

NEW COLLEGE OF FLORIDA  
INTERNAL AUDIT PROCEDURES  
AS OF MAY 6, 2009



Audit Committee  
New College of Florida  
Sarasota, Florida

We have performed the procedures noted below, which were determined in conjunction with New College of Florida, solely to assist with a determination of the strengths, weaknesses and compliance with the College's internal control structure. New College of Florida is responsible for the accounting system and its related internal control structure.

We have not performed an audit of financial statements, nor of the internal control system as a whole. Rather, we have performed certain procedures, functioning as the College's internal auditors, as specified in our engagement letter dated May 30, 2008, in the following areas:

Business Office:	Food Service Contract Commissions
Facilities Planning and Construction:	Contract Services
Residential Life and Food Service:	Housing Sales Food Service Sales
Human Resources:	Time Entry
Research Programs:	Grant Review

Our procedures and findings were as follows:

BUSINESS OFFICE: FOOD SERVICE CONTRACT COMMISSIONS

A review of the food service contract with Sodexo and commissions from June 2007 through November 2008, was conducted to determine:

- Contract provisions are being followed;
- Commissions are being paid on time as per the contract;
- Commissions are accurate and reasonable based on College food sales and are supported by Banner revenues and monthly Profit and Loss statements provided by Sodexo.

## **Procedures Performed**

- Reviewed contract and addendums to determine compliance with terms in agreement;
- Inquired of management and staff regarding processes for collecting commissions;
- Reviewed Sodexo monthly reports that support the semi-annual commission payments;
- Reviewed Sodexo semi-annual invoice, agreeing totals used to calculate commissions to monthly statements and payments;
- Reviewed meal plan sales per semester to recalculate commissions and agree to semi-annual payment;
- Verified that funds received for capital improvements (equipment) were being maintained in a separate temporarily reserved fund;
- Verified that the Dean of Students was allocating the annual \$2,000 allotment from Sodexo to be used for students that she deems to be in need.

## **Findings**

No findings were noted during our review.

## **FACILITIES PLANNING AND CONSTRUCTION: CONTRACT SERVICES**

A review of contracts was conducted to determine:

- Procedures for obtaining contracts as outlined in FS 287.055 are being followed;
- Contract stipulations are being followed;
- College is properly reviewing work for completion before payment is made.

## **Procedures Performed**

Selected two (2) contracts with a total contract price of approximately \$8.5 million and reviewed for the following:

- Verified that there was proof of proper advertisement for contract bid process;
- Verified notice of public meetings as applicable for bid proposals;
- Reviewed evaluations for both the general bid presentations and the “short-list” interviews with qualified firms;
- Verified that the College requested firms to submit information regarding experience, qualifications, adequacy of personnel and a good faith estimate of services;
- Verified that contract was negotiated for competitive pricing;
- Reviewed contract terms and associated documentation for adherence to contract stipulations;
- Reviewed selected payments for proper authorization by College personnel that ensured work was completed and approved for payment.

## **Findings**

No findings were noted during our review.

### RESIDENTIAL LIFE AND FOOD SERVICE: HOUSING SALES

A review of the housing sales and applications was conducted to determine:

- Applications are properly completed and on file for students;
- Housing is being assigned to students according to College policy;
- Housing fees are being accurately charged to students according to housing assignment;
- Students in their first and second semester of attendance are using College housing as required;
- Students are properly billed and payments are posted to student accounts in a timely manner.

## **Procedures Performed**

Selected (20) students from a listing of room assignments for the Spring 2009 semester obtained from the Office of Residential Life and Food Services and conducted the following:

- Obtained and reviewed application outlining room preference or room number earned in the room draw;
- Compared and agreed room preference or room drawn to room assignment listed in Banner;
- Compared room assignment to fee charged and agreed fee to the fee listing for the Spring 2009 semester;
- Verified that room fee was correctly charged to student's account and relieved once payment was received;
- Selected (10) students who were in their first and second semester at New College to ensure they were on the Room Assignment Listing.

## **Findings**

No findings noted during our review.

### RESIDENTIAL LIFE AND FOOD SERVICE: FOOD SERVICE SALES

A review of meal plans was conducted to determine:

- Meal plans are being assigned to students according to allowed selections determined by the College;
- Meal plans are being assigned according to allowed choices of the students;

- Meal plans are being accurately charged to students according to room assignment and preference;
- Meal plan changes are supported by an approved addendum signed by the student.

### **Procedures Performed**

Selected twenty (20) students from a listing of enrolled students for the Spring 2009 semester and performed the following procedures:

- Obtained and reviewed application outlining meal plan choice;
- Compared and agreed meal plan choice per the application to the assigned meal plan in Banner;
- Compared meal plan to fee charged and agreed fee to the fee listing for the Spring 2009 semester;
- Verified that meal plan was acceptable based on student's housing assignment per College policy;
- Verified that meal plan fee was correctly charged to student's account and the charge cleared in a timely manner once payment was received;
- Verified students properly signed an addendum and proper approval was obtained for a meal plan change

### **Findings**

No findings were noted during our review.

### **HUMAN RESOURCES: TIME ENTRY**

An understanding of time entry procedures was obtained and testing was done to determine:

- Time cards are being properly completed, approved, and retained;
- Pay is properly calculated based on hourly rate and hours worked;
- Overtime is properly approved and pay calculated according to overtime requirements.

### **Procedures Performed**

Selected fifteen (15) employees and performed the following procedures for one (1) pay period from January 4, 2009 through April 18, 2009:

- Verified pay rate used for calculation of pay was the properly approved pay rate for period based on the "Appointment Form" maintained in personnel file;
- Reviewed time card and recalculated hours worked;
- Verified time card was properly approved by supervisor;
- Recalculated pay for period based on approved pay rate and hours worked on time card and agreed to payroll register;

- Recalculated overtime pay and verified proper approval was obtained for payment of overtime.

## **Findings**

No findings were noted during our review.

## **RESEARCH PROGRAMS: GRANT REVIEW**

An understanding of procedures related to Federal and non-government grants was obtained and testing was done to determine:

- Grant applications and contracts have proper authorization from college management;
- Approval was obtained and dates on record are accurate;
- Expenses being paid are within grant covenants;
- Expenses paid are not over budgeted amounts.

## **Procedures Performed**

- Reviewed contracts to ensure procedures for application are being followed;
- Reviewed contracts to determine proper approval was received and funding amounts established;
- Selected eleven (11) disbursements made during the period July 1, 2008 through April 20, 2009, and verified proper documentation for grant expense;
- Verified above disbursements were proper expenses within the grant covenants.

## **Findings**

No findings were noted during our review.

We would like to take this opportunity to thank you for the courtesies which were extended to us during the course of the engagement. The cooperation received from your staff was greatly appreciated.

*CPA Associates*

CPA Associates  
May 6, 2009