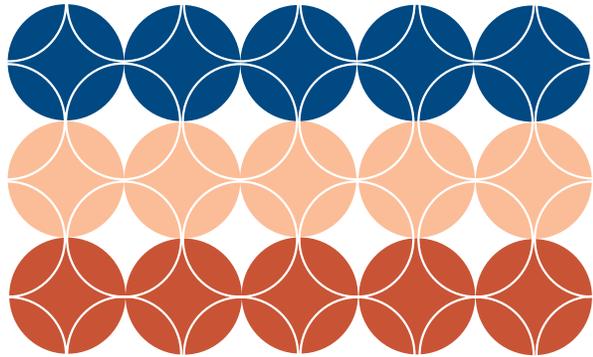


ANNUAL REPORT 2005-06



Office of Audit & Compliance Review

Operational, Financial, Compliance Audits
Management Advisory Services
Special Reviews



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**Message
from the
Chief Audit
Executive**



The 2005-2006 has been a year of significant audit and advisory projects. With the maturation of *myUFL* business processes, process audits with extensive control documentation were initiated during this period. With the first year of the two-year work plan behind us, significant challenges in addressing audit risks of the University of Florida and its affiliated organizations remain.

Maintaining full and effective staffing continued to be the Office of Audit and Compliance Review's (OACR) primary challenge with all time high market demand for audit professionals triggered mostly by the Sarbanes-Oxley legislation. While we successfully recruited for certain key positions during the period, we finished the year with two open positions.

The 2005-2006 year has also been significant for professional service including:

- The Spring Conference jointly organized with the North Central Florida Chapter of the Institute of Internal Auditors,
- Presentation at the International Conference of the Institute of Internal Auditors in Houston,
- Serving on the higher education quality assessment team for Oregon University System,
- Taking various leadership roles in professional organizations and within the University.

In addition to promoting the OACR and its activities, these opportunities provided cost effective educational programs for management and staff.

We welcome 2006-2007 with the OACR's ongoing commitment for exemplary internal audit services and its renewed emphasis to partner in educational programs for the promotion of best fiscal practices for the University and its affiliates.

**Nur Erencuc, CPA, CFE
Chief Audit Executive**

INTRODUCTION

The Office of Audit and Compliance Review (OACR) provides a central point for the coordination of activities that promote accountability, integrity, and efficiency for the University of Florida. The OACR Charter is included on page 15 of this report.

Fiscal year 2005-2006 was the second year of the *myUFL* implementation. As a result, we focused on reviews of major areas with a broad impact such as University Payroll, Travel, Utilities and Cashiering. We completed Information Technology audits and provided significant management advisory assistance as the system stabilized. We continued to provide audit support for the major Direct Support Organizations, UF Foundation and University Athletic Association. We expect to continue to provide proactive assistance as well as post implementation audits to promote good business procedures together with a reasonable level of controls in all areas.



OACR STAFF Standing: Lily Reinhart, Brian Mikell, Jeff Capehart, Craig Reed, Hui Zhou, Vito Hite, Suzanne Newman, Brecka Anderson, Joe Cannella
Seated: Marilyn Velez, Nur Erencuc, Carole Silverman, Chris Bunn

OPERATIONS

Goals and Objectives

A key operational objective for the period was completion of the first year of the 2005-2007 work plan. We directed additional emphasis and resources to the University's direct support and affiliated organizations and closely followed the trends and developments in the application of Sarbanes-Oxley accountability measures to not-for-profit organizations and universities in particular.

Preparations began for the external quality assurance review scheduled for early 2007. IIA standards require external quality reviews of internal auditing offices every five years. To that end, in preparation for our external review, we completed an internal quality assurance review with the assistance of a consultant.

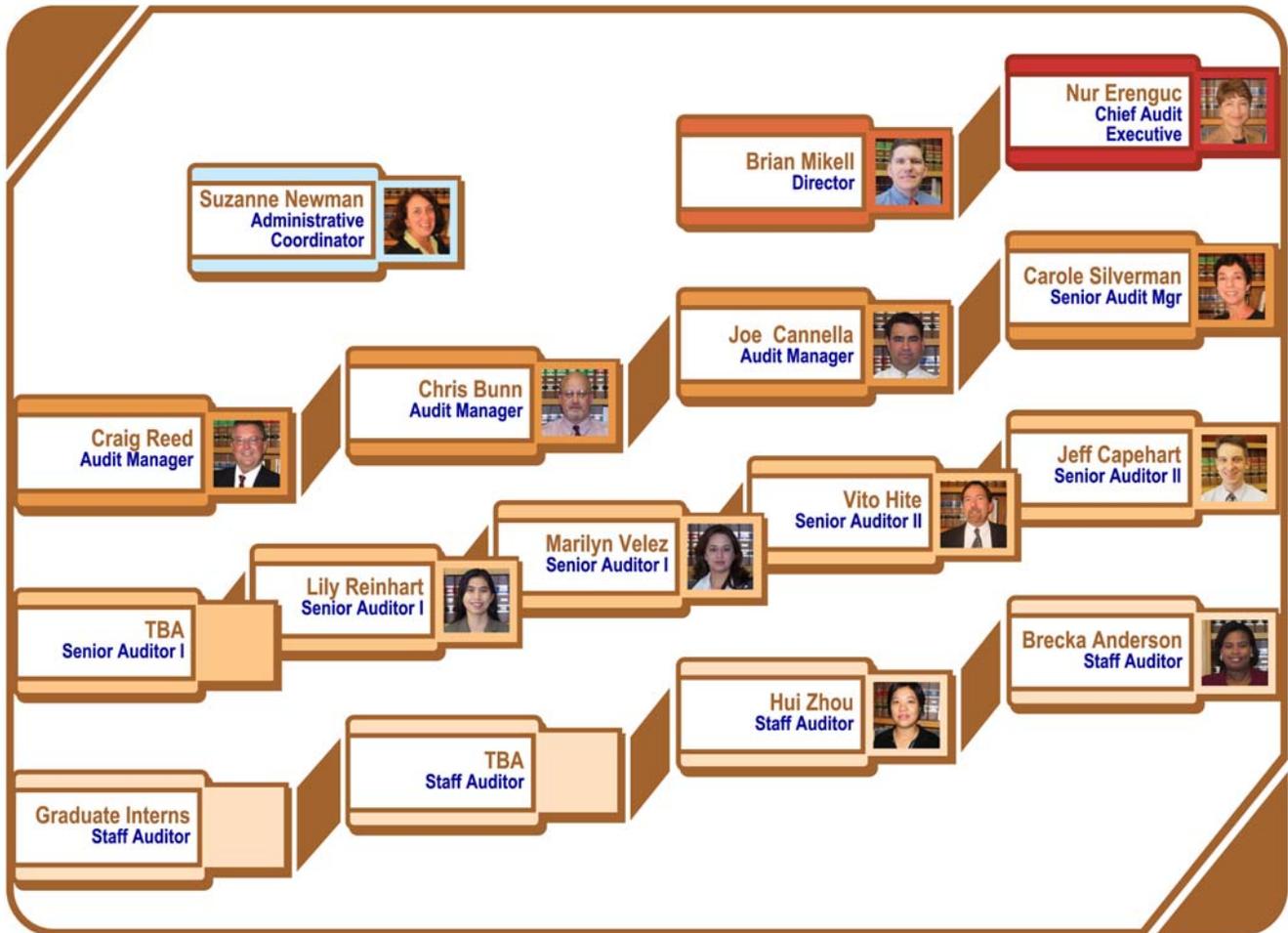
Staffing and Other Resources

During 2005-2006 OACR hired one full-time staff auditor and two part-time graduate assistants. We promoted two staff members into audit manager and senior auditor vacancies. We ended the year with two position vacancies.

We remodeled space in Tigert Hall to accommodate our entire staff. Thus, we closed the Yon Hall office. This was also the first full year of using a new audit workpaper software program which required re-engineering our internal procedures.

To better align audit resources with the University units expecting and supporting audit effort, we continued a funding methodology necessary to meet this need and expectation. We expect to fill the two auditor vacancies in the coming year and add a part-time audit support position. When fully staffed at 14 auditor positions, the OACR will favorably benchmark with its peer organizations and meet the internal audit needs of the University and its support organizations.

OACR ORGANIZATION CHART



Staff Training

Continuing professional education is highly valued and attendance to relevant conferences and seminars is promoted. Since cost-effective training of new staff was a priority, we initiated training for staff members new to auditing or to our office. Additionally, we co-sponsored with the IIA two and a half days of training in Gainesville. Audit and accounting staff from other organizations participated in this training. One staff member completed a master's degree in a relevant field during the fiscal year. **Table 1** reflects a listing of staff participation in formal training programs in 2005-2006.

Table 1-Staff Training

Sponsored by:	Hours	Employees Attending
Institute of Internal Auditors	373	12
University of Florida	229	12
Association of College and University Auditors	105	5
Association of Health Care Internal Auditors	18	1
Florida Institute of Certified Public Accountants	2	1

Budget and Expenditure Analysis

The OACR expenditures by category are illustrated in **Table 2**. Professional staff salaries remain our primary commitment representing 90% of total expenditures. This year, we made one-time commitments to renovate office space in Tigert Hall and to purchase audit workpaper software. These purchases will benefit staff for years to come. We also contracted with a consultant to provide internal quality assessment services in preparation for the external quality assessment review scheduled for 2007. Supplies and communication expenses represented the largest percentage of operating expenses.

Operating Expenses

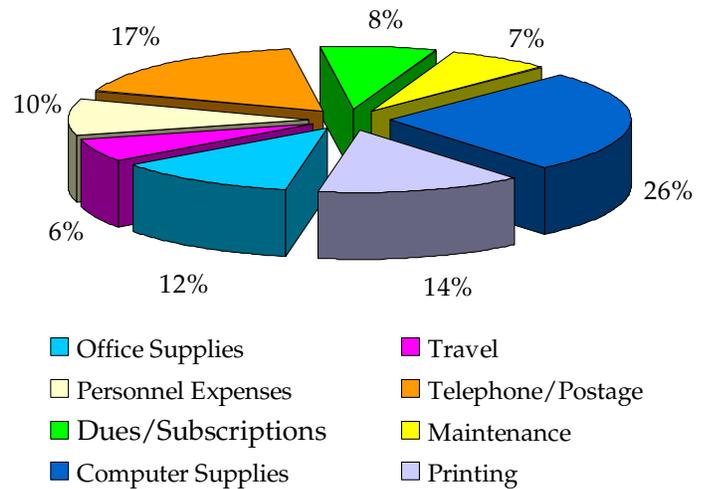


Table 2-Analysis of Expenditures

	2004-2005	2005-2006
Salaries	\$929,524	\$1,058,853
Other Personal Services (OPS)	24,204	21,154
Fixed Assets	12,502	8,879
Operating Expenses	20,673	22,310
Training	18,627	15,602
Renovations	--	20,308
AutoAudit Software Purchase	--	18,075
Consultants	--	4,385
Total	\$1,005,530	\$1,169,566

Time Analysis

Table 3 provides a comparison between time available as planned and actual time available for projects. Even with 299 hours of overtime,

available hours for the period was 11.3% less than planned. This was the result of unanticipated position vacancies. These vacancies had an impact on project progress and completion.

Table 3-Planned/Actual Hours

	PLANNED		ACTUAL	DIFF.
Time Available	(14.5x2,040)	29,580	29,580	
Less: Adjustment for Position Vacancies			(3,404)	3,404
Training/Leave Use/Operational Support		(8,874)	(8,117)	(757)
Total			(11,521)	
Excess hours worked			299	(299)
Time Available for Projects		20,706	18,359	2,348

Time Allocation

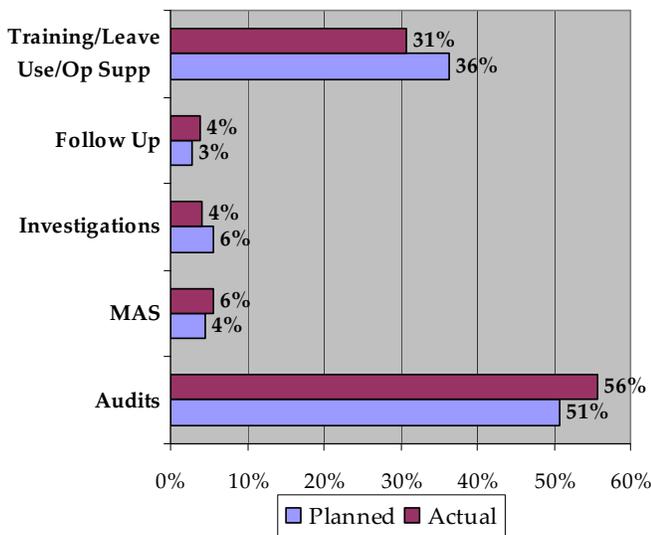
Chart A represents the planned activity mix for total time available for projects and actual effort expended, and **Chart B** provides a comparison between prior year and current allocation of time available for projects. For all categories, actual time did not vary significantly from the plan. In comparison with the prior year, time spent on follow up and investigations was consistent. Management Advisory Services (MAS) was greater in the prior year due to providing advisory services relating to stabilization of the new *myUFL* systems. The decrease in operational support is attributable to the reduction in administrative time spent in recruitment and orientation of new employees. The

increase in audit time is attributable complexity of planned audit projects and greater time spent on audits by less experienced staff.

Direct time percentages are established as a productivity goal for each professional position and for the office as a whole. Direct time excludes administration, service support, leave and training.

Chart C compares direct time achieved in the last two fiscal years. Ongoing emphasis on new staff training was in conflict with the targeted direct time percentage of 72%, which we could not achieve. Procedures were implemented to monitor staff direct time more closely.

**Chart A-Allocation of Total Time
Planned vs. Actual**



**Chart B-Allocation of Time Available
for Projects
Prior vs. Current Year**

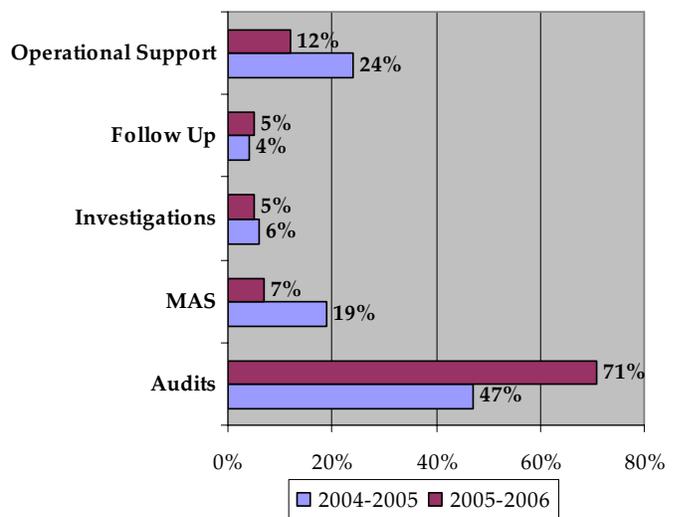
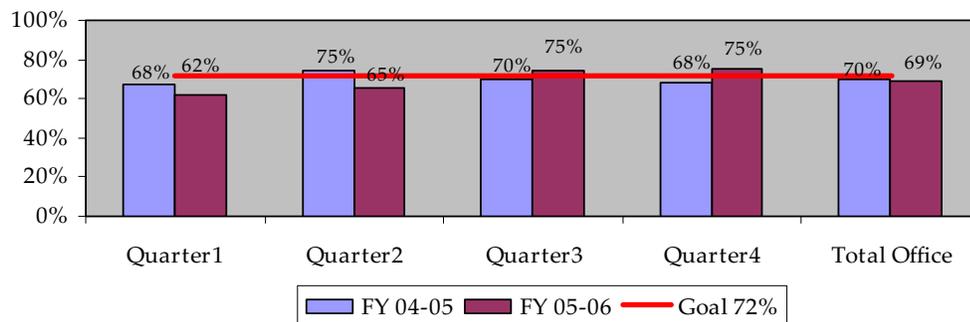


Chart C-Office Direct Time by Fiscal Years



AUDITS AND OTHER PLANNED REVIEWS

Trend Analysis

Table 4 reflects a three-year analysis of projects planned and completed. The work plan includes planned audits and advisory reviews.

Over the last three years, 73 projects were planned and 62 were completed. The upward trend in projects planned is attributable to the continued growth in OACR staff size. The low completion percentage in 2005-2006 is consistent with greater time spent on each project than planned.

During 2005-2006, 71% of available time, or 14,766 hours, was spent on audits. Internal audits were planned based on evaluation of risk and included input from university management.

Trend Analysis of Projects Planned/Completed

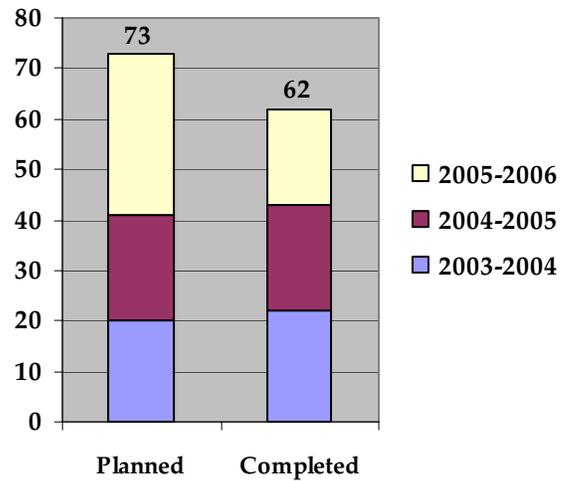


Table 4-Trend Analysis of Projects Planned/Completed

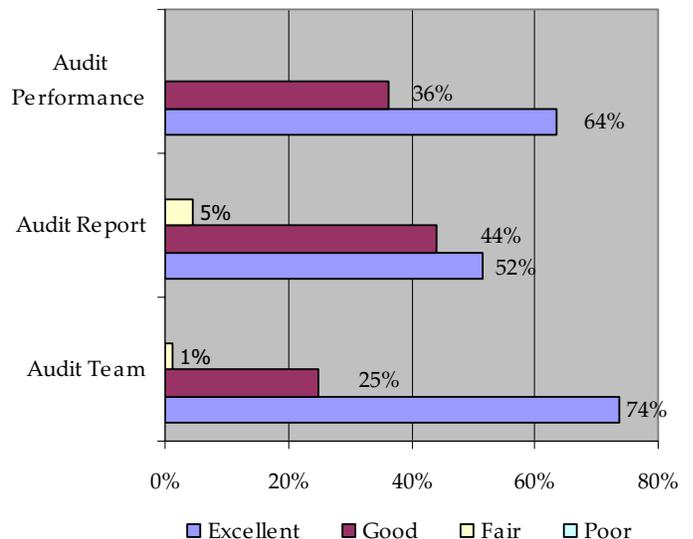
	Planned		Completed		
	Original	Revised	Current	Carry Over	Total
2003-2004	21	20	15	7	22
2004-2005	27	21	17	4	21
2005-2006	34	32	16	3	19*
TOTALS	82	73	48	14	62

* Table 6 lists reports issued this period.

Client Surveys

Client surveys completed at the conclusion of each engagement reflect that OACR services are well received. Ninety-eight percent of survey responses indicated ratings of either good or excellent in all categories.

Client Surveys (11 Responses)



AUDIT REPORT SUMMARIES

The summary of audits issued profiles major engagements completed during the fiscal year. The subjects of the reports illustrate the commitment to proactive and diverse coverage. We conducted audits of major business processes including University payroll, travel, and cashiering. We reviewed internal controls in the Parking, Utilities and Telecommunications auxiliaries. Our information technology audits this year focused on the web-based student course system and information security management at large units. In the research area we looked at the process for procuring and awarding contracts to vendors with scientific or specialized expertise and at the procedure for reporting labor charges allocated to federally funded research projects. We audited Student Government administration and operations emphasizing Activity & Service fee-funded activities. We continued to provide audit services to the Direct Support Organizations at the UF Foundation and University Athletic Association by performing audits and working with their audit committees.

Telecommunications and Cellular Charges

In our audit of the Telecommunications, we determined that telecommunications charges were billed and collected timely and that they were adequately supported at rates that sufficiently covered operating costs. We found that campus units did not always perform sufficient review of charges to determine that only authorized and official business charges were paid. Subsequent to our audit, Telecommunications implemented a billing system that provides a sufficient level of detail to determine if charges are correct. Additionally, we found that departments did not always perform a cost comparison/benefit analysis to support selection of a cellular plan or maintain documentation of the analysis performed. The University Controller agreed to reissue guidelines for monitoring telephone invoices and for cell phone use and charges.

WebCT Vista

We audited the University's online course management system, WebCT Vista. The primary objective of this audit was to determine the adequacy of the internal control system that ensures efficient operation, information security and compliance with applicable governance over WebCT Vista. Under the oversight of the Office of Information Technology, WebCT Vista is effectively providing services to a significant number of students and faculty. In Fall 2005 it was used by approximately 34,000 students and 900 faculty. Opportunities for improvement were identified applicable to change management, a business continuity plan, review of production data and data base administrator training.

University Travel

We audited travel transactions processed through the *myUFL* system for the University of Florida and affiliated organizations such as the University of Florida Foundation. Travel expenditures processed during the 2004-2005 fiscal year exceeded \$28 million. We found internal controls over the processing and accounting for travel to be generally adequate to ensure compliance with established rules, policies and procedures. We noted opportunities for improvement in the monitoring of expense reports and in monitoring for duplicate payments. We also found opportunities for improving the controls over the distribution of travel checks, establishment of travel authorizations and in the procedures for issuing travel advances.



University Athletic Association Gator Sportshop

The objective of this audit was to assess the adequacy and effectiveness of the internal control systems in purchasing and inventory, sales and revenues, payroll and temporary services expenditures and information technology. The Gator Sportshop retail operation, generating revenues in excess of \$2 million per year, was effectively achieving its mission and operational goals in providing a retail outlet for UF fans, students and alumni. The Athletic Association agreed to develop and formally adopt written policies and procedures for the Sportshop in the areas of receiving merchandise, sales and collections, and game-day souvenir stand accountability.

University Cashiering

In the Cashiering audit, we noted that the Cashiering function had adequately designed and implemented controls. As the point of receipt for all University collections, including student fees, accounts receivable and loan collections, the University Cashier collected approximately \$670 million in the 2004-2005 fiscal year. The Cashier provides change, processes collections for deposit, and coordinates the physical transfer of collections from campus units, including credit card payments accepted by over 70 campus entities. Although University directives require that credit and debit/ATM card transactions be deposited by the next business day, we found that some departments did not deposit these transactions timely. Some departments failed to use locked bags when transporting cash between buildings.

University Payroll

The University processed payroll for approximately 25,000 employees, totaling \$1.05 billion, during the 2004-2005 fiscal year. Our audit concluded that internal controls were designed adequately and operating effectively to ensure that payroll is calculated, recorded and disbursed accurately for services performed. Payroll adjustments could be reduced if departments ensure that job actions are processed timely. To that end, an electronic personnel action form (ePAF) will be implemented to enhance the input process.

Additionally, we noted that approving time and reviewing the preliminary paylists prior to finalizing payroll will reduce the volume of incorrect payments to employees. Opportunities were also identified to improve internal controls in role security and access management.

Foundation Gift Collections

We audited university units that collected gifts for deposit with the Foundation. All gifts solicited in the name of and received for the benefit of the University of Florida must be deposited in one of over 5,800 funds administered by the Foundation. We found that written policies and procedures were not clearly communicated regarding gift processing. We also noted that some university units were not making timely deposits or reconciling deposits to Foundation records.



Emerson Hall

Student Government

The scope of Student Government administration and operations audit emphasized accounting for Activity and Service fee funded activities. The controls for Student Government administration and operations were designed adequately and operating effectively. Timeliness of reconciliations with official university records and the clarification for the establishment and use of reserve accounts were comments developed for improving fiscal controls.

Unit-Based Information Security Management

We audited information security management at 25 university units for controls in place over restricted and sensitive data and for compliance with Office of Information Technology's security policies and procedures. While most areas had excellent IT security, improvement opportunities existed campuswide in data backup/recovery procedures which could hamper operations in the event of a disaster, such as a hurricane or fire.

Transportation and Parking

The Transportation and Parking services (TAPS) audit focused on the evaluation of internal controls associated with sales and accounting for revenue, purchasing and disbursement activities and compliance with bonded debt. TAPS is a self-supporting auxiliary responsible for issuing decals for campus parking and collecting fines for parking violations. Operating revenues were nearly \$14 million for the 2004-2005 fiscal year. We found that TAPS achieved their stated mission of providing a customer focused parking program for the University community. Opportunities for improvement were found in the accounting for parking garage revenues, accountability for decal stock, monitoring payroll deduction collections and monitoring fines revenues.

University Utilities

University Utilities, a Physical Plant Department, procures utility services from external vendors, maintains distribution networks, reads meters, collects and disposes of refuse and provides accounting support and coordination for utility services. Our audit concluded that controls were designed adequately and operating effectively to ensure that utility services rates were properly calculated, billed, collected and recorded. Opportunities for improvement communicated to management included improved procedures for monitoring future rate calculations, identification and classification of direct vs. indirect costs, and maintaining adequate reserves.

University Athletic Association Cashiering

The UAA Cashiering office is the focal point for all UAA collections, which totaled over \$27 million for the 6-month period ending March 31, 2006. The Cashier provides change, processes collections for deposits, coordinates the physical transfer of collections from UAA departments and is the custodian of a change fund that ranges from \$45,000 to \$95,000. Our audit concluded that the UAA Cashier's office is effectively achieving its operational goals and has adequately designed controls. Suggestions for improvement included the adoption of formal deposit and reconciliation procedures.

Subrecipient Contracts

Our audit of subrecipient contracting and procurement practices reflected that they were designed adequately and operating effectively. The Division of Sponsored Research reviews, approves and executes contracts to vendors while three campus units, Engineering, IFAS and the Main Contracts and Grants, monitor them. We recommended that the three offices develop a consistent monitoring process and that they develop procedures to improve the processing of contract payments.

Effort Reporting

Effort reporting is mandated by the federal government to verify that labor charges to federally sponsored agreements are reasonable and reflect actual work performed. The Effort Reporting System, currently available through *myUFL*, is designed to capture the information in order to be in compliance with federal standards. We found that the design of the Effort Reporting system needed improvement. The Division of Sponsored Research, Finance and Administration and the Office of the Provost agreed to collaborate to identify the best approach to improve system design. Input from faculty will be solicited in order to determine the best method to emphasize the role of individual researchers in the verification process.

University of Florida Foundation
Application Access Management

This audit evaluated the internal controls in place at the Foundation to manage access to applications and ensure accuracy and integrity of data. We found that controls in general were designed adequately and operating effectively. We identified opportunities for improvement in the request and authorization of role security, and in procedures to ensure the appropriateness of all current users.

University of Florida Foundation
Restricted Gifts

The Foundation serves as the fundraising arm and processing agent of donor’s funds and annually disburses funds to University units for use in accordance with donor intent. Each college or department within the University is responsible for overseeing the administration and proper use of these funds to ensure donor intent compliance. Our audit evaluated the design and effectiveness of controls to promote the use of restricted funds in accordance with donor intent and Foundation policies and procedures. Foundation fund establishment, donor intent communication, and fund use in accordance with donor intent were determined to be generally adequate.

MANAGEMENT ADVISORY SERVICES

OACR is committed to providing proactive, preventive advice on internal controls, operations and compliance. Requests for management advisory services (MAS) usually come from various management levels throughout the University. The information provided through these services assists management in decision making and in improving operations. Results of these types of services are usually communicated through management letters.

OACR actively provides advisory reviews, consulting assistance, training and training tools, and post-audit assistance. The following chart illustrates the MAS types performed and the percentage of time spent.

Effort Distribution



During fiscal year 2005-2006, 1,478 hours were spent on MAS, which represented 7% of available hours. A significant portion of MAS effort was expended on advisory reviews, consultations and general University service and support. Following are summaries of MAS projects and service/support:

Executive Travel and Reimbursements

The objective of this project was to review the effectiveness of processing controls over executive reimbursements and evaluate their propriety and compliance with established policies and procedures. While reimbursements were found to be reasonable and appropriate, we communicated suggestions to enhance processing procedures.

Florida Group Practice Billing

The objective was to review the Florida Group Practice billing format to determine the adequacy of information provided to patient payees. The FGP agreed to reevaluate the current billing format and recommendations were made to assist in making the user statements more “user friendly.”

Health Science Center (HSC) Security Program for Information and Computing Environment (SPICE)

SPICE was designed to protect the security and privacy of information that is managed by the HSC by ensuring that appropriate administrative, technical, and physical safeguards are in place. The program includes policies and procedures that comply with federal security and privacy regulations, state law, and University of Florida IT security policies. In an advisory capacity, we

participated in the SPICE compliance team's efforts to develop a process for recurring evaluation of individual HSC units.

General Consultation Services

During the fiscal year, OACR provided MAS consulting services in response to requests from many University-related entities including, the University President, The Vice President for Finance and Administration, the University of Florida Foundation, the Warrington College of Business and the College of Medicine.

General University Service

General service to the University includes serving on advisory committees such as Sarbanes-Oxley, Auxiliary and Information Technology Advisory Council, as well as time spent serving on search committees for significant University positions.

Newsletter

Quarterly newsletters were distributed campus-wide with regular features that include highlights from projects and campus-wide issues. Copies are available at <http://oacr.ufl.edu>.

Post-Audit Assistance

OACR routinely provides support and guidance on the implementation of planned actions.

INVESTIGATIONS

The OACR receives complaints and allegations of fiscal improprieties from a variety of internal and external sources, including hotline calls, direct correspondence, and referrals from other university offices and state agencies. The investigative reviews conducted by OACR have dual objectives of responding to facts of allegations and addressing relevant fiscal and administrative control weaknesses. Where appropriate, recommendations for improvements of internal controls are communicated to management and are monitored for implementation. In total, 1084 hours, or 5% of available hours were committed to investigative efforts. Investigative efforts performed during 2003-2004 resulted in the

restitution of \$400,000 received by the University during 2005-2006.

Significant issues from investigative reviews are summarized as follows:

Resource Misuse

Concerns were presented to OACR that an employee of the College of Pharmacy used a university owned vehicle for personal benefit. An OACR investigation confirmed the misuse and noted that the employee did not maintain vehicle log records. Recommendation included the maintenance of vehicle log records.

Conflict of Interest

An allegation stated that a College of Dentistry faculty member participated in outside activities undisclosed to the University. It was confirmed that the faculty member participated and received payment for outside activities undisclosed to the University and did not fully record annual leave when involved in these activities. A lack of administrator understanding and compliance with disclosure of outside activities and financial interests policies was identified. This was immediately addressed by the College and leave use records were corrected.

An allegation presented concerns that kickbacks were received in the hiring of consultants at Bridges by an employee with an undisclosed company. Based on OACR review no merit was found to the allegation of an improper compensation arrangement with consultants hired. However, the employee failed to properly disclose to the University outside financial interests. Internal control issues identified during the review included: consultant service purchase in excess of \$50,000 without a contract; use of unencumbered disbursements in consultant service purchase; hiring practices that did not reflect involvement of supervisory staff; and use of a vendor listed in the *myUFL* system to operate as a pass-through in the contracting of independent consultants.

FOLLOW-UP

Audit reports include auditor’s comments and planned actions developed and agreed to by the audit team and management and the estimated time for their implementation. Reports issued by external auditors, including the Office of the Auditor General, contain recommendations for which university management also provides a corrective implementation plan.

Standard 2500, *Standards for the Professional Practice of Internal Auditing*, promulgated by the Institute of Internal Auditors, requires that the internal auditor determine that management has taken appropriate action regarding reported audit comments.

Quarterly follow-up procedures were conducted throughout the year and their results were communicated to University management and the Board of Trustees Audit Committee. For the report period, the OACR staff expended 1,031 hours or 5% of available hours for follow-up reviews.

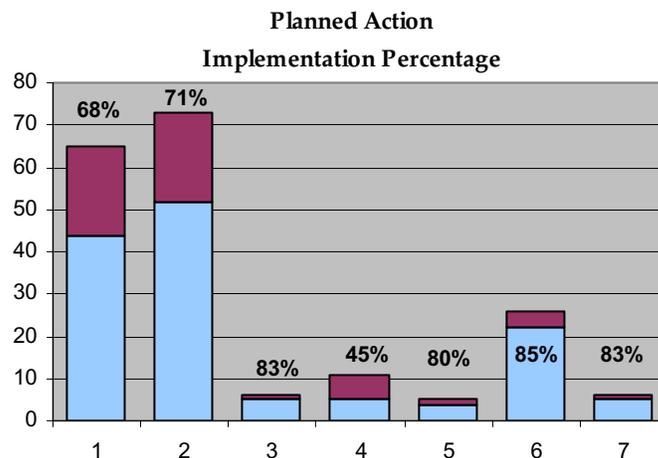
Table 5 summarizes the results of our follow-up activities as of June 30, 2006.

As reflected by the summarized information, implementation percentages for audit recommendations and planned actions were higher this period. Several action plans involved significant information technology and data processing resources for implementation and therefore were not implemented within the anticipated time frame.

Table 5-Follow-Up Activities

Oversight by	Followed Up	Implemented	In process	Not to be Implemented	Percent Implemented	Percent Implemented
						Prior Year
1 Academic Affairs	65	44	18	3	68%	69%
2 Finance & Admin.	73	52	19	2	71%	79%
3 Health Affairs	6	5	1	0	83%	68%
4 IFAS	11	5	6	0	45%	N/A
5 Student Affairs	5	4	1	0	80%	N/A
6 UAA	26	22	4	0	85%	50%
7 UFF	6	5	1	0	83%	86%
Totals	192	137	50	5	71%	68%

The planned action “not to be implemented” generally reflects changing conditions that render the plan obsolete.



OTHER ACTIVITIES

Professional Activities

OACR staff participated in various national initiatives, training, and organizations including:

- Member – Institute of Internal Auditors (IIA)
- Member – Association of Healthcare Internal Auditors (AHIA)
- Member – American Institute of Certified Public Accountants (AICPA)
- Member – Florida Institute of Certified Public Accountants (FICPA)
- Member – Association of Certified Fraud Examiners (ACFE)
- Member – IIA North Central Florida Chapter
- President – IIA North Central Florida Chapter
- Treasurer – IIA North Central Florida Chapter
- Board Member – IIA North Central Florida Chapter
- Program Committee – IIA North Central Florida Chapter
- Planning and Organization – North Central Florida IIA Chapter Spring Conference
- Presenter – North Central Florida IIA Chapter Spring Conference
- Webmaster – IIA North Central Florida Chapter
- Volunteer Instructor – IIA
- Session Facilitator – Large campus audit directors roundtable, Association of College and University Auditors
- Presenter – International Conference of the IIA
- Member – Higher Education Quality Assessment Team for the Oregon University System

- Member – State University Auditors Consortium (SUAC)
- Participant – Florida Audit Forum

University Service

During 2005-2006, OACR members participated in various university-wide initiatives and assignments including:

- Member – Auxiliary Review Committee
- Member – University Information Technology Advisory Committee – Information Security Management (ITAC-ISM)
- Member – University Information Technology Advisory Committee – Network Infrastructure (ITAC-NI)
- Member – Sarbanes-Oxley Committee
- Member – University of Florida Communications Network (UFCN)
- Presenter – Division of Sponsored Research – Research Administration Training Series
- Visitor – University IT Planning Retreat
- Participant – Information Technology Security Awareness day



IIA Spring Conference, Best Western Hotel

Table 6-Reports Issued 2005-06

TITLE	PERIOD	ISSUE DATE	REPORT NO.	PROJECT
Florida Group Practice Billing	As of July 1, 2005	8/8/05	72.200503	MAS
Telecommunications and Cellular Charges	As of April 1, 2005	10/18/05	UF-05-443-22	Internal Audit
WebCT Vista Online Course Management System	As of October 14, 2005	11/4/05	UF-06-472-24	Internal Audit
University Travel	As of June 30, 2005	11/8/05	UF-06-459-11	Internal Audit
UAA Gator Sportshop	As of August 31, 2005	11/30/05	UF-06-456-03	Internal Audit
HSC Security Program for Information & Computing Environment (SPICE)	03/22/05 – 12/7/05	12/14/05	72.200602	MAS
University Cashiering	As of August 1, 2005	1/10/06	UF-06-457-09	Internal Audit
University Payroll	As of November 30, 2005	1/30/06	UF-06-458-10	Internal Audit
Foundation Gift Collections	As of October 31, 2005	2/24/06	UF-06-451-03	Internal Audit
Student Government	As of June 30, 2005	2/28/06	UF-06-461-13	Internal Audit
Unit-Based Information Security Management	As of December 31, 2005	5/12/06	UF-06-474-26	Internal Audit
Transportation & Parking	As of June 30, 2005	5/24/06	UF-06-478-03	Internal Audit
University Utilities	As of March 31, 2006	6/5/06	UF-05-434-13	Internal Audit
UAA Cashiering*	As of March 31, 2006	8/3/06	UF-06-454-06	Internal Audit
Subrecipient Contracts*	As of December 31, 2005	8/22/06	UF-06-465-17	Internal Audit
Effort Reporting*	As of November 30, 2005	9/1/06	UF-06-477-29	Internal Audit
UFF Application Access Management*	As of April 30, 2006	9/6/06	UF-06-450-02	Internal Audit
Executive Travel and Reimbursements*	7/1/05 – 6/30/06	8/21/06	72.200601	MAS
UFF Restricted Gifts*	1/1/05 – 12/31/05	10/06	UF-06-449-01	Internal Audit

*Substantially completed as of June 30, 2006

OACR AUDIT CHARTER

Introduction

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The Office of Audit and Compliance Review (OACR) at the University of Florida administers the internal audit program for the University with the objectives to assist members of the University and the Board of Trustees in the effective discharge of their responsibilities. To this end, the OACR furnishes them with analyses, appraisals, recommendations, counsel, and information concerning the activities and organizations reviewed.

Mission

The Office of Audit and Compliance Review serves the University of Florida and its support organizations, including its direct support organizations and Faculty Practice Plan corporations. It provides a central point for coordination of and oversight for activities that promote accountability, integrity, efficiency, and compliance.

Organization, Independence, Authority

The university president appoints the Chief Audit Executive. The OACR operates under the general oversight of the university president and reports to the Board of Trustees through its audit committee as to the process and content of its reports. This reporting relationship promotes independence and assures adequate consideration of audit findings and planned actions.

In performing its function, the OACR has no direct responsibility or authority over any of the activities it reviews. Therefore, the audit, review and appraisal do not relieve other persons in the university of the responsibilities assigned to them. The OACR is authorized full and unrestricted access to all areas and information sources necessary to carry out its activities. Documents and information provided to OACR staff during an engagement are handled in the same prudent manner as by those employees normally accountable for them.

Professional Standards

The OACR staff members have a responsibility to the interest of those they serve and should refrain from entering into any activity that may create a conflict of interest. They have an obligation of self-discipline above and beyond the requirements of laws and regulations. They should uphold and demonstrate qualities of

integrity, honesty, loyalty, morality, dignity, and confidentiality consistent with the Institute of Internal Auditors Code of Ethics. The Institute's Standards for the Professional Practice of Internal Auditing shall constitute the operating procedures for the Office.

Duties and Responsibilities

- (a) Conduct and coordinate audits, investigations, and management reviews relating to the programs and operations of the university and its support organizations.
- (b) Conduct, supervise, or coordinate other activities carried out or financed by the university for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.
- (c) Receive complaints and coordinate all activities of the University as required by the Whistle-blower's Act pursuant to Sections 112.3187-112.31895, Florida Statutes.
- (d) In accordance with the University's Policy on Fraudulent and Dishonest Acts, receive and consider complaints that do not meet the criteria for an investigation under the Whistle-blower's Act and conduct, supervise, or coordinate such inquiries, investigations, or reviews as appropriate.
- (e) Keep the University president, vice president for finance and administration, management and the audit committee for the University's Board of Trustees informed concerning fraud, abuses, and internal control deficiencies relating to programs and operations, initiate corrective actions, and report on the progress made in implementing corrective actions.
- (f) Ensure effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies and external auditors with a view toward avoiding duplication.
- (g) Review, as appropriate, rules and procedures relating to the programs and operations of the university and make recommendations concerning their impact.

In the performance of these services, Office of Audit and Compliance Review will ensure that an appropriate balance is maintained between audit, investigative, and other activities. Detailed operational procedures for the OACR will be established and presented for the approval of the president and the audit committee.

CONTACTS & RESOURCES

The Office of Audit & Compliance Review works collaboratively and cooperatively with many other offices. Below is a partial listing of the contacts and resources used frequently.

State Auditor General

<http://www.state.fl.us/audgen/>
Gainesville Office: (352) 334-1740
Campus Office: (352) 392-5255

FL Department of Financial Services

Consumer Helpline: 1-800-342-2762
Get Lean Hotline: 1-800-GET LEAN
www.fldfs.com

University Controller's Office

<http://fa.ufl.edu/uco/>
(352) 392-1321

Board of Governors

<http://www.fldcu.org/>

UF Board of Trustees

<http://www.trustees.ufl.edu/>

Health Science Center Compliance

<http://www.med.ufl.edu/complian/>
(352) 265-8359

Division of Sponsored Research

<http://rgp.ufl.edu/research/>
(352) 392-1582

Institutional Review Board

<http://irb.ufl.edu/>

University Contracts & Grants

<http://fa.ufl.edu/cg/>
(352) 392-1235

IFAS Sponsored Programs

<http://grants.ifas.ufl.edu>
(352) 392-2356

Engineering Contract & Grants

<http://www.eng.ufl.edu/home/cng/>
(352) 392-6626

University Athletic Association

<http://www.uaa.ufl.edu/>
(352) 375-4683

Equal Opportunity Programs Office

<http://www.hr.ufl.edu/eeo/default.htm>
(352) 392-6004

University Ombudsman

<http://www.ombudsman.ufl.edu/>
(352) 392-1308

University General Counsel

<http://www.generalcounsel.ufl.edu/>
(352) 392-1358

University Police Department

<http://www.police.ufl.edu/>
(352) 392-1111

Shands Auditing

(352) 265-7969

University Vice President for Human Resources

<http://www.hr.ufl.edu/>
(352) 392-1075

University Vice-President for Finance & Administration

<http://www.admin.ufl.edu/>
(352) 392-1336

