

**USF Board of Trustees  
Audit & Compliance Committee  
NOTES  
Tuesday, May 22, 2018  
Tampa Campus – Marshall Student Center Room# 3707**

**I. Call to Order and Comments**

The meeting of the Audit & Compliance Committee was called to order by Chair Nancy Watkins at 12:45pm.

Committee members present: Nancy Watkins, Oscar Horton and Byron Shinn. A quorum was established. Trustees Stephanie Goforth, Deanna Michael, Les Muma, and Charles Tokarz were also present.

**II. Public Comments Subject to USF Procedure**

No requests for public comments were received.

**III. New Business – Action Items**

**a. Approval of February 13, 2018 Meeting Notes**

Upon request and receiving no changes to the draft meeting notes, Chair Watkins requested a motion for approval, it was seconded and the February 13<sup>th</sup> meeting notes were unanimously approved as written.

**b. University Audit Work Plan – FY 2019 and 2020**

Virginia Kalil, Executive Director, USF System Audit, presented the Audit Work Plan for FY 2019 and FY 2020. The BOT is being asked to approve the work plan per Audit's charter and IIA Performance Standards. For the third time, a two-year plan has been prepared to allow for more flexibility and increased efficiency in managing time and resources. The plan covers common processes and systems where testing procedures are performed for all three institutions, as well as audits specific to each institution. The Board is being asked to consider whether the work plan is aligned with the USF System's strategic plans, objectives, and enterprise risk; and whether this plan optimizes the use of Audit resources and the value added by the audit activity in the following areas: results of operations, programs, or projects including accomplishment of objectives and effective use of resources; reliability and integrity of financial and operating information; compliance with policies, laws, regulations, and ethical standards; the means to safeguard assets, loss prevention, and fraud detection; and process improvement.

Four key components went into the development of this plan: 1) enterprise risk assessment; 2) risk assessment by Audit, including fraud and IT risks; 3) survey of senior management; and 4) 10-year audit mapping (rolling coverage to be sure to get good coverage across the enterprise). Audit services in the plan cover several areas: core processes; academic areas;

governance; research; and information technology. There are 127 auditable units; with a goal of each unit being audited at least once every five years balancing risks and resources. In addition to audit services, the plan also allows time for consulting services and investigations. Due to resource constraints in FY 2018 (three vacancies), three audits have been deferred from the prior plan - Access Controls/Entitlement Reviews-Internal Transfers; Delegation of Authority/MOUs/Contract Approval (was started in FY 2018, hours will cross over); and Cloud Computing & Security (changed from Oracle to Cloud based on risk). Audit is now back to full staff.

A motion was made to approve the Audit Work Plan and allocation of available staff hours. The motion was seconded and approved by all Committee members present.

**IV. New Business – Information Items**

**a. State of Florida Federal Awards Audit (formerly A-133)**

Fell Stubbs, University Treasurer, presented the results of the Florida Federal Awards Audit (formerly known as A-133). The University and DSOs received 16 audits from independent external auditors for the fiscal year ended June 30, 2017. On February 13, 2018, the Board of Trustees Audit & Compliance Committee reviewed the 15 audits that had been received to date. The final audit, State of Florida Federal Awards Audit for fiscal year 2017, was issued in March 2018. There were no findings for USF in the State of Florida Federal Awards Audit for fiscal year 2017. This concludes the annual report on audit findings for FY 2016-17. Mr. Stubbs reviewed the summary of audits, noting that all previous findings have been addressed as reported in February.

**V. Adjournment**

Having no further business, Chair Watkins adjourned the Audit & Compliance Committee meeting at 1:00pm.