



Board of Trustees Audit & Compliance Committee

Tuesday, February 23, 2021

12:10 – 1:00pm

Microsoft Teams Virtual Meeting

Trustees: Sandra Callahan, Chair; Oscar Horton, Shilen Patel

A G E N D A

- I. Call to Order and Comments



























# Preeminence

## Prior Year's Results

- Inadequate system of internal controls in place over the remaining three metrics which relied on data from the National Science Foundation (NSF) Higher Education Research & Development (HERD) survey
- Two high risks identified impacting reported performance;







## MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs  
Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability

FROM: Virginia L. Kalil, CIA, CISA, CFE, CRISC  
Executive Director/Chief Internal Auditor

DATE: February 15





















































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**RESEARCH AND INNOVATION**  
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**Agenda Item: IVa**

**USF Board of Trustees**  
**Audit & Compliance Committee**  
**February 23, 2021**

**Issue:** University and DSO Independent Audit Findings Report

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**Proposed action:** Informational

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**Executive Summary:**

The Independent Audit Findings Report describes audit findings and auditor recommendations, and management's responses and correction status.

The University and DSOs will receive a total of 16 audits from independent auditors for the fiscal year ended June 30, 2020.

Since June 30, 2020, 13 audits have been received:

- No Findings in the University or USF Auxiliary June 30, 2020 Audited Financial Statements Received to Date
- 1 Finding in the 7 DSO June 30, 2020 Audited Financial Statements Received to Date
- No Findings in the USF Health and Education International Foundation's (Related Party of HPCC DSO) or the USF Health Services Support Organization, Inc.'s June 30, 2020 Audited Financial Statements

Three audit reports for the fiscal year ended June 30, 2020 have not yet been issued:

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**UNIVERSITY OF SOUTH FLORIDA**

**UNIVERSITY OF SOUTH FLORIDA and RELATED ENTITIES**  
**Independent Audit Findings**  
**Status Report to the BOT Audit & Compliance Committee – February 23, 2021**

**NEW FINDINGS**

USF Entity and Audit Report	Audit Finding	Auditor Recommendations	Management’s Response to Auditor	Current Status of Finding	Target Completion Date
<p><b><u>USF RESEARCH FOUNDATION</u></b>                       2020 Audit of Internal Control over Financial Reporting</p>	<p><b><u>Material Weakness</u></b>                       Internal Controls over the Allocation of Cash for Aggregate Remaining Funds Opinion Unit (Fiduciary Funds)</p>	<p>The Research Foundation would benefit from improving the reconciliation and review process for cash disbursements and inter-entity allocation to ensure funds held in trust are not spent contrary to the intended use. Improvements in this process would also result in management being able to transfer funds from the Research Foundation’s money market account, which had sufficient funds to cover this deficit, in a timely manner. The Research Foundation would also benefit from the use of a separate bank account for cash held in trust for the fiduciary entities to help maintain proper segregation of funds.</p>	<p>As a result of this audit, management has a better understanding of GASB requirements for the accounting of fiduciary funds. Management will ensure that a minimum cash balance is maintained in the operating bank account at all times which would be sufficient for the sum of fiduciary funds cash balances. At no time has the Research</p>		

**UNIVERSITY OF SOUTH FLORIDA**



**UNIVERSITY OF SOUTH FLORIDA and RELATED ENTITIES**  
**Independent Audit Findings**  
**Status Report to the BOT Audit & Compliance Committee – February 23, 2021**

**SUMMARY OF ENTITIES REVIEWED FOR AUDIT FINDINGS**

USF Entity	Audit Due Date (Month and Day)	Current Audit Findings	Previous Audit Findings	Audit Firm
University of South Florida	Determined by Auditor General	Report Not Yet Issued	No Findings	State of Florida Auditor General

USF Operational Audit (Issued every 2 years)

**Agenda Item: IVb**

**USF Board of Trustees**  
Audit & Compliance Committee  
February 23, 2021

**Issue:** Annual Compliance Certifications of Direct Support Organizations

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**Proposed action:** Informational

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**Executive Summary:**

President, and (3) the Chief Financial Officer or individual with overall responsibility for financial operations.

The University will receive Annual Compliance Certification Statements for the 10 DSOs for the fiscal year ended June 30, 2020 (2 are reported on a consolidated basis). Since June 30, 2020, Certification Statements have been received for 8 DSOs.





