



Board of Trustees Audit & Compliance Committee

Thursday, November 16, 2023
Time: TBD

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 August 8, 2023, Meeting Notes](#) Chair Callahan
 - b. [Office of Internal Audit FY24 Work Plan Revisions](#) Exec Director/Chief Internal Auditor
Virginia Kalil
- IV. New Business – Information Items
 - a. [USF/DSO Independent Audit Findings Report](#) VP Business & Finance, Jennifer Condon
 - b. [International Fraud Awareness Week](#) Exec Director/Chief Internal Auditor
Virginia Kalil
- V. Adjournment Chair Callahan



**USF Board of Trustees
Audit & Compliance Committee
NOTES
August 8, 2023
Microsoft Teams Virtual Meeting**

I. Call to Order and Comments

The meeting of the Audit & Compliance Committee was called to order by Chair Sandra Callahan. Chair Callahan asked Kiara Gayle to call roll. Ms. Gayle called roll with the following committee members present: Sandra Callahan, Oscar Horton. 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 May 23, 2023, 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 Chair Callahan and the May 23 meeting notes were unanimously approved as written.

b. Approval of the Revised Office of Compliance & Ethics Charter

Dr. Caroline Fultz-Carver, Chief Compliance Officer, presented information item III(b): Office of Compliance & Ethics Charter Revisions. Reminder that in accordance with Board of Governors (BOG) Regulation 4.003, every state university is required to have a Compliance & Ethics Program governed by a Charter and must be reviewed every 3 years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices.

The current charter was last reviewed in Oct 2020 and suggested revisions were provided in the meeting materials. Suggested revisions are primarily housekeeping in nature, or they are new verbatim BOG language which codifies what we have been doing for years.

Revisions include: Updated references to the Florida Code of Ethics for Public Officers and Employees and the Federal Sentencing Guidelines; additional clarification on reporting through the Office of the Inspector General; added BOG examples of appropriate offices for referring inquiries such as investigations and requests for review; new statement stating if the Chief Compliance Officer determines the reporting process is being abused by an individual, he or she may recommend actions to prevent such abuse; additional language stating timely notification to the BOG of any significant findings of non-compliance.

Chair Callahan asked if there were any questions on the proposed changes and if not, can she have a motion to approve the changes. Trustee Horton made a motion and Chair Callahan seconded the motion.

USF BOT ACC Notes, Aug 8, 2023

IV. New Business – Informational Items**a. Internal Audit Annual Report 2022-23**

Virginia Kalil, Chief Internal Auditor, presented information item IV (a): Internal Audit Annual Report 2022-23. As the Chief Audit Executive, it is her responsibility to periodically report to the committee on the department's progress and its performance relative to the plans and conformance with professional standards and code of ethics. The overview represents highlights of the annual report for FY23. The audit activities represent the work plan approved by the committee last August. This report is required to be submitted to the BOG by September 30 each year.

Ms. Kalil provided an update on her personnel resources. In FY22, her team size was bumped up from 10 to 14, and began the year with 2 vacancies. During the third quarter she did lose 4 team members who left the job market as a result of retirement or other personal circumstances. She was successful in filling 3 of the 6 vacancies.

Ms. Kalil reviewed the total breakdown of resource allocation by hours. During FY23, they had budgeted their direct services at 49%. However, due to loss of time resulting from vacancies ending up at three times what was budget, the actual direct services was 36%. When considering direct time of the resources in place, those resources did meet at the direct services expectation of 49%. The predominant amount of time was spent on audits and consulting (73%), followed by investigations. In total, 9 audits, 3 consulting projects, and 24 investigations were completed. At year end, 4 audits were in progress and 11 investigations carried forward into the next fiscal year. Of the 9 audits, 6 were related to university core process and academic areas, including performance-based funding and preeminence data integrity audits; end-user computing, identity management; review of attractive assets; and procure to pay. Three projects that related to the DSOs included: contract management for the Sun Dome, revenue cycle for the Institute of Applied Engineering, and account reconciliation process for the University Medical Services Association.

Ms. Kalil stated that recommendations for the risks that were identified are categorized for tracking and trending purposes. There were 9 control areas where recommendations were made. These recommendations were distributed to leadership, but also to the committee in January and July every year. Management's implementation rate of the open recommendations was 65%. This rate would have been higher, but several reports were issued in the last week of the year.

As the Chief Audit Executive, Ms. Kalil is responsible for developing and maintaining a quality assurance and improvement program, including both internal and external components. The periodic internal assessment performed throughout the year did confirm the conformance to professional standards. Additionally, the external assessment (required every 5 years) was performed last fiscal year and determined conformance with the standards and code of ethics.

Ms. Kalil concluded by highlighting the team's service to the profession which included providing 30 hours of professional education; participating in two Chief Audit Executive round tables; and performing an external assessor for another university. These activities covered several topics: IT, data analytics, quality assurance, and fraud prevention and detection.

USF BOT ACC Notes, Aug 8, 2023

b. Update: University and DSO Independent Audit Findings Report

On behalf of Gerard Solis, Virginia Kalil, presented information item IV(b): University and DSO Independent Audit Findings Report. This was the Auditor General's audit of the state of Florida compliance and internal controls over financial reporting and federal awards. The Auditor General determined that some expenses that were allocated were not allowable. The university disagrees with this determination. A recommendation was made for the university to consult with the US Department of Education (DOE) to discuss the allowability of the cost and any corrective actions, if needed. While the university is working with the USF DOE there is no final resolution at this time.

c. Foreign Travel Annual Report for FY23

Mr. Jason Ramage, Director, Research Integrity & Compliance, presented information item IV(c): Foreign Travel Annual Report 2022-23. Mr. Ramage provided background stating the Florida legislature passed a new law centered on the seven foreign countries of concern. The statute requires all state universities to establish an approval and monitoring program for foreign travel effective January 1, 2022. In addition, an annual report is required to be presented to a governing body, and the BOG suggested the report be presented to the BOT.

Mr. Ramage reviewed the travel and review process for foreign travel. His department conducted over 1,200 screenings for international travel. Of those, 164 screenings (2%) involved one of the seven foreign countries of concern. Most of the travel involved China (12), while the remainder was travel to Cuba (3).

d. Office of Internal Audit External Quality Assurance Review

Virginia Kalil, Chief Internal Auditor, presented information item IV (d): Office of Internal Audit External Quality Assurance Review. The process began back in March with a self-assessment, concluded in May, then external assessors began their work remotely, and visited on site in June. The principal objective was to evaluate the department's conformance with the current Institute of Internal Auditors (IIA) international standards, as well as the code of ethics. Based on the review, the Internal Audit (IA) office generally conforms to the IIA standards and the code of ethics and represents the highest rating for the assessment. The external assessors highlighted strengths: IA is well-respected, demonstrated independence, have strong partnerships, established good communications, and produced audit reports that satisfy stakeholders. Also noted were opportunities for improvement: better documentation retention with external assurance providers, broader risk coverage, successful recruitment and retention, and efficient communication of results.

V. Adjournment

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

Agenda Item: III.b.

USF Board of Trustees
December 5, 2023

Issue: Office of Internal Audit (IA) FY24 Work Plan Revisions

Proposed action: Approval of the IA FY24 Work Plan revisions and allocation of available resources.

Executive Summary: In accordance with the International Standards for the Professional Practice of Internal Auditing (IIA Standards), the chief audit executive is responsible for developing a risk-based plan consistent with the organization's strategies, key business objectives, and associated risks. Additionally, the chief audit executive must review and adjust the plan, as necessary, in response to changes in the organization's risks and the internal audit function's available resources. The plan, including significant interim changes, must be communicated to senior management and the board for approval.

The FY24 IA Work Plan was approved by the Audit and Compliance Committee (ACC) on August 16, 2022. Due to changes in Board of Governors' regulations, emerging risks, and resource limitations, revisions to the IA FY24 Work Plan have been proposed for approval.

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: 11/16/2023

Supporting Documentation Online (please circle): Yes No

IA FY24 Work Plan Revised.pdf

IA FY24 Work Plan Revisions 11162023 FR.pptx

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

Work Plan Revisions FY2023-24

Virginia L. Kalil
Executive Director/Chief Internal Auditor

Audit & Compliance Committee | November 16, 2023

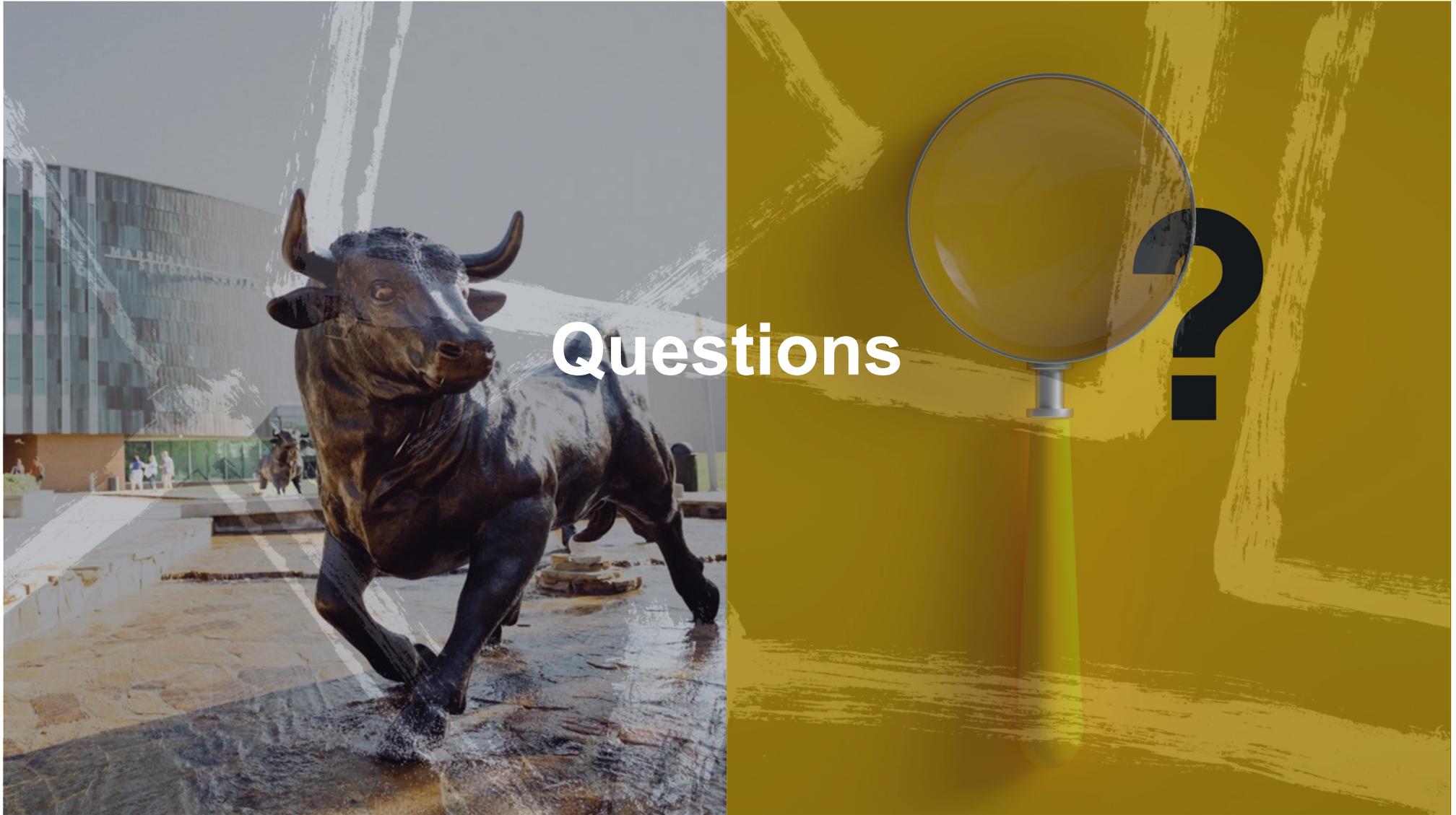


Work Plan Revisions

- Additions
 - Post-Tenure Faculty Review
 - Procurement Card
- Deferrals
 - Decentralized Human Resources Controls
 - USF Health Research
 - College of Nursing
 - Degree Certification

Work Plan Fiscal Year 2024

	2023-24 Hours	2023-24 ADJ	2023-24 Adj Plan	Comment
DIRECT SERVICES				
<i>Audit Services</i>				
Core Processes:				
Construction	800	(650)	150	Outsource
Decentralized Human Resource Controls	800	(800)	-	Deferred
USF Procurement Card		150	150	Added/Outsource
Academic Areas:				
PBF Data Integrity	400	-	400	
Preeminence Data Integrity	500	-	500	
Post-Tenure Faculty Review	-	500	500	Added
College of Nursing	800	(800)	-	Deferred
Degree Certification	800	(800)	-	Deferred
Information Technology (IT):				
Decentralized IT	-	700	700	
Remote Access	700	-	700	
DSO: IT Governance Assessment	750	(25)	725	
Research				
USFH Research	700	(700)	-	Deferred
Regulatory/Compliance				
Driver and Vehicle Information Database Access (DAVID)	250	-	250	
Direct Support Organizations (DSOs)	4,300	(1,410)	2,890	
Follow-up; Coordinate External Audits	600	-	600	
<i>Subtotal</i>	11,400	(3,835)	7,565	
Consulting & Other Direct Services				
Risk Assessment (includes DSO ERM)	600	-	600	
Fraud Awareness	200	-	200	
Human Capital Management System	200	-	200	
Other Services - compliance, financial, IT	300	90	390	
Investigations @ 10%	2,900	(776)	2,124	
Contingency @ 7%	2,000	(1,376)	624	
TOTAL DIRECT SUPPORT	17,600	(5,897)	11,703	
INDIRECT SUPPORT				
Activities Include: Leave, Holiday, Training, Administrative Activities, Quality Assurance Program	11,520	(2,263)	9,257	
Recruiting & On Boarding	-	400	400	
TOTAL INDIRECT SUPPORT	11,520	(1,863)	9,657	
VACANCY				
TOTAL HOURS AVAILABLE	29,120	(0)	29,120	



Work Plan Fiscal Year 2024

	2023-24 Hours	2023-24 ADJ	2023-24 Adj Plan	Comment
DIRECT SERVICES				
<i>Audit Services</i>				
Core Processes:				
Construction	800	(650)	150	Outsource
Decentralized Human Resource Controls	800	(800)	-	Deferred
USF Procurement Card		150	150	Added/Outsource
Academic Areas:				
PBF Data Integrity	400	-	400	
Preceminence Data Integrity	500	-	500	
Post-Tenure Faculty Review	-	500	500	Added
College of Nursing	800	(800)	-	Deferred
Degree Certification	800	(800)	-	Deferred
Information Technology (IT):				
Decentralized IT	-	700	700	
Remote Access	700	-	700	
DSO: IT Governance Assessment	750	(25)	725	
Research				
USFH Research	700	(700)	-	Deferred
Regulatory/Compliance				
Driver and Vehicle Information Database Access (DAVID)	250	-	250	
Direct Support Organizations (DSOs)				
	4,300	(1,410)	2,890	
			-	
<i>Follow-up; Coordinate External Audits</i>	600	-	600	
<i>Subtotal</i>	11,400	(3,835)	7,565	
Consulting & Other Direct Services				
Risk Assessment (includes DSO ERM)	600	-	600	
Fraud Awareness	200	-	200	
Human Capital Management System	200	-	200	
Other Services - compliance, financial, IT	300	90	390	
<i>Investigations @ 10%</i>	2,900	(776)	2,124	
<i>Contingency @ 7%</i>	2,000	(1,376)	624	
TOTAL DIRECT SUPPORT	17,600	(5,897)	11,703	
INDIRECT SUPPORT				
Activities Include: Leave, Holiday, Training, Administrative Activities, Quality Assurance Program	11,520	(2,263)	9,257	
Recruiting & On Boarding	-	400	400	
TOTAL INDIRECT SUPPORT	11,520	(1,863)	9,657	
VACANCY		7,760	7,760	
TOTAL HOURS AVAILABLE	29,120	(0)	29,120	

Agenda Item: IV.a.

USF Board of Trustees
Audit & Compliance Committee Meeting
November 16, 2023

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 on a quarterly basis and describes audit findings, auditor recommendations, management's responses and correction status.

The University and DSOs received 11 audits from independent auditors for the fiscal year ended June 30, 2023. The reports containing findings include the following:

- 0 Findings in the 2 USF Auxiliary June 30, 2023 Audited Financial Statements received to date
- 2 Findings in the 8 DSO June 30, 2023 Audited Financial Statements
- 0 Findings in the USF Health Services Support Organization, Inc.'s June 30, 2023 Audited Financial Statements

Four audit reports for the fiscal year ended June 30, 2023 have not yet been issued:

- University of South Florida Audited Financial Statements
- State of Florida Federal Awards Audit
- Independent Auditor's Report on USF Intercollegiate Athletics Program
- WUSF-FM Audited Financial Statements

One Prior Year Finding is Pending Closure and will be reported to the Committee until closed:

- 1 Finding in the 2022 State of Florida Federal Awards Audit

Financial Impact:

N/A

Strategic Goal(s) Item Supports: **Goal 5: A strong, sustainable and adaptable financial base**
BOT Committee Review Date: **November 16, 2023**
Supporting Documentation Online (*please circle*): **Yes** **No**
Prepared by: **Fell L. Stubbs, University Treasurer, (813) 974-3298**

UNIVERSITY OF SOUTH FLORIDA and RELATED ENTITIES
Independent Audit Findings
Status Report to the BOT Audit & Compliance Committee – November 16, 2023

NEW FINDINGS

USF Entity and Audit Report	Audit Finding	Auditor Recommendations	Management’s Response to Auditor	Current Status of Finding	Target Completion Date
<p><u>UNIVERSITY MEDICAL SERVICE ASSOCIATION (UMSA)</u> 2023 Report on Internal Control based on Audit of Financial Statements</p>	<p align="center"><u>Material Weakness</u></p> <p>Finding 2023-001: Restatement</p> <p>During the year ended June 30, 2023, management determined that previous reconciliations of a contract with the USF had not been properly performed. The contract was reviewed in 2023 and proper accounting and reconciliations were performed and confirmed with USF. This resulted in the discovery of previously recorded revenues related to the contract being understated by approximately \$9,568,000 and related expenses being understated by approximately \$6,212,000 resulting in an increase to net position as of July 1, 2022, of approximately \$3,356,000.</p> <p>The amount recorded as Due to USF and included in accounts payable on the combined statement of net position as of June 30, 2022 was overstated by approximately \$3,356,000.</p> <p>The Association restated its net position as of July 1, 2022 to correct the accounting for this contract.</p>	<p>Management determined that the contract was not properly accounted for during its review of balance sheet reconciliations and supporting details. When the error was discovered, management advised USF Health leadership, the USF Controller’s Office, and both internal and external auditors.</p>	<p>Management has reviewed the ownership of all convenience accounts with USF and continues to monitor them monthly.</p> <p>Responsible Party: Alisha Ozmeral, CFO</p>	<p align="center">CLOSED</p>	<p align="center">CLOSED BY JUNE 30, 2023</p>

UNIVERSITY OF SOUTH FLORIDA and RELATED ENTITIES
Independent Audit Findings
Status Report to the BOT Audit & Compliance Committee – November 16, 2023

NEW FINDINGS

USF Entity and Audit Report	Audit Finding	Auditor Recommendations	Management’s Response to Auditor	Current Status of Finding	Target Completion Date
<p><u>UNIVERSITY OF SOUTH FLORIDA RESEARCH FOUNDATION, INC.</u></p> <p>2023 Report on Internal Control based on Audit of Financial Statements</p>	<p style="text-align: center;"><u>Significant Deficiency</u></p> <p>Finding 2023-01: Significant Deficiency in Internal Controls over the Financial Reporting Process</p> <p>During the audit, it was discovered that contractor invoices for work performed prior to year-end, were not properly recognized in the finance records at June 30, 2023 in accordance with generally accepted accounting principles.</p> <p>The accounting policies in place did not address procedures and controls to ensure construction invoices were properly recognized in the appropriate period.</p> <p>An audit adjustment was made to appropriately recognize construction in progress and accounts payable related to construction invoices in the amount of approximately \$1,100,000.</p>	<p>We recommend that the Research Foundation enhance its accounting policies to ensure that construction invoices are recognized when the liability has been incurred.</p>	<p>We agree with the finding and have enhanced our accounting policies to ensure that construction invoices are recognized when the liability is incurred.</p> <p>Responsible Party: Michelle Hickey, Director of Finance</p>	<p style="text-align: center;">CLOSED</p>	<p style="text-align: center;">CLOSED BY JUNE 30, 2023</p>

UNIVERSITY OF SOUTH FLORIDA and RELATED ENTITIES
Independent Audit Findings
Status Report to the BOT Audit & Compliance Committee – November 16, 2023

PRIOR YEAR FINDINGS – UPDATE FROM AUGUST 8, 2023 COMMITTEE MEETING

USF Entity and Audit Report	Audit Finding	Auditor Recommendations	Management’s Response to Auditor	Current Status of Finding	Target Completion Date
<p><u>UNIVERSITY OF SOUTH FLORIDA</u></p> <p>2022 State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards</p>	<p><u>Finding 2022-032</u></p> <p>USF expended ESF – HEERF Institutional Portion of funds for an allowable purpose.</p>	<p>We recommend that the USF consult with the U.S. Department of Education and, as appropriate, seek reimbursement from the DSO for the amount provided to defray the lost revenue.</p>	<p>USF disagrees with the finding and is consulting with the U.S. Department of Education (DOE) to reverse or modify the finding. USF’s position is that the Education Stabilization Funds (ESF) properly supported USF clinical revenues generated by USF clinicians and should not be confused with revenues generated by the DSO. If required, reimbursement will be sought from University Medical Services Association (UMSA) and the ESF funds will be used for other allowable purposes.</p> <p>Responsible Party: Jennifer Condon, Vice President of Business & Finance</p>	<p>PENDING</p> <p>USF management is consulting with the U.S. Department of Education; however, a final determination has not yet been made.</p>	<p>COMPLETION DATE IS DEPENDENT UPON DOE CONCLUSION</p>

UNIVERSITY OF SOUTH FLORIDA and RELATED ENTITIES
Independent Audit Findings
Status Report to the BOT Audit & Compliance Committee – November 16, 2023

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 (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	Report Not Yet Issued	1 Finding	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	Report Not Yet Issued	No Findings	James Moore & Co., P.L.
USF Auxiliary - WUSF-FM, A Public Telecommunications Entity	January 15	Report Not Yet Issued	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	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	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

Agenda Item: IV.b.

**USF Board of Trustees
Audit & Compliance Committee
November 16, 2023**

Issue: International Fraud Awareness Week

Proposed action: Informational

Executive Summary: As part of the Office of Internal Audit's (IA's) fraud awareness initiative supporting the University's antifraud framework, IA joins the Association of Certified Fraud Examiners in recognizing the week of November 12-18, 2023 as International Fraud Awareness Week. This is a global effort to minimize the impact of fraud by promoting anti-fraud awareness and education.

IA's awareness initiative activities this week include:

- Monthly "flash" report and videos on emerging fraud topics
- Fraud awareness educational sessions

Financial Impact: According to the Association of Certified Fraud Examiner's Occupational Fraud 2022: A Report to the Nations report, organizations lose 5% of revenue to fraud each year. The same report noted the median loss to be \$56K for fraud cases within the Education industry included in their survey.

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: 11/16/2023

Supporting Documentation Online (please circle):

Yes

No

Intl Fraud Awareness Week 11162023 FR.pptx

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

International Fraud Awareness Week

Virginia L. Kalil
Executive Director/Chief Internal Auditor

Audit & Compliance Committee | November 16, 2023



Fraud Week Ambassadors

- *ADP*
- *Capital One*
- *General Mills*
- *Microsoft*
- *Nationwide*
- *Raymond James*
- *US Secret Service*
- *US Small Business Administration*
- *Voya*
- *Walmart*

SUS Supporting Organizations

- *University of South Florida*
- *Florida Agricultural and Mechanical University*
- *Florida Atlantic University*
- *Florida State University*
- *University of Central Florida*





Fraud Awareness Initiative

- Monthly “flash” report on emerging fraud topics
- Periodic fraud training
- On-demand presentations for leadership/unit staff meetings
- Special events/activities for International Fraud Awareness Week in November

Becoming a Fraud Fighter

- What is fraud?
- Why should we care about fraud?
- What constitutes occupational fraud?
- What are the most common occupational fraud schemes?
- Why do people commit fraud?
- What are the red flags of fraud?
- What can be done to prevent and detect fraud?

Preventing Fraud is Everyone's Responsibility

Relevant Guidance & Requirements

- Board of Governors Regulation 3.003 Fraud Prevention & Detection
- USF Regulation 5.001 Fraud Prevention & Detection
- USF Policy 0-023 Internal Control

3.003 Fraud Prevention and Detection

- (1) The Board of Governors is committed to creating an organizational culture where risk management structures are established to prevent and detect fraud within each state university.
- (2) Fraud is defined as an intentional misrepresentation or concealment of a material fact for the purpose of obtaining a benefit that would not otherwise be received, or inducement of another to act upon the intentional misrepresentation or concealment to his or her detriment.
- (3) Each university board of trustees shall adopt a regulation establishing criteria related to appropriate institutional controls and risk management framework that provide reasonable assurance that fraudulent activities within the university's areas of responsibility are prevented, detected, reported, and investigated. The regulation should include at a minimum:
- A zero-tolerance statement concerning fraudulent activity;
 - A definition of fraud and a description of what constitutes fraudulent activities;
 - A statement regarding the applicability of the regulation to all members of the university community, including board of trustees members, university employees, entities contracting with or doing business with the university, vendors, volunteers, and students;
 - The identification of a member or unit within management responsible for designing and overseeing the university's antifraud framework/strategies;
 - A delineation of responsibilities for the prevention, detection, reporting, investigation, and remediation of fraud;
 - A mechanism for reporting suspected fraud and a description of the protections afforded to those who make a report in good faith;
 - Actions to be taken when fraud is identified or substantiated, which may include:
 - Appropriate disciplinary action in accordance with any collective bargaining agreements and/or in consultation with appropriate institutional offices;
 - Recovery of assets/losses;
 - Referral to and/or coordination with law enforcement; and
 - Review and remediation of internal control deficiencies.
 - A process for alerting, as appropriate, senior management, the board of trustees, and the Board of Governors about instances of fraud or investigative outcomes concerning fraud; and
 - Periodic evaluation and reporting to the board of trustees, at least annually, of the status of the antifraud framework used and any necessary revisions to improve the framework.
- (4) The regulation shall be reviewed at least every five (5) years for currency and consistency with applicable Board of Governors and university regulations.

Authority: Section 7(d), Art. IX, Fla. Const., History – New 3-23-2021.



UNIVERSITY OF SOUTH FLORIDA

REGULATION

Number: USF5.001
 Title: Fraud Prevention and Detection
 Responsible Office: Office of Internal Audit

Date of Origin: 3-9-17 Date Last Amended: 2-9-22 (revised) Date Last Reviewed: 2-9-22

I. PURPOSE AND INTENT

The University of South Florida (University or USF) is committed to creating an organizational culture where risk management structures are established to prevent and detect waste, fraud, and financial mismanagement within the University. This Regulation establishes criteria related to appropriate institutional controls and risk management framework that provide reasonable assurance that waste, fraud, or financial mismanagement within the University's areas of responsibility are prevented, detected, reported, and investigated.

II. STATEMENT OF REGULATION

USF is committed to the highest standards of ethical conduct, as defined by [Chapter 112, Part III, Florida Statutes: Code of Ethics for Public Officers and Employees](#), and has a zero tolerance for unethical and fraudulent activity. USF strives to identify and promptly investigate any possibility of wasteful, fraudulent or related dishonest activities including financial mismanagement against USF or its students and employees and to take appropriate disciplinary or legal action.

III. APPLICABILITY AND/OR AUTHORITY

Pursuant to Board of Governors Regulations [3.003 Fraud Prevention and Detection](#) and [4.001 University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement](#), each board of trustees shall adopt a regulation which establishes an antifraud framework including timely notification to the Board of Governors, through the Office of Inspector General and Director of Compliance (OIGC), for the State University System of Florida Board of Governors, of any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses



UNIVERSITY OF SOUTH FLORIDA

POLICY

Number: 0-023
 Title: Internal Control
 Responsible Office: Office of Internal Audit

Date of Origin: 8-9-17 Date Last Amended: 6-29-22 (revised) Date Last Reviewed: 6-29-22

I. PURPOSE AND INTENT

The purpose of this Policy is to communicate the University of South Florida's (USF or University) internal control objectives as set forth by the USF Board of Trustees. This Policy establishes standards in the design and implementation of the system of internal controls for USF.

These internal controls are put in place in order to reduce USF's exposure to financial, operational, strategic, compliance, and reputational risks. This system of internal controls is designed to promote effectiveness and efficiency in operations, minimize risk of asset loss, help ensure the reliability of financial and operational information, and support compliance with applicable laws, rules, and regulations. Internal controls provide reasonable assurance for mitigating risk; however, no system of control can provide absolute assurance.

USF has adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Control Framework which outlines the key components of Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring activities. All five components must be in place and operating for the system of internal controls to be effective.

II. APPLICABILITY

This Policy applies to all USF Employees and direct service organizations within USF.

III. AUTHORITY AND RESPONSIBILITY

A. The USF Board of Trustees is responsible for setting the expectations for internal

How To Report Fraud

1. EthicsPoint hotline at 1-866-974-8411 or www.ethicspoint.com
2. Report the incident or practice to their supervisor for subsequent reporting to the appropriate management official.
 - a. If the reporter believes their supervisor may be involved, then they employee must report to the next higher level of management or to the Office of Internal Audit.
 - b. If the reporter believes the Office of Internal Audit or the Office of Compliance and Ethics, including the chief audit executive or chief compliance officer, may be involved, then the reporter must report to the Office of the General Counsel.

FRAUD AWARENESS WEBINAR

Hosted by the **USF** Office of Internal Audit



International Organized Crime/Money Laundering Case Presentation

WITH FBI SPECIAL AGENT LISA KERR

Friday, November 17th

11am-12pm

[Register Here](#)



UNIVERSITY of
SOUTH FLORIDA
Office of Internal Audit

