

# STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2024-067  
November 2023

## MIAMI DADE COLLEGE



Sherrill F. Norman, CPA  
Auditor General

## **Board of Trustees and President**

During the period January through December 2022, Madeline Pumariega served as President of Miami Dade College and the following individuals served as Members of the Board of Trustees:

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<sup>a</sup> Trustee position vacant from 1-1-22,  
through 4-27-22.

The team leader was Javier M. Alfonso, 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](mailto:jaimehoelscher@aud.state.fl.us) or by telephone at (850) 412-2868.

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# MIAMI DADE COLLEGE

## **SUMMARY**

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This operational audit of Miami Dade College (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2022-083. Our operational audit disclosed the following:

**Finding 1:** Contrary to State law, the College assessed laboratory fees totaling \$287,083 to 10,004 students for distance learning courses.

**Finding 2:** As similarly noted in our report No. 2022-083, College personnel did not always timely refer student receivables to collection agencies.

**Finding 3:** College cash and cash equivalent account general ledger balances were not timely reconciled to applicable financial institution account balances for the months of July 2022 through February 2023. As of June 30, 2022, the general ledger balances for those accounts totaled \$206.4 million.

**Finding 4:** As similarly noted in our report No. 2022-083, College records did not always demonstrate the review and approval of electronic funds transfers.

**Finding 5:** College controls over unearned revenue liabilities continue to need improvement.

**Finding 6:** The College did not always timely cancel the purchasing cards for cardholders who separated from College employment. A similar finding was noted in our report No. 2022-083.

## **BACKGROUND**

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Miami Dade 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 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 campuses in Doral, Hialeah, Homestead, and Miami. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Miami-Dade County.

# ***FINDINGS AND RECOMMENDATIONS***

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## **Finding 1: Laboratory Fees**

State law<sup>1</sup> authorizes the College to establish fee schedules for certain user fees, including laboratory fees; however, laboratory fees do not apply to a distance learning course. State law<sup>2</sup> also allows the College to assess a student who enrolls in a course listed in the distance learning catalog a per-credit-hour distance learning course user fee that may not exceed the additional costs of the services of the course and specifies that the College may not assess any other fees to cover the additional costs.

According to College personnel, when new courses are added, the Director of Academic Programs and the Vice Provost of Academic Affairs typically document verification that the course codes and user fee assessments are accurate. College personnel also indicated that, soon after the COVID-19 pandemic began, the College suspended all course user fees and did not reinstate the user fees until the 2022 Spring Term.

For the 2022 Spring, Summer, and Fall Terms, the College offered 210 distance learning courses and generated per-credit-hour distance learning course user fee revenue totaling \$3 million. As part of our audit, we examined College records supporting 30 students enrolled in 30 selected distance learning courses during the 2022 Spring, Summer, and Fall Terms with per-credit-hour distance learning course user fee revenue totaling \$1,253 to determine whether those user fees were properly assessed and whether any other user fees were assessed. While the per-credit-hour distance learning course user fees were appropriate, we found that, contrary to State law, the College assessed laboratory fees totaling \$321 to 8 students enrolled in 8 distance learning courses during the 2022 Spring Term.

In response to our inquiry, College personnel indicated that, when distance learning courses are properly coded, the student registration system prevents other user fee assessments for distance learning courses. However, when user fees were reinstated for the 2022 Spring Term, distance learning courses were miscoded resulting in laboratory fees being inadvertently assessed for some courses, and no one documented verification of the accuracy of the distance learning course codes and user fee assessments.

College personnel determined that, during the 2022 Spring Term, there were a total of 67 distance learning courses that were not designated as such and laboratory fees totaling \$287,083 were inappropriately assessed to 10,004 students. Subsequent to our inquiries in August 2023, the College reimbursed the laboratory fees to the applicable 2022 Spring Term students. In addition, College personnel determined that distance learning courses were properly coded for 2022 Summer and Fall Terms.

When distance learning courses are not correctly coded and College procedures are not effective to detect and correct miscoding and inappropriately assessed laboratory fees, there is an increased risk for distance learning students to be assessed laboratory fees, contrary to State law.

**Recommendation: The College should continue efforts to ensure that distance learning courses are correctly coded in the College student registration system and that distance learning course**

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<sup>1</sup> Section 1009.23(12)(a), Florida Statutes.

<sup>2</sup> Section 1009.23(16)(b), Florida Statutes.

**students are not assessed laboratory fees. Such efforts should include documented verification that the distance learning course codes and user fee assessments are accurate.**

## **Finding 2: Student Accounts Receivable**

As of April 17, 2023, accounts receivable recorded in the College Current Unrestricted Fund accounting records totaled \$8.6 million for 11,205 students. The receivables included, for example, amounts due for unpaid student fees, fee deficiencies, over-disbursed financial aid, rejected e-checks, and returned checks. College procedures<sup>3</sup> provide that delinquent student receivables may be referred to a collection agency after the student receivable account is 120 days past due. College personnel indicated that they typically review and refer delinquent student receivables to a collection agency once per term.

To evaluate the sufficiency of College controls over delinquent student accounts receivable, which totaled \$353,134 for 1,666 students as of April 2023, we examined College records for 30 selected students with delinquent receivables totaling \$35,777. We found that, for 17 students with receivables totaling \$13,837, the College did not send the receivables to a collection agency until 53 to 156 days, or an average of 111 days, after the 120-day notice notified the student that the account would be referred to a collection agency. College personnel indicated that the referrals were delayed because, during the Summer 2022 Term, the College focused on internal collection efforts and did not refer delinquent student receivables to a collection agency.

Without timely employment of collection agencies, amounts due may remain uncollected for extended periods or ultimately not be collected. Similar findings were noted in our report Nos. 2022-083 and 2018-209.

**Recommendation: The College should enhance procedures to ensure that delinquent receivables are timely referred to a collection agency.**

### **Follow-Up to Management's Response**

*Management's response states that "the circumstances of this finding and recommendation do not correlate to the previous operational audit reports." Notwithstanding, the two previous operational audit reports similarly cited the College for not timely referring receivables to collection agencies. Consequently, the finding is noted as a repeat finding and the finding and recommendation stand as presented.*

## **Finding 3: Cash and Cash Equivalents Account Reconciliations**

During the 2021-22 fiscal year, the College maintained 27 cash in bank accounts and 3 cash equivalent accounts, including the Florida Fixed Income Trust,<sup>4</sup> the State Treasury Special Purpose Investment

<sup>3</sup> College Student Financial Services Department's *Procedure for Student Billing-Collections-Write Off Process*.

<sup>4</sup> The Florida Fixed Income Trust was established pursuant to Section 163.01, Florida Statutes, to provide eligible units of local governments with an investment vehicle to pool and reinvest surplus funds in one or more investment portfolios under the direction and daily supervision of an investment advisor.

Account,<sup>5</sup> and the State Board of Administration Florida PRIME investment pool.<sup>6</sup> At June 30, 2022, the College's general ledger balances for these 30 accounts totaled \$206.7 million.

State law<sup>7</sup> 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 internal controls require that reconciliations of cash and cash equivalent general ledger account balances to bank and other financial institution account balances be performed on a timely, routine basis (e.g., within 30 days after month end) with reconciling items promptly identified, thoroughly investigated, adequately documented, and resolved. Such controls also require that the reconciliations be timely reviewed and approved by supervisory personnel to verify the proper performance of the reconciliations and the accuracy and support for any related accounting entries.

College procedures require College Treasury Department personnel to prepare monthly account reconciliations that are reviewed and approved by Treasury Department management. However, the 240 monthly reconciliations of the accounts for the period July 2022 through February 2023 were not prepared and reviewed and approved until May 2023. As such, the reconciliations for that period were completed 2 to 9 months late. In response to our inquiry, College personnel indicated that the untimely reconciliations were due to challenges in staffing the Treasury Department. College personnel also indicated that in February 2023 the Treasury Department was fully staffed to help ensure the performance of timely reconciliations.

Our examination of reconciliations for the period March 2023 through June 2023 disclosed that the reconciliation process was timely. We also found that cash in bank and cash equivalents at June 30, 2023, recorded in the general ledger were properly supported. However, absent effective procedures for timely completing monthly cash in bank and cash equivalent reconciliations, there is an increased risk that any transaction errors or fraud that may occur will not be timely detected, general ledger financial information will be unreliable throughout the fiscal year, and the Board's ability to effectively monitor the College's financial position will be diminished.

**Recommendation: The College should continue efforts to ensure that general ledger cash and cash equivalent account balances are timely reconciled to financial institution account balances with reconciling items promptly identified, thoroughly investigated, adequately documented, and promptly resolved and that the reconciliations are timely reviewed and approved.**

#### **Finding 4: Electronic Funds Transfers**

To help protect College bank account information and funds from internal and external threats, such as theft or unauthorized use, effective policies and procedures should be established to maintain the integrity, security, confidentiality, and auditability of each electronic funds transfer (EFT). According to College personnel and EFT records, the College Treasury Analyst electronically initiates EFTs and the

<sup>5</sup> The State Treasury Special Purpose Investment Account includes pooled investments with the State Treasury, which are not registered with the Securities and Exchange Commission, and the Treasury Investment Committee provides oversight of the investments pursuant to Section 17.575, Florida Statutes.

<sup>6</sup> The Florida PRIME investment pool, according to the State Board of Administration, is a Securities and Exchange Commission Rule 2a7-like external investment pool, which is similar to money market funds in which shares are owned in the fund rather than the underlying investments.

<sup>7</sup> Section 1010.01(5), Florida Statutes.

College Assistant Controller electronically approves the EFTs. Additionally, before the Assistant Controller electronically approves EFTs, College personnel indicated that appropriate College management must manually approve the EFT pursuant to College policies.<sup>8</sup>

College policies require documented approval by:

- The Senior Vice Provost/Chief Financial Officer (CFO) for EFTs under \$2 million.
- The Senior Vice Provost/CFO and Executive Vice President and Provost for EFTs ranging from \$2 million through \$9.99 million.
- The Senior Vice Provost/CFO, the Executive Vice President and Provost, and the College President for EFTs of \$10 million and above.

College personnel indicated that the College uses EFTs, which may include Automated Clearing House (ACH) payments,<sup>9</sup> to make transfers between College bank accounts, payroll and State retirement payments, vendor payments, student refunds, and transfers associated with other activities. College records show that during the 2022 calendar year the College made 4,482 ACH payments totaling \$163.3 million and ranging from \$0.20 to \$2.7 million, and 485 other EFTs totaling \$316.7 million and ranging from \$45 to \$63 million.

As part of our audit, we requested for examination College records supporting 40 EFTs (19 selected ACH payments totaling \$5.7 million and 21 selected other EFTs totaling \$130.7 million). While we found that the 40 EFTs were for valid College purposes, College records did not evidence that 6 of the other EFTs totaling \$1.8 million and ranging from \$5,000 to \$1.7 million, were approved by the Senior Vice Provost/CFO. In response to our inquiry, College personnel indicated that the Senior Vice Provost/CFO approved the EFTs but did not document the approval. Absent evidence of College management EFT approval, College records do not demonstrate compliance with College policies and, absent College management approval, the risk increases for EFT fraud or errors to occur without timely detection and resolution. A similar finding was noted in our report No. 2022-083.

**Recommendation: The College should maintain records to demonstrate that College management approved all EFTs in accordance with College policies.**

#### **Follow-Up to Management's Response**

*Management's response states that "all of the transactions noted in the finding were approved ... and email notifications generated by the digital signature software used by the College support that assertion." However, neither the e-mail notifications nor other College records demonstrated that the Senior Vice Provost/CFO approved the EFTs. Consequently, the finding and recommendation stand as presented.*

#### **Finding 5: Unearned Revenue**

Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, paragraph 15, provides that, until allowable costs have been incurred and any other eligibility requirements have been met, cash and other assets provided in advance should be

<sup>8</sup> College Policy No. III-15, *Electronic Transfer of Funds*.

<sup>9</sup> ACH payments are electronic transactions that go through a clearinghouse that batches and sends them to the recipient's bank.

reported as an advance (an asset) by providers and as deferred or unearned revenue (a liability) by recipients. Further, the Florida College System Accounting Manual<sup>10</sup> establishes the general ledger accounts to be used to record unearned revenue and provides that these accounts should be credited when income received applies to a future period. For example, for student fees collected during the Summer Term for classes that will be attended during the following Fall Term, unearned revenue should be recorded as a credit. When the classes are attended and income is earned, the unearned revenue accounts should be eliminated by a debit to those accounts and the appropriate revenue accounts should be credited.

According to College personnel, Accounting Department staff are responsible for recording unearned revenue and the Assistant Controllers review and approve the transactions. In addition, College records indicated that Accounting Department staff routinely receive training that explains the basis for accounting transactions.

As of June 30, 2022, unearned revenue recorded in the College accounting records totaled \$5.9 million. As part of our audit, we requested for examination College records supporting ten selected unearned revenue liability accounts totaling \$5.4 million at June 30, 2022. We found that the College did not always reduce the unearned revenue balances in accordance with revenue recognition principles when the revenues were recognized and earned, resulting in \$1.2 million improperly recorded and reported as unearned revenue. For example:

- During the 2021-22 fiscal year, the College received and recorded \$763,729 as unearned revenue liabilities for Federal reimbursements from the Federal Work-Study Program. However, the College did not reduce the unearned revenue balance and recognize the revenue when funds were disbursed to students and expenses were recorded. College personnel indicated that reclassifications in the chart of accounts during the enterprise resource planning (ERP) system implementation caused these discrepancies and, subsequent to our inquiries in July 2023, the College appropriately adjusted the accounting records by reducing the unearned revenue balance by \$763,729.
- Although we requested, neither executed agreements nor other College support was provided for two unearned revenue accounts totaling \$438,022. College personnel indicated that there was no receipt or executed agreement for these two accounts because the transactions were carried forward balances from the prior ERP system. Subsequent to our inquiries in July 2023, the College appropriately adjusted the accounting records by reducing the unearned revenue balance by \$438,022.

In addition, during the 2021-22 fiscal year, the College received a \$1.4 million grant from a foundation; however, due to an error, the College recorded \$2.1 million as unearned revenue liabilities. Subsequent to our inquiries in May 2023, the College appropriately adjusted the accounting record by reducing the applicable unearned revenue balance by \$700,000.

Although unearned revenue reported in the College financial statements for the 2021-22 fiscal year was not significantly misstated, the lack of appropriate accountability for unearned revenue increased the risk for those liabilities to be overstated and revenues to be understated. A similar finding was noted in our report No. 2022-083.

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<sup>10</sup> Council of Business Affairs, *Accounting Manual for Florida's College System*.



**Recommendation:** The College should ensure that unearned revenue liability balances are timely reduced once revenue recognition requirements have been met. In addition, the College should enhance training efforts to ensure that staff understand how to properly record unearned revenue account transactions.

### **Finding 6: Purchasing Cards**

The College administers a purchasing card (P-card) program, which gives employees the convenience of purchasing items without using the standard purchase order process. P-cards are designed to provide a more efficient means of making routine small dollar purchases on behalf of the College. College procedures<sup>11</sup> require the cardholder, upon separation from College employment, to return the P-card to the authorized approver who will then forward it to the P-card Administrator. The authorized approver is also required to request the P-card Administrator to cancel P-cards for those who separate from employment, transfer from departments that require P-card use, or lose P-card privileges. However, College procedures did not require the Human Resource (HR) Department, upon receipt of applicable personnel actions, to also notify the P-card Administrator when P-card privileges need canceling.

The College canceled 62 P-cards during the 2022 calendar year and, as of December 31, 2022, the College had 430 P-cards in use. We examined College records supporting 21 of the canceled P-cards and found that 3 P-cards were not canceled until 38, 39, and 55 days (an average of 44 days) after the cardholders' employment separation dates. Our examination of College records did not disclose any inappropriate charges after the 3 former employees' separation dates; however, our procedures cannot substitute for the College's responsibility to implement adequate internal controls over P-card cancellations. In response to our inquiries, College personnel indicated that the untimely cancellation of the P-Cards occurred because the P-card Administrator was not timely notified of the employment separations.

The untimely cancellation of P-card privileges increases the risk that such privileges could be misused by former employees or others and may limit the College's ability to satisfactorily resolve disputed charges. A similar finding was noted in our report No. 2022-083.

**Recommendation:** The College should enhance procedures to ensure that P-cards are promptly canceled upon a cardholder's separation from College employment or when the P-card is no longer needed. Such procedure enhancements should require the HR Department, upon receipt of applicable personnel actions, to promptly notify the P-card Administrator when P-card privileges need canceling.

## ***PRIOR AUDIT FOLLOW-UP***

The College had taken corrective actions for findings included in our report Nos. 2022-083 and 2018-209 except as noted in Findings 2, 4, 5, and 6 and shown in Table 1.

<sup>11</sup> College Procedure No. 6520, *Miami Dade College Purchasing Card Program*.

**Table 1**  
**Findings Also Noted in Previous Audit Reports**

Finding	Operational Audit Report No. 2022-083, Finding	Operational Audit Report No. 2018-209, Finding
2	4	9
4	6	Not Applicable
5	7	Not Applicable
6	8	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 April 2023 through September 2023 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. 2022-083.
- 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 2022 through December 2022 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.
- Reviewed College information technology (IT) policies and 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 College procedures for maintaining and reviewing employee access to IT data and resources. We examined the critical access privileges to the finance and human resources applications during the audit period for 30 of the 81 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 for protecting sensitive personal information of students, including social security numbers. From the population of 126 employees who had access to sensitive personal information of students during the audit period, we examined College records supporting the access privileges granted to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- Evaluated Board security policies and College procedures for the audit period governing the classification, management, and protection of sensitive and confidential information.
- 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 operating system, database, network, and application security settings to determine whether authentication controls were configured and enforced in accordance with IT best practices.
- Determined whether a comprehensive IT security awareness and training program was in place for the audit period.
- Determined whether the College's unencumbered balance in the general fund was below the threshold established in Section 1011.84, Florida Statutes.
- Examined College records to determine whether cash and cash equivalent account reconciliations were timely prepared, approved, and performed by employees who were independent of the cash handling and recording functions.
- From the population of 485 electronic funds transfers (EFTs) totaling \$316.7 million and 4,482 Automated Clearing House (ACH) payments totaling \$163.3 million during the audit period, examined 21 selected EFTs totaling \$130.7 million and 19 selected ACH payments totaling \$5.7 million to determine whether the EFTs and payments were adequately supported and properly authorized and to evaluate the reasonableness of the established EFT and payment limits.
- Evaluated Board investment policies and College procedures during the audit period to determine whether such policies and procedures complied with Section 218.415, Florida Statutes; adhered to good business practices; and investments complied with those policies and procedures.
- Examined College records to determine whether student receivables were properly authorized, adequately documented, and properly recorded. Specifically, from the population of 11,205 students with receivables totaling \$8.6 million as of April 17, 2023, we examined documentation relating to 30 selected students with receivables totaling \$35,777. We evaluated the adequacy of College collection efforts and whether restrictions on student records and holds on transcripts and diplomas were appropriate and enforced for students with delinquent accounts in accordance with College policies established pursuant to Section 1010.03, Florida Statutes. We also evaluated whether applicable student fee deferments were properly authorized, documented, and within established limits pursuant to State Board of Education Rule 6A-14.054(7) and (8), Florida Administrative Code.
- Reviewed documentation related to the College's total unearned revenue balance of \$5.9 million as of June 30, 2022, and examined College records for 10 selected unearned revenue account balances to determine whether the moneys received in advance had not yet been earned by the College and were appropriately recorded as liabilities.
- Determined whether student fees totaling \$48.9 million during the 2021-22 fiscal year and \$51 million during the 2022-23 fiscal year were properly assessed and authorized, accurately calculated, and correctly recorded in accordance with College policies and statutory and State Board requirements. Specifically, we:
  - Examined College records for 63,623 selected students and the students' related fees totaling \$8,812,011 during the Spring, Summer, and Fall 2022 Semesters to determine whether the College had correctly assessed tuition in compliance with Sections 1009.23 and 1009.25, Florida Statutes, and State Board of Education Rules 6A-14.0301 and 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.
- From the population of 210 distance learning courses with fee revenue totaling \$3 million during the 2022 calendar year, examined College records supporting 30 students enrolled in 30 selected

distance learning courses with distance learning fee revenue totaling \$1,253 to determine whether distance learning user fees were properly assessed, collected, and separately accounted for in accordance with Section 1009.23 (16)(a) and (b), Florida Statutes, and whether laboratory fees were not assessed for those courses pursuant to Section 1009.23(12)(a), Florida Statutes.

- From the population of 228 facility rental agreements and rental receipts totaling \$987,592, examined 33 selected rental agreements and related rental receipts totaling \$358,258, along with the supporting documentation, to determine whether rental agreements conformed to good business practices and were Board approved, receipts were consistent with agreements and Board-approved fee schedules, and College records evidenced appropriate insurance for the facility rentals.
- From the population of compensation payments totaling \$186.4 million made to 7,623 employees during the audit period, selected 30 payments totaling \$210,218 made to 29 employees and examined College records supporting the payments to determine whether the rate of pay was accurate, employment contracts were valid, employees met the required qualifications, performance evaluations were completed, and leave records were accurate.
- Examined the College President and CFO contracts, as well as the separation agreement between the College Foundation's Executive Director and the Board, to determine whether the severance pay provisions in the contracts and agreement complied with Section 215.425(4)(a), Florida Statutes.
- Examined College records for the 17 employees (including the President) who were subject to the provisions of Sections 1012.885 and 1012.886, Florida Statutes, and received compensation totaling \$4.9 million during the 2021-22 fiscal year to determine whether the amounts paid complied with the statutory provisions.
- Examined the President's contract and College records supporting the President Emeritus compensation and evaluated the reasonableness of the contract's sabbatical provision and the compensation paid.
- 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 complied with applicable laws, contract terms, and College policies. Specifically, from the population of expenses totaling \$355.8 million for the audit period, we examined College records supporting 30 selected payments for general expenses totaling \$10.6 million.
- Examined P-card records for 21 of the 62 cardholders who separated from College employment, transferred to another department, or lost P-card privileges during the audit period to determine whether the College timely canceled the cardholders' P-cards.
- Evaluated the P-card credit limits for all 430 cardholders during the audit period to determine whether the credit limits complied with College policies and P-card program procedures and were reasonable based on the cardholder's job responsibilities.
- From the population of capital improvement and financial aid fee expenses totaling \$17.6 million, examined records supporting 30 selected expenses totaling \$4.4 million to determine whether funds expended were in compliance with the restrictions imposed on the use of these resources.
- From the population of 99 non-Federal grants, State appropriations, and other non-Federal funding received totaling \$434.3 million during the 2020-21 and 2021-22 fiscal years, selected 23 grants, appropriations, and other non-Federal funding totaling \$41.9 million and examined College records to determine whether the funds were used in accordance with the applicable funding terms and conditions.
- From the population of 5,193 adult general education instructional students reported for 586,046 contact hours for the Spring and Fall 2022 Semesters, examined College records supporting 3,936 reported contact hours for 30 selected students to determine whether the

College reported the instructional contact hours in accordance with the Florida Department of Education requirements.

- From the population of 1,568 industry certifications reported for performance funding that were attained by students during the 2021-22 fiscal year, examined 30 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***

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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

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November 20, 2023

## Audit Finding #1

Miami Dade College acknowledges the Auditor General's recommendation. This was a unique circumstance involving the collegewide suspension and subsequent reinstatement of course user fees as a result of the pandemic. The College will continue to monitor the application of course user fees to ensure their accuracy.

## Audit Finding #2

Miami Dade College acknowledges the Auditor General's recommendation. The College refers delinquent accounts on a regular basis in accordance with College procedure; however, due to declining delinquent balances and ongoing efforts to assist affected students with re-enrollment during this time period, a decision was made to focus on internal collection efforts during the Summer 2022 Term. As such, the circumstances of this finding and recommendation do not correlate to the previous operational audit reports. The College will ensure that referrals of delinquent student accounts receivable are made to a collection agency at a minimum of once per academic term.

## Audit Finding #3

Miami Dade College acknowledges the Auditor General's recommendation. As of February 2023, the Treasury Department had been fully staffed to ensure that reconciliations were completed and properly supported. Per audit examination, it was determined that cash in bank and cash equivalents recorded in the general ledger through June 30, 2023 were properly supported.

## Audit Finding #4

Miami Dade College acknowledges the Auditor General's recommendation. All of the transactions noted in the finding were approved in accordance with procedure, and email notifications generated by the digital signature software used by the College support that assertion. However, the College was unable to retrieve attachments from the software for the 6 items noted in the finding. The College will monitor to ensure that attachments for documentation of digital approvals are retained for all transfers in accordance with established procedure.

## Audit Finding #5

Miami Dade College acknowledges the Auditor General's recommendation. The College continues to enhance training efforts to assist staff in identifying system or human errors that may occur in the recording of unearned revenues. Although audit examination determined that errors occurred during the 2021-22 fiscal year, the errors did not result in a material misstatement in the College's financial statements. The College will continue to enhance internal procedures to ensure that unearned revenue accounts are timely reconciled and properly recorded.

Audit Finding #6

Miami Dade College acknowledges the Auditor General's recommendation. System generated reports of personnel separations are forwarded to the Purchasing Card Administrator by Human Resources on a weekly basis; however, a lapse in the established reporting process occurred for a brief period during the audit period, resulting in the 3 instances noted. The College will continue to enhance procedures to ensure that the Purchasing Card Administrator is promptly notified upon a cardholder's separation from College employment.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Pumariega", written in a cursive style.

Madeline Pumariega  
College President