Internal control issues in research settings

We bring the following reminders from recently completed reviews involving research settings:

Accountability controls – Tracking, safeguarding and managing use and disposition of resources are as important for critical and high-dollar internally-developed assets as they are for externally-purchased resources.

We reviewed situations where physical controls over research work products of considerable investment and/or potential market value had not been adequately established.

We encourage all departments to evaluate whether improvements to physical accountability are needed for significant assets developed through research that have not been otherwise captured, such as by the university property system. These controls may include inventory of the developed assets and authorization procedures for removal of assets from UF.

Time worked – UF ownership of work products incorporates investments of employee time and effort. The underlying employment relationships are governed by rules which include UF policies, federal fair labor laws and collective bargaining agreements.

Proper tracking and reporting of hours is critical as the shared responsibility of supervisor and employee (Employee Handbook at http://www.hr.ufl.edu/handbook/timeworked.htm). Actual time worked should be accurately captured by time cards for employees subject to time cards.

Volunteers - In accordance with UF Rule 6Cl-3.0031 (www.aa.ufl.edu/aa/Rules/30031.htm), volunteer efforts should be structured and tracked. Volunteering in capacities similar to normal work status and subsequently receiving compensation for volunteer efforts is inappropriate and may violate not only UF procedures but laws and external regulations as well.
We completed an operational audit of the graduate admissions process. This process handled about 14,000 applications this fall. It was streamlined in November 2001 to require front-end screening at the college/department level before processing at the university level. The system allows for competitive candidates to be prioritized and electronically referred for review by Graduate Admissions.

We evaluated internal controls over processing and the integrity of the electronic referral system. Among positives, we noted efficiencies at Graduate Admissions and more timely decision-making at the college/department level. We provided recommendations to improve coordination between Graduate Admissions and colleges/departments and to improve electronic formats.

**Eminent scholar funds**

The state eminent scholar program is designed to recruit and fund stellar scholars through private donation and state matching funds. The program is governed by 240.2605 Florida Statutes and 6C-9.019 Florida Administrative Code. Each eminent scholar chair may also have restrictions established by the private donor.

Eminent scholar chair funds are maintained at the Foundation (UFF) and administered through the colleges. Through recent audit of an eminent scholar chair, we found that those charged with the fund administration were not adequately involved or sufficiently familiar with state and donor restrictions on use. Among other things, we recommended improvements to budgeting and authorization procedures for expenditures.

Eminent scholar guidelines are available through UFF. These guidelines and the specific fund restrictions will be disseminated annually to the deans and fund administrators responsible for the eminent scholar funds.