

OACR Audit Focus



A quarterly newsletter from the Office of Audit & Compliance Review (OACR)

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OACR Position Paper #2 Internal Controls and Business Process Reengineering

 On September 9, 2003, the OACR released its second Enterprise Resource Planning (ERP) Position paper entitled Internal Controls and Business Process Reengineering. As internal auditors, our role includes the identification of opportunities for improvement of key control and policy issues to be addressed during the course of the July 1, 2004 implementation of UF Bridges- ERP. The University ERP implementation provides the opportunity

to integrate business processes, generate a comprehensive reporting system, and provide an efficient and effective processing environment with recognition of different business rules. Regardless of the funding source, the same level of basic internal control objectives should exist across the University and its affiliates. To view the full text of both OACR position papers, visit the ERP website, <http://slate.erp.ufl.edu/>

Retirement Plans and Options

University Retirement, a department of Human Resources, is responsible for coordinating all University of Florida employee retirement and annuity programs. Most university employees have a choice of three primary retirement plans: Florida Retirement System Pension Plan, Florida Retirement System Investment Plan, and the State University System Optional Retirement Plan. Since the University is in the process of transitioning to Peo-



pleSoft Human Resources Management System on July 1, 2004, the University will acquire additional responsibilities related to the management of the retirement programs that currently reside with the Bureau of State Payroll. Retirement plans were audited to determine if employees were enrolled timely and appropriately in retirement plans to which they were eligible. Adequate controls were in place to ensure the proper administration of the University's retirement plans & options.

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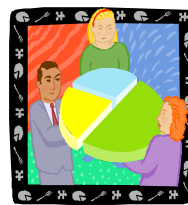
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Internal Controls: Separation of Duties

The administrator who is responsible for the accomplishment of a unit's goals and objectives is also responsible for establishment, maintenance, and monitoring of the internal control system which keeps opportunities for fraud and error to a minimum. One extremely important internal control is to ensure that duties are properly separated. Duties must be divided among different people to



reduce the risk of error or inappropriate actions. For example, responsibilities for authorizing transactions, recording them, handling the related asset, and monitoring the activity should be separated. Please refer to UF Policy Against Fraudulent or Other Dishonest Acts at <http://oacr.ufl.edu>.

What happens when OACR receives a complaint involving fiscal misconduct?

The OACR maintains a hotline at <http://oacr.ufl.edu/Hotline.htm> (or call 392-1391 ext. 30). To facilitate reporting of fiscal complaints, every effort is made to protect the identity of complainants. In most cases, when a complaint is received the first step is preliminary fact finding. At the end of this stage, OACR



makes a determination of whether or not to investigate and identify other offices, if any, that should be involved. If the OACR contacts you, you can expect a courteous, thorough, and professional interview intended to develop relevant facts. At the end of a review, the OACR reports its findings to appropriate management and if necessary to appropriate enforcement agencies.

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