

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2022-083
January 2022

MIAMI DADE COLLEGE



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the period January through December 2019, Dr. Eduardo J. Padrón served as President until his resignation effective August 2019, and Dr. Rolando Montoya served as Interim President from August 31, 2019. The following individuals served as Members of the Board of Trustees:

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Dr. Anay Abraham from 3-21-19
Dr. Susan Amat through 3-20-19
Michael Scott Bileca from 3-21-19
Marcell Felipe from 3-21-19^b
Benjamin Leon III through 12-11-19^c
Dr. Rolando Montoya through 3-20-19
Nicole Washington from 7-9-19
Juan Carlos Zapata through 3-20-19

^a Vice Chair position vacant 7-9-19, through 7-15-19.

^b Trustee position vacant through 3-20-19.

^c Trustee position vacant from 12-12-19.

The team leader was Javier M. Alfonso, and the audit was supervised by Hector J. Quevedo, CPA.

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MIAMI DADE COLLEGE

SUMMARY

This operational audit of Miami Dade College (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2018-209. Our operational audit disclosed the following:

Finding 1: As similarly noted in our report No. 2018-209, during much of our audit fieldwork, College management required our audit requests for information be made through two audit liaisons instead of providing us direct access to the College employees responsible for an activity or function included in our audit scope. In addition, the College delayed our access to certain College records and information needed to achieve some of our audit objectives and efficiently conduct the audit.

Finding 2: College records did not document the reasonableness of the President Emeritus compensation and College benefit from the President Emeritus sabbatical leave.

Finding 3: The College exceeded the State law remuneration limits for certain administrative employees paid from appropriated State funds.

Finding 4: College personnel did not always record student receivables timely or timely place holds on records for students with receivable balances to prevent the students from enrolling in classes.

Finding 5: College controls over the assessment and collection of ground and facility use fees continue to need enhancement.

Finding 6: The College Controller and College Treasurer had incompatible duties that allowed them to prepare, review and approve, and record certain electronic funds transfers (EFTs). In addition, College records were not always available to demonstrate the reasonableness of EFT preparation and approval dollar limits.

Finding 7: The College needs to enhance controls over unearned revenue liabilities.

Finding 8: The College did not always timely cancel purchasing card privileges when a cardholder separated from College employment.

Finding 9: As similarly noted in our report No. 2018-209, some unnecessary information technology user access privileges existed that increased the risk for unauthorized disclosure of sensitive personal student information to occur.

BACKGROUND

Miami Dade 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 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 Doral, Hialeah, Homestead, and Miami. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Miami-Dade County.

FINDINGS AND RECOMMENDATIONS

Finding 1: Significant Constraints Imposed on Audit

State law¹ provides that all officers whose respective offices the Auditor General is authorized to audit or examine shall enter into their public records sufficient information for proper audit or examination and shall make the same available to the Auditor General on demand. Additionally, *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States, require that auditors obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions.

GAS also provide that management and officials of government programs are responsible for providing reliable, useful, and timely information for transparency and accountability of these programs and their operations. *GAS* require auditors to report any significant constraints imposed on the audit approach by information limitations or scope impairments, including denials of, or excessive delays in, access to certain records or individuals.² When auditors are not provided access to all employees of an entity being audited, those who willfully fail or refuse to provide such access may be subject to penalties pursuant to State law.³ In addition, according to generally accepted auditing standards,⁴ examples of significant findings include circumstances that cause the auditor significant difficulty in applying necessary audit procedures.

During our entrance conference with College management, we discussed our need to access applicable College employees and records in accordance with statutory and audit requirements. However, we were not initially permitted to make requests to, or receive records and information directly from, the College personnel directly responsible for an activity or function included in our audit scope. Instead, College management required our audit requests for information be made through two audit liaisons who were to process the requests and then provide the requested information to our audit team. In addition, throughout much of our audit fieldwork (March 2020 through June 2021), our requests for access to certain College records and information necessary to achieve our audit objectives were met with significant delays. These delays created redundancies in audit requests and postponed or frustrated the performance of audit procedures. To help facilitate the timely resolution of our audit requests, after a period of usually 2 weeks and 2 unsuccessful attempts to obtain information through the audit liaisons, we escalated our audit requests to the Senior Vice Provost for Business Affairs/Chief Financial Officer (CFO).

The CFO and the two liaisons met and discussed with us the escalated audit requests throughout the audit and, after several escalated requests and unsuccessful audit request follow ups, the CFO granted

¹ Section 11.47(1), Florida Statutes.

² *Government Auditing Standards*, 2018 Revision, Section 9.12.

³ Section 11.47(3), Florida Statutes.

⁴ American Institute of Certified Public Accountants, *Codification of Statements on Auditing Standards AU-C Section 230.A10, Audit Documentation*.

us direct access to the Vice Provost of Human Resources and the Vice Provost of Academic Affairs in July 2020, and to the Associate Vice Provost of Student Financial Aid in January 2021, to expedite the College responses in their respective areas. However, for other escalated audit requests in areas such as facilities, information technology, and decentralized collections for which the audit liaisons did not have direct oversight or, for areas such as purchasing, student receivables, payroll, accounts payable, and cash management for which the audit liaisons had oversight but were not the immediate director or supervisor, we typically continued to process our audit inquiries through the two audit liaisons.

From April 2020 to February 2021, we provided 185 separate audit requests for information to the audit liaisons. As prompt responses were not provided, we escalated 116 of the 185 audit requests to the CFO. Due to continued lack of responsiveness, we provided the CFO 83 of the written audit requests 2 to 15 times. Despite our efforts to encourage prompt responses, 89 audit requests were not resolved until 22 to 181 days, or an average of 60 days, after the date of our initial request. For example, we requested:

- On June 2, 2020, a detailed listing of funds comprising unearned revenues of \$43.9 million as of June 30, 2019; however, the College did not provide us the listing until November 25, 2020, after 176 days, 5 follow-up requests, and 15 escalated requests to the College CFO.
- On June 3, 2020, College records supporting information reported on Office of Education Facilities' Form 442; however, the College did not provide us the records until November 12, 2020, after 162 days, 3 follow-up requests, and 12 escalated requests to the College CFO.
- On June 5, 2020, College records supporting the funding sources of expenses and non-mandatory transfers recorded in the unexpended plant fund; however, the College did not provide us the records until October 22, 2020, after 139 days, 3 follow-up requests, and 9 escalated requests to the College CFO.
- On June 14, 2020, College records supporting the approval and the budget, revenue, expense, and transfer amounts, for 4 types of student user fees; however, the College did not provide us the records requested until October 23, 2020, after 131 days, 2 follow-up requests, and 10 escalated requests to the College CFO.
- On July 8, 2020, supporting documents for our decentralized cash collections test, including prenumbered or system-generated receipts, cashier reconciliations, collection summary reports, deposit slips and bank statements; however, the College did not provide us the documents requested until January 5, 2021, after 181 days, 3 follow-up requests, and 10 escalated requests to the College CFO.

In response to our request for an explanation as to the causes for the delays, College personnel indicated that the audit liaisons had additional responsibilities and workloads that were not previously assigned based on issues arising mainly from the COVID-19 pandemic. Consequently, the audit liaisons' ability to assist the auditors and timely respond to audit requests was limited. Notwithstanding this response, significant constraints were imposed on the audit due to College management's delays in providing the requested information and restrictions on our ability to make requests to, and receive records and information directly from, directly responsible College personnel.

Constraints limiting timely access to records, information, and personnel requested for audit purposes frustrates the audit process and limits our ability to provide timely and relevant information to the Legislature and other decision makers. Additionally, the difficulties we encountered in obtaining access

to College records, information, and personnel throughout our audit fieldwork exemplify the need for improved accountability and transparency for College operations. Similar findings were noted in our report Nos. 2018-209 and 2016-190.

Recommendation: In future audits of the College, management should demonstrate a commitment to accountability, transparency, and compliance with State law by ensuring that access to the records, information, and personnel needed to facilitate a complete and timely audit are provided upon auditor request.

Follow-Up to Management’s Response

Management’s response indicates that the College does not agree that significant constraints were imposed on this audit. The response also states that “the audit started at the beginning of the global pandemic which shutdown the College’s on-campus operations creating an unparalleled shift in operational capabilities ... College staff and records remained accessible to the audit team throughout the audit process and regular meetings were had together with the audit team. There is simply no basis to support this finding....”

Notwithstanding the difficulties universally experienced during the global pandemic, our audit requests for access to certain College staff, records, and information necessary to achieve our audit objectives were met with constraints that caused significant difficulties in applying necessary audit procedures. Examples of significant difficulties experienced included the College-imposed process for routing audit requests through College liaisons rather than directly to responsible employees and the delayed responses cited in this finding that ranged from 131 days (over 4 months) to 181 days (almost 6 months) after our audit requests and required multiple follow-up and escalated requests. While the College did not deny our audit requests for records or information, the College-imposed audit response process and excessive delays in providing access to requested records and information clearly frustrated the audit process and limited our ability to timely complete the audit. Consequently, the finding stands as presented.

Finding 2: President Emeritus

State law⁵ provides the Board with the authority to establish a personnel program for all employees, including the College President’s compensation and other conditions of employment. Board policies⁶ provide that multi-year contracts may be awarded to certain professional exempt contractual personnel and the employment contracts are to provide for the duration of employment, compensation, fringe benefits, and may contain other terms and conditions.

In addition, sabbatical leave is usually more successful with a clear, detailed, and transparent policy to communicate employee obligations while minimizing disruption to the College. Sabbatical leave should be contractually defined to describe the leave’s anticipated activities, outcomes, and related benefits to the College, and be supported by records to confirm receipt of those activities, outcomes, and benefits.

⁵ Section 1001.64(18), Florida Statutes.

⁶ College Policy II-10A, *Professional Exempt Contractual Personnel*.

On May 3, 2013, the Board approved the President's employment contract for a period of 4 years beginning June 1, 2014, and ending May 31, 2018. The contract provided the President with a 1-year sabbatical with full pay and benefits in recognition for the President's more than 40 years of service to the College. The President's contract was amended on June 24, 2016, and again on January 22, 2018, to ultimately extend the President's employment term to June 30, 2021. The amended contract also allowed the President to resign his position as College President to become the President Emeritus for the remainder of the President's term. As President Emeritus, the President would be compensated at his current salary with the same benefits and his responsibilities would be limited to strengthening the resources of the College Foundation. In addition, the amended contract modified the sabbatical provision to allow the President the 1-year sabbatical, as either the College President or President Emeritus.

Our discussions with College personnel and examination of College records disclosed the following sequence of events:

- On August 31, 2019, the College President resigned from that position and the College contracted with a former provost to serve as the Interim College President.
- Effective September 1, 2019, the former College President transitioned to the President Emeritus position while maintaining his same annual compensation of \$686,401. Included in that compensation was his base salary of \$452,424, a salary supplement of \$101,977, an annual housing allowance of \$48,000, a life insurance contribution of \$1,000, and a deferred compensation contribution of \$83,000.
- On February 12, 2020, the President Emeritus requested and was approved by the Interim President to begin his sabbatical leave effective March 16, 2020. College personnel indicated that the President Emeritus started his sabbatical leave on March 16, 2020, and ended that leave, as approved, on March 15, 2021.
- Effective March 16, 2021, through June 15, 2021, the President Emeritus exercised his contract option to use professional development leave for 3 months.
- From June 16, 2021, through June 30, 2021, the President Emeritus was on vacation.

As previously indicated, the amended President contract provided that the President Emeritus responsibilities would be limited to strengthening the resources of the College Foundation. Similarly, the College job description for the President Emeritus provided that the position had an advisory role to the College President and the Foundation with the objective of strengthening the resources of both the College and the Foundation. The President Emeritus was to support College leadership with introductions to community and business leaders, assist the College in producing results through relationships for fundraising, and serve as a College representative or emissary in local and national business circles.

We acknowledge the Board's authority to establish employee positions and related compensation; however, although we requested, College records were not provided to demonstrate the reasonableness of the President Emeritus position compensation at the same salary and benefits the individual was compensated while serving as President. Based on the job description, the expected responsibilities for the President Emeritus appear more of an advisory role to the College President and the Foundation. Such responsibilities appear significantly less in scope than the expected duties and responsibilities of

the President,⁷ who is the College Chief Executive Officer and works in close collaboration with the Board to provide overall leadership and direction for the College.

In addition, although we requested, College records were not provided to demonstrate the benefit to the College of providing the President Emeritus with a 1-year sabbatical leave contract provision. To require and document such benefits, the contract could have required the President Emeritus to, for example, continue or pursue degrees; enhance his professional skills through training or non-degree coursework, personal growth, or self-enrichment activities; and the College could have maintained records to confirm receipt of the contracted activities, outcomes, and College benefits.

Absent records to support the basis for the President Emeritus compensation and the benefit of the sabbatical leave to the College, the public purpose served by Board decisions for the President Emeritus salary and benefits, including sabbatical leave, is not readily apparent.

Recommendation: The Board should take action to demonstrate the reasonableness of compensating the President Emeritus position at the same salary the individual was compensated while serving as College President, and the benefit provided to the College for providing the President Emeritus a 1-year sabbatical. Absent such, the Board should, in the future, base the pay of the President Emeritus position on the responsibilities assigned to the position and the related College-defined benefits anticipated and received. In addition, the College should require and ensure that contracts define sabbatical leave anticipated activities, outcomes, and related benefits to the College, and that payments for such leave be supported by records to confirm receipt of those activities, outcomes, and benefits.

Finding 3: Administrative Employee Remuneration

State law⁸ provides that College administrative employees may not receive more than \$200,000 in annual remuneration from appropriated State funds. State law⁹ does not prohibit the College from providing additional compensation to administrative employees in excess of the \$200,000 limitation from other funds that are not appropriated State funds.

During the 2018-19 and 2019-20 fiscal years, the College made remuneration payments totaling \$2.5 million and \$2.9 million, respectively, from appropriated State funds and other funding sources to 16 administrative employees. College personnel indicated that, as part of College procedures, remuneration payments made to administrative employees in excess of \$200,000 from appropriated State funds in the Current Unrestricted Fund are reimbursed by the Auxiliary Fund from funding sources that are not appropriated State funds; and, during the 2018-19 and 2019-20 fiscal years, the Auxiliary Fund reimbursed the Current Unrestricted Fund \$591,025 and \$466,250, respectively, for remuneration paid to the 16 administrative employees from appropriated State funds.

However, our inquiries to College personnel and examination of College records disclosed that, despite the Auxiliary Fund reimbursements during the 2018-19 fiscal year, the College paid \$123,105 in excess

⁷ The President's duties and responsibilities include providing educational leadership and overall direction to the College educational programs, providing leadership to senior College employees, ensuring sound fiscal management, ensuring equal access and opportunities to the College, providing community leadership, and enhancing the College working relationship with businesses and local public and private schools.

⁸ Section 1012.886(2), Florida Statutes.

⁹ Section 1012.886(3), Florida Statutes.

remuneration from appropriated State funds to 8 of the 16 administrative employees including the College President, the College Vice President, 4 Campus Presidents, and 2 Vice Provosts. Similarly, during the 2019-20 fiscal year, the College paid \$20,987 in excess remuneration from appropriated State funds to 5 of the 16 administrative employees including the President Chief of Staff, a Campus President, and 3 Vice Provosts.

In response to our inquiries, College personnel indicated that, due to an error in the manner that the remuneration information was extracted from College payroll records, the Auxiliary Fund reimbursements were insufficient. Subsequent to our inquiries, in February 2021 the College used non-appropriated funds to reimburse to the Current Unrestricted Fund the \$144,092 in excess remuneration paid from appropriated State funds during the 2018-19 and 2019-20 fiscal years. Notwithstanding the College response and actions, our procedures do not substitute for College responsibility to establish appropriate controls over appropriated State funds paid to administrative employees.

Recommendation: The College should ensure that salaries of all employees working in administrative positions and paid from appropriated State funds do not exceed the limits established by State law.

Finding 4: Student Accounts Receivable

On May 11, 2020, the College had 8,745 accounts receivable totaling \$3.7 million in the Current Unrestricted Fund including, for example, amounts due for insufficient student fees, fee deficiencies, over-disbursed financial aid, rejected e-checks, and returned checks. If a student owes money to the College, College procedures¹⁰ require the College to withhold the student's records, privileges for registration, grade reports, and transcripts until the debt is satisfied. College procedures¹¹ also require that delinquent student receivables be referred to a collection agency after the student receivable account is 120 days past due and that student receivables delinquent for more than 2 years be written off.

To evaluate the sufficiency of College controls over student accounts receivables, we examined College records as of May 2020 for 30 selected students with 347 receivables totaling \$49,738. We found that College personnel did not timely:

- Record 9 receivables totaling \$3,292 and \$400 for 2 students, respectively, as the receivables were recorded 9 and 25 months after the term the amounts were due.
- Place holds on the records of 15 students with 187 receivables. As a result, 2 students registered for a term after the term the student receivables were established, and 1 student registered for a term after the term that a late hold should have been placed. The 3 students incurred additional receivables totaling \$2,886.
- Refer 196 receivables to collection agencies. The delayed referrals were 61 to 259 days, or an average of 240 days, after the 120-day notice notified the student that the account would be referred to a collection agency. According to College personnel, collection efforts were internal, and the students were not sent to a collection agency until the new Enterprise Resource Planning's (ERP) collection module was implemented on July 1, 2020. College personnel also

¹⁰ College Procedures No. 3149, *Financial Obligations – Students (Loans and Fee Deficiencies)*; and No. 3243, *Outstanding Financial Obligations to the College*.

¹¹ College Student Financial Services Department's *Procedure for Student Billing Process*.

indicated that on July 14, 2020, the College began transmitting past due account receivables to various collection agencies.

In response to our inquiries, College personnel indicated that the control deficiencies related to implementation of the collection module in the College ERP system. Notwithstanding this response, when student receivables are not timely recorded and efforts to collect student receivables are not timely or comprehensive, there is an increased risk that the College may not be able to collect amounts due. Similar findings were noted in our report Nos. 2018-209 and 2016-190.

Recommendation: The College should enhance procedures to ensure that student receivables are timely recorded, holds are promptly placed on records of students with receivable balances to prevent the students from enrolling in classes, and delinquent receivables are timely referred to a collection agency.

Finding 5: College Ground and Facility Use

State law¹² authorizes the Board to permit the use of educational grounds and facilities for any legal assembly. College policies¹³ and procedures¹⁴ require that, 2 weeks prior to the rental (event), the College enter into written agreements with external organizations (lessees) requesting the use of College facilities. College procedures also require that external organizations acquire insurance for general liability, worker's compensation and other liability coverage, and name the College as an additional insured at least 3 days prior to the rental of College grounds and facilities.

According to College personnel, the College sends a facilities rental invoice to the lessee based on the College rental fee and rate schedule and requires the lessee to make payment to the College 48 hours prior to the event, unless agreed upon in writing and in advance. In addition, College procedures allow campus presidents or designees to waive rental fees for the use of College grounds and facilities. The Board established ground and facility rental fees based on several factors, including the types of facilities rented and the support services required for the event.

For the period January through December 2019, the College reported rental fee collections totaling \$659,759 for use of College grounds and facilities. As part of our audit, we requested for examination College records, such as grounds and facility use agreements, supporting 31 selected events sponsored by external organizations with rental fee collections totaling \$175,234. Our examination of the records disclosed that College monitoring procedures associated with grounds and facilities use fees could be improved. Specifically, College documents showed the College did not follow College procedures for 18 events with rental fee collections totaling \$76,128 as:

- College records did not evidence that the lessees obtained the required worker's compensation insurance for 15 events with rental fee collections totaling \$71,288. In addition, rental payments totaling \$18,093 for 2 of the 15 events were made subsequent to the events and 4 and 18 days after the due date established by the agreement.

¹² Section 1013.10, Florida Statutes.

¹³ College Policy V-24, *Use of College Facilities*.

¹⁴ College Procedures No. 3908, *Use of College Facilities by External Organizations*, and External Facility Rental Request Guidelines.

- The certificate of insurance provided by the lessees for 2 events with rental fee collections totaling \$2,840 did not name the College as an additional insured or evidence that the lessees obtained worker's compensation insurance. College personnel indicated that the lessees were exempt from the worker's compensation State law requirements; however, although we requested, College records evidencing the lessees' exemption were not provided.
- The certificate of insurance provided by a lessee for 1 event expired prior to the event, College records did not show that the College required the lessee to provide an updated certificate of insurance and the \$2,000 rental payment for this event was made subsequent to the event and 29 days after the due date established by the agreement.

In response to our inquiries, College personnel indicated that the payments were not collected timely due to oversight and that, although worker's compensation insurance and the additional insured endorsement showing the College name were not always obtained, College personnel did not believe that the insurance and endorsements were required in all cases. Notwithstanding this response, without required insurance, the College named as an additional insured, and timely lease payments, there is an increased risk that the College may not be properly protected from liability or recover all the costs associated with facility use by organizations external to the College. Similar findings were noted in our report Nos. 2018-209 and No. 2016-190.

Recommendation: The College should enhance procedures to ensure that payments and proof of required insurance are obtained prior to lessee use of College grounds and facilities.

Finding 6: Electronic Funds Transfers

To help protect electronic bank account information from internal and external threats, such as the unauthorized use of College funds, effective policies and procedures should be established to maintain the integrity, security, confidentiality, and auditability of electronic funds transfers (EFTs). Such policies and procedures should require and ensure that the College assigns appropriate EFT authorization limits for personnel based on their job responsibilities and separates the incompatible duties of EFT preparation, and review and approval.

During the 2019 calendar year, College policies¹⁵ established controls over College EFTs. Specifically:

- The Chairman of the Board, College President, or Senior Vice Provost of Business Affairs or authorized designee must authorize all movement of funds by EFT by signing and submitting to the College's financial institution the appropriate schedule or exhibit.
- The Senior Vice Provost of Business Affairs and his designee(s) must approve non-repetitive EFTs via the online treasury management services. According to College personnel, non-repetitive EFTs could include, for example, transfers to investment managers and payments to vendors.
- Someone independent of the EFT and authorization process is to reconcile confirmed EFTs to bank statement transactions daily.

¹⁵ College Policy No. III-15, *Electronic Transfer of Funds*.

- Someone independent of the Automated Clearing House (ACH)¹⁶ EFT and authorization process is to reconcile the ACH amount total to the source document amount total.

According to College personnel, EFTs are used to make transfers between College bank accounts, payroll and State of Florida retirement payments, vendor payments, student refunds, and transfers associated with other activities. College records show that during the 2019 calendar year the College made 3,680 EFTs totaling \$437 million, ranging from \$0.30 to \$98 million.

We reviewed College EFT policies and procedures used during the 2019 calendar year along with supporting bank and College records and found that College controls over EFTs could be improved. Specifically:

- Two treasury analysts could initiate and prepare EFTs and an assistant controller could approve EFTs. However, the College also established a shared user profile with a bank that allowed the College Controller and College Treasurer to initiate, prepare, and approve EFTs. Consequently, the shared user profile did not provide for an appropriate separation of duties as the Controller and the Treasurer each could prepare and approve ACH and international EFTs and record the EFTs in the accounting system without documented independent review and approval. In response to our inquiry, College personnel asserted that the Controller could not prepare EFTs using the shared user profile; however, although we requested, neither College nor bank records were provided to support this assertion.
- College EFT policies and procedures did not require College records to, and College records did not, demonstrate the basis for dollar limits established for EFT preparation and approval. Our examination of College records disclosed that ACH, domestic, and international EFTs for the 2019 calendar year averaged \$6,747, \$1.2 million, and \$3,958, respectively. However, although we requested, College records were not provided to justify the Controller and Treasurer's shared user profile EFT approval limits of \$6.3 million and \$50 million for ACH, and domestic and international EFTs, respectively. In addition, although we requested, College records were not provided to justify, based on assigned job duties, the Assistant Controller's daily EFT preparation dollar limit for domestic EFTs totaling \$15 million or the two treasury analysts ACH EFT preparation dollar limits of \$6 million each and domestic EFT preparation dollar limits of \$50 million and \$15 million, respectively.

Subsequent to our inquiries in June 2020, College personnel evaluated the EFT authorization limits and, as a result, reduced the Controller and Treasurer's international EFT approval limits to \$250,000.

While our examination did not disclose any EFTs made for unauthorized purposes, our examination cannot substitute for management responsibility to establish effective controls. Absent effective controls over the EFT process, including appropriately separated EFT duties and reasonable EFT dollar limits based on College records of EFT use and the applicable employee's job duties, there is an increased risk that unauthorized EFTs could occur and not be timely detected and resolved.

Recommendation: The College should continue efforts to ensure that:

- **EFT duties are appropriately separated so that the same employee cannot prepare and approve EFTs and record the EFTs in the accounting system.**

¹⁶ The Automated Clearing House (ACH) network is a batch processing store and forward payment system used to process large volumes of EFTs. Transactions received by a financial institution are stored and processed in a batch mode through the United States Federal Reserve or private sector ACH operators.

- **College records demonstrate the reasonableness of EFT preparation and approval dollar limits based on College records of EFT use and the applicable employee's job duties.**

Finding 7: Unearned Revenue

Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, paragraph 15, provides that, until allowable costs have been incurred and any other eligibility requirements have been met, cash and other assets provided in advance should be reported as an advance (an asset) by providers and as deferred or unearned revenue (a liability) by recipients. Further, the Florida College System Manual¹⁷ establishes the general ledger accounts to be used to record unearned revenue and provides that these accounts should be credited when income received applies to a future period. Unearned revenue would be recorded as a credit, for example, for student fees collected during the Summer Term for classes that will be attended during the following Fall Term. When the classes are attended and income is earned, unearned revenue accounts should be eliminated by a debit to that account and the appropriate revenue accounts should be credited.

As of June 30, 2019, unearned revenue recorded in the College accounting records totaled \$43.9 million. As part of our audit, we requested for examination College records supporting 35 selected unearned revenue liability accounts totaling \$19.8 million. We found that the College did not always reduce the unearned revenue balances in accordance with revenue recognition principles when the revenues were recognized and earned, resulting in \$15.7 million improperly reported as unearned revenue. For example:

- 8 accounts totaling \$4.7 million were recorded as unearned revenue liabilities for the 1998-99 through 2002-03 fiscal years, for example, to record the receipt of local government or nongovernmental grant moneys. However, the College did not reduce the unearned revenue balances and recognize the revenue when matching expenses were recorded in those respective fiscal years.
- 6 accounts totaling \$4.2 million were recorded during the 2015-16 through 2017-18 fiscal years as unearned revenue liabilities for Federal reimbursements from the Federal Pell Grant, the Federal Supplemental Educational Opportunity Grant, the Federal Work-Study Program, and the Federal Direct Student Loan received by the College. However, the College did not reduce the unearned revenue balance and recognize the revenue when funds were disbursed to students and expenses were recorded in those respective fiscal years.
- During the 2018-19 fiscal year, the College received and recorded Florida Bright Futures Scholarship Program funds totaling \$1.3 million as unearned revenue liabilities. However, when those funds were disbursed to students during that fiscal year, the College did not reduce the unearned revenue balance and recognize the funds as revenues for the 2018-19 fiscal year.

College personnel explained that, in August 2019, the College improved reconciliations of unearned revenue liabilities to monthly support to ensure that liability accounts are accurately recorded. Although unearned revenue reported in the College financial statements for the 2018-19 fiscal year was not significantly misstated, the lack of appropriate accountability for unearned revenue increased the risk for those liabilities to be overstated and revenues to be understated.

¹⁷ Council of Business Affairs, *Accounting Manual for Florida's College System*.

Recommendation: The College should continue efforts to ensure that unearned revenue liability balances are timely reduced once revenue recognition requirements have been met.

Finding 8: Purchasing Cards

The College administers a purchasing card (P-card) program, which gives employees the convenience of purchasing items without using the standard purchase order process. P-cards are designed to provide a more efficient means of making routine small dollar purchases on behalf of the College. College procedures¹⁸ require the cardholder, upon separation from College employment, to return the P-card to the authorized approver, who will then forward it to the P-card Administrator. The authorized approver is also required to request the P-card Administrator to cancel P-cards for those who separate from employment, transfer from departments that require use of P-cards, or lose P-card privileges. However, College procedures did not require the Human Resource (HR) Department, upon receipt of applicable personnel actions, to also notify the P-card Administrator when P-card privileges need canceling.

The College canceled 64 P-cards during the 2019 calendar year and, as of December 31, 2019, the College had 413 P-cards in use. We examined College records supporting 30 of the canceled P-cards and found that 6 P-cards were not canceled until 28 to 501 days, or an average of 170 days, after the cardholders' employment separation dates. Our examination of College records supporting the P-card activity of the 6 former employees did not disclose any inappropriate charges; however, our procedures cannot substitute for the College's responsibility to implement adequate internal controls over P-card cancellations. In response to our inquiries, College personnel indicated that the untimely cancellation of the P-Cards occurred because the P-card Administrator was not timely notified of the employment separations.

The untimely cancellation of P-card privileges increases the risk that such privileges could be misused by former employees or others and may limit the College's ability to satisfactorily resolve disputed charges.

Recommendation: The College should enhance procedures to ensure that P-card privileges are timely canceled upon a cardholder's separation from College employment. We recommend that the enhanced procedures require the HR Department to notify the P-card Administrator of cardholder employment separations.

Finding 9: Information Technology User Access Privileges

The Legislature has recognized in State law¹⁹ that social security numbers (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 the confidential status of such information. Effective controls restrict employees from accessing information unnecessary for their assigned job duties and provide for documented, periodic evaluations of employee access privileges to help prevent personnel from accessing sensitive personal information inconsistent with their duties.

¹⁸ College Procedure No. 6520, *Miami Dade College Purchasing Card Program*.

¹⁹ Section 119.071(5)(a), Florida Statutes.

The College collects and uses SSNs for various purposes, such as to register newly enrolled students, to comply with Federal tax reporting requirements and other Federal and State requirements related to financial and academic assistance, and to perform other College responsibilities. According to College personnel and records, the College established a unique identifier, other than the SSN, to identify each student and maintained student information, including SSNs, in the College information technology (IT) system.

As of April 2021, the College IT system contained SSNs for a total of 1.8 million current and former students and 432 employees had access to the student SSNs. To help protect student information from unauthorized disclosure, modification, or destruction, applicable supervisors and security administrators are responsible for approving employee access to sensitive data. College procedures²⁰ require employee access privileges to be evaluated annually by a designated employee with in-depth knowledge of the IT system to ensure the access privileges are commensurate with each employee's job duties.

We examined the access privileges for 51 employees in 25 selected job positions who had access privileges to student SSNs and found that 7 employees in 7 positions²¹ had unnecessary access to student SSNs. Based on these results, we expanded our examination of College records to the remaining 381 employees in 132 positions. College personnel determined that, while 383 of the employees needed access to student SSNs to perform their duties, 49 employees did not. Subsequently, the College removed the unnecessary access privileges for the 49 employees.

In addition, the College IT system did not have a mechanism to differentiate employee access privileges to current and former student SSNs. Consequently, the remaining 383 employees retained access to all 1.8 million current and former student SSNs although most employees did not need access to former student SSNs. The existence of unnecessary access privileges increases the risk of unauthorized disclosure of student SSNs and the possibility that sensitive personal information may be used to commit a fraud against the former and current College students. A similar finding was noted in our report No. 2018-209.

Recommendation: The College should continue efforts to restrict employees from accessing information unnecessary for their assigned job duties and, to ensure access to sensitive student information is properly safeguarded, the College should upgrade the College IT system to include a mechanism to differentiate IT user access privileges to current student information from access privileges to former student information and timely remove unnecessary access privileges to student SSNs.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report Nos. 2018-209 and 2016-190 except as noted in Findings 1, 4, 5, and 9 shown in Table 1.

²⁰ College Procedure No. 7960, *Institution Data Management and Proper Use*.

²¹ The 7 employees included an administrative support assistant, a senior clerk, an office specialist of continuing education, the Continuing Education Chair, Dean of Continuing Education & Professional Development, Director of Test Administration Program Evaluation, and Director of Compliance.

Table 1
Findings Also Noted in Previous Audit Reports

Finding	Operational Audit Report No. 2018-209, Finding	Operational Audit Report No. 2016-190, Finding
1	1	8
4	9	6
5	7	3
9	11	Not Applicable

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 March 2020 through June 2021 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.

This operational audit focused on the College’s information technology (IT) resources and related controls; direct-support organization; student fees; textbook affordability; compensation, construction, and other expenses; and selected other processes and administrative activities. For those areas, our audit objectives 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. 2018-209.
- 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 areas included within the scope of the audit, weaknesses in management’s internal controls significant to our audit objectives; 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; identifying and evaluating internal controls significant to our audit objectives; 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 January 2019 through December 2019 and selected College 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 applicable laws, rules, College policies and procedures, and other guidelines, and interviewed College personnel to obtain an understanding of applicable processes and administrative activities.
- Reviewed College IT policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, disaster recovery, and incident response and recovery.
- Evaluated College procedures for maintaining and reviewing employee access to IT data and resources. We examined access privileges to the database and finance and human resources applications during the audit period for 30 of the 101 total critical users to determine the appropriateness and necessity of the access based on the employees' job duties and user account functions and adequacy with regard to preventing the performance of incompatible duties.
- Evaluated College procedures for protecting sensitive personal information of students, including social security numbers. We examined College records supporting the access privileges granted to 432 employees who had access to sensitive personal information of students during the audit period to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- Evaluated Board security policies and College procedures for the audit period governing the classification, management, and protection of sensitive and confidential information.
- Evaluated the appropriateness of the College comprehensive IT disaster recovery plan effective during the audit period and determined whether the plan had been recently tested.

- Reviewed operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Determined whether a comprehensive IT risk assessment had been established for the audit period to document the College risk management and assessment processes and security controls intended to protect the confidentiality, integrity, and availability of data and IT resources.
- Determined whether a comprehensive IT security awareness and training program was in place for the audit period.
- From the population of 22,760 course sections offered during the audit period, examined College records supporting textbook adoptions to determine whether the College textbook affordability procedures complied with Section 1004.085, Florida Statutes.
- Determined whether the College's unencumbered balance in the general fund was below the threshold established in Section 1011.84, Florida Statutes.
- Examined College records to determine whether bank account reconciliations were timely prepared, approved, and performed by employees who were independent of the cash handling and recording functions.
- From the population of 3,680 electronic funds transfers (EFTs) totaling \$437 million during the audit period, examined 21 selected EFTs totaling \$146.2 million and 19 selected Automated Clearing House payments totaling \$5.9 million to determine whether the EFTs and payments were adequately supported and properly authorized and to evaluate the reasonableness of the established EFT and payment limits.
- Evaluated College investment policies and procedures during the audit period to determine whether such policies and procedures were in compliance with Section 218.415, Florida Statutes, and adhered to good business practices, and to determine whether investments were in accordance with those policies and procedures. Also, we determined whether any investment income was properly allocated to the funds that generated the investment income.
- Examined College records to determine whether student receivables were properly authorized, adequately documented, and properly recorded. Specifically, we examined:
 - From the population of 8,745 student receivables totaling \$3.7 million as of May 11, 2020, documentation relating to 30 selected student receivables totaling \$49,738.
 - Documentation supporting the write-off of uncollectible accounts to determine whether the write offs were properly approved.
 - From the population of 227 student checks totaling \$154,386 returned by banks as of May 11, 2020, examined College records to determine whether the College charged return check amounts back to student receivable accounts and referred the returned checks to the State Attorney's Office for assistance with collection efforts.
- Evaluated the effectiveness of College controls during the audit period to ensure that students who had not paid fees in an approved manner were not considered in calculating full-time equivalent enrollments for State funding purposes pursuant to Sections 1009.22(11) and 1009.23(9), Florida Statutes.
- Reviewed documentation related to the College's unearned revenue balance of \$43.9 million as of June 30, 2019, and examined College records for 35 selected unearned revenue balances to determine whether the moneys received in advance had not yet been earned by the College and was appropriately recorded.

- Examined College records to determine if the College appropriately transferred to the College Foundation or administered in accordance with donor's intent, donated funds totaling \$35.2 million.
- To determine whether student fees totaling \$62.8 million during the 2018-19 fiscal year were properly assessed and authorized, accurately calculated, and correctly recorded in accordance with Board policies and statutory and State Board requirements:
 - Examined College records for 30 selected students and the students' related fees totaling \$10,190 to determine whether the College had correctly assessed tuition in compliance with Sections 1009.21, 1009.22, and 1009.23, Florida Statutes, and State Board of Education Rules 6A-10.044 and 6A-14.054, Florida Administrative Code.
 - Determined whether the College had established procedures to cancel the registration of students who did not timely pay fees; make student status and Florida residency determinations in compliance with Section 1009.21, Florida Statutes; and record deferred fees as a receivable.
- From the population of 748 distance learning courses with fee revenue totaling \$2.3 million during the 2018-19 fiscal year, examined College records supporting 30 students enrolled in 30 selected distance learning courses with distance learning fee revenue totaling \$1,290 to determine whether distance learning fees were assessed, collected, and separately accounted for in accordance with Section 1009.23(16)(a) and (b), Florida Statutes.
- Examined College records for parking and access fees with fee revenues totaling \$4.3 million and \$3.9 million during the 2017-18 and 2018-19 fiscal years, respectively, to determine whether the fees were assessed only to students who received relevant services. We also examined supporting documentation to determine whether the College properly calculated the fees in compliance with Section 1009.23(12)(a), Florida Statutes.
- From the population of 10 decentralized collection locations with collections totaling \$1.3 million during the audit period, selected 5 locations with collections totaling \$1 million and examined College records supporting collections totaling \$169,241 to evaluate the effectiveness of College collection procedures.
- From the population of 284 facility rental agreements and rental receipts totaling \$659,759, examined 31 selected rental agreements and related rental receipts totaling \$175,234, along with the supporting documentation, to determine whether rental agreements conformed to good business practices, agreements were Board approved, receipts were consistent with agreements and Board-approved fee schedules, and College records evidenced appropriate insurance for the facility rentals.
- From the population of compensation payments totaling \$242.9 million made to 9,853 employees during the audit period, selected payments totaling \$42,438 made to 30 employees and examined College records supporting the payments to determine the accuracy of the rate of pay, the validity of employment contracts, whether the employees met the required qualifications, whether performance evaluations were completed, the accuracy of leave records, and whether supervisory personnel reviewed and approved employee reports of time worked.
- Evaluated Board policies and College 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 Board policies. Specifically, from the population of 178 employees who separated from College employment during the audit period and were paid \$1.1 million for terminal leave, we selected 26 employees with terminal payments totaling \$0.6 million and examined the supporting records to determine compliance with Sections 110.122 and 1012.865, Florida Statutes, and Board policies.

- Examined College records supporting 30 selected overtime payments totaling \$40,374 from the overtime payments totaling \$977,212 during the audit period to determine whether supervisory approval was obtained before the overtime was earned.
- Examined the College President contract to determine whether the severance pay provisions complied with Section 215.425(4)(a), Florida Statutes.
- Evaluated College policies and procedures for obtaining personnel background screenings to determine compliance with Section 1012.8551, Florida Statutes.
- Examined College records for the 16 employees (including the President, Interim President, and 14 other administrative employees) who received compensation totaling \$2.5 million and \$2.9 million during the 2018-19 and 2019-20 fiscal years, respectively, to determine whether the amounts paid did not exceed the limits established in Sections 1012.885 and 1012.886, Florida Statutes.
- Examined the President's contract and College records supporting the President Emeritus compensation and evaluated the reasonableness of the contract's sabbatical provision and the compensation paid.
- Examined College records to determine whether selected expenses were reasonable, correctly recorded, and adequately documented; for a valid College purpose; properly authorized and approved; and in compliance with applicable laws, contract terms, and Board policies. Specifically, from the population of expenses totaling \$354.4 million for the audit period, we examined College records supporting:
 - 30 selected payments for general expenses totaling \$230,653.
 - 30 selected payments for contractual services totaling \$2.1 million.
- Examined College records supporting vendor payments in excess of the College competitive procurement threshold and selected 30 payments to 17 vendors totaling \$2.9 million to determine whether the vendors were properly selected.
- From the population of 15,613 purchasing card (P-card) transactions totaling \$3.4 million during the audit period, examined College records supporting 54 selected P-card transactions totaling \$65,943 to determine whether the P-card program was administered in accordance with Board policies and College procedures and transactions were not of a personal nature.
- Examined P-card records for 30 of the 64 cardholders who separated from College employment, transferred to another department, or lost P-card privileges during the audit period to determine whether the College timely canceled the cardholders' P-cards.
- Evaluated the P-card credit limits for 33 of the 413 cardholders during the audit period to determine whether the credit limits were in compliance with Board policies and P-card program procedures and reasonable based on the cardholder's job responsibilities.
- From the population of travel expenses totaling \$3.1 million during the audit period, examined College records supporting 35 selected travel reimbursements totaling \$541,801 to determine whether the travel expenses were reasonable, adequately supported, for valid College purposes, and limited to amounts allowed by Section 112.061, Florida Statutes.
- From the population of 85 payments totaling \$5.2 million, made during the audit period from the College to or on behalf of its direct-support organization (DSO), examined College records supporting 23 selected payments totaling \$5.1 million to determine whether the transactions were authorized as described in Section 1004.70(1)(a)2., (3), and (4), Florida Statutes.
- Examined College records to determine whether the Board had prescribed by rule, pursuant to Section 1004.70(3)(b), Florida Statutes, the conditions with which the DSO must comply in order to use College property, facilities, and personal services and whether the Board documented

consideration and approval of anticipated property, facilities, and personal services provided to the DSO and the related costs.

- From a population of student activity, capital improvement, financial aid, and technology fee expenses totaling \$65.2 million, examined records supporting 30 selected expenses totaling \$10.3 million to determine whether funds were expended in compliance with the restrictions imposed on the use of these resources.
- Reviewed Board policies and College procedures related to identifying potential conflicts of interest. We also researched Department of State, Division of Corporations, records; statements of financial interest; and reviewed College records for 62 selected College officials to identify any relationships that represented a potential conflict of interest with vendors used by the College.
- From the population of 105 construction projects in progress, with construction costs totaling \$55.1 million, selected 5 major construction projects with accumulated construction costs totaling \$23.5 million, and examined 8 payments totaling \$5.4 million to determine whether the payments were made in accordance with contract terms and conditions, Board policies, College procedures, and provisions of applicable State laws and rules. Also, for these 5 projects, we examined College records to determine whether the College process for selecting design professionals and construction managers was in accordance with State law; the College adequately monitored the selection process of subcontractors; the Board had adopted a policy establishing minimum insurance coverage requirements for design professionals; and design professionals provided evidence of required insurance.
- From the population of Public Education Capital Outlay and other restricted capital outlay expenses totaling \$65.4 million during the audit period, examined records supporting 35 selected expenses totaling \$4.5 million to determine whether these funds were expended in compliance with the restrictions imposed on the use of these resources.
- From the population of 119 non-Federal grants and other non-Federal funding received totaling \$13.2 million during the 2018-19 and 2019-20 fiscal years, selected 26 grants totaling \$6 million, and examined College records to determine whether payments were made in accordance with the grant terms and conditions.
- From the population of 12,020 students receiving non-Federal financial aid during the audit period, selected 30 students and examined College records to determine whether the financial aid was disbursed to eligible students in accordance with the provisions of the grantor.
- Reviewed copies of the most recent annual fire safety, casualty safety, and sanitation inspection reports and determined whether timely corrective actions had been taken for noted deficiencies.
- From the population of 6,940 adult general education instructional students reported for 752,692 contact hours for the Spring and Fall 2019 Semesters, examined College records supporting 3,256 reported contact hours for 30 selected students to determine whether the College reported the instructional contact hours in accordance with the Florida Department of Education requirements.
- From the population of 1,134 industry certifications reported for performance funding that were attained by students during the 2018-19 fiscal year, examined 30 industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- Determined whether workforce education program funds expenditures for the audit period were for authorized purposes.
- 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

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each College 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.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is written in a cursive style with a large, looping initial "S".

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE

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December 17, 2021

Audit Finding #1

The College does not agree that significant constraints were imposed on the Audit.

Miami Dade College has and continues to place at the highest of priorities its responsibility to coordinate, facilitate, and provide the members of the Auditor General with audit-related access to its records and employees. Responding to a world-wide pandemic which forced the unprecedented complete closure of campuses and movement of nearly all personnel to remote work environments at the very initiation of this operational audit, while also processing 3 other audits, established extraordinary challenges in this process. From the initial Management Conference through the conclusion of this Audit, the College nonetheless fully cooperated with the members of the Auditor General's team and every College employee remained available to the audit team. The College never received any communication from the Auditor General's team of any significant constraints affecting the audit.

The College was notified by the Auditor General on April 1, 2020 that it would conduct its operational audit of the College. This notice came on the heels of the issuance of Emergency Declarations by the President of the United States, the Governor of Florida, the College Interim President, the County and local municipal officials which forced the shutdown of the state and county. This required the immediate and complete closure of all campus operations and the transition of all personnel to a remote work environment due to the world-wide COVID-19 pandemic which continues to stifle regular operations 21 months later. On this same date, Florida reported 1,027 new cases and 15 deaths due to COVID-19 with almost 30% of the cases and deaths statewide coming from Miami-Dade County alone.

During the monumental shift to remote operations, College on-campus operations closed permitting limited access only to critical personnel. College personnel were tasked to operate in a remote environment with little notice and experience. Additionally, personnel in various programs prioritized work duties to transition College operations to address COVID in the initial months in addition to their regular assignments. As examples, the Academic Affairs team had to transition 1000s of courses and classes from an in-person modality to an online modality while addressing resulting student needs and complaints; the Human Resources team devoted significant attention to addressing employee issues, complaints, accommodations, and procedures for this new working-from-home environment; student-focused teams such as student financial services were engrossed on assisting and minimizing student disruptions to their educational paths while distributing millions of dollars in emergency federal stimulus; and the business affairs team ensured each of these teams' efforts were processed appropriately while tackling operational challenges created by the local, national, and world-wide COVID shutdowns.

In order to facilitate the operational audit during this unique period as described above and where COVID-19 infection rates and deaths continued to spike, the Auditor General and College representatives established at the

entrance conference¹ agreed upon protocols for information exchange notifications and escalation processes to best facilitate this Audit. The agreed upon protocols put in place senior administrative personnel to initially receive requests and coordinate responses from the limited personnel who were all working remotely from home and confirmed clear escalation procedures for pending requests.

The agreed upon protocols established a process whereby requests pending for at least 2 weeks would be first escalated to the CFO for resolution. If after escalation to the CFO the audit team believed there to be significant delays in responding or barriers to access, including circumstances causing the audit team unresolved difficulty, to persons or information, the process then required escalation to the College Interim President or Executive Vice President.² Unfortunately, finding 1 states audit objective were met with significant delays, but it fails to identify or reference any escalation attempts beyond the initial CFO step. Rather, the Finding confirms that escalation following the agreed upon 2-week period to the CFO ultimately resolved each concern validating the success of the agreed upon escalation protocol. The Finding also makes note of 89 of 185 requests which are alleged to have taken from 22 to 181 days to receive a response. Extrapolating this information, the College responded to a majority of the requests, 96, in less than 22 days. Each of the 5 cited examples also occurred during the time period the College was processing its Annual Financial Report.

Furthermore, audit team communications with the agreed upon liaisons do not reflect the concerns raised in Finding 1 of denial of access to College employees, especially any denial constituting a criminal violation³, access to College records, or to any impairments in the audit team's ability to provide relevant information to the Legislature and other decision makers. Instead, the Finding correctly reflects the audit team was provided direct access to at least the Vice Provost of Human Resources, Vice Provost of Academic Affairs, the Associate Vice Provost of Student Financial Services. Moreover, the Finding accurately reflects the audit team simply "continued to process our audit inquiries through the two audit liaisons."

Miami Dade College has and will continue to remain firmly committed to accountability, transparency, and compliance with State law. We strongly disagree with this Finding as the agreed upon escalation protocols resolved any issues eliminating the need for intervention from the Interim College President or Executive Vice President. The audit team also never presented the College with an MOU regarding this Finding as is the standard practice. Further, this audit started at the beginning of the global pandemic which shutdown the College's on-campus operations creating an unparalleled shift in operational capabilities and ran concurrently with 3 other audits. College staff and records remained accessible to the audit team throughout the audit process and regular meetings were had together with the audit team. There is simply no basis to support this Finding and the College requests that it be removed.

Audit Finding #2

The College acknowledges and accepts the Auditor General's recommendation. The prior President/President Emeritus' contract, which expired on June 30, 2021, discussed in this Finding was approved and subsequently amended by a Board of Trustees comprised of members who have since served out their terms. Nonetheless, the current members of the Board of Trustees are committed to following the recommendation by the Auditor General.

Audit Finding #3

¹ By the time of this entrance conference, the Auditor General had communicated to the College that it would also be initiating 3 additional and concurrent audits: Federal Audit, Financial Audit, and Bright Futures Audit. To facilitate workload for each of these audits, the auditor general teams later prioritized the audit requests across the 4 audits.

² At the start of this Operational Audit, the College CFO had been in the position for approximately 9 months, the Interim College President had been appointed less than 7 months earlier, and a majority of the Board of Trustees had less than 1 year of service.

³ The College vehemently denies any implication that its actions constituted a criminal violation of law and the Finding is absent of any allegation which, even remotely, could support such a violation.

Miami Dade College acknowledges and accepts the Auditor General's recommendation. In the Spring of 2021, the College developed a system generated report that will ensure that salaries of employees working in administrative positions and paid from appropriated State funds do not exceed the limits established by State law.

Audit Finding #4

Miami Dade College acknowledges and accepts the Auditor General's recommendation. The College completed the necessary system changes and enhancements to ensure that student receivables are timely recorded, holds can be promptly placed on records of students with receivable balances and delinquent receivables can be timely referred to a collection agency.

Audit Finding #5

Miami Dade College acknowledges and accepts the Auditor General's recommendation. The College will conduct annual trainings with College personnel to ensure compliance with College policy and procedure. In addition, the College will conduct periodic reviews of facility agreements to identify non-compliance with procedure. The College conducted its first training in September of 2021.

Audit Finding #6

Miami Dade College acknowledges the Auditor General's recommendation. The College will develop the necessary procedures, to ensure proper controls are maintained.

Audit Finding #7

Miami Dade College acknowledges and accepts the Auditor General's recommendation. In the Spring of 2020 the College amended its internal procedures to ensure that Unearned Revenue accounts are reconciled and reduced in a timely fashion.

Audit Finding #8

Miami Dade College acknowledges and accepts the Auditor General's recommendation. In the Spring of 2020 the College amended an internal procedure to ensure that the P-card Administrator receives timely notification of cardholder employment separations.

Audit Finding #9

Miami Dade College acknowledges and accepts the Auditor General's recommendation. The College will modify its current processes for administrative access control for student, personal identifiable information (PII), within the coming months. These modifications and process improvements will allow the College to differentiate user access privileges and will help the College in identifying unnecessary access privileges that can either then be modified or removed. It is expected that system modifications will be completed by August, 2022. In addition, the College will ensure that procedure is being followed and that formal annual reviews of access privileges are being conducted to ensure compliance with College policy.

Thank you for your attention to this matter.

Sincerely,



Madeline Pumariega
College President