



Board of Trustees Audit & Compliance Committee

Tuesday, August 27, 2024

Microsoft Teams Virtual Meeting

Trustees: Sandra Callahan, Chair; Oscar Horton, Lauran Monbarren

A G E N D A

- I. Call to Order and Comments Chair Sandra Callahan
- II. Public Comments Subject to USF Procedure Chair Callahan
- III. New Business – Action Items
 - a. [Approval of May 14, 2024, Meeting Notes](#) Chair Callahan
 - b. [Approval of FY25 Internal Audit Work Plan](#) Chief Internal Auditor, Virginia Kalil
- IV. New Business – Information Items
 - a. [Internal Audit Annual Report 2023-24](#) Chief Internal Auditor, Virginia Kalil
 - b. [Foreign Annual Travel Report 2023-24](#) Director, Research Integrity & Compliance
Dr. Jason “Jay” Ramage
 - c. [University and DSO
Independent Audit Findings Report](#) Chief Financial Officer, Jennifer Condon
- V. Adjournment Chair Callahan



**USF Board of Trustees
Audit & Compliance Committee
NOTES
May 14, 2024
Microsoft Teams Virtual Meeting**

I. Call to Order and Comments

The meeting of the Audit & Compliance Committee was called to order by Chair Callahan. Chair Callahan asked Kiara Guzzo to call roll. Ms. Guzzo called roll with the following committee members present: Sandra Callahan, Oscar Horton and Lauran Monbarren. 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 20, 2024 Meeting Notes

Upon request and receiving no changes to the meeting notes, Chair Callahan requested a motion for approval. Trustee Horton made the motion which was seconded by Trustee Monbarren and the February 20th meeting notes were unanimously approved as written.

IV. New Business – Audit & Compliance Committee Information Items

a. USF/DSO Independent Audit Reports

Jennifer Condon, Chief Financial Officer, presented information item IV(a): University and DSO Independent Audit Finding Report. The Independent Audit Findings Report describes audit findings and auditor recommendations, and management’s responses and correction status.

The University and DSOs received a total of 16 audits from independent auditors for the fiscal year ended June 30, 2023. The reports containing findings include the following:

- 1 Finding in the University of South Florida June 30, 2023 Audited Financial Statements – CLOSED as of March 21, 2024
- 1 Finding in Statewide Audit of Bright Futures and Florida Assistance Grants – PARTIALLY COMPLETED; expect to be closed June 1, 2024
- 1 Exception in the USF Intercollegiate Athletics Program Independent Auditor’s Report – CLOSED as of February 8, 2024

In March, the University's financial audit was released. The audit report includes an independent audit report on internal controls over financial reporting and other matters which identified a significant deficiency related to procurement card controls. The auditors recommended that the university continue efforts to enhance controls over the accountability for and use of university pcards. USF implemented these enhanced

USF BOT ACC Notes, May 14, 2024

internal controls prior to the issuance of the audit report and recommendations. This matter has been closed by management.

In April, the statewide audit report on the administration of the Bright Futures Scholarship program and Student Assistance Grants Program was released. The audit report, which covered both fiscal years 2022 and 2023, cited USF for delayed refunds back to the Bright Futures program for courses that students dropped or withdrew from after the end of the drop and add period. The refunds, which approximated \$142,000, were all made to the Bright Futures program. They were just delayed. It should be noted that the \$142,000 is on a population of \$120 million over the two fiscal years. USF already enhanced internal control procedures to ensure the timely refund of these scholarship funds through accelerated reconciliation on the fund to 30 days, which exceeds the state required 60 days. USF is also in the process of hiring a fiscal position within the Office of Financial Aid that will be dedicated to reconciliation duties. This recommendation is listed as partially corrected because while controls were enhanced, the new employee is not yet on board. This recommendation should be closed at the next meeting.

The final issue to report on is related to the agreed upon procedures for the USF Intercollegiate Athletics program. This report was received in February and noted one exception for one of the 34 student athletes selected in that the aid in the student system was less than the student aid detailed in another system. This was an administrative matter and did not impact the amount of aid provided to the athlete. USF has improved processes to include regularly scheduled reviews to catch any discrepancies. These procedures were implemented prior to the date of the report, so the matter has been closed by management.

Jennifer Condon then concluded with a review of the collective report that shows the audit findings that were received during the prior and current years. It was noted that only one exception is still open, and that was the Bright Futures finding previously discussed.

b. 2023 Compliance & Ethics Annual Report

Stefen Sloane, Associate Compliance Officer, presented information item IV (b): 2023 Compliance & Ethics Annual Report. The annual report summarized the activities of the Office of Compliance & Ethics (OCE) during the calendar year 2023. This report fulfills an annual reporting requirement pursuant to BOG regulation 4.003 and was provided to the committee in accordance to the BOT-ACC approved OCE Program Plan. In addition, the OCE also submitted a copy of the annual report to the Florida Board of Governors (BOG).

In calendar year 2023, OCE had several organizational changes, as represented on the organizational chart with red text. OCE hired two new team members in Title IX, one new member in healthcare privacy and three new members in Athletics. Moreover, OCE hired a new Associate Compliance Officer, Stefen Sloane and the inaugural Foreign Influence Compliance Officer, Jorge Rodriguez. There were also changes to the accountable reports to the Chief Compliance Officer, Caroline Fultz-Carver, including the Director of Environmental, Health and Safety, Krystal Sullivan, and the HR Compliance Officer, Dr. Alexis Mootoo.

USF BOT ACC Notes, May 14, 2024

Mr. Sloane presented highlights from the 2023 OCE Annual Report, including: Foreign Influence Compliance, Enterprise Risk Management, the Partner with Privacy Initiative, eDisclose, and EthicsPoint.

OCE established a Foreign Influence Compliance Program. USF was the first in the State University System (SUS) to have a dedicated, full-time Foreign Influence Compliance Officer. This employee was charged with the development and implementation of a centralized Foreign Influence Compliance Program. The Foreign Influence Compliance program is responsible for providing assurance to the USF-BOT for compliance with requirements pursuant to the U.S. Department of Education and the State of Florida Foreign Influence laws. USF's Foreign Influence Compliance program is involved in screening applicants for research positions; reporting foreign gifts to and contracts with USF; reporting grants, partnerships, and agreements with Foreign Countries of Concern, including employment agreements; reporting international cultural agreements; and researchers outside activity and financial interest reviews.

OCE modernized USF's Enterprise Risk Management (ERM) program, by transitioning away from paper-based methods and leveraging technology, enabling real-time risk voting and footprint creation. PowerBI is being used as a tool for dynamic visualization, providing risk owners with a better understanding of associated risks. Moreover, USF has updated the overall ERM processes based on industry standards and best practices and aligned standardized risk types with the Association of College and University Auditors Risk Dictionary in collaboration with Internal Audit. Further, USF strengthened its risk oversight governance structure via the establishment of a Risk Committee.

OCE launched the Healthcare Privacy Initiative, managed by the Privacy and Healthcare Civil Rights Compliance program. This initiative enhanced education of all levels of the organization on the benefits of partnering with Privacy Compliance to proactively develop and implement HIPAA compliance solutions. This included outreach, trainings, and relationship building with compliance partners, such as: both virtual and in-person meetings, lunch-and-learn events, and monthly privacy tips to reduce common HIPAA-related privacy errors. Additionally, privacy topics are now presented on a more frequent basis at new team member orientations.

OCE monitored employee compliance with annual disclosure requirements pursuant to the Florida Code of Ethics (FCOE), which are submitted in the eDisclose system. USF's overall compliance rate in 2023 was 99%; both USF Sarasota-Manatee and USF St. Petersburg campuses were at 100%, and USF Tampa was at 99%. This was the highest rate of compliance in USF history.

During 2023, OCE addressed 128 EthicsPoint reports. Of these 110 were closed and 18 remained open. Of the closed reports, 30 were substantiated, 66 were unsubstantiated and 14 were referred.

c. Antifraud Framework Annual Status

Virginia Kalil, Chief Internal Auditor, presented information item IV (c): Antifraud Framework Annual Status. Ms. Kalil began by wishing everyone a happy Internal

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Audit Awareness month, as May is recognized as the month for promoting the positive impact internal audit makes on organizations around the world. The report was presented in accordance with the BOG regulation 3.003, Fraud Prevention and Detection, which requires that the status of the University's Antifraud Framework is reported to the BOT, at least annually; this is the second status to be reported to the Board. Ms. Kalil noted the university community believes fraud prevention and detection is important because it is the right thing to do; they want to be good stewards of the resources entrusted to them. Ms. Kalil noted the specific BOG and University have regulations and policies that outline expectations related to fraud prevention and detection, including: BOG Regulation 3.003: Fraud Prevention and Detection, USF Regulation 5.001: Fraud Prevention and Detection, and USF Policy 0-023, Internal Controls.

Ms. Kalil then noted the four key components of the University's Anti-Fraud Framework, which included: Tone at the top; Assessment of risks; Processes & systems; and Continuous improvement. The framework includes a commitment to creating an organizational culture and structure conducive to fraud risk management through awareness, training, and a tone at the top. This is where a zero-tolerance culture for unethical and fraudulent activity is cultivated.

Ms. Kalil then highlighted the antifraud activities performed thus far during the fiscal year, including risk assessments, the rollout of the University's newly revamped enterprise risk management process, EthicsPoint hotline investigations, recommendations and follow up of corrective actions related to recovery of losses and remediation of improvements, human resources system upgrade, and the fraud awareness initiative.

Ms. Kalil indicated the internal audit antifraud awareness program kicked off about 18 months prior with a goal to educate and empower the USF community to recognize the red flags of fraud, to understand their reporting responsibilities, and then ultimately, to report suspected fraud. Key components included on-demand presentations, in leadership and staff meetings, including all three campuses as well as a variety of colleges and DSO's. Also, fraud flash reports distributed monthly via email regarding emerging fraud topics and trends. Since the last board status, 12 flash reports have been issued.

Additionally, webinars utilizing external experts to speak to the USF community on fraud were hosted. During the last 12 months, two webinars that included 419 attendees coming from 32 different units across the university were hosted. Cyber Florida and the FBI were partners in these webinars.

Next, Ms. Kalil highlighted the fiscal year 2024 summary of investigations, as of April 30, 2024 which included 47 cases of which 33 had been closed. Of the closed, 13 only needed limited investigative support. Of the remaining 20 closed investigations, nine were determined to be founded. Most of the nine founded reports fell in the area of conflict of interest. Fiscal mismanagement and asset misappropriation were also areas of founded concerns.

Lastly, Ms. Kalil outlined how to report fraud, which included contacting the EthicsPoint hotline, reporting the incident to management, or reaching out to the Office of Internal Audit.

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V. Adjournment

Having no further business, Chair Callahan adjourned the Audit & Compliance Committee meeting.

Agenda Item: III.b

USF Board of Trustees
August 27, 2024

Issue: USF Internal Audit (IA) Work Plan for FY 2025

Proposed action: Approval of the IA Work Plan and allocation of available staff hours.

Executive Summary: In accordance with the USF IA Charter, the USF Board of Trustees' Audit and Compliance Committee and the President have the responsibility to review approve the IA Work Plan. Additionally, the Global Internal Audit Standards, Board of Governors' regulations, and the IA Charter require the Chief Audit Executive to communicate the plans and resource requirements to senior management and to the board for review and approval.

The Board should consider whether the IA Work Plan is aligned with USF's strategic plans, objectives, and enterprise risk. Consider whether this plan optimizes the use of IA 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; fraud detection; and process improvement.

Financial Impact: N/A

Strategic Goal(s) Item Supports: To practice continuous visionary planning and sound stewardship throughout USF to ensure a strong and sustainable financial base, and to adapt proactively to emerging opportunities in a dynamic environment.

BOT Committee Review Date: 08/27/2024

Supporting Documentation Online (please circle): Yes No

FY25 USF IA Work Plan Overview 20240827 FR.pdf

FY25 USF IA Work Plan 20240816 DR.pdf

Prepared by: Virginia Kalil, Executive Director/Chief Internal Auditor, USF Internal Audit



Internal Audit Work Plan Fiscal Year 2025

Virginia L. Kalil

Executive Director/Chief Internal Auditor

Audit & Compliance Committee | August 27, 2024



Introduction

The Office of Internal Audit (IA) provides the University of South Florida (USF) and its direct support organizations (DSO) with independent and objective assurance and advisory services to assist them in effectively and efficiently achieving their strategic goals by evaluating and improving risk management, control, compliance, and governance processes. These services add value and promote stewardship, accountability, integrity, efficiency, and compliance. In order to facilitate these services, IA develops a risk-based work plan to ensure internal audit resources are appropriate, sufficient, and effectively deployed.

Professional Standards

Professional auditing standards¹ require the Chief Audit Executive (CAE) to establish an internal audit plan that supports the achievement of the organization's objectives. The CAE must base the internal audit plan on a documented assessment of the organization's strategies, objectives, and risks. The CAE must then communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.

Risk Assessment

In developing the risk-based plan, IA consults with senior management, the board, and other internal risk professionals (Compliance, Risk Management, Information Security, Legal, Human Resources, Police, etc.) to obtain an understanding of the organization's strategies, key business objectives, associated risks, and risk management processes.

Resources

Once the risk assessment is complete, projects are identified and prioritized in the areas of highest risk and interest (board, senior management, IA). Project hours are then estimated and aligned with available resources. Use of external auditing services may also be considered to supplement planned resources as deemed necessary.

Plan Highlights

The work plan for fiscal year 2025 will include coverage of data integrity, foreign influence, information technology (IT), stadium construction, and the DSOs. In addition, IA will provide advisory services related to fraud awareness, foreign influence, risk management, implementation of the new Human Capital Management system, and emerging risks.

¹ *Global Internal Audit Standards – Standard 9.4 Internal Audit Plan.*

Allocation of Time

Type of Service	Total	% of Total	Description
Risk-Based Engagements			
Assurance	2,600	9%	Audits of operations and processes to address identified risks
Advisory	1,980	7%	Consulting services requested or identified
Direct Support Organizations	4,300	15%	Direct support organization assurance and advisory engagements
Required Engagements	1,700	6%	Engagements required by statute, external entities, policies, etc.
Investigations	2,700	9%	Hours reserved for investigations, EthicsPoint complaints, and special projects
Follow-up	600	2%	Follow-up on management action plans from prior engagements
General & Administrative			
New IIA Standards	250	1%	Integration of new standards
Personnel Management & Quality Review	10,810	37%	Leave, Holiday, Training, Administrative Activities, Quality Assurance Program
Recruitment & Onboarding	200	1%	Talent search, hire, and integration
Vacancy	2,080	7%	Estimate of potential loss of resource
Contingency	1,900	6%	Reserve
	29,120	100%	

University Planned Engagements

- Performance-Based Funding Data Integrity
- Preeminence Data Integrity
- Foreign Influence-Screening Foreign Researchers
- Foreign Influence – Screening Foreign Travel
- Foreign Influence – Gifts and Contracts
- Cloud Computing
- Decentralized IT
- Network Infrastructure
- IT Change Management
- Construction of Football Stadium
- Human Capital Management System Implementation
- Risk Management Insurance
- Emerging Risks

Direct Support Organization Planned Engagements

- Accounting & Other Procedures
- Cybersecurity Maturity Model Certification (CMMC)
- Data Privacy
- Donor Intent
- Funds Flow Financial Operations
- Insurance
- Intellectual Property
- Managed Care
- Procurement Card
- Preeminence
- Revenue Cycle Operations
- Travel Expenditures





INTERNAL AUDIT WORK PLAN

University of South Florida
Fiscal Year 2025



UNIVERSITY of
SOUTH FLORIDA
Office of Internal Audit

Introduction

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Plan Highlights

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¹ Global Internal Audit Standards – Standard 9.4 Internal Audit Plan.

Work Plan Fiscal Year 2025

Type of Service	Total	% of Total	Description
Risk-Based Engagements			
<i>Assurance</i>	2,600	9%	Audits of operations and processes to address identified risks
Construction of Football Stadium			
Decentralized IT			
Cloud Security/Computing			
IT Change Management			
Network Infrastructure			
<i>Advisory</i>	1,980	7%	Consulting services requested or identified
Foreign Influence-Gift and Contracts			
Risk Management Insurance			
Human Capital Management System			
Emerging Risks			
<i>Direct Support Organizations</i>	4,300	15%	Direct support organization assurance and advisory engagements
Required Engagements	1,700	6%	Engagements required by statute, external entities, policies, etc.
PBF Data Integrity			
Preeminence Data Integrity			
Foreign Influence-Screening Foreign Travel			
Foreign Influence-Screening Foreign Researchers			
Investigations	2,700	9%	Hours reserved for investigations, EthicsPoint complaints, and special projects
Follow-up	600	2%	Follow-up on management action plans from prior engagements
General & Administrative			
New IIA Standards	250	1%	Integration of new standards
Personnel Management & Quality Review	10,810	37%	Leave, Holiday, Training, Administrative Activities, Quality Assurance Program
Recruitment & Onboarding	200	1%	Talent search, hire, and integration
Vacancy	2,080	7%	Estimate of potential loss of resource
Contingency	1,900	6%	Reserve
	<u>29,120</u>	<u>100%</u>	

DRAFT

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Agenda Item: IV.a

**USF Board of Trustees
Audit & Compliance Committee
August 27, 2024**

Issue: USF Office of Internal Audit (IA) Annual Report for 2023-24

Proposed action: Informational

Executive Summary:

The revised IA Work Plan for fiscal year 2023-24 was approved by the Audit & Compliance Committee on November 16, 2023. This Annual Report describes the internal audit, consulting, and investigative activities and allocation of resources as compared to the approved Work Plan.

In FY 2024, the audit team completed 15 audits (18 reports), 1 advisory project, and 45 investigations. Audit project summaries are included in the report. Additionally, semi-annual reports were produced summarizing the status of management's implementation of IA's recommendations.

As part of the department's Quality Assurance and Improvement Program (QAIP), internal assessments performed throughout the year confirmed IA's conformance with the Institute of Internal Auditors' International Standards for the Professional Practices of Internal Auditing, Code of Ethics, and Core Principles.

Financial Impact: N/A

Strategic Goal(s) Item Supports: To practice continuous visionary planning and sound stewardship throughout USF to ensure a strong and sustainable financial base, and to adapt proactively to emerging opportunities in a dynamic environment.

BOT Committee Review Date: 08/27/2024

Supporting Documentation Online (please circle): Yes No

2023-24 Annual Report Overview 08272024 FR.pdf

2023-24 Internal Audit Annual Report 08272024 FR.pdf

Prepared by: Virginia Kalil, Executive Director/Chief Internal Auditor, USF Internal Audit



Internal Audit Annual Report 2023 - 2024

Virginia L. Kalil

Executive Director/Chief Internal Auditor

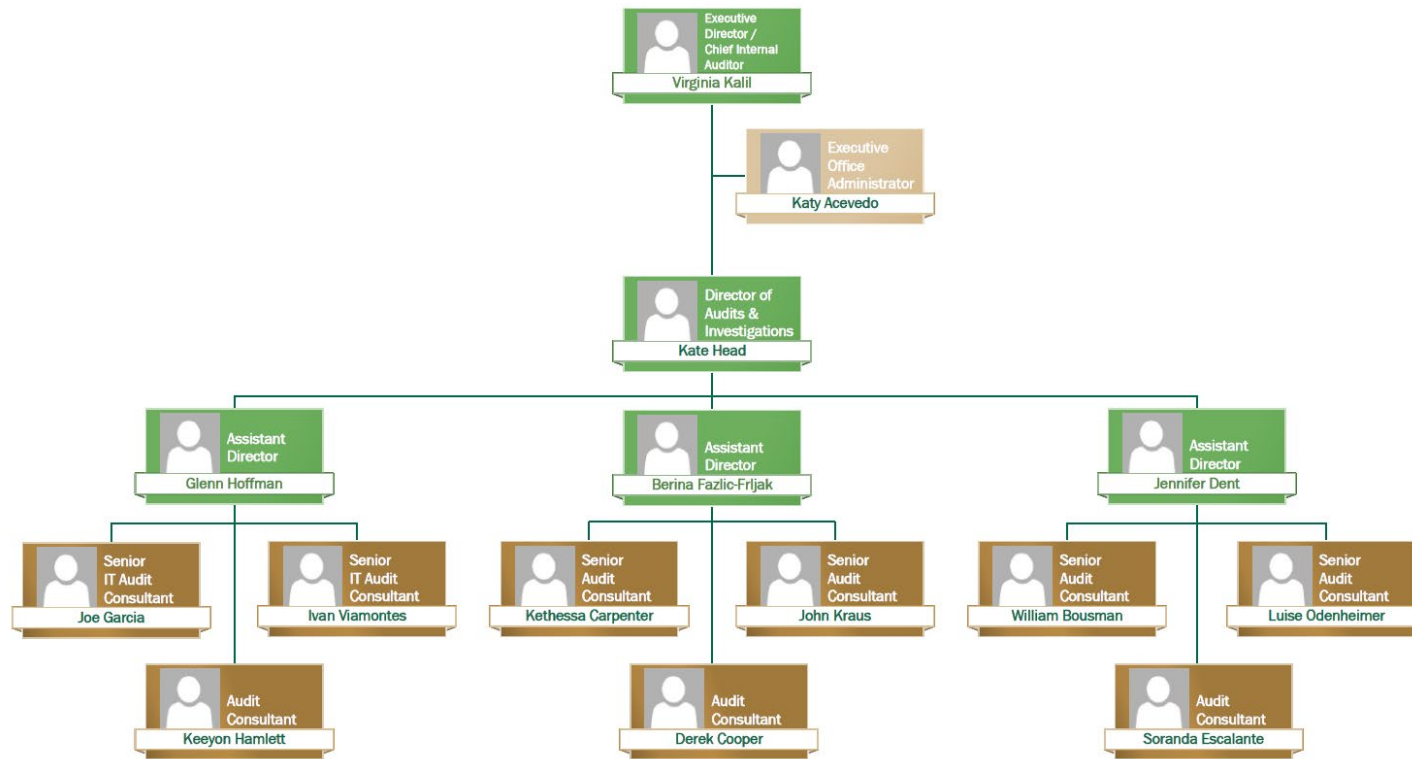
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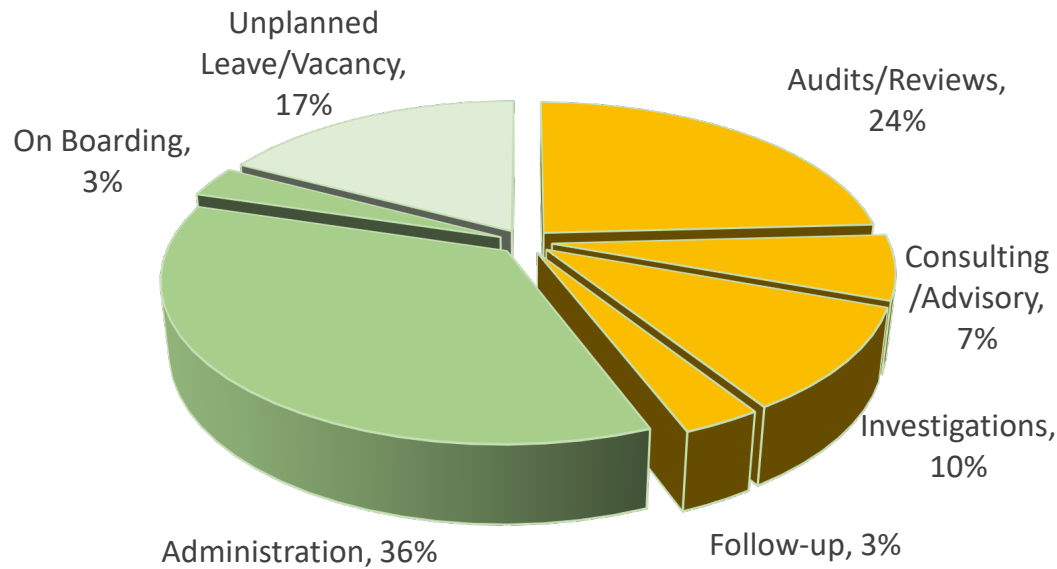
UNIVERSITY of
SOUTH FLORIDA

Office of Internal Audit

Organizational Chart as of July 2024



Total Resource Allocation



PROJECT	BUDGET	%	ACTUAL	%
DIRECT SERVICES:				
Audits/Reviews	6,965	24%	7,025	24%
Consulting/Advisory	1,390	5%	1,883	7%
Investigations	2,124	7%	3,025	10%
Follow-up	600	2%	915	3%
Contingency	624	2%	0	0%
Total Direct Services	11,703	40%	12,848	44%
OTHER:				
Administration	9,257	32%	10,362	36%
On Boarding	400	1%	894	3%
Unplanned Leave/Vacancy	7,760	27%	5,016	17%
Total Other	17,417	60%	16,272	56%
TOTAL	29,120	100%	29,120	100%

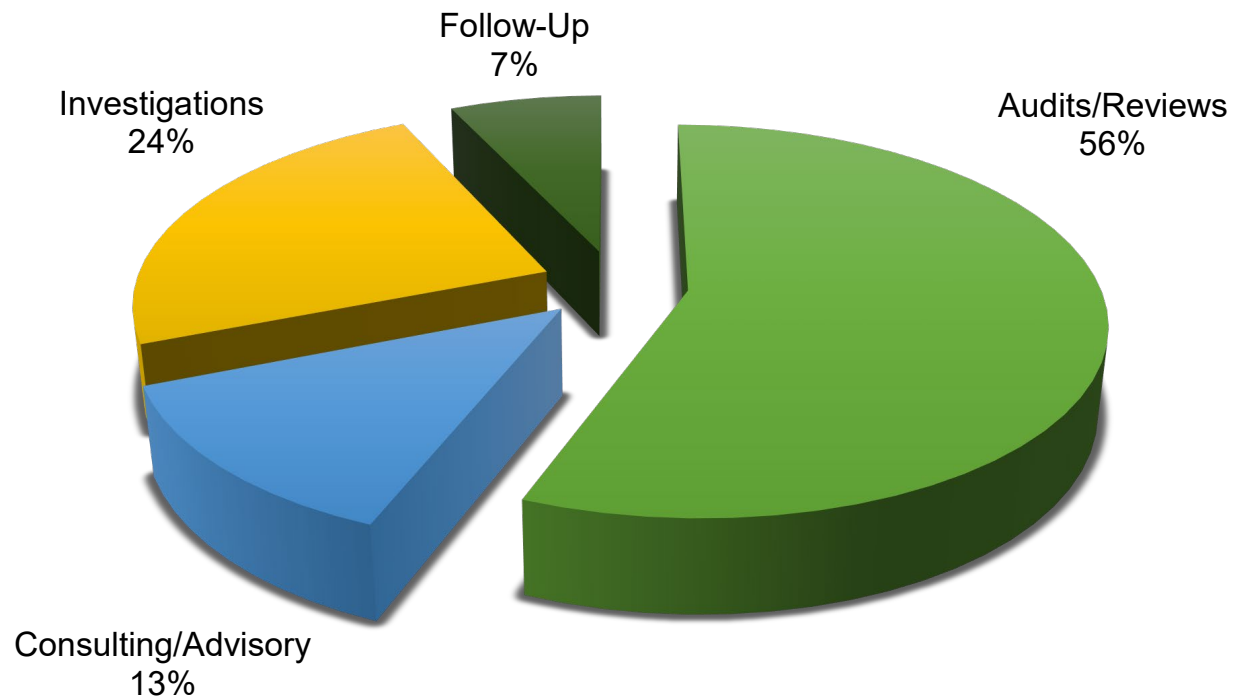
Direct Services Highlights

Completed

- 15 audits
- 1 advisory project
- 45 investigations

In Progress

- 4 audits
- 1 consulting project
- 14 investigations



University Audits Completed

- Performance-Based Funding Data Integrity
- Preeminence Data Integrity
- Post-Tenure Faculty Review
- USF Procurement Card Amazon Purchases
- Construction
- Driver and Vehicle Information Databased (DAVID) System
- Information Technology (IT) Governance – Direct Support Organizations

Direct Support Organizations Audits Completed

- USF Foundation Donor Intent
- USF Foundation Procurement Card
- USF Alumni Association Procurement Card
- USF Foundation Access Controls
- USF Foundation Customer Relationship Management (CRM) Access Controls
- University Medical Services Association Corporate Credit Card Program
- University Medical Services Association Journal Entries
- Health Professions Conferencing Corporation Procurement Card

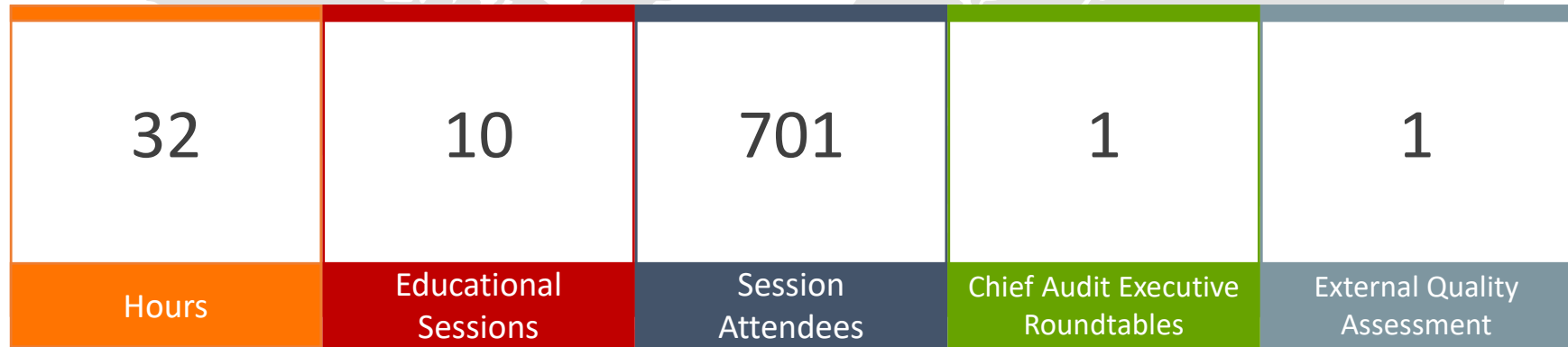
Recommendations & Implementations

- Categories:
 - *Assignment of Responsibility*
 - *Authorization: Adequacy & Timeliness*
 - *Compliance with Federal Laws*
 - *Compliance with State and Local Laws (Not USF)*
 - *Effective & Efficient Operations*
 - *IT: Confidentiality, Integrity, & Availability of Data*
 - *Reporting: Accuracy, Completeness, & Timeliness*
 - *Safeguarding of Assets*
 - *Separation of Duties*
 - *Training & Guidance: Accuracy, Completeness, & Timeliness*
- 69% implementation rate of audit recommendations

Quality Assurance & Improvement Program

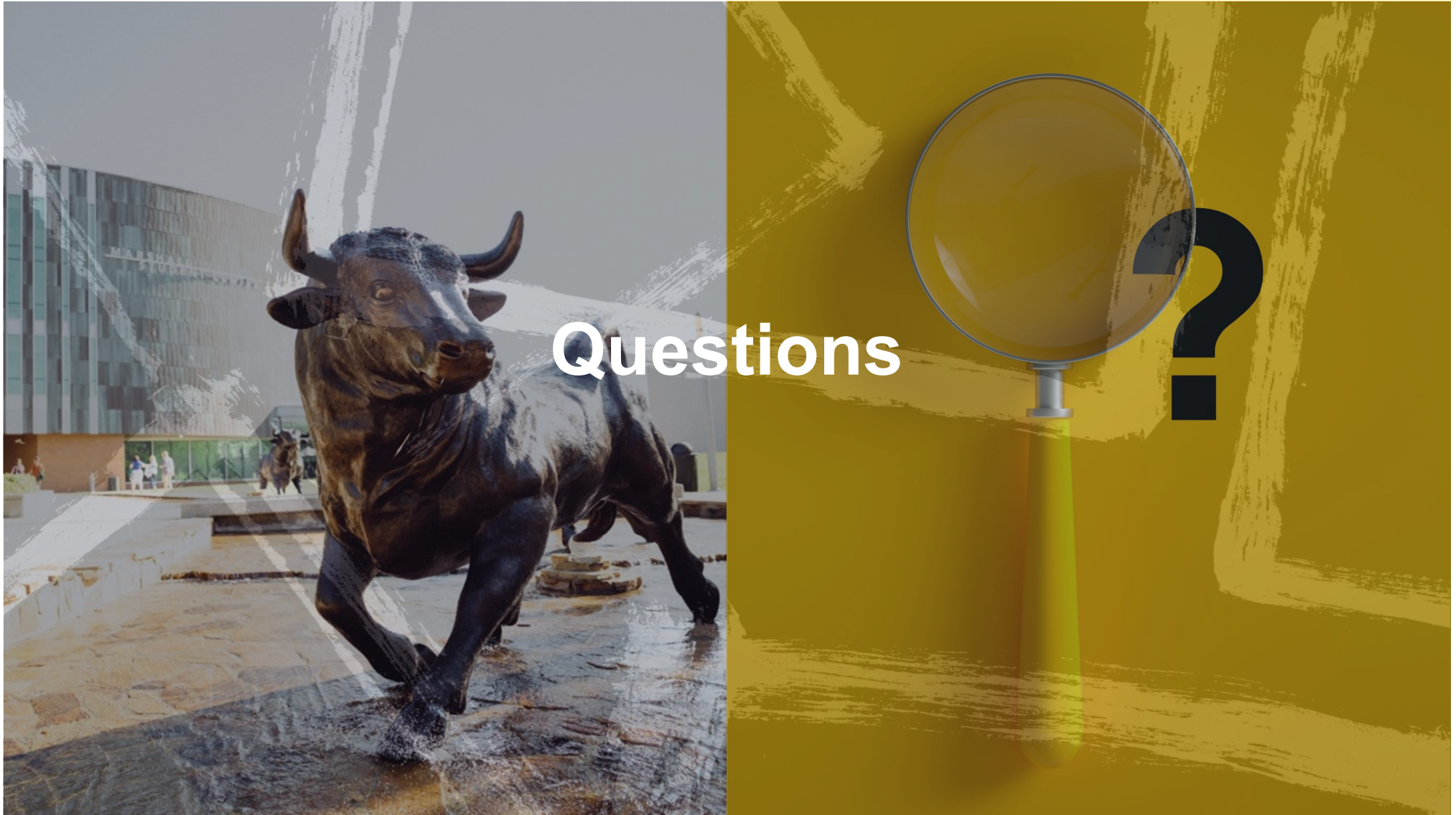
- Internal assessments confirmed conformance with IIA Standards
- External assessment required every five years performed in 2023 confirmed conformance with IIA Standards
- Next external assessment planned to be conducted in Spring 2028

Service to the Profession



- Information Technology (IT)
- Data Analytics
- Governance

- Quality Assurance
- Fraud Prevention & Detection





2023-24 ANNUAL REPORT

Office of Internal Audit



UNIVERSITY of
SOUTH FLORIDA
Office of Internal Audit

EXECUTIVE SUMMARY

It is my pleasure to present the Office of Internal Audit's (IA's) Annual Report for fiscal year 2024. IA concluded the year by completing:

- ✓ 15 audits, including four (4) related to Information Technology (IT) and two (2) conducted by contracted IA services,
- ✓ One (1) advisory project, and
- ✓ 45 investigations.

Also, projects in progress at year-end included:

- Four (4) audits,
- One (1) consulting project, and
- 14 investigations.

Beyond these projects noted above, the department's most significant events this year included recruiting and onboarding new talent, supporting the roll out of the new enterprise risk management (ERM) process across the university as well as the direct support organizations (DSOs), beginning an assessment of the new Global Internal Audit Standards, and continuing our fraud awareness initiative.

The IA team's efforts throughout the year assisted leadership with ensuring the appropriate internal control structure was in place to: minimize the risk of asset loss, including fraud; promote effectiveness and efficiency of resources; comply with applicable laws, rules, and regulations; and ensure data supporting the preeminence and performance-based metrics could be relied upon. Summaries of the work performed are included within this report.

In response to the audit work performed and in demonstrating their commitment to excellence, leadership improved the control environment through the implementation of 69% of the audit recommendations open during the fiscal year.

Along with the internal work performed, the team continued to support external services received from the Governor's Chief Inspector General, the State Auditor General, the Board of Governors' (BOG's) Office of Inspector General and Compliance, and other external auditors.

As part of the Quality and Assurance Improvement Program, IA's internal assessments confirmed conformance to the 2017 Institute of Internal Auditors International Standards for the Professional Practice of

Internal Auditing (IIA Standards), Code of Ethics, and Core Principles. Additionally, an external assessment, required at least once every five years, was performed in 2023. Based on the internal and external assessments, it was determined IA "generally conforms" to the IIA Standards, Code of Ethics, and Core Principles, which is the highest level of achievement in the assessment process.

Lastly, IA is proud of the experience and professionalism of its staff. The team's continued service to the internal audit profession included, but was not limited to, providing subject matter experts to share knowledge and experience through working groups, speaking engagements, conferences, and specific training events with the Association of College and University Auditors, the Institute of Internal Auditors, the Association of Inspectors General, and the USF Muma College of Business. Specific highlights this year included:

- 32 hours facilitating
- 10 educational events to
- 701 participants;
- One (1) opportunity to advise on chief audit executive roundtables; and
- One (1) opportunity to participate as an external assessor for another university.

Also, in alignment with the team's strategic objectives for talent development:

- 2 team members achieved the Analytics Certified Data Analyst (ACDA) designation;
- 9 team members participated in leadership development programs; and
- 5 completed the Muma College of Business Fintech certificate program.

Congratulations to the team for a job well done, especially during quite a challenging year! Thank you to the Board of Trustees, President, and senior leadership for their support in this year's accomplishments.

Virginia L. Kalil, CIA, CFE, CISA, CRISC

USF OFFICE OF INTERNAL AUDIT

Virginia Kalil, Executive Director/Chief Internal Auditor

- Certified Internal Auditor
- Certified Information Systems Auditor
- Certified Fraud Examiner
- Certified in Risk and Information Systems Control
- BS Accounting, University of South Florida

Kate Head, Director of Audits & Investigations

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

Berina Fazlic-Frljak, Assistant Director

- Certified Internal Auditor
- Certified in Risk Management Assurance
- MBA, Louisiana State University
- BS International Trade and Finance, Louisiana State University

Jennifer Dent, Assistant Director

- Certified Public Accountant
- Certified Fraud Examiner
- MAcc, University of Texas
- BS Marketing, University of Maryland

Glenn Hoffman, Assistant Director, Information Technology Audit

- Certified Information Systems Auditor
- Certified HITRUST CSF Practitioner
- Certified HITRUST Quality Professional
- BBA Economics, Bernard M. Baruch College, CUNY

Kethessa Carpenter, Senior Audit Consultant

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

John Kraus, Senior Audit Consultant

- Certified Public Accountant
- MAcc, University of South Florida
- BS Accounting, University of South Florida

Joe Garcia, Senior Information Technology Audit Consultant

- Certified Information Systems Auditor
- Certified Customer Success Manager
- BS Accounting with Computer Science Minor, University of Central Florida

Ivan Viamontes, Senior Information Technology Audit Consultant

- Certified Public Accountant
- Certified Fraud Examiner
- Certified Information Systems Auditor
- Certified Information Systems Security Professional
- MAcc & MBA Management & MIS, University of South Florida
- BA Accounting & MIS, University of South Florida

William Bousman, Senior Audit Consultant

- Certified Internal Auditor
- Certified Fraud Examiner
- Certified Inspector General Auditor
- Certified Inspector General Investigator
- BS Accounting, University of South Florida

Derek Cooper, Audit Consultant

- MAcc, University of South Florida Minor, Management
- BS Accounting, University of South Florida

Soranda Escalante, Audit Consultant

- BS Accounting, Florida Agricultural and Mechanical University

Keyon Hamlett, Audit Consultant

- BS Information Systems, University of Alabama in Birmingham

Katy Acevedo, Executive Office Administrator

- BS, Interdisciplinary Studies, Herbert H. Lehman College, CUNY

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MISSION, PURPOSE, AND ORGANIZATION

The Office of Internal Audit (IA) provides the University of South Florida (USF) with independent, objective assurance and advisory services designed to add value and improve the university's operations. IA's mission is to enhance and protect organizational value through risk-based and objective assurance, advice, and insight and assist the university in achieving its strategic goals by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes. These services add value and promote stewardship, accountability, integrity, efficiency, and compliance.

In order to effectively fulfill its responsibilities, IA is organizationally independent from the University's operational activities and structurally reports at an appropriate level within the organization to support its organizational independence. IA reports functionally to the Audit and Compliance Committee (ACC) of the Board of Trustees (BOT) and administratively to the University President. This reporting relationship ensures responsibilities are carried out in a manner free from actual or perceived impairment.

The nature and scope of services provided by IA include audits, compliance reviews, management advisory services, consulting, and investigations. IA is committed to being insightful, proactive, and future-focused and upholding the values of integrity, objectivity, respect, confidentiality, excellence, and collaboration in the performance of their duties.

AUDITS

IA projects are performed in accordance with the 2017 [Institute of Internal Auditors \(IIA\)](#)

[International Standards for the Professional Practice of Internal Auditing \(the "IIA Standards"\)](#), [Code of Ethics](#), and [Core Principles](#). The IIA is the recognized authority for those in the internal audit profession and the IIA standards are required by the [Florida Board of Governor's Regulation 4.002 \(6\)\(a\) State University System Chief Audit Executives](#).

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

Performance-Based Funding Data Integrity

IA reviewed the processes and controls established to ensure the completeness, accuracy, and timeliness of data submissions relied upon by the Board of Governors (BOG) to support the Performance-Based Funding measures.

Based on the review, IA concluded there was an adequate system of internal controls in place.

Preeminence Data Integrity

IA reviewed the processes and controls established to ensure the completeness, accuracy, and timeliness of data submissions relied upon by the BOG to support calculations for the 12 preeminence metrics and assess USF's eligibility under the [Florida Statute 1001.7065 Preeminent state research universities program](#).

Based on the review, IA concluded there was an adequate system of internal controls in place over all 12 metrics (Metrics A-L), assuming

corrective actions are taken timely to address two medium-priority risks related to additional control improvements over the research and development (R&D) expenditures in the National Science Foundation (NSF) Higher Education Research and Development (HERD) Survey. Despite the risks identified, there was no impact on the overall status of each metric.

Post-Tenure Faculty Review

IA performed an audit of the Post-Tenure Faculty Review process as required by [BOG Regulation 10.003 Post-Tenure Faculty Review](#). The focus of this audit was the design and effectiveness of controls governing the comprehensive post-tenure faculty review process, including compliance with the applicable BOG regulation.

Based on the review, IA concluded the post-tenure faculty review process had been established in compliance with BOG Regulation 10.003 and that there was an adequate system of internal control in place over the process.

USF Procurement Card Amazon Purchases

IA contracted with Protiviti, a global consulting firm, to perform an audit of USF procurement card Amazon purchases. The audit focused on the design and effectiveness of controls governing the procurement card program with an emphasis on Amazon charge activity.

Based on Protiviti's review, it was concluded there was an adequate system of internal control in place, assuming corrective actions are taken timely to address the one medium-priority risk related to purchases of gift cards.

Construction

IA contracted with Jefferson Wells, a professional services consulting firm, to perform a Construction Audit. The focus of the audit was to test how well existing internal controls are performed by the Design and Construction (D&C) Department and to use knowledge of industry best practices to help improve the control environment in advance of significant forthcoming capital expenditures.

Based on Jefferson Wells' review, it was concluded there was an adequate system of internal controls in place, assuming corrective actions are taken timely to address the seven medium-priority risks related to a need to consolidate the Design and Construction policies and procedures, identify a new project management system, create project transition plans, track projects and provide reporting in a uniformed manner, increase the threshold for the use of the small projects form, align contract clauses with industry best practices, and define a monitoring framework for projects managed by third-party consultants in policies and procedures.

Driver and Vehicle Information Database (DAVID) System

IA performed a review of the DAVID System for two departments that utilize DAVID. The focus of this audit was to determine whether access and use of DAVID complies with the terms of the Memoranda of Understanding (MOUs) with the Florida Department of Highway Safety and Motor Vehicles (FLHSMV). This system allows the USF Division of Parking and Transportation Services (PATS) and USF Office of the Registrar (Registrar) to obtain access to the Florida of Motor Vehicles driver and vehicle data.

Based on the review, recommendations were made in separate reports for each department reviewed to address risks identified. These reports were classified as confidential due to the sensitive nature of the IT issues disclosed.

Direct Support Organization (DSO) IT Governance

IA performed a review of DSO IT Governance. The focus of this audit was to identify and assess the DSOs' organizational structures, policies, and processes in place to help ensure IT resources were effectively governed.

Based on the review, recommendations were made in separate reports for each environment reviewed to address risks identified. The separate environments included: Institute of Applied Engineering, USF Foundation and USF Alumni Association, and DSOs dependent on USF central Information Technology. These reports were classified as confidential due to the sensitive nature of the IT issues disclosed.

USF Foundation (USFF) Donor Intent

IA performed an audit of Donor Intent. The audit focused on the design and effectiveness of controls governing the use of donor funds, including compliance with donor intent. The audit focused only on the use of donor funds.

Based on the review, IA concluded there was an adequate system of internal control in place, assuming corrective actions are taken timely to address the three medium-priority risks related to decentralized units not utilizing training opportunities provided by the USFF, reconciliations performed by decentralized units not complying with USFF guidelines, and enhancement of procedures to ensure the timely submission of vendor payments.

USFF Procurement Card

IA performed an audit of the USFF's corporate credit card program. The focus of this audit was the design and effectiveness of controls governing the corporate card program with an emphasis on Amazon charge activity.

Based on the review, IA concluded there was an adequate system of internal controls in place, assuming corrective actions are taken timely to address four medium-priority risks related to non-compliance with existing policies and procedures and insufficient program monitoring, the enhancement of policies and procedures, use of personal Amazon accounts, and the availability of level three purchasing data through the USF Federal Credit Union (USF FCU).

USF Alumni Association (USFAA) Procurement Card

IA performed an audit of the USFAA's corporate credit card program. The focus of this audit was the design and effectiveness of controls governing the corporate card program with an emphasis on Amazon charge activity.

Based on the review, IA concluded there was an adequate system of internal controls in place, assuming corrective actions are taken timely to address four medium-priority risks related to non-compliance with existing policies and procedures and insufficient program monitoring, the enhancement of policies and procedures, use of personal Amazon accounts, and the availability of level three purchasing data through the USF FCU.

USFF Access Controls

IA performed an audit of user access within the USFF's Financial Edge NXT (FE) accounting system. The focus of the audit was to determine if controls for USFF system access

management were designed properly, operating effectively, and whether access was properly restricted to authorized individuals.

Based on the review, recommendations were made to address risks identified. This report was classified as confidential due to the sensitive nature of the IT issues disclosed.

USFF Customer Relationship Management (CRM) Access Controls

IA performed an audit of the USFF's user access. The focus of the audit was to determine if controls for USFF system access management were designed properly, operating effectively, and whether access was properly restricted to authorized individuals. A component of that review was a risk assessment of the USFF CRM system.

Based on the review, a risk assessment report was documented and shared with management. This report was classified as confidential due to the sensitive nature of the IT information disclosed.

University Medical Services Association (UMSA) Corporate Credit Card Program

IA performed an audit of UMSA's corporate credit card program. The focus of this audit was the design and effectiveness of controls governing the corporate credit card program.

Based on the review, IA concluded there was an inadequate system of internal controls in place related to a high-priority risk of non-compliance with existing internal controls and insufficient program monitoring which resulted in a fraud risk. IA also identified four medium-priority risks related to cards for employees of Academic Medical Group, approval process inefficiencies, policy

enhancements, and use of personal Amazon accounts.

UMSA Journal Entry Process

IA performed an audit of UMSA's journal entry process. The focus of this audit was the design and effectiveness of controls governing the journal entry process.

Based on the review, IA concluded there was an adequate system of internal control in place, assuming corrective actions are taken timely to address the one medium-priority risk related to capturing and monitoring changes made to user privileges for preparing and approving journal entries.

Health Professions Conferencing Corporation (HPCC) Procurement Card

IA performed an audit of the HPCC's corporate credit card program. The focus of this audit was the design and effectiveness of controls governing the corporate card program with an emphasis on Amazon charge activity.

Based on the review, IA concluded there was an adequate system of internal controls in place, assuming corrective actions are taken timely to address the four medium-priority risks related to level three purchasing data not being used to validate corporate credit card transactions, use of personal Amazon accounts, the enhancement of policies and procedures, and untimely cardholder reconciliations and supervisor approvals and insufficient program monitoring.

INFORMATION TECHNOLOGY

Thirty-eight percent (38%) of the IA team is certified with IT-related designations. IA'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. ISACA standards and guidelines are consistent with the Control Objectives for Information and Related Technology (COBIT), an IT governance framework which enables management to bridge the gap between control objectives, technical issues, and business risk. This year, IA completed IT audits related to USFF Access Controls, USFF CRM Access Controls, DSO IT Governance, and the Driver and Vehicle Information Database (DAVID).

The IT IA Team focuses on factors which impact the confidentiality, integrity, and availability of the university's 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.

IA utilizes an integrated audit approach whereby the IT IA Team assists the general IA Team on audit and consulting projects with significant information systems components. Integrated audit projects this year included, Performance-Based Funding Data Integrity, Preeminence Data Integrity, and UMSA Journal Entries.

CONSULTING SERVICES

Consulting services are collaborative projects between university leadership and IA. These services may be requested in advance and included as part of the annual work plan; however, many requests are made throughout 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.

This year, IA was involved in and/or completed the following consulting projects:

- ✓ Human Capital Management System Design and Implementation

ADVISORY SERVICES

IA 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.

This year, IA was involved in the following advising projects:

- ✓ USF Research Foundation Data Privacy
- ✓ Risk Assessment
- ✓ Fraud Awareness

INVESTIGATIONS

The BOT and President have charged IA with performing investigations related to the University and its associated organizations. Investigations are an objective review of evidence related to a complaint or allegation.

IA may receive complaints or allegations from EthicsPoint, the University's anonymous reporting system, directly from an individual, or referred by various university offices or state and local government agencies.

Reports of complaints, allegations, or concerns may or may not be supported by the facts. Hence, 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 64 such reports of complaints, allegations, or concerns received by IA, 5 were referred to other units and 14 remained open as of June 30, 2024. Of the 45 completed investigations, 14 were substantiated and 7 resulted in recommendations to improve the control environment. The substantiated recommendations related failure to disclose potential conflicts of interest (7), mismanagement of institutional resources (6), and asset misappropriation (1).

FOLLOW-UP ACTIVITY

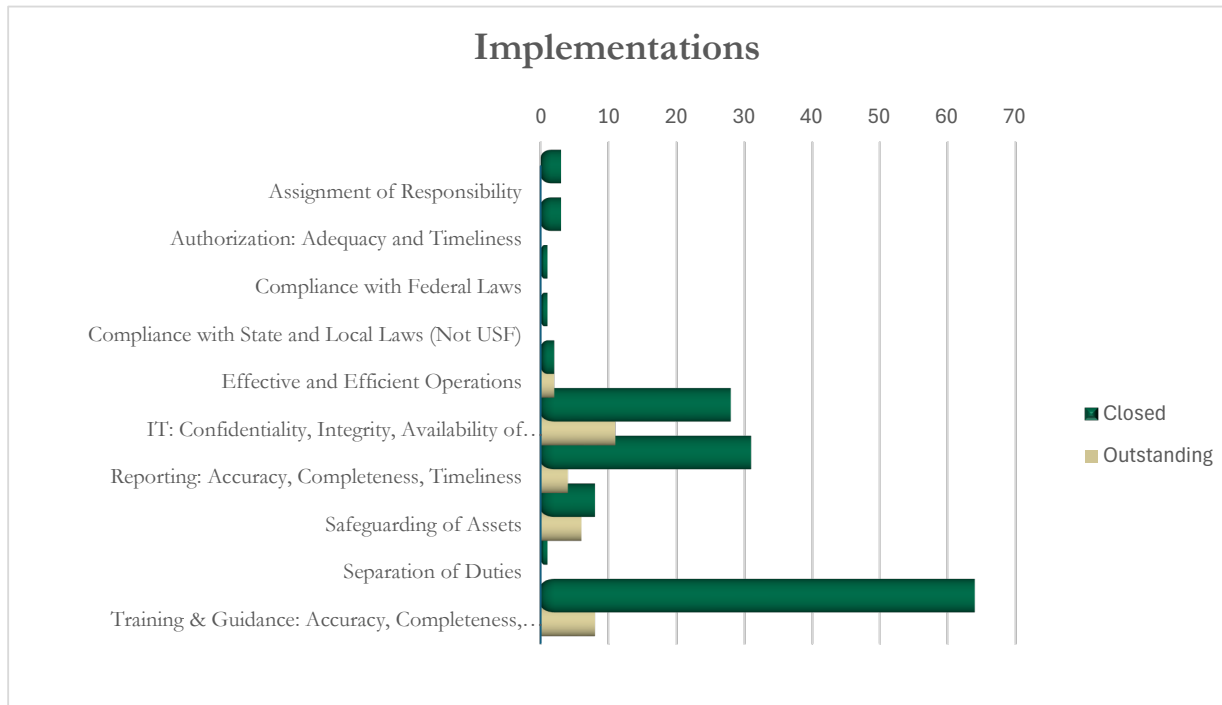
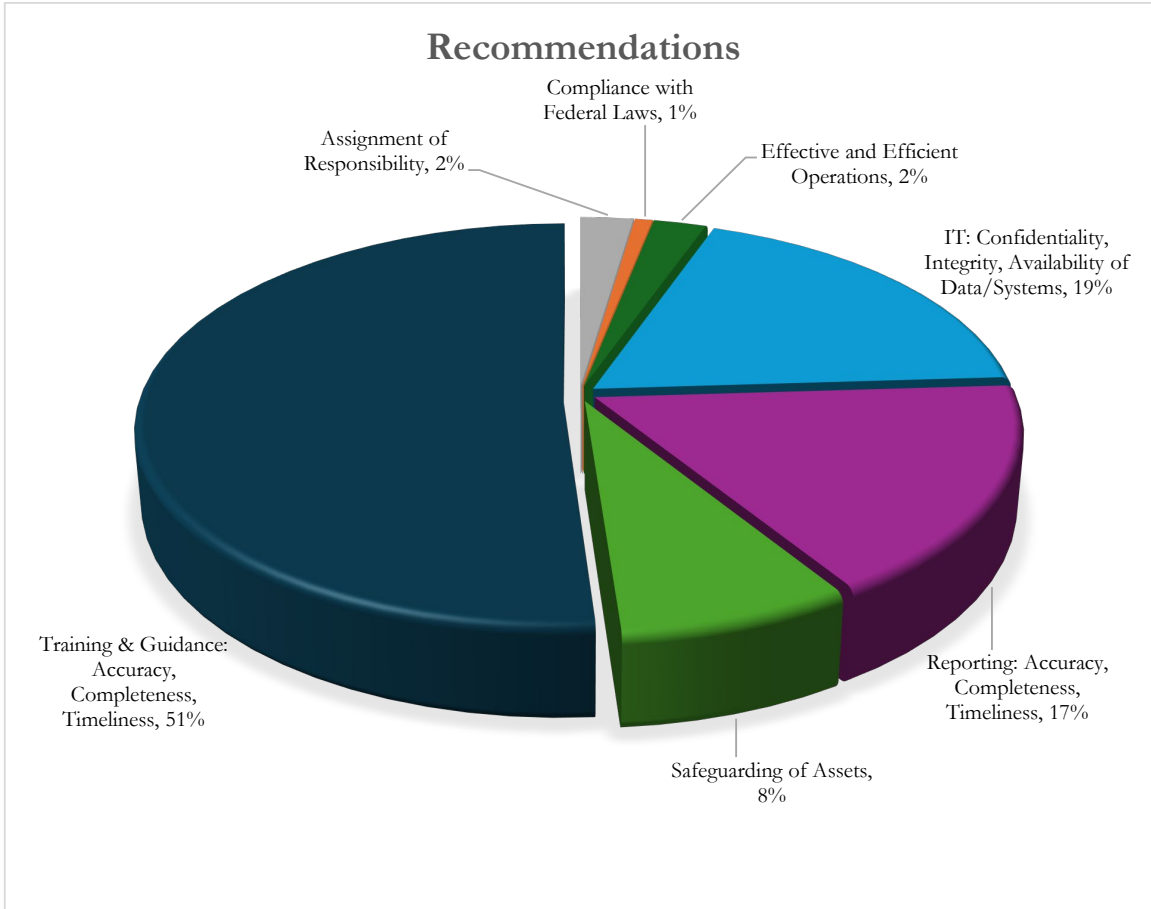
In accordance with IIA Standards, IA follows up on all IA recommendations to determine if corrective actions have been taken. Utilizing a web-based tracking system, university leadership can continuously update the status of their corrective actions, including action plans and target implementation dates, and IA can efficiently and effectively monitor their progress. Follow-Up Reports, covering activity from July 1 through December 31, 2023, and January 1 through June 30, 2024 were issued during the fiscal year demonstrating a fiscal year implementation rate of 69%.

During this fiscal year, leadership implemented corrective actions related to recommendations in the following categories:

- Assignment of Responsibility

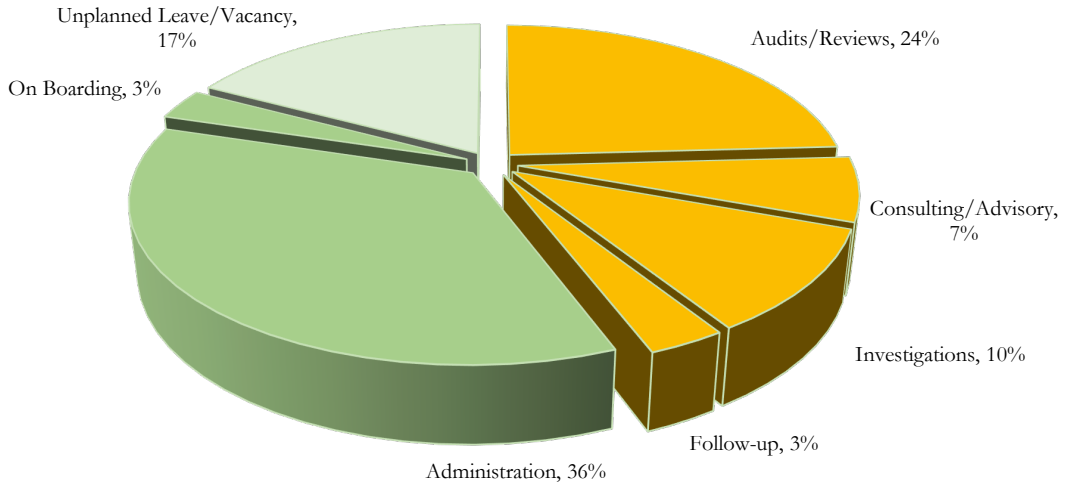
- Authorization: Adequacy & Timeliness
- Compliance with Federal Laws
- Compliance with State and Local Laws (Not USF)
- Effective and Efficient Operations
- IT: Confidentiality, Integrity, Availability of Data/Systems
- Reporting: Accuracy, Completeness, Timeliness
- Safeguarding of Assets
- Separation of Duties
- Training & Guidance: Accuracy, Completeness, Timeliness

The following graphs depict summaries of new recommendations made during the fiscal year and the status of implementing corrective actions for all outstanding recommendations, including those carried forward from the prior year.



ACTIVITY ANALYSIS

Total Hours FY 2024



PROJECT	BUDGET	%	ACTUAL	%
DIRECT SERVICES:				
Audits/Reviews	6,965	24%	7,025	24%
Consulting/Advisory	1,390	5%	1,883	7%
Investigations	2,124	7%	3,025	10%
Follow-up	600	2%	915	3%
Contingency	624	2%	0	0%
Total Direct Services	11,703	40%	12,848	44%
OTHER:				
Administration	9,257	32%	10,362	36%
On Boarding	400	1%	894	3%
Unplanned Leave/Vacancy	7,760	27%	5,016	17%
Total Other	17,417	60%	16,272	56%
TOTAL	29,120	100%	29,120	100%

IA’s direct services include activities related to the performance of audits, consulting and advisory projects, investigations, and follow-up. The fiscal year 2024 revised work plan budgeted 40% of IA’s resources for direct services due to anticipated vacancies. Actual direct services of 44% exceeded budget due to successful recruiting efforts to fill those vacancies.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

In conformance with IIA Standards, BOG regulations, and the USF IA Charter, it is the responsibility of the Chief Audit Executive (CAE) to develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and includes both internal and external quality components. Internal assessments were performed throughout the audit processes by IA leadership to confirm conformance with the IIA Standards, Code of Ethics, and Core Principles. Additionally, this year, an external assessment, which is required at least once every five years, was performed. Based on the internal and external assessments, it was determined IA **“generally conforms”** to the 2017 [IIA Standards](#), [Code of Ethics](#), and [Core Principles](#), which is the highest level of achievement in the assessment process. The full external report, USF Office of Internal Audit Self-Assessment with Independent Validation, was issued on June 27, 2023, and is available on IA’s website at www.usf.edu/audit/publications.

PROFESSIONAL ACTIVITIES

IA is proud of the experience and professionalism of its staff. During 2023-24, we continued our involvement with the following 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 Healthcare Internal Auditors (AHIA)
- Association of Certified Fraud Examiners (ACFE)
- ISACA (formerly, the Information Systems Audit & Control Association)

- American Institute of Certified Public Accountants (AICPA)
- Association of Inspectors General (AIG)

The team’s involvement included, but was not limited to, providing subject matter experts to share their knowledge and experience through working groups, speaking engagements, conferences, and specific training events with the ACUA, the IIA, the AIG, and the USF Muma College of Business. Specific highlights include:

- 32 hours facilitating
- 10 educational events to
- 701 participants;
- 1 opportunity to advise on chief audit executive roundtables; and
- 1 opportunity to participate as an external assessor for another university.

Also, in alignment with the team’s strategic objectives for talent development:

- 2 team members achieved the Analytics Certified Data Analyst (ACDA) designation;
- 9 team members participated in leadership development programs; and
- 5 completed the Muma College of Business Fintech certificate program.

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(813) 974-2705 • www.usf.edu/audit

Agenda Item: IV.b

USF Board of Trustees
August 27, 2024

Issue: Annual Foreign Travel Report

Proposed action: Informational

Executive Summary:

Florida Statute 1010.36, Foreign Travel and Research Institutions, requires all SUS institutions to establish an approval and monitoring program for international travel by January 1, 2022. Section 1010.36(4) requires USF to submit an annual report of employment-related foreign travel to countries of concern to the Board of Governors (BOG) or other appropriate governing board. In 2022, the BOG issued guidance clarifying that the annual travel report must be submitted to the USF Board of Trustees on July 31, beginning in 2022. The attached report represents the annual foreign travel report and covers the period from July 1, 2023 through June 30, 2024.

Financial Impact: N/A

Strategic Goal(s) Item Supports: 3.C(4): To increase collaborative national and international scholarly activity while strengthening processes to protect intellectual assets.

BOT Committee Review Date: August 27, 2024

Supporting Documentation Online (please circle): Yes No

Prepared by: Mitchell McNelly, Senior Foreign Influence Analyst and Jason Ramage, Director of Research Integrity & Compliance

Annual Foreign Travel Report

July 1, 2023 – June 30, 2024

Jay Ramage, PhD, MS, MBA, PMP
Director, Research Integrity & Compliance
USF Research & Innovation



- Florida Statute 1010.36 requires all SUS institutions to establish an approval and monitoring program for international travel.
- Section 1010.36(4) requires USF to submit an annual report of foreign travel to the Board of Governors (BOG) or other appropriate governing board.
- The BOG issued guidance stating the annual report must be submitted to the USF Board of Trustees on or before July 31 of each year.

Foreign Countries of Concern (FCOC)

People's Republic of China

Russian Federation

Islamic Republic of Iran

Democratic People's Republic of Korea (North
Korea)

Republic of Cuba

Venezuelan regime of Nicolás Maduro

Syrian Arab Republic

Travel Review and Approval Process



Requests for international travel are screened by Research Integrity & Compliance (RIC).

Institutions are subject to a Restricted Party Screening using Visual Compliance.

RIC provides guidance if any concerns are identified for the entities being visited.

Summary

- In Fiscal Year 2024 (July 1, 2023 – June 30, 2024), Research Integrity & Compliance conducted a total of 1421 screenings for international travel (12% increase over FY 2023)
- Of this total, 18 (1.3%) involved an FCOC
- Of FCOC travel, 1 (6%) involved travel to Cuba and 17 (94%) involved travel to China

Annual Foreign Travel Report July 1, 2023 – June 30, 2024

Traveler	Foreign Country of Concern Visited	City(ies) Visited	Institution(s) Visited
Heather Petrelli	Cuba	Havana	University of Medical Sciences of Havana
Cesario Borlongan	People's Republic of China	Beijing	Capital Medical University
Christian Brechot	People's Republic of China	Beijing	Christophe Merieux Laboratory; Chinese Academy of Medical Sciences; Merieux Foundation
Kyoung Cho	People's Republic of China	Changchun	Changchun Music Institute; Changchun Normal University
Cihan Cobanoglu	People's Republic of China	Beijing, Hangzhou	Hangzhou City University; Beijing International Studies University
Liwang Cui	People's Republic of China	Shenyang	China Medical University
Liwang Cui	People's Republic of China	Shenyang, Kunming	China Medical University; Kunming Medical University
Gert-Jan de Vreede	People's Republic of China	Nanjing, Beijing	Renmin University; Nanjing University of Aeronautics and Astronautics; University of International Business & Economics; University of Science & Technology Beijing
Chuanmin Hu	People's Republic of China	Shanghai	Ocean University of China; Nanjing University
Yangxin Huang	People's Republic of China	Chengdu	Southwest Jiaotong University; International Chinese Statistical Association

Annual Foreign Travel Report

July 1, 2023 – June 30, 2024

Traveler	Foreign Country of Concern Visited	City(ies) Visited	Institution(s) Visited
Wenqi Liu	People's Republic of China	Hangzhou	The Stoddart Institute of Molecular Science; International Symposium on Macrocyclic and Supramolecular Chemistry; Blossom Water Museum Hotel Hangzhou
Yao Liu	People's Republic of China	Qingdao	Shandong University; IEEE International Conference on Meta Computing; Shandong Metaverse Industry Innovation Alliance
Christina Richards	People's Republic of China	Kunming	Xishuangbanna Tropical Botanical Gardens
John Robison	People's Republic of China	Beijing	Institute of Musicology of the Central Conservatory of Music
Yicheng Tu	People's Republic of China	Urumqi	Xinjiang University; China Computer Federation; Xinjiang Cloud Computing Application Key Laboratory
Libin Ye	People's Republic of China	Beijing, Changsha	Bio-NMR Conference; Biophysical Society of China; Chinese Biophysics Congress
Yu Zhang	People's Republic of China	Shanghai; Nanjing; Chongqing; Beijing	China Overseas Transportation Association; Chongqing Jiaotong University; Southeast University; Tongji University; Shanghai Jiaotong University
Yu Zhang	People's Republic of China	Suzhou	Suzhou International Expo Center; Intelligent Transport Systems Asia-Pacific

Research Integrity & Compliance Foreign Influence Team

- Fred Pflueger, PhD, Export Control Officer
- Mitchell McNelly, MA, Senior Foreign Influence Analyst
- Urika DeVecchio, MA, Foreign Influence Analyst



July 31, 2024

Trustee Sandra Callahan
University of South Florida
Office of the Board of Trustees Operations
4202 E. Fowler Avenue, CGS301
Tampa, FL 33620

Re: Annual Foreign Travel Report

Dear Trustee Callahan:

Effective July 1, 2022, Florida Statute 1010.36, Foreign Travel and Research Institutions required all State University System institutions to establish an approval and monitoring program for international travel by January 1, 2022. Section 1010.36(4) requires USF to submit an annual report of employment-related foreign travel to countries of concern to the Board of Governors (BOG) or other appropriate governing board. In April of 2022, the BOG issued guidance clarifying that the annual foreign travel report must be submitted to the USF Board of Trustees each July 31, beginning in 2022. The attached report represents the annual foreign travel report and covers the fiscal period from July 1, 2023, through June 30, 2024. The report this year was updated to reflect statutory requirements. Prior reports contained information neither required nor requested by statute.

Please let me know if I may answer any questions.

Respectfully,

DocuSigned by:
Jason Ramage
C609B218103B47E...

Jason G. Ramage, Ph.D., M.S., MBA
Director, Research Integrity & Compliance

Encl.

cc: Sylvia Thomas, Vice President, Research & Innovation
Keith Anderson, Associate Vice President, Research & Innovation
Marcia Taylor, Assistant Vice President, USF World
Fred Pflueger, Export Control Officer, Research Compliance & Integrity
Caroline Fultz-Carver, Chief Compliance Officer, Compliance & Ethics
Jorge Rodriguez, Associate Compliance Officer, Compliance & Ethics

Research Integrity & Compliance

University of South Florida / 3702 Spectrum Blvd., Suite 165 / Tampa, FL 33612 / 813-974-5638

Annual Foreign Travel Report
July 1, 2023 – June 30, 2024

Traveler	Foreign Country of Concern Visited	City(ies) Visited	Institution(s) Visited
Heather Petrelli	Cuba	Havana	University of Medical Sciences of Havana
Cesario Borlongan	People's Republic of China	Beijing	Capital Medical University
Christian Brechot	People's Republic of China	Beijing	Christophe Merieux Laboratory; Chinese Academy of Medical Sciences; Merieux Foundation
Kyoung Cho	People's Republic of China	Changchun	Changchun Music Institute; Changchun Normal University
Cihan Cobanoglu	People's Republic of China	Beijing, Hangzhou	Hangzhou City University; Beijing International Studies University
Liwang Cui	People's Republic of China	Shenyang	China Medical University
Liwang Cui	People's Republic of China	Shenyang, Kunming	China Medical University; Kunming Medical University
Gert-Jan de Vreede	People's Republic of China	Nanjing, Beijing	Renmin University; Nanjing University of Aeronautics and Astronautics; University of International Business & Economics; University of Science & Technology Beijing
Chuanmin Hu	People's Republic of China	Shanghai	Ocean University of China; Nanjing University
Yangxin Huang	People's Republic of China	Chengdu	Southwest Jiaotong University; International Chinese Statistical Association
Wenqi Liu	People's Republic of China	Hangzhou	The Stoddart Institute of Molecular Science; International Symposium on Macrocyclic and Supramolecular Chemistry; Blossom Water Museum Hotel Hangzhou
Yao Liu	People's Republic of China	Qingdao	Shandong University; IEEE International Conference on Meta Computing; Shandong Metaverse Industry Innovation Alliance
Christina Richards	People's Republic of China	Kunming	Xishuangbanna Tropical Botanical Gardens

Traveler	Foreign Country of Concern Visited	City(ies) Visited	Institution(s) Visited
John Robison	People's Republic of China	Beijing	Institute of Musicology of the Central Conservatory of Music
Yicheng Tu	People's Republic of China	Urumqi	Xinjiang University; China Computer Federation; Xinjiang Cloud Computing Application Key Laboratory
Libin Ye	People's Republic of China	Beijing, Changsha	Bio-NMR Conference; Biophysical Society of China; Chinese Biophysics Congress
Yu Zhang	People's Republic of China	Shanghai, Nanjing, Chongqing, Beijing	China Overseas Transportation Association; Chongqing Jiaotong University; Southeast University; Tongji University; Shanghai Jiaotong University
Yu Zhang	People's Republic of China	Suzhou	Suzhou International Expo Center; Intelligent Transport Systems Asia-Pacific

Agenda Item: IV.c

USF Board of Trustees
Audit & Compliance Committee Meeting
August 27, 2024

Issue: University and DSO Independent Audit Findings Report

Proposed action: Informational

Executive Summary:

The Independent Audit Findings Report is provided to the Board of Trustees Audit & Compliance Committee at each Committee Meeting and describes audit findings, auditor recommendations, management’s responses, and correction status.

The University and DSOs received 17 audits from independent auditors for the fiscal year ending June 30, 2023.

The attached report includes 5 findings from these reports.

4 of these findings were disclosed and presented as closed in previous meetings.

The 1 Finding below was disclosed and presented as partially corrected in a previous meeting. The Finding was fully corrected in July 2024 and is now closed.

- 1 Finding in the Statewide Audit of Bright Futures and Florida Assistance Grants

A summary of entities reviewed for audit findings, and the outcomes, is included in the attached report.

Financial Impact:

N/A

Strategic Goal(s) Item Supports: Goal 5: A strong, sustainable and adaptable financial base
BOT Committee Review Date: August 27, 2024
Supporting Documentation Online (please circle): Yes No
Prepared by: Dawn M. Rodriguez, Acting University Treasurer, (813) 974-7297

UNIVERSITY OF SOUTH FLORIDA and RELATED ENTITIES
Independent Audit Findings
Status Report to the BOT Audit & Compliance Committee – August 27, 2024

FINDINGS

USF Entity and Audit Report	Audit Finding and Auditor Recommendation	Management’s Response to Auditor	Current Status of Finding	Target Completion Date
UNIVERSITY OF SOUTH FLORIDA				
<p>2023 Statewide Audit of Bright Futures Scholarships and Student Assistance Grants</p>	<p>Finding: University of South Florida did not comply with State law and Florida Department of Education (FDOE) policies as the University did not timely refund to the FDOE Bright Futures Scholarship Program funds for courses students dropped or withdrew from after the end of the drop and add period.</p> <p>Specifically, the University made 146 refunds totaling \$141,476 an average of 99 days after the required due dates.</p> <p>Recommendation: USF management should enhance procedures to ensure that Bright Futures Scholarship Program funds are timely refunded to the FDOE for courses students dropped or withdrew from after the end of the drop and add period. Such enhancements should include appropriate consideration and related modifications to the University IT system to help avoid future programming errors.</p>	<p>USF has enhanced procedures to assure compliance with the timely refund of Florida Bright Futures Scholarship funds. We have accelerated reconciliation of this fund to 30 days, which exceeds the state requirement of 60 days.</p> <p>Additionally, we are in the process of recruiting and hiring a fiscal position within the Office of Financial Aid that will be dedicated to reconciliation duties. This new position will also be able to identify and escalate any programming issues which would have an impact on our ability to meet our fiduciary responsibilities.</p> <p>Responsible Party: Billie Jo Hamilton, Associate Vice President, Enrollment, Planning & Management</p>	<p style="text-align: center;">CLOSED</p> <p>The enhanced procedures referenced in management’s response were implemented prior to the issuance of the Statewide Audit report.</p> <p>In July 2024, USF hired a fiscal position dedicated to reconciliation duties.</p>	<p style="text-align: center;">CLOSED</p>
UNIVERSITY DIRECT SUPPORT ORGANIZATIONS				
<p>All prior Findings have been Closed.</p> <p>No new Findings have been reported for FY 2023.</p>				

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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	1 Finding – Closed (5/14/24 BOT A&C Meeting)	No Findings	State of Florida Auditor General
USF Operational Audit (Schedule Determined by Auditor General)	Determined by Auditor General	No Report in 2023	1 Finding – Closed	State of Florida Auditor General
USF - State of Florida Federal Awards Audit (Formerly A-133)	Determined by Auditor General	No Findings	1 Finding – Closed	State of Florida Auditor General
USF – Statewide Audit of Bright Futures and Florida Assistance Grants	Determined by Auditor General	1 Finding – Closed (8/27/24 BOT A&C Meeting)	No Report in 2022	State of Florida Auditor General
USF Auxiliary - Health Sciences Center Self-Insurance Program (SIP)	December 15	No Findings	No Findings	Crowe LLP
USF Auxiliary - Health Sciences Center Insurance Co., Inc. (CIC)	December 15	No Findings	No Findings	Crowe LLP
USF Auxiliary - Intercollegiate Athletics Program	January 15	1 Exception – Closed (5/14/24 BOT A&C Meeting)	No Findings	James Moore & Co., P.L.
USF Auxiliary - WUSF-FM, A Public Telecommunications Entity	January 15	No Findings	No Findings	James Moore & Co., P.L.
DSO - USF Foundation, Inc.	October 15	No Findings	No Findings	RSM US LLP
DSO - USF Alumni Association, Inc.	October 15	No Findings	No Findings	RSM US LLP
DSO - USF Financing Corporation and USF Property Corporation	October 15	No Findings	No Findings	KPMG LLP
DSO - University Medical Service Association, Inc. (UMSA) and USF Medical Services Support Corporation (MSSC)	October 15	1 Finding – Closed (11/16/23 BOT A&C Meeting)	No Findings	Warren Averett
DSO - USF Health Professions Conferencing Corporation (HPCC)	October 15	No Findings	No Findings	Mayer Hoffman McCann P.C.
DSO - USF Research Foundation, Inc.	October 15	1 Finding – Closed (11/16/23 BOT A&C Meeting)	No Findings	Cherry Bekaert LLP
DSO - USF Sun Dome, Inc.	October 15	No Findings	No Findings	James Moore & Co., P.L.
DSO - USF Institute of Applied Engineering, Inc.	October 15	No Findings	No Findings	Warren Averett
HSSO - USF Health Support Services Organization, Inc.	October 15	No Findings	No Findings	Warren Averett