

ACR *Audit Focus*



A quarterly newsletter from the Office of Audit & Compliance Review

Nur Erenguc, Chief Audit Executive
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Petty Cash and Change Funds

Many UF departments maintain a petty cash fund to provide a convenient way to pay for incidental expenses. Some departments also use petty cash funds to pay research participants.

A petty cash fund creates a risk for misuse of funds unless adequate controls are in place and are operating effectively. In our recent audit of petty cash and change funds, we found that control procedures in many instances needed improvement. Some guidelines for petty cash funds include:

- Safeguard funds by securing them in a locked box or file cabinet, putting the key or combination in another location.
- Maintain good documentation to account for funds.
- Do not commingle funds.
- Learn the guidelines for properly paying research participants.
- Replenish funds at least monthly.
- Notify Treasury Management of any custodial changes, size or location of fund, or of any losses.

Petty cash directives and procedures can be found at <http://fa.ufl.edu/uco/handbook/handbook.asp?>

Effort Reporting

Effort reporting is mandated by the federal government to verify that labor charges to federally sponsored agreements are reasonable and reflect actual work performed. The Effort Reporting System, currently available through *myUFL*, is designed to capture the information in order to be in compliance with federal standards. In our recent audit of Effort Reporting, we found that the system design needed improvement. The Division of Sponsored Research, Fi-

nance and Administration and the Office of the Provost agreed to collaborate to identify the best approach for improvements.

Based on surveys we conducted as part of the audit, we identified a lack of full understanding of effort reporting requirements by faculty and staff. Current University directives and procedures are located at <http://fa.ufl.edu/uco/handbook/handbook.asp?>

Principles of Internal Control and Financial Management

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The University of Florida is committed to conducting business in a fiscally responsible manner under the highest ethical standards. University administrators and managers are responsible for setting the tone and for establishing processes that will provide the governing bodies and other stakeholders reasonable assurance

regarding the achievement of established goals and objectives. The Guiding Principles of Financial Management and Internal Control Principles adopted by UF and its governing bodies may be found at <http://fa.ufl.edu/uco/internal-control-principles.asp> and <http://fa.ufl.edu/uco/guiding-principles-financial-mangement.asp>.

Internal Control Training

UF's Human Resources Training and Development Office, is launching a series of courses that will lead to a certification in fiscal management. The Office of Audit and Compliance Review (OACR) will co-facilitate "PRO303 Internal Controls at UF," a course designed to help UF staff learn about internal controls and how to

apply them to business processes. In this course, participants will also use a series of questionnaires to assist in performing unit-based internal control self assessments. Registering for classes is done through *myUFL*, My Self Service, Training and Development or visit the Human Resources web site, <http://www.hr.ufl.edu/training/pro3/default.htm>.

Introducing Shahpar McIntyre

Shahpar McIntyre, CPA, JD, joined OACR on September 8 as a Senior Auditor. Shahpar received both bachelor's and master's degrees from

Trinity University and a law degree from the University of Texas, Austin. She previously worked for the Texas State Auditor's office.