

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2020-135
February 2020

UNIVERSITY OF FLORIDA



Sherrill F. Norman, CPA
Auditor General

Board of Trustees and President

During the period January 2018 through December 2018, Dr. W. Kent Fuchs served as President of the University of Florida and the following individuals served as Members of the Board of Trustees:

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James W. Heavener, Chair through 6-30-18	Dr. Steven M. Scott through 1-24-18
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Ian M. Green from 4-26-18 ^a	David M. Thomas through 1-25-18
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W. Smith Meyers through 4-25-18 ^a	Anita G. Zucker
Daniel T. O'Keefe from 1-25-18	

^a Student Body President.

^b Faculty Senate Chair.

The team leader was Debra L. Hulse, CPA, and the audit was supervised by Denita K. Tyre, CPA.

Please address inquiries regarding this report to Jaime N. Hoelscher, CPA, Audit Manager, by e-mail at jaimehoelscher@aud.state.fl.us or by telephone at (850) 412-2868.

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State of Florida Auditor General

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UNIVERSITY OF FLORIDA

SUMMARY

This operational audit of the University of Florida (University) focused on selected University processes and administrative activities and included a follow-up on findings noted in our report No. 2018-193. Our operational audit disclosed the following:

Finding 1: The University made severance payments totaling \$2.7 million more than the threshold in State law.

Finding 2: Student orientation and nonrefundable application fees were not always limited to amounts specified in State law and BOG and University regulations.

Finding 3: The University needs to continue efforts to ensure purchasing cards are timely canceled upon a cardholder's separation from University employment.

Finding 4: Although the University had established some elements of a disaster recovery plan, as of November 2019 a comprehensive disaster recovery plan had not been established.

BACKGROUND

The University of Florida (University) is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors (BOG). The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the BOG appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered 5-year terms. The Faculty Senate Chair and Student Body President also are members.

The BOG establishes the powers and duties of the Trustees. The Trustees are responsible for setting University policies, which provide governance in accordance with State law and BOG Regulations. The University President is selected by the Trustees and confirmed by the BOG. The University President serves as the Executive Officer and the Corporate Secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees for the University.

FINDINGS AND RECOMMENDATIONS

Finding 1: Severance Payments

State law¹ provides that a unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay must include a provision in the contract or employment agreement that precludes severance pay from exceeding 20 weeks of compensation. State law further provides that an employee or contractor may receive severance pay that is not provided for in a contract or employment agreement

¹ Section 215.425(4), Florida Statutes.

if the pay represents the settlement of an employment dispute and the amount does not exceed 6 weeks of compensation. State law defines severance pay as salary, benefits, or perquisites for employment services yet to be rendered that are provided to an employee who has recently been or is about to be terminated.

From the population of 113 employees who received severance pay totaling \$5.4 million during the audit period, we examined University records supporting 58 selected employees paid severance pay totaling \$4.8 million to determine whether the severance payments complied with State law. We found that, because of a significant reduction in recurring State Institute of Food and Agricultural Sciences (IFAS) funding, the University offered IFAS employees a divestment incentive opportunity for the period April 10, 2018, through May 31, 2018. The opportunity allowed eligible IFAS employees as of June 30, 2018, to receive severance payments for compensation and health insurance premiums in exchange for separating from University employment. Thirty-four IFAS employees accepted the offer, signed an agreement that included a no-reemployment clause, and released the University from any and all claims related to their relationship with the University. Through this agreement, the 34 IFAS employees received severance payments totaling \$4.3 million, including \$4 million for compensation and \$0.3 million for health insurance premiums. However, the severance payments were \$2.7 million more than the amount equivalent to the employees' 20 weeks of compensation, contrary to State law.

In response to our inquiry, University personnel indicated that the payments were not bonuses or severance pay and that the relinquishment of tenure and permanent status provided IFAS leadership with a flexible tool to achieve efficiencies and shape its workforce to meet strategic and operational needs. According to University personnel, when it is in the best interest of the University to reduce the number of faculty who have tenure or permanent status, it must do so by mutual agreement with the faculty members and by providing consideration in exchange for the relinquishment of tenure or permanent status.

Notwithstanding this response, payment amounts totaling \$2.7 million represent compensation for employment services not yet rendered, were provided to employees who agreed to terminate their employment, and, therefore, represented severance pay. As such, the amounts exceeded statutory severance pay limits.

Recommendation: The University should ensure that severance pay provisions in future University employment agreements and related payments are limited to thresholds set by State law.

Finding 2: Student Fees

State law² and Board of Governor (BOG) regulations³ authorize university board of trustees to establish certain specified user fees, such as orientation and nonrefundable application fees, that are not to exceed

² Section 1009.24(14), Florida Statutes.

³ BOG Regulation 7.003, *Fees, Fines and Penalties*.

the specified limits of \$35 and \$30, respectively. Pursuant to University regulations,⁴ orientation and nonrefundable application fees are set at those limits.

According to University records, which included a forensic audit report,⁵ the University did not always limit freshman orientation fees to the \$35 maximum in accordance with State law and BOG regulations. Specifically, during the:

- 2015-16 and 2016-17 fiscal years, the University held a 2-day freshman orientation each fiscal year with a mandatory overnight stay costing \$200 per student, exceeding the fee limit by \$165 per student. For the 2 fiscal years, the University collected freshman orientation fees totaling \$1.5 million and \$1.4 million, respectively, approximately \$2.4 million more than the total orientation fees should have been for those fiscal years based on the \$35 limit.
- 2017-18 fiscal year, the University held a 2-day freshman orientation with an overnight stay costing \$150 per student, exceeding the fee limit by \$115 per student. Although not overtly displayed, according to University personnel, the University allowed the freshmen to forego this orientation for a base orientation cost of \$35 per student for general University information. However, according to University personnel, the students who forewent the orientation were not allowed to only pay the \$35 fee but also had to pay the full 2-day orientation cost and subsequently initiate a refund request for \$115. Of the 7,501 freshman students who registered for orientation, only 3 students forewent the 2-day orientation. The University collected freshman orientation fees totaling \$1.1 million, approximately \$900,000 more than the orientation fees should have been based on the \$35 limit.
- 2018-19 fiscal year, the University held a 2-day freshman orientation with an overnight stay costing \$150 per student, exceeding the fee limit by \$115 per student. The University allowed students to forego the 2-day orientation for a base orientation fee of \$35 per student for general University information. However, of the 6,960 freshman students who registered for orientation, only 182 students forewent the 2-day orientation. The University collected freshman orientation fees totaling \$1 million, excluding fees collected from the 182 students, approximately \$800,000 more than the orientation fees should have been based on the \$35 limit for the 2018-19 fiscal year through June 28, 2019.⁶

In response to our inquiries, University personnel indicated that the students who paid orientation fees more than the \$35 limit received goods and services such as meals and overnight housing that the additional fees covered. However, although we requested, University records were not provided to support the University's authority to provide orientation services with associated student fees more than the \$35 limit set by State law and BOG and University regulations.

In addition, contrary to State law and BOG and University regulations, the University exceeded the \$30 nonrefundable application fee limit by assessing \$35 per freshman application⁷ to 92,064 students during the period July 2016 through October 2019. For that period, the University assessed a total of \$3.2 million for freshman applications, \$460,320 more than the amount based on the nonrefundable application fee limit. For all non-freshman applicants,⁸ the University exceeded the \$30 maximum

⁴ University of Florida Regulation 3.0376, *Miscellaneous Fees*.

⁵ The forensic audit was directed by the University legal counsel.

⁶ Forensic auditor's end of fieldwork date.

⁷ The \$35 included a \$30.20 application fee and \$4.80 processing fee or \$30 application fee and \$5 processing fee depending on when the application was received.

⁸ Such as transfer, post-baccalaureate, and certificate program students.

nonrefundable application fee by assessing \$37 per application⁹ to 82,918 students during the period January 1, 2018 through October 16, 2019. For that period, the University assessed a total of \$3.1 million to non-freshman applicants, \$488,387 more than the amount based on the nonrefundable application fee limit.

In response to our inquiry, University personnel indicated that the students were assessed the additional nonrefundable application fees because the University had contracted for the development and maintenance of the University application to a third-party vendor charged with building and maintaining the application system. University personnel also indicated that the vendor charged these additional application fees directly to the applicant to process the applications and that the University only received from the vendor \$30 or \$30.20 for each freshman application submitted and \$31.45 for all other applications submitted through the vendor beginning January 1, 2018. Notwithstanding this response, although we requested, University records were not provided to evidence the authority to charge the students fee amounts in excess of the nonrefundable application fee limit.

According to University management, the University informed the vendor to reduce the total charged to the student to \$30 (inclusive of the \$5 processing fee), effective October 2019 for non-freshman applicants and November 2019 for freshman applicants. As of December 2019, there was an ongoing class action lawsuit against the University for excessive orientation fees.

Recommendation: The University should continue efforts to ensure that student orientation and nonrefundable application fees are limited to amounts specified in State law and BOG and University regulations.

Finding 3: Purchasing Cards

The University administers a purchasing card (P-card) program, which gives employees the convenience of purchasing items without using the standard purchase order process. P-cards are designed to provide a cost-effective, convenient, and decentralized method for individuals to make certain business purchases on behalf of the University. The bank that administers the P-card program requires charge disputes to be made within 60 days of the transaction posting date.

The University established a P-card administrative team that had responsibilities for issuing P-cards, monitoring P-card transactions, providing P-card training, and canceling P-cards. According to University procurement procedures, the departments of cardholders are required to e-mail the administrative team to cancel P-cards, including those assigned to employees who separated from University employment, as soon as possible and provide the team with the employee name, identification number, and reason why the P-card is being canceled. Additionally, according to Human Resource (HR) procedures, department supervisors are to conduct exit interviews using employee exit checklists that instruct employees to return their P-cards and remind supervisors to notify the administrative team to cancel the P-cards.

As of December 31, 2018, the University had 5,121 active P-cards and, during the 2018 calendar year, 477 cardholders separated from University employment. We compared University P-card records with

⁹ The \$37 included a \$31.45 application fee and \$5.55 processing fee that included a 3 percent credit card service fee of \$1.11.

University employment separation records and found that the University did not cancel the P-cards assigned to 60 employees until 62 to 176 days, or an average of 98 days after cardholders' employment separation dates. According to University personnel, department supervisors did not notify the P-card administrator to promptly cancel these 60 cards. University personnel also indicated that, in January 2019, the P-card administrative team implemented an additional step in their monthly review to identify employees who separate from University employment based on HR records and promptly suspend the P-cards of those employees.

Our examination of University records supporting the P-card activity of the 60 former employees after their employment separation dates did not disclose any inappropriate charges; however, our procedures cannot substitute for the University's responsibility to implement adequate internal controls over P-cards. The untimely cancellation of P-card privileges increases the risk that such privileges could be misused by former employees or others and may limit the University's ability to satisfactorily resolve disputed charges. Similar findings were noted in our report Nos. 2018-193 and 2016-058.

Recommendation: The University should continue efforts to ensure that P-card privileges are promptly canceled upon a cardholder's separation from University employment.

Finding 4: Disaster Recovery Plan

Disaster recovery planning is an important element of information technology (IT) controls established to manage the availability of valuable data and IT resources in the event of a processing disruption. The primary objective of disaster recovery planning is to provide the entity a plan for continuing critical operations in the event of a major hardware or software failure. A disaster recovery plan should identify key recovery personnel and critical applications, provide for backups of critical data sets, and provide a step-by-step plan for recovery. In addition, plan elements should be tested at least annually to disclose any areas not addressed and to facilitate proper conduct in an actual disruption of IT operations.

Although the University had established some elements of a disaster recovery plan by, for example, providing backup database functions that run concurrently and do not require annual testing, the University did not have as of November 2019 a comprehensive plan detailing key components for maintaining and restoring core IT infrastructure and services including the recovery and restoration of financial, payroll, student records, and other critical applications and identifying and documenting disaster recovery team members and their respective roles and responsibilities. The lack of a comprehensive disaster recovery plan and annual testing of applicable plan elements increases the risk that the University may not promptly and effectively resume IT operations, or maintain availability of IT data and resources, in the event of a disaster or other service interruption.

Recommendation: The University should develop a comprehensive disaster recovery plan. The plan should include detailed procedures for maintaining and restoring core IT infrastructure and services, identify key recovery personnel and critical applications, provide for backups of critical data sets, and provide a step-by-step plan for recovery. In addition, the University should at least annually test applicable plan elements to provide reasonable assurance of the successful recovery of critical applications and continuity of critical operations in the event of a disaster.

PRIOR AUDIT FOLLOW-UP

The University had taken corrective actions for findings included in our report No. 2018-193, except that Finding 3 was noted in our report Nos. 2018-193 and 2016-058 as Finding 3 and Finding 2, respectively.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from March 2019 through November 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Determine whether management had taken corrective actions for findings included in our report No. 2018-193.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls; instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in

considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the audit period of January 2018 through December 2018 and selected University actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed University information technology (IT) policies and procedures to determine whether the policies and procedures addressed certain important IT control functions, such as security, systems development and maintenance, and disaster recovery.
- From the population of 1,252 total employees assigned three finance application roles, we evaluated the propriety and necessity of access privileges assigned to 30 selected employees based on the employees' job duties and user account functions and whether incompatible duties were prevented.
- Evaluated University procedures that prohibit former employees' access to University IT data and resources. From the population of 10,531 employees who separated from University employment during the audit period, we examined the access privileges for 30 selected former employees to determine whether their access privileges had been timely deactivated.
- Evaluated University procedures for protecting student social security numbers (SSNs). From the population of 190 employees who had access to student SSNs during the audit period, we examined University records supporting the access privileges granted to 89 employees to determine the appropriateness and necessity of the access privileges based on the employees' assigned job responsibilities.
- Evaluated University security policies and procedures effective during the audit period governing the classification, management, and protection of sensitive and confidential information.
- Evaluated the appropriateness of the University comprehensive IT disaster recovery plan effective during the audit period and determined whether it had been recently tested.
- Examined Board of Trustees (Trustees), committee, and advisory board minutes to determine whether Trustee approval was obtained for the University policies and procedures in effect during the audit period and for evidence of compliance with Sunshine Law requirements (i.e., proper notice of meetings, meetings readily accessible to the public, and properly maintained meeting minutes).
- Reviewed the internal audit function to determine whether the University followed professional requirements and provided for peer review of reports issued. For internal audits, we determined whether audit reports were properly completed and submitted to the Trustees.

- Examined University records to determine whether the University had developed an anti-fraud policy for the audit period to provide guidance to employees for communicating known or suspected fraud to appropriate individuals. Also, we examined University records to determine whether the University had implemented appropriate and sufficient procedures to comply with its anti-fraud policy.
- From the population of payments totaling \$2.1 million and transfers totaling \$3.6 million made during the audit period from the University to its direct-support organizations (DSOs), examined University records supporting payments totaling \$984,462 and transfers totaling \$3.5 million to determine whether the transactions were as described in Section 1004.28(1)(a)2. and (2), Florida Statutes.
- Examined University records to determine whether the Trustees had prescribed by rule, pursuant to Section 1004.28(2)(b), Florida Statutes, the conditions with which the DSOs must comply in order to use University property, facilities, and personal services and whether the Trustees documented consideration and approval of anticipated property, facilities, and personal services provided to the DSOs and the related costs.
- Analyzed payments from tuition differential fees collected during the audit period to determine whether the University used tuition differential fees in compliance with Section 1009.24(16)(a), Florida Statutes.
- From the population of 97 cash collection locations with collections totaling \$672.6 million, selected 3 locations with collections totaling \$7.5 million during the audit period and examined University records supporting collections totaling \$175,520 to determine the effectiveness of University collection procedures.
- From the population of compensation payments totaling \$1.8 billion made to 41,078 employees during the audit period, selected payments totaling \$90,785 made to 30 employees and examined University records to determine the accuracy of the rate of pay, the validity of employment contracts, whether performance evaluations were completed, the accuracy of leave records, and whether supervisory personnel reviewed and approved employee reports of time worked.
- From the population of 113 employees who received severance pay totaling \$5.4 million during the audit period, examined University records supporting 58 selected employees paid severance pay totaling \$4.8 million to determine whether the severance payments complied with State law.
- Examined compensation payments made to the President during the audit period to determine whether the amounts paid did not exceed the limit established in Section 1012.975(3), Florida Statutes.
- Examined University records to determine whether selected expenses were reasonable, correctly recorded, adequately documented, for a valid University purpose, properly authorized and approved, and in compliance with applicable laws, rules, contract terms, and University policies, including competitive selection. Specifically, from the population of expenses totaling \$835.2 million for the audit period, we examined University records supporting:
 - 30 selected expenses for general expenses totaling \$4,477.
 - 30 selected payments for contractual services totaling \$12.8 million.
- From the population of 202,848 purchasing card (P-card) transactions totaling \$45.5 million during the audit period, examined University records supporting 30 selected P-card transactions totaling \$140,174 to determine whether the P-card program was administered in accordance with University policies and procedures and transactions were not of a personal nature.
- Examined P-card records for the 477 cardholders who separated from University employment during the audit period to determine whether the University timely canceled the cardholders' P-cards.

- From the population of 11 major construction projects totaling \$235.4 million and in progress during the audit period, selected 30 payments totaling \$7.5 million related to three major construction projects with contract amounts totaling \$103.5 million and examined University records to determine whether the payments were made in accordance with contract terms and conditions, University policies and procedures, and provisions of applicable State laws and rules.
- Reviewed documentation related to 3 major construction projects with total construction costs of \$25.9 million during the audit period to determine whether the University properly selected design professionals and construction managers in accordance with State law, monitored subcontractor selections, and adopted a policy establishing minimum insurance coverage requirements for design professionals, and whether design professionals provided evidence of required insurance.
- From the population of Public Education Capital Outlay and other restricted capital outlay expenses totaling \$84.4 million during the audit period, including \$1.1 million in Education and General carryforward funds, examined records supporting 30 selected expenses totaling \$12.8 million to determine whether these funds were expended in compliance with the restrictions imposed on the use of these resources.
- From the population of six projects encompassing the student data management system, examined documentation supporting the selection of consulting and implementation services to determine whether the procurements were made through the competitive vendor selection process and examined documentation supporting 20 selected payments totaling \$12.3 million to determine whether the deliverables met the contract terms and conditions.
- Examined University records supporting student fee collections, including student orientation and nonrefundable application fees, to determine whether the University properly assessed and separately accounted for the amounts as required by Section 1009.24, Florida Statutes.
- Determined whether the Board established investment policies and procedures as required by Section 218.415, Florida Statutes, and whether University investments during the audit period complied with those policies and procedures. Also, we determined whether any investment income was properly allocated to the funds that generated the investment income.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each University on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



Office of the Vice President
and Chief Financial Officer
Finance and Accounting Division
University Controller's Office
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February 27, 2020

Sherrill F. Norman, CPA
Auditor General
Office of the Auditor General
111 West Madison Street
G74 Claude Pepper Building
Tallahassee, FL 32399-1450

Dear Ms. Norman:

Attached are responses to the University of Florida's preliminary and tentative operational audit findings for the calendar year ended December 31, 2018.

Your staff's assistance is greatly appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alan M. West', with a long horizontal flourish extending to the right.

Alan M. West
Assistant Vice President and University Controller

Attachments

cc: Dr. Kent Fuchs, President, University of Florida
University of Florida Board of Trustees
Ms. Amy Hass, Vice President and General Counsel
Dr. Joseph Glover, Provost and Sr. Vice President for Academic Affairs
Mr. Michael V. McKee, Vice President and Chief Financial Officer
Mr. Elias G. Eldayrie, Vice President and Chief Information Officer
Dr. Zina Evans, Vice President for Enrollment Management and Associate Provost
Ms. Jodi Gentry, Vice President for Human Resources
Mr. Joe Cannella, Interim Chief Audit Executive

Finding 1 – Severance payments

Auditor Recommendation:

University should ensure that severance pay provisions in future University employment agreements and related payments are limited to thresholds set by State law.

University’s Response:

While the University of Florida stands by its assessment that the divestment payments did not constitute severance, we will not pursue that as a strategy in the future.

Responsible Auditee:

Jodi Gentry, Vice President for Human Resources
Amy Hass, Vice President and General Counsel

Finding 2 – Student Fees

Auditor Recommendation:

The University should continue efforts to ensure that student orientation and nonrefundable application fees are limited to amounts specified in State law and BOG and University regulations.

University Response:

The University of Florida agrees with the Auditor General’s recommendation in Finding #2 and will adhere to it.

Responsible Auditee:

Zina Evans, Vice President for Enrollment Management and Associate Provost
Amy Hass, Vice President and General Counsel

Finding 3 – Purchasing Cards

Auditor Recommendation:

The University should continue efforts to ensure that P-card privileges are timely canceled upon a cardholder’s separation from University employment.

University Response:

The University PCard team will continue efforts to ensure that PCard privileges are canceled promptly upon a cardholder’s separation from UF. As you noted in the Auditor General’s finding there have been no inappropriate charges made on PCards held by employees who separated from the University. As a result of the prior audit, in January of 2019, the PCard team began to perform the streamlined and improved Terminated Cardholder process. This resulted in the cancellation of 87 cards of terminated employees from January 2019 to October 2019.

University of Florida
Responses to Preliminary & Tentative Audit Findings
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In October 2019, the PCard team began performing this process weekly which has resulted in the cancelation of 47 cardholders since October 2019. Several communications have been sent to all PCard participants (Cardholders, Reviewers and Approvers) reminding them to notify the PCard team when a cardholder separates from UF. We will target communications to specific units where there was a significant delay between the employee separation date and PCard cancelation.

Additionally, UF's Information Technology unit is developing a report that identifies employees who have separated from UF. Once the report is available the PCard team will have access which will further improve the Terminated Cardholder process.

Responsible Auditee:

Michael V. McKee, Vice President and Chief Financial Officer

Finding 4 – Disaster Recovery Plan

Auditor Recommendation:

The University should develop a comprehensive disaster recovery plan. The plan should include detailed procedures for maintaining and restoring core IT infrastructure and services, identify key recovery personnel and critical applications, provide for backups of critical data sets, and provide a step-by-step plan for recovery. In addition, the University should at least annually test applicable plan elements to provide reasonable assurance of the successful recovery of critical applications and continuity of critical operations in the event of a disaster.

University Response:

The University has developed a comprehensive disaster recovery plan to address the Auditor General's recommendation. The University of Florida Information Technology (UFIT) Disaster Recovery Plan (DRP) addresses how to recover from adverse impacts to IT systems. The review of this disaster recovery plan occurs on a semi-annual basis to validate its content and currency. Final updates were added to this plan in February 2020.

Testing for the various failure scenarios will take place, at minimum, annually.

Responsible Auditee:

Elias G. Eldayrie, Vice President and Chief Information Officer.