Action Items

01 Minutes: Consideration of Approval – December 1, 2021
   - Trustee Craig Reed

02 University Regulation 10.122: Conflicts of Interest and Commitment
   - Rica Calhoun

03 2022 – 2023 Division of Audit Work Plan
   - Joseph Maleszewski

04 Internal Controls & ERM Policy Update
   - Joseph Maleszewski

05 Risk Appetite Statement
   - Deidre Melton
Florida Agricultural and Mechanical University
Board of Trustees

Audit & Compliance Committee Meeting
Trustee Craig Reed, Chair
Grand Ball Room
Wednesday, February 16, 2022 – 11:00 AM

Committee Minutes

Members Present: Trustee Craig Reed, Chair, Trustee Ann Marie Cavazos, Trustee Michael Dubose, Trustee Belvin Perry, Jr., and Trustee Carrington M. Whigham

Trustee Chair Craig Reed called the meeting to order. Ms. Barrington called the roll. A quorum was established. Chair Reed acknowledged three (3) Action Items:

1. Minutes: Consideration of Approval – December 1, 2021 at 11:00 AM;
2. Update BOT Policy 2020-01 Fraud Prevention and Detection; and
3. PBF Certification Document.

The first action item – Chair Reed acknowledged consideration for approval of the Wednesday, December 1, 2021 minutes. A motion was made by Trustee Belvin Perry, Jr., and seconded by Trustee Dubose. The motion carried and the December 1, 2021 minutes were approved.

The second action item – Chair Reed recognized VP Maleszewski to present the Updated BOT Policy 2020-01 Fraud Prevention and Detection. Chair Reed thanked VP Maleszewski for the presentation and requested a motion. Trustee Cavazos motioned approval of the policy and Trustee Dubose seconded the motion. The motion carried and the Updated BOT Policy 2020-01 Fraud Prevention and Detection was approved.

The third action item – Chair Reed requested VP Joseph Maleszewski present two related items. The first is the PBF Certification Document which requires both Board Chair and President signature after the Board of Trustees approves the certification. The second item is the Performance-Based Funding Data Integrity Audit which supports the certification but is an information item for the committee. Both items were successfully presented. Chair Reed thanked VP Maleszewski for the presentation and requested a motion. Trustee Dubose motioned and Trustee Cavazos seconded approval. The motion carried and the PBF Certification Document was approved.

Informational Items - Chair Reed recognized Chief Compliance & Ethics Officer, Rica Calhoun, to provide the Compliance and Ethics Office update. Ms. Calhoun provided
Update Regulation 10.122: Conflicts of Interest and Commitment

Policy Statement and Purpose
• University Obligation to Monitor and Address Conflicts of Interest
• Requirement to Annually Report Outside Employment/Activities

Definitions
• Outside Activities, Conflict of Interest, Conflict of Commitment, University Personnel, Immediate Family

Compliance with Laws and University Rules and Policies
• Code of Ethics
• Primary Professional Allegiance
• Fiduciary Responsibility
• Actual or Apparent COI

Prohibited Activities
• Bribery, Procurement Conflicts, Misuse of Public Position, Continuing or Frequently Recurring Conflicts, Use of University Resources
Update Regulation 10.122: Conflicts of Interest and Commitment

**Reporting**
- Annually by July 1
- Within 14 Days of New or Anticipated Activity, Interest, or Commitment

**Disclosure Review**
- Review by Supervisor, HR, and Research
- Notification of Unallowed Activity Made to Employee
- Additional Disclosure - Research

**Mitigation**
- Mitigation Actions for Identified Conflict of Interest or prohibited Activity: Reimbursement, Donation, Precautions

**Enforcement**
- Disciplinary Actions by University Identified, Taking Into Consideration Collective Bargaining Agreements
- Legal Actions
Division of Audit Work Plan 2022 - 2023
Total Plan Hours: 15,360

Financial Related
- Performance Based Funding (Audit)
- HEERF Funding (Audit)
- Athletics (Advisory Services)

Operational
- Ticket Office (Advisory Services)
- Controller’s Office (Advisory Services)

Academics
- College of Agriculture and Food Sciences (Advisory Services)
- College of Pharmacy & Pharmaceutical Sciences, Institute of Public Health (Advisory Services)

Governance
- Culture Assessment (Audit)
Division of Audit Work Plan 2022 - 2023
Total Plan Hours: 15,360

IT/Cybersecurity
- Security Plan Audit
- ERP Implementation (Advisory Services)
- NIST 800-171/NIST 800-53 (Advisory Services)
- DAVID Audit

ERM
- ERM Education Program
- University Risk Profile
- Maturity Assessment
- Risk Response & Follow-Up Process
- ERMAC

DoA Services
- External Audits and Programs
- Audit, Investigation, & Advisory Follow-up
- Investigations
- Training
- Management Requests
- Computer Forensics Lab

DoA Administration
- Professional Development
- Annual Reports
- Data Analytics
- Risk Assessment/Work Plan
Definition
• Defined Risk

Risk Appetite Statement
• Reviewed Annually by the Board of Trustees

Management Responsibilities
• Added a section highlighting management responsibilities for internal controls and enterprise risk management

Division of Audit Responsibilities
• Added a section highlighting Division of Audit’s responsibilities related to internal controls and enterprise risk management
Risk Appetite Components

- Defined Risk Levels
- Core Position
- Strategic Themes & Enablers
Risk Levels

**Risk Averse**
Accepts as little risk as possible. Not willing to accept any negative impact beyond core position.

**Risk Concerned**
Cautious approach to risk taking. Willing to accept small negative impact to pursue objectives.

**Risk Neutral**
Potential negative impacts and accomplishments of objectives given equal consideration.

**Risk Tolerant**
Greater than normal risks are tolerated. Willing to accept some negative impact to pursue objectives.

**Opportunity Seeking**
Willing for risks to be taken to gain highly valued reward.
Informational Items

01 FAMU Fundamentals 2022
02 Investigations
03 Monitoring
04 Conflict of Interest
05 Foreign Influence
06 What’s Next

Presented By: Rica Calhoun
Chief Compliance & Ethics Officer
FAMU Fundamentals 2022

“Knowing is not enough, we must apply. Willing is not enough, we must do.” - Goethe

Clery 1766/84%

Cyber Security 1674/79%

Emergency Management 1700/81%

Compliance, Law, and Policy 1642/78%

Sexual Harassment Prevention 1700/81%

Training Window: March 1 – 31, 2022

Course Reopened: April 15, 2022
Investigations

57 Complaints Logged Since July 1, 2021

- **7** Employee Misconduct
- **8** Fraud
- **3** Waste, Abuse or Misuse of Institution Resources
- **3** Workplace Relation or Retribution
- **3** Conflict of Interest
- **3** Discrimination
- **1** Legacy Case Follow-Up
- **3** General Concern
- **2** Workplace Harassment
- **2** Academic Misconduct
- **2** Discrimination or Harassment
- **1** Environmental and Safety Matters
- **2** Violence or Threat
- **2** Sexual Harassment
- **1** Other
- **1** Workplace Health or Safety Violation
## Monitoring

<table>
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<tr>
<th>Area</th>
<th>Issue</th>
<th>Risk Level</th>
<th>Status</th>
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<tbody>
<tr>
<td>Academic Affairs</td>
<td>Faculty Misconduct/Retaliation</td>
<td>Medium</td>
<td>Ongoing</td>
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<tr>
<td>Academic Affairs</td>
<td>Retaliation</td>
<td>Medium</td>
<td>Closed</td>
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<tr>
<td>Student Affairs</td>
<td>Health and Safety</td>
<td>High</td>
<td>Ongoing</td>
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<tr>
<td>Academic Affairs</td>
<td>Public Records</td>
<td>High</td>
<td>Ongoing</td>
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<tr>
<td>Research</td>
<td>Foreign Influence</td>
<td>Medium-High</td>
<td>Ongoing</td>
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<tr>
<td>Finance and Administration</td>
<td>Conflict of Interest</td>
<td>High</td>
<td>Ongoing</td>
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</table>
Conflict of Interest Disclosure

“Conflicts of interest may exist, but we cannot allow them to be hidden conflicts of interest.”

**Employee Disclosure**

Must disclose any situation that may be, or that gives the appearance of, a conflict of interest

**University Disclosure**

Required to disclose any potential conflict of interest to appropriate offices and external agencies

**Process Automation**

Moving the conflict of interest process from manual to automated. Anticipated completion: July 1, 2022
Foreign Influence

HB 7017
Research Working Group developed processes that align with the screening and reporting requirements

Foreign Influence Survey
- 91 Individuals Screened
- 17 Due Diligence Screenings

BOG Reporting
Preparing for the foreign gifts
BOG reporting Due July 31, 2022

Policy Updates
OCE is assisting University Offices in creating or updating related policies and regulations
What’s Next

Implementation of External Review
Recommendations
• Increased Resources
• Enhanced Monitoring

After Actions of FAMU Fundamentals 2022
• Increase Training Completion
• Post-Training Survey
• Implement Enhancements

Conflict of Interest Disclosure Automation
• Provide Continued Education
• Rollout Streamlined Process
2022 Risk Assessment - Audit Function

QAIP: External Quality Assessment Review

Internal Controls Assurance Statement

Audit and Investigative Follow-Up

External Audit Updates

Division of Audit Updates

Presented By:

Joseph Maleszewski
Vice President for Audit/CAE

Deidre Melton
Associate Vice President for Audit/CRO
Risk Assessment

8 Ways FAMU Can Enhance Operations and Risk Management Practices in 2022 - 2023

- Identify a person responsible for assessing and leading privacy efforts across the university
- Enhancing the policy and procedure governance framework to ensure up-to-date and aligned guidance
- Continuing efforts to align resource allocation with strategic priorities
- Enhancing all areas of the employee life cycle to increase the University’s ability to recruit and retain high performing individuals
Risk Assessment

8 Ways FAMU Can Enhance Operations and Risk Management Practices in 2022 - 2023

- Enhancing the policy and procedure governance framework to ensure up-to-date and aligned guidance
- Continue efforts to enhance and expand emergency preparedness and response activities
- Continue efforts to build a comprehensive enterprise risk management function
- Continuing to cultivate a culture of transparency and accountability
QAIP: External Quality Assessment Review
- Generally Conforms

Attribute Standards

Performance Standards

Code of Ethics
QAIP: Division of Audit Strengths
- 8 Key Strength Areas

Independence
University Process Improver
Enterprise Risk Management
Training and Awareness Activities
QAIP: Division of Audit Strengths
- 8 Key Strength Areas

- Board and Senior Management Communication
- Clear and Concise Written Reports
- Highly Competent, Capable, and Objective Staff
- Processes and Procedures
QAIP: Division of Audit Improvement Opportunity

- 2 Areas of Focus for Enhancement

**Polices & Procedures**

- Clarify written procedures related to sampling methodology, resource management, and written findings

**Work Environment**

- Expand Frequency of Documented/Formal Internal Assessment
- CAP: Annual Assessment using HighBond IPPF Compliance Map
2022 Internal Controls Assurance Statement: Areas of Strength

- Launched an ERM Function
- Revision to Key Policies
- Development of the 2022-27 Strategic Plan
- Allocating Budget to Strategic Priorities
- Policy & Regulation Assessment Process
- Training and Awareness Activities
2022 Internal Controls Assurance Statement: Opportunities for Improvement

Succession Planning and Career Development

Accountability Measures to Strengthen Compliance

Risk Management Plans and Trainings

Entity-wide Assessment of Business Processes

Strengthen DSO Internal Control Systems

Communication of BOT Meeting Outcomes
Audit Follow-Up
- 4 Closed Finding / 4 Open Findings

01 OPEN – Medium Risk
Phase 1 Complete, Phase 2 In-Process, Monitoring for Resolution of ADA and Safety Issues

02 OPEN – High Risk
Reviewing Campus Facilities for Hardening, Updating Emergency Management Plan, Budget Under Development

03 OPEN – Medium Risk
2018-2021 reportable payments disclosures were not made as of May 17, 2022

04 OPEN – Medium Risk
Policies and Regulations continue to be updated; Progress made on creation of new policies to close compliance gaps

05 CLOSED – Medium Risk
Spending plans were developed and submitted to the Knight Foundation

1 2018-19 Risk Assessment: Bragg Stadium Safety and Maintenance

2 2018-19 Risk Assessment – Emergency Preparedness

3 Federal Contracts and Grants Disclosure Audit: Federal Contracts Not Reported to USDOE


5 FY 2020 – 2021: Knight Foundation Expenditure Review: Approved Spending Plans
Audit Follow-Up
- 4 Closed Finding / 4 Open Findings

CLOSED – Low Risk
A hold has been placed on all Knight Chair fund expenditures until a new Chair is in place.

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A hold has been placed on all Knight Chair fund expenditures until a new Chair is in place.

FY 2020 – 2021: Knight Foundation Expenditure Review: Expenditure Request Approval
SJGC

FY 2020 – 2021: Knight Foundation Expenditure Review: Expenditure Request Approval
Academic Affairs

FY 2020 – 2021: Knight Foundation Expenditure Review: Expenditure Request Approval
FAMU Foundation

6

7

8
Investigative Internal Controls Recommendations Follow-Up
- 12 Open Internal Control Recommendations/2 Closed

1. **Determine if Grants Position Payments Require Repayment to Grantor**
   - Owner: Dr. Robert Taylor, Dean CAFS
   - Anticipated Completion Date: 8/31/2022

2. **Ensure Appropriate Funding Sources for CAFS Administrative Positions**
   - Owner: Dr. Robert Taylor, CAFS
   - Anticipated Completion Date: 8/31/2022

3. **Automate the Conflict of Interest Disclosure Process**
   - Owner: Rica Calhoun, OCE
   - Anticipated Completion Date: 8/31/2022

4. **Consider HR Liaison Function in the Office of the Provost**
   - Owner: Sandi Smith-Anderson, HR
   - Anticipated Completion Date: 8/31/2022

5. **CAFS should notify the involved parties of the violations.**
   - Owner: Dr. Robert Taylor, CAFS
   - Anticipated Completion Date: 8/31/2022
Investigative Internal Controls Recommendations Follow-Up

- 12 Open Internal Control Recommendations/2 Closed

06
Determine if Portion of the Employee’s Salary Require Repayment to the University For Time Worked on Unapproved Tasks
Owner: Dr. Robert Taylor, Dean CAFS
Anticipated Completion Date: 8/31/2022

07
HR should coordinate with Complainant to Determine Course of Action for Personnel File Documents
Owner: Sandi Smith-Anderson, HR
Anticipated Completion Date: 7/31/2022

08
HR Should Consider the Feasibility of Centralizing Maintenance of All Personnel Records
Owner: Sandi Smith-Anderson, HR
CLOSED

09
University Should Assess FAMU PD’s Salary Structure and Staffing Levels
Owner: Dr. William Hudson, Jr., Student Affairs
CLOSED
Investigative Internal Controls Recommendations Follow-Up
- 12 Open Internal Control Recommendations/2 Closed

10 Athletics Should Develop and Maintain an Inventory Control System that Addresses Concerns in Memorandum
   Owner: Michael Smith, Athletics
   Anticipated Completion Date: TBD

11 Athletics should develop and implement a method for tracking apparel and implement appropriate controls related to apparel tax reporting
   Owner: Michael Smith, Athletics
   Anticipated Completion Date: TBD

12 President Robinson should work with Athletics, FAMU Foundation, and F&A to properly equip students
   Owner: President Robinson and Michael Smith, Athletics
   Anticipated Completion Date: TBD

13 Athletics should communicate and enforce University practices and expectations for safeguarding equipment
   Owner: Michael Smith, Athletics
   Anticipated Completion Date: TBD
Athletics Administration should work with the applicable F&A units to develop a process to issue per diem directly to students

Owner: Michael Smith, Athletics
Anticipated Completion Date: TBD
## Florida Auditor General Concluded Audits

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<tr>
<th>Audit</th>
<th>Audit Period</th>
<th>Start Date</th>
<th>Report Release Date</th>
<th>Issues Noted</th>
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<td>Operational Audit</td>
<td>FYE June 30, 2020</td>
<td>May 2021</td>
<td>January 3, 2022</td>
<td>1 Issue Noted</td>
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<td></td>
<td>Related to SPIA recording methodology and reconciliation procedures</td>
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<td></td>
<td>Low Risk</td>
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External Audit Updates: In–Progress

- **State Financial Aid Audit – Bright Futures (FYE 2019 & 2020)**
  - Florida Auditor General: July 2022 Tentative Completion

- **Athletics Financial Statement Audit (FYE 2021)**
  - James Moore, CPA: June 2022 Tentative Completion

- **Athletics Agreed Upon Procedures (FYE 2021)**
  - James Moore, CPA: June 2022 Tentative Completion

- **DSO Internal Control Reviews**
  - Crowe: September 2022 Tentative Completion
Division of Audit Updates

1. Sr. IT Auditor Vacancy
2. New Staff Auditor (6/10/22)
3. Internal Audit Awareness
4. New Staff Leadership Positions in Professional Organizations
5. Professional Speaking Engagements
Division of Audit Updates: Staffing

Divison of Audit Staffing Updates

Ruoxu Li served as the Division of Audit’s Senior IT and Data Analytics Auditor. Her last day with the University was May 9, 2022. Mrs. Li left to take a position at Florida State University as a senior auditor for their Office of Inspector General Services.

The Division of Audit is currently working to fill this critical vacancy. We are hoping to have a new IT auditor on board by August 2022.

Stephanie Omah, will be joining the Division of Audit’s team as our incoming Staff Auditor. Ms. Omah comes to us from the Agency for Health Care Administration, where she currently serves as a Medical Health Care Program Analyst. Ms. Omah has over 11 years of state government experience and recently received her Bachelor of Arts in Business Administration from Flagler College.

Ms. Omah’s anticipated start date is June 10, 2022.
DoA Open House 2022

WAS A SUCCESS!
DOES YOUR DEPARTMENT NEED A CHECKUP?

Contact your internal audit team at FAMU’s Division of Audit to improve your Department’s organizational health.

FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

1700 Lee Hall Drive
G7 Foote-Hilyer Administration Center
Tallahassee, Florida 32307

Phone: (850) 412-5479
Email: DivisionofAudit@famu.edu
Division of Audit Updates

New Staff Leadership Positions in Professional Organizations

Two staff members were appointed to the Institute of Internal Auditors - Tallahassee Chapter Board:
- Trystal Wright was elected to serve as the Certification Officer
- William Knight was elected to serve on the Nominations Committee

Two staff members were appointed to the ISACA Tallahassee Chapter Board:
- Deidre Melton was appointed Vice President
- Arriet Foster was appointed to Communications Director

William Knight has been appointed to Treasurer-Elect on the board of the Association of Government Accountants - Tallahassee Chapter.

Joseph Maleszewski was elected as 1st Vice President and Treasurer of the Florida Chapter of the Association of Inspectors General.

Deidre Melton was elected to the Supervisory Committee of the FSU Credit Union.
Division of Audit Updates

Professional Speaking Engagements

Over the past few months Joseph Maleszewski and Deidre Melton were invited to speak at a variety of conferences and trainings. The speaking engagements have helped elevate the FAMU Division of Audit as a progressive and innovate shop of excellence with its audit enterprise risk management practices.

Audit and Inspector General Institute
- Session 1: Internal Controls
- Session 2: Audit Follow-Up and Use of Specialists,
  Speaker: Joseph Maleszewski

IIA Tallahassee Chapter Spring 2022 Conference:
- Session 1: New Internal Auditor Training
- Session 2: Audit Manager Training
  Speakers: Joseph Maleszewski and Deidre Melton

IIA International: Cybersecurity Disaster Preparedness for the Public Sector Virtual Symposium
- Session: Applying Cybersecurity Risk Management Principles in the Public Sector
  Speaker: Deidre Melton

FAMU Management Seminar: A Culture of Compliance
- Session: Managerial Responsibilities and Best Practices
  Speakers: Joseph Maleszewski and Deidre Melton

HBCU Risk Management Conference
- Session 1: Best Practices for Cybersecurity Risk Management in Higher Ed
- Session 2: Audit, Compliance and Risk Management; A Collaborative Approach to Managing Enterprise-wide Risks
  Speaker: Deidre Melton
“At FAMU, Great Things Are Happening Every Day.”