University Audit and Compliance Charter

Summary of Modifications

At the August 4, 2004 President’s Staff meeting, a draft Charter was presented which better reflects actual operations and operating expectations for 2004-05. The key changes to the existing Charter are noted below.

- Inclusion of “fraud risks” within the Charter consistent with the newly issued Statement on Auditing Standard #99
- Investigations process notes coordination with appropriate offices on campus rather than listing offices individually
- Inclusion of investigation reporting process for State allegation referrals and whistleblower matters
- Refined description of the plans for the University’s compliance program and coordination with compliance officers across campus
- Revision of review and approval process to note Executive Vice President rather than President
- Reporting to Board Liaison notes coordination by Executive Vice President and President’s Chief of Staff consistent with overall management of governance priorities and issues
- Clarification on the role of the USF Finance Committee and its responsibility for disseminating audit and compliance information
- Removal of the Enterprise Risk Assessment program initiation based on current University budget position
I. Introduction

USF Office of University Audit and Compliance provides independent, objective assurance and advisory services to assist University management and the Board of Trustees in the effective discharge of their responsibilities. The Office helps the University accomplish its goals and objectives through a systematic, disciplined approach to evaluating and improving business risk management, control, compliance, and governance processes.

This document outlines the authority and responsibility of University Audit and Compliance and establishes delegations related to the management of internal audit, compliance oversight/monitoring, and investigations at the University of South Florida.

II. Mission

The Office of University Audit and Compliance serves the University by promoting stewardship, accountability, integrity, efficiency, and compliance, upholding the highest professional standards, and providing high-quality value-added services to senior management and the Board of Trustees.

III. Scope of Work

Audit and Consulting Services

To determine whether the University’s risk management, operational, governance, and control processes, as designed and represented by management, are adequate and functioning in a manner that will reasonably ensure:

- Significant risks, including fraud risks, are identified and managed effectively.
- Critical financial, managerial, and operating information is complete, accurate, reliable, and timely.
- Employee’s actions are in compliance with established policies, procedures, rules, and applicable laws and regulations.
- Resources are acquired and utilized efficiently and effectively, and are adequately safeguarded against loss or unauthorized use.
- Programs, plans, and objectives are achieved and are in accordance with University wide goals and objectives.

University processes are evaluated using the Committee on Sponsoring Organizations (COSO) guidelines, guidance contained in the Professional Practices Framework of the Institute of Internal Auditors, Generally Accepting Accounting Standards, and/or Generally Accepting Governmental Accounting Standards, where applicable. These standards define internal control as “a process effected by an entity’s management, and other personnel, designed to provide reasonable assurance regarding the achievement of organization’s objectives.” Therefore, responsibility for the development and implementation of an adequate control system rests with every employee within the organization.
Investigations

The Office of University Audit and Compliance maintains reporting systems that allow allegations and concerns to be reported in confidence. The Office is responsible for investigating allegations of misconduct by University employees that include misuse of resources, violation of policies, procedures, rules, laws, or regulations and gross negligence. Allegations referred to the University by State investigative agencies such as the Department of Education Inspector General and Governor’s Office are investigated by the Office, in accordance with professional standards. All investigations conducted are coordinated with University Police, General Counsel, and other University offices, as appropriate.

Investigations are conducted in accordance with Generally Accepted Investigatory Standards (GAIS) promulgated by the Association of Certified Fraud Examiners and other standards, as appropriate.

Compliance

The Compliance function within Office of University Audit and Compliance is responsible for overseeing and monitoring the University’s overall compliance program under the direction and oversight of senior management and the Board of Trustees. The University’s compliance program entails:

- Assisting management in promoting a culture of institutional compliance
- Identifying, evaluating, and reporting institutional compliance risks to senior management
- Promoting mechanisms that allow University employees to report complaints in anonymity
- Facilitating regular, effective compliance awareness programs and communications
- Overseeing and coordinating institutional compliance matters with compliance specialists across the University and
- Coordinating meetings to address institutional compliance issues and facilitate management decision making.

The Office of University Audit and Compliance assists management in facilitating institutional compliance by assessing and monitoring risks and risk mitigation strategies. The Office will augment this function with compliance audits and reviews based on institutional risk assessments. Responsibility for implementation of compliance policies, procedures, and practices in other areas resides with management.

IV. Independence

The Office of University Audit and Compliance organizationally reports to the President and operates under the day-to-day oversight of the University’s Executive Vice President. The President’s Chief of Staff and Executive Vice President define and facilitate University Audit and Compliance’s reporting relationship to the Board of Trustees through a designated Trustee Liaison. Reporting to the Board will include periodic reports, briefings, and assessments, as needed. In addition, the Office of University Audit and Compliance is responsible for providing reports to the Department of Education Inspector General on whistleblower issues and other matters referred to the Office for assessment by the Department of Education, Governor’s Office, and other State investigative agencies. The University Finance Committee, a committee of responsible University and related entity financial officers and business managers, should also receive reports on key audit and compliance issues for dissemination throughout their organizational units.
All staff within the Office are responsible for maintaining exemplary ethics, integrity, and objectivity in the performance of their duties. Operations are managed to assure independent and objective assessments in accordance with professional standards.

The Office of University Audit and Compliance has no authority or responsibility over the activities under audit and may not perform additional operational duties, direct disciplinary or remedial actions, or establish policy outside the Office’s area of responsibility. Participation in planning, development, implementation, or modification of University systems or processes is limited to an advisory or consulting role and is managed so as to provide independence when conducting future assessments. The Office is responsible for ensuring confidential records obtained in the course of their activities are adequately secured and are not disclosed without established authority.

V. Authority

The Office of University Audit and Compliance may provide investigation services to all entities and support organizations, including direct support organizations and Physician Practice Plan corporations, under the control and direction of the University of South Florida. Direct Support Organizations obtain internal audit and compliance services from public accountants, consultants, and their own internal audit staff. The Office of University Audit and Compliance may also provide internal audit and compliance services to Direct Support Organizations and entities under the control and direction of the University at the request of management or the Board of Trustees.

The Office of University Audit and Compliance has full and unrestricted access to all functions, activities, records, property, information systems, and personnel, including those records or activities exempt from the Public Records laws, needed to fulfill its responsibilities.

VI. Responsibility

USF Office of University Audit and Compliance has the following responsibilities:

- Develop and submit to the Executive Vice President for annual review and approval a work plan that utilizes an appropriate risk-based methodology with consideration of risks or control concerns identified by management.
- Follow-up on findings appearing in University Audit and Compliance reports as well as those reports and assessments issued by external audit entities, research sponsors, and other external parties.
- Execute audits, investigations, consulting services and compliance oversight based on professional standards appropriate for the engagement, including Standards for the Professional Practice of Internal Auditing, Generally Accepted Investigatory Standards.
- Hire and retain professional staff with sufficient knowledge, skills, experience, and professional certification to fulfill the responsibilities of the Office and the requirements of this Charter and assure appropriate training and education is provided to all employees in accordance with applicable professional education standards. For specialized or technical engagements, consulting experts may be hired to effectively perform and complete the engagement.
- Provide and issue reports on work performed, utilization of Office resources, follow-up on the status of Office and external audit recommendations, and significant unmitigated risks and/or noncompliance to the Executive Vice President, Board of Trustees, and others as appropriate.
- Receive complaints and coordinate activities of the University as required by the Whistleblowers Act and conduct or coordinate reviews and investigations, as appropriate.
- Coordinate external audit, review, and investigatory work performed at the University of South Florida by the Auditor General, Federal government, or other external entities to facilitate effective and timely completion of these engagements.
Monitor and promote compliance with policies, procedures, rules, and applicable laws and regulations through the University Compliance function.

Provide training programs to assist University employees and management in improving operational efficiency, effectiveness, and compliance based on work performed.

Detailed operational procedures for Office of University Audit and Compliance will be presented for the approval of the Executive Vice President.

Approved On: __________________________

Marie Hunniecutt, Director

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Judy L. Genshaft, President

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Board of Trustees