

**STATE OF FLORIDA AUDITOR GENERAL**

**Operational Audit**

Report No. 2024-145  
February 2024

**BROWARD COLLEGE**



Sherrill F. Norman, CPA  
Auditor General

## **Board of Trustees and President**

During the period January through December 2022, Gregory Adam Haile, Esq. served as President of Broward College and the following individuals served as Members of the Board of Trustees:

Zachariah "Reggie" P. Zachariah Jr., Chair from 8-9-22,  
Vice Chair through 8-8-22

Akhil K. Agrawal, Vice Chair from 8-9-22

Gloria M. Fernandez, Chair through 8-8-22

Matthew Caldwell J.D. through 8-31-22<sup>a</sup>

<sup>a</sup> Trustee position vacant 9-1-22, through 12-31-22.

Note: One Trustee position was vacant the entire period.

The team leader was Zlatina Ruseva and the audit was supervised by Yvonne McNaughton, 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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**State of Florida Auditor General**

**Claude Pepper Building, Suite G74 · 111 West Madison Street · Tallahassee, FL 32399-1450 · (850) 412-2722**

## SUMMARY

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This operational audit of Broward College (College) focused on selected College processes and administrative activities and included a follow-up on findings noted in our report No. 2021-201. Our operational audit disclosed the following:

**Finding 1:** Without apparent legal authority, a College direct-support organization retained income totaling \$514,554 that was generated by renting College property to third parties.

**Finding 2:** Contrary to State law, the College disbursed extra compensation payments totaling \$2.6 million to 1,292 employees.

**Finding 3:** Contrary to Florida Department of Management Services rules, the College contributed \$20,262 to the Florida Retirement System for extra compensation prohibited by State law.

**Finding 4:** College efforts to collect student receivables could be enhanced.

**Finding 5:** Some unnecessary information technology user access privileges existed that increased the risk of unauthorized disclosure of prospective student social security numbers to occur.

## BACKGROUND

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

The College has campuses in Coconut Creek, Davie, and Pembroke Pines, and centers in Coral Springs, Dania Beach, Fort Lauderdale, Miramar, Pembroke Pines, and Weston. Additionally, credit and noncredit classes are offered in public schools and other locations throughout Broward County.

## FINDINGS AND RECOMMENDATIONS

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### Finding 1: Direct-Support Organization

In June 2016, pursuant to State law,<sup>1</sup> the Board entered into an agreement with a corporation as a College direct-support organization (DSO) to support the College and further the College mission through efforts to generate revenue for the College by leveraging and maximizing the use of College assets. While State law allows DSOs to receive, hold, invest, and administer property; make expenditures to or for the benefit of the College; and use College property, facilities, and personal services, DSOs are not authorized to generate and retain income from renting College property to third parties.

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<sup>1</sup> Section 1004.70, Florida Statutes.

According to the corporation's audited financial statements for the fiscal year ended December 31, 2022, income from renting College facilities to third parties totaled \$886,092, including \$371,538 that was submitted to and recorded as miscellaneous revenue by the College. We requested all corporation rental agreements for the College and College personnel provided five rental agreements that disclosed annual rental income ranging from \$16,500 to \$177,984.

In response to our inquiries, College personnel indicated that the corporation was established to create additional unrestricted dollars to support College operations and for the College to make larger investments through the corporation over time utilizing the corporation's fund balance as deemed appropriate by the College Board. College personnel also indicated that the corporation retained rental income totaling \$514,554, recorded the income in a designated general ledger account, and would either use the income based on College Board approval or transfer it to the College. Notwithstanding, although State law authorizes DSO use of College property and facilities, College records did not document the legal authority for a DSO to retain rental income generated by College property.

**Recommendation: Absent specific legal authority, the College should not allow a DSO to retain rental income generated by College property. In addition, the College should take action to ensure that the corporation transfers to the College any income generated by renting College facilities and retained by the corporation.**

## **Finding 2: Extra Compensation**

State law<sup>2</sup> prohibits the College from making extra compensation payments to employees after services have been rendered or contract made. State law<sup>3</sup> also provides that any policy, ordinance, rule, or resolution designed to implement a bonus scheme must base the award of a bonus on work performance; 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.

The Board approved a non-recurring, merit payment on March 29, 2022, to the College's 482 part-time employees. The payment amount for part-time employees was calculated at \$1.05 per hour worked during the period July 1, 2021, through March 29, 2022. Similarly, on June 28, 2022, the Board approved a non-recurring, merit payment to the eligible 838 non-union, full-time regular and temporary administrators and professional technical staff. Eligibility for payments of \$2,000 net of taxes to the full-time regular and temporary, non-union administrators and professional technical staff was based on completion of four compliance training modules during the 2020 through 2022 calendar years as well as employment dates and evaluation ratings.<sup>4</sup> Specifically:

- Full-time regular and temporary, non-union administrators, and non-union professional and technical staff had to be employed during the period July 1, 2021, through June 30, 2022, and received an annual evaluation with a rating of three or higher.

<sup>2</sup> Section 215.425(1), Florida Statutes.

<sup>3</sup> Section 215.425(3), Florida Statutes.

<sup>4</sup> Because the eligibility criteria for merit pay involved different time periods, certain employees received merit payments as a part-time employee and also as a non-union, full-time regular and temporary administrator or professional technical staff member. Consequently, 1,292 employees received merit payments totaling \$2.6 million.

- Full-time regular and temporary, non-union administrators, hired during the period July 1, 2021, through June 30, 2022, had to be employed when the payment was applied.
- Professional technical staff hired during the period July 1, 2021, through March 2, 2022, had to be employed at the time of payment and receive a probationary evaluation with a rating of three or higher before June 30, 2022.

The College paid in June, July, and August 2022 a total of \$223,666 to the part-time employees for work performed prior to March 29, 2022. Additionally, the College paid in September and October 2022 a total of \$2.4 million to the full-time employees for services rendered before June 28, 2022. The College payments did not increase employee base pay. As noted in Finding 3, employee benefits associated with the payments included pension contributions totaling \$20,262 to the Florida Retirement System (FRS).

In response to our inquiries regarding how the payments complied with State law, College personnel indicated that the Board provided the payments as pay increases and the payments did not represent bonuses. Notwithstanding this response, since the payments were made after the employees had rendered services, did not increase the employee's base rate of pay, and were not bonuses, the payments represent extra compensation prohibited by State law.

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

### **Finding 3: Florida Retirement System Contribution Payments**

Florida Department of Management Services (DMS) rules<sup>5</sup> define compensation and provide that a payment made in addition to an employee's regular salary that does not increase the employee's base rate of pay is not considered compensation and shall not be reported to the FRS as salary for retirement purposes. DMS rules<sup>6</sup> also provide for the calculation of retirement benefits for FRS members upon retirement, with the defined benefit calculation based, in part, on the FRS member's average final compensation. The DMS rules<sup>7</sup> specify what compensation is to be included, and not to be included, in the average final compensation.

As noted in Finding 2, the College made payments totaling \$2.6 million for extra compensation. The payments did not increase the employees' base rate of pay and, therefore, were not compensation for retirement purposes under DMS rules. However, our review of College records disclosed that, contrary to DMS rules, the College reported 450 of the extra compensation payments totaling \$189,281 to the FRS as regular compensation and contributed \$20,262 to the FRS related to those payments.

In response to our inquiries, College personnel indicated that the FRS contributions occurred because the 450 extra compensation payments were combined with the employees' regular period earnings and the College's payroll software computed the FRS employee and employer contributions on the total and not exclusively on the regular base pay. Subsequent to our inquiry, the College refunded the applicable

<sup>5</sup> DMS Rule 60S-6.001(6) and (16), Florida Administrative Code.

<sup>6</sup> DMS Rules, Chapter 60S-4, Florida Administrative Code.

<sup>7</sup> DMS Rule 60S-6.001(6), Florida Administrative Code.

employee contributions totaling \$5,534 and submitted to the FRS an adjustment along with the June 2023 payroll data to correct the contributions and reported compensation.

**Recommendation:** The College should continue efforts to ensure that compensation payments that do not increase an employee's base rate of pay are not reported to the FRS as salary for retirement purposes.

#### **Finding 4: Student Accounts Receivable**

State law<sup>8</sup> provides that the College should exert every effort to collect all delinquent accounts and may employ the services of a collection agency when deemed advisable in collecting delinquent accounts. Board policies<sup>9</sup> define delinquent accounts as those that have been overdue 90 days or longer. Effective controls over student accounts require that receivable amounts be recorded promptly when due. Board policies provide that students must pay all applicable tuition and fees by the established deadlines and, if not paid, the students' courses may be dropped for non-payment (i.e., registrations canceled). Other collection efforts include the placement of holds on student records to prevent future registrations and release of official transcripts, diplomas, or certificates until the debt is paid in full.

As of December 31, 2022, there were 5,400 students with accounts receivable totaling \$3.1 million in the Current Unrestricted Fund, including \$2.8 million that was overdue 90 days or longer. The accounts receivable amount included, for example, fee deficiencies, over-disbursed financial aid, and returned checks. As part of our audit, we examined College records supporting 30 selected student accounts with balances totaling \$66,015 as of December 31, 2022, including \$60,219 that was delinquent. We found that, for 6 accounts with unpaid amounts totaling \$5,826,<sup>10</sup> College collection efforts were deficient, resulting in additional amounts due totaling \$7,699.<sup>11</sup> Specifically:

- For 3 student accounts, amounts of \$1,343, \$696, and \$266 (totaling \$2,305) were not recorded until 19, 8, and 6 months, respectively, after the semester the amount became due. As a result, although the students had delinquent accounts, they were able to register for subsequent semesters and incurred additional receivable amounts totaling \$2,683. In response to our inquiries, College personnel indicated that the delayed recordings occurred mainly from personnel changes and oversights.
- 3 student accounts receivable totaling \$3,521 were recorded, payments were not received by the respective due dates, and the College placed holds on the students' records. However, the holds were not placed until after the students registered for subsequent semesters and the College did not cancel those registrations. As a result, the 3 students incurred additional receivable amounts totaling \$5,016 for the subsequent semesters. According to College personnel, a procedure was not in place to cancel registrations established in previous semesters for student accounts that remained unpaid on the due date.

Promptly recording student accounts receivable and canceling student registrations for student accounts that are unpaid by the established deadlines, would enhance College collection efforts and may reduce the amount of student accounts receivable written off as uncollectible.

<sup>8</sup> Section 1010.03, Florida Statutes.

<sup>9</sup> College 6Hx2-6.16, *Student Fees and Fee Payment*.

<sup>10</sup> The unpaid amounts included 5 delinquent accounts totaling \$4,713 and a \$1,113 past-due but not yet delinquent account.

<sup>11</sup> The additional student receivables included \$6,618 incurred before December 31, 2022, and \$1,081 incurred during 2023.

**Recommendation:** The College should enhance procedures to ensure that student accounts receivable are timely recorded and establish procedures for canceling student registrations for student accounts that are unpaid by the established deadlines.

### **Finding 5: Information Technology User Access Privileges**

The Legislature has recognized in State law<sup>12</sup> that social security numbers (SSNs) can be used to acquire sensitive personal information, the release of which could result in fraud against individuals or cause other financial or personal harm. Therefore, public entities are required to provide extra care in maintaining the confidential status of such information. Effective controls restrict employees from accessing information unnecessary for their assigned duties and provide for documented, periodic evaluations of information technology (IT) access privileges.

In addition, State law<sup>13</sup> requires the College to maintain public records in accordance with the Department of State, Division of Library and Information Services, records retention schedules. For example, according to the records retention schedules,<sup>14</sup> certain prospective student records should be maintained for at least 5 years.

The College collects and uses SSNs pursuant to State law for various purposes, such as to comply with Federal tax reporting requirements and other Federal and State requirements related to financial and academic assistance. According to College personnel and records, the College established a unique identifier, other than the SSN, to identify students and also maintained SSNs in the College Student Information System (SIS).

As of June 2023, the SIS contained SSNs for 1,391,694 students, including 1,035,924 former, 319,092 prospective, and 36,678 current students. According to College records, there were 146 employees with access to some or all student SSNs. Specifically, 60 employees had access to the SSNs of current, former, and prospective students; 67 employees had access to current and former student SSNs; and 19 employees had access only to prospective student SSNs. As part of our audit, we examined College records supporting the access privileges granted to 16 of the 146 employees and found that the access privileges were appropriate based on the employees' assigned job responsibilities. However, we also found that, without a public purpose, the College retained for more than 5 years 187,430 (59 percent) of the prospective student College admission applications which contained SSNs.

While the College should retain certain prospective student records for at least 5 years to comply with the records retention schedules, the College did not have a policy requiring prospective student records to be purged and did not document the public purpose served for indefinitely maintaining that information. In response to our inquiry, College personnel indicated that the SIS did not have a mechanism to purge prospective student files that were 5 years and older but that a new SIS was being implemented that would be able to purge those files. The existence of unnecessary access to prospective student information for prolonged periods increases the risk of unauthorized disclosure of sensitive personal

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<sup>12</sup> Section 119.071(5)(a), Florida Statutes.

<sup>13</sup> Section 119.021(2)(a) and (b), Florida Statutes.

<sup>14</sup> The Florida Department of State, Division of Library and Information Services – *General Records Schedule GS5 For Public Universities and Colleges*, Item #97, requires a minimum retention period of 5 years for certain records of prospective students who apply for admission to the College but are denied or did not register.



information and the possibility that the information may be used to commit a fraud against College students and others. A similar finding was noted in report No. 2021-201.

**Recommendation:** To ensure access to sensitive student information is properly safeguarded, the College should document the public purpose served by maintaining prospective student SSNs beyond 5 years, establish a reasonable time frame for maintaining that information, and remove the information when the time frame expires. To help timely purge prospective student information that no longer has a documented public purpose, the College should continue efforts to implement a SIS with the capability to permanently delete files after an established time frame.

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

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The College had taken corrective actions for findings included in our report No. 2021-201 except that Finding 5 was also noted in report No. 2021-201 as Finding 1.

## ***OBJECTIVES, SCOPE, AND METHODOLOGY***

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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 November 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. 2021-201.
- 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 access privileges to finance and human resources applications during the audit period for all 69 IT 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 146 employees who had access to sensitive personal information of students during the audit period, we examined College records supporting the access privileges granted to 16 employees 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.
- Examined College records to determine whether the College had developed an anti-fraud policy for the audit period to provide guidance to employees for communicating known or suspected fraud to appropriate individuals. Also, we examined College records to determine whether the College had implemented appropriate and sufficient procedures to comply with an anti-fraud policy.
- Examined College records supporting all 12 bank account reconciliations during the audit period to determine whether the reconciliations were timely, complete, and evidenced supervisory review and approval.
- From the population of payments totaling \$142,808 made during the audit period from the College to its direct-support organization, examined College records supporting payments totaling \$102,807 to determine whether the transactions were authorized as described in Section 1004.70(1)(a)2., (3), and (4), Florida Statutes.
- Examined College records to determine whether student accounts receivable were properly authorized, adequately documented, and properly recorded. Specifically, we examined:
  - From the population of 5,400 student accounts receivable totaling \$3.1 million and recorded as of December 31, 2022, College records supporting 30 selected student accounts totaling \$66,015, and evaluated the adequacy of the College's 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 Board policies established pursuant to Section 1010.03, Florida Statutes.
  - College records supporting the College's methodology of calculating the allowance for doubtful accounts for reasonableness.
  - College records to determine whether uncollectible accounts totaling \$1.8 million written off during the audit period were properly approved.
- From the population of 3,317 distance learning courses with fee revenue totaling \$2.1 million during the audit period, examined College records to determine whether distance learning fees were assessed, collected, and separately accounted for in accordance with Section 1009.23(16)(a) and (b), Florida Statutes.
- From the population of \$0.6 million of application fees collected during the audit period, examined documentation supporting selected collections totaling \$910 to determine whether the College properly assessed and separately accounted for the amounts as required by Section 1009.23, Florida Statutes.
- Determined whether student fees totaling \$83.3 million during the audit period were properly assessed and authorized, accurately calculated, and correctly recorded in accordance with Board policies, statutory, and State Board requirements:
- Examined College records supporting College lease agreements and related lease income.
- From the population of 5,330 course sections offered during the audit period, examined College records supporting textbook adoptions to determine whether the College textbook affordability procedures complied with Section 1004.085, Florida Statutes.
- From the population of compensation payments totaling \$114.2 million made to 6,007 employees during the audit period, selected payments totaling \$60,778 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, leave records were accurate, and supervisory personnel reviewed and approved employee reports of time worked.

- Examined College records supporting extra compensation totaling \$4.2 million made to 1,837 employees during the audit period to determine whether the payments were in accordance with Section 215.425(3), Florida Statutes, and whether the extra compensation reported, and the associated contributions totaling \$20,262, to the Florida Retirement System complied with Department of Management Services, Division of Retirement, Rule 60S-6.001(6), and (16), Florida Administrative Code.
- Evaluated Board policies and College procedures for payments of accumulated annual and sick leave (terminal leave pay) to determine whether the policies and procedures promoted compliance with State law and Board policies. Specifically, from the population of 160 employees who separated from College employment during the audit period and were paid \$2.2 million for terminal leave, we selected 30 employees with terminal leave pay totaling \$892,992 and examined the supporting records to determine compliance with Sections 110.122 and 1012.865, Florida Statutes, and Board policies.
- For selected payments, examined College records to determine whether the 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 \$211.4 million for the audit period, we examined College records supporting:
  - 30 selected payments for general expenses totaling \$6.6 million.
  - 26 selected payments for contractual services totaling \$4.4 million.
- From the population of 1,110 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.
- Determined whether the Board established appropriate investment policies and procedures and whether College investments during the audit period complied with those policies and procedures. Also, we determined whether any investment income was properly allocated to the funds that generated the investment income.
- Determined whether the College's unencumbered balance in the general fund was below the threshold established in Section 1011.84, Florida Statutes.
- 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.

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with a large initial 'S'.

Sherrill F. Norman, CPA  
Auditor General

# MANAGEMENT'S RESPONSE

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Cypress Creek Administrative Center  
6400 N.W. 6th Way, Fort Lauderdale, FL 33309

February 21, 2024

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

Dear Ms. Norman,

Below, please find Broward College's response to the Preliminary and Tentative Operational Audit findings for the calendar year 2022:

**Finding 1:** Without apparent legal authority, a College direct-support organization retained income totaling \$514,554 that was generated by renting College property to third parties.

**Response:** Acknowledged. A comprehensive plan for the dissolution of the College direct-support organization is being established and will be implemented upon approval by the Broward College Board of Trustees.

**Finding 2:** Contrary to State law, the College disbursed extra compensation payments totaling \$2.6 million to 1,292 employees.

**Response:** Acknowledged. In remediation, the following language was added to the college's salary schedule: "Upon recommendation of the College President and at the discretion of the District Board of Trustees, a non-recurring salary increase to all eligible employees may be awarded at any time during the fiscal year (July 01 through June 30), contingent upon available funds. This non-recurring salary increase may be in addition to, or in lieu of, regular salary increases."

**Finding 3:** Contrary to Florida Department of Management Services rules, the College contributed \$20,262 to the Florida Retirement System for extra compensation prohibited by State law.

**Response:** Acknowledged. Upon becoming aware of this issue, we immediately took action to reverse the transactions in question, ensuring the accuracy of the FRS contribution amounts. Going forward, we will conduct continuous reviews and closely monitor our FRS reporting process to ensure compliance with DMS rules and adherence to best practices.

**Finding 4:** College efforts to collect student receivables could be enhanced.

**Response:** We acknowledge the discrepancy and appreciate your understanding of the challenges faced during the onset of the pandemic in March 2020, combined with personnel changes that contributed to the delay in posting these receivables.

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Actions Taken:

- 1) **Review and Rectification:** We have verified the accuracy of our Florida Prepaid, Student Employee Wavier, and other Third-Party transactions and have ensured that all receivables have been properly and timely recorded. We have a system in place where the receivables are system-generated and the receivables due to a change in coverage are posted the day after a change in coverage takes place.
- 2) **Process Strengthening:** We have additional monthly reconciliations specifically focusing on third party receivables. This will help identify any discrepancies, delayed recording, or any invoices not paid by third party sponsors. To strengthen the timely recording of receivables from third-party changes, regular monthly meetings including all related staff for review are now occurring.
- 3) **Staff Training:** The Bursar team has already undertaken cross-training of staff. This ensures that roles and responsibilities are well-understood across the team, and day-to-day operations continue smoothly even during unplanned staff changes or absences. Interdepartmental cross-training is ongoing to ensure compliance.

Your observation regarding the three students whose courses were not dropped, despite the establishment of student receivables post their registration, provides an opportunity to clarify our operational nuances.

Clarification and Action Taken:

- 1) **Policy on Enrollment:** At Broward College, our primary commitment is towards the academic progression of our students. Our process allows students to plan their academic calendars up to a year in advance, ensuring they face minimal disruption to their studies.
- 2) **Receivable Establishment Timeline:** Under Broward College Policy 6Hx2-6.16, student debt due to the College shall be communicated to the student and must be paid in full. Communication occurs with the student at 14, 30, 60 and 90 days to obtain payment or establish payment arrangements.
- 3) **Enrollment Policy Over Receivable Concern:** We prioritize the continuity of our students' education. Only in instances where receivables are identified prior to the registration of a future term do we take measures to prevent enrollment, allowing students time to rectify any receivable balances.
- 4) **Reviewing and Removing Enrollment for Accounts with Outstanding Balances:** A process of review and removal of students who enroll in classes and then subsequently have a receivable is scheduled to be active for the Summer 2024 semester.
- 5) **Review and Continuous Improvement:** We are consistently reviewing our processes to ensure alignment between our financial and academic departments. While we stand by our enrollment policy, we are always in pursuit of refining our operations for better clarity and efficiency. Year-round enrollment is being scaled back, which will assist in eliminating this issue.

The highlighted instances, though seemingly discrepancies, are reflective of our steadfast commitment to student success, balanced with our fiscal responsibilities.

**Finding 5:** Some unnecessary information technology user access privileges existed that increased the risk of unauthorized disclosure of prospective student social security numbers to occur.

**Response:** Acknowledged. The college is in the process of establishing a procedure to detect and remove protected information from the records of prospective students who did not enroll within five years of application. Additionally, the institution is acquiring a new Student Information System based on SAS technology to replace the current legacy system. This new system will offer flexibility in managing and removing prospective student data when necessary.

Sincerely,



Rabia Azhar,  
Chief Financial Officer