequate written security incident response plan.
IT logical access controls and user authentication.	Reviewed selected operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
IT data loss prevention.	Reviewed written security policies, procedures, and programs in effect governing the classification, management, and protection of sensitive and confidential information.
Board meetings.	Reviewed Board minutes to determine whether Board approval was obtained for policies and procedures in effect during the audit period and for evidence of compliance with Sunshine law requirements (i.e., proper notice of meetings, ready access to public, and maintenance of minutes).
Fraud policy and related procedures.	Examined written policies and procedures related to the College's fraud policy and related procedures.
Direct-support organizations.	Tested payments and transfers between the College and its direct-support organization to determine the legal authority of such payments.
Related parties.	For selected College officials, reviewed Department of State, Division of Corporation, records; statements of financial interests; and College records showing vendors used by the College to identify any relationships that represent a potential conflict of interest.
Investments.	Determined whether the Board established investment policies and procedures as required by Section 218.415, Florida Statutes, and whether investments during the fiscal year were in accordance with those policies and procedures.
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.
Student receivables.	Determined whether student receivables were properly authorized, adequately documented, and properly recorded. Determined adequacy of collection efforts and whether uncollectible accounts written-off were properly approved. Determined whether restrictions on student records and holds on transcripts and diplomas were adequate and enforced for delinquent accounts.

EXHIBIT A (CONTINUED)
AUDIT SCOPE AND METHODOLOGY

Scope (Topic)	Methodology
Student fee deferments.	Tested students receiving deferments to determine whether the fees were paid and whether students who failed to pay their fees in an approved manner were not reported for funding purposes.
Property deletions and disposals.	Examined Board minutes to determine whether approval was obtained for surplus property deletions and disposals.
Florida residency determination and tuition.	Tested student registrations to determine whether the College documented Florida residency and correctly assessed tuition in compliance with Sections 1009.21 and 1009.22, Florida Statutes, and State Board of Education Rule 6A-10.044, Florida Administrative Code.
Distance learning fees.	Determined whether distance learning fees were assessed and collected as provided by Section 1009.23(16)(b), Florida Statutes.
Parking Fees.	Reviewed the College's procedures to determine whether the parking fees were assessed only to students using this service in accordance with Section 1009.23(12), Florida Statutes.
Payroll and personnel.	Tested payroll transactions to determine the accuracy of the rate of pay, validity of employment contracts, adequacy of qualifications, completion of performance evaluations, accuracy of leave records, and certifications by supervisory personnel of employee time reports.
Terminal pay.	Reviewed the College's policies and procedures for terminal pay to ensure consistency with Florida law. Tested former employees to determine appropriateness of terminal pay.
Severance Pay.	Reviewed severance pay provisions in selected contracts to determine whether the College was in compliance with Florida Statutes.
Administrative employees' compensation.	Reviewed administrative employees' compensation to determine whether compensation did not exceed limits provided in Florida law.
President's compensation.	Determined whether the President's compensation was in accordance with Florida law, rules, and Board policies.
Bonuses.	Determined whether employee bonuses were paid in accordance with Section 215.425(3), Florida Statutes.
Purchasing policies and procedures.	Tested transactions to determine whether College expenses were properly approved, paid timely, for a valid public purpose, were properly coded and recorded in the accounting records, appeared reasonable, and in accordance with applicable laws, rules, and Board policies and procedures.
Purchasing card transactions.	Tested transactions to determine whether purchasing cards were administered in accordance with College policies and procedures. Also, tested former employees to determine whether purchasing cards were timely cancelled upon termination of employment.

EXHIBIT A (CONTINUED)
AUDIT SCOPE AND METHODOLOGY

Scope (Topic)	Methodology
Purchasing Rebates.	Determined whether the College had established procedures to allocate rebates earned by various procurement methods, such as purchasing cards and procurement consortia and cooperatives, to the correct fund that originated the purchasing transactions.
Travel expenses.	Tested travel expenses to determine whether the travel expenses were reasonable, adequately supported, for valid College purposes, and limited to amounts allowed by Florida law.
Contractual agreements.	Determined whether contractual services were supported by Board-approved contracts. Also, tested selected contracts to ensure that they were properly awarded and executed, and that contract terms were adequately supported.
Purchasing Agreements/State Contracts.	Determined whether the Board adopted policies to ensure compliance with Section 1001.64, Florida Statutes, requiring the use of purchasing agreements and State term contracts pursuant to Section 287.056, Florida Statutes, or entered into consortia and cooperative agreements to maximize purchasing power for goods and services.
Capital outlay purchases.	Tested purchases to determine whether the assets were properly capitalized or expensed, and were an allowable use of restricted capital outlay resources.
Electronic funds transfers and payments.	Reviewed College policies and procedures related to electronic funds transfers and payments. Tested supporting documentation to determine whether selected electronic funds transfers and payments were properly authorized and supported.
Direct-support organization – conflicts of interest.	Determined whether the College had established policies and procedures to avoid potential conflicts of interest with vendors who were doing business with the College and made donations to the College's direct-support organization.
Construction administration.	For construction management contracts, determined whether the College monitored subcontractor licenses.
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.

EXHIBIT B
MANAGEMENT'S RESPONSE



100 Weldon Boulevard | Sanford, FL 32773-6199 | 407.708.2010 | seminolestate.edu

E. Ann McGee, President

October 10, 2013

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

Dear Mr. Martin:

Subject: Seminole State College Operational Audit
Preliminary and Tentative Findings for the Fiscal Year ended June 30, 2013

We have reviewed the referenced document and recognize that Seminole State College has received seven findings.

Seminole State College's response to these findings is as follows:

FINDING 1: Electronic Funds Transfer

Seminole State College of Florida recognizes the need for strong internal controls for electronic funds transfers and based upon the provisions of Chapter 668, Florida Statutes, the College's Board of Trustees adopted a policy in May 2013, that governs all electronic funds transmissions. The College is implementing the adopted policy and related procedures.

FINDING 2: Textbook Affordability

Seminole State College of Florida will enhance its monitoring procedure to ensure that department head and instructor certifications are obtained for required textbooks and other instructional materials used in their courses by implementing two enhanced processes: 1) the use of an electronic textbook adoption system by departments; and 2) the obtainment of electronic verification statements from faculty validating that "all textbooks and other instructional items ordered will be used, particularly each individual item sold as part of a bundled package."

District Board of Trustees

Scott D. Howat, Chairman | Alex Setzer, Vice-Chair | Jeffrey M. Bauer | Wendy H. Brandon | Cynthia L. Drago | E. Ann McGee, President

Altamonte Springs | Geneva | Heathrow | Oviedo | Sanford/Lake Mary

A Diverse Learning Community | An Equal Access/Equal Opportunity College

EXHIBIT B (CONTINUED)
MANAGEMENT'S RESPONSE

1) Seminole State College implemented the use of an e-Follett online textbook adoption system college-wide in October 2012 for Spring Term 2013 textbook adoptions. Faculty adoption committees in each discipline review available textbooks and make recommendations for textbook selection. Upon receipt of the faculty committee's recommendation, department heads (typically the Associate Dean) electronically enter and approve selected textbooks for adoption for all course sections under their purview.

2) To ensure that instructor certifications are also received, beginning with Summer Term 2014 textbook adoptions, the responsible faculty will be required to verify that "all textbooks and other instructional items ordered will be used, particularly each individual item sold as part of a bundled package," via an electronic verification statement. Faculty will be required to acknowledge that they will use all of the required textbooks and instructional materials adopted for each course section they are assigned to teach. This verification will occur within the College's enterprise system (PeopleSoft). Associate Deans will collect summary data on faculty validation to assure compliance.

FINDING 3: Parking Fees

In order to ensure parking fees are only charged to persons that utilize parking and roadways on Seminole State College campuses, the College does not charge the per-credit hour parking fee to students taking a 100% online course. This change was implemented several years ago. Additionally, the College has implemented an opt-out procedure whereby students can complete a waiver form that will ensure they are not charged the parking fee if they do not utilize the parking lots and roadways on the campus. This procedure was codified in Board Policy in April 2013. In order to address this new finding relative to parking fees, the College has now implemented additional notification to students regarding the parking fee waiver by including applicable wording in the College's online catalog.

FINDING 4: Vendor Approval

The Purchasing Department initiated a new vendor verification process effective March 1, 2013. This process has two parts for verification. Once the vendor application and Federal W9 form is received, Purchasing Department personnel will verify the Federal Identification Tax Number (FEIN #) with the State of Florida Department of Corporations' website, SunBiz.org, and verify the owner listed. They will then compare the owner(s) name with the latest Active Employee Listing provided by the Payroll Department to ensure the owner is not a current employee prior to the vendor being approved to do business with the College.

FINDING 5: Risk Assessment

The College is currently developing written, comprehensive IT risk assessment documents based on the Florida College System's information security framework developed by IBM. These documents are scheduled to be completed no later than June 30, 2014.

EXHIBIT B (CONTINUED)
MANAGEMENT'S RESPONSE

FINDING 6: Security Incident Response Plan

In May 2013, the College hired a full-time Security Analyst whose primary responsibility is to identify and develop necessary plans associated with data and cyber security. The Security Analyst has been reviewing our current incident response plan found in the Disaster Recovery Plan, and will be designing a comprehensive Incident Response Plan to address this finding. The goal is to have this plan completed by June 30, 2014.

FINDING 7: Security Controls-User Authentication

New system profiles for security control and user authentication were implemented effective September 6, 2013. The new security profiles include the expiration cycle and password complexity suggested by the auditors. A copy of the screenshots and profile changes has been provided to the State auditors at their request.

Please contact Dr. Joseph A. Sarnovsky, Executive Vice President/CFO (407 708-2001) if you need additional information. Thank you.

Sincerely,



E. Ann McGee
President

EAM:crd