



**Follow-up Review of the
Specialty License Plate Audit
University of South Florida Alumni Association, Inc.
University of South Florida
Advisory Memorandum 201920-11**

September 26, 2019

Executive Summary

The Office of Inspector General of the Florida Department of Highway Safety and Motor Vehicles (Department) is responsible for monitoring the disposition of audit recommendations communicated to the University of South Florida Alumni Association, Inc. (Association) management.

The purpose of this review was to determine whether the Association's management has implemented corrective actions for the recommendation communicated in the Specialty License Plate Audit of the University of South Florida Alumni Association, Inc. (201617-13), dated February 13, 2017.

Our follow-up review determined the Association's management has implemented corrective actions related to monitoring its expenditures.

Results of Review

The following describes the status of the finding reviewed during the follow-up:

Statutory Allocation

Finding 1: Enhanced monitoring of expenditures would improve the Association's compliance with statutory limits as defined in the University Board of Governors-approved specialty license plate expenditure plan.

Section 320.08058(3)(b), Florida Statutes (F.S.), states a collegiate plate annual use fee is to be distributed to the state or independent university foundation designated by the purchaser for deposit in an unrestricted account. The University Board of Governors (BOG) of the State University System shall require each state university to submit a plan for approval of the expenditure of all funds so designated. These funds may be used only for academic enhancement, including scholarships and private fundraising activities.

BOG Regulation 9.014(3) for Collegiate License Plates Revenues requires the BOG be notified of any deviations from the approved expenditure plan and any deviations of

more than 10 percent from the approved expenditure plan must be submitted to the BOG for review and approval.

The BOG-approved expenditure plan and Association expenditures are listed below:

Category	BOG-Approved Allocation	FY 2016 USF Allocation	BOG-Approved Expenditure Plan	FY 2016 USF Expenditures	Difference
Scholarships	20%	20%	\$ 78,378.39	\$ 78,378.39	\$0.00
Academic Enhancement	14%	29%	\$54,864.87	\$113,887.94	\$59,023.07
Fundraising	66%	51%	\$258,648.67	\$199,625.60	\$(59,023.07)
Total	100%	100%	\$391,891.93	\$391,891.93	\$0.00

The Association exceeded the Academic Enhancement allocation by \$59,023.07, and underfunded Fundraising by the same amount. The deviations were more than 10% and were not reported to the BOG as required by the BOG regulation.

The Association indicated that both the academic enhancement and scholarship categories were considered to be expenditure floors (minimum expenditures required to be made), and the fundraising category was considered to be an expenditure ceiling (the maximum amount that could be spent on the category, but not required to be spent). However, the BOG does not define the categories as floors or ceilings but instead as flat percentages, and any deviations are required to be reported to the BOG.

Recommendation

We recommend the Association monitor its expenditures to ensure it complies with the statutory limitations as defined in the BOG-approved expenditure plan and that deviations from the plan are reported to the BOG.

Management Response

The University of South Florida Alumni Association agrees with the finding and will strictly follow the auditor's recommendations and comply with statutory limitations as defined in the license plate program expenditure plan. Subsequent to your audit, we communicated and received approval for past deviations from the State University System of Florida Board of Governors. In the case of a future plan deviation, communication with the Board of Governors will occur on a timely basis.



Management Corrective Action

The Association has instituted a process for monitoring its expenditures to ensure it complies with the statutory limitations as defined in the BOG-approved expenditure plan. As there are no deviations from the plan, the Association was not required to report to the BOG.

Follow-up Progress

We reviewed the corrective actions and determined the Association has instituted a process for monitoring its expenses to ensure it complies with the statutory limitations as defined in the BOG approved expenditure plan. The Association established a separate fund number to accurately account for Specialty License Plate funds. The Association's Assistant Finance Director and Finance Director monitor fund expenses through the year. Our review of the 2017 and 2018 fiscal year financial records determined the Association expenses complied with the statutory limits of the BOG.

Status: Closed

Purpose, Scope, and Methodology

The purpose of this review was to determine whether the Association's management has implemented corrective actions for the recommendations communicated in the Specialty License Plate Audit of the University of South Florida Alumni Association, Inc. (201617-13), dated February 13, 2017.

The scope of this review included one finding from the Specialty License Plate Audit of the University of South Florida Alumni Association, Inc. (201617-27), dated July 31, 2017, and management's response to the recommendation which is included as an attachment to this report.

The methodology included:

- Reviewing findings and recommendations from the Specialty License Plate Audit;
- Reviewing applicable Department policies, procedures, and processes;
- Reviewing Florida Statutes related to specialty license plates;
- Reviewing Florida Board of Governor's expenditure plan;
- Interviewing appropriate personnel; and
- Reviewing other applicable documentation.



Distribution, Statement of Accordance, and Project Team

Distribution

Terry L. Rhodes, Executive Director
Jennifer Langston, Acting Chief of Staff
Robert Kynoch, Director of Motorist Services
Stephanie Duhart, Chief Administrative Officer, Division of Motorist Services

William H. McCausland, Executive Director, USF Alumni Association
Merritt Martin, Board Chair, USF Alumni Association

Melinda M. Miguel, Chief Inspector General
Sherrill F. Norman, Auditor General

Statement of Accordance


Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General. Pursuant to Chapter 119, Florida Statutes, public records held by the Department's Inspector General are available upon request for inspection or copying.

Project Team

Engagement conducted by:
Jill Sittig, Auditor

Under the supervision of:
David Ulewicz, Audit Director

Approved by:



David Ulewicz, Acting Inspector General



ATTACHMENT – Management Response



September 16, 2019

Jill Sittig, Auditor
Office of Inspector General
Florida Department of Highway Safety and Motor Vehicles
2900 Apalachee Parkway
Tallahassee, Florida 32399-0500

Dear Ms. Sittig:

In response to your inquiry regarding the Follow-up Review of the Specialty License Plate Audit of the University of South Florida Alumni Association, Inc., (Report # 201617-13), corrective actions taken for the audit findings and recommendations are provided below:

Statutory Allocation

Finding 1: Enhanced monitoring of expenditures would improve the Association's compliance with statutory limits as defined in the BOG-approved specialty license plate expenditure plan.

Recommendation

We recommend the Association monitor its expenditures to ensure it complies with the statutory limitations as defined in the BOG-approved expenditure plan and that deviations from the plan are reported to the BOG.

Corrective Actions

The Association has instituted the above recommendation and is complying with the statutory limitations as defined in the BOG-approved expenditure plan. As there are no deviations from the plan, the Association was not required to report to the BOG.

Sincerely,

A handwritten signature in blue ink, appearing to read "William H. McCausland".

William H. McCausland
Executive Director
University of South Florida Alumni Association

cc: David Ulewicz, Audit Director

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