Audit Committee Meeting

PRESENTED BY

Rick Givens
December 10, 2015

Florida Agricultural and Mechanical University
Proposed BOG Regulation

- 4.001 University System Processes for Complaints of Waste, Fraud, or Financial Management
  - Allegations received by BOG to be referred to University Chief Audit Executive (CAE)
  - University staff, faculty, students or BOT members shall report waste, fraud, or financial mismanagement to CAE
  - The BOG shall be notified of any allegation against President, CAE, General Counsel, or BOT member
• 4.002 State University System Chief Audit Executive
  – Requires each university to have an audit committee
  – Requires CAE to report administratively to the President and functionally to the BOT
  – Specifies duties to be performed by The CAE
The University has generally followed the proposed requirements included in the proposed regulations, so impact will be minimal:

- Required reporting is increased
  - Requires allegations against President, CAE, General Counsel and BOT members to be reported to BOG
- Formalizes BOG role in investigations and audits performed by university internal audits
Proposed BOG Regulation

• 4.003 Compliance and Ethics Program
  – Requires a comprehensive compliance and ethics program
  – Implementation of this regulation will have a significant impact
    • Full time compliance officer needed
    • Develop and implement a formal comprehensive program, including infrastructure, policies and procedures
Proposed BOG Regulation

• Impact of Regulation 4.003 (continued)
  – Annual cost projected to be $300,000-$400,000

• 4.004 BOG Oversight Enforcement Authority
  – Implements Section 1008.322 Florida Statutes
  – If audit findings are not addressed, permits the BOG to take certain actions
  – The University has 2 findings that have been reported in 2 reports
• From July – September 2015, 17 allegations received, with 2 reports issued, 1 closed with no investigation, 7 in process, 6 referred, and 1 pending investigation

• Status of BOG topics of interest
  – Allegation in letter from President to Chair Montgomery - closed
Status of Investigations

- Status of BOG topics of interest (continued)
  - Renovations to President’s House - selection of firm to conduct the review is in process
  - Leave payout (Winslow) – report issued and sent to BOG
  - Hiring Practices/Policy (convicted felon) – investigation in process
Status of Investigations

- Status of BOG topics of interest (continued)
  - DRS Sports field construction – site evaluation and analysis is underway to develop design and construction documents
  - Work to be done in phases with initial emphasis on getting fields ready for play
NCAA Investigation

- NCAA issued final report on November 20, 2015
- Penalties imposed in addition to the University’s self-imposed penalties
- The Athletic Department has developed an action plan to address the issues
Information

• Questions?
“At FAMU, Great Things Are Happening Every Day.”
established 1887