Action Items

01. Minutes: Consideration of Approval – October 5, 2022
   - Trustee Craig Reed

02. Division of Audit Annual Work Plan
   - Joe Maleszewski

03. Division of Audit Charter
   - Joe Maleszewski
AACC Meeting Minutes
June 1, 2022

Florida Agricultural and Mechanical University
Board of Trustees

Audit & Compliance Committee Meeting
Trustee Craig Reed, Chair
Grand Ballroom
Wednesday, October 5, 2022 - 10:45 AM

Committee Minutes

Members Present: Trustee Belvin Perry, Jr. (Vice-Chair - Absent), Trustee Craig Reed (Chair - Absent), Trustee Ann Marie Cavazos, and Trustee Michael Dubose (Acting Chair)

In Chair Reed’s and Vice-Chair Belvin Perry, Jr.’s absence, Trustee Dubose served as acting Chair and called the meeting to order. Ms. Deidre Milton called the roll. A quorum was not established. As a result, all action items for this meeting were included in the full Board’s consent agenda and taken up there for action consideration.

Trustee Dubose acknowledged four (4) Action Items:
- Minutes: Consideration of Approval – Wednesday, June 1, 2022;
- University Code of Conduct (University Regulation 1.019) Update;
- Office of Compliance and Ethics Annual Report and Program Plan; and
- Compliance and Ethics Charter.

The first action item – Trustee Dubose acknowledged consideration of the Wednesday, June 1, 2022, Audit and Compliance Committee meeting minutes. This item was included in the consent agenda for Full Board approval consideration.

The second action item – Trustee Dubose recognized Chief Compliance and Ethics Officer Rica Calhoun to present the updated University Regulation 1.019: University Code of Conduct. The Office of Compliance and Ethics (OCE) completed a routine review of the regulation in order to provide a more detailed outline of expectations for members of the University community. Revisions to the code reflect a language assessment, additional references to new and existing policies, inclusion of language from the new strategic plan, and general language cleanup.

This item was included in the consent agenda for Full Board approval consideration.

The third action item – Trustee Dubose recognized Chief Compliance and Ethics Officer Rica Calhoun to present the Office of Compliance and Ethics Annual Report and Program Plan. Chief Compliance and Ethics Officer (CCE) Calhoun discussed the following elements of the Office of Compliance and Ethics for the FY 2021-2022:
Division of Audit: Annual Work Plan Update

**Financial Aid Audit**
- **Potential Risk:** Ineffective and/or inefficient business processes having a negative impact on students and the University’s ability to comply with applicable laws, regulations, and policies.
- **Project Focus:** Audit financial aid business processes, including scholarship and academic policies.
- **Strategic Plan Impact:** Priority 1 – Student Success, Priority 5 – Organizational Effectiveness and Transformation

**Student Government Association Audit**
- **Potential Risk:** Insufficient revenues for Summer 2023 allocation
- **Project Focus:** Perform a three-year review of the Student Government Association budget, revenues, and expenditures.
- **Strategic Plan Impact:** Priority 1- Student Success, Priority 3 -Leverage the Brand, and Priority 4 - Long-Term Fiscal Health and Sustainability

**Auxiliary Services Audit**
- **Potential Risk:** Insufficient revenues to balance auxiliary budgets for FY 22-23
- **Project Focus:** Perform a three-year review of revenues and expenditures for select auxiliary accounts to identify root cause of revenue declines and impact to sustainability auxiliary services.
- **Strategic Plan Impact:** Priority 4 - Long-Term Fiscal Health and Sustainability and Priority 5 – Organizational Effectiveness and Transformation
### Division of Audit: Annual Work Plan Update

<table>
<thead>
<tr>
<th>Plan Projects Deferred to Fiscal Year 23-24</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Culture Assessment (Consulting Engagement)</strong></td>
</tr>
<tr>
<td><strong>Planned Scope:</strong></td>
</tr>
<tr>
<td>- Understand the attitudes of administrators, faculty, and staff at FAMU</td>
</tr>
<tr>
<td>- Identify barriers to individual success at FAMU</td>
</tr>
<tr>
<td>- Provide recommendations to FAMU Administration for enabling faculty, staff, and students to reach their full potential</td>
</tr>
<tr>
<td>- Establish benchmarks and baseline measures for future surveys</td>
</tr>
</tbody>
</table>

| **Online Education and Support Services (Consulting Engagement)** |
| **Planned Scope:** |
| - Assess online education and support services for sustainability, growth, competitiveness, and alignment with strategic plan priorities |

| **IT Governance and Structure (Consulting Engagement)** |
| **Planned Scope:** |
| - Assess and make recommendations on ITS governance policies, processes, and activities |
| - Review ITS structure to determine if it is in alignment with best practices for institutions of similar size |
| - Review staffing for expertise and skills alignments with division goals and priorities |

| **Athletics Ticket Office (Consulting Engagement)** |
| **Planned Scope:** |
| - Ticketing System: Access, Reconciliation Processes |
| - Complimentary Tickets Processes and Procedures |
| - Ticket Office Security |
| - Ticket Office General Procedures and Processes |
Division of Audit Charter Updates

Audit Language

No Substantive Changes

Investigation Language

Added language around the Inspector General Role to address requirements for training and accreditation

ERM Language

Added language to:
- Provide ERM function with similar authority and access to people and information as the Audit Function
- Define ERM scope of responsibility
- Define CRO role, responsibilities, and reporting lines
Informational Items

01 Compliance and Ethics Week

02 Investigations

03 Key Initiatives

Presented By:
Rica Calhoun
Chief Compliance & Ethics Officer
**FAMUly Values**
Drop in at the Office of Compliance and Ethics (OCE) in Foot-Hollyer 105 to join the compliance wheel and get a prize! OCE will also be sending out the Code of Conduct and Resources!

**FAMUly Highlight: Human Resources**
https://famu.zoom.us/j/96070197061
OCE is featuring AVP Elita Risikeyik to discuss the role of HR in compliance, HR initiatives, and answering any questions you may have.

**FAMUly Tone at the Middle**
https://famu.zoom.us/j/96070197061
OCE will host a session with Compliance Partners to incorporate compliance into their daily operations through a guided activity called, “Tone at the Middle.”

**FAMUly Highlight: Enterprise Risk Management**
https://famu.zoom.us/j/96070197061
OCE is featuring Chief Risk Officer and AVP Deidre Melton to discuss the role of enterprise risk management at the University, responsibility for responding to risk, how the University Risk Map works, and the University’s Risk Appetite Statement. Bring your questions!

**FAMUly Matters**
OCE will end the week with resources to members of the University community.

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**TONE AT THE MIDDLE**

We want to hear from you. OCE is hosting a focus group to discuss its latest initiative, “Tone at the Middle,” a way to incorporate compliance into daily operations. We’ll provide an overview and open the floor to hear from you. Join us!

**Today at 10:30**
https://famu.zoom.us/j/96070197061

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**COMPLIANCE AND ETHICS WEEK 2022**

**FAMUly Highlight:** OFFICE OF HUMAN RESOURCES

“Open” in and chat with the new AVP Finance and Administration/Chief Human Resources & Diversity Officer, Ella Kiselyuk. We’ll be discussing HR initiatives and more.

**TUESDAY, NOVEMBER 8**
**3:00 PM**

https://famu.zoom.us/j/99946830583

**FAMUly Highlight:** ENTERPRISE RISK MANAGEMENT

“Open” in and chat with Associate Vice President for Audit and Chief Risk Officer, Deidre Melton. She’ll be discussing Enterprise Risk Management (ERM), the University Risk Map and 1984 Service.

**RESCHEDULED**

**MONDAY, NOVEMBER 14**
**3:30 PM**

https://famu.zoom.us/j/99961729932

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**Deidre Melton**
ASSOCIATE VICE PRESIDENT FOR AUDIT AND CHIEF RISK OFFICER

https://www.famu.edu/about/diversity/enterprise-risk-management
The Modules for 2023 include:

**Clergy**
Campus Security Authorities

**Compliance, Law and Policy**
Code, Retaliation, Public Records and Record Retention, and ERM

**Cybersecurity**
Phishing, Electronic Data Transfer and Protection

**Discrimination and Harassment**
Responsible Employees

**Emergency Management**
Hurricane Preparedness and Essential Employees
# Investigations

(20 Hotline Reports Since July 1, 2022)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Misconduct</td>
<td>4</td>
</tr>
<tr>
<td>Fraud</td>
<td>4</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>2</td>
</tr>
<tr>
<td>General Concern</td>
<td>2</td>
</tr>
<tr>
<td>Sexual Harassment</td>
<td>2</td>
</tr>
<tr>
<td>Discrimination</td>
<td>1</td>
</tr>
<tr>
<td>Misrepresentation of Information</td>
<td>1</td>
</tr>
<tr>
<td>Misuse of University Resources</td>
<td>1</td>
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<tr>
<td>Time Abuse</td>
<td>1</td>
</tr>
<tr>
<td>Waste, Abuse or Misuse of Institution Resources</td>
<td>1</td>
</tr>
<tr>
<td>Workplace Harassment</td>
<td>1</td>
</tr>
</tbody>
</table>

Case Status: 15 In Process  5 Closed
<table>
<thead>
<tr>
<th>Area</th>
<th>Issue</th>
<th>Risk Level</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>Faculty Misconduct/Retaliation</td>
<td>Medium</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(external training still needed)</td>
</tr>
<tr>
<td>Academic Affairs</td>
<td>Retaliation</td>
<td>Medium</td>
<td>Closed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(October 21: corrective action taken)</td>
</tr>
<tr>
<td>Academic Affairs</td>
<td>Public Records</td>
<td>Medium-High</td>
<td>Closed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(OCE provided notice regarding required</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>zoom recording record retention)</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>Health and Safety</td>
<td>High</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(OCE supported establishment of threat</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>assessment team; integration with CARE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>team in progress)</td>
</tr>
<tr>
<td>Research</td>
<td>Conflict of Interest</td>
<td>Medium</td>
<td>Closed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(October 31: corrective action taken)</td>
</tr>
<tr>
<td>Research</td>
<td>Grant Compliance</td>
<td>Medium-High</td>
<td>Ongoing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(validate recommendations re: dissolution</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>of current 501(c)(3))</td>
</tr>
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</table>
## 22-23 Compliance Risk Assessment

<table>
<thead>
<tr>
<th>Area</th>
<th>Issue</th>
<th>Risk Level</th>
<th>Action Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>Administrative Leave</td>
<td>Medium-High</td>
<td>Compliance Focus: (Compliance Review)</td>
</tr>
<tr>
<td>Administration</td>
<td>Conflict of Interest</td>
<td>Medium</td>
<td>Compliance Focus: (Compliance Review of Process Implementation)</td>
</tr>
<tr>
<td>Governance</td>
<td>Training</td>
<td>Medium</td>
<td>Compliance Focus: (Additional BOT Training Opportunities)</td>
</tr>
<tr>
<td>Research</td>
<td>Foreign Gift Reporting</td>
<td>Medium-High</td>
<td>Compliance Focus: (USDOE reporting overdue, process effectiveness review of established process)</td>
</tr>
<tr>
<td>Compliance</td>
<td>Retaliation</td>
<td>Medium</td>
<td>Compliance Focus: (Follow up related to retaliation through micro-learning and FAMU Fundamentals)</td>
</tr>
<tr>
<td>Academic Affairs</td>
<td>HB 7</td>
<td>Medium-High</td>
<td>Compliance Focus: (Track legislative and judiciary actions; completion of awareness course)</td>
</tr>
<tr>
<td>Research</td>
<td>Foreign Influence</td>
<td>Medium-High</td>
<td>Compliance Focus: (compliance reviews re: foreign travel (Follow up July 5 and November 7) and screening (draft recommendations shared with department on November 3)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Area</th>
<th>Issue</th>
<th>Risk Level</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research/ITS</td>
<td>Research Security and Compliance</td>
<td>Medium-High</td>
<td>Compliance Focus: (Assist ITS in NIST 800-171; centralized cloud solution for research data)</td>
</tr>
<tr>
<td>ITS/ Administration</td>
<td>Data Privacy</td>
<td>Medium-High</td>
<td>Compliance Focus: Coordinate with ERM in development of privacy program; GDPR review update and other reviews incorporated into the program.</td>
</tr>
<tr>
<td>Athletics</td>
<td>Probation and Reporting</td>
<td>Medium-High</td>
<td>Compliance Focus: Coordinating with external firm to complete annual review of probation progress (currently in year 7)</td>
</tr>
<tr>
<td>Athletics</td>
<td>APR</td>
<td>High</td>
<td>Compliance Focus: Completed latest APR submission with consultant (October 31). Completed and distributed drafts of improvement plans for football and men's track for feedback. (November 19)</td>
</tr>
<tr>
<td>Athletics</td>
<td>NCAA and Title IX compliance</td>
<td>Medium</td>
<td>Compliance Focus: Monitor and assist in the achievement of equity goals and reporting (USDOE Equity in Athletics Data Analysis and Florida report). Athletics Compliance partnered with EOP for their 50th Anniversary of Title IX Celebration (11.17.22)</td>
</tr>
</tbody>
</table>
Foreign Travel Process

New Process Implemented:
• Justification Clarification
• Travel Acknowledgement
• Travel Signature/Initial Addition
• Completed Form Received
Athletics Compliance Highlights

Title IX 50th Anniversary Celebration
The Athletics Compliance Department participated in the celebration hosted by Equal Opportunity Programs, presenting information on FAMU women in athletics.

Mandatory Department Compliance Meeting
Monthly compliance meetings scheduled to highlight compliance topics and provide a forum for coaches and staff to ask questions.

Equity in Athletics Data Analysis (EADA) Report
Submitted to the USDOE for 2022 on November 1, 2022

APR Reporting and Improvement Plans
APR reporting was completed with assistance from John Shukie on October 31. Two programs did not make the 930 mark.

Coaches Meetings
Hosted separate meetings with coaches to review Bylaw 11.7 and Articles 12 and 14.
December Status Update: We are currently on track to make offers for all positions in Athletics Compliance by December 31.
01 Audit Follow-Up

02 Procurement Services Update

03 External Audit Updates

04 Audit Updates

05 ERM Updates

Presented By:

Joseph Maleszewski
Vice President for Audit/CAE

Deidre Melton
Associate Vice President for Audit/CRO
Audit Follow-Up
- 3 Open Findings

1. OPEN – Low Risk
   Monitoring for Resolution of ADA Issues

2. OPEN – High Risk
   Updating Emergency Management Plan, Budget Under Review

3. OPEN – Medium Risk
   2018-2021 reportable payments disclosures were not made as of November 18, 2022

1. 2018-19 Risk Assessment: Bragg Stadium Safety and Maintenance
Consulting Services: Office of Procurement Services

Our analysis determined opportunities for improvement in the following areas:

• Culture of accountability;
• Relationship-building;
• Efficiency and cost effectiveness;
• Leveraging of technology;
• Use of data to support strategic decision-making;
• Ongoing monitoring to strengthen internal controls; and
• Developing and maintaining a culture of service excellence.
Status Updates for Division of Audit Investigation Recommendations

1. Inventory Management
   - 2 Recommendations

2. Track and Field Concerns
   - 7 Recommendations

3. Football Vendor Fee Collection
   - 6 Recommendations
**Recommendation #01**

Maintain an inventory control system adequate to ensure proper authorization, receipt, recording, and security of apparel and equipment including distributions, returns, and disposals. Separate the equipment and apparel processes associated with equipping student-athletes, providing benefits to employees, and incentivizing (and recognizing) stakeholder support and giving.

**Reported Status: In progress**

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**Recommendation #02**

Develop and implement a method for tracking apparel that is given to University employees, and work with the Division of Finance and Administration to ensure proper reporting of apparel as additional income in accordance with IRS guidelines.
Recommendation #01
Consider disciplinary action and training for Athletics staff involved in improper communication in front of students

Recommendation #02
Consider disciplinary action and training for Deputy Athletic Director involved in improper communication directed toward students

Recommendation #03
Consider disciplinary action and training for Athletic Coach involved in improper communication directed toward students

Recommendation #04
Assess and address various items regarding the track and field program which could lead to the loss of students

Reported Recommendation Implementation Status

100% 100% 90% 15%
Recommendation #05
Properly equip student-athletes for all future track and field competitions.

Recommendation #06
Athletics Administration should train on University practices and expectations for safeguarding University equipment.

Recommendation #07
Work with the applicable Finance and Administration units to develop a process to issue per diem directly to students.

Reported Recommendation Implementation Status
Recommendation #01
Ensure all Athletics staff involved in the collection of money are properly trained and supervised.

Recommendation #02
Develop a football vendor application/contract with language that accurately reflects the process to be followed by both the vendor and the Department

Recommendation #03
Consistently apply the established vendor fees to ensure equitable treatment. Document exceptions.
Football Vendor Fee Collection

Report: #2021-10-50 Issued 09.07.2022

Reported Recommendation Implementation Status

Recommendation #04
Establish methods of electronically accepting payments to improve accounting for payments received and customer service.

Recommendation #05
Ensure all Athletics staff involved in the collection of money are properly trained and supervised.

Recommendation #06
Ensure all Athletics staff involved in the collection of money are properly trained and supervised.
NCAA Agreed-Upon Procedures (AUP)

NCAA Bylaw 3.2.4.15.1 requires, “The report shall be subject to annual agreed-on verification procedures approved by the membership (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant ....”

Annual Financial Statement Audit: BOT Policy Number 2005-16 Audits of University Athletics Finances

“All sources and expenditure of funds associated with the University’s Intercollegiate Athletic Programs shall be annually audited by an independent outside auditor...”
<table>
<thead>
<tr>
<th>Engagement</th>
<th>Status</th>
<th>Corrective Action Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CROWE Direct Support Organizations (DSO) - Review of Financial Internal Controls</td>
<td>Complete</td>
<td><strong>Foundation</strong> – Complete&lt;br&gt;<strong>Rattler Boosters</strong> – 3 Completed; Estimated completion date for remaining items January 2023&lt;br&gt;<strong>NAA</strong> – 4 Completed; Estimated completion date for remaining items April 2023</td>
</tr>
<tr>
<td>Florida Auditor General State Financial Aid – Bright Futures (Florida Public Student Financial Assistance Grant Program)</td>
<td>Complete</td>
<td>Corrective actions related to the timely remittance of undisbursed Bright Futures advances are expected to be completed in December 2022.</td>
</tr>
<tr>
<td>Intercollegiate Athletics Financial Statements</td>
<td>Complete</td>
<td>Corrective actions include annual balanced budget and continued repayment of auxiliary debt. These actions are ongoing.</td>
</tr>
<tr>
<td>Florida Auditor General Financial Statements</td>
<td>Fieldwork in progress</td>
<td>Pending</td>
</tr>
<tr>
<td>United States Department of Education Elementary and Secondary School Emergency Relief Fund (ESSER) Governor’s Emergency Education Relief Fund (GEER) Oversight and Review</td>
<td>Fieldwork in progress</td>
<td>Pending</td>
</tr>
<tr>
<td>Athletic Action Plan Assurance Service</td>
<td>Contracting</td>
<td>Pending</td>
</tr>
</tbody>
</table>
Audit Updates

01 New Hires
• Erica Thames
• Crisencia Brown

02 2022 Compliance and Ethics Week
Staff Participated in Code of Conduct Training, Scavenger Hunt, and FAMUly Highlight: ERM

03 Fraud Awareness Week
During this year’s Fraud Awareness Week, we sent out engaging educational infographics, videos, and puzzles and hosted FRAUD BINGO with food, drinks, and prizes!

04 Professional Development & Engagements
Power Skills Lab: Public Speaking
ERM in Higher Education Summit
IIA IGNITE: Emerging Leaders
ERM Updates

2. PBF Risk Assessment
3. Risk Dashboard: Athletics
4. FAMU Fundamentals 2023: ERM
5. SUAC ERM Session – November 30th
Q&A

Questions

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