### UNIVERSITY OF SOUTH FLORIDA

**Outstanding External Audit Findings**

**August 2, 2007**

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<th>Audit Finding</th>
<th>Recommendation</th>
<th>USF Response</th>
<th>Specific Action Taken &amp; Current Status</th>
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| **2006 Schedule of Expenditures of Federal Awards, Finding 1**  
*Contact:* Nick Trivunovich  
813/974-7696 | The institution should implement adequate procedures to ensure that Federal contracts for which the institution has responsibility are subjected to the institution’s oversight and controls. | USF will require other affiliated organizations develop documentation that will reflect all entities have followed established procedures for the administration of research awards. | Estimated Corrective Action Date of June 30, 2007  
Partially completed. The University is currently finalizing its procedures to require that all Federal contracts entered into on the institutions behalf by affiliated organizations are monitored and have proper oversight. The projected completion date is August 31, 2007. |
| **2006 Federal Circular A-133 Audit, Finding 4**  
*Contacts:* Priscilla Pope  
813/974-5555  
Nick Trivunovich  
813/974-7696 | The institution should follow its procedures to ensure that Federal contracts for which the institution has responsibility are subjected to the institution’s oversight and controls. Also, the institution should enter into a subaward agreement with UMSA; ensure that procedures for monitoring subrecipients are followed; return unexpended funds to FDOH within 45 days of the contract end date if a new spending plan has not been submitted and approved; and follow its procedures to track OMB Circular A-133 audits due from subrecipients, and take appropriate actions if an audit is not submitted by the due date. | USF will require other affiliated organizations develop documentation that will reflect all entities have followed established procedures for the administration of research awards. Where appropriate, USF will enter into a subaward agreement with UMSA and ensure that procedures for monitoring subrecipients are followed. USF will seek clarification from FDOH on the approval of carryforward of unexpended funds from the 2005-06 contract. | Estimated Corrective Action Date of June 30, 2007  
Partially completed. The University is currently finalizing its procedures to require that all Federal contracts entered into on the institutions behalf by affiliated organizations are monitored and have proper oversight. USF is working with UMSA to determine when a subaward agreement should be created, as well as the proper handling of unexpended funds. USF has procedures requiring that OMB Circular A-133 audits are received from subrecipients and will require that these procedures are followed consistently. The projected completion date is August 31, 2007. |
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<td><strong>2007 Federal Circular A-133 Audit, Finding 1</strong></td>
<td>Given that the institution reported CAS exemptions for 30% of its Federal grants, the institution should seek an opinion and clarification from the cognizant agency (USDHHS) and the Division of Cost Allocation as to whether the institution is using CAS exemptions that meet the criteria for “unlike circumstances” as contemplated by the cognizant agency.</td>
<td>USF has a process in place to review all CAS exceptions for conformance with the requirements established in OMB Circular A-21. USF will establish a working group to review the volume of CAS exceptions to determine if the criterion of “unlike circumstances” is being interpreted correctly.</td>
<td>Estimated Corrective Action Date of April 30, 2007. Partially completed. The University has a process in place to review all CAS exceptions for conformance with the requirements established in OMB Circular A-21. USF has established a working group to review the volume of CAS exceptions to determine if the criterion of “unlike circumstances” is being interpreted correctly. This group’s work is ongoing. USF is currently undergoing federal review of our revised Disclosure Statement (DS-2). We expect that the review will include an assessment of USF’s compliance with CAS requirements regarding “unlike circumstances.” The projected completion is December 31, 2007.</td>
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<td>Priscilla Pope</td>
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<td><strong>2007 Federal Circular A-133 Audit, Finding 2</strong></td>
<td>The institution should implement procedures to ensure that vendors used for covered Federal transactions are not debarred or suspended from receiving Federal funds.</td>
<td>USF will implement procedures to ensure that vendors used for covered transactions are not debarred or suspended from receiving Federal Funds.</td>
<td>Estimated Corrective Action Date of January 30, 2007. Completed. The University checks all requisitions and payment request forms of $25,000 or more to verify that they are not on the Federal suspended and debarred list.</td>
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<td>Jeff Mack</td>
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<td><strong>2006 Florida Bright Futures Scholarship Program</strong></td>
<td>The institution should ensure that un-reimbursed program funds are returned to DOE within the time frame provided by law.</td>
<td>USF has adopted procedures to require that undisbursed program funds are returned to DOE within the time frame provided by law.</td>
<td>Estimated Corrective Action Date of April 15, 2007. Completed.</td>
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