

FLORIDA DEPARTMENT OF EDUCATION



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Gerard Robinson
Commissioner of Education



February 20, 2012

Commissioner Gerard Robinson
325 West Gaines Street, Suite 1514
Tallahassee, Florida 32399-0400

Dear Commissioner Robinson:

In accordance with Section 20.055(5)(h), Florida Statutes, I am submitting for your information an updated six month status of corrective actions taken concerning the Auditor General audit report of *Commission for Independent Education and Department Procurement and Expenditure Processes, 2011-177*. The original status was provided timely by the Commission for Independent Education in September 2011 but was inadvertently not properly routed by this office.

If you have any questions, please contact me at 245-9418 or peter.williams@fldoe.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Williams".

Peter Williams

PW/dm
Attachments

cc: Auditor General
Chief Inspector General
Legislative Auditing Committee
OPPAGA
Commission for Independent Education

Finding Number:	Audit Finding:	Audit Recommendation:	FDOE Response:	Estimated Corrective Action Date:	Status as of September 2011 with February 2012 updates in bold	Comments/Status:
Commission Oversight						
1	Commission appointments did not always satisfy requirements of law.	We recommend that Commission members be appointed in accordance with State law to ensure appropriate representation.	Section 1005.21(2), Florida Statutes, provides the authority for the appointment of the members of the Commission for Independent Education (Commission) to the Governor with confirmation of those appointments by the Florida Senate. The Commission has no role in the selection or confirmation of Commission members.	N/A	No action required by Commission.	
2	The Commission had not established written policies and procedures to promote compliance with governing laws, rules, and guidelines.	We recommend that the Commission establish procedures to address its major functions and activities.	<p>The Commission holds a unique status within the Department. Section 1005.21(1), Florida Statutes, places the Commission within the Department and provides that the "...department shall serve as the administrative agent of the commission by providing services, including payroll, procurement, and legal counsel. The Commission shall exercise independently all powers, duties, and functions prescribed by law."</p> <p>With regard to administrative functions identified by statute, the Commission follows standard Department policies and procedures .</p> <p>In conjunction with appropriate offices and/or sections within the Department, the Commission is in the process of developing written policies and procedures, related to its unique major functions. These major functions include, but are not limited to, licensure of institutions, oversight of institution closures, conducting on-site visits, and monitoring complaint resolution.</p>	9/30/2011	Policies and Procedures have been established as of 09/15/2011 to address the major functions of the Commission.	

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3	The Department and Commission had not established specific performance measures for key Commission activities.	We recommend that the Department, in conjunction with the Commission, ensure that specific performance measures are established for key Commission activities.	Due to its unique placement within the Department and the nature of its governance, Commission staff is working with appropriate Department staff to develop specific performance measures for key Commission activities that are aligned with Department's overall mission. Historically, the Legislature established the performance measures included in the Long Range Program Plan (LRPP) and has not seen fit to revise the Department's measures. Despite a number of recommendations, the Department's LRPP has never been amended.	N/A	Commission performance measures were submitted on September 9, 2011 to the DOE for inclusion in the 2012/2013 Long Range Program Plan. FEBRUARY 2012 UPDATE: Performance measures for the Commission have now been incorporated into the Department's 2013-2017 Long Range Program Plan.	
4	The Commission did not always timely investigate complaints involving institutions under its authority.	We recommend that the Commission develop written policies and procedures governing complaint resolution and strengthen controls to ensure the timely resolution of complaints.	The Commission will develop written policies and procedures to implement a new process that will include establishing a timeframe for case closures, maintaining documentation and monitoring for the timely resolution of complaints. This process will include staff training to ensure accurate oversight of the complaint process.	9/30/2011	Policies and procedures have been established and a revised process has been implemented as of 09/15/2011 to address the complaint function.	
Student Protection Fund						
5	The Commission did not always take appropriate action upon notification of a school closing.	We recommend that the Commission ensure compliance with applicable laws, rules, and guidelines related to program terminations and school closings.	The Commission will develop written policies and procedures to implement a new process to monitor program terminations and school closures that ensures applicable laws, rules and guidelines are followed. Use of this system, in conjunction with staff training, will allow the ability to monitor the progress of each program termination or school closure and assure that actions are implemented in a timely fashion.	9/30/2011	Policies and procedures have been established and revised processes have been implemented as of 09/15/2011 to address school closings and program terminations.	

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6	The Commission's administration of the SP Fund did not, in some instances, conform to the requirements of law.	<p>We recommend that the Commission:</p> <ul style="list-style-type: none"> • Monitor the actuarial soundness of the SP Fund. • Take appropriate actions for maintaining the viability of the Fund that include ensuring the adequacy of fee assessments and routine Commission review of the SP Fund's financial condition. • Establish policies and procedures that ensure fairness in its selection of qualified schools and in its negotiation of train-out commitments. 	The Commission, under the direction of the Executive Director, is working to develop a methodology for determining the actuarial soundness of the Student Protection Fund (SPF). As a part of that process, the Commission policies and procedures that ensure fairness in its selection of qualified schools and in its negotiations of train-out commitments will be developed. Additionally, the Commission will continue to report the status of SPF at each Commission meeting (which began in July 2010) and take steps to review fee assessments when deemed necessary by the Commission.	09/30/2011 and ongoing	The status of the Student Protection Fund is reported at every regular Commission Meeting. FEBRUARY 2012 UPDATE: CIE Form 604, entitled Selected Financial Data, and referenced in Rule 6E-4.005, Florida Administrative Code, became effective on January 11, 2012, to help ensure the adequacy of fee assessments. The Executive Director is pursuing statutory changes with the DOE regarding the statutory requirement for the "actuarial soundness" of the Student Protection Fund. FEBRUARY 2012 UPDATE: The Executive Director discussed the need for statutory revisions with the Department's Chief Financial Officer. Policies and procedures have been established and a revised process has been implemented as of 09/15/2011 to address student train-outs.	
7	The Commission had not provided sufficient guidance to schools defining the term gross tuition revenue, nor did Commission staff adequately review and detect inconsistencies in the calculation of SP Fund fee payments submitted by institutions.	We recommend that the Commission adequately define gross tuition revenue and take the necessary steps to verify the accuracy of fee payments to ensure that all fees legally due to the SP Fund are received.	<p>The Commission's licensure team will verify the accuracy of data submitted from licensed institutions on the Student Protection Fund Fee Transmittal form (Form 206). Staff will also verify the actual fee calculation.</p> <p>The Commission currently relies upon each licensed institution's Certified Public Accountant for the determination of an institution's gross tuition revenue as a part of the institution's financial statement. The Commission will have its Rules Committee develop a rule to define gross tuition revenue to be submitted for State Board of Education for approval and adoption.</p>	9/30/2011	A rules workshop was held on July 26, 2011, in conjunction with the Commission's July meeting, regarding the development of a definition for gross tuition revenue. Another rules workshop will be held on September 20, 2011, in conjunction with the September Commission meeting, to attempt to finalize the language for a definition of gross tuition revenue and to begin development of a rule to implement that change. FEBRUARY 2012 UPDATE: CIE Form 604, entitled Selected Financial Data, and referenced in Rule 6E-4.005, Florida Administrative Code, became effective on January 11, 2012, and contains a definition of tuition revenue. Form 604 is being used to verify the accuracy of tuition revenue for calculating the amount of the SPF fee.	

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8	The Department had not implemented a comprehensive, entity-wide security program for the management, use, planning, development, maintenance, and operation of the Commission Information Management System.	We recommend that the Department, in coordination with the Commission, implement a comprehensive, entity-wide security program in the management, use, planning, development, maintenance, and operation of CIMS to ensure sufficient protection of sensitive and critical resources.	<p>The Department has a comprehensive Information Security Program. The program includes policies and procedures, information security awareness, department-wide risk assessments, computer security incident response teams, Information Systems Development Methodology (ISDM), disaster recovery, and an Information Security Strategic Plan and Work Plan. The Commission will focus efforts to address the recommendations stated in this finding by implementing the department-wide Information Security Program.</p> <p>Consistent with the Department's existing comprehensive Information Security Program, the Commission is currently working with appropriate Department staff to implement a comprehensive security program to address the unique characteristics of the Commission Information Management System (CIMS). The program will include a risk assessment, development of a Disaster Recovery plan, and security awareness training. A schematic diagram has been developed in conjunction with the Department's Education Data Center.</p>	12/30/2011	Policies and procedures have been established within the DOE to implement a comprehensive Information Security Program for the CIMS as of 09/15/2011. FEBRUARY 2012 UPDATE: The Commission has developed a disaster recovery plan for the CIMS and has conducted security awareness training for staff. The Commission is also in the process of conducting a risk assessment on the CIMS.	
9	The Commission had not obtained security background investigations for personnel with access to sensitive locations or resources.	The Commission should ensure that security background investigations are performed for all personnel who have or will be granted access to sensitive locations and resources.	<p>Effective June 30, 2010, the Commission ceased funding the Independent Schools Project at Tallahassee Community College (TCC). With the end of this contract, the employment of the Commission's staff at TCC also ended.</p> <p>On July 1, 2010, all Commission employees became employees of the Department. As a result of becoming Department employees, all employees have completed "Level II" background screening through the Florida Department of Law Enforcement.</p>	7/1/2010	No further action required.	

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10	Commission Information Management System program change controls needed improvement.	The Commission should seek guidance from the Department's CIO in reviewing the program change management practices and ensure that, to the extent possible, conflicting duties are not assigned to an employee.	The Commission is working with the Department's CIO, to develop processes and procedures that are consistent with existing Department change management procedures. Additionally, the Commission, under the direction of the Department's CIO, has implemented a procedure to address the separation of duties for CIMS application development. This procedure includes the testing and approval of code changes by employees other than the developer.	9/30/2011	Policies and procedures have been established as of 09/15/2011 that assure that the CIMS Change Management process is consistent with the DOE process. Policies and procedures have been established and a new process has been implemented as of 09/15/2011 to separate the duties for CIMS application development.	
11	The Commission did not ensure, in some instances, that confidential data was collected in accordance with State law.	We recommend that the Commission ensure continued compliance with applicable laws related to confidential data to limit the improper disclosure.	The Commission has taken the necessary steps to discontinue the collection of Social Security Numbers (SSNs) for the purposes of completing criminal justice information investigations on school staff and processing student transcript requests. The Commission currently collects only the last four digits of the SSN to ensure a match on a student transcript file. The last four digits of the SSN are not entered into a data table but are used for a visual comparison. Effective June 2, 2010, the Commission removed all SSNs from the data tables contained in the CIMS system.	6/2/2010	No further action required.	
12	IT security controls for systems used by the Commission needed enhancement.	We recommend that the Commission and Department strengthen certain security controls to reduce the risk of unauthorized access to, modification to, or destruction of information within CIMS.	The Commission, working in conjunction with the Department's Information Security Manager, is developing procedures to address this finding to ensure that adequate safeguards are in place to ensure system security. Additionally, the Commission will bring the CIMS security controls into compliance with existing Department standards. Details have been purposely withheld to avoid the possibility of compromising Commission and Department data and IT resources.	9/30/2011	Policies and procedures have been established in collaboration with the DOE Security Manager to assure that adequate safeguards for system security are implemented for the CIMS as of 09/15/2011.	