

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2026-044
November 2025

PASCO-HERNANDO STATE COLLEGE



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2024 calendar year, Dr. Jesse Pisors served as President from February 1, 2024, Dr. Timothy L. Beard served as President of Pasco-Hernando State College before that date, and the following individuals served as Members of the Board of Trustees:

	<u>County</u>
Marilyn Pearson-Adams, Chair from 6-18-24, Vice Chair through 6-17-24	Hernando
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John Allocco Jr. from 4-12-24 ^a	Hernando
Ryan Brady from 4-12-24 ^a	Pasco
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Dr. Jeffrey E. Harrington through 5-6-24 ^b	Pasco
Nicole Newlon J.D.	Pasco

^a Trustee positions vacant through 4-11-24.

^b Trustee position vacant from 5-7-24.

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The team leader was Michael D. Hess, CPA, and the audit was supervised by Anna A. McCormick, 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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PASCO-HERNANDO STATE COLLEGE

SUMMARY

This operational audit of Pasco-Hernando State College (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2023-080. Our operational audit disclosed the following:

Finding 1: Controls over bank account reconciliations and related journal entries continue to be deficient.

Finding 2: The College did not enforce an appropriate separation of journal entry duties.

Finding 3: College textbook affordability procedures, as similarly noted in our report No. 2023-080, need improvement.

Finding 4: The College Enterprise Resource Planning System did not have the capability of identifying vendor information changes, IT user access privileges removed for employment separations, or IT access assignments for former employees. As a result, College records were not always maintained for this information, contrary to the State General Records Schedule requirements.

Finding 5: Certain unnecessary information technology (IT) user access privileges exist that increase the risk for unauthorized disclosure of sensitive personal information of students to occur.

Finding 6: Some unnecessary IT user access privileges continue to exist, increasing the risk for unauthorized disclosure, modification, and destruction of finance information.

BACKGROUND

Pasco-Hernando 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 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 Brooksville, Dade City, New Port Richey, Spring Hill, and Wesley Chapel, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Hernando and Pasco Counties.

FINDINGS AND RECOMMENDATIONS

Finding 1: Bank Account Reconciliations and Related Journal Entries

State law¹ requires each college to establish and maintain internal controls designed to, among other things, detect fraud, ensure reliability of financial records and reports, and safeguard assets. Effective controls ensure that reconciliations of bank account balances to general ledger control accounts be performed monthly on a timely, routine basis with reconciling items properly identified, thoroughly investigated, adequately documented, and promptly resolved. When journal entries are necessary to resolve reconciling items, the entries should be promptly recorded to correct general ledger information and to help effectively monitor financial position.

During the 2024 calendar year, the College maintained three bank accounts, including the cash concentration account, which had an average bank statement balance of \$48.2 million, and the expense and payroll clearing accounts. According to College personnel, the expectation is for staff to promptly complete a single reconciliation for all three bank accounts, along with necessary journal entries, by the end of the month following the bank statement date.

As part of our audit, we requested for examination College records for the 2024 calendar year supporting 12 selected bank account reconciliations for the cash concentration account. College records included reconciliations for 2 months (June and July 2024) with documented supervisory review; however, the reconciliations and the journal entries² to resolve reconciling items were dated 234 and 256 days after the bank statement date, respectively, and no reconciliations were completed for the other 10 months. According to College personnel, challenges associated with the implementation of a new enterprise resource planning (ERP) system delayed the proper completion of the bank account reconciliations and necessary journal entries to resolve reconciling items.

Absent effective procedures for timely preparing bank account reconciliations and recording any associated journal entries, there is an increased risk that any cash transaction errors or fraud that may occur will not be timely detected, general ledger financial information will be unreliable, and the Board's ability to effectively monitor the College's financial position will be diminished. A similar finding was noted in our report No. 2023-080.

Recommendation: The College should effectively implement procedures to ensure that reconciliations of bank account balances to general ledger account balances are timely performed on a routine basis with reconciling items promptly identified, thoroughly investigated, adequately documented, and promptly resolved through applicable journal entries.

¹ Section 1010.01(5), Florida Statutes.

² The most significant journal entry was an adjustment of \$2.3 million, decreasing cash and accounts payable at June 30, 2024.

Finding 2: Journal Entries

State law³ requires the College to establish and maintain internal controls designed to, among other things, detect fraud, ensure reliability of financial records and reports, and safeguard assets. Effective internal controls require that the originator of journal entries is not the same individual responsible for approval of the journal entries.

During the 2024 calendar year, the College recorded 1,501 journal entries totaling \$578 million in the accounting records. According to College personnel, the expectation is that the employee responsible for approving journal entries is different from the originator of the journal entry. The exceptions to this rule are for the Comptroller who may make corrections to accounts or adjustments during preparation of the financial statements and for Executive Vice President of Administration and Chief Financial Officer (Executive VP of Administration and CFO) entries, which may or may not be reviewed by the Comptroller. However, such exceptions create an inherent risk that compromises the separation of duties required for an effective control environment.

Our examination of 229 journal entries totaling \$206 million for calendar year 2024 disclosed 204 journal entries totaling \$205 million that were not independently approved, including 98 journal entries totaling \$199 million on June 30, 2024. The journal entries without independent approval were either made by the Comptroller or the Executive VP of Administration and CFO.

Absent appropriate separation of duties, there is an increased risk that any errors or fraud will not be timely detected, general ledger financial information will be unreliable, and the Board's ability to effectively monitor the College's financial position will be diminished.

Recommendation: The College should establish effective procedures to ensure that the duties of originating and approving journal entries are appropriately separated to promote the reliability of financial records and reports and properly safeguard College assets.

Finding 3: Textbook Affordability

State law⁴ requires the College to post prominently in the course registration system and on its Web site, as early as is 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. In Spring 2024, the College contracted with a vendor to operate the College Bookstore and publish the list of required and recommended textbooks and materials on the College Web site before each enrollment period.

As part of our audit, we examined College records for the Summer 2024, Fall 2024, and Spring 2025 Semesters to determine whether textbook and instructional materials for at least 95 percent of courses and course sections were posted to the College Web site at least 45 days prior to the first day of class. However, as disclosed in Table 1, several textbook and instructional materials were posted late.

³ Section 1010.01(5), Florida Statutes.

⁴ Section 1004.085(5), Florida Statutes.

**Table 1
Textbook and Instructional Materials Postings**

Posting Status	Course Sections Summer 2024	Course Sections Fall 2024	Course Sections Spring 2025
Timely	51	8	1,346
Late	480	1,539	178
Total	<u>531</u>	<u>1,547</u>	<u>1,524</u>
Percent Late	<u>90%</u>	<u>99%</u>	<u>12%</u>

Source: College records.

In response to our inquiries, College personnel indicated that the change in bookstore management, along with College administrative mistakes, caused delays in posting the required information on the College Web site. Without timely posting at least 95 percent of all courses and course sections offered at the College during the upcoming term, the College did not comply with State law, 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. 2023-080 and 2020-092.

Recommendation: To demonstrate compliance with State law, 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 its 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 appropriate staff to ensure that textbook and instructional material adoption information is timely posted as required.

Finding 4: Records Retention

ERP systems should be capable of generating required records to help the College monitor internal control processes that prevent and detect fraud, waste, and abuse as outlined in State law⁵ and demonstrate compliance with the State General Records Schedule requirements.⁶ According to those requirements, the College must retain records of system-generated audit trails tracking events relating to records in information systems used for routine administrative activities until such records become obsolete or superseded, or the administrative value of the records is lost.

Audit trails link to specific records in a system and track information such as the user, date and time of event, and type of event (e.g., data added, modified, or deleted). Since audit trails may play an integral part in prosecution, disciplinary actions, or audits or other reviews, the College is responsible for ensuring that internal management policies are in place for retaining audit trails as long as necessary for these purposes.

⁵ Section 1001.01, Florida Statutes.

⁶ The State of Florida General Records Schedule GS1-SL for State and Local Government Agencies, Item # 394. All Florida public agencies, including Colleges, are eligible to use the GS1-SL.

As part of our audit, we requested for examination College records supporting controls over vendor information changes, removal of IT user access privileges for employment separations, and IT access assignments. However, according to College personnel, the College ERP System was unable to identify:

- Vendor information changes such as additions, modifications, or deletions since this feature is not available in the ERP System.
- The date that user access privileges were removed from the ERP System for 104 individuals who separated from College employment during our audit period. College personnel indicated that this was a result of the System not including a field documenting this date. The System only provides timestamps that track the date a profile last had maintenance or other activity, without providing a detailed record of each activity.
- The user access privileges for 14 of the 39 employees we selected for audit evaluation. While, as discussed in Finding 6, we evaluated access privileges of the 25 individuals who continued College employment, College personnel indicated that the access privileges of the other 14 employees were not identified in the ERP System as of April 2025, when we conducted our procedures, because the individuals were no longer employees. College personnel indicated that once an individual separates from College employment, the record of the user role is no longer available.

In response to our inquiries, College personnel indicated that, based on information from the ERP System vendor, the current System configuration did not support the necessary features for a complete audit trail.

Absent appropriately maintained records, College records did not demonstrate compliance with State law and the State General Records Schedule requirements or support effective College internal control monitoring efforts, increasing the risk for errors, fraud, waste, and abuse to occur without timely detection.

Recommendation: The College should take appropriate action to ensure compliance with the State General Records Schedule requirements. Such action should include appropriate updates to the College ERP System to ensure the generation and maintenance of records necessary for an appropriate audit trail and effective, documented internal control monitoring.

Finding 5: Information Technology User Access Privileges to Sensitive Personal Information

The Legislature has recognized in State law⁷ that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining the confidential status of such information. Effective controls restrict employees from accessing sensitive personal information unnecessary for their assigned duties and provide for documented, periodic evaluations of employee access privileges to help prevent personnel from accessing sensitive personal information inconsistent with their duties.

According to College personnel and records, the College established a unique identifier, other than the SSN, to identify each student. However, the College collects and uses SSNs for various purposes, such as to register newly enrolled students, Federal tax reporting purposes, and to comply with Federal and State requirements related to financial and academic assistance. Designated College officials and personnel are provided access to sensitive personal student information to perform an administrative, supervisory, or instructional responsibility as part of their assigned job duties. In addition, employee

⁷ Section 119.071(5)(a), Florida Statutes.

supervisors and department administrators are required to approve information technology (IT) user access privileges based on a demonstrated need for that access. College procedures provide for the periodic evaluation of user access privileges to the College ERP System on an annual basis. However, since the student module of the ERP System was implemented on July 1, 2024, an evaluation of the privileges had not occurred.

As of June 2025, the College ERP System contained SSNs for 298,339 students, including 289,068 former students and 9,271 current students. From the 105 employees with access to sensitive personal information of students, we examined College records supporting 42 selected employees and found that 17 employees did not have job responsibilities that required access to student SSNs. In response to our inquiries, College personnel indicated that the access was granted during implementation of the student module but agreed that the 17 employees should not have such access. The existence of unnecessary access privileges increases the risk of unauthorized disclosure of student SSNs and the possibility that sensitive personal information may be used to commit a fraud against College students or others.

Recommendation: The College should ensure that only those employees who have a demonstrated need to access sensitive personal information, including student SSNs, have such access. Such efforts should include documented periodic evaluations of user access privileges to ensure that the privileges are granted only to users with job duties requiring access.

Finding 6: Information Technology User Access Privileges to Business Applications

Access controls are intended to protect data and IT resources from unauthorized disclosure, modification, or destruction. Effective access controls provide IT users access to IT resources based on a demonstrated need to view, change, or delete data and restrict IT users from performing incompatible functions or functions outside their areas of responsibilities. Proper assignment and periodic evaluations of assigned IT access privileges help ensure that IT users cannot access or modify IT resources that are unnecessary or incompatible with their assigned duties.

As part of our audit, we examined College records as of May 2025 supporting the access privileges of 25 selected IT users from the 39 users with IT access privileges to critical functions in the College business applications for finance, payroll, and human resources (HR). We found that the College had assigned the Executive VP of Administration and CFO, Comptroller, and a Functional Analyst access privileges to the finance application, which did not promote an appropriate separation of duties. For example, these employees could enter and approve journal entries, and process checks to vendors, electronic fund transfers, purchases, receipts, and non-student accounts receivable.

College personnel indicated that this access was granted to the Executive VP of Administration and CFO, and the Comptroller due to the limited number of College personnel. College personnel also indicated that the access granted to the Functional Analyst was necessary to provide needed support to Finance. Notwithstanding, this extensive access increases the risk of errors, fraud, waste, or abuse. A similar finding was noted in our report No. 2023-080.

Recommendation: College management should enhance procedures to ensure that assigned IT access privileges restrict employees from performing functions unnecessary or incompatible with their assigned duties.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2023-080 except as noted in Findings 1, 3, and 6 and shown in Table 2.

Table 2
Findings Also Noted in Previous Audit Reports

Finding	Operational Audit Report No. 2023-080, Finding	Operational Audit Report No. 2020-092, Finding
1	2	1
3	3	Not Applicable
6	4	Not Applicable

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. 2023-080.
- 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.
- Evaluated College procedures for maintaining and reviewing employee access and prohibiting former employee access to College information technology (IT) data and resources. We requested for examination:
 - College records supporting the access privileges to the finance and human resources applications during the audit period for 25 of the 39 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.
 - 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.
 - From the population of 104 employees who separated from College employment during the audit period, College records supporting the access privileges of 25 selected former employees to determine whether their access privileges had been timely deactivated.

We also evaluated College procedures for retaining records supporting IT access assignments and removal of IT user access privileges for employment separations.

- Evaluated College procedures for protecting sensitive personal information of students, including social security numbers (SSNs). From the population of 105 employees who had access to sensitive personal information of students during the audit period, we examined College records supporting the access privileges granted to 42 selected employees to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- 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 application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Examined College records to determine whether student user fees totaling \$6.4 million and collected during the audit period were properly assessed and authorized, accurately calculated, correctly recorded, and used in accordance with Board policies, statutory, and State Board requirements. Specifically, we examined College records:
 - Supporting 30 selected students who paid \$2,251 for 17 selected laboratory fees from the population of 82 laboratory fees with revenue totaling \$802,585 during the Fall 2024 Semester to determine whether the fees were assessed only to students who received the services. We also examined supporting documentation to determine whether the College properly calculated these fees in compliance with Section 1009.23(12)(a), Florida Statutes.
 - To determine whether the 463 distance learning courses fees totaling \$1.1 million during the audit period were assessed, collected, and separately accounted for in accordance with Section 1009.23(16)(a) and (b), Florida Statutes.
 - Supporting 30 selected expenses totaling \$364,891 from the population of 71 expenses totaling \$1 million and paid from student activity and service fees to evaluate compliance with Section 1009.23(7), Florida Statutes.
- From the population of 347, 929, and 1,000 course sections offered during the Summer 2024, Fall 2024, and Spring 2025 Semesters, respectively, examined College records supporting textbook adoptions to determine whether the College textbook affordability procedures complied with Section 1004.085, Florida Statutes.
- From the population of 3,626 purchasing card (P-card) transactions totaling \$819,209 during the audit period, examined College records supporting 30 selected P-card transactions totaling \$25,285 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 26 cardholders who separated from College employment during the audit period to determine whether the College promptly canceled the cardholders' P-cards.
- From the three major construction projects in progress during the audit period with construction costs totaling \$9.8 million, selected one major construction project with construction costs of \$3.7 million and examined College records to determine whether:
 - The construction costs complied with contract terms and conditions, Board policies and College procedures, and Chapter 1013, Florida Statutes, and State Requirements for Education Facilities.
 - The College process for selecting design professionals and construction managers complied with Section 287.055, Florida Statutes; the College adequately monitored the selection process of subcontractors; the Board had adopted a policy establishing minimum insurance coverage requirements for design professionals and design professionals provided evidence of required insurance; and construction funding sources were appropriate.

- From the population of deferred maintenance expenses totaling \$6.7 million during the period September 2023 through December 2024, examined records supporting 7 selected expenses totaling \$460,433 to determine whether 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.
- From the population of 465 industry certifications reported for performance funding that were attained by students during the 2022-23 fiscal year, examined 30 selected industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- Requested for examination College records for the audit period to determine whether District procedures ensured that vendor and employee information changes, such as address and bank information changes, were properly authorized, documented, and verified before payments were made. We also evaluated College procedures for retaining records supporting vendor and employee information changes.
- Evaluated College records supporting extra compensation or bonuses for the audit period and determined whether related payments totaling \$153,750 complied with Section 215.425, Florida Statutes.
- From the population of 1,501 journal entries totaling \$578 million during the audit period, examined College records supporting 229 journal entries totaling \$206 million to determine if the review process demonstrated an appropriate separation of duties consistent with internal controls addressed in Section 1010.01(5), Florida Statutes.
- Examined the 12 bank account reconciliations for the audit period to determine whether the reconciliations were accurate, timely, and evidenced supervisory approval; journal entries required as a result of the reconciliations were timely and appropriate; and the related bank accounts were in the name of the College and in a qualified depository.
- Examined College records and 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 the first name being the most prominent.

Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Welcoming • Integrity • Success • Excellence • Community



November 6, 2025

Ms. Sherrill F. Norman
Auditor General
State of Florida
Claude Denson Pepper Building
Suite G74
111 West Madison Street
Tallahassee, FL 32399

Dear Ms. Norman:

On behalf of Pasco-Hernando State College, please find enclosed the College's written statement of explanation in response to the preliminary and tentative audit findings and recommendations from your office's operational audit.

In accordance with Section 11.45(4)(d), Florida Statutes, this submission includes the College's explanations and outlines the actual or proposed corrective actions for each finding.

We appreciate the professionalism and cooperation extended by your staff throughout the audit process. Should you have any questions or require additional information regarding the College's responses, please contact Ms. Kristi Williams, Associate Vice President of Finance/Chief Financial Officer, at willikr@phsc.edu.

Sincerely,

Eric Hall, Ed.D.
President

cc: Stormie Knight
Vice President Policy, Budget, and Administration



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2024 Operational Audit Finding Responses

Finding 1: Controls over bank account reconciliations and related journal entries continue to be deficient.

Response to Finding 1:

The College acknowledges that this issue was also noted in the prior operational audit and in the current audit cycle. During both periods, the College was experiencing major ERP system conversions, which significantly contributed to the deficiencies. Factors affecting the reconciliation process included the need to manually upload all individual student transactions into the financial system each day and the relocation of cashiering functions to the Financial Services Office following the closure of the College-owned bookstores.

When the bookstores closed and online payment capabilities were temporarily disabled during the transition to CSRS, the volume of in-person payments increased substantially, further complicating the reconciliation process. Additionally, when Banner Student went live, the Finance Office was required to continue posting transactions in the legacy system to close out the summer term while simultaneously processing fall payments in Banner.

Corrective Action Plan:

The College has taken significant steps to remediate the deficiencies noted in bank account reconciliations and related journal entries. The following corrective actions are being implemented to ensure timely, accurate, and well-documented reconciliation processes going forward:

1. Streamline and Automate Transaction Processing:

- The College has implemented the TouchNet online payment system, with student transactions now feeding automatically from Banner Student to Banner Finance on a nightly basis.
- TouchNet Marketplace is being implemented to further reduce mailed-in and in-person payments, decreasing manual processing and reconciliation volume.

2. Strengthen Cashiering and Payment Controls:

- Cashiering functions have been fully transitioned to the Financial Services Office, with updated procedures to ensure timely recording and review of all payments.
- Additional controls are being established to monitor daily uploads and ensure all student account activity is posted accurately to the financial system.

3. Enhance Staffing and Oversight:

- The College hired an Assistant Comptroller who is responsible for performing, reviewing, and documenting all bank reconciliations and related journal entries.
- The Assistant Comptroller will also ensure reconciliations are completed within established timelines and that any discrepancies are promptly investigated and resolved.

4. Implement Timely Reconciliation Standards:

- Monthly bank reconciliations will be completed no later than 30 days after month-end.
- A reconciliation checklist and supervisory review process have been established to ensure completeness and accuracy.

5. Current Reconciliation Status:

- July 2025 – Completed
- August 2025 – Completed
- September 2025 – 90% Complete (on schedule to be finalized)

6. Target Completion Date:

- All corrective actions will be fully implemented by January 31, 2026, with ongoing monitoring thereafter.

Finding 2: The College did not enforce an appropriate separation of journal entry duties.

Response to Finding 2:

Many of the journal entries referenced in this finding were related to routine operational postings, such as daily student transactions, budget amendments that appear as journal entries in Banner, and year-end reclassification adjustments required to resolve data migration issues from Anthology to Banner. While the College fully recognizes the importance of appropriate segregation of duties, the volume of transactions combined with strict processing deadlines made it challenging to maintain the desired level of separation during the audit period.

Corrective Action Plan:

To address this finding and ensure proper segregation of duties, the College is implementing the following measures:

- **Approval of Comptroller-Prepared Journal Entries:**
All journal entries prepared by the Comptroller will be reviewed and approved—either through signature or electronic approval—by the Chief Financial Officer (CFO).
- **Approval of Entries Prepared by Accounting Staff:**
The Comptroller will electronically approve all journal entries prepared by other accounting staff. The CFO will serve as the secondary back-up approver in the Comptroller’s absence.
- **Approval of CFO-Prepared Entries:**
Any journal entries or budget amendments prepared by the CFO will be reviewed and approved by the Comptroller to maintain appropriate checks and balances.

These corrective actions will establish proper segregation of duties, strengthen internal controls, and ensure compliance with applicable accounting standards.

Finding 3: College textbook affordability procedures, as similarly noted in Report No. 2023-80, need improvement.

Response to Finding 3:

Delays in posting the required textbook information to the College website resulted from changes in bookstore management as well as administrative oversights by the College. The College acknowledges these issues and has taken steps to ensure that students have timely and accurate access to textbook information.

Currently, the College provides multiple avenues for students to obtain required textbook details:

1. Direct Website Link to Bookstore:

The College website includes a dedicated link that routes students directly to the online bookstore. Students can search by term, course, or section to view all textbook details associated with their schedule.

2. Textbook Information Embedded in the Online Course Schedule:

Within the online schedule, students can click on an individual course to view a pop-up dialogue box containing course information and a link to the corresponding textbook requirements.

3. Follett Bookstore Integration:

By selecting the Follett Bookstore link, users are taken to the bookstore website, where books can be searched by multiple criteria—including course, ISBN, title, edition, price, and other relevant information.

4. Full Textbook Listings Posted on the College Website:

The College also maintains a complete list of required textbooks for each term, accessible directly from the website.

- Current and prior semesters are posted.
- Each listing is provided in a searchable and sortable spreadsheet format for ease of use.

These improvements are intended to ensure compliance with textbook affordability requirements and provide students with reliable, user-friendly access to course material information.

Corrective Action Plan:

To address the deficiencies identified in textbook affordability procedures and ensure full compliance with statutory requirements, the College is implementing the following corrective measures:

1. Strengthen Oversight of Textbook Posting Requirements:

- The Academic Affairs Office and the College’s Follett Bookstore representatives will jointly review textbook posting deadlines prior to each academic term.
- A designated College staff member will verify that all required textbook information is posted to the website before student registration periods begin.

2. Improve Coordination With Bookstore Management:

- Regular coordination meetings will be held between college administration and bookstore management each term to ensure timely submission and posting of textbook information.
- Any changes in bookstore management or staffing will include a transition plan to prevent delays in communication or updates.

3. Enhance Website Posting Processes:

- The College will maintain the direct website link that routes students to the bookstore's textbook search system, allowing searches by term, course, and section.
- The online course schedule will continue to display embedded textbook information through an updated dialogue box, enabling students to access required materials directly from their course listings.

4. Maintain Comprehensive Semester Textbook Listings:

- The College will continue posting complete textbook lists for each academic term—including prior semesters—in a searchable and sortable format on the College website.
- Listings will be updated as textbook adoptions or changes occur, with documentation maintained for audit verification.

5. Establish Internal Review and Compliance Monitoring:

- Before the start of each term, Academic Affairs will complete a compliance checklist confirming that all textbook information has been posted accurately and timely.
- Periodic internal reviews will be conducted to ensure ongoing compliance with textbook affordability requirements.

6. Target Completion Date:

- All corrective actions will be fully implemented by January 31, 2026, with ongoing monitoring thereafter.

Finding 4: The College Enterprise Resource Planning (ERP) System did not have the capability of identifying vendor information changes, IT user access privileges removed for employment separations, or IT access assignments for former employees. As a result, College records were not always maintained for this information, contrary to the State General Records Schedule requirements.

Response to Finding 4:

The College acknowledges the deficiencies identified in the ERP system's ability to track changes and maintain records consistent with State General Records Schedule requirements. Specifically:

- The ERP system does not currently provide the functionality to identify vendor information changes (including additions, modifications, or deletions), as this feature is not available within the system.
- The date on which user access privileges are removed following an employee separation is not captured. The system only records a general timestamp reflecting the last maintenance or activity on a profile, without retaining a detailed log of each change.
- Once an individual separates from college employment and their profile is deactivated, the record of the user's role assignments is no longer accessible within the ERP system.

These system limitations impede the College's ability to document access changes and vendor record modifications as required.

Corrective Action Plan:

The preliminary and tentative audit findings have been discussed with the College's ERP provider, Ellucian. The College's Capability Success Consultant has communicated these findings to Ellucian's Product Development Team for review and evaluation. The College is currently awaiting a formal response from Ellucian regarding potential system enhancements, available audit-trail modules, or configuration adjustments that may address the identified deficiencies.

Upon receiving Ellucian's recommendations, the College will:

- Assess available solutions or add-on features to enable tracking of vendor changes and user access modifications.
- Implement any feasible system configurations or upgrades recommended by Ellucian.
- Establish supplemental manual controls, if necessary, to ensure compliance with State General Records Schedule requirements until system-based solutions are available.

A final implementation timeline will be established once Ellucian's response is received.

Finding 5: Certain unnecessary information technology (IT) user access privileges exist that increase the risk for unauthorized disclosure of sensitive personal information of students to occur.

Response to Finding 5:

The College has established a unique identifier, other than the Social Security Number (SSN), for student identification. However, SSNs are still collected and used for required purposes such as the registration of newly enrolled students, Federal tax reporting, and compliance with Federal and State requirements related to financial and academic assistance.

Access to sensitive personal student information is restricted to designated College officials and personnel whose administrative, supervisory, or instructional responsibilities require such access. Supervisors and department administrators must approve all IT user access privileges based on a demonstrated business need. Additionally, College procedures provide for periodic evaluation of user access privileges to the College ERP system on an annual basis.

Corrective Action Plan:

To address the unnecessary IT user access privileges identified in this finding and reduce the risk of unauthorized disclosure of sensitive information, the College is implementing the following corrective actions:

1. Conduct a Comprehensive Review of IT User Access Privileges:

- The IT Department, in coordination with Human Resources and relevant department administrators, will conduct a full review of all user roles and privileges within the ERP system.
- Any access not aligned with current job duties or business needs will be removed.

2. Strengthen Approval Procedures for Access Requests:

- Supervisors will be required to document specific justification for all requested access privileges.
- The IT Department will verify that requested access aligns with defined job responsibilities before access is granted.

3. Enhance Periodic Access Monitoring:

- The College will increase the frequency of access privilege reviews from annually to semi-annually to ensure user access remains appropriate.
- Reviews will include verification of access for current employees and immediate removal of access for separated employees.

4. Implement Additional Controls for Sensitive Information:

- Users with access to SSNs or other sensitive personal data will be limited to those with a clear, documented operational need.
- Additional multi-step approvals may be required for access to high-sensitivity data fields.

5. Improve Documentation and Recordkeeping:

- All access changes, approvals, and removals will be documented and retained in accordance with the State General Records Schedule.
- The IT Department will maintain records of user role assignments and any privilege modifications.

6. Target Completion Date:

All corrective actions will be fully implemented by January 31, 2026, with enhanced monitoring and periodic reviews continuing thereafter.

Finding 6: Some unnecessary IT user access privileges continue to exist, increasing the risk for unauthorized disclosure, modification, and destruction of finance information.

Response to Finding 6:

The access privileges noted in this finding were granted to the Executive Vice President of Administration and CFO, the Comptroller, and the Functional Analyst due to the limited number of college personnel available to perform essential finance functions. Access provided to the Functional Analyst was necessary to support Finance operations and troubleshoot system issues.

Corrective Action Plan:

To address the unnecessary IT user access privileges identified and to ensure the protection of finance-related information, the College is implementing the following corrective measures:

1. Review and Reassess Access Privileges for Key Finance Personnel:

- The IT Department, in consultation with the Finance Office and Human Resources, will conduct a detailed review of all elevated access privileges currently assigned to the Executive VP/CFO, Comptroller, Functional Analyst, and any other users with high-level finance access.
- Each user's access will be evaluated to confirm whether privileges are essential for their assigned job responsibilities.

2. Reduce or Reassign Non-Essential Access:

- Any access found to be unnecessary, duplicative, or excessively broad will be removed or replaced with more restrictive role-based privileges.
- Where operationally feasible, sensitive system functions will be reassigned to staff with appropriate roles to reinforce segregation of duties.

3. Strengthen Access Request and Approval Processes:

- All requests for elevated finance access will require a written business justification and approval from both the CFO and Vice President of Policy, Budget, and Administration.
- The IT Department will validate that approved access aligns strictly with the user's defined duties.

4. Implement Periodic Access Audits:

- Semi-annual reviews of finance-related user access will be conducted to ensure that privileges remain appropriate and up to date.
- Any access for employees who have changed roles or responsibilities will be adjusted immediately.

5. **Enhance Documentation and Monitoring:**

- The College will document all access assignments, changes, and removals in accordance with the State General Records Schedule.
- IT will maintain a log of all privileged finance roles and ensure that monitoring procedures are in place for any activity associated with these access levels.

6. **Target Completion Date:**

All corrective actions will be fully implemented by January 31, 2026, with ongoing monitoring continuing thereafter.


Eric Hall, Ed.D., President

November 6, 2025
Date