Rica Calhoun,
Chief Compliance & Ethics Officer
MISSION

The Compliance and Ethics Program, now housed in the Office of Compliance and Ethics (OCE), supports the University’s mission and strategic plan by proactively partnering with faculty, staff, and management to:

- Ensure compliance risks are identified, prioritized and managed appropriately;
- Establish a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct by promoting adherence to all applicable federal, state, and local laws, regulations, as well as standards and internal policies and protocols;
- Provide general compliance training to employees and faculty and guidance to managers;
- Provide an avenue for anonymous reporting of potential non-compliance or unethical behavior; and
- Develop effective policies and procedures to promote compliance and ethical behavior.
Looking Back at 2019–2020...

OUTREACH
- Collaboration
  - Compliance Brief Series
- Training

MONITORING
- Enterprise Compliance Committee
- Reopening Plan
- High Risk Monitoring

AWARENESS
- Compliance and Ethics Week
- Digital Marketing
- Code of Conduct
PROGRESS

Compliance and Ethics Program Elements:
- Standards
- Structure
- Monitoring
- Communication
- Training and Education
- Response and Enforcement

Goal Progress (34 Goals)

- 85% Completed and ongoing
- 12% In progress
- 3% Not started
MANDATORY TRAINING

- 4 Modules
- 2,000+ Trained
- Resources and Follow Up
Monitoring is a cornerstone of the internal control structure, to ensure that the policies and risk mitigation processes in place are actually working. In 2019-2020, high-risk monitoring was implemented through the OCE and the Enterprise Compliance Committee's compliance partners. Some areas monitored are below:

- Athletics
- University Compliance and Ethics Hotline
- MMERI
- NCAA Infractions Report
- Research
- Governance
- University Reopen
- Enterprise Compliance Committee
Feedback over the last year through direct meetings, investigations, and outreach informed our efforts for year two and our goals for year three. The OCE will continue to utilize the resources available to implement an effective compliance and ethics program with a focus on education, investigative work, and comprehensive monitoring.
Looking Forward to 2020–2021...

**OUTREACH**
- Increased collaboration
- Additional engagement opportunities
- Expanded training opportunities on various formats

**MONITORING**
- Enterprise compliance committee
- Updated risk assessment
- Increased monitoring

**AWARENESS**
- Compliance and ethics week
- Digital marketing
- Website development
Joseph Maleszewski,
Vice President of Audit

1. Internal Controls Training Update
2. Issued Audit Projects
3. Audit and Investigative Follow-up
4. Division of Audit Update
Internal Controls Training

5 Sessions
1300 Faculty & Staff Trained
12 Website Resources

Upcoming
Training Sessions
September 9, 2020
September 10, 2020
September 21, 2020
September 22, 2020

FAMU Assessment Day
November 6, 2020

Areas of Material Non-Compliance

- State requirements governing teacher certification
- School Advisory Board approval of out-of-field teacher requirements
- Notification to parents regarding teachers’ out of field status
- Earning of required in-service training points in ESOL strategies
- Reporting errors or records not properly or accurately prepared or were not available for examination
# Audit Follow-Up

## 9 Open Audit Findings as of August 14, 2020

<table>
<thead>
<tr>
<th>Partially Corrected</th>
<th>Not Corrected</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

### Partially Corrected

- **2018 Operational Audit Findings:** Intercollegiate Athletic Programs – Deficit Cash Balances
- **2017-18 Cloud Security Governance Audit:** Disaster Recovery
- **2017-18 Athletic Expense Review:** Failure to Attend Mandatory University Fiscal and Compliance Training
- **2018-19 Risk Assessment:** IT Governance Committee

### Not Corrected

- **2018-19 Risk Assessment:** Emergency Preparedness
- **2018-19 Risk Assessment:** Hazardous Lab Chemicals
- **2018-19 Risk Assessment:** Bragg Stadium Safety & Maintenance
- **2019 Crowe Report:** Data Protection – Employee Removable Media
- **2019 CROWE Report:** Information Security – Policies and Procedures

---

## Open Findings by Division & Risk Level

![Open Findings Chart]

- **Severity Risk Level:**
  - High Risk
  - Medium Risk
  - Low Risk

- **Division:**
  - Finance & Administration
  - Athletics
  - Research
# Audit Follow-Up

## Findings Closed Since February 21, 2020 BOT Meeting

<table>
<thead>
<tr>
<th>#</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td><strong>Purchasing Card Transaction Audit</strong>: Revised Policy</td>
</tr>
<tr>
<td>8</td>
<td><strong>2017-18 Athletic Expense Review</strong>: Inadequate Athletics Procurement Practices</td>
</tr>
<tr>
<td>7</td>
<td><strong>2018-19 Decentralized Cash Collections – Essential Theatre</strong>: Criminal Background Screenings</td>
</tr>
<tr>
<td>6</td>
<td><strong>Purchasing Card Transaction Audit</strong>: Threshold Analysis</td>
</tr>
<tr>
<td>5</td>
<td><strong>Purchasing Card Transaction Audit</strong>: Supporting Documentation &amp; Approvals</td>
</tr>
<tr>
<td>4</td>
<td><strong>2018 Operational Audit Findings</strong>: Payroll – Time Reporting</td>
</tr>
<tr>
<td>3</td>
<td><strong>2018-19 Risk Assessment</strong>: Purchasing – Vendor Contracts (Subject Matter Expert Review of Contracts)</td>
</tr>
<tr>
<td>2</td>
<td><strong>2018-19 Risk Assessment</strong> Purchasing - Vendor Contracts (Procurement Processing Guidelines)</td>
</tr>
<tr>
<td>1</td>
<td><strong>2019 Crowe Report</strong>: Security Awareness Training</td>
</tr>
</tbody>
</table>

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**Severity Risk Level**
- ▶️ High Risk
- ⚠️ Medium Risk
- ◼️ Low Risk
Investigative Follow-Up

One Investigation Recommendation on Internal Controls as of August 14, 2020

<table>
<thead>
<tr>
<th>Future Due Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Agriculture and Food Sciences: Provide Travel Training to Travelers, Travel Representatives, and Travel Approvers within the College.</td>
</tr>
</tbody>
</table>

Executive Owner for the Open Investigative Recommendation on Internal Controls:

Dr. Maurice Edington, Vice President of Academic Affairs/Provost
# Investigative Follow-Up

## 5 Investigation Recommendations on Internal Controls Validated and Closed since March 5, 2020 BOT Meeting

<table>
<thead>
<tr>
<th></th>
<th>High Risk</th>
<th>Medium Risk</th>
<th>Low Risk</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>FAMU Development Research School: Faculty and Staff Guidance and Expectations for Student Interactions</td>
<td>FAMU Development Research School: Follow Grade Change Policies and Procedures</td>
<td>College of Pharmacy and Pharmaceutical Sciences: Use of Authorized University Cash Collection Points</td>
</tr>
<tr>
<td></td>
<td>College of Social Sciences, Arts and Humanities: Procedures for Cash Collection by Authorized Cash Collection Points</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>College of Pharmacy and Pharmaceutical Sciences: Procedures for Trip Forms</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CARES Act Audit Plans

Emergency Student Financial Aid Grants
$6,525,663

Institutional Funds
$6,525,663

HBCU Grant
$26,309,331

PLANNING
✓ COMPLETE

FIELDWORK
IN PROGRESS

REPORTING
PHASED: 9/20 - 12/20
### Risk Assessment & Work Plan Status

<table>
<thead>
<tr>
<th>Assurance Services</th>
<th>Advisory Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARES Act – Emergency Student Financial Aid Grants</td>
<td>Title IX Review</td>
</tr>
<tr>
<td>CARES Act – Institutional Funds</td>
<td>Information Technology – Remote Working</td>
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<tr>
<td>CARES Act – HBCU Funds</td>
<td>Athletic Budget Process</td>
</tr>
<tr>
<td>Spring 2020 Reimbursements</td>
<td>Continuous Monitoring</td>
</tr>
<tr>
<td>Performance Based Funding Data Integrity Audit</td>
<td>Construction</td>
</tr>
<tr>
<td>Knight Foundation Expenditure Review: FY 19-20/Q4</td>
<td>Textbook Affordability</td>
</tr>
<tr>
<td>Knight Foundation Expenditure Review: FY 20-21/Q1</td>
<td></td>
</tr>
<tr>
<td>Auxiliary Transfer Review: 1/11/2020 – 6/30/2020</td>
<td>Purchase Cards</td>
</tr>
</tbody>
</table>

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**FAMU**

**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY**
Fraud Policy

- Anti-Fraud Purpose Statement
- Definition
- Roles and Responsibilities
- Actions Constituting Fraud
- Fraud Reporting
- Fraud Investigations
- Whistleblower Protections
- Disciplinary Actions

<table>
<thead>
<tr>
<th>Draft</th>
<th>Internal Review</th>
<th>BOT Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2020</td>
<td>October – November 2020</td>
<td>December 2020</td>
</tr>
</tbody>
</table>
Annual Report: FY 19-20

Regulation
• BOG – 4.002 State University System
Chief Audit Executives

Coverage
• Vision, Mission, Values, Priorities
• Assurance and Advisory Services
• Investigative Activities
• Continuous Monitoring
• Staff Experience and Accomplishments
Founded in 1887 as the State Normal College, Florida A&M University (FAMU) is the only historically state supported educational facility for African Americans in Florida. It has always been co-educational. In 1890, the second Morrill Act was passed. This enabled the school to become the Black Land Grant College for the State of Florida. In 1891, the college was moved from its original location to its present location which was once the site of "Highwood," Territorial Governor W.P. Duval's slave plantation. The site is one of the highest hills in Tallahassee. The school was known as Florida A&M College from 1909 until 1953 when it attained university status.