

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2025-074
December 2024

SEMINOLE STATE COLLEGE OF FLORIDA



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

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The team leader was Keith O. Auyang, CPA, and the audit was supervised by Keith A. Wolfe, CPA.

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SEMINOLE STATE COLLEGE OF FLORIDA

SUMMARY

This operational audit of Seminole State College of Florida (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2022-097. Our operational audit disclosed the following:

Finding 1: College procedures for publishing general education core course syllabi on the College Web site need improvement to demonstrate compliance with State law.

Finding 2: College records did not always demonstrate compliance with State law and College procedures by limiting laboratory fees to the cost of services provided.

Finding 3: Contrary to State law, the College disbursed extra compensation payments totaling \$1.3 million to 1,003 employees.

Finding 4: College procedures need strengthening to ensure that instructional contact hours for adult general education classes are accurately reported to the Florida Department of Education.

BACKGROUND

Seminole State College of Florida (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 five 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 Altamonte Springs, Heathrow, Oviedo, and Sanford. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Seminole County.

FINDINGS AND RECOMMENDATIONS

Finding 1: Textbook and Instructional Materials Affordability and Transparency

State law¹ requires the College to publish course syllabi information containing sufficient detail to inform students of the course curriculum, the goals, objectives, and student expectations of the course, and how student performance will be measured, for each section of a general education core course identified pursuant to State law.² In addition, State law requires the College to publish on the College Web site course syllabi for each section of a general education core course as early as feasible but at least 45 days before the first day of class for each term.

¹ Section 1004.085(5)(c), Florida Statutes.

² Section 1007.25, Florida Statutes.

As part of our audit, we examined College records to determine whether general education course syllabi were timely published on the College Web site. While we found that the majority of course syllabi for the Fall 2023, Spring 2024, and Summer 2024 Semesters were published timely, the other:

- 26 percent (131 of 513 courses) of the syllabi for the Fall 2023 Semester were not published at least 45 days before the start of the semester. The 131 course syllabi were published 1 to 76 or an average of 21 days late.
- 21 percent (95 of 456 courses) of the syllabi for the Spring 2024 Semester were not published at least 45 days before the start of the semester. The 95 course syllabi were published 1 to 90 or an average of 20 days late.
- 11 percent (27 of 255 courses) of the syllabi for the Summer 2024 Semester were not published at least 45 days before the start of the semester. The 27 course syllabi were published 1 to 42 or an average of 16 days late.

In response to our inquiries, College personnel asserted that, because the requirement was not included in the collective bargaining agreement negotiations for the 2022-23 and 2023-24 fiscal years, faculty were not required to make the course syllabus available at least 45 days before the first day of class. Notwithstanding this assertion, State law provides no exemptions from compliance with statutory textbook and instructional materials affordability and transparency requirements. When general education core course syllabi are not published timely, students may not have sufficient time to gain an understanding of the course curriculum; the goals, objectives, and student expectations of the course; and how student performance will be measured.

Recommendation: The College should enhance procedures to ensure that general education core course syllabi are timely published on the College Web site as early as feasible, but at least 45 days before the first day of class for each term, in accordance with State law.

Finding 2: Laboratory Fees

State law³ authorizes the Board to establish user fees, such as laboratory fees (lab fees), that are in addition to tuition fees. Such user fees shall not exceed the cost of the services provided and shall only be charged to persons receiving the service. Board policies and College procedures⁴ require academic departments to determine if a course requires a lab fee based on extraordinary costs in excess of base instructional costs. The appropriate academic department is responsible for initiating the lab fee form, documenting the costs that warrant the charging of a lab fee, and submitting the form to the Office of Finance and Budget for input. Once the fee is finalized, the form is presented to the Board for approval and the Office of Finance and Budget periodically reviews the lab fees, as needed.

During the 2023 calendar year, the College assessed a lab fee for 1,041 courses and collected \$1.2 million related to those fees. As part of our audit, we selected 25 Board-approved course lab fees ranging from \$11 to \$559 per student and requested for examination College records supporting the fees and collections totaling \$372,260. While College records supported many costs used by the College to

³ Section 1009.23(12)(a), Florida Statutes.

⁴ Board Policy 5.040 and College Procedure 5.0460- *Laboratory and Special Course Fees*.

establish the 25 lab fees, College records did not always demonstrate that the costs included in the calculation of specific course lab fees were appropriate. Specifically, we found that:

- For three public safety courses, lab fees assessed per student averaged \$347 and lab fee collections totaled \$74,246. College records indicated that the fees were established, in part, based on annual program accreditation costs totaling \$2,300 and annual administrative services costs of \$8,000 for each of the three courses. In addition, for two nursing courses, lab fees assessed per student averaged \$163 and \$16, respectively, and lab fee collections totaled \$44,356 and \$1,472, respectively. College records indicated that the nursing course fees were also established, in part, based on annual program accreditation costs totaling \$898 and \$1,200, respectively.

In response to our inquiry, College personnel indicated that the accreditation fees were necessary for the programs to be desired by students for job opportunities in those fields. The administrative services were required for the public safety program to receive and maintain nationally recognized accreditation. Ultimately, College personnel believed these costs were appropriate to support the lab fees. Notwithstanding, accreditation and administrative service costs are necessary components of basic instructional costs and do not represent additional costs that may be recovered through lab fees. Consequently, the College over assessed the three public safety courses lab fees an average of \$122 per student and over-collected amounts totaling \$27,951, and over assessed the two nursing courses lab fees an average of \$11 per student and over-collected amounts totaling \$2,603 and \$1,472, respectively.

- For a computer-aided design (CAD) course with lab fee collections totaling \$3,637, College records indicated that the costs supporting the fees were grouped with costs for 15 other courses to calculate a lab fee of \$17 per student for each of the 16 courses. However, the 16 courses were in differing degrees and programs, such as a Bachelor of Science in Engineering Technology and an Associate of Science in Architectural Engineering. According to College records, the grouped costs were for certain lab materials and software applications that were not used by all 16 courses. Had the lab fees for each course been calculated considering only the cost of the services provided to the persons receiving the service, as required by State law, the lab fees for the CAD course would have been \$2 per student and totaled \$365. Consequently, for the CAD course, lab fees were over assessed by \$15 per student and over collected by \$3,272.

Absent College records demonstrating appropriate justification and documentation supporting lab fees, College records did not demonstrate compliance with State law or College procedures or that the lab fees were limited to the cost of services provided to students receiving the services.

Recommendation: The College should enhance controls to demonstrate compliance with State law and College procedures by ensuring that lab fees are based on extraordinary costs in excess of base instructional costs and limited to the cost of services provided to students receiving the services.

Finding 3: Extra Compensation

State law⁵ prohibits the College from making extra compensation payments to employees after services have been rendered. State law also provides that any policy, ordinance, rule, or resolution designed to implement a bonus scheme must base the award of a bonus on work performance, describe the performance standards and evaluation process by which a bonus will be awarded; notify all employees

⁵ Section 215.425, Florida Statutes.

of the policy, ordinance, rule, or resolution before the beginning of the evaluation period, on which a bonus will be based; and consider all employees for the bonus.

On December 7, 2023, the Board approved a non-recurring, one-time payment of \$1,800 to be paid in December 2023 to each full-time College employee hired as of October 2, 2023, and classified as a full-time employee on December 13, 2023. The Board also approved, for each part-time College employee hired as of October 2, 2023, classified as an active employee on December 13, 2023, who earned a minimum of \$500 during the period January 1 through November 30, 2023, and received a paycheck in November 2023, a non-recurring, one-time payment of \$200 to be paid in December 2023. On December 20, 2023, the College disbursed the extra compensation payments totaling \$1.3 million to 677 full-time employees and 326 part-time employees.

In response to our inquiries regarding how the payments complied with State law, College personnel indicated that the payments were not bonuses and were approved by the Board. Notwithstanding, since the payments were not bonuses,⁶ were made after the employees rendered services, and were non-recurring, one-time payments that did not increase the employee's base rate of pay, the payments represent extra compensation prohibited by State law.

Recommendation: The College should refrain from making extra compensation payments to employees after services have been rendered.

Finding 4: Adult General Education Classes

State law⁷ defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. The College received State funding for adult general education, and General Appropriations Act⁸ proviso language requires each college to report enrollment for adult general education programs in accordance with the Florida Department of Education (FDOE) instructional hours reporting procedures.⁹ FDOE procedures state that fundable instructional contact hours are scheduled classroom hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner. Additionally, State Board of Education (SBE) rules¹⁰ define the date of enrollment as first date of actual attendance and provides that instructional contact hours are those scheduled classroom hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner.

SBE rules also require students with six consecutive absences to be procedurally withdrawn for non-attendance from class. If a student resumes enrollment in the same course within 30 days of last attendance, the College may report instructional contact hours from the first date of enrollment to the final withdrawal date or the end of class, whichever is sooner.

⁶ College personnel indicated that the payments were not bonuses and the payments did not meet the bonus requirements specified in Section 215.425(3), Florida Statutes.

⁷ Section 1004.02(3), Florida Statutes.

⁸ Chapters 2022-156 and 2023-239, Laws of Florida, Specific Appropriations 8 and 125 and Specific Appropriations 8 and 23, respectively.

⁹ The FDOE Technical Assistance Paper: *Adult General Education Instructional Hours Reporting Procedures*, Dated September 2020.

¹⁰ SBE Rule 6A-10.0381, Florida Administrative Code.

For the Spring, Summer, and Fall 2023 Semesters, the College reported a total of 275,872 instructional contact hours for 1,966 students. As part of our audit, we requested for examination College attendance records supporting 1,808 reported contact hours for 30 selected students enrolled in 33 classes. We found that:

- 4 students had hours incorrectly reported because College personnel recorded attendance starting on the first day of the semester instead of the first date of actual attendance, resulting in 46 overreported contact hours.
- 3 students were given a completion grade although the students had at least six consecutive absences, did not return to the classes within 30 days of last attendance, and were not procedurally withdrawn from the classes as required, resulting in 124 overreported contact hours.
- 2 students had at least six consecutive absences and did not return to the classes within 30 days of last attendance. However, the College reported the students as withdrawn at the end of the semester instead of procedurally withdrawing the students based on their last date of attendance. As a result, 30 contact hours were overreported.

In response to our inquiry, College personnel indicated that the overreported hours occurred due to clerical and administrative errors. Since funding may be based, in part, on enrollment data submitted to the FDOE, it is important for the College to report accurate data.

Recommendation: The College should strengthen controls to ensure that instructional contact hours for adult general education classes are accurately reported to the FDOE. The College should also determine to what extent adult general education hours were misreported and contact the FDOE for proper resolution.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2022-097.

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 2024 through June 2024 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. 2022-097.
- 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 2023 through December 2023 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, Board policies and College procedures, and other guidelines, and interviewed College personnel to obtain an understanding of applicable processes and administrative activities and the related requirements.
- Reviewed Board 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 College records supporting the access privileges to finance and human resources (HR) applications during the audit period for the 13 and 12 users, respectively, 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. We also examined administrator account access privileges granted and procedures for oversight of administrator accounts for the network, operating system, and application to determine whether these accounts had been appropriately assigned, managed, and monitored.
- Evaluated College procedures that prohibit former employees' access to College IT data and resources. For the 12 employees in the HR, finance, and student financial aid departments who separated from College employment during the audit period, we examined College records to determine whether their access privileges had been promptly deactivated.
- Evaluated College procedures and records documenting the collection and use of social security numbers for compliance with Section 119.071, Florida Statutes.
- 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, 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.
- To determine whether student fees totaling \$35,431,670 during the audit period were properly assessed and authorized, accurately calculated, and correctly recorded in accordance with State law, State Board of Education (SBE), and Board policy requirements, examined College records for 30 selected students and their related fees totaling \$33,008 to determine whether the College correctly assessed tuition in compliance with Sections 1009.21, 1009.22, and 1009.23, Florida Statutes, and SBE Rules 6A-10.044 and 6A-14.054, Florida Administrative Code.
- Examined College records to determine if distance learning fees were assessed, collected, and separately accounted for in accordance with Section 1009.23(16)(a) and (b), Florida Statutes.
- From the population of 1,041 courses with assessed laboratory fees totaling \$1.2 million during the audit period, examined College records for 25 selected laboratory fees with collections totaling \$372,260 to determine whether the fees were assessed only to students who received the services and the College properly calculated the fees in compliance with Section 1009.23(12)(a), Florida Statutes.
- From the population of 3,919 course sections offered during the Fall 2022 and Spring 2023 academic terms, and 1,224 course sections for general education core courses offered during the Fall 2023, Spring 2024 and Summer 2024 academic terms, examined College records to determine whether the College textbook and instructional materials affordability and transparency procedures complied with Section 1004.085, Florida Statutes.
- Examined College records to determine if the Capital Improvement Plan was prepared in accordance with Section 1013.64(4)(a), Florida Statutes.
- Reviewed College records for extra compensation or bonuses and determined whether related payments complied with Section 215.425, Florida Statutes.
- From the population of compensation payments totaling \$56,934,072 made to 1,745 employees during the audit period, examined College records supporting payments totaling \$96,213 made to 30 selected employees to determine whether the rate of pay was accurate, employment

contracts were valid, performance evaluations for the 9 adjunct instructors and 21 other employees were completed, and leave records were accurate.

- Evaluated Board policies and College procedures for obtaining personnel background screenings to determine compliance with Section 1012.8551, Florida Statutes.
- 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 \$36,623,136 for the audit period, we examined College records supporting 30 selected payments for general expenses totaling \$107,808.
- From the population of 1,744 purchasing card (P-card) transactions totaling \$475,311 during the audit period, examined College records supporting 30 selected P-card transactions totaling \$56,271 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 the nine cardholders who separated from College employment during the audit period to determine whether the P-cards were promptly canceled.
- From the population of expenses totaling \$9,394,982 during the audit period from Deferred Building Maintenance appropriations and other restricted capital outlay resources, examined records supporting 30 selected expenses totaling \$3,047,477 to determine whether use of the funds was consistent with restrictions imposed on the resources, such as compliance with Chapter 2022-156, Laws of Florida, General Appropriations Act, Section 197.
- From the population of 1,966 adult general education instructional students reported for 275,872 contact hours for the Spring, Summer, and Fall 2023 Semesters, examined College records supporting 1,808 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 1,270 industry certifications reported for performance funding that were attained by students during the 2022-23 fiscal year, examined 30 industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- 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.
- 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 initial 'S'.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Georgia L. Lorenz, Ph.D., President

December 12, 2024

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

Dear Ms. Norman:

Pursuant to Section 11.45(4)(d), Florida Statutes, Seminole State College of Florida is submitting to you a written statement of explanation concerning all of the findings, including our actual or proposed corrective action to each preliminary and tentative finding of the operational audit dated November 12, 2024.

Finding 1: College procedures for publishing general education core course syllabi on the College Web site need improvement to demonstrate compliance with State law.

College Response: Seminole State College of Florida acknowledges this finding. The College has taken administrative measures to ensure general education core course syllabi are timely published on the College Web site at least 45 days before the first day of class. Additionally, this finding will be addressed in the pending collective bargaining agreement.

Finding 2: College records did not always demonstrate compliance with State law and College procedures by limiting laboratory fees to the cost of services provided.

College Response: Seminole State College of Florida acknowledges this finding with the reservation included below.

The definition of “cost of services provided” was interpreted by the College to include the expenses that met the definition and were proper uses of lab fee resources.

As a result of this finding and the interpretation, the College has already enhanced practices and reviews to demonstrate compliance with State law and College procedures

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by ensuring that lab fees are based on extraordinary costs beyond base instructional costs and limited to the cost of services provided to students receiving the services.

Finding 3: Contrary to State law, the College disbursed extra compensation payments totaling \$1.3 million to 1,003 employees.

College Response: Seminole State College of Florida respectfully disagrees with this finding. The one-time payment was not “extra compensation” as such is prohibited by statute.

Based on this finding and its interpretation of the statute, future one-time payments will be payable at the start of the fiscal year for which such payment are included in the salary schedule and budget as recommended and approved by the Board of Trustees, in compliance with Florida Statute 215.425.

Finding 4: College procedures need strengthening to ensure that instructional contact hours for adult general education classes are accurately reported to the Florida Department of Education.

College Response: Seminole State College of Florida acknowledges this finding. The College will conduct training to ensure that instructional contact hours for adult general education classes are accurately reported. In addition, practices will be reviewed and updated, as needed, to ensure accurate reporting of data.

Should you have any questions or concerns, please feel free to contact me.

Sincerely,



Georgia L. Lorenz, Ph.D.

President, Seminole State College of Florida