

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-019
September 2025

VALENCIA COLLEGE



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2024 calendar year, Dr. Kathleen Plinske served as President of Valencia College and the following individuals served as Members of the Board of Trustees:

	<u>County</u>
Michael A. Sasso, Chair from 6-19-24, Vice Chair through 6-18-24 ^b	^a
John F. Davis, Vice Chair from 8-8-24 ^b	Orange
Beth Smith through 6-18-24, Chair	Orange
Blair Bradley from 6-19-24	Orange
Shawn Hindle from 6-19-24	Osceola
Belinda Kirkegard from 6-19-24	^a
Daisy Lopez-Cid through 6-18-24	Osceola
Angel de La Portilla through 6-18-24	Orange
John Martinez	Osceola
Tracey Stockwell	Orange

^a Location confidential pursuant to Section 119.071(4), Florida Statutes.

^b Vice Chair position vacant 6-19-24, through 8-7-24.

Note: Two trustee positions were vacant the entire period.

The Auditor General conducts 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.

The team leader was Jonathan Agnelli, and the audit was supervised by Jeffrey M. Brizendine, 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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VALENCIA COLLEGE

SUMMARY

This operational audit of Valencia College focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2023-035. Our operational audit disclosed the following:

Finding 1: College controls over changes to vendor information need improvement.

BACKGROUND

Valencia 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 nine 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 Orlando, Kissimmee, and Winter Park, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Orange and Osceola Counties.

FINDING AND RECOMMENDATION

Finding 1: Vendor Information Changes

State law¹ requires each college to establish and maintain internal controls designed to, among other things, detect fraud, promote and encourage compliance with best practices, and safeguard assets. Such controls should include properly documented and independently verified and authorized vendor information (e.g., address and name) changes before payments to vendors are made to confirm the authenticity of the change requests and the propriety of the changes and to reduce the likelihood of fraud or errors associated with the payments.

During the 2024 calendar year, the College made vendor payments totaling \$75.3 million by check² and processed 86 vendor information changes, including 52 address changes and 34 name changes. Through our discussions with College personnel and review of the College Web site, we determined that, to request vendor information changes, College vendors are required to submit prescribed forms to the Procurement Department e-mail address. Upon receipt, Procurement Department personnel are to verify whether the submitted forms are complete and the vendor Federal employer identification (ID) number on the forms agrees with other College records.

¹ Section 1010.01(5), Florida Statutes.

² The College did not make any electronic vendor payments.

As part of our audit, we selected 6 vendor address changes and 4 vendor name changes and requested documentation supporting verification of the authenticity of the change requests. Based on discussions with College personnel, we found that College procedures had not been established to verify the authenticity of vendor information change requests and the authenticity of the change requests related to the 10 selected changes was not verified. While we determined that the 10 vendor information changes were valid, absent effective procedures over vendor information changes, the College cannot demonstrate that appropriate measures have been taken to reduce the risk of fraud and errors associated with vendor payments.

Recommendation: The College should establish procedures to ensure that, before changes to vendor information are made, College personnel document direct contact with designated vendor staff to verify the authenticity of the vendor information change requests.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2023-035.

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 2025 through July 2025 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. 2023-035.
- 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 2024 through December 2024 and selected College actions taken prior and 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 and the related requirements.
- Reviewed Board policies and College procedures related to identifying potential conflicts of interest. We also researched Department of State, Division of Corporations, records; statements of financial interest; and reviewed College records for 17 College officials and administrators as of December 31, 2024, (i.e., the President, the 7 Board Members, the 6 Purchasing Agents, the Chief Financial Officer, the Assistant Vice President of Financial Services and the Internal Auditor) to identify any relationships that represented a potential conflict of interest with vendors used by the College.
- Reviewed Board information technology (IT) policies and College procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, user authentication, and disaster 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

during the audit period for the 93 users with critical access to these applications 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. From the population of 1,507 employees who separated from College employment during the audit period, we examined the access privileges for 23 selected senior-level former employees to determine whether their access privileges had been timely deactivated.
- Reviewed operating system, database, 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 developed 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.
- Evaluated College procedures for protecting sensitive personal information of students, including social security numbers (SSNs). From the population of 130 employees who had access to sensitive personal information of students during the audit period, we examined job titles and College records supporting the access privileges to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- Examined Board, committee, and advisory board meeting minutes and other related College records to determine whether Board approval was obtained for Board policies and College procedures in effect during the audit period and for evidence of compliance with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- Examined College records to determine whether student tuition and fees totaling \$149,320,378 collected during the audit period were properly authorized in accordance with Chapter 1009, Florida Statutes.
- From the population of student activity fee expenses totaling \$4,427,523, examined College records supporting 10 selected expenses totaling \$350,358 to evaluate College compliance with the restrictions imposed by Section 1009.23(7), Florida Statutes.
- From the population of technology fee expenses totaling \$4,480,491, examined College records supporting 10 selected expenses totaling \$1,947,994 to evaluate College compliance with the restrictions imposed by Section 1009.23(10), Florida Statutes.
- From the population of capital improvement fee expense payments totaling \$1,370,851, examined College records supporting 10 selected expenses totaling \$771,245 to evaluate College compliance with the restrictions imposed by Section 1009.23(11), Florida Statutes.
- From the population of 118 expenses totaling \$8,790,676 made during the audit period from general revenue funds appropriated and received by the College from the Deferred Building Maintenance Program, examined College records supporting 26 selected expenses totaling \$2,260,161 to determine whether the funds were expended in compliance with the restrictions imposed on the use of these resources in Chapter 2022-156, Laws of Florida, General Appropriations Act, Section 197.
- Reviewed College records to determine whether the College accurately reported full-time equivalent enrollment totaling 33,306 for the audit period. Also, we evaluated the effectiveness of College controls during the audit period to ensure that students who had not paid fees in an

approved manner were not considered in calculating full-time equivalent enrollments for State funding purposes pursuant to Sections 1009.22(11) and 1009.23(9), Florida Statutes.

- Reviewed College records for extra compensation or bonuses and determined whether related payments totaling \$115,100 complied with Section 215.425, Florida Statutes.
- From the population of 20,095 purchasing card (P-card) expenses totaling \$4,252,197 during the audit period, examined College records supporting 30 selected P-card expenses totaling \$163,626 to determine whether the P-card program was administered in accordance with Board policies and College procedures and expenses were not of a personal nature.
- Examined P-card records for all 20 cardholders who separated from College employment during the audit period to determine whether the College promptly canceled the cardholders' P-cards.
- From the population of 11 construction projects with construction costs totaling \$17,247,009 million and in progress during the audit period, selected 6 payments totaling \$813,290 related to 3 construction projects with contract amounts totaling \$2,810,287 and examined College records to determine whether the payments were made in accordance with contract terms and conditions, Board policies and College procedures, and provisions of applicable State laws and rules.
- Evaluated the effectiveness of College controls during the audit period to ensure that vendor information change requests were authentic and the information was correct before changes were made in the College information system.
- From the population of 834 industry certifications reported for performance funding that were attained by students during the 2023-24 fiscal year, examined 30 industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- From the population of 2,741 payments totaling \$22,442,487 during the period July 1, 2022, through January 30, 2025, for software-related expenditures of which more than \$20 million pertained to user licensing for educational and administrative software supporting the College's enterprise resource planning systems, examined College records supporting one major software purchase totaling approximately \$1.5 million to determine whether the College evaluated the effectiveness and suitability of the software applications prior to purchase and whether the purchase was made through the competitive vendor selection process.
- Determined whether the Board established appropriate investment policies and procedures and whether College investments during the audit period complied with those policies and procedures.
- 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 fluid and cursive, with a large initial 'S'.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



August 28, 2025

Ms. Sherrill F. Norman, C.P.A.
Florida Auditor General
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman:

Re: Valencia College Operational Audit 2025

Please accept this document as our action response for the preliminary and tentative audit finding made in the Valencia College Operational Audit report received via email on August 8, 2025. We welcome any discussion or questions you may have related to our response.

Please feel free to contact myself or Brandon McKelvey – Executive Vice President Administrative Services at 407-582-3046 or at jmckelvey@valenciacollege.edu.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Plinske".

Dr. Kathleen Plinske
President

Enclosure
C: Mr. Michael Sasso

Valencia College

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2024-2025 Operational Audit Finding Response**Finding 1**

State law requires each college to establish and maintain internal controls designed to, among other things, detect fraud, promote and encourage compliance with best practices, and safeguard assets. Such controls should include properly documented and independently verified and authorized vendor information (e.g., address and name) changes before payments to vendors are made to confirm the authenticity of the change requests and the propriety of the changes and to reduce the likelihood of fraud or errors associated with the payments.

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Recommendation

The College should establish procedures to ensure that, before changes to vendor information are made, College personnel document direct contact with designated vendor staff to verify the authenticity of the vendor information change requests.

Valencia College Response

Valencia College acknowledges finding #1. To enhance internal controls, the College has updated its procedures to adopt the recommendations described in the audit report.