

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2017-057  
December 2016

**UNIVERSITY OF CENTRAL FLORIDA**



Sherrill F. Norman, CPA  
Auditor General

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<sup>a</sup> Student body president.

<sup>b</sup> Faculty Senate Chair.

The team leader was Yuling Liu, CPA, and the audit was supervised by Brenda C. Racis, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Supervisor, by e-mail at [jaimehoelscher@aud.state.fl.us](mailto:jaimehoelscher@aud.state.fl.us) or by telephone at (850) 412-2868.

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# UNIVERSITY OF CENTRAL FLORIDA

## ***SUMMARY***

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This operational audit of the University of Central Florida (University) focused on selected University processes and administrative activities and included a follow-up on findings noted in our report No. 2015-086. Our operational audit disclosed the following:

**Finding 1:** Background screenings were not always performed and documented for individuals in positions of special trust or responsibility.

**Finding 2:** University textbook affordability procedures continue to need improvement.

**Finding 3:** University procedures for canceling purchasing card privileges could be enhanced.

**Finding 4:** Certain University information technology access controls need improvement.

## ***BACKGROUND***

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The University of Central Florida (University) is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors (BOG). The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the BOG appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The faculty senate chair and student body president also are members.

The BOG establishes the powers and duties of the Trustees. The Trustees are responsible for setting University policies, which provide governance in accordance with State law and BOG Regulations. The University President is selected by the Trustees and confirmed by the BOG. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees for the University.

This operational audit focused on selected University processes and administrative activities and included a follow-up on findings noted in our report No. 2015-086. The results of our financial audit of the University for the fiscal year ended June 30, 2016, will be presented in a separate report. In addition, the Federal awards administered by the University 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, 2016, will be presented in a separate report.

## ***FINDINGS AND RECOMMENDATIONS***

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### **Finding 1: Background Screenings**

Although not specific to universities, State law<sup>1</sup> provides for background screenings for employees in positions of special trust or responsibility. For example, a level 2 background screening<sup>2</sup> is required for owners, operators, employees, and volunteers working in summer camps providing care for individuals under age 18; personnel hired to fill positions requiring direct contact with students in any district school system or university lab school; and certain State employment positions.

University procedures also require a level 1 background screening<sup>3</sup> for prospective employees and a level 2 background screening for employees in positions of special trust designated by law. According to Department of Human Resources (HR) personnel, the University identified employees in positions of special trust as personnel in the College of Nursing, College of Arts CREATE Program, Police, Health, Office of Research and Commercialization, and Creative School for Children Departments.

While the University required certain employees to undergo level 2 background screenings, our tests and discussions with University personnel identified other individuals in positions of special trust or responsibility who should be subject to these screenings. Specifically, we requested for examination University records related to 30 selected employees in positions of special trust or responsibility, including 5 employees in positions identified as such by the University. Although the other 25 employees were in positions in the Information Technology, Financial Aid, Registrar, and Finance and Accounting Departments with access to sensitive and confidential information such as University banking information and student, facility, or staff names, demographic information, and social security numbers, the University had not identified these 25 employees' positions as positions of special trust or responsibility. We found that the 5 employees in special trust or responsibility positions identified by the University had obtained the required background screenings; however, according to University personnel, none of the other 25 employees had been subject to a level 2 background screening. Also, based on our discussions with University personnel, we identified other positions of special trust or responsibility that should require level 2 background screenings, such as positions in the HR Department with access to employee and student confidential information and independent contractors and volunteers who work with persons under age 18 in programs conducted on University property.

In response to our inquiries, University personnel indicated that, as of October 2016, a comprehensive background check policy is currently being developed that will subject additional positions to level 2 background screenings. When level 2 background screenings are not required for all individuals in positions of special trust or responsibility, and documentation of the screenings is not maintained, the

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<sup>1</sup> Sections 110.1127, 409.175, and 1012.32(2)(a), Florida Statutes.

<sup>2</sup> A level 2 background screening includes fingerprinting for Statewide criminal history records checks through the Florida Department of Law Enforcement (FDLE), national criminal history records checks through the Federal Bureau of Investigation, and may include local criminal checks through local law enforcement agencies.

<sup>3</sup> A level 1 background screening includes employment history checks and Statewide criminal correspondence checks through the FDLE, a check of the national sex offender public Web site, and may include local criminal checks through local law enforcement agencies.

University cannot demonstrate that appropriate consideration was given to the suitability of the backgrounds of those individuals.

**Recommendation: The University should continue efforts to require and ensure that level 2 background screenings, including fingerprinting, are performed and documented for all individuals in positions of special trust or responsibility. Such positions include those with direct contact with individuals under age 18, responsibilities for safeguarding cash, or access to nonpublic information.**

## **Finding 2: Textbook Affordability**

State law<sup>4</sup> requires universities to post on their Web sites, as early as feasible, but not less than 30 days prior to the first day of classes, a list of each textbook required for each course offered at the institution during the upcoming term. Additionally, Board of Governors (BOG) regulations<sup>5</sup> require universities to adopt a regulation that establishes textbook adoption procedures to minimize the cost of textbooks for students while maintaining the quality of education and academic freedom. The regulation should establish procedures to document the intent of the course instructors to use all items ordered; determine the extent to which a new textbook edition differs significantly and substantively from earlier versions and the value of changing to a new edition; and post, no later than 30 days prior to the first day of classes, on the universities' Web sites a list of each required textbook for each course offering for the upcoming term. The posted list must include the International Standard Book Number for each required textbook or other identifying information, which must include, at a minimum, the title, all authors listed, publishers, and other relevant information necessary to identify the specific textbook(s) required for each course.

Although University procedures provide that a list of textbooks be posted on the University Web site, our review of those procedures, the posted textbook lists, and University records supporting the textbook information for the courses offered during the Fall 2015 and Spring 2016 terms disclosed that:

- The University had not established monitoring procedures to ensure that textbook information is posted on the University Web site at least 30 days prior to the first day of classes. The University contracted with a vendor to manage and operate the University Bookstore, as well as to compile and post lists of adopted textbooks on the University's Web site. As part of our audit, we reviewed the dates the vendor posted required textbook information to the University Web site for the 6,247 textbooks adopted for the Fall 2015 and Spring 2016 terms and identified 656 textbooks, or 11 percent, that did not have information timely posted. The untimely postings included information for 450 textbooks posted less than 30 days prior to the first day of classes (6 to 30 days late) and 206 textbooks posted after the first day of classes (1 to 66 days late). In response to our inquiry, University personnel indicated that a change in oversight responsibilities was a factor in the late postings.

The timely posting of required textbook information on the University Bookstore Web site is necessary for students to understand course textbook requirements and have sufficient time to consider textbook purchase options and limit their textbook costs. Also, without evidence of the timely posting of textbook information on the University Bookstore Web site, the University cannot demonstrate compliance with State law. Effective July 1, 2016, State law<sup>6</sup> was revised to require each university to post prominently in the course registration system and on its Web site, as early

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<sup>4</sup> Section 1004.085(3), Florida Statutes (2015).

<sup>5</sup> BOG Regulation 8.003, *Textbook Adoption*.

<sup>6</sup> Section 1004.085(6), Florida Statutes (2016).

as is feasible, but at least 45 days before the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course sections offered at the university during the upcoming term.

- Our review of the textbook prices for 16 courses during the Spring 2016 term disclosed that new or used textbook prices for the same course varied by as much as \$212 for new and \$159 for used textbooks. Table 1 provides examples of the price differences that exceeded \$100 for textbooks used in the same course.

**Table 1**  
**Textbook Prices**  
**For the Spring 2016 Term**

Course and Related Textbooks	Cost of New			Cost of Used		
	High	Low	Difference	High	Low	Difference
ACG 4401C	\$318	\$106	\$212	\$239	\$80	\$159
RTV 3531C	302	91	211	227	69	158
PSY 4604	289	97	192	217	73	144
CJC 3010	264	75	189	198	57	141
COM 4462	215	42	173	161	31	130
TPP 3173C	175	22	153	131	16	115
PSY 3213C	207	62	145	155	47	108
CCJ 5015	225	89	136	169	67	102

Source: University records.

According to University personnel, University procedures allowed faculty members to independently select course textbooks, resulting in different textbooks being used for the same course. In response to our inquiry, University personnel indicated that various approaches are used in the selection of textbooks depending on the department, ranging from individual faculty members choosing the textbooks to committees making the selections. However, when different textbooks are used for the same course, instructional costs paid by students may not be fair and equitable.

A similar finding was noted in our report No. 2015-086.

**Recommendation: The University should enhance procedures to ensure that records are maintained to document that lists of required and recommended textbooks and materials are timely posted in accordance with State law. In addition, the University should ensure that textbooks and other instructional materials are available to students at the lowest and best prices within acceptable quality by enhancing affordability procedures to require course-wide adoption of textbooks and other instructional materials for the same course.**

### **Finding 3: Purchasing Cards**

The University administers a purchasing card (P-card) program, which gives employees the convenience of purchasing items without using the standard purchase order process and expedites low dollar purchases of goods and services. P-card purchases are subject to the same rules and regulations that apply to other University purchases.

The University designated a P-card administrator and developed a comprehensive P-card Manual to establish procedures for P-card use and for canceling P-cards when employees separate from University employment. The P-card Manual requires cardholders who plan to separate from University employment to notify the P-card administrator. Upon receipt of an employee termination report, the P-card administrator reduces any former employee's P-card purchase limit to \$5 until the employee's department approves the respective P-card cancellation.

For the period April 2015 through March 2016, the University had P-card expenditures totaling \$42.5 million and, as of March 2016, 1,324 P-cards were assigned to employees. To determine whether the University promptly canceled applicable P-cards, we examined University records for 25 of the 100 cardholders who separated from University employment during the period. We found that, for 8 of the 25 former employees, the University did not promptly reduce the P-Card purchase limits or timely cancel the P-cards. Specifically, the P-card purchase limits for the 8 former employees were reduced 9 to 29 days after the employees' separation dates and the P-cards were canceled 10 to 65 days after the employees' separation dates.

In response to our inquiries, University personnel indicated that the employee termination report listed both employee department transfers and employment separations, which delayed the P-card cancellation process for individuals who separated from University employment. University personnel also indicated that they planned to refine the termination report by separating the employee department transfers from employment terminations to provide for more timely P-card cancellations for individuals who separate from University employment. While the agreement between the University and the bank that administers the P-card program allows the University 60 days to dispute charges, and our examination of P-card activity for these eight former employees disclosed that no purchases were made after the employees terminated employment, untimely cancellation of P-card privileges increases the risk that such privileges could be misused by former employees or others and may limit the University's ability to satisfactorily resolve disputed charges.

**Recommendation: The University should strengthen procedures to ensure that P-card privileges are timely canceled upon a cardholder's separation from University employment.**

#### **Finding 4: Information Technology – Access Controls**

Access controls are intended to protect University data and information technology (IT) resources from unauthorized disclosure, modification, or destruction. Effective access controls provide employees access to IT resources based on a demonstrated need to view, change, or delete data and restrict employees from performing incompatible functions or functions inconsistent with their assigned responsibilities. Effective periodic reviews of assigned IT access privileges are necessary to ensure that employees can only access those IT resources that are necessary to perform their assigned job responsibilities and that assigned access privileges enforce an appropriate separation of incompatible responsibilities. According to University personnel, the University has established procedures to periodically review detailed access reports to identify the propriety of access privileges for each individual.

As part of our audit, we examined University records for 20 of the 135 employees with IT access privileges to the University's Enterprise Resource Planning (ERP) system finance module and for 19 of the

863 employees with IT access privileges to the HR module. Our examination disclosed some unnecessary access privileges and that some access privileges existed within the finance module that could permit certain employees to perform incompatible functions. Specifically, we found that the University had established access to the finance module for six users (four software systems engineers, a system administrator, and a security analyst) who had the ability to update critical finance transactions including, among other things, the ability to add and update vendor records and information, create and approve requisitions and purchase orders, receive goods, and process vendor payments. In response to our inquiry, University personnel indicated that the access privileges were granted to these employees to troubleshoot production issues. Notwithstanding this response, the access privileges were not removed after the production issues were resolved. Subsequent to our inquiries, the University removed the finance module access privileges granted to these users.

Although the University had certain established controls (e.g., periodic reviews of access privileges, supervisory review and approval of transactions and employee work activities) that partially mitigated the control deficiencies, the existence of inappropriate or unnecessary IT access privileges increases the risk that unauthorized disclosure, modification, or destruction of University data and IT resources may occur.

**Recommendation: The University should continue efforts to ensure that IT access privileges granted enforce an appropriate separation of duties and are necessary and remove any inappropriate or unnecessary access privileges.**

## ***PRIOR AUDIT FOLLOW-UP***

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Except as noted in Finding 2, the University had taken corrective actions for findings included in our report No. 2015-086.

## ***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 March 2016 to August 2016 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, and safeguarding of assets, and identify weaknesses in those controls.

- Determine whether management had taken corrective actions for findings included in our report No. 2015-086.
- 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, weaknesses 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.

As described in more detail below, 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.

Our audit included transactions, as well as events and conditions, occurring during the audit period of April 2015 through March 2016, and selected University actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically 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 management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit we:

- Reviewed the University's written information technology (IT) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, and disaster recovery.
- Reviewed University procedures designed to prohibit former employees' access to electronic data files. From the population of 4,384 employees who separated from University employment during the audit period, we examined access privileges for 11 selected former employees to determine whether their access privileges had been timely deactivated.

- Reviewed University procedures and reports related to the capture, review, maintenance, and retention of system activity to determine whether procedures and reports were designed to ensure the appropriateness of access to and modification of sensitive or critical resources during the audit period.
- Reviewed operating system, database, network, and application security settings, as of July 2016, to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Evaluated the appropriateness of the University's comprehensive IT disaster recovery plan to determine whether it was in place and had been recently tested.
- Determined whether a comprehensive IT security awareness and training program was in place.
- Evaluated the University's procedures, plans, and forms related to security incident response and reporting during the audit period.
- Evaluated Board of Trustees (Trustees), committee, and advisory board minutes to determine whether the Trustees' 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, meetings readily accessible to the public, and properly maintained meeting minutes).
- Examined University records to determine whether the University informed students and employees at orientation and on its Web site of the existence of the Florida Department of Law Enforcement sexual predator and sexual offender registry Web site and the toll-free telephone number that gives access to sexual predator and sexual offender public information as required by Section 1006.695, Florida Statutes.
- Examined University records to determine whether the University had developed an anti-fraud policy and procedures to provide guidance to employees for communicating known or suspected fraud to appropriate individuals. Also, we examined University records to determine whether the University had implemented appropriate and sufficient procedures to comply with its anti-fraud policy.
- From the population of payments totaling \$42.5 million during the audit period from the University to or for its direct-support organizations (DSOs), examined University records supporting selected payments totaling \$29.1 million to determine whether the payments were authorized by Section 1004.28(1)(a)2. and (2), Florida Statutes.
- Examined University records for 30 selected student receivables totaling \$372,609 from the population of 81,832 student receivables totaling \$16.6 million to determine whether student receivables were properly authorized, adequately documented, properly recorded, and complied with Section 1010.03, Florida Statutes, and the Trustees' policies. We also evaluated whether University collection efforts were adequate and restrictions on student records and holds on transcripts and diplomas were appropriate and enforced for students with delinquent accounts.
- Examined University records to determine whether uncollectible accounts written-off totaling \$1 million during the 2015-16 fiscal year were properly approved.
- Reviewed payments from tuition differential fees collected to determine whether the University assessed and used tuition differential fees in compliance with Section 1009.24(16)(a), Florida Statutes.
- Examined University records to determine whether student status and residency determinations complied with Section 1009.21, Florida Statutes. Additionally, we determined whether the University had procedures to record deferred fees as a receivable and cancel the registration of students who did not timely pay fees.
- Evaluated University policies and procedures regarding textbook affordability for compliance with Section 1004.085, Florida Statutes. Specifically, we reviewed the dates the vendor posted

required textbook information to the University Web site for the 6,247 textbooks adopted for the Fall 2015 and Spring 2016 terms.

- Examined records supporting royalty fees collected totaling of \$526,739 during the audit period to determine whether the University was properly monitoring compliance with the contract terms.
- Examined University records supporting two vendor contracts for auxiliary operations, which generated significant revenue (\$3.2 million) during the audit period, to determine whether the University properly monitored compliance with the contract terms for fees, insurance, and other provisions. Also, we performed analytical procedures to determine whether the University's auxiliary services were self-supporting.
- From the population of 15,594 employees compensated a total of \$439.9 million during the audit period, selected 30 payroll transactions totaling \$122,843 and examined the payroll and personnel records for the applicable 30 employees to determine the accuracy of the rate of pay, the validity of employment contracts, whether performance evaluations were completed, the accuracy of leave records, and whether supervisory personnel reviewed and approved employee reports of time worked.
- Reviewed the President's employment agreement effective as of July 1, 2016, for compliance with the severance payment provision in Section 215.425(4), Florida Statutes.
- Evaluated the University's policies and procedures for payments of accumulated annual and sick leave (terminal leave pay) to determine whether the policies and procedures promoted compliance with State law and the Trustees' policies. From the population of 456 employees who separated from University employment during the audit period and were paid \$3.1 million for terminal leave, we selected 30 employees with terminal payments totaling \$845,196 and examined the supporting records to evaluate the payments for compliance with Section 110.122, Florida Statutes.
- Examined compensation records for the University's 15 administrative employees (including the President) for the 2014-15 fiscal year and 22 administrative employees (including the President) for the 2015-16 fiscal year to determine whether remuneration totaling \$4.5 million and \$5.8 million, respectively, did not exceed the limits established in Sections 1012.975(3) and 1012.976(2), Florida Statutes.
- Evaluated the University's policies and procedures for obtaining personnel background screenings to determine whether employees and others in positions of special trust and responsibility, such as positions with direct contact with persons under age 18, had undergone the appropriate background screenings. Specifically, we requested for examination University records related to 30 selected employees in positions of special trust or responsibility, including 5 employees in positions identified as such by the University.
- Examined University expenditure documentation to determine whether expenditures were reasonable, correctly recorded, adequately documented, for a valid University purpose, properly authorized and approved, and in compliance with applicable laws, rules, contract terms, and the Trustees' policies. We also examined University documentation to determine whether applicable vendors were properly selected and carried adequate insurance. From the population of expenditures totaling \$224.9 million for the audit period, we examined:
  - Documentation relating to 30 selected payments for general expenditures totaling \$3.8 million.
  - Documentation relating to 30 selected payments totaling \$1.2 million for contractual service agreements.
  - Documentation relating to the competitive selection of 7 vendors paid a total of \$199,885.
- From the population of 109,312 purchasing card (P-card) transactions totaling \$42.5 million during the audit period, examined University records supporting 30 selected P-card transactions totaling

\$710,871 to determine whether the P-card program was administered in accordance with University policies and procedures and transactions were not of a personal nature. Also, we determined whether P-cards were timely canceled for 25 of the 100 cardholders who separated from University employment during the period April 2015 through March 2016.

- From the population of payments totaling \$185,807 made during the audit period to employees for other than travel and compensation, selected 9 payments totaling \$35,187 and examined records to determine whether such payments were reasonable, adequately supported, for valid University purposes and whether such payments were related to employees doing business with the University, contrary to Section 112.313, Florida Statutes.
- From the population of 14 major construction projects totaling \$165.8 million and in progress during the audit period, selected 11 payments totaling \$10.4 million related to 5 major construction projects with contract amounts totaling \$79.7 million and examined University records to determine whether the payments were made in accordance with contract terms and conditions, University policies and procedures, and provisions of applicable State laws and rules.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

## **AUTHORITY**

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Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each University on a periodic basis. 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.



Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

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Office of the President

November 29, 2016

Ms. Sherrill F. Norman  
Auditor General, State of Florida  
G74 Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Ms. Norman:

Attached are the responses for the University of Central Florida to the Auditor General's preliminary and tentative operational audit findings for April 1, 2015 through March 31, 2016.

If you should require additional information, please contact Robert Taft at 407-823-2889 or [robert.taft@ucf.edu](mailto:robert.taft@ucf.edu).

Cordially yours,

A handwritten signature in black ink that reads 'John C. Hitt'.

John C. Hitt  
President

cc: Rick Schell  
Robert Taft

**University of Central Florida**

**Response to Auditor General Operational Audit**  
For audit period April 1, 2015 through March 31, 2016

**Finding No. 1: Background Screenings**

**Recommendation:** *The University should continue efforts to require and ensure that level 2 background screenings, including fingerprinting, are performed and documented for all individuals in positions of special trust or responsibility. Such positions include those with direct contact with individuals under age 18, responsibilities for safeguarding cash, or access to nonpublic information.*

**Response:**

The University of Central Florida maintains a practice of conducting pre-hire level 1 background screenings on selected candidates via a third-party vendor. The Human Resources Department's Talent Acquisition team manages this effort to ensure compliance with security requirements and assurance of consistency for documentation and interpretations of hiring decisions.

Currently, level 2 background screenings, including fingerprinting for selected candidates, are coordinated by hiring departments utilizing various third-party vendors based on the duties and nature of the position, including positions with direct contact with children. Historically, level 2 screening needs and processing have been decentralized and therefore without oversight by the central Human Resources Office.

UCF and the Human Resources Department are committed to protecting the safety, security, and health of its students, faculty, staff, and visitors. To sustain that effort, Human Resources is approaching the background check needs of the institution in two phases. As the first phase, Human Resources is in the process of codifying its current background screening process into an institution approved policy. Once approved, it will serve as the foundation to strengthen enforcement of the current processes, as well as to support additional policy enhancements or procedural changes that may be implemented in the future.

In regards to the scope and oversight of level 2 security background investigations, Human Resources is facilitating this review effort as the second phase of the overall initiative to reach both compliance and best practices. Human Resources has met with several of its university stakeholders and departmental representatives to begin to more clearly identify security sensitive and critical positions that require additional levels of screening, and will be working with various areas more in depth to fully review the need, target positions, process, and budgeting issues. Equally important is an assessment of the resources necessary to successfully implement, manage,

and sustain changes that develop as a result of this process. As its due diligence evolves, Human Resources will also partner with and seek guidance from legal counsel.

The outcome that the scope, depth, and breadth of our level 2 process review will take is therefore not yet concluded. It will take us additional time to move through the phased plan. The steps we have outlined here will be achieved in multiple phases. First, we will implement our foundation policy codifying current requirements, process, and procedures. This will be followed by steps to solicit needed input from stakeholders to identify positions that will become subject to additional screenings. All of this work will be accomplished while seeking legal guidance to ensure that any future university policies are legally sound, enforceable, and serve the security needs of our university. We anticipate the level 2 process will be completed on June 30, 2017.

### **Finding No. 2: Textbook Affordability**

**Recommendation:** *The University should enhance procedures to ensure that records are maintained to document that lists of required and recommended textbooks and materials are timely posted in accordance with State law. In addition, the University should ensure that textbooks and other instructional materials are available to students at the lowest and best prices within acceptable quality by enhancing affordability procedures to require course-wide adoption of textbooks and other instructional materials for the same course.*

### **Response:**

UCF recently revised its procedures for the posting of textbooks and instructional materials to improve timely publication and availability. On July 15, 2016, UCF amended Regulation 2.032 Textbook Adoption to align with the recently amended Section 1004.085 of the Florida Statutes requiring textbooks and instructional materials to be placed on the university's bookstore website 45 days before the first day of class for each term. In support of this regulation, the following practices are in place:

One hundred days before the start of the next semester, faculty members receive a communication from the bookstore advising that the textbook adoption system is open and reinforcing:

- textbook affordability as a priority
- pricing options available to students
- benefits of timely adoption
- textbook adoption deadline

This procedure was implemented in Fall 2016.

Subsequent communications consisting of the "Courses Without Textbooks" list will be sent to deans, associate deans, department chairs, program directors, and administrative assistants before the required adoption deadline to ensure appropriate action is promptly taken. Textbook adoption deadlines are also posted on the academic calendar. This procedure is currently ongoing.

The university will continue to achieve the intent of textbook affordability legislation through numerous outlets and means, including but not limited to accessibility to open market sources, technology trends such as e-books, promising partnerships related to OER (Open Educational Resources), university directives, and bookstore initiatives (e.g., price matching, rental, used, buyback, etc.). This procedure is currently ongoing.

Students typically search for required textbooks and instructional materials at: <http://ucf.bncollege.com/webapp/wcs/stores/servlet/TBWizardView?catalogId=10001&langId=-1&storeId=16552>

This website provides information about the price match program, rental options, and other affordable alternatives. This procedure is currently ongoing.

### **Finding No. 3: Purchasing Cards**

**Recommendation:** *The University should strengthen procedures to ensure that P-card privileges are timely canceled upon a cardholder's separation from University employment.*

#### **Response:**

The university recognizes the importance of timely P-card suspensions and cancellations. Procedures will be strengthened to ensure the employee termination report is reviewed daily and that cardholders who appear on the report are immediately suspended in the P-card system. Confirmation of employment termination will continue to be requested from the issuing department's responsible fiscal officer and/or dean, director, or chair. This is required because the employee termination report doesn't distinguish between true terminations and promotions or faculty contract renewals. P-cards will be cancelled immediately upon receiving confirmation of termination. This recommendation is currently in effect.

#### **Finding No. 4: Information Technology – Access Controls**

**Recommendation:** *The University should continue efforts to ensure that IT access privileges granted enforce an appropriate separation of duties and are necessary and remove any inappropriate or unnecessary access privileges.*

#### **Response:**

The university recognizes the need for appropriate and timely provisioning and deprovisioning of users from critical university systems. Therefore, the university accepts the finding and the general recommendation by the Auditor General. The university understands this challenge, and it has funded an initiative to begin working on a new process that will address this finding's recommendation.

The university's objective in this initiative is to re-architect the current security model in the university's Enterprise Resource Planning systems, from security provisioning based on business process and functionality, to one based on job function and job position or responsibility within each business unit of the university. The initiative entails collaboration with UCF Human Resources and other business units to build a security model based on each unit's organizational structure and employee responsibilities. In this new model, security privileges will be granted and removed based on a predetermined set of security roles and permissions assessed by each business unit for appropriateness, while technically enforcing separation of duties based on user roles.

The complete project will be a large-scale undertaking. Preliminary work has begun and we expect to work with appropriate business units in early 2017 and continue, working through 2018.