STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2027-039
November 2026

THE COLLEGE OF THE FLORIDA KEYS



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the 2025 calendar year, Dr. Jonathan Gueverra served as President of The College of the Florida Keys and the following individuals served as Members of the Board of Trustees:

Kevin Madok, Chair
Sheldon Suga, Vice Chair
Dan Leben
Michael H. Puto
Alexandria Suarez
Richard Weinstein

Note: One Trustee position was 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 Peter Blanco, CPA, and the audit was supervised by Ramon L. Bover, 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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THE COLLEGE OF THE FLORIDA KEYS

SUMMARY

This operational audit of The College of the Florida Keys focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2024-029. Our operational audit disclosed the following:

Finding 1: Contrary to College-established procedures, College collection efforts for delinquent student receivables did not always include prompt collection agency referrals.

BACKGROUND

The College of the Florida Keys 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 seven 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 its main campus in Key West and a campus in Key Largo. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Monroe County.

FINDING AND RECOMMENDATION

Finding 1: Collection Procedures

State law[1] provides that a Florida College System (FCS) institution board of trustees shall exert every effort to collect all delinquent accounts and may employ the services of a collection agency when advisable. The law also authorizes the Board to adopt rules implementing this process, including setoff procedures and restrictions on issuing transcripts, awarding diplomas, and providing access to other College resources and services.

College procedures[2] require the College to exercise due diligence in collecting accounts receivable for up to 90 days from the fee assessment date, fee due date, or aid reversal date, whichever is later. Students who do not resolve outstanding account balances within 90 days are subject to referral to the College's contracted collection agency, and accounts must be placed in collections no later than 10 business days after the 90-day period ends.

From the 653 students with outstanding balances totaling $1.1 million at December 31, 2025, we examined College records supporting 30 selected student accounts totaling $46,398. For 12 of these accounts totaling $18,462, the balances remained past due for more than 90 days but were not timely

[1] Section 1010.03, Florida Statutes.

[2] College Procedure No. 21.404, *Collections Placement.*

referred to collections. Delayed referrals ranged from 69 to 385 days past the required time frame, averaging 203 days after the 100-day mark.

College personnel indicated that the delays resulted from staffing and personnel challenges. Without timely referral of delinquent accounts to the collection agency, the risk of uncollectible balances increases and may lead to higher amounts of student accounts receivable being written off.

Recommendation: The College should ensure that established collection procedures are consistently followed and that timely and appropriate measures are taken to collect all delinquent student accounts. Such measures include targeted training for College collections staff to reinforce the importance of prompt collection agency referrals.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2024-029.

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 2026 through September 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. 2024-029.
- 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, Board policies and College procedures, and other guidelines, and interviewed College personnel to obtain an understanding of applicable processes and administrative activities and related requirements.
- 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, systems development and maintenance, disaster recovery, and incident response and recovery.
- Evaluated the adequacy of 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 12 users as of November 2025 to determine the appropriateness and necessity of the access based on the employees' job duties and user account functions and the adequacy with regard to preventing the performance of incompatible duties.
- Evaluated the adequacy of College procedures that prohibit former employees' access to College IT data and resources. We examined College records for the employee with IT access privileges to selected critical functions within the College finance and human resources applications and who separated from College employment during the audit period to determine whether the employee's access privileges had been promptly deactivated.

- Evaluated the adequacy of College procedures for protecting sensitive personal information of students, including social security numbers (SSNs). We examined College records supporting the access privileges for the 18 employees granted access to student SSNs to determine the appropriateness and necessity of the access privileges based on the employees assigned job responsibilities.
- Examined College records supporting the 31 public records requests received during the audit period to determine whether the College had established effective controls and prepared related records to demonstrate compliance with Sections 119.01 and 119.07, Florida Statutes.
- Examined College records to determine whether bank account reconciliations were timely prepared, approved, and performed by employees who were independent of the cash handling and recording functions.
- Examined College records to determine whether student receivables were properly authorized, adequately documented and properly recorded. Specifically, from the population of 653 student accounts receivables totaling $1.1 million and recorded as of December 31, 2025, we examined College records for 30 selected student receivables totaling $46,398 to determine whether College efforts were adequate and whether student receivables were properly authorized, adequately documented, properly recorded, and complied with Section 1010.03, Florida Statutes, and Board policies.
- To determine whether student fees totaling $4.3 million during the audit period were properly assessed and authorized, accurately calculated, and correctly recorded in accordance with Board policies and statutory and State Board requirements:
    - Examined College records for 30 selected students and their related fees totaling $26,164 to determine whether the College correctly assessed tuition in compliance with Sections 1009.23, and 1009.25, Florida Statutes, and State Board of Education Rules 6A-10.044 and 6A-14.054, Florida Administrative Code.
    - Determined whether the College had established procedures to cancel the registration of students who did not timely pay fees; make student status and Florida residency determinations in compliance with Section 1009.21, Florida Statutes; and record deferred fees as a receivable.
- Examined College records to determine if any severance payments or bonuses were issued in violation of Board policy or Statute. We also reviewed Board minutes and policies and the Collective Bargaining Agreement, as well as payment disbursement records.
- Evaluated the adequacy of Board policies and procedures for obtaining personnel background screenings to determine compliance with Section 1012.8551, Florida Statutes.
- Examined College records to determine whether selected expenses were reasonable, correctly recorded, and adequately documented; for a valid College purpose; properly authorized and approved; and in compliance with applicable laws, contract terms, and Board policies. Specifically, from the population of expenses totaling $59 million for the audit period, we examined College records supporting 30 selected payments for general expenses totaling $3.7 million.
- Determined whether certain student fees (activity and service, financial aid, technology, and capital improvements) totaling $740,435 assessed during 2024-25 fiscal year pursuant to Section 1009.23, Florida Statutes, were within amounts authorized, paid into appropriate accounts to maintain accountability, and used as required by State law.
- Examined District 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.

- From the population of 1,216 purchasing card (P-card) transactions totaling $291,296 during the audit period, examined College records supporting 34 selected P-card transactions totaling $39,315 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 4 cardholders who separated from College employment during the audit period to determine whether the College timely canceled the cardholders' P-cards.
- From the population of 6 major construction projects with construction costs totaling $672,720 during the audit period, selected all payments for 4 selected projects with contract amounts totaling $441,996 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.
- From the population of 111 industry certifications reported for performance funding that were attained by students during the audit period, examined 30 industry certifications to determine whether the College maintained documentation for student attainment of the industry certifications.
- Examined College records and inquired of College personnel to determine 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

THE COLLEGE OF THE FLORIDA KEYS

OFFICE OF THE PRESIDENT

October 29, 2026

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

Dear Ms. Norman:

Thank you for your pleasant and professional review of our operations. Please find the College of the Florida Keys's response to the preliminary and tentative audit findings for the operational audit for the period January 2025 through December 2025 below.

Finding 1: Collection Procedures

The College acknowledges the very minor finding and has reviewed its collection procedures and internal controls. Although procedures were established to ensure timely referrals to collection agencies, assigned responsibilities and existing monitoring controls were not consistently carried out.

Moving forward, the Administrative Dean, or designee independent of the collection placement process, shall be required to review delinquent accounts and collection activity at least monthly to ensure appropriate action is taken. Additionally, the College will cross-train targeted personnel and reassign responsibility for processing collections as necessary to ensure continuity of operations.

Thank you again for such a pleasant and professional review. We look forward to working with you and your office in the future to ensure our operations remain efficient and effective.

Sincerely,

Jared Ochs

Interim President

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