

SEMINOLE COMMUNITY COLLEGE

Operational Audit

For the Fiscal Year Ended
June 30, 2009



BOARD MEMBERS AND PRESIDENT

Members of the Board of Trustees and President who served during the 2008-09 fiscal year are listed below:

Christopher E. Dorworth, Chair
Lisa M. Greer, Vice Chair
Scott D. Howat
Charles W. Gregg, Sr.
Deanne F. Schaffner to 5-31-09 (1)

Dr. E. Ann McGee, President

Note: (1) Board member served beyond
end of term, May 31, 2009.

The audit team leader was Robyn D. Bishop, CPA, and the audit was supervised by Brenda C. Racis, CPA. Please address inquiries regarding this report to James R Stultz, CPA, Audit Manager, by e-mail at jimstultz@aud.state.fl.us or by telephone at (850) 922-2263.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

SEMINOLE COMMUNITY COLLEGE

SUMMARY

Our operational audit for the fiscal year ended June 30, 2009, disclosed the following:

Finding No. 1: The College charged students a parking fee based on credit or credit equivalent hours, rather than the student’s actual use of parking services.

BACKGROUND

Seminole Community 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 has campuses in Sanford/Lake Mary, Oviedo, Altamonte Springs, and Heathrow, Florida. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Seminole County. The College reported enrollment of 12,042 full-time equivalent students for the 2008-09 fiscal year.

The results of our financial audit of the College for the fiscal year ended June 30, 2009, will be presented in a separate report. In addition, the Federal awards administered by the College are included within the scope of our Statewide audit of Federal awards administered by the State of Florida and the results of that audit, for the fiscal year ended June 30, 2009, will be presented in a separate report.

FINDING AND RECOMMENDATION

Finding No. 1: Parking Fees

Section 1009.23(12), Florida Statutes, authorizes each college board of trustees to establish certain user fees, including parking fees, that cannot exceed the cost of the services provided and can only be charged to persons receiving the services. The College assessed students a parking fee of \$1.60 per College credit hour, including students participating in Distance Learning (online) courses, and \$1.50 per credit equivalent for Post-Secondary Adult Vocational, Continuing Workforce Education, and Adult General Education students. Parking fee revenues collected for the 2008-09 fiscal year totaled \$497,860.

College personnel indicated that since all students benefit from the availability of parking, as well as the safety and security of the parking areas, assessing the fee to each credit hour is the most equitable way to ensure that the fee does not exceed the cost of providing the service and is charged to the students who receive the service. However, as every student may not use the parking facilities, the College may be assessing a parking fee to persons not receiving the service.

Recommendation: The College should ensure that parking fees are charged only to those persons using parking services, as required by Florida Statutes.

PRIOR AUDIT FOLLOW-UP

The College had taken corrective actions for findings included in our report No. 2008-059.

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 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.


The objectives of this operational audit were to: (1) obtain an understanding and make overall judgments as to whether College internal controls promoted and encouraged compliance with applicable laws, rules, regulations, contracts, and grant agreements; the economic and efficient operation of the College; the reliability of records and reports; and the safeguarding of assets; (2) evaluate management’s performance in these areas; and (3) determine whether the College had taken corrective actions for findings included in our report No. 2008-059. Also, pursuant to Section 11.45(7)(h), Florida Statutes, our audit may identify statutory and fiscal changes to be recommended to the Legislature.

The scope of this operational audit is described in Exhibit A. Our audit included examinations of various records and transactions (as well as events and conditions) occurring during the 2008-09 fiscal year.

Our audit methodology included obtaining an understanding of the internal controls by interviewing College personnel and, as appropriate, performing a walk-through of relevant internal controls through observation and examination of supporting documentation and records. Additional audit procedures applied, to determine that internal controls were working as designed, and to determine the College’s compliance with the above-noted audit objectives, are described in Exhibit A. Specific information describing the work conducted to address the audit objectives is also included in the individual findings.

AUTHORITY

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.


David W. Martin, CPA
Auditor General

MANAGEMENT’S RESPONSE

Management’s response is included as Exhibit B.

EXHIBIT A
AUDIT SCOPE AND METHODOLOGY

Scope (Topic)	Methodology
Social security number requirements of Section 119.071(5)(a), Florida Statutes.	Examined supporting documentation to determine whether the College had provided individuals with a written statement as to the purpose of collecting their social security numbers.
Written policies and procedures for financial operations and related activities.	Reviewed written policies and procedures addressing financial operations and related activities.
Fraud policy and related procedures.	Examined written policies, procedures, and supporting documentation related to the College's fraud policy and related procedures.
Security awareness and training program regarding the confidentiality of information.	Examined supporting documentation related to the College's information technology security awareness and training program.
Procedures to timely prohibit former employees' access to electronic data files.	Tested employees who terminated employment during the audit period and examined supporting documentation evidencing when the College terminated access privileges.
Investment of funds as authorized by Section 218.415, Florida Statutes, and SBE Rule 6A-14.0765.	Reviewed the College's written investment policy to ensure compliance with Section 218.415, Florida Statutes, and SBE Rule 6A-14.0765. Examined supporting documentation to determine whether the College invested its funds in accordance with its written investment policy.
Student accounts receivable.	Reviewed procedures and supporting documentation to ensure that amounts due from students were billed and collected timely or referred to a collection agency.
Travel to a terrorist state.	Examined the College's travel records and made inquiry of key personnel to determine that College funds were not used for travel to terrorist states.
Location of Board meetings and retreats.	Reviewed Board minutes to determine if meetings or retreats were held at a location other than a College campus and whether minutes were maintained or public notification was made.
Student activity and service fees assessed.	Verified that activity and service fees did not exceed 10 percent of the total tuition fee.
Procedures for calculating the technology fee.	Verified that the sum of the tuition fee and technology fee for baccalaureate programs per credit hour did not exceed the amount authorized by law.
Procedures for calculating user and laboratory fees.	Reviewed College procedures used in assessing user and laboratory fees. Tested user and laboratory fees and examined supporting documentation to determine whether the College properly calculated these fees.
Procedures for insuring architects and engineers.	Examined recent construction projects in progress during the audit period to determine whether the College had obtained evidence of the required insurance.

EXHIBIT A (Continued)
AUDIT SCOPE AND METHODOLOGY

Scope (Topic)	Methodology
State sales tax exemption for direct purchases of construction materials.	Examined recent construction projects to determine if the College made use of its sales tax exemption to make direct purchases of construction materials or documented its justification for not doing so.
Annual safety inspection reports.	Examined annual safety inspection reports to determine whether the College complied with the building life safety, fire safety, and sanitation standards prescribed by the State Board of Education.
Energy performance-based project.	Examined supporting documentation to determine if certain provisions of the contract for the energy performance-based project were in compliance with Section 1013.23, Florida Statutes, and if the College was adequately monitoring the energy cost savings.
Adult general education program enrollment reporting.	Tested adult education students and examined supporting documentation to determine whether the College reported instructional and contact hours in accordance with the Florida Department of Education requirements.
Student grade changes.	Tested students that had grade changes and examined supporting documentation to determine whether the changes posted to the student transcript records were supported by appropriate documentation.
Issuance of diplomas.	Tested students issued a diploma and examined supporting documentation to determine whether the recipients of diplomas met the grade point average and credit hours required for graduation, and had a transcript on file indicating the receipt of a diploma.
Textbook affordability.	Examined supporting documentation to determine whether the College's procedures regarding textbook affordability were in accordance with Section 1004.085, Florida Statutes.

EXHIBIT B
MANAGEMENT'S RESPONSE



Seminole Community College

E. Ann McGee, President

100 Weldon Boulevard | Sanford, FL 32773-6199 | 407.708.2010 | www.scc-fl.edu

Mr. David W. Martin, Auditor General, State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

November 5, 2009

RE: Seminole Community College Operational Audit
Preliminary and Tentative finding for the fiscal year ended June 30, 2009

Dear Mr. Martin:

We have reviewed the referenced document and recognize that Seminole State College (formerly Seminole Community College) has received one finding related to parking fees charged to students based on credit or credit equivalent hours. The recommendation states, "The College should ensure that the parking fees are charged only to those persons using parking services, as required by Florida Statutes."

Seminole State College's response is as follows:

All students with the exception of those taking 100% online courses receive the benefit of the College's parking areas as well as the College-owned roadways leading to the parking areas. Parking areas and roadways are used by students during registration, orientations, testing, counseling/advising sessions, as well as during class attendance times. For those students enrolled in the 100% online courses, the College will work towards an "opt-out" option to ensure they are not charged for a benefit they do not receive.

Please contact Mr. Joseph A. Sarnovsky, Vice President for Administrative Services (407-708-2001) if additional information is needed. Thank you.

Sincerely,

A handwritten signature in black ink that reads "E. Ann McGee". The signature is fluid and cursive, written in a professional style.

E. Ann McGee
President

District Board of Trustees

Lisa Michelle Greer, Chairman | Scott Howat, Vice Chairman | Chris Dorworth | Cynthia L. Drago | Charles "Chick" Gregg | E. Ann McGee, President

Altamonte Springs | Geneva | Heathrow | Oviedo | Sanford/Lake Mary

A Diverse Learning Community | An Equal Access/Equal Opportunity College