STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2027-041
November 2026

SEMINOLE STATE COLLEGE OF FLORIDA



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

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The team leader was Jonathan Agnelli, and the audit was supervised by Keith A. Wolfe, 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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SEMINOLE STATE COLLEGE OF FLORIDA

SUMMARY

This operational audit of Seminole State College of Florida (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2025-074. Our operational audit disclosed the following:

Finding 1: Contrary to State law, the College disbursed extra compensation payments totaling $2.4 million to 905 employees. A similar finding was noted in report 2025-074.

Finding 2: As similarly noted in our report No. 2025-074, College procedures did not always ensure that instructional contact hours for adult education hours were accurately reported to the Florida Department of Education.

BACKGROUND

Seminole State College of Florida (College) is under the general direction and control of the Florida Department of Education, Division of Florida Colleges, and is governed by State law and State Board of Education rules. A board of trustees (Board) governs and operates the College. The Board constitutes a corporation and is composed of five members appointed by the Governor and confirmed by the Senate. The College President serves as the Executive Officer and the Corporate Secretary of the Board and is responsible for the operation and administration of the College.

The College has campuses in Altamonte Springs, Heathrow, Oviedo, and Sanford. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Seminole County.

FINDINGS AND RECOMMENDATIONS

Finding 1: Extra Compensation

State law[1] prohibits the College from making extra compensation payments to employees after services have been rendered and stipulates that any policy, ordinance, rule, or resolution designed to implement a bonus scheme must:

- Base the award of a bonus on work performance;
- Clearly describe the performance standards and evaluation process by which a bonus will be awarded;
- Notify all employees of the policy, ordinance, rule, or resolution before the beginning of the evaluation period on which a bonus will be based; and
- Consider all employees for the bonus.

On August 25, 2025, the Board approved a non-recurring, one-time payment equal to 5 percent of the annual base salary as of July 1, 2025, and not less than $1,800, for each active full-time College

[1] Section 215.425, Florida Statutes.

employee who was employed on or before July 1, 2025, and had been paid in August 2025. The Board also approved a non-recurring, one-time payment of $400 to each active part-time College employee who was employed on or before July 1, 2025, and had worked part-time during August 2025. Based on these parameters, the College disbursed extra compensation payments totaling $2.3 million on August 29, 2025, to 703 full-time employees and extra compensation payments totaling $80,800 in September 2025 to 202 part-time employees.

According to College personnel, the payments were not bonuses but were in lieu of a base salary adjustment. Notwithstanding, since the payments were not bonuses, were made after the employees rendered services, and were non-recurring, one-time payments that did not increase the employee's base rate of pay, the payments represent extra compensation prohibited by State law. A similar finding was noted in our report No. 2025-074.

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

Finding 2: Adult General Education Classes

State law[2] defines adult general education, in part, as comprehensive instructional programs designed to improve the employability of the State's workforce. The College received State funding for adult general education, and General Appropriations Act[3] proviso language requires each college to report enrollment for adult general education programs in accordance with the Florida Department of Education (FDOE) instructional hours reporting procedures.[4]

FDOE procedures state that fundable instructional contact hours are scheduled classroom hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner. Additionally, State Board of Education (SBE) rules define the date of enrollment as the first date of actual attendance and specify that instructional contact hours are those scheduled classroom hours that occur between the date of enrollment in a class and the withdrawal date or end-of-class date, whichever is sooner. SBE rules also require students with six consecutive absences to be procedurally withdrawn for non-attendance from class. College procedures require the College to report instructional contact hours based on the scheduled course contact hours and adjustments are routinely made to the contact hours based upon a student's start date and withdrawal date.

For the Spring, Summer, and Fall 2025 semesters, the College reported a total of 269,209 instructional hours for 1,714 students in 400 classes. As part of our audit, we requested College attendance records supporting 1,604 reported contact hours for 30 selected students enrolled in 30 classes. We found that the College over-reported:

- 102 contact hours for 3 students who had six consecutive absences, due to reporting hours through the end-of-class dates instead of using each student's last date of attendance.

[2] Section 1004.02(3), Florida Statutes.

[3] Chapters 2024-231 and 2025-198, Laws of Florida, Specific Appropriations 8 and 128 and Specific Appropriations 8 and 130, respectively.

[4] FDOE Technical Assistance Paper: *Adult General Education Instructional Hours Reporting Procedures*, Dated September 2020.

- 26 contact hours for another student with six consecutive absences, based on a procedural withdrawal date that extended beyond the student's last date of attendance.
- 18 contact hours for 5 students, based on course semester start dates rather than the students' actual first attendance dates.

In response to our inquiry, College personnel indicated that the over-reported hours resulted from administrative errors and misreported withdrawal dates. Since funding may be based, in part, on enrollment data submitted to the FDOE, it is important for the College report accurate data. A similar finding was noted in our report No. 2025-074.

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

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2025-074 except that Findings 1 and 2 were also noted in that report as Findings 3 and 4, respectively.

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 May 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. 2025-074.
- 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 audit period. 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 information technology (IT) data and resources. We examined College records supporting access privileges to the finance and human resources applications during the audit period for the 15 and 10 total users, respectively, to determine the appropriateness and necessity of the access based on the employees' job duties and user account functions and the adequacy with regard to preventing the performance of incompatible duties. We also examined administrator account access privileges granted and procedures for oversight of administrator accounts for the network, operating system, and application to determine whether these accounts had been appropriately assigned, managed, and monitored.
- Evaluated College procedures that prohibit former employees' access to College IT data and resources. From the population of 290 employees who separated from College employment during the audit period, we examined College records supporting the access privileges of 14 selected former employees to determine whether their access privileges were promptly deactivated.

- Reviewed operating system, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Evaluated College procedures for the collection and use of social security numbers to determine whether the College complied with Section 119.071, Florida Statutes.
- From the population of 1,403 course sections offered during the Fall 2025 and Spring 2025 academic terms, examined College records to determine whether the College textbook and instructional materials affordability and transparency procedures complied with Section 1004.085, Florida Statutes.
- Examined College records to determine if the annual Capital Improvement Plan for the 3-year priority list for capital projects was prepared in accordance with Section 1013.64(4)(a), Florida Statutes.
- From the population of student tuition and fees totaling $39,488,540, examined College records for tuition and fees totaling $31,002 for 30 selected students to determine whether the tuition and fees were properly authorized, and the College properly assessed, accurately calculated, and correctly recorded the fees in accordance with College policies; Chapter 1009, Florida Statutes; and State Board of Education Rule 6A-14.054, Florida Administrative Code.
- From the population of 1,018 course sections with assessed laboratory fees with revenue totaling $1,441,526 during the audit period, selected 30 laboratory fees with revenue totaling $403,418 and examined College records to determine whether the selected fees were assessed only to students who received the services and examined supporting documentation to determine whether the College properly calculated these fees in compliance with Section 1009.23(12)(a), Florida Statutes.
- Evaluated College policies and procedures for obtaining personnel background screenings to determine compliance with Section 1012.8551, Florida Statutes.
- Reviewed College records for extra compensation or bonuses and determined whether related payments were made contrary to Section 215.425, Florida Statutes.
- From the population of compensation payments totaling $62,311,042 made to 1,843 employees during the audit period, selected payments totaling $115,490 made to 30 employees and examined College records supporting the payments to determine whether the rate of pay was accurate, employment contracts were valid, performance evaluations were completed, and leave records were accurate.
- From the population of Public Education Capital Outlay (PECO) and other restricted capital outlay expenses totaling $7,053,342 during the audit period, examined records supporting 30 selected expenses totaling $3,390,234 to determine whether these funds were expended in compliance with the restrictions imposed on the use of these resources.
- 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 $32,411,555 for the audit period, we examined College records supporting 30 selected payments for general expenses totaling $63,040.
- From the population of 2,951 purchasing card (P-card) transactions totaling $899,162 during the audit period, examined College records supporting 30 selected P-card transactions totaling $72,212 to determine whether the College 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 10 cardholders who separated from College employment during the audit period to determine whether the College timely canceled the cardholders' P-cards.

- Evaluated the effectiveness of College controls during the audit period to ensure that vendor information changes in the College information system are appropriate and verified.
- From the population of 1,714 adult general education instructional students in 400 classes reported for 269,209 contact hours for the Spring, Summer, and Fall 2025 semesters, examined College records supporting 1,604 reported contact hours for 30 selected students from 30 classes to determine whether the College reported the instructional contact hours in accordance with the Florida Department of Education requirements.
- From the population of 1,512 industry certifications reported for performance funding that were attained by students during the 2024-25 fiscal year, examined records for 30 selected 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.
- From the population of 45 public records requests received during the audit period, examined College records supporting 20 selected public records requests 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.
- 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

SEMINOLE STATE COLLEGE™
OF FLORIDA

Georgia L. Lorenz, Ph.D., President

October 28, 2026

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

Dear Ms. Norman:

Pursuant to Section 11.45(4)(d), Florida Statutes, Seminole State College of Florida is submitting to you a written statement of explanation concerning all of the findings, including our actual or proposed corrective action to each preliminary and tentative finding of the operational audit dated September 29, 2026.

Finding 1: Contrary to State law, the College disbursed extra compensation payments totaling $2.4 million to 905 employees. A similar finding was noted in report 2025-074.

College Response: Seminole State College of Florida acknowledges this finding, with the understanding that a very technical interpretation compounded by the delay in the final approval of a state appropriations act and subsequent College budget contributed to the fact that the college could not completely adhere to an acceptable method of making such payments.

Corrective Action:

The College has clear guidance that any such future payments should be included in the Board of Trustees approved salary schedule to not be contrary of State law.

Finding 2: As similarly noted in our report No 2025-074, College procedures did not always ensure that instructional contact hours for adult education hours were accurately reported to the Florida Department of Education.

College Response: Seminole State College of Florida concurs with this finding.

Altamonte Springs | Geneva | Heathrow | Oviedo | Sanford/Lake Mary
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102 contact hours, 3 students: Two students (68.5 hours) should have been withdrawn and were not, due to instructor error.

26 contact hours, 1 student: The last date of attendance was entered incorrectly due to a clerical error.

18 contact hours, 5 students: Attendance is recorded in the College's learning management system, which is not integrated with its enrollment system. Because of this, hours were reported from the term start date or the add/drop registration date.

Corrective Action:

- The instructors involved have been counseled on attendance and withdrawal procedures.
- Administrative staff will monitor online attendance and review withdrawal dates and grades before they are finalized.
- The College will add a First Day of Attendance field to its enrollment system so that reported hours reflect actual attendance.

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

Sincerely,

Georgia Lorenz (Oct 30, 2026 15:38:03 EDT)

Georgia L. Lorenz, PhD.

President, Seminole State College of Florida