



Audit Committee Meeting

PRESENTED BY

Richard Givens

March 7, 2018

Florida Agricultural and Mechanical University



Direct Support Organization (DSO)

Audit Reports:

University Regulation Requirements for Certification, Budget and Audit Review, Section 11.001(5) provides that Direct-support organizations shall provide for an annual audit and management letter, as prescribed by applicable laws and rules, which shall be submitted to the President and to the Audit Committee of the Board for review and approval.

A summary of the audit reports and management letters for the year ended June 30, 2017 for the Foundation, Alumni Association, and Rattler Boosters is presented below:

ORGANIZATION	TYPE OF OPINION ON FINANCIAL STATEMENTS	WERE DEFICIENCIES NOTED IN INTERNAL CONTROL OVER FINANCIAL REPORTING?	WERE ISSUES REPORTED FOR COMPLIANCE OR OTHER MATTERS?	WERE MANAGEMENT LETTER COMMENTS REPORTED?	WERE PRIOR YEAR CORRECTIVE ACTIONS IMPLEMENTED?
Foundation	Unmodified	No	No	Yes	No
Alumni Association	Unmodified	Yes	No	Yes	N/A
Rattler Boosters	Disclaimer	Yes	No	Yes	No





DSO (continuation)

Below are the summary of management letter comments:

Foundation

- 1) One individual sends requests for transfers of investments to financial institution(s), reconciles bank accounts, and reconciles investment activity accounts, and subsequently prepares the journal entry to record these activities.
- 2) The methodology used to allocate total endowment activity is not used to allocate individual endowment activity.

Corrective Action Plan. The corrective action plan is included in the Audit Report. The Foundation separated the incompatible duties. The Foundation is researching software that can be implemented to provide each endowment fair value.

Status: Partially Corrected

Alumni Association

- 1) Bank reconciliations were not prepared in a timely manner.

Corrective Action Plan. The corrective action plan is included in the Audit Report. Banks reconciliations are currently up-to-date and being prepared on a timely basis.

Status: Corrected

Rattler Boosters

- 1) Proper accounting records and supporting evidential matter were not maintained for the Boosters in fiscal year ended June 30, 2017 and information provided may be incomplete. As a result of these matters, the auditors were not able to determine if all transactions incurred during fiscal year ended in June 30, 2017 were recorded.





DSO (continuation)

- 2) The Boosters billed membership dues in the prior year with a portion of the amount billed remaining in the accounts receivables at the end of the prior fiscal year. During the fiscal year ended June 30, 2017, no controls were exercised over the collection of accounts receivables and amounts were, possibly, collected by other university departments. Allowance for doubtful accounts was recorded for the total amount of membership dues receivable at June 30, 2017. The auditors were not able to obtain sufficient audit evidence about the amounts collected for accounts receivable.

Other areas of deficiencies identified included:

Disbursements

Minutes

Deposits

Homecoming game day parking

Liability Insurance

Segregation of Duties

Corrective Action Plan. The corrective action plan is included in the Audit Report. To address the audit findings, The Division of Audit & Compliance began a review the of financial operations of the Boosters. The scope of the review is to determine the auditability of the records for the 2017-18 audit and compliance with BOT Policy 2005-18. This project includes an evaluation of the internal controls in place for revenues, expenses, and general ledger, which will address many of the above areas of deficiencies. The Boosters is organizing and restructuring and its audit committee will address each finding.

Status: Validation in process for corrective actions that have been implemented.





DSO

- Questions?





“At FAMU, Great Things Are Happening Every Day.”

established 1887

