Action Items

AACC Meeting Minutes: March 3, 2021

Compliance & Ethics Program Review

Financial Conflicts of Interest Policy

Annual Division of Audit Work Plan

Fraud Regulation

- Annual Division of Audit Work Plan
- Financial Conflicts of Interest Policy
- Compliance & Ethics Program Review
- Fraud Regulation
- AACC Meeting Minutes: March 3, 2021
AACC Meeting Minutes: March 3, 2021 9:45 a.m.
External Program Review

Relevant structures, policies, and procedures of the activity, as well as the process by which they are applied, comply with BOG Reg. 4.003 in all material aspects.

“Within a few short years, the Program has successfully built and established all the elements of an effective compliance program.”

130+ Documents Reviewed
27 Interviews Conducted
55+ Points of Evaluation

Focus Areas Ahead

Resources
The program must have appropriate resources to scale up the program to increase monitoring coverage and outreach.

Policy Centralization
Coordinate with appropriate offices to update and centralize policies and regulations for ease of use and access.

Technology
Leverage technology to maintain a web presence and support auditing and monitoring functions, data analytics and comprehensive compliance case management.
External Program Review Observations

**Governance & High-Level Oversight**
- CCEO has open lines of communication
- ECC serve as effective compliance partners
- Program Strategic Partnership with Faculty Senate increase culture of compliance
- Additional Program resources needed

**Policies & Standards of Conduct**
- All elements of an effective compliance program are in place
- Guidance in place to promote ethical and compliant conduct
- Program related policies and procedures have been developed
- Need for central repository

**Open Communication & Reporting**
- Reputation of openness and accessibility
- Innovative ways to engage FAMU community

**Training & Education**
- Consistent cadence to annual mandatory training
- BOT members are engaged but require further clarity on Program scope and responsibilities

**Auditing & Monitoring**
- Good rapport and working relationship with the Division of Audit
- ECC working groups review identified compliance items and determine priority

**Enforcing Standards & Addressing Known Issues**
- Top-down approach when establishing culture of compliance
- Appropriate policies and processes in place
- Employee enforcement actions are inconsistently applied
External Program Review Recommendations

**Resources**
Invest additional resources to support the Program in executing its programmatic responsibility

**Central Repository**
Centralize the storage and accessibility of all Program policies, procedures, codes of conduct, and other relevant regulatory documents on an intranet site accessible to the FAMU community

**Compliance Training**
Develop and implement subject-matter focused compliance training for identified stakeholders

**BOT Training**
Provide the Board of Trustees with supplemental trainings to clarify and outline the scope of the Program
External Program Review Recommendations

**Risk Owner Processes**
Continue establishing processes to provide guidance for risk owners to approach and manage risk within their areas.

**Risk Owner Roles & Responsibilities**
Continue establishing clear roles and responsibilities for identified risk owners to create accountability for investigating and monitoring compliance within their areas.

**Enforcement**
Develop policy and procedures to coordinate, streamline, and standardize employee enforcement actions processes based on employee type.
BOT Policy No. 2005-14 Revision
Financial and Other Conflicts of Interest and Commitment Governing Research

- Reporting Outside Activities
- Financial Interests
- Other Potential Conflicts
- Research Security
- ECC: Research and Academic Affairs Working Group
- F.S. 1012.977
- CS/HB 7017
- Inquiry Process
- Annual Disclosure
- 60-Day Suspension Without Pay
Assurance Services
7 Projects Totaling 2,640 Hours
Performance Based Funding Data Integrity Audit, Knight Foundation Expenditure Review, Auxiliary Transfer Review, CRRSA Funding, American Rescue Plan Funding, College of Agriculture and Food Sciences, FAMU Foundation

Advisory Services
8 Projects Totaling 3,440 Hours
Title IX Review, Remote Working (IT), Athletic Budget Process, Internal Controls Assurance Statement, Procurement Services, Controller’s Office, Management Requests, Training

Taskforces and Committees
6 Taskforces and Committees Totaling 300 Hours
Enterprise Compliance Committee, Information Technology Governance Committee, Diversity & Inclusion Council, Emergency Management Team, State University System IT Audit Group, State University Audit Council

Continuous Monitoring
4 Projects Totaling 1,840 Hours
Foreign Influence, Construction, Purchase Cards, NIST800-171/ NIST800-53 Implementation

Follow-up, Investigations, & Risk Assessments
6 Focus Areas Totaling 2,240 Hours

Internal Audit Administration
5 Focus Areas Totaling 4,100 Hours
Professional Development, Division Administrative Projects, External Audit Coordination, Quality Assurance Review, General Admin, Leave

Annual Work Plan
(14,560 Hours)
DIVISION OF AUDIT

FAMU FRAUD REGULATION

Florida Board of Governors Detection and Protection became effective 3-23-2021

FAMU Fraud Regulation passed in December 2020 and establishes fraud risk management strategies

FAMU Regulation Highlights Anti-Fraud Framework, Responsibilities, Reporting, Rights and Protections of Reporting Individual, Alert Process, and Employee Actions

Florida Board of Governors

FAMU FRAUD REGULATION
FAMU Fundamentals

March 1st – 31st

2,584 Audience
BOT Governance Series

Compliance and Ethics: Module released 11/20
SUS/FAMU Governance: Module Released 1/21
What’s Next?

**PLAN REVIEW AND DEVELOPMENT – YEARS 4-7**

- Capitalize on feedback from Huron Consulting Group and internal stakeholders (August 2021)

**COMPLIANCE COORDINATOR FOR RESEARCH**

- Identify a candidate to fill vacancy. This position coordinates with research compliance partners (August 2021)

**COMPLIANCE AND ETHICS CULTURE SURVEY**

- Finalize and administer survey (September 2021)

**OFFICE RELOCATION**

- Prepare for relocation from the Journalism Building to Foote-Hilyer (Tentatively scheduled for September 2021)
Florida A&M University
Division of Audit

Auditor Awareness Month

Investigative Follow-Up

Internal Controls Assurance Statement

Audit Follow-Up

Risk Assessment

Audit Awareness Month

Division of Audit: What's Next?
Heat Map

- ACUA Risk Dictionary – 136 risk categories
- Three Year Changing Risks FY 18-19 to FY20-21

Leadership and Governance

- Need to provide focused management attention on the strategies, resources, and tactics to achieve the President’s goal of becoming a Top 100 University
- Inadequate staffing levels within General Counsel Office to diligently update policies and procedures and efficiently address EEO, public record and risk management issues

- Need for a strategic budgeting process that better aligns resources to the University’s strategic priorities and objectives
- Need for continued focus on service excellence to both the external and internal customer base

- Need to implement an Enterprise Risk Management function as called for by Board of Trustee policy
- Continued diligence on implementation of the University’s internal control framework

- Continued need to focus on faculty and staff recruitment, development and retention
- Cultivate a strong “Tone at the Top” regarding accountability for compliance and performance

Risk Themes

- Impacts to Strategic and Business Goals
- Opportunities
- 13 Risk Themes
Risk Assessment Recommendations

Utilizing the risk themes communicated in the report, in conjunction with the President’s Internal Control Assurance Statement identified opportunities for improvement, to develop management action plans.

Continuing efforts to implement the Committee of Sponsoring Organizations of the Treadway Commission’s (COSO) Internal Controls – Integrated Framework.

Implementing a comprehensive Enterprise Risk Management program called for by the Board of Trustees.

Building upon the University’s successful implementation of an effective Compliance and Ethics program – Implementing recommendations from Huron.
Risk Assessment Recommendations

- Enhancing the policy and procedure governance framework to ensure up-to-date and aligned guidance
- Implementing the new fraud regulation called for by the Board of Governors
- Continuing to cultivate a culture of transparency and accountability
- Continuing efforts to align resource allocation with strategic priorities
Audit Follow-up: Open Issues

**OPEN – Low Risk**
Policy Standards are in Development
Anticipated Completion July 2021

**OPEN – High Risk**
Balanced Budget – FY 2019, 2020
Repayment Plan Extended Through 2045
Oversight: BOT, BOG, and Management

**OPEN – Medium Risk**
Phase 1: Renovations have started
Certified: Press Box & Seating for 2021

**OPEN – High Risk**
Hiring: Emergency Management Director
Anticipated Candidate Selection: July 2021

2. **2018 Operational Audit: Intercollegiate Athletics Programs – Deficit Cash Balances**
**Investigation Recommendations Status**

**Report #19-08-002**
- **Issue:** Improper use of P-card
  - **Recommendation:** P-Card and travel expense training for CAFS staff.
  - **Status:** CLOSED

**Report #2020-11-05**
- **Issue:** Direct charging of an administrative position to federal grants
  - **Recommendation:** Work with the federal funder to determine if monies used for the position should be repaid.
  - **Status:** OPEN

- **Issue:** Allocation of administrative salaries to funding sources
  - **Recommendation:** Ensure all other administrative positions in CAFS are funded by appropriate sources.
  - **Status:** OPEN

- **Issue:** Telecommuting policy applicability
  - **Recommendation:** Consider revising the applicability of the policy to include non-teaching faculty.
  - **Status:** OPEN

**Report #2021-02-19**
- **Issue:** Compliance with mandatory COVID-19 training
  - **Recommendation:** Follow-up with CAFS to ensure staff have completed the required training.
  - **Status:** OPEN

- **Issue:** Outside employment and undisclosed conflict of interest
  - **Recommendation:** Consider automating the conflict of interest disclosure process.
  - **Status:** OPEN
Internal Control Assurance Statement
(BOT Policy 2019-01)

- **Internal Controls Training**
  8/2020 – 2/2021
  Mandatory I/C training was provided to management, faculty, and staff

- **Assessment Training**
  11/2020 – 2/2021
  I/C Assessment training was provided as part of Assessment Day and to individual divisions

- **Department Assessments**
  11/2020 – 2/2021
  Each department completed a control assessment and submit to their Vice President

- **Division Assessments**
  3/2021 – 4/2021
  Each division Vice President completed the division control assessment & action plan

- **Assurance Statement**
  5/2021
  The President developed the University Assurance Statement
UNIVERSITY CODE OF CONDUCT
The University Code of Conduct (BOT Regulation 1.019), was updated in February 2020.

TRAINING
The University has a strong focus on training to communicate requirements and expectations.

TONE-AT-THE-TOP
The President sets a strong tone at the top for ethical and honest conduct.

POLICY FRAMEWORK
The policy structure and processes need to be improved to ensure policies are reflective of compliance requirements, management direction, and current practices.

INDEPENDENCE
Continued diligence with maintaining board of trustee member independence, as emphasized in the Southern Association of Colleges and Schools Commission on Colleges, Section 4.2 Governing Board.

SUCCESSION PLANNING
Continued focus should be placed on fully implementing the succession planning program for the University.
The University conducts enterprise-wide risk assessments using three functions.

In collaboration with senior management, the University Board of Trustees should establish a risk tolerance statement.

The University’s senior leadership team meets as a group weekly to discuss operations and areas of risk throughout the University.

The University should continue with its plans to implement an enterprise risk management function in adherence with BOT Policy 2019-01.

In December 2019, Board of Trustees (BOT) adopted Policy 2019-01 Internal Controls and Enterprise Risk Management.

Management should consider integrating risk identification into the strategic planning process for the strategic plan currently in development.
Management Assessment
Management considered the regulatory environment, complexity of the higher education industry, and scope of University operations, and our mission to select and develop control activities.

Separation of Duties
In University areas where staffing is lean, management actively assesses for proper segregation of incompatible duties, and where such segregation is not practical management selects and develops alternative control activities.

Investigations
The Division of Audit, Office of Compliance and Ethics, Office of Equal Opportunity Programs, and Ombudsman, receives, triages, refers and/or investigates complaints.

IT Policies and Procedures
The University should continue building out a comprehensive set of policies and procedures to guide the development and communication of standard IT procedures and technology general controls.

Process Assessment
Management should perform an entity-wide assessment to understand and determine the dependency and linkage between business processes, automated control activities within PeopleSoft, and technology general controls.

Benchmarking
All divisions, colleges, and schools should perform formal best practices and benchmarking assessments to inform needed changes within policies, procedures, and practices.
**Constituents**
External constituents receive relevant information about matters impacting the University.

**Students and Families**
Communications with students and families are made using a variety of platforms including FAMU email, iStrike, Blackboard, social media platforms, and listservs.

**Leadership**
The President and his Senior Leadership Team meet weekly to communicate information and actions throughout the University.

**Automation**
Further automation of processes would increase the timeliness, relevancy, and quality of information available for use and decision making.

**Performance**
Enhance performance monitoring and evaluation within academic areas for administration, faculty, and students.

**Faculty and Staff**
Improvements could be made to increase informal and formal communication of strategy, expectations, and information impacting business and academic operations to faculty and staff at the director/chair level and below.
Annual Area Assessment
All divisions, colleges, and schools completed annual assessments that are monitored for continuous improvement opportunities.

Annual Assurance Statement
University Policy UP-01-02: Internal Controls and Enterprise Risk Management, requires the University to annually provide to the BOT an assurance statement.

Management Monitoring
Improvement is needed to management’s monitoring of the control environment by enhancing static, periodic monitoring with continuous monitoring techniques.

Evaluation Feedback
Information and communication systems are monitored and periodically evaluated, but the information from this monitoring is not used to timely update noted deficiencies.

Timely Correction
Internal control deficiencies are reviewed with leadership and/or during staff consultations for timely correction.

Spot Checks
Management periodically spots check records to ensure expectations are met.

STRENGTHS
OPPORTUNITIES
INTERNAL AUDIT AWARENESS MONTH
MAY 2021

Fraud, Risk, and Controls
Virtual Town Hall
May 6, 2021

Phishing Campaign
During May, Information Technology Services and the Division of Audit conducted a Phishing Campaign. Result will be announce June 11th!

Scavenger Hunt:
Audit Awareness
Prizes: Amazon Gift Cards
1st Place $40: Dr. Samique March-Dallas
2nd Place $25: Bobby Lolley
3rd Place $10: Dr. Briana Journee

The Audit Report
Inaugural DoA Newsletter
Publication Released:
May 21, 2021

Meet the Auditors
Experience, Specialties, and Fun Facts!
Publication Released:
May 28, 2021

FAMU
FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT
Division of Audit: What’s Next?

**AUGUST**
DoA is moving to the ground floor of Foote-Hilyer

**SEPTEMBER**
DoA annual report will be released highlighting all FY 20-21 activities

**ANNUAL REPORT**

**SEPTEMBER**
DoA will be offering customized internal controls training for academic and administrative functions

**TRAINING**

**Q**
August – September
DoA will be conducting a quality assurance and improvement self-assessment

**QAIP**

**N**
September
DoA will release the 2nd Edition of “The Audit Report”

**NEWSLETTER**
Thank You!