<table>
<thead>
<tr>
<th>Audit Finding</th>
<th>Recommendation</th>
<th>USF Response</th>
<th>Specific Action Taken &amp; Current Status</th>
</tr>
</thead>
</table>
| **2004 Operational Audit, Finding 3:** Accounts Receivable | The University should ensure that accounts receivable records include sufficient identifying information, and place academic holds on student records for nonpayment of obligations. | The University will review procedures for placing academic holds on student records for outstanding accounts and modify the process, as needed, to ensure compliance. Processes for obtaining identifying account information for parking citations will be reviewed for improving the likelihood of collection. Accounts will be submitted for write-off when appropriate. | Tampa: **Completed**  
(1) A listing of vehicles that need to be searched on the State’s Tag Talk with the Department of Motor Vehicles is run monthly. This action was implemented May 2005.  
(2) We are in the process of signing a contract with T-2 Systems to enable us to obtain information on out-of-state plates, with an expected implementation of October 2006.  
(3) Holds on student accounts are placed and taken off each morning. However, during registration periods the holds are added once a day and removed twice a day. This action was implemented May 2005. |

**Estimated Corrective Action Date:** 04/30/06
<table>
<thead>
<tr>
<th>Audit Finding</th>
<th>Recommendation</th>
<th>USF Response</th>
<th>Specific Action Taken &amp; Current Status</th>
</tr>
</thead>
</table>
| **2004 Operational Audit, Finding 7:** Purchasing Cards | The University should update its purchasing card guidelines, and enhance controls over monitoring the purchasing card program to ensure compliance with purchasing card guidelines and cardholder limits. The University should also review purchasing card credit limits and periodically adjust such limits as needed. In addition, the University should enhance its training programs to educate University personnel on the appropriate use of purchasing cards and subsequent approval of purchasing card transactions. | The University is implementing an online university purchasing card reconciliation process in the Procurement Module of the PeopleSoft Financial Management System. As part of the implementation, the University purchasing card guidelines, training, controls and cardholder limits will be reviewed and updated, as needed, to reflect the new online process. | Partially completed. The P-card reconciliation training was completed. USF is scheduled to complete the 8.9 Oracle upgrade 12/04/06 with training for the upgrade to be completed by March 2007. Online P-card reconciliation development was completed and implemented September 2005. P-card guidelines were updated to reflect the online reconciliation process and implemented March 2006. |}

**Estimated Corrective Action Date:** 05/31/06

- Training for the P-card reconciliation process was conducted September – November 2005 for 500 users. Monthly reconciliation training was established for new users and updates. Users must complete training before access to the P-card reconciliation module is approved. This action will be implemented September 2006.
- The P-card Administrator conducts a monthly review of P-card purchases for appropriateness based on the item and amount. Specific items and large amounts are targeted. This action was implemented March 2006.
- The P-card Administrator conducts a semi-annual review of cardholder limits. This action was implemented March 2006.

**Note:** USF is scheduled to complete the Oracle (People Soft) Financial Management System 8.9 upgrade by September 2006. This includes the P-card module which will improve the online reconciliation process. In addition, USF will award a new P-card provider contract. The updated technology from the P-card provider will offer additional data to support the reconciliation process for the end users and central administrative staff.
<table>
<thead>
<tr>
<th>Audit Finding</th>
<th>Recommendation</th>
<th>USF Response</th>
<th>Specific Action Taken &amp; Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004 Operational Audit, Finding 8: Auxiliary Bookstore Contracts</td>
<td>The University should implement procedures to ensure that it is receiving the proper amount of commission income, and enhance its procedures for monitoring the bookstore contractor’s compliance with the terms of the written agreements.</td>
<td>The University maintains that audit procedures performed by Barnes &amp; Noble College Bookstores, Inc. ensure sales conducted in the bookstores are accurately reported. The University will implement procedures to periodically verify daily sales to monthly reports provided by Barnes &amp; Noble. The University will review all vendor responsibilities and terms outlined in the bookstore agreements to ensure compliance. Estimated Corrective Action Date: 01/31/06</td>
<td>Completed. The contract managers on the Tampa, St. Petersburg, and Sarasota/Manatee campuses conduct periodic reviews of daily sales in the respective campus bookstores and verify monthly commission received by the university. Periodic reviews were begun in FY 05-06 for the Tampa, Health Sciences, and Sarasota/Manatee campus bookstores. Reviews for the St. Petersburg Bookstore will begin in FY 06-07. Each campus contract manager reviews vendor responsibilities in the respective bookstore agreements to ensure compliance. Specific to the audit findings, the contractor has provided documentation regarding motorized vehicle operators to the University, as outlined in the agreement, and will renew such documentation on an annual schedule. Subsequent to audit inquiry, the contractor obtained and provided the performance bond to University personnel for Sarasota/Manatee. The contractor will provide documentation to the University of the performance bond on an annual schedule.</td>
</tr>
<tr>
<td>Audit Finding</td>
<td>Recommendation</td>
<td>USF Response</td>
<td>Specific Action Taken &amp; Current Status</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------</td>
<td>--------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td><strong>2004 Operational Audit, Finding 9:</strong> Office of University &amp; Compliance Review</td>
<td>As recommended by the OUAC, the University should strengthen controls and monitoring over the Faculty Activity Reporting system.</td>
<td>The University will strengthen controls and monitoring over the Faculty Activity Reporting System as identified in the April 28, 2005 report of the OUAC.</td>
<td>Partially completed--see attachment.</td>
</tr>
</tbody>
</table>

**Contact:**
Michael Moore
813/974-6987
UNIVERSITY OF SOUTH FLORIDA  
Certification of Audit Finding Correction  
September 13, 2006

2004 Operational Audit Conducted by the State Auditor General’s Office  
Finding No. 9: Office of University and Compliance Review

Recommendation: As recommended by the OUAC, the University should strengthen controls and monitoring over the Faculty Activity Reporting system.

Response: The University will strengthen controls and monitoring over the Faculty Activity Reporting System as identified in the April 28, 2005 report of the OUAC.

Expected Implementation Date: January 31, 2006

Responsible Party: Michael Moore, 813/974-6987

Certification of Completion: I hereby certify the corrective action stated in the “Response” to this audit recommendation has been completed, by having implemented the following processes/steps:

2) FAIR has implemented standard password controls. Passwords expire after six months, must contain a non-alpha character, and cannot be a previous password or their login or birth date. When a person has forgotten their password and their identity is triple-validated then the password is automatically reset. Both are interim measures until integration with the USF portal is implemented. Partially completed. Transition to the USF portal is expected to be completed by January 2007.

7) Non compensated appointments are by definition without compensated effort. The business process is changed so that faculty paid 100% from an award (that does not allow teaching) to report this teaching effort (which they are not under contract for) as non-compensated. This effort must be written into the grant or facilitate payroll so that there is some payroll distribution from an allowable source (E&G, Overhead Rebate). Faculty without full-time appointment, and faculty without an appointment can still have non-compensated effort. [At other SUS institutions surveyed, it has been the policy the previous 18 years to handle uncompensated teaching in the Summer when the faculty member had exclusively external funding with the initial methodology. Business processes and documentation are rewritten to agree with the administrative direction.] Not completed. A policy is anticipated being in place by March 2007.

8) Established deadlines are roughly concurrent with federal effort reporting. The state and federal joint workgroup is considering the payroll expenditure transfers and timing issues and working on developing a joint set of deadlines. Resolution is expected during Summer term, 2007. Not completed.