



**Board of Trustees Audit & Compliance Committee**

Thursday, November 2, 2017

11:00am – 12:00pm

Tampa Campus - Marshall Student Center Room# 3707

*Trustees:* Nancy Watkins, Chair, Stephanie Goforth, Byron Shinn

**A G E N D A**

- I. Call to Order and Comments Chair Nancy Watkins
- II. Public Comments Subject to USF Procedure Chair Watkins
- III. New Business – Action Items
  - a. [Approval of May 18, 2017 Meeting Notes](#) Chair Watkins
- IV. New Business – Information Items
  - a. [USF System Audit – Annual Report](#) Exec Director, Virginia Kalil
- V. Adjournment Chair Watkins



DRAFT

**USF Board of Trustees  
Audit & Compliance Committee  
NOTES  
Thursday, May 18, 2017  
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 1:20pm.

Committee members present: Nancy Watkins and Byron Shinn. A quorum was established.

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

No requests for public comments were received.

**III. New Business – Action Items**

**a. Approval of February 16, 2017 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 16th meeting notes were unanimously approved as written.

**b. Approval of Audit & Compliance Committee Charter**

Kate Head, Associate Director, University Audit, presented the Audit & Compliance Committee Charter. The Charter brings the university into full compliance with certain requirements within BOG Regulations 4.002 and 4.003.

The Charter formally communicates the Committee's membership and meeting requirements, as well as responsibilities for providing governance oversight to both USF System Audit and the Compliance & Ethics Program. The BOG Regulations require the Committee's charter be approved by the Board of Trustees and reviewed at least every three years.

The Committee's recommendations are included.

A motion was made to move the Audit & Compliance Committee Charter to the full board with a recommendation for approval of the Charter. The motion was seconded and approved by all committee members present.

**c. Approval of USF System Compliance & Ethics Program Plan**

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Jeff Muir, Chief Compliance Officer, presented the USF System Compliance & Ethics Program Plan. The Program Plan brings the university into compliance with certain requirements contained in BOG Regulation 4.003. USF is the first university to reach this point.

The Program Plan describes the structure and responsibilities of the USF System Compliance & Ethics Program, which is organized in accordance with the “essential elements” of the Federal Sentencing Guidelines.

A motion was made to move the USF System Compliance & Ethics Program Plan to the full board with a recommendation for approval of the USF System Compliance & Ethics Program Plan. The motion was seconded and approved by all committee members present.

The approval of these two action items completes the implementation and separation of the audit and compliance functions and brings USF in full compliance with the BOG and maintains best practices.

#### **IV. New Business – Information Items**

##### **a. University Audit Work Plan – FY 2018**

Ms. Head gave a status report on the 2-year Work Plan (FY 2016-17 and FY 2017-18) approved last year. Ms. Head reported no significant changes to the two-year Work Plan. Due to unanticipated staff vacancies (one senior IT auditor and one senior auditor), there were 790 less direct hours than originally budgeted. Of the 12 audits originally scheduled for Year 1: 7 are complete; 2 are in progress and will be completed by the end of the year; 2 are in progress and will be complete by September 30, 2017; and 1 project has been deferred.

John Long, Sr. Vice President and Chief Operating Officer, stated that compensation is an issue and we are subject to losing talent, especially in IT. Market rate adjustments are important to many areas at the university.

##### **b. USF/DSO External Audit Findings**

Fell Stubbs, University Treasurer, presented the University and DSO Outstanding External Audit Findings Report which describes audit findings and auditor recommendations, and management’s responses and correction status. The University and DSOs will receive 16 audits from independent external auditors for the fiscal year ended June 30, 2016. Since June 30, 2016, 15 audits have been received, with no disclosed audit findings in the 7 University June 30, 2016 Audited Financial Statements and no audit findings in the 8 DSO June 30, 2016 Audited Financial Statements. One finding from the previous year was closed. One audit report has not yet been issued (still in process, occurs every two years) - University’s Operational Audit for calendar year 2016.

Mr. Stubbs also presented the Annual Compliance Certifications of DSOs. Each DSO and related entity under the control and direction of the BOT is expected to implement an internal control, reporting and governance structure consistent with best practices of USF, the DSO or related entity, as well as those detailed within National Association of College and University Business Officer’s Advisory Report on the Sarbanes-Oxley Act of 2002.

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All nine DSOs provided their Annual Compliance Certification Statements for the fiscal year ended June 30, 2016. There were no instances of non-compliance with the 19 requirements from five categories of compliance cited in the Annual Compliance Certification Statement.

**c. JLAC Response to Audit Finding**

Jenny Paulsen, Deputy Chief Information Officer IT, and Alex Campoe, Chief Security Officer IT, briefed the committee on USF's response letter for JLAC (Joint Legislative Auditing Committee) relating to USF's three-peat audit finding on user authentication/password protection. USF's response to the finding was to implement DUO (a Two-Factor Authentication [TFA] method), in addition to maintaining our 180-day password change. The State has informally indicated acceptance of our response. USF previously followed federal standards of complexity of password. Chair Watkins stressed that this is not a case where we did nothing; we thought we had complied according to the field auditor, but that changed in Tallahassee.

Mr. Long stated that there has not been any intrusion since the implementation of DUO in April.

Chair Watkins stated that going forward, we have to come up with a system on how to address second audit findings before they become a 3-time finding.

**d. Update – Summer Program Background Clearances**

Jeff Muir gave an update on Summer Program Background Clearances. At the request of Trustee Goforth, an audit was performed on summer programs. All recommendations in the audit report have been implemented including new policies and procedures. This involved many departments/areas at USF (about 12). The work is not complete – will look at what we do during the other nine months of the year. Will look at controls/safeguards in how we protect minors on campus.

**V. Adjournment**

Having no further business, Chair Watkins thanked the audit and compliance teams for their work and adjourned the Audit & Compliance Committee meeting at 1:47pm.

**Agenda Item: IVa**

**USF Board of Trustees  
Audit & Compliance Committee  
November 2, 2017**

**Issue:** USF System Audit Annual Report for 2016-17

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**Proposed action:** Informational

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**Executive Summary:**

The USF System Audit (Audit) Work Plan for FY 2016-17 was approved by the Audit & Compliance Committee on August 25, 2016. This Annual Report describes the internal audit, consulting, and investigative activities and allocation of resources as compared to year one of the Work Plan.

In FY 2016-17, the audit team completed twelve audits, including three IT audits, four consulting projects, and fifteen investigations. Project summaries are included in the Annual Report. Also, semi-annual reports were produced summarizing the status of management's implementation of Audit's recommendations.

**Financial Impact:** N/A

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**Strategic Goal(s) Item Supports:** N/A

**BOT Committee Review Date:** 11/2/2017

**Supporting Documentation Online (*please circle*):**

**Yes**

**No**

[Overview](#)

[2016-17 USF System Audit Annual Report](#)

**USF System or Institution specific:** USF System

**Prepared by:** Virginia Kalil, Executive Director, USF System Audit

# USF System Audit Annual Report FY 2016-17

Audit and Compliance Committee  
*November 2, 2017*

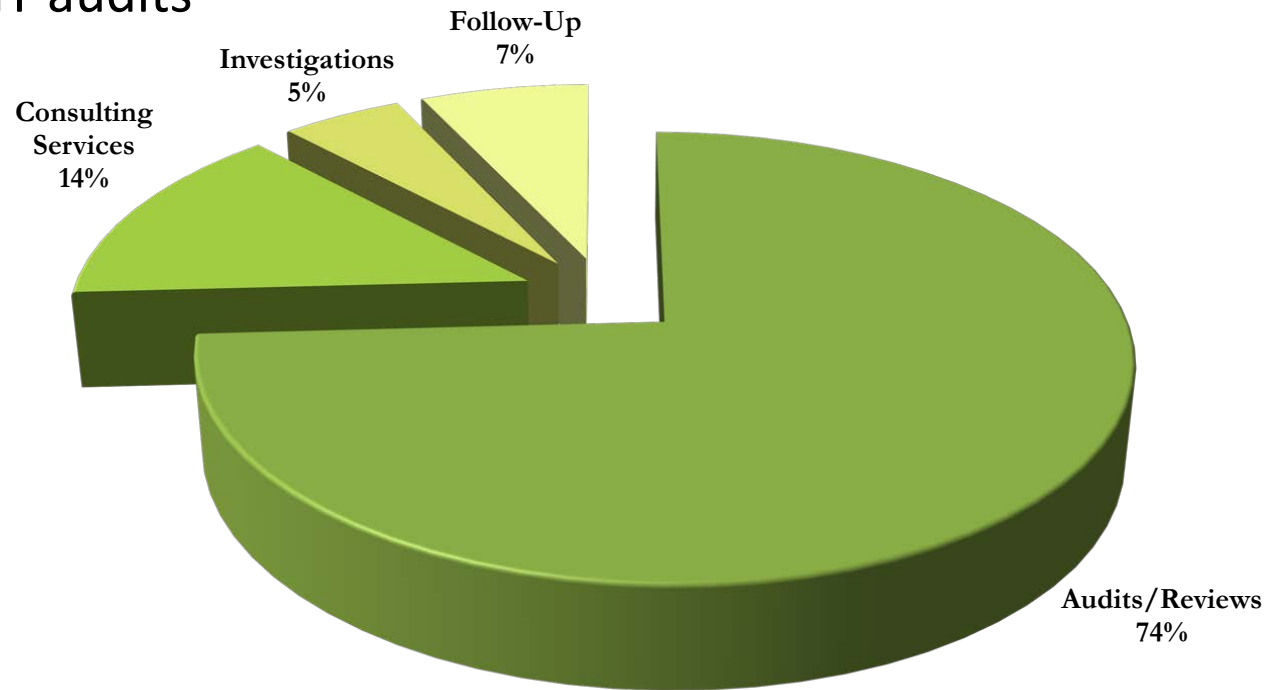


# Organizational Chart



# Direct Services Highlights

- 12 audits, including 3 IT audits
- 4 consulting projects
- 15 investigations





## Audits – Core Processes & Academic Affairs

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- Accounts Payable Vendor Set-up and Maintenance
- Construction Projects Accounting
- Administrative Services Third Party Software Assurance
- Performance-Based Funding Data Integrity
- USF College of Arts and Sciences Business Operations
- USFSP College of Arts and Sciences Business Operations
- Auxiliary Operations

## Audits – Governance, Research & IT

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- Summer Program Background Checks
- Research Laboratory Safety
- Software Acquisitions
- USF Health IT - EPIC System
- Winter Haven Data Center Infrastructure

# Recommendations

- Categories:
  - Assignment of Responsibility
  - Authorization: Adequacy & Timeliness
  - Compliance with Federal Laws
  - IT: Confidentiality, Integrity, & Availability of Data
  - Reporting: Accuracy, Completeness, & Timeliness
  - Safeguarding of Assets
  - Separation of Duties
  - Training & Guidance: Accuracy, Completeness, & Timeliness
  - Workplace Safety
- 71% implementation rate of audit recommendations, 9% increase over last year

# Closing Remarks

Audit and Compliance Committee

*November 2, 2017*





# 2016-17 ANNUAL REPORT

## *USF System Audit*

## MESSAGE FROM THE EXECUTIVE DIRECTOR

*A year of change...*

*This year was marked by significant change for the Audit and Compliance team. The team celebrated the retirement of their esteemed leader and welcomed me as the new Executive Director. Each and every member of the team, as well as senior leadership and the Board of Trustees (BOT), has been invaluable in my transition to the university. I am excited at the opportunity to serve and truly appreciate the welcoming and supportive reception I've received.*

*In addition to the leadership change, four new Board of Governors (BOG) regulations were promulgated governing audit, compliance, and investigative activities. In response to these new regulations, the team was split into two new and distinct departments: USF System Audit and USF System Compliance and Ethics Program. Both departments report to the BOT through the newly formed Audit and Compliance Committee (ACC). While separate charters were established for each department, they continue to closely collaborate optimizing internal audit and compliance resources. There will always be great synergy between the teams related to governance, risk management, and control processes. One of the first examples of this collaboration was the promulgation of a USF System-wide internal control policy defining governance expectations.*

*Amidst navigating change, USF System Audit completed twelve audits, including three IT audits, four consulting projects, and fifteen investigations. The team's efforts this year assisted university leadership with ensuring the appropriate internal control structure is in place to minimize the risk of asset loss, including fraud; to promote effectiveness and efficiency of institutional resources; to comply with applicable laws,*

*rules and regulations; and to ensure data supporting the path to preeminence and performance-based metrics can be relied upon. Summaries of the work performed are included within this report.*

*Demonstrating their commitment to excellence, university leadership was proactive in responding to improve the control environment. Semi-annual reports were produced summarizing university leadership's implementation of 71% of the audit recommendations, an increase of 9% over last year.*

*Additionally, this year we continued to provide services to the State Auditor General and the Office of Inspector General (OIG). IT audit services were also provided at the request of USF Health accounting for approximately 0.5 FTE in resources.*

*What an exciting and productive year for USF System Audit! Thank you to our ACC for their unwavering support throughout the year to make this success possible!*

*I am so very honored to have returned to my alma mater and join such a talented, dedicated, high-performing, and well-respected team. I look forward to the opportunities ahead! Go Bulls!!!*



Virginia L. Kalil  
CIA, CFE, CISA, CRISC



## USF SYSTEM AUDIT

### Virginia Kalil, Executive Director/Chief Internal Auditor

- Certified Internal Auditor
- Certified Fraud Examiner
- Certified Information Systems Auditor
- Certified in Risk and Information Systems Control
- BS Accounting, USF

### Kate Head, Associate Director

- Certified Public Accountant
- Certified Fraud Examiner
- Certified Information Systems Auditor
- BS Accounting, Oklahoma State

### Steve Cuppett, Assistant Director

- Certified Public Accountant
- Certified Internal Auditor
- Certified Information Systems Auditor
- Master of Accountancy, USF
- BS Accounting, USF

### Amy Rollie, Assistant Director

- Certified Public Accountant
- Certified Fraud Examiner
- Master of Accountancy, USF
- BS Accounting, USF

### Adam Murphy, Senior Audit Consultant

- Certified Internal Auditor
- Certification in Risk Management Assurance
- Certified Government Auditing Professional
- BS Bus Admin/Accounting, Campbellsville University

### Olu Abiose, Senior Information Technology Auditor

- Certified Information Systems Auditor
- Microsoft Certified Systems Engineer
- Certified in Risk and Information Systems Control
- Certified Information Security Manager
- HealthCare Information Security and Privacy Practitioner
- MBA, Creighton University
- MS Information Technology Management, Creighton University
- BS Accounting, University of Ilorin

### Eric Harmon, Audit Consultant

- Certified Public Accountant
- Certified Internal Auditor
- Certification in Control Self-Assessment
- MBA, University of Florida
- BSBA Finance, University of Florida

### Kethessa Carpenter, Audit Consultant

- Certified Public Accountant
- BA Business Administration & Accounting, St. Leo University

### Jolanda Thompson, Administrative Specialist

- BSBA Management, Northwood University



**2017 Audit Team**

Sitting (L-R): Adam Murphy, Virginia Kalil, Kate Head, Jolanda Thompson; Standing (L-R): Kethessa Carpenter, Amy Rollie, Steve Cuppett, Olu Abiose, and Eric Harmon)

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## MISSION AND PURPOSE

USF System Audit (Audit) is responsible for providing the University of South Florida System with independent and objective assurance and advisory services that promote stewardship, accountability, integrity, efficiency, and compliance. These services assist the university in evaluating and improving governance, risk management, and control processes.

The nature and scope of services provided by Audit include audits, compliance reviews, management advisory services, consulting, and investigations. We are committed to upholding the values of integrity, respect, excellence, and service in the performance of our duties.

## AUDITS

Audit projects are performed in accordance with the [Institute of Internal Auditors \(IIA\) International Standards for the Professional Practice of Internal Auditing \(the standards\)](#). The IIA is the recognized authority for those in the internal audit profession and the IIA standards are endorsed by the [Florida Board of Governor's regulation 4.002 \(6\)\(a\) State University System Chief Audit Executives](#).

The USF System has adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Control Framework which is utilized by Audit to assess the effectiveness of the internal control systems in place. The USF System's internal control objectives are communicated to all USF System employees via [USF System Policy 0-023 Internal Control](#).

## USF Health IT – Epic System

Audit reviewed system access controls for the USF Health (USFH) Information Technology (IT) Epic system. Epic is the university's new

shared electronic health records system which is hosted by Tampa General Hospital (TGH). Along with hosting services, TGH provides technical resources, support, and upgrades for the system.

The audit focused on USFH-managed access controls for the Epic system, including procedures in place for requesting, approving, revoking, and monitoring access for USFH users to the shared electronic records in the TGH Epic production environment.

The scope did not include a review of the procedures by which TGH or any of their other partners' requests to approve, revoke, and monitor access to the Epic system for non-USF users.

Recommendations were made for five risks identified. This report was classified as confidential due to the sensitive nature of the IT issues disclosed.

## Research Laboratory Safety

Audit reviewed the design and effectiveness of the internal control structure in place to mitigate risks associated with the use of biohazardous materials, radioactive materials/equipment, and lasers in research and/or teaching activities, including compliance with university policies and procedures, as well as federal and state regulations.

Recommendations were made for nine risks identified related to IT, training and guidance, and workplace safety.

## USF College of Arts and Sciences Business Operations

Audit reviewed the design and effectiveness of administrative and financial controls related to the USF College of Arts and Sciences Business Operations. The audit focused on those

controls performed by Resource and Operational Services (ROSS) and Business Support Services (BSS), and did not include control procedures performed by the university's central administrative units or the college's academic departments unless impacted by ROSS and BSS.

Specific areas of focus included organizational structure, revenues, expenditures, journal entries, property, payroll, research, USF Foundation activity, and USF Research Foundation activity.

Recommendations were made for eight risks identified related to assignment of responsibility, authorization, IT, reporting, safeguarding of assets, and separation of duties.

### **USFSP College of Arts and Sciences Business Operations**

Audit reviewed the design and effectiveness of the administrative and financial controls related to the USF St. Petersburg (USFSP) College of Arts and Sciences Business Operations. The audit focused on those controls performed by the college and did not include control procedures performed by USF System and/or USFSP central administrative units.

Specific areas of focus included organizational structure, revenues, expenditures, journal entries, property, payroll, research, USF Foundation activity, and USF Research Foundation activity.

Recommendations were made for seven risks identified related to authorization, regulatory compliance, IT, reporting, and separation of duties.

### **Performance-Based Funding Data Integrity**

Audit reviewed the processes and controls established to ensure the completeness, accuracy, and timeliness of data submissions to the BOG in support of the Performance-Based Funding measures.

Recommendations were made for two risks identified related to IT.

### **Winter Haven Data Center Infrastructure**

Audit reviewed the design and effectiveness of the Winter Haven Data Center controls related to physical security; physical infrastructure and power services; heating, ventilation, and air conditioning (HVAC) and environmental systems; fire protection; backup management; and manufacturer documentation and service contracts. The audit did not include a detailed review of data center computer operations processes such as job scheduling, network operations, and problem management.

Recommendations were made for three risks identified. This report was classified as confidential due to the sensitive nature of the IT issues disclosed.

### **Accounts Payable Vendor Set-up and Maintenance**

Audit reviewed the internal control structure over the vendor set-up and maintenance activities performed by the University Controller's Office Vendor Maintenance Team for the Financial Accounting SysTem (FAST). The review focused on the design and effectiveness of controls in place to prevent or detect unauthorized additions or changes to the vendor file, which could represent a fraud risk.

Recommendations were made for eight risks identified related to effective and efficient operations, IT, safeguarding of assets, and training and guidance.

### **Construction Projects Accounting**

Audit reviewed the administrative and financial control environment related to construction projects accounting for appropriateness of supporting documentation, accuracy, timeliness, and proper authorization. The review was limited to controls maintained by the Administrative Services Business Center and the University Controller's Office.

Recommendations were made for five risks identified related to authorization, IT, reporting, safeguarding of assets, and training and guidance.

### **Software Acquisitions**

Audit reviewed the processes in place for non-standard software acquisitions to verify the design and effectiveness of controls were adequate.

Recommendations were made for four risks identified related to authorization, effective and efficient operations, and training and guidance.

### **Summer Program Background Checks**

Audit reviewed the 2016 USF-sponsored summer programs and summer programs held by third parties on the USF campus for compliance with the Human Resources' USF System Summer Program Background Check Procedures distributed May 25, 2016 and Florida statutes.

Recommendations were made for two risks identified related to training and guidance.

### **Auxiliary Operations**

Audit performed a limited review of the decentralized internal control structure over auxiliary operations for six colleges at two USF System institutions (USF Tampa and USFSP). This included billing activities processed through interdepartmental processes (journal entries) and FAST third-party billings to external organizations, including federal contracts and grants.

Recommendations were made for two risks identified related to training and guidance.

### **Administrative Services Third Party Software Assurance**

Audit performed a limited review of the externally hosted software solution utilized by Administrative Services to manage divisional projects and tasks.

A recommendation was made for one risk identified related to IT.

## **INFORMATION TECHNOLOGY**

Audit's information system projects are performed in accordance with the ISACA (formerly Information Systems Audit and Control Association) standards and guidelines. ISACA has designed this guidance as the minimum acceptable level of performance required to meet the professional responsibilities set out in the ISACA Code of Ethics for Auditing and Control Professionals. These standards and guidelines are consistent with the Control Objectives for Information and Related Technology (COBIT)—an IT governance framework which permits management to bridge the gap between control objectives, technical issues, and business risk.

The IT Audit Team focuses on factors which impact the confidentiality, integrity, and availability of information systems as well as

the resources held within those systems. Confidentiality not only addresses the security of sensitive data, but also whether access to such data is effectively controlled.

IT audits of USF Health IT-Epic System, Winter Haven Data Center Infrastructure, and Software Acquisitions were performed. One IT audit project was in progress at year-end.

Additionally, Audit utilizes an integrated audit approach whereby the IT Audit Team also assists the general Audit Team on audit and consulting projects with significant information systems components. Integrated audit projects this year included Research Laboratory Safety and Performance-Based Funding Data Integrity.

There are currently four Certified Information Systems Auditors (CISAs) on the team. Two of the CISAs are also Certified in Risk and Information Systems Control (CRISC), and one of the CISAs is also a Certified Information Security Manager and certified as a HealthCare Information Security and Privacy Practitioner (HCISPP).

## CONSULTING SERVICES

Consulting projects are collaborations between university leadership and Audit. Services may be requested in advance and included as part of the annual work plan; however, many requests are made during the year. A project's objective will vary depending on the needs of leadership, but may include improving a process or procedure; assisting in the implementation of a new system; interpreting laws, rules, policies, and other guidance; or facilitating education/training programs. These services are proactive in nature and can be helpful to any university function or department.

Four consulting projects were performed: Technology Fee Accounting, Athletics Inventory Management Gap Analysis,

Research Laboratory Governance, and Human Resources Access Controls. One Human Resources consulting project was in progress at year-end.

## ADVISORY SERVICES

Audit is committed to providing proactive advice on internal controls, operations, and compliance. Requests for advisory services may come from various management levels throughout the university and often involve emerging issues in research, IT, or compliance. The information we provide through these services assists management in decision-making and improving operations. Results of these types of services are communicated verbally or through a memorandum.

## INVESTIGATIONS

The President and the BOT have charged Audit with performing investigations related to the university and its related organizations. An investigation is an objective review of evidence related to a complaint or allegation.

Complaints and concerns may be received from the university's EthicsPoint reporting system or directly from an individual, or may be forwarded from various university offices or state and local government agencies.

Reports of concerns, complaints, and allegations may or may not be supported by the facts. That is why it is critical that the investigative process be managed discreetly and confidentially to ensure the integrity of the process and protect the reputations of named individuals. Florida law supports the need for confidentiality during investigations and permits active investigations to be classified as exempt from public record. Only those with a legitimate business need are provided with information related to ongoing investigations.

Out of 19 total complaints, 2 were referred to other units and 2 remained open at June 30, 2017. Of the 15 completed investigations, only 3 complaints were substantiated. While the complaints were credible, the impact to USF was not significant.

### Substantiated

| Classification                 | No.      |
|--------------------------------|----------|
| Misuse of University Resources | 1        |
| Violation of Federal Laws      | 2        |
| <b>Total</b>                   | <b>3</b> |

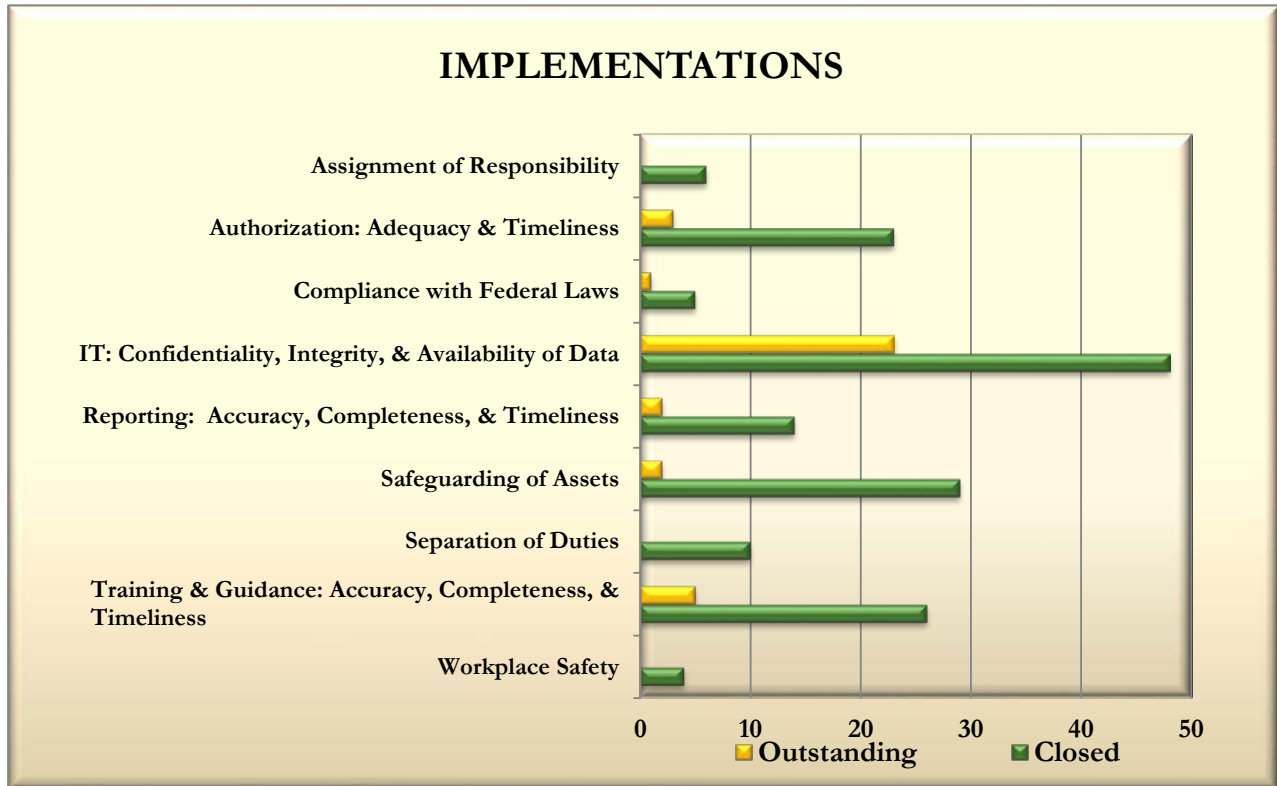
### FOLLOW-UP ACTIVITY

In accordance with the International Standards for the Professional Practice of Internal Auditing, Audit follows up on all internal audit recommendations to determine if corrective actions have been taken. Utilizing a web-based tracking system, university leadership can continuously update the implementation status, including action plans and target dates, of recommendations and Audit can efficiently

and effectively monitor their progress. Two Follow-Up Reports, covering activity from July 1 through December 31, 2016, and January 1 through June 30, 2017 were issued during the fiscal year. The annual implementation rate by management was 71%.

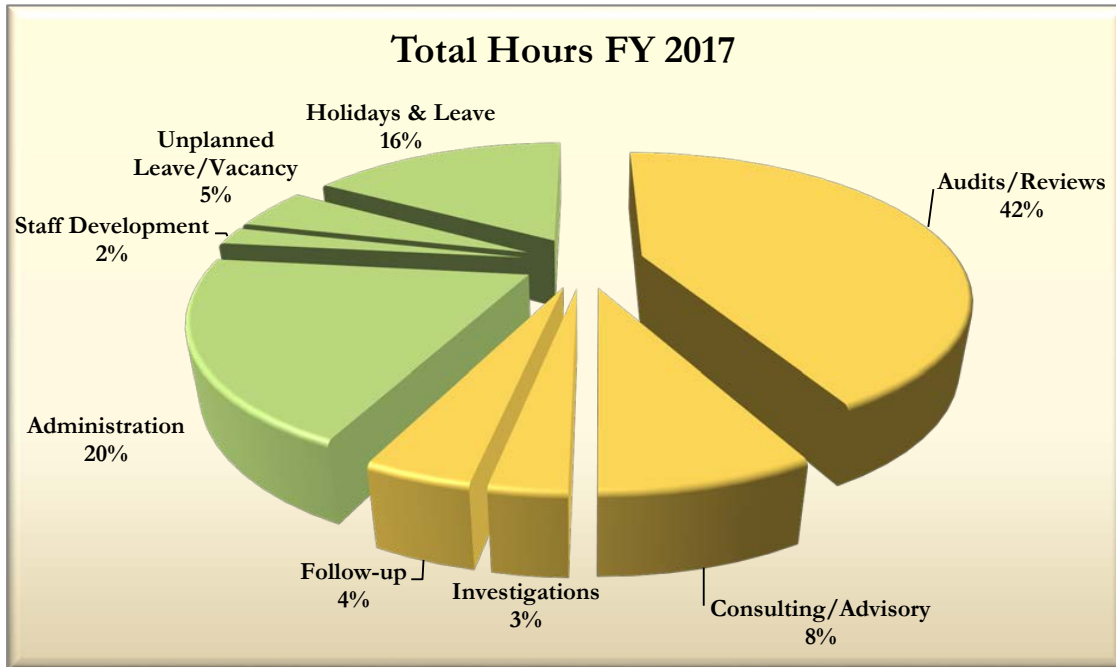
The recommendations made during this fiscal year related to the following:

- Assignment of Responsibility
- Authorization: Adequacy & Timeliness
- Compliance with Federal Laws
- IT: Confidentiality, Integrity, & Availability of Data
- Reporting: Accuracy, Completeness, & Timeliness
- Safeguarding of Assets
- Separation of Duties
- Training & Guidance: Accuracy, Completeness, & Timeliness
- Workplace Safety





## ACTIVITY ANALYSIS



| PROJECT                      | BUDGET        | %           | ACTUAL        | %           |
|------------------------------|---------------|-------------|---------------|-------------|
| <b>DIRECT SERVICES:</b>      |               |             |               |             |
| Audits/Reviews               | 7,100         | 35%         | 8,660         | 42%         |
| Consulting/Advisory          | 1,300         | 6%          | 1,619         | 8%          |
| Investigations               | 2,047         | 10%         | 583           | 3%          |
| Follow-up                    | 500           | 2%          | 817           | 4%          |
| <i>Total Direct Services</i> | <i>12,324</i> | <i>60%</i>  | <i>11,679</i> | <i>57%</i>  |
| <b>OTHER:</b>                |               |             |               |             |
| Administration               | 4,131         | 20%         | 4,043         | 20%         |
| Staff Development            | 400           | 2%          | 407           | 2%          |
| Unplanned Leave/Vacancy      | 0             | 0%          | 968           | 5%          |
| Holidays & Leave             | 3,617         | 18%         | 3,375         | 16%         |
| <i>Total Other</i>           | <i>8,148</i>  | <i>40%</i>  | <i>8,793</i>  | <i>43%</i>  |
| <b>TOTAL</b>                 | <b>20,472</b> | <b>100%</b> | <b>20,472</b> | <b>100%</b> |

Audit's direct services include activities related to the performance of audits, consulting and advisory projects, investigations, and follow-up. The annual work plan budgeted 60% of Audit's resources for direct services. Actual direct services of 57% fell slightly less than budget due to a 5% loss of resources related to unplanned leave and vacancies.

## **PROFESSIONAL ACTIVITIES**

Audit is proud of the experience and professionalism of its staff. During 2016-2017, we continued our involvement with organizations that support higher education, internal auditing, information technology, and compliance activities.

- Association of College and University Auditors (ACUA)
- Institute of Internal Auditors (IIA)
- Association of Certified Fraud Examiners (ACFE)
- Information System Audit & Control Association (ISACA)
- American Institute of Certified Public Accountants (AICPA)
- National Association of College and University Business Officers (NACUBO)

## **UPCOMING YEAR**

The current two-year Work Plan for FY 2017 and FY 2018 was approved by the BOT Audit and Compliance Committee (ACC) on August 25, 2016. The multi-year plan continues to offer Audit the flexibility to move projects between years as schedules warrant. Significant changes will be communicated to the ACC as appropriate.





**UNIVERSITY AUDIT & COMPLIANCE  
FY 2017 and FY 2018 WORK PLAN**

|   | Total<br>Hours | % of<br>Effort | Yr 1           | Yr 2           |
|---|----------------|----------------|----------------|----------------|
| <b>DIRECT SERVICES</b>  |                |                |                |                |
| <b><i>Audits/Reviews</i></b>  |                |                |                |                |
| <b>Core Processes:</b>  |                |                |                |                |
| Access Controls/Entitlement Reviews - Internal Transfers                    | 600            |                |                | 600            |
| A/P Vendor Set-up and Maintenance   | 400            |                | 400            |                |
| Construction Accounting Offices   | 800            |                | 800            |                |
| Non-exempt Employees (O/T Eligible)   | 800            |                |                | 800            |
| Treasurer's Office  | 800            |                |                | 800            |
| <b>Academic Affairs:</b>  |                |                |                |                |
| College of Arts & Sciences - USF  | 800            |                | 800            |                |
| College of Arts & Sciences - USFSP  | 600            |                | 600            |                |
| College of The Arts   | 800            |                |                | 800            |
| PBF Data Integrity Audit - Year 1   | 1,000          |                | 1,000          |                |
| PBF Data Integrity Audit - Year 2   | 800            |                |                | 800            |
| Visa Processing/Visiting Scholars   | 800            |                |                | 800            |
| <b>Governance:</b>  |                |                |                |                |
| Delegation of Authority/MOUs/Contract Approval                              | 400            |                | 400            |                |
| <b>Research:</b>  |                |                |                |                |
| Office of Clinical Research - COM   | 800            |                | 800            |                |
| Research Expenditures   | 800            |                |                | 800            |
| Research Lab Safety (rollover)  | 300            |                | 300            |                |
| <b>Information Technology:</b>  |                |                |                |                |
| 3rd Party Assurance/Management of Risk                                      | 500            |                | 500            |                |
| Data Center (Primary)   | 500            |                | 500            |                |
| Oracle Database Security  | 800            |                |                | 800            |
| Student Information Systems Security  | 800            |                |                | 800            |
| Tech Fee Phase 2  | 200            |                | 200            |                |
| USF Health IT (EPIC Phase 2)  | 800            |                | 800            |                |
| USF Health IT (TBD)   | 800            |                |                | 800            |
| <b><i>Follow-up; Coordinate External Audits</i></b>                         | <u>1,000</u>   |                | <u>500</u>     | <u>500</u>     |
| <i>Subtotal</i>   | 15,900         |                | 7,600          | 8,300          |
| <b><i>Consulting Services</i></b>   |                |                |                |                |
| Special Projects  | 1,400          |                | 1,000          | 400            |
| Emerging Issues - compliance, financial, IT                                 | <u>600</u>     |                | <u>300</u>     | <u>300</u>     |
| <i>Subtotal</i>   | 2,000          |                | 1,300          | 700            |
| <b><i>Investigations @ 10%</i></b>  | 4,127          |                | 2,047          | 2,080          |
| <b><i>Contingency @ 7%</i></b>  | 2,837          |                | 1,377          | 1,460          |
| <b>TOTAL DIRECT SUPPORT</b>   | <b>24,864</b>  | <b>60%</b>     | <b>12,324</b>  | <b>12,540</b>  |
| <b>INDIRECT SUPPORT</b>   |                |                |                |                |
| University Meetings, In-House Training, Professional Orgs<br>Administration | 2,063<br>6,248 |                | 1,023<br>3,108 | 1,040<br>3,140 |
| <b>TOTAL INDIRECT SUPPORT</b>   | <b>8,311</b>   | <b>20%</b>     | <b>4,131</b>   | <b>4,180</b>   |
| <b>OTHER</b>  |                |                |                |                |
| CPE   | 800            |                | 400            | 400            |
| Holidays  | 1,744          |                | 864            | 880            |
| Leave (Annual and Sick)   | 5,553          |                | 2,753          | 2,800          |
| <b>TOTAL OTHER</b>  | <b>8,097</b>   | <b>20%</b>     | <b>4,017</b>   | <b>4,080</b>   |
| <b>TOTAL HOURS AVAILABLE (CAE + 9 STAFF)</b>                                | <b>41,272</b>  | <b>100%</b>    | <b>20,472</b>  | <b>20,800</b>  |

*Approved by the Board of Trustees Audit and Compliance Committee on August 25, 2016*



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