

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2023-009
August 2022

SOUTH FLORIDA STATE COLLEGE



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the period January through December 2021, Dr. Thomas C. Leitzel served as President of South Florida State College and the following individuals served as Members of the Board of Trustees:

	<u>County</u>
Tamela C. Cullens, Chair from 7-15-21, Vice Chair through 7-14-21	Highlands
Terry W. Atchley, Vice Chair from 7-15-21	Hardee
P. Joseph Wright, Chair through 7-14-21	Highlands
Timothy D. Backer	DeSoto
Derren J. Bryan	Hardee
Dr. Louis H. Kirschner	DeSoto
Kris Y. Rider	Highlands
Lana C. Puckorius through 10-14-21 ^a	Highlands

^a Trustee position vacant from 10-15-21, through 12-31-21.

The team leader was Wing Yee Mau, CPA, and the audit was supervised by Mark A. Arroyo, CPA.

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

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SOUTH FLORIDA STATE COLLEGE

SUMMARY

This operational audit of South Florida State College (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2020-048. Our operational audit disclosed the following:

Finding 1: College textbook affordability procedures continue to need improvement. A similar finding was noted in our report No. 2020-048.

BACKGROUND

South Florida State 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 eight 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 Arcadia, Avon Park, Bowling Green, and Lake Placid. Additionally, credit and noncredit classes are offered in public schools and other locations throughout DeSoto, Hardee, and Highlands Counties.

FINDING AND RECOMMENDATION

Finding 1: Textbook Affordability

State law¹ requires the College to post prominently in the course registration system and on its Web site, as early as feasible, but at least 45 days before the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course sections offered at the College during the upcoming term.

The College contracted with a vendor to manage and operate the College Bookstore, as well as compile adopted textbooks and instructional materials on the College Bookstore Web site. College policies² require instructional supervisors to provide the Bookstore Vendor each term with textbook and instructional material adoption information weeks in advance of the statutory posting deadline. According to College personnel, instructional personnel input textbook and instructional material information in the Bookstore Vendor's system and those entries post to the Bookstore Web site. In addition, the course registration system contains a hyperlink to the Web site.

¹ Section 1004.085(5), Florida Statutes.

² SFSC Administrative Procedure 4041, *Textbook Adoption*.

To encourage compliance with the posting requirement, the Bookstore Manager periodically sent reminders to instructional supervisors and a list of the classes that had not adopted textbook and instructional material information. However, College records did not demonstrate appropriate follow-up with the supervisors to ensure that all textbook and instructional material adoption information was timely submitted to the Bookstore Vendor.

During the Spring 2021, Summer 2021, and Fall 2021 Terms, the College posted textbook and instructional materials for 453, 138, and 456 course sections, respectively. As part of our audit, we examined College records supporting textbook and instructional material adoptions for all course sections for the three terms to determine if the College complied with the statutory posting requirement. We found that the College generally complied with the requirements for two of the terms; however, as shown on Table 1, only 88 percent of the textbooks and instructional materials for course sections during the Summer 2021 Term were timely posted rather than at least 95 percent as required by State law.

Table 1
Textbook and Instructional Materials Postings

Posting Status	Course Sections Summer 2021
Timely	122
Late	16
Total	<u>138</u>
Percent Timely	<u>88%</u>

Source: College records.

In response to our inquiries, College personnel indicated that delays occurred because textbook adoption and instructional material information was not always timely submitted to the Bookstore Vendor.

Without the timely postings for at least 95 percent of all courses and course sections offered at the College during the upcoming term, the College cannot demonstrate compliance with State law. When postings are not timely, students may not have sufficient time to gain an understanding of course requirements, consider purchase options, and potentially limit their costs. Similar findings were noted in our report Nos. 2020-048 and 2017-008.

Recommendation: The College should enhance procedures to ensure that a hyperlink to lists of required and recommended textbooks and instructional materials for at least 95 percent of all courses and course sections offered at the College during the upcoming term is prominently posted in the course registration system and on the Bookstore Web site, as early as feasible, but at least 45 days before the first day of class for each term. Such enhancements should include documented communications and follow-up with instructional supervisors to ensure that textbook and instructional material adoption information is timely submitted to the Bookstore Vendor and posted as required.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2020-048, except that Finding 1 was also noted in report Nos. 2020-048 and 2017-008 as Finding 1.

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 2022 through June 2022 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 selected College 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. 2020-048.
- 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 the selection and examination of transactions and records, as well as events and conditions, occurring during the audit period of January 2021 through December 2021 and selected College actions taken 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 information technology (IT) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, 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 finance and human resources applications as of March 28, 2022, for 23 of the 160 total users to determine the appropriateness and necessity of the access based on the employees' job duties and user account functions and the adequacy with regard to preventing the performance of incompatible duties.
- Evaluated the appropriateness of the College comprehensive IT disaster recovery plan effective during the audit period and determined whether it 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.
- Reviewed the College's financial position and determined if the College prepared a spending plan for its excess carryforward balance in compliance with Section 1013.841, Florida Statutes.
- From the population of laboratory fees with revenue totaling \$519,554 during the audit period, examined College records for five selected classes with laboratory fees ranging from \$292 to \$1,170 per class to determine whether the College properly calculated these fees in compliance with Section 1009.23(12)(a), Florida Statutes.
- Examined College records supporting textbook adoptions for the 1,047 course sections offered during the audit period to determine if the College had posted the required information in the course registration system and on its Web site pursuant to Section 1004.085, Florida Statutes.
- Evaluated Board policies and College procedures for payments of accumulated 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 14 employees who separated from College employment during the audit period and were paid \$146,865 for terminal sick leave, we selected 7 employees with terminal payments totaling \$128,043 and examined the supporting records to determine compliance with Sections 110.122 and 1012.865, Florida Statutes, and Board policies.

- From the population of capital improvement fee and other restricted capital outlay expenses totaling \$341,553 during the audit period, examined records supporting five selected expenses totaling \$136,871 to determine whether funds were expended in compliance with the restrictions imposed on the use of these resources.
- Reviewed the capital improvement plan for the 2022-23 through 2026-27 fiscal years to determine whether the College's capital projects were properly reported in accordance with Division of Florida Colleges instructions for consideration in the Florida Department of Education annual legislative budget request for Public Education and Capital Outlay funding submitted to the Legislature.
- From the population of 894 adult general education instructional students reported for 245,125 contact hours for the Spring 2021, Summer 2021, and Fall 2021 Semesters, examined College records supporting 5,743 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 240 industry certifications reported for performance funding that were attained by students during the 2020-21 fiscal year, examined 30 industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- Examined College records to determine whether the College's unencumbered balance in the general fund at June 30, 2021, was below the threshold established in Section 1011.84, Florida Statutes.
- Inquired whether the College had any expenses or entered into any contracts under the authority granted by a state of emergency, declared or renewed during the audit period, to evaluate the reasonableness of College actions.
- 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.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



OFFICE OF THE PRESIDENT

August 16, 2022

Sherrill F. Norman, CPA
Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman,

Please find below, South Florida State College's response to the preliminary and tentative audit finding resulting from the operation audit of South Florida State College (SFSC):

Finding Number: 1 – *Textbook Affordability*

Planned Corrective Action: SFSC management concurs with the finding and recommendation. The College has engaged with its third-party bookstore vendor to improve the documentation and follow-up of communications with faculty and staff regarding textbook adoptions as well as identifying improvements in the documentation supporting the posting of the class materials.

If you have any questions or concerns, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas C. Leitzel", is written over a light blue circular watermark.

Thomas C. Leitzel, Ph.D.
President

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