




November 18, 2013

MEMORANDUM

TO: District Board of Trustees
FROM: Jim Murdaugh, President 
SUBJECT: Response to Tentative Findings and Recommendations

Item Description

Responses to the Tentative Findings and Recommendations from the Office of the Auditor General's Operational Audit of Tallahassee Community College for the fiscal year ended June 30, 2013.

Overview and Background

Pursuant to Section 11.45(4)(d), Florida Statutes, the College is required to submit within thirty (30) days after receipt of the list, a written statement of explanation concerning all of the findings, including therein actual or proposed corrective actions. The College's response, including proposed corrective actions, is attached.

Please note that these are tentative findings and recommendations, which may change or be modified prior to the final report issuance.

Past Actions by the Board

For information only, no Board action is required.

Funding/Financial Implications

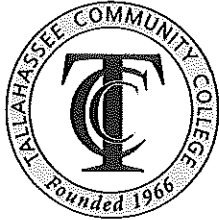
For information only, no financial impact.

Staff Resource

Teresa Smith

Recommended Action

For information only, no Board action required.



November 1, 2013

David W. Martin, CPA
Auditor General
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Operational Audit

Dear Mr. Martin:

In response to the preliminary and tentative audit findings related to your operational audit of Tallahassee Community College for the fiscal year ended June 30, 2013, we submit the following statements of explanation and correction.

Finding No. 1: Electronic Funds Transfers

Recommendation: The Board should enhance its policies and procedures to address accounting and control procedures for EFTs, including the use of electronic signatures.

Response: In response to this finding, the College has revised its policies to address the statutory requirements and will submit them for approval in the next Board of Trustees meeting.

Finding No. 2: Student Receivables

Recommendation: The College should continue its efforts to ensure that delinquent accounts are timely assigned to the collection agency.

Response: College procedure does not require accounts to be assigned to the collection agency within an identified period of time. The College has resolved the inefficiency issues with the collection agency and has recently assigned student accounts to the collection agency. However, the College did not violate any established law, rule, regulation or policy in not assigning accounts to the collection agency during the period in which records were being reconciled. During this time, the student's debt remained in the College's records and the students were prevented from registering to attend the College or receive a transcript to attend another higher educational institution. The College will continue to assign accounts to the collection agency to assist in collecting student delinquent accounts.

Finding No. 3: Reporting Full-Time Equivalent Students

Recommendation: The College should enhance procedures to ensure that enrollment is reported only for students who have paid tuition and fees in an approved manner. The College should also consult with FDOE to determine the corrective actions necessary for the FTE reported for students that had not paid fees in an approved manner.

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Response: The College has modified the process that creates the state database to additionally exclude students that have unpaid receivables due to tuition. The College has verified the accuracy of FTE reported for academic year 2012-13. The College is also in communication with Florida Department of Education (FDOE) on any corrective actions necessary regarding the reporting of FTE for academic year 2011-12.

Finding No. 4: Adult General Education

Recommendation: The College should enhance its controls to ensure accurate reporting of instructional contact hours for adult general education classes to the FDOE. In addition, the College should review the instructional contracts hours for the Spring 2013 term to determine whether the instructional contract hours for that term hours were properly reported to the FDOE. Further, the College should contact the FDOE to determine what corrective actions are necessary regarding the over and under reported hours for the Fall 2012 and any reporting errors noted for the Spring 2013 term.

Response: For 2013-14, Adult Ed reporting for withdrawal dates, TCC has new programming that will allow the actual withdrawal date to be entered into the system. The solution has been implemented since September 2013. Further, for vacation days in clock-hour calculations, the College corrected the inaccuracy of reporting for 2012-13. To ensure the accuracy of reporting in the future, the College has provided necessary staff training. Further, the College will seek guidance from FDOE on any corrective actions necessary regarding the over and under reported hours for the Fall 2012 and any reporting errors noted for the Spring 2013 term.

Finding No. 5: Distance Learning Course Fee

Recommendation: The College should enhance monitoring procedures to ensure that distance learning course fees are assessed to students enrolled in the distance learning courses and that required financial reports are accurate and complete.

Response: The College has improved its processes to ensure proper account coding and more detailed course descriptions for recording transactions has been added to each distance learning course request. This improved process will allow for more accurate recording and monitoring of distance learning course fees. The College has also modified its procedures for assessing and reporting distance learning course fees to ensure the accuracy of reporting. An electronic task list system that sends automatic messages, dates and timelines to the Deans now includes the course fee procedure. The detailed information is included in the College's procedures.

Finding No. 6: Terminal Leave Payments

Recommendation: The College should enhance its procedures to ensure the accuracy of terminal leave payments. In addition, the College should take action, as appropriate, to remedy the over and under payments.

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Response: The College has enhanced its procedures related to terminal leave payments to ensure the accuracy of payments. The College will seek reimbursement of the overpayments. The College will also make the necessary correction and process payment for the underpayment.

Finding No. 7: Project Completion

Recommendation: The College should enhance its monitoring procedures over construction activities to ensure that the board is provided timely information on all contract changes and completion dates. The College should also enhance procedures to ensure that the Board is timely advised of construction delays and that the Board makes the determination on whether liquidated damages should be assessed when planned completion dates are not met.

Response: The College will modify its monitoring procedures to ensure Board approval and acceptance for all change orders and before final payment is made on a construction project. We will also ensure Board approval for the application or waiver of liquidated damages is obtained and properly documented.

Finding No. 8: Architect Payments

Recommendation: The College should improve its procedures for monitoring payments to architects to ensure that payments are made in accordance with the architect's contract. Additionally, the College should document that the additional \$74,447 paid to the architect was for additional consultant services requested, or seek recovery of these funds from the architect.

Response: The College is instituting procedures to ensure that the architect/engineer contracts are promptly modified to reflect approved additional services before work is completed and invoices are present to the Board for approval. In the case of the referenced payments to the architect, the additional services were verified each month before the invoices were sent to the Board for approval; therefore, the College does not need to seek recovery of these funds.

Finding No. 9: Architect Selection

Recommendation: The College should establish procedures to ensure that the selection of professional architectural firms is adequately documented to demonstrate compliance with Florida Statutes.

Response: While we can find no Florida Statutes requiring the College to keep individual scoring sheets for solicitations, the College has made a decision to maintain, when available, individual scoring sheets in the future. In going forward, if there are individual scoring sheets for a solicitation, they will be kept in the bid file for the mandatory document retention period.

Finding No. 10: Timely Deactivation of Access Privileges

Recommendation: The College should ensure that the access privileges of former employees are deactivated in a timely manner.

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Response: The College will implement a process to automate the lifecycle of the employee's account. This process will be driven by the Human Resource system, so that when an employee is marked as no longer active, their account will be disabled. This process will be in place no later than the end of the Fall 2013 term.

Finding No. 11: Security Controls – User Authentication and Data Loss Prevention

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

Response: The College has completed changes to the security systems to correct for issues in the confidential findings that relate to user authentication. Data loss prevention is addressed in Policy 3-26. The College will update the HR Acknowledgement of Receipt form completed at onboarding of employees to include a statement informing the employee of their responsibility to ensure the protection of confidential or sensitive data that may be copied, downloaded or printed and that data will not be accessed for personal gain. All current employees will complete the Acknowledgement form, also.

We wish to express our appreciation to your staff for the professional and helpful manner in which they conducted the audit.

If I can be of further assistance, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Murdaugh', with a long horizontal flourish extending to the right.

Jim Murdaugh, Ph.D.
President