



*Southern Association of Colleges and Schools  
Commission on Colleges*

## **REPORT OF THE SPECIAL COMMITTEE**

### **Statement Regarding the Report**

*The Commission on Colleges will make its determination on the accreditation of an institution based on the findings contained in this committee report, the institution's response to issues contained in the report, other assessments relevant to the review, and application of the Commission's policies and procedures. Final interpretation of the Principles of Accreditation and final action on the accreditation status of the institution rest with the Commission on Colleges.*

**Name of the Institution:** Florida A&M University

**Date of the Review:** September 24-26, 2013

**COC Staff Member:** Dr. Michael S. Johnson

**Chair of the Committee:** Dr. Jerry W. Stephens  
Librarian and Director  
The University of Alabama at Birmingham  
Birmingham, AL

## **Part I. Overview and Introduction to the Institution:**

The focus of the Special Committee's on-site visit was delineated in correspondence between Dr. Belle Wheelan on behalf of SACSCOC and the institution. The Special Committee reviewed documentation contained in the monitoring reports provided by the institution to SACSCOC relating to the following standards:

- Principle 1.1 (Integrity)
- CS 3.2.8 (Qualified administrative/academic officers)
- CS 3.10.3 (Control of finances)
- CS 3.11.2 (Institutional environment)
- FR 4.7 (Title IV program responsibilities)

The Special Committee, through the review of the documentation provided and from on-site observations and discussions with key institutional representatives, provides this written report.

The Committee expresses its appreciation to President Robinson and the entire faculty and staff for their gracious hospitality, openness, candor, and spirit of cooperation during the visit. Special thanks go to the SACSCOC Liaison, Dr. Edington, and his team for preparation and attention to detail. The Committee is grateful to have had the opportunity to interact with dedicated colleagues and to learn about the progress Florida A&M University has made over the last few years in addressing the concerns of the Commission on Colleges.

## **Part II. Assessment of Compliance**

### **A. Assessment of Compliance with Section 1: The Principle of Integrity**

#### **1.1 The institution operates with integrity in all matters. (Integrity)**

The Principle of Integrity was questioned by the Board of Trustees of SACSCOC and is one of the reasons the institution was placed on probation and monitoring. The actions by some of the institutional leadership led to the decision by SACSCOC and to the visit of the Special Committee.

It is clear from a review of the historical information that the actions by SACSCOC Board of Trustees were in response to actions by senior administrators and it is evident that lack of internal controls existed at several levels and functions within the institution. The institution responded to each of the standards cited by SACSCOC in the correspondence authorizing the Special Committee. It is also clear from the documentation provided that the institution has made progress in addressing the concerns which led to the probation.

The dictionary defines integrity as an unimpaired condition: Soundness and as an adherence to a code of moral, artistic or other values and cites honesty as a synonym. The SACSCOC policy statement about integrity and accuracy in institutional representation states, "It is a relationship in which all parties agree to deal honestly and openly with their constituencies and with one another."

Integrity is the cornerstone of any institution that holds the public's trust. Institutional integrity is not just about asking if policies and procedures are in place to govern the activities and functions of an institution. Integrity must be reflected in the personal and professional ethics, and in the culture of the institution. Prior actions clearly demonstrated an institutional culture that lacked personal, professional and institutional accountability and ethical behavior in some areas.

In trying to answer the question, does the institution operate with integrity in all matters; the committee makes the following observations.

In regard to the standard 3.2.8, the committee finds that while changes in leadership have occurred, some positions remain vacant or the incumbent is serving in an interim capacity. The institution states that the reason for the number of interim positions at the cabinet level is related to the search and appointment of a new president. However, several positions have been filled as permanent appointments during the past year. Those that have been named in permanent positions are leadership positions directly related to the areas of internal control and safety and security.

In regard to standard 3.10.3, the committee reviewed the documentation provided. The former institutional leadership allowed incorrect information to be conveyed to the Board of Trustees. The lack of proper controls at all levels creates a strong argument that the institution failed in operating with integrity in all matters. Based on this review and on the interviews the committee acknowledges that the institution has made progress on correcting the environment that led to the problems in this standard. While progress has been made, the impact of the corrections will be completely verified only with the passage of time and the performance of additional audits specifically focused on internal controls.

One of the findings in the FY2012 Operational Audit performed, by the Florida Auditor General, found that the former president's employment agreement included a severance pay provision that was contrary to Section 25.425, Florida Statutes. The Auditor General's recommendation stated that the University should follow through with entering into a faculty employment agreement with the former President and ensure that such agreement, and other future employment agreements contain provisions for severance pay that are in accordance with Florida law.

The Accretive Solutions report on the University's corrective action plan confirmed that the University had enhanced its policies and procedures regarding employment contracts for *future* presidents. Members of the committee

discussed this particular finding with the Chair of the Board of Trustees and separately with the Chair of the Board's Audit and Compliance Committee. Both verified that the University had enhanced its policies and procedures regarding employment contracts for future presidents.

In regard to standard 3.11.2, the institution provided documentation that suggests that progress has been made in increasing the awareness of institutional policies and procedures in this area. Documentation was provided that indicates that increases in incident reporting have occurred and are attributed to the adoption of a new web-based reporting tool and heightened campus awareness. Processes developed for reporting, investigating, and addressing allegations of hazing involve appropriate offices and administrators and seem to be implemented as described. The institution would benefit from making processes more systematic and better able to track all complaints from notification to resolution.

Regarding FR 4.7, the institution provided documentation regarding the process and procedures relating to monitoring of satisfactory academic progress and exit counseling. An external review helped the institution strengthen its processes for handling appeals related to denial of Federal Financial Aid based on lack of satisfactory academic progress. The institution is awaiting a final determination from the USDOE.

In the final analysis, the committee found the institution has made progress in addressing the lack of internal control, the qualifications of administrators, safety and security and compliance with the USDOE requirements regarding its program responsibilities under Title IV of the most recent Higher Education Act as amended. The institution provided all the available documentation requested by the committee. Even though the institution makes a logical and rational case for the large number of interim appointments, the number of interim appointments remains a concern of the committee as it relates to accountability for operations over the long term.

Interviewees believe the culture that existed when these problems occurred has changed and that a new culture exists within the institution. Many interviewees attribute this to the interim president and the strong leadership, transparency, accountability and established path toward improvement that he has brought to the institution. While the preponderance of evidence provided by the institution indicates that progress has been made, it is unclear if the new culture and values have been institutionalized sufficiently to survive this period of continued transition which will include the appointment of a new president and new leadership team.

The real problem for SACSCOC and ultimately the institution is that the evaluation of these changes cannot be confirmed without the passage of time and follow-up reviews.

## **B. Assessment of Compliance with Section 2: Core Requirements**

During the review of the items listed in the scope of the visit, the Special Committee did not find any evidence of a violation of a Core Requirement.

## **C. Assessment of Compliance with Section 3: Comprehensive Standards**

### **3.2.8 The institution has qualified administrative and academic officers with the experience and competence to lead the institution. (Qualified administrative/academic officers)**

The Special Committee reviewed résumés of 18 senior and mid-level administrators, academic deans and student affairs senior management staff. In addition to reviewing documents, several interviews were also conducted with the President, Vice President Student Affairs, Chief of Police, Dean of Students and elected Student Government and Graduate Student Union members.

A review of Table 1 of the section on CS 3.2.8 in the monitoring report (Interim and Vacant Administrators/Academic Positions) shows that currently 18 senior administrative positions are filled on an interim basis and there are currently two vacant positions. At the cabinet level the following five positions are filled on an interim basis; President, Provost and Vice President for Academic Affairs, Vice President for Administrative Affairs, Vice President for Research and Vice President for Information Technology. The individuals in these positions have the appropriate credentials, academic degrees and several years of professional experience at the senior administrative level. All of these individuals have prior experience working in various capacities at Florida A&M University. The interim positions at the cabinet level will not be filled on a permanent basis until a Presidential search has been completed and a new CEO has been hired. The current interim President / CEO received confirmation by the Florida A&M University Board of Trustees on August 15, 2012, following an initial appointment on July 16, 2012.

At the cabinet level several permanent appointments were made by the former President. These included the Vice President for Student Affairs on July 11, 2011. This individual served in an interim capacity since 2010. The Vice President for Legal Affairs was appointed in March 2012 and has served as General Counsel since July 2007. The Vice President for Audit & Compliance was appointed in June 2012. The Vice President for University Advancement was appointed in October 2011. All of these individuals possess the appropriate credentials, academic degrees and several years of professional experience at the senior administrative level.

**Special Assistant to the President / BOT Liaison** has served in this capacity since October 2012, and from 2008 to the present this cabinet member also serves as the Assistant Vice President for Academic Affairs.

**Special Assistant to the President for Anti-Hazing** has served in this capacity since February 2013. He is responsible for the overall management of the university-wide anti-hazing initiative in collaboration with the University's Judicial System, which is housed in the Division of Student Affairs. He possesses an adequate background and training in mediation, student educational services and ethics.

The **Music Compliance Officer for the Department of Music** is responsible for the overall compliance of the Department of Music, specifically bands and ensembles. The primary purpose of the position is to ensure full compliance with all department and university policies, protocols and guidelines. The officer holds the appropriate academic degrees in Business Administration, specifically a MBA and BS from Florida A&M University. This individual has also served as a former Research Associate in the Office of University Retention, Assistant University Registrar, Coordinator of Administrative Affairs and Internal Auditor/Investigator. This position is physically located in the Music Department and reports to the Special Assistant to the President for Anti-Hazing.

The interim **Athletic Director** was appointed in June 2013 and has full oversight for the operations of the Athletics Department. The organization chart shows this individual as a cabinet member. The documents state that this position reports directly to the President. The current interim Athletic Director has been employed in the Athletic Department since January 5, 2010 and at the University since 1991.

**Director of Safety and Security (Chief of Police)** has been in his position for less than one year. This position reports to the Vice President for Student Affairs. He possesses the appropriate academic credentials, professional experience, both in the academy and at a local law enforcement agency, has law enforcement certifications, and has completed training at the FBI National Academy.

**Interim Executive Director, Title III Programs** is responsible for the oversight and direction of the activity supported by the Historically Black Colleges and Universities, Historically Black Graduate Institutions, and Student Aid and Fiscal Responsibility Act funds awarded by the USDOE. The Interim Executive Director has the appropriate academic credentials, prior experience in Sponsored Programs, Contracts and Grants and also has experience as an Assistant Controller.

There are three **interim Academic Deans** for the following units: School of Architecture, College of Education and Graduate Studies. All three interim deans hold the appropriate academic rank, credentials and possess professional experience to lead their respective units. For the College of Education, a search committee has been established by the Interim Provost. The former dean of the School of Architecture is currently serving as the Interim Provost and Vice President for Academic Affairs. His replacement served as the Assistant Dean of the School of Architecture from 2004 – 2012 until he was appointed in 2012 to serve as interim Dean of School of Architecture. For the Graduate Studies Program, a search committee has been established by the Interim Provost.

### **Associate Vice President Positions (9):**

Currently there are nine Associate Vice President positions, seven of which are permanently filled. A review of the supporting documentation shows that all seven individuals have the appropriate academic credentials and possess sufficient professional experience to lead their respective units.

The interim **Associate Vice President for Construction and Facilities Management and Director of Physical Plant** has served in this capacity since September 2012. He has the appropriate academic credentials and possesses professional experience at the University to head this unit. He also serves as Director of the Physical Plant since 1999.

The vacant **Associate Vice President for Research position** is scheduled to be filled during the 2013 – 2014 academic year. The job description was reviewed and approved on April 2, 2013 and again on September 11, 2013. An internal candidate was selected to serve on an interim basis from October 11, 2013 through June 30, 2014. Employment offer was made on September 12, 2013. The curriculum vita for this individual was reviewed on site and details prior working experience at the University, dating back to 1974. This individual has the appropriate academic credentials, holds the rank of full professor and has numerous years of professional experience at various major research facilities in the USA.

The vacant **Assistant Vice President for International Education and Development** will be filled during the 2013 – 2014 academic year. The job description, dated 8-2-2013, and advertisement of position, which was posted on HigherEdJobs.Com from May 10, 2013 to June 13, 2013, was reviewed on site. The interview itineraries for three candidates have been developed and all three candidates are scheduled for campus visits in October 2013.

The vacant **Assistant Vice President for Human Resources** is scheduled to be filled during the 2013 – 2014 academic year. The job description, dated July 16, 2013, and advertisement of the position, which was posted on HigherEdJobs.Com from July 25, 2013 to August 30, 2013, was reviewed onsite. The initial review of the applications will begin shortly.

According to the First Monitoring Report on Probation Sanction, dated August 26, 2013, Section VIII, pages 23-24, the interim President has elected not to seek permanent employees to fill the interim vice presidents' and other interim direct-report positions. It has been decided that once a permanent president has been selected, the newly appointed CEO will have the opportunity to build his or her own senior management team. According to the minutes from the Florida A&M University Board of Trustees April 11, 2013 meeting, the search to fill the vacancy for the 11th President of Florida A&M University will restart in January 2014. Greenwood /Asher & Associates, Inc. is assisting the Florida A&M University Board of Trustees in the search for the University's 11th President.

The institution provided adequate documentation to verify the qualifications of the administrative and academic officers, specifically, job descriptions and current resumes. Interviews were conducted to verify the scope of responsibility and duties of several individuals serving in interim and permanent key positions.

Documentation was provided on three senior level vacant positions, specifically, status reports on the Associate Vice President for Research (which was due to be filled shortly after the end of the Special Committee visit), Assistant Vice President for International Education and Development, and Assistant Vice President for Human Resources.

**3.10.3 The institution exercises appropriate control over all its financial resources. (Control of finances)**

When SACSCOC placed the institution on probation, it identified the standards of the *Principles of Accreditation* that the institution was expected to address through narrative and supporting documentation. A number of these continuing concerns also address Principle 1.1 Integrity. Each of these concerns is addressed, below.

1. The institution should provide the 2012 and 2013 fiscal year financial audits and management letters, as well as any operational audits conducted during this period.

Florida A&M University provided its FY2012 audited financial statements and management letter. The institution also provided an operational audit for FY2012 dated February 2013 conducted by the Florida Auditor General's office. The audit of general purpose financial statements was given an unqualified opinion by the Auditor General. The institution did not provide its FY2013 financial statement audit, indicating that the Auditor General expected to have that report completed in December 2013.

The operational audit identified 24 individual findings in a variety of categories, including administrative management and board policies, cash management, intercollegiate athletic programs, student tuition and fees, employee compensation, expenses and disbursements, procurement of goods and services, construction administration, and information technology. The institution provided responses to each of these findings that indicate its willingness to correct the issues.

The institution contracted with Accretive Solutions to verify and validate the corrective action plan for the 24 findings. Accretive Solutions performed the verification and validation procedures in three areas, as follows:

- a. That the corrective action plan correctly summarized the intent and addressed all the Auditor General's findings,
- b. That each corrective action plan item was adequately designed to effectively correct the finding and the underlying issues that contributed to the finding,

- c. That the corrective action plan, as designed, is actually being effectively implemented and executed.

Of the 24 initial findings in the Operational Audit, Accretive Solutions was successful in sampling and testing 17 items without error or exception. Two of the remaining seven findings (payroll processing and access privileges) will be tested in October and November 2013. In the normal course of business insufficient activity has occurred in order that the other five processes may be tested. However, Accretive Solutions verified that all seven of the findings that could not be tested for implementation effectiveness passed the test of design effectiveness. Those seven findings that remain partially untested are as follows:

- a. Payroll processing
- b. Design/build services
- c. Construction contract management
- d. Subcontractor selection
- e. Verification of subcontractor licensure status
- f. Insurance coverage
- g. Access privileges

2. The institution should provide an update on the status of the past fabricated internal audits and review reports.

At the request of the Florida A&M University Board of Trustees, the law firm of Sniffen & Spellman conducted a preliminary investigation of allegations of misconduct regarding the FAMU Division of Audit and Compliance (DAC) and the reports generated by that office. The review was completed in November 2011, and concluded that DAC presented executive summaries of fifteen different audits or review reports to the Board of Trustees' Audit Committee and to the Chief-of-Staff of the University when the underlying final reports of the audits or reviews had not been prepared. The current status of these reports is shown in the table below. To summarize:

- A. Five of the original executive summaries were deemed adequate by Sniffen & Spellman and no follow-up was required:
  - a. Fingerprinting and Background Check
  - b. Revenue Collections: Parking Services
  - c. Controls for Grade Changes; Division of Audit and Compliance (DAC) has also included this in its 2013-2014 audit plan
  - d. Federal Financial Aid Awards: Direct Loan Reconciliations
  - e. Cash Collections: Rattler Card Program
- B. Eight of the original executive summaries deemed insufficient by Sniffen & Spellman were subsequently contracted to Ernst & Young to re-perform the audits. Ernst & Young completed the audits and identified corrective actions, which the institution implemented:
  - a. Technology Fee
  - b. Revenue Collections – Home Football Games
  - c. Textbook Adoption and Affordability
  - d. Bank Reconciliations

- e. Revenues from Classics and Guarantee Contracts
  - f. Sub-Recipient Monitoring of Contracts and Grants
  - g. Contracts and Grants Expenditures: Terms and Conditions
  - h. Insurance Coverage on Buildings and Contents
- C. Two of the original executive summaries deemed insufficient by Sniffen & Spellman were also included in the Auditor General's Operational Audit. The institution implemented corrective actions and DAC has reviewed.
- a. Tuition Differential Fee
  - b. Purchasing Card Program

The table below identifies the issues as reported by Sniffen & Spellman, the initial recommended actions, and the current status of each after recommended actions were taken:

<b>Issue</b>	<b>Initial Action</b>	<b>Status as of September 2013</b>
Technology Fee	FAMU hired Ernst & Young to re-perform the audit	FAMU implemented corrective actions as recommended by Ernst & Young
Fingerprinting and Background Check	Sniffen & Spellman determined the original audit was adequate	N/A
Purchasing Card Program	FAMU hired Ernst & Young to perform review	FAMU implemented corrective actions as recommended by Ernst & Young; DAC conducted follow-up work; Accretive Solutions has verified that the institution has enhanced its policies and procedures and effectively implemented appropriate controls.
Revenue Collections – Home Football Games	FAMU hired Ernst & Young to re-perform the audit	FAMU implemented corrective actions as recommended by Ernst & Young
Revenue Collections – Parking Services	Sniffen & Spellman determined the original audit was adequate	N/A
Textbook Adoption and Affordability	FAMU hired Ernst & Young to perform review	FAMU implemented corrective actions as recommended by Ernst & Young; DAC conducted follow-up work; Accretive Solutions has confirmed that the institution has enhanced its policies and procedures and has implemented effective controls.
Bank Reconciliations	FAMU hired Ernst & Young to re-perform the audit	FAMU implemented corrective actions as recommended by Ernst & Young

<b>Issue</b>	<b>Initial Action</b>	<b>Status as of September 2013</b>
Controls for Grade Changes	Sniffen & Spellman determined the original audit was adequate	DAC is currently conducting a 2013-14 audit
Revenues from Classics and Guarantee Contracts	FAMU hired Ernst & Young to re-perform the audit	FAMU implemented corrective actions as recommended by Ernst & Young
Tuition Differential Fee		FAMU implemented corrective actions; DAC conducted follow-up work; Accretive Solutions has verified the institution has enhanced its policies and procedures and has implemented effective controls to ensure these funds are expended in accordance with Florida law.
Sub-Recipient Monitoring of Contracts and Grants	FAMU hired Ernst & Young to re-perform the audit	FAMU implemented corrective actions as recommended by Ernst & Young
Federal Financial Aid Awards: Direct Loan Reconciliations	Sniffen & Spellman determined the original audit was adequate, which had no findings	N/A
Contracts and Grants Expenditures: Terms and Conditions	FAMU hired Ernst & Young to re-perform the audit	FAMU implemented corrective actions as recommended by Ernst & Young
Cash Collections: Rattler Card Program	Sniffen & Spellman determined the original audit was adequate, which had no findings	N/A
Insurance Coverage on Buildings and Contents	FAMU hired Ernst & Young to re-perform the audit	FAMU implemented corrective actions as recommended by Ernst & Young;

3. The institution should provide an update on the status of internal audits carried out since the discovery of the problems.

At the June 7, 2012 Board of Trustees meeting, the Board approved the 2012-2013 work plan for the Division of Audit and Compliance. In 2013 FAMU contracted with Ernst & Young (E&Y) to conduct a risk assessment and develop an institutional audit work plan for 2013-2014.

The audits carried out since the discovery of the problems are as follows:

- 1) Dormitory Construction Audit (October 2012) – the Division of Audit and Compliance conducted this audit of the contract between the University and a construction company to review the processes and events that led to the University’s intent to terminate the contract. This audit was conducted in accordance with International Standards for the Professional Practice of Internal Auditing.

- 2) Audit of the Cash Collection Points (March 2013, Audit 2013-1) – DAC conducted this audit on three of the institution’s cash collection points: FAMUAN, Rattler Card Office, and Coleman Library. This audit was conducted in accordance with International Standards for the Professional Practice of Internal Auditing and Government Auditing Standards.
  - 3) Audit of Life Gets Better Scholarship Program (July 2013, Audit 2013-2) – this audit was conducted according to Government Auditing Standards.
  - 4) Audit of the Voyager Card Program (June 2013, Audit 2013-3) – this program provides credit cards for the purchase of gasoline. Three departments were selected for review: Student Government, Athletics, and College of Engineering Sciences Technology and Agriculture. This audit was conducted according to Government Auditing Standards.
4. The institution should provide evidence that the internal auditing function is now operating within the standards of the Institute of Internal Auditors.

In April 2012, the FAMU Board of Trustees adopted the Division of Audit and Compliance’s revised charter that conforms with the Institute of Internal Auditors’ model charter. DAC performed a self-assessment of its activities in January 2013 and planned to schedule an external quality assurance review (QAR) a year later. Ernst & Young completed the QAR in September 2013.

The institution provided an updated Compliance Operations and Procedures Manual for the Division of Audit and Compliance.

The institution provided a statement on the Division of Audit and Compliance Quality Assurance Improvement Program which was revised in January 2013. This statement covers Internal Assessments, External Assessments, Reporting on Quality, and Administrative Matters, including a statement that the document will be updated for changes in the Standards or the Division’s operating environment.

An August 2013 report from the Audit Committee of the Board of Trustees included an Internal Audit dashboard, information on FY13 projects completed to date, and in process and upcoming projects. This report also stated that a self-assessment of the Division had been completed, and the quality assurance review was in process. Ernst & Young was contracted to conduct the quality assurance review. That report verified that the Division of Audit and Compliance generally conforms to the IIA standards (see Addendum materials). There were two standards that Ernst & Young deemed to partially conform to the IIA standards: Due Professional Care and Documenting Information. Ernst & Young recommended that the DAC continue to build and refine audit processes, technology-based tools and data analytics. Ernst & Young further recommended that DAC enhance the documentation of their work papers. Management agreed with both recommendations and committed to implementing them by October 1, 2013.

5. The institution should provide an organization chart of how the internal audit function fits into the broader institutional structure.

The institution provided a subset of the organization chart that shows the Division of Audit and Compliance reporting to the President and to the Board of Trustees. Other documentation clarifies that the DAC reports functionally to the Audit Committee of the Board of Trustees and administratively to the President.

The full organization chart for the institution shows that the President has eight vice presidents reporting to him directly, including the Vice President for Audit and Compliance, as well as two executive assistants and two special assistants.

- 6. The institution should provide details on the qualifications of the personnel working in the internal audit office.

Materials provided by the institution show seven audit professionals employed in the Division of Audit and Compliance (DAC). All seven meet or exceed the minimum qualifications for their positions. Additionally, six of the seven are certified in various areas pertinent to the internal audit function, as shown in the table below. Subsequent to the submission of the Monitoring Report, Auditor 4 resigned from FAMU effective September 4, 2013. The position is currently posted. Although not currently holding any certifications, Auditor 6 is planning to pursue CPA or CIA designation.

	AUDITOR 1	AUDITOR 2	AUDITOR 3	AUDITOR 4	AUDITOR 5	AUDITOR 6	AUDITOR 7
CPA	X	X					
Certified Government Financial Manager	X						
Certified Internal Auditor			X		X		X
Certified Government Auditing Professional			X				
Certified Fraud Specialist			X				
Certification in Risk Management Assurance							X

Based on the resumes provided, the current staff is qualified to conduct audits in accordance with the standards of the Institute of Internal Auditors.

The institution provided information about continuing education credits earned since 2011 by five of the professional staff. The senior executive in the department is responsible for ensuring the staff continues to receive the

necessary continuing education required to maintain certifications. It is up to the University to continue providing sufficient funding for professional development.

7. The institution should demonstrate that it exercises appropriate control over its financial resources.

The institution has in place qualified personnel, robust internal controls, and appropriate policies and operating procedures to make certain it exercises appropriate control over its financial resources. An effectively functioning internal audit program should ensure that those people, controls, policies and procedures are operating appropriately and as intended.

There are eight employees reporting directly to the Vice President for Administrative Affairs (the CFO). One of these is the Controller who has primary responsibility for control over financial resources. He is a CPA and has a Bachelor's degree from the University of Baltimore, a Master's degree from Morgan State University, and an Ed.D. from the University of Pennsylvania. He has the appropriate education and certification for the position. Of the remaining seven employees, four have Master's degrees and three have Bachelor's degrees. Their years of experience range from 18 to 39.

The Budget and Finance Committee of the Board of Trustees has full responsibility for oversight of the financial operations of the institution. The Audit and Compliance Committee of the Board of Trustees is responsible for policies affecting accountability, internal controls, and audit.

The State University System in Florida is managed by a Board of Governors (BOG). The BOG Budget and Finance Committee provides oversight and direction in relation to the fiscal affairs, including reviewing the annual financial statements.

The Florida Auditor General is responsible for conducting financial audits every year and operational audits at least every three years. The most recent completed financial audit, for FY12, was issued with an unqualified opinion. The most recent completed operational audit, for FY12, identified 24 findings and recommendations, 16 of which are directly related to control of finances.

The University has developed and implemented a corrective action plan for each of the findings and recommendations. It has also contracted with Accretive Solutions to provide a third party independent review of the effectiveness of the corrective actions. As stated earlier, Accretive Solutions has verified that 17 of the 24 corrective actions have passed the design test and their follow-up review verified that the corrective actions are operating as intended. The remaining seven actions all passed the design test, but there is insufficient information on which to base an implementation review. Additional reviews are scheduled to be conducted in October and November 2013.

8. The institution must provide evidence attesting to the functionality of the internal control environment as well as the adequacy of internal audits.

The institution provided documentation that showed they have made strong and directed changes to the internal audit function, and existence of an improvement in their internal control structure. This documentation includes:

- a. minutes of Board of Trustees' meetings
- b. an updated charter for the Division of Audit and Compliance
- c. hiring a new audit staff with appropriate education and certification
- d. training on internal controls for the Board of Trustees and for the audit staff
- e. independent third party reports designed to help identify the extent of the original problems, re-perform the audits in question, develop a risk-based audit plan, and provide follow-up quality assurance reviews
- f. identification of specific internal controls as they relate to specific work units in the Division of Administrative and Financial Services

The institution also provided the audit reports for the four audits completed since the original problems were discovered. These audits identify the authority and standards under which they were performed, an attestation that was missing from the problem audits.

The Quality Assurance Review conducted by Ernst & Young provided assurance that the internal control environment is functioning as expected and in conformance with the appropriate standards, and that internal audits are being appropriately conducted.

The passage of time is the only true indicator that the standard is being met, with continued unqualified audit opinions on the financial statement audits, operational audits with few or no findings or recommendations, and with regular and positive external quality assurance reviews of the internal audit function.

9. The institution should include a discussion of findings, if any, in the 2013 audit management letter.

Florida A&M University operates on a June 30 fiscal year end and their financial statement audit is conducted by the Florida Auditor General. It is very difficult for state institutions to receive their audit reports within three months of their fiscal year end. While they did ask the Auditor General to expedite the FY13 audit, they were told their audit report would be issued in December. Therefore, the report was not available to the committee during its visit.

- 3.11.2** The institution takes reasonable steps to provide a healthy, safe, and secure environment for all members of the campus community. **(Institutional environment)**

The First Monitoring Report on Probation Sanction, an Addendum to that report provided on-site, the Anti-Hazing Plan, and other supporting documents indicate that the institution has taken reasonable steps to provide a healthy, safe, and secure environment. Policies and procedures have been developed in units that have responsibilities relevant to this standard, including the Office of the President, the Department of Campus Safety and Security, the Division of Student Affairs, the Department of Environmental Health and Safety, and the Music Department, among others. In addition to a specific focus on anti-hazing, the report describes policies regarding personal safety, environmental safety, emergency preparedness, and crisis management.

The 2011 Clery Act report was submitted with the monitoring reports and the 2012 report was provided to the committee in the Addendum on site.

The Anti-Hazing Plan, developed in 2011-2012 in response to the November 2011 hazing incident, includes the creation of two new staff positions – Special Assistant to the President for Anti-Hazing and Music Department Compliance Officer – which have been filled. Other elements of the plan include new requirements for student organizations and the marching band, a mandatory student anti-hazing acknowledgement, and an anti-hazing website. The webpage provides information regarding hazing and a mechanism for reporting incidents.

The plan also describes various committees and groups responsible for addressing issues related to safety, including hazing. These groups include the Crisis Management Team, Behavioral Intervention Team, and the Department of Campus Safety and Security. The flow of information regarding hazing allegations is well-defined and prompt. It involves the Department of Campus Safety and Security, the Special Assistant to the President for Anti-Hazing, the Office of Student Activities, and Judicial Affairs.

Workshops for students and staff members have been offered (both required and optional) to educate the campus community regarding the definition, impact, and consequences of hazing and other unacceptable behaviors. Workshop participation is mandatory for student organizations and Marching Band and music ensemble members. Student organization advisors are required to participate in anti-hazing workshops as part of the student organization certification process.

Evidence is provided of widespread communication of the institution's policies regarding safety - hazing, in particular. Examples include an anti-hazing website, statements in the student handbook, town hall meetings, the Anti-Hazing Guidelines, activities of the Special Assistant to the President for Anti-Hazing, and mandatory workshops and other requirements for students, student organizations, and faculty. Students are required to acknowledge that they have read the anti-hazing policy prior to registering for each term. The Student Code of Conduct has been revised (with student participation) to include the new anti-hazing regulation and requirements.

A record of reported allegations of Student Code of Conduct violations indicates an increase in the number of reported instances of hazing, primarily via the anti-hazing website, suggesting that the website has been effective as a reporting tool and that campus sensitivity to hazing has improved. Subsequent actions taken by the Office of Judicial Affairs in response to these reported incidents also demonstrate the effectiveness of the anti-hazing website in addressing alleged incidents of hazing.

The new Director of Marching and Pep Bands has focused his efforts on re-establishing the original vision of the founder of the Marching Band, which includes high standards for musical skills and academic performance. Verification of student eligibility, training and supervision of paid and unpaid staff members and monitoring of student interaction has effectively set new goals for the band program. Students understand the importance of discipline, character, and a motivation to succeed by interacting with the band staff and successful alumni. Students in the Marching Band expressed a new sense of pride in the ensemble, a focus on academic success and degree completion, and a “Brand New Day” through the establishment of new traditions in the band. Both the director and the students described the atmosphere surrounding the band as “loving and helpful - as in a family.”

The institution has provided evidence that efforts to monitor marching band membership and travel by the Music Compliance Officer have been effective. Examples of signed anti-hazing agreements, organizational meeting minutes, and workshop participation were included in the report as evidence of enforcement of relevant policies. The Music Compliance Officer maintains a record of eligibility criteria for each student and a master list of students expressing interest in the marching band that indicates which students are eligible for band membership. In addition to attending an anti-hazing workshop, each band member must maintain a minimum 2.0 cumulative grade point average, be enrolled in at least twelve credit hours at the institution, and satisfy progression standards for earned hours. The marching band no longer permits participation by individuals who are not full time students at the institution.

The Department of Campus Safety and Security processes have been revised in response to the hazing issue. Patrol schedules have been revised and officers are expected to interact with the campus community to promote a philosophy of “community policing” - the approach adopted by the new Director of the Department of Campus Safety and Security (Chief of Police).

The institution’s “zero tolerance” policy seems to be understood by students and staff members. Evidence of enforcement is found in band eligibility data, workshop participation receipts, student organization bylaws, and by the recent suspensions of two student organizations for hazing. Processes developed for reporting, investigating, and addressing allegations of hazing involve appropriate offices and administrators and seem to be implemented as described. The institution would benefit from making processes more systematic and better able to track all complaints from notification to resolution.

Students and staff members attest to the positive impact of the leadership of the interim president. The addition of staff members with experiences, traditions, and perspectives from other institutions has established an atmosphere in which fundamental change in campus culture can occur. However, the committee is concerned if this positive momentum will continue through a presidential transition.

**D. Assessment of Compliance with Section 4: Federal Requirements**

**4.7 The institution is in compliance with its program responsibilities under Title IV of the most recent Higher Education Act as amended. (Title IV program responsibilities)**

The State of Florida's FY12 A-133 audit conducted by the Florida Auditor General identified three findings specific to Florida A&M University's Financial Aid program, two of which are of special concern to SACSCOC: satisfactory academic progress (SAP) issues and exit counseling. The institution has been asked to provide a Monitoring Report verifying that the remedies recommended and implemented by the institution are effective.

Additionally, in a June 24, 2013 letter from the USDOE the institution was asked to provide two documents:

1. A spreadsheet format report to include a list of ALL students who had appealed a denial of financial aid based on SAP issues in 2011-2012, including the reason for the appeal and the final determination;
2. If, on review of the document generated in #1 above, any appeals that were approved for reasons not allowed by the USDOE (related to injury or illness, related to the death of a relative, related to other special circumstances, or not documented at all) the institution must provide a second document identifying the amount of Title IV Financial Aid funds received by each student in each category of funds.

After review of these reports, the USDOE would notify the institution of the amount of Title IV funds it would be required to return.

In September 2013 the USDOE verified to the University that the institution had submitted sufficient information requested to address the finding related to satisfactory academic progress.

The institution contracted with Ernst & Young to conduct an audit of a revised SAP process and to review the institution's exit counseling process. In its review, Ernst & Young determined that the University had made progress in improving its process for reviewing appeals, but could make additional changes that would further strengthen the process. The institution did make the additional changes.

Then the institution established a new appeals committee and provided updated training to all committee members. Florida A&M University then asked the committee to re-evaluate the 2011-2012 appeals that had been approved by using the specific instructions provided by USDOE for conducting this review. The results of this review resulted in the list of students that had been erroneously approved to receive financial aid even though they had not made satisfactory academic progress; this was the list sent to USDOE and that will form the basis of any repayment that may be due to USDOE. The new SAP appeals process became effective in 2013 and that process is inclusive of the USDOE instructions.

Because of other issues USDOE has with other Florida institutions, the USDOE does not believe it will have a resolution of the issues for several months.

Regarding the audit issue related to exit counseling, Ernst & Young conducted tests of exit counseling letters against 2013 summer graduates. While they could not confirm the mailing date of the exit counseling letters sent to the graduates, the letters obtained were dated within the 30-day deadline. Ernst & Young made no recommendations regarding this issue.

### **Part III. Observations and Comments**

Observations and comments are included in the narrative above.

## **APPENDIX A**

### **Roster of the Special Committee**

Dr. Jerry W. Stephens - **CHAIR**  
Librarian and Director  
The University of Alabama at Birmingham  
Birmingham, AL

Ms. Susan Brooks  
Associate Vice Chancellor for Finance  
University of North Carolina – Charlotte  
Charlotte, NC

Dr. Melody Pierce  
Vice Chancellor for Student Affairs  
North Carolina A&T State University  
Greensboro, NC

Dr. Jocelyn Sanders  
Associate Provost for Academic Affairs and Accreditation Liaison  
The University of Tennessee at Chattanooga  
Chattanooga, TN

#### **COC STAFF REPRESENTATIVE:**

Dr. Michael S. Johnson  
Senior Vice President/Chief of Staff  
Commission on Colleges  
Decatur, GA

## **APPENDIX B**

### **Off-Campus Sites or Distance Learning Programs Evaluated as Part of the Special Committee Review**

No off-campus sites or distance learning programs were reviewed as part of this Special Committee visit.

## **APPENDIX C**

### **List of Recommendations Cited In the Report of the Special Committee**

No recommendations are contained in the report.