# FLORIDA DEPARTMENT OF
# EDUCATION
fldoe.org

December 24, 2014

Melinda Miguel
Chief Inspector General
Office of the Chief Inspector General
The Capitol
Tallahassee, FL 32399-0001

Dear Melinda:

In accordance with Section 20.055(5)(h), Florida Statutes, attached is the six-month status of corrective actions taken in response to Auditor General Report #2014-201, *Class Size Reduction, IT Controls, and Prior Audit Follow-Up.*

If you have any concerns regarding this status report, please contact Mike Blackburn by phone at 245-9418 or by email at Mike.Blackburn@fldoe.org.
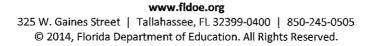
Sincerely,

Pam Stewart
Commissioner

Attachment

cc: Mike Blackburn, Inspector General
    Office of the Auditor General
    Joint Legislative Auditing Committee

**Department of Education**
**Inspector General – External Audit Follow-up**
**Status Report on: Class Size Reduction, IT Controls, and Prior Audit Follow-Up**
**AG Report # 2014-201    Issued: June 24, 2014**
**Status as of December 24, 2014**

| Finding | Recommendation(s) | Management Response as of June 24, 2014 | Management Response as of December 24, 2014 | Anticipated Completion Date & Contact |
|---|---|---|---|---|
| 1. Department controls for administering class size reduction requirements could be enhanced to provide additional assurance that Department responsibilities related to class size are administered in accordance with constitutional and statutory requirements. | Enhance Department controls to provide additional assurance that Department responsibilities related to class size are administered in accordance with constitutional and statutory requirements.  Specifically, Department management should:<br>• Enhance Department controls, including system data edits, to verify the accuracy and completeness of the FTE survey data received. | • The FTE survey data referenced in this finding and recommendations are used primarily for funding of public schools through the Florida Education Finance Program (FEFP).  However, there are many important uses of these data, including determination of class size compliance. The student and staff database which results from the various surveys is the most complex and comprehensive database of its kind in the nation. It has been used as a model in other states. In fact, the US Department of Education has also used elements of this database in the creation of a national reporting system. Although certifications from districts are required, the system edits form the key monitoring tool for identifying potential compliance issues.  There are currently approximately 1,600 edits included in the system. The complete listing of edits is available on the website at http://www.fldoe.org/eias/dataweb/default.aspStaff from the Office of Educational Information and Accountability Services (EIAS) continuously review and update the edits and notify district staff of changes to the edits. As part of this continuous review and revision process, staff will include data elements related to the class size compliance calculations to determine if any additional edits are needed and feasible. | • As part of the EIAS staff's review of the data elements related to class size compliance, additional edits have been established for validating data codes used for courses with Team-Teaching scheduling methods regarding staff experience and the Certification/Licensure/ Qualification data element. EIAS staff will continue to review the data elements related to class size compliance to determine if any other edits are needed and feasible. | Team-Teaching Scheduling Methods Edits will be put in place by February 16, 2015. The review of other data elements related to class size compliance is ongoing.<br><br>Contact:  Todd Clark |

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| | • Ensure that staff reviews of the reasonableness of the class size data are documented. | • Reasonableness reviews take place in both EIAS and the Office of Funding and Financial Reporting (OFFR). Again, this is a continuous process and is not a one-time action.  Therefore, it is not simple to document. The reasonableness reviews look at variables such as a comparison with prior-year data to see if there are significant variations. Staff in both offices continually scrutinize the data as they are submitted and contact districts immediately if any anomalies are identified. In the future, staff in EIAS and OFFR will document these "reviews" to the extent that it is possible to do so without disrupting the workflow associated with these complex and high-stakes data sets. | • EIAS has established procedures and documentation of the reasonableness review of class size data. EIAS staff reviews the record counts of the formats submitted for class size calculation with prior-year data for reasonableness. Districts are contacted if there is a 5% or more variance in record counts for any of their formats or if they have not submitted any initial format records for processing.<br><br>Schools listed as reporting no core courses scheduled on Friday or Date Certain are also contacted to ensure correctness. School-level class size averages are also reviewed for reasonableness during processing. EIAS staff contacts districts and schools with possible data reporting errors indicated by significantly high school-level class size averages.<br><br>The OFFR has documented the process for reviewing the reasonableness of class size data received.  OFFR's reasonableness | Ongoing. There are two surveys during the year associated with class size calculation processing.<br><br>Contact:  Todd Clark<br><br><br><br>Ongoing.<br><br>Contact:  Mark Eggers/Suzanne |

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| | | | review of the data looks at variables such as: a comparison with prior-year data to see if there are significant variations, a comparison of any shift in school type populations to see why the number of traditional classes have dropped or increased when compared to district-operated schools of choice and the number of districts with minimal FTE out of compliance to assure that the data captured is accurate.  After analyzing the data, OFFR sends questions and additional requests to EIAS for follow-up. Once all irregularities have been verified or accounted for, OFFR confirms that they have moved forward with the initial class size compliance memorandum. | Tart |
| | • Ensure that system changes, including those made to the class size algorithms, are properly authorized, tested, and approved prior to implementation and that appropriate documentation of the changes is maintained. | • As noted in other findings, the change management procedures will be reviewed as part of the overall department-wide review of internal operating procedures and revised as necessary and appropriate. Documentation such as the referenced e-mails evidences that the change in the algorithm was appropriately authorized and approved prior to implementation; however, EIAS has established a | • A memorandum has been written regarding the establishment of a more formal process for documentation of changes made to the class size algorithm. | February 16, 2015

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|  |  | more formal process for documenting any necessary changes. |  |  |
|  | • Review the compliance plans submitted to the Department to ensure that the plans were certified by the applicable school board or charter school board of directors and to verify that the plans contained provisions describing specific actions to address the noncompliance issues and prevent future noncompliance. | • It is not correct to state that compliance plans are not reviewed. These required plans are reviewed to ensure that the minimum statutory compliance requirements are met, e.g., that the plan contains one or more of the options available to the district to correct the noncompliance. This compliance review is strictly limited to determining whether or not the plan meets the statutory requirements.  The statutes governing the compliance plans not only do not require FDOE to determine whether implementation of the plans would result in full compliance with the requirements, they do not authorize FDOE to conduct such a qualitative assessment. Absent specific statutory authorization to expand the department's level of scrutiny, the department is precluded from conducting such a qualitative review. It is suggested that if the Auditor General's Office feels such expansion of responsibility is needed, that the recommendation be forwarded to the Legislature for consideration. Finally, a space for a signature certifying the plans has been added to the template provided by the department to the districts for use with the compliance plans. | • The OFFR has added a signature line on the class size compliance plan template distributed to school districts, requiring the signature of approval by the District School Board or Charter Board of Directors Chair.  In addition, OFFR will continue to review all compliance plans submitted to the department by February 1 to ensure that the statutory compliance requirements are met. | Ongoing.  The plan template adjustments are complete.  The review of the plans is ongoing through February 2015.

Contact:  Mark Eggers/Suzanne Tart |

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| 2. Department-wide IT policies and procedures, and Department efforts to monitor the utilization of IT policies and procedures, need improvement. | Ensure that IT policies and procedures are up-to-date, approved in writing by management, and readily available to Department staff. Additionally, we recommend that DTI management implement processes to monitor the utilization of, and compliance with, Department-wide IT policies and procedures and to review and approve Division-specific IT policies and procedures. | The department has a well-defined process for establishing new and modifying existing internal operating procedures (IOPs) which include review and approval of proposed procedures as well as modifications to existing procedures. This process includes written documentation of management approval including approval of the commissioner. As part of a department-wide review of all its internal operating procedures, a thorough review of IT policies and procedures will be undertaken and revisions made as appropriate. To the extent feasible given limitations in staff resources, DTI will also review division-specific procedures for adherence to department-wide IT procedures. Finally, the department will consider adopting a formal procedure for review and approval of proposed division-specific IT procedures and revisions to such procedures prior to their implementation. The review and updating of all IOPs is expected to be complete by December 31, 2014; however, priority will be given to IT procedures. | The department has developed a formal process, through the advent of an Information Security Steering Committee (ISSC), which adds another layer of management review and approval for department-wide as well as division-specific IT policies and procedures. The overall objective of the ISSC will be: <br>•To enhance communication and collaboration among the divisions and program areas in FDOE regarding information security; <br>•To promote a core FDOE Information Security Program; <br>•To reduce overall costs, duplication and variability of security solutions; <br>•To annually assess information security needs and make recommendations to Senior Leadership regarding information security priorities; <br>•To leverage the department's existing information security resources; and <br>•To proactively seek out industry-leading and integrated information security solutions to support the overall goals of the department, thereby better serving the citizens of the State of | March 31, 2015 <br><br> Contact:  David Stokes |

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| | | | Florida. Final approval of the ISSC is pending.<br><br>The review and updating of all IOPs is currently underway. | Ongoing with an anticipated completion date of March 31, 2015.<br><br>Contact:  Martha Asbury |
| 3.  The Department could not demonstrate that plans for disaster recovery and continuity of operations included all the significant Department applications and systems needed to administer the Department's mission-essential functions. | DTI management, in coordination with management in other Department divisions and offices, identify all Department IT applications and systems and then prepare and maintain a comprehensive listing of those applications and systems.  Additionally, we recommend that Department management periodically review the listing and ensure that Department disaster recovery plans and continuity of operations plans address all the significant IT applications and systems necessary to perform the Department's mission-essential functions. | Although there have been efforts in prior years to prepare a comprehensive listing of IT applications and systems throughout the department, it has been difficult to maintain a complete listing given the large number of applications and systems and staff/resource limitations. However, DTI will establish a procedure for inventorying the department's IT applications and systems in order to develop and maintain a comprehensive listing. The department's existing continuity of operations plans and disaster recovery plans are updated no less than annually. During the next scheduled update, particular emphasis will be placed on ensuring that all mission-critical applications and systems are properly included in those plans. | The department is in the process of setting up COOP meetings with each division to determine and prioritize the critical business functions.  DTI has updated the list of known applications and has a plan in place to keep this list updated.  As the COOP activities are completed the applications will be associated with the critical business functions and disaster recovery plans will be made for each application. | Ongoing<br><br>Contacts:  Kimberly Sadler Henry Cummings |

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| 4. The Department did not always ensure that contracts for IT services contained the required provisions or that contracted IT workers received required background screenings and agreed, in writing, to immediately disclose any arrests for disqualifying offenses. | Enhance policies and procedures to require that level 2 screenings be performed for all contracted IT workers and take appropriate steps to ensure that all current contracted IT workers have received the required screenings. We also recommend that Department management ensure that IT services contracts specify that IT contractors must agree to comply with Department security policies and that contracted IT workers agree, in writing, to inform the Department immediately if arrested for any disqualifying offense. In addition, Department management should obtain such a written agreement from all current contracted IT workers. | The department has recently implemented a more systematic strategy for keeping track of all contracted employees since People First, which previously tracked contracted staff, is no longer doing so. The Contractor Tracking System maintains data on all contracted staff working in the building and any other contract staff who have access to data systems. This new system enables the department to ensure, for example, that no contracted employee receives an identification badge or access to IT applications and systems, until s/he is entered into the system and steps have been taken for appropriate onboarding. Onboarding for all contracted staff, including IT staff, will include written agreement to comply with security policies and procedures as well as agreement to inform the department immediately if arrested for any disqualifying offense. The department has also made several efforts to ensure that all contracted staff receive level 2 background screenings with little success. Until recently it has proven difficult if not impossible to implement such a procedure. It now appears that we will be able to implement a level 2 background screening for all new and current contract employees no later than September 30, 2014. Contracts for the 14-15 fiscal year will include such assurances. | Onboarding documents have been developed and/or revised to include provisions which promote and require compliance from contracted staff.<br><br>While the department still views Level 2 background screening for all new and current contract employees as a viable option, more time is needed for full implementation.<br><br>The department's IT services contracts for the 2014-15 fiscal year have been revised to include the required assurances whereby contractors agree to comply with the department's security policies and to inform the department immediately if arrested for any disqualifying offense. | Completed<br><br>Contact:  Martha Asbury<br><br>March 31, 2015<br><br>Contact:  Martha Asbury<br><br>Completed<br><br>Contact:  David Stokes |

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| 5.  The Department had not formally adopted a security awareness training policy and the Department's security awareness training program continues to need enhancement. | Department management:<br>• Formally adopt a security awareness training policy.<br>• Develop security awareness training materials that address all required procedures.<br>• Provide security awareness training to all Department employees and contracted IT workers and retain documentation of each worker's participation in accordance with AEIT rules.<br>• Obtain from all Department employees and contracted IT workers a written agreement to comply with Department procedures for handling confidential and exempt information. | The department has taken or will take the following actions:<br>• The security awareness training policy will be adopted as part of the overall review and revision of internal operating procedures addressed in the response to Finding 2.<br>• The department has recently hired a new staff member who is tasked with enhancing staff development of all employees. As part of the overall plan for increased/enhanced staff development, security awareness training will be given priority. Additionally, DTI has a staff member who has responsibility for training related to IT issues. This individual will serve as the subject matter expert for expanded security awareness training.<br>• Security awareness training will be provided to all employees including contracted employees. Documentation of participation will be maintained.<br>• Written agreements to comply with procedures for handling confidential and exempt information will be obtained from all current employees and from new employees during the onboarding process. Copies of such agreements will be maintained in the employees' personnel files. | Security training remains a high priority for the department. As such, the department's *Acceptable Use* policy has been in force since January 3, 2014, and is currently under third-party review.  Additionally, the department is working diligently towards the finalization of its Security Awareness Training and Password Policies. Formal adoption will occur soon after finalization and approval followed by full training of all employees including contracted staff. | March 31, 2015<br><br>Contacts:  David Stokes & Martha Asbury |