

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2027-029
October 2026

HILLSBOROUGH COLLEGE



Sherrill F. Norman, CPA
Auditor General

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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 Pakeishia L. Johnson and the audit was supervised by Mark A. Arroyo, CPA.

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

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HILLSBOROUGH COLLEGE

SUMMARY

This operational audit of Hillsborough College focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2024-035. Our operational audit disclosed the following:

Finding 1: Contrary to State law, the College distance learning course fee revenue exceeded the additional costs of developing and delivering the courses by a total of \$4.3 million for the 2023-24, 2024-25, and 2025-26 fiscal years. A similar finding was noted in our report No. 2024-035.

Finding 2: The College did not always promptly cancel the purchasing cards of employees who separated from College employment.

Finding 3: The College's ongoing failure to properly restrict employee access to student and employee social security numbers significantly increases the risk of fraud and misuse.

BACKGROUND

Hillsborough 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 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.

Pursuant to Section 1000.21, Florida Statutes, the College's name changed from Hillsborough Community College to Hillsborough College effective July 1, 2025.

The College has campuses in Brandon, Plant City, Ruskin, Tampa, and Ybor City. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Hillsborough County.

FINDINGS AND RECOMMENDATIONS

Finding 1: Distance Learning Course Fees

State law¹ allows colleges to assess a student who enrolls in a course listed in the distance learning catalog a per-credit-hour distance learning course fee. The amount of the distance learning course fee may not exceed the additional costs of the services provided which are attributable to the development and delivery of the distance learning course.

During the Spring and Summer 2025 Terms, the College assessed a distance learning course fee of \$14 per-credit-hour. According to College personnel, the distance learning course fee amount was based

¹ Section 1009.23(16)(b), Florida Statutes.

on costs directly related to the design and delivery of, and the anticipated increased enrollment in, the courses. Table 1 summarizes the per-credit-hour distance learning user fee calculation and the estimated fee revenue, estimated additional costs, and anticipated distance learning credit hours supporting the \$14 established fee for the 2024-25 fiscal year.

Table 1
Distance Learning Course User Fee
Estimated Revenue and Additional Cost
2024-25 Fiscal Year

User Fee	Amount
Estimated Fee Revenue:	
Per-Credit-Hour	\$ 14
Anticipated Distance Learning Credit-Hours	357,143
Total Estimated Revenue	<u>\$5,000,002</u>
Estimated Additional Costs:	
Salaries	\$2,353,946
Services ^a	\$2,646,056
Total Estimated Additional Costs	<u>\$5,000,002</u>

^a The services amount includes costs such as software and software subscriptions, online tutoring, and online test proctoring.

Source: College budget records.

Notwithstanding this calculation and estimates, College records did not demonstrate that the College identified and monitored the actual additional costs for each distance learning course separately or that the fee amount assessed did not exceed the additional costs attributable to the development and delivery of each distance learning course.

Beginning in the Fall 2025 Term, the fee was reduced to \$12 per credit-hour and the College continued to assess the \$12 distance learning user fee through the Summer 2026 Term. As illustrated in Table 2, our examination of College records for the 2023-24, 2024-25, and 2025-26 fiscal years disclosed that reported distance learning course fee revenue for the 3 fiscal years exceeded the additional costs of developing and delivering the courses by \$4,343,131.

Table 2
Distance Learning Courses Fee Revenues and Additional Costs
For the 2023-24, 2024-25, and 2025-26 Fiscal Years

	2023-24	2024-25	2025-26	Total
Revenues	\$5,004,454	\$5,354,538	\$4,840,131	\$15,199,123
Additional Costs	3,120,032	3,981,393	3,754,567	10,855,992
Excess Revenues over Additional Costs	<u>\$1,884,422</u>	<u>\$1,373,145</u>	<u>\$1,085,564</u>	<u>\$ 4,343,131</u>

Source: College records.

Accordingly, College records did not demonstrate that the College complied with State law by limiting the amount of the distance learning course fees to the additional costs of the services attributable to the development and delivery of the distance learning courses.

Although the additional costs attributable to the development and delivery of distance learning courses may vary by course, Table 3 shows the actual cost per student credit hour for the total additional costs attributable to the development and delivery of College distance learning courses for the 2023-24, 2024-25, 2025-26 fiscal years.

Table 3
Distance Learning Course Additional Cost Per Credit Hour
For the 2023-24, 2024-25, and 2025-26 Fiscal Years

	2023-24	2024-25	2025-26
Additional Costs	\$3,120,032	\$3,981,393	\$3,754,567
Total Student Credit Hours	360,807	387,036	404,196
Cost per Student Credit Hour	\$8.65	\$10.29	\$9.29

In response to our inquiry, College personnel indicated that the excess revenue over additional costs incurred by the distance learning courses was due to lower expenses caused by vacancies in budgeted positions. Notwithstanding, absent effective procedures for determining, documenting, and assessing distance learning course fees, students may be charged more than State law allows for those courses. A similar finding was noted in our report No. 2024-035.

Recommendation: The College should establish effective procedures to demonstrate that the distance learning course fees assessed to and collected from students who enroll in distance learning courses are limited, as required by State law, to the additional costs of the services provided which are attributable to the development and delivery of the courses. Such procedures should include the maintenance of records to justify the fee assessed for each distance learning course based on the additional costs of services to develop and deliver that course.

Finding 2: Purchasing Card Cancellations

The College administers a purchasing card (P-card) program, which gives employees the convenience of purchasing items without using the standards purchase order process. P-cards are designed to provide a more efficient means of making routine small dollar purchases on behalf of the College. According to the College *Purchasing Card Program Procedures Manual*, budget officers must immediately notify the Purchasing Card Program Administrator when cardholders separate from employment. Prompt cancellation of P-cards upon employment separation is important to reduce the risk of P-card misuse.

During the 2025 calendar year, the College had 357 P-cardholders and incurred P-card expenses totaling \$2.7 million. As part of our audit, we examined College records supporting P-card cancellations for the 30 cardholders who separated from College employment and found that 10 P-cards were not canceled until 17 to 350 days, or an average of 124 days, after the cardholders' employment separation dates. According to College personnel, the P-card cancellation delays occurred because budget officers did not always promptly notify the P-card Administrator of cardholder employment separations.

Although our examination of College records did not disclose any inappropriate P-card charges, our procedures cannot substitute for the College's responsibility to implement adequate controls over P-cards. Untimely cancellations of P-cards increase the risk for the P-cards to be misused, unauthorized transactions to occur, and may limit the College's ability to satisfactorily resolve disputed charges.

Recommendation: The College should enhance procedures to ensure that P-Card privileges are promptly canceled upon a cardholder's separation from College employment. Such procedures should include specific training for budget officers, emphasizing the critical importance of timely notification when a cardholder separates from College employment.

Finding 3: Information Technology User Access Privileges

The Legislature has recognized in State law² 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, restrict SSN visibility to applicable staff, and employ alternative identification measures, if possible, instead of using SSNs for internal processing and reporting. Additionally, effective periodic evaluation of information technology (IT) user access to SSNs is necessary to ensure that employees can only access those IT resources that are necessary to perform their assigned job duties.

According to College personnel and records, the College established a unique identifier, other than the SSN, to identify students and employees. However, the College also maintained student and employee information, including SSNs, in the College IT system. The College collects and uses SSNs for various purposes, such as to register newly enrolled students, comply with Federal and State requirements related to financial and academic assistance processes, record and report employee benefits, and comply with Federal employee tax requirements.

As of May 2026, the College IT system contained SSNs for a total of 602,543 students and employees, including 597,610 current, former, and prospective³ students and 4,933 current and former employees. According to College records, 275 employees had IT user access privileges to SSNs of both students and employees. As part of our audit, we selected 30 employees⁴ who did not apparently need that access and College records confirmed that the access was not required to perform their duties. According to College personnel, the College had implemented certain components of the new IT system that will properly differentiate user access once fully deployed; however, the specific access-differentiation function had not been deployed.

College security administrators or their designees documented periodic evaluations of certain IT user access privileges; however, the evaluations did not address whether access to both student and employee information was necessary. A similar issue was first reported in our report No. 2018-160, and similar deficiencies were reported in subsequent operational reports, most recently in our report Nos. 2024-035 and 2021-087. The College's lack of effective controls over student and employee SSNs

² Section 119.071(5)(a), Florida Statutes.

³ The College retention policy requires prospective student SSNs to be purged from the IT system after three academic terms.

⁴ The 30 employees included, for example, an HR officer and analysts, adjunct faculty and assistants, and a grants coordinator.

continues to significantly increase the risk of unauthorized disclosure and the potential for fraud and misuse.

Recommendation: It is essential that the College take immediate action to ensure that access to student and employee SSNs is restricted solely to employees with a demonstrated need for such information and promptly remove all unnecessary access.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2024-035, except as noted in Findings 1 and 3 and shown in Table 4.

Table 4
Findings Also Noted in Previous Audit Reports

Finding	Operational Audit Report No. 2024-035, Finding	Operational Audit Report No. 2021-087, Finding
1	2	Not applicable
3	3	5

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 April 2026 through July 2026 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. 2024-035.
- 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 2025 calendar year 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 to IT data and resources. We examined access privileges to the finance and human resources applications during the audit period for 30 of the total 2,826 users to determine the appropriateness and necessity of the access based on the employees' job duties and user account functions and the adequacy with regard to preventing the performance of incompatible duties.
- Evaluated College procedures that prohibit former employees' access to College IT data and resources. From the population of 495 employees who separated from College employment during the 2024-25 fiscal year, we examined the access privileges for 30 selected former employees to determine whether the access privileges had been timely deactivated.
- Evaluated College procedures for protecting sensitive personal information of students and employees, including social security numbers (SSNs). From the population of 275 employees who had access to sensitive personal information of students and employees during the audit

period, we examined College records supporting the access privileges granted to 30 selected employees to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.

- Examined College records and inquired of College personnel related to public records requests received during the audit period to determine whether the College had established effective controls and related records to demonstrate compliance with Sections 119.01 and 119.07, Florida Statutes.
- Examined College records for 2023-24, 2024-25, and 2025-26 fiscal years to determine whether distance learning course fees were assessed, collected, and separately accounted for in accordance with Section 1009.23(16)(a) and (b), Florida Statutes.
- Examined College records for the audit period to determine whether College procedures ensure that vendor and employee information changes, such as banking and address changes, were properly authorized, documented, and verified before payments were made.
- From the population of 8,463 purchasing card (P-card) transactions totaling \$2.7 million during the audit period, examined College records supporting 30 selected P-card transactions totaling \$125,041 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 all 30 cardholders who separated from College employment during the audit period to determine whether the College timely canceled the cardholders' P-cards.
- Examined documentation related to the only major construction project during the audit period with total construction costs of \$2.9 million to determine whether the College process for selecting design professionals and construction managers was in accordance with State law; the College adequately monitored subcontractor selections; the Board had adopted a policy establishing minimum insurance coverage requirements for design professionals; design professionals provided evidence of required insurance; and construction funding sources were appropriate.
- From the population of other restricted capital outlay expenses totaling \$8.4 million during the audit period, examined College records supporting 10 selected expenses totaling \$5.3 million to determine whether these funds were expended in compliance with the restrictions imposed on the use of these resources.
- From the population of 1,117 industry certifications reported for performance funding that were attained by students during the 2024-25 fiscal year, examined 35 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.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



OFFICE OF THE PRESIDENT

DR. KEN ATWATER

October 2, 2026

Auditor General State of Florida
111 West Madison Street – Suite G74
Tallahassee, FL 32399-1450
Attn: Sherrill Norman

Dear Ms. Norman

As required by Section 11.45(4)(d) Florida Statutes, here is Hillsborough College's formal response to the September 8, 2026, operational audit.

Finding 1: Distance Learning Course Fees

Recommendation: The College should establish effective procedures to demonstrate that the distance learning course fees assessed to and collected from students who enroll in distance learning courses are limited, as required by State law, to the additional costs of the services provided which are attributable to the development and delivery of the courses. Such procedures should include the maintenance of records to justify the fee assessed for each distance learning course based on the additional costs of services to develop and deliver that course.

Response: The College concurs with the recommendation and has taken steps to better align distance learning course fees with the additional costs associated with the development and delivery of distance learning courses.

For fiscal year 2025/2026, the College reduced the distance learning course fee by \$2 per credit hour, from \$14 to \$12. Beginning Spring 2027, the College is further reducing the fee by \$1 per credit hour, from \$12 to \$11.

Additionally, the College will establish procedures to annually review the distance learning course fee and maintain documentation supporting the additional costs attributable to the development and delivery of distance learning courses. The annual review will compare fee revenues to documented allowable costs and will be used to determine whether adjustments to the fee are necessary to ensure continued compliance with State law.

Finding 2: Purchasing Card Cancellations

Recommendation: The College should enhance procedures to ensure that P-Card privileges are promptly canceled upon a cardholder's separation from College employment. Such procedures should include specific training for budget officers, emphasizing the critical importance of timely notification when a cardholder separates from College employment.

Response: The College concurs with the finding and has implemented additional procedures to ensure purchasing cards are canceled promptly upon an employee's separation from the College.

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The Payroll Department is now responsible for notifying the Purchasing Department once an employee provides notification of their separation from the College. Upon receipt of the notification, Purchasing will promptly initiate the process to cancel the employee's purchasing card.

This enhanced communication process strengthens internal controls, promotes timely cancellation of purchasing cards, and reduces the risk of unauthorized card activity following an employee's separation from the College.

Finding 3: Information Technology User Access Privileges

Recommendation: It is essential that the College take immediate action to ensure that access to student and employee SSNs is restricted solely to employees with a demonstrated need for such information and promptly remove all unnecessary access.

Response: The College concurs with the recommendation and has taken corrective action to ensure that access to student and employee Social Security numbers (SSNs) is restricted to employees with a demonstrated business need.

During the audit period, the College was operating in two separate ERP systems as it transitioned from its legacy system to a new ERP system. This transition contributed to challenges in consistently managing and removing access across both systems.

The College has now fully implemented its new ERP system, which provides enhanced security controls and role-based access capabilities. With the implementation complete and the legacy system being discontinued, the College expects the new ERP environment to eliminate the conditions that resulted in this finding.

The College will continue to review user security roles and access to sensitive information to ensure that SSN access is limited to employees whose job responsibilities require such access. Unnecessary access will be promptly removed, and periodic access reviews will be performed to maintain compliance and strengthen the protection of confidential student and employee information.

Sincerely,



Dr. Ken Atwater
President

cc: Mark Arroyo
Ken Burdzinski
Rhonesia Dennard