

Audit and Compliance Committee

October 5, 2022



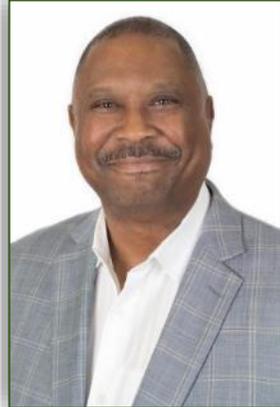
Roll Call



Craig Reed



Belvin Perry, Jr.



Michael Dubose



Ann Marie Cavazos



Zachary Bell

Action Items

01

Minutes: Consideration of Approval – June 1, 2022

-Trustee Craig Reed

02

**University Regulation 1.019:
University Code of Conduct**

- Rica Calhoun

03

OCE Annual Report and Program Plan

-Rica Calhoun

04

Compliance and Ethics Charter Update

Rica Calhoun

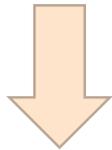


AACC Meeting Minutes

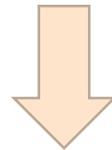
June 1, 2022



Review



Discussion



Approval



Audit & Compliance Committee Meeting
Trustee Craig Reed, Chair
Foster-Tanner Band & Rehearsal Hall
Wednesday, June 1, 2022 - 10:45 AM

Committee Minutes

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

In Chair Reed's absence, Vice-Chair Belvin Perry, Jr., called the meeting to order. Ms. Kimberly Taylor called the roll. A quorum was established.

Vice-Chair Perry acknowledged five (5) Action Items:

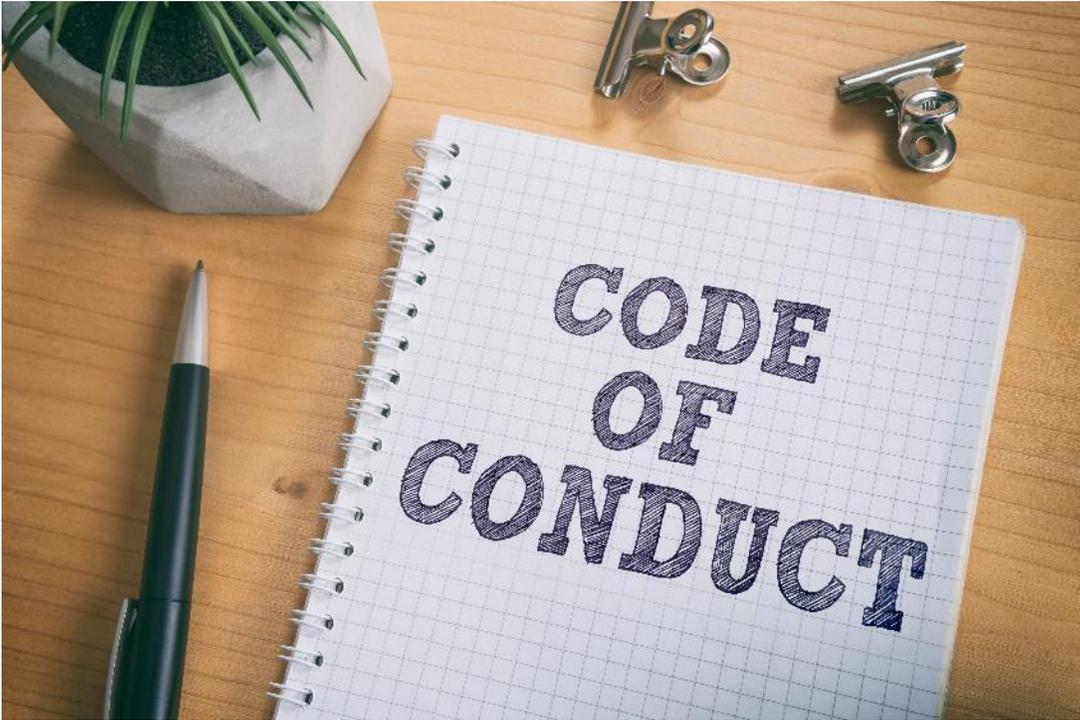
- Minutes: Consideration of Approval – Wednesday, February 16, 2022;
- University Regulation 10.122: Conflicts of Interest and Commitment;
- Division of Audit Annual Work Plan;
- Internal Control and Enterprise Risk Management (ERM) Policy Update; and
- ERM Risk Appetite Statement.

The first action item – Vice-Chair Perry acknowledged consideration for approval of the Wednesday, February 16, 2022, Audit and Compliance Committee meeting minutes. A motion was made by Trustee Cavazos, seconded by Trustee Michael Dubose. The motion carried and the February 16, 2022, minutes were approved.

The second action item – Vice-Chair Perry recognized Chief Compliance and Ethics Officer Rica Calhoun to present University Regulation 10.122: Conflicts of Interest and Commitment. Vice-Chair Perry thanked Ms. Calhoun for the presentation and requested a motion. Trustee Michael Dubose moved to approve University Regulation 10.122: Conflicts of Interest and Commitment, and Trustee Cavazos, seconded the motion. The motion carried and the regulation was approved. Vice-Chair Perry requested that the approved item be included in the consent agenda for Full Board consideration.

The third action item – Vice-Chair Perry requested VP Maleszewski present the Division of Audit Work Plan for consideration of approval. VP Maleszewski discussed the Division of Audit Risk Assessment that will be presented as an information item and which serves as the basis for development of the Division of Audit Work Plan. VP

Update Regulation 1.019: University Code of Conduct



Revisions

- OCE Assessment
- Additional Reference to New and Existing Policies
- Inclusion of Language From New Strategic Plan
- General Language Clean-Up

OCE Annual Report and Program Plan: Performance



Compliance Risks



Control Environment



Training

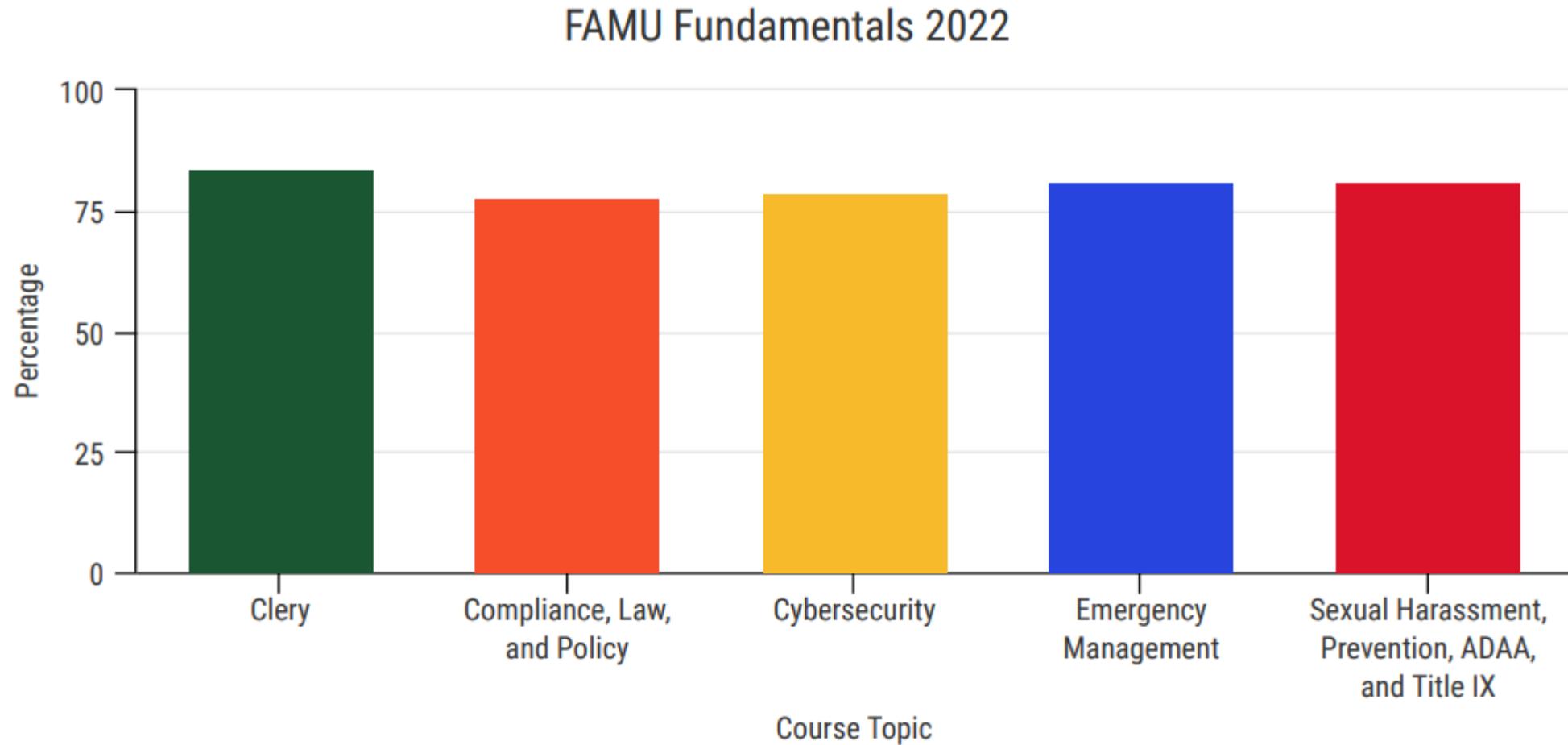


Policies and Procedures

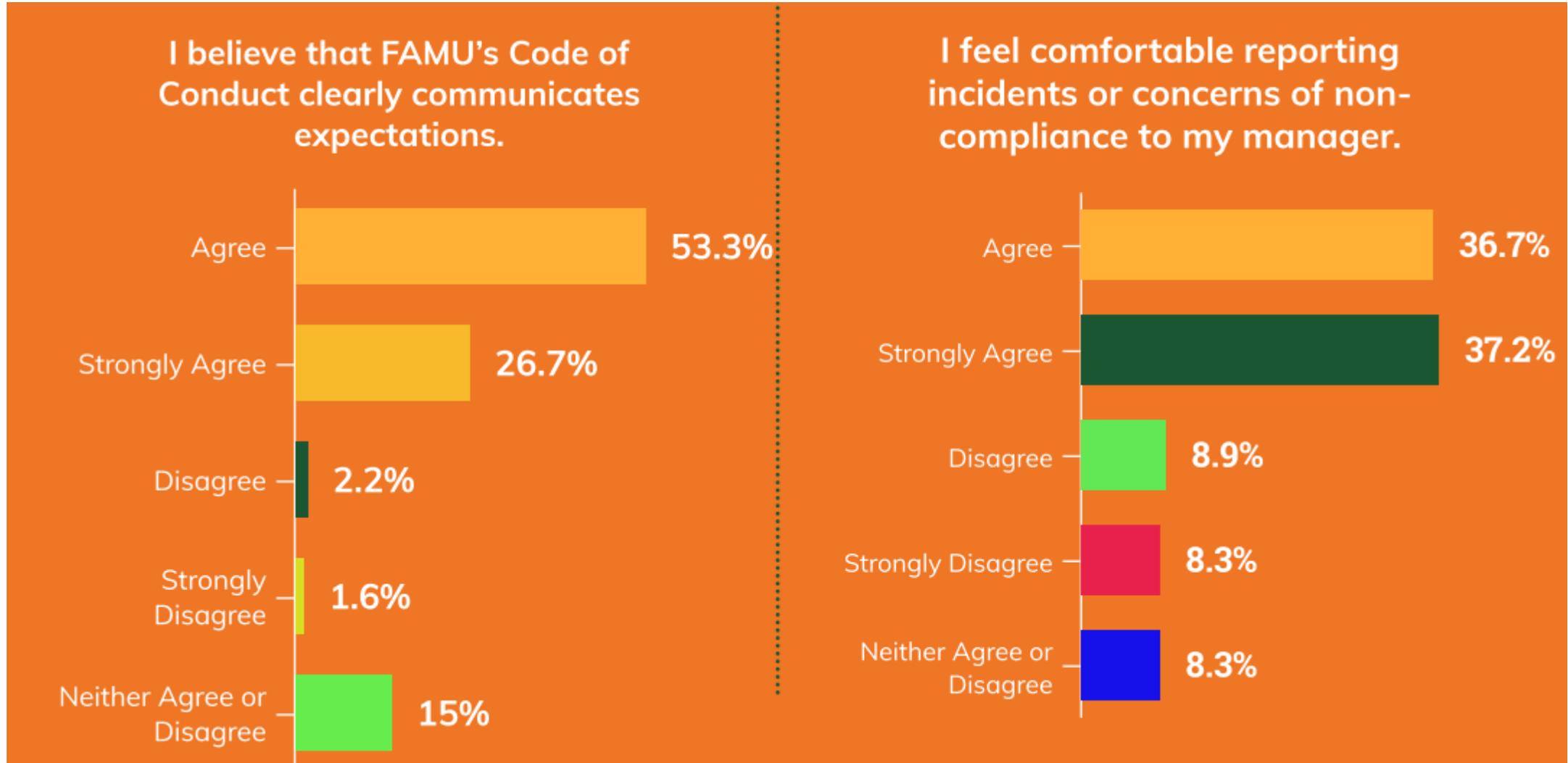


Anonymous Reporting

OCE Annual Report and Program Plan: FAMU Fundamentals

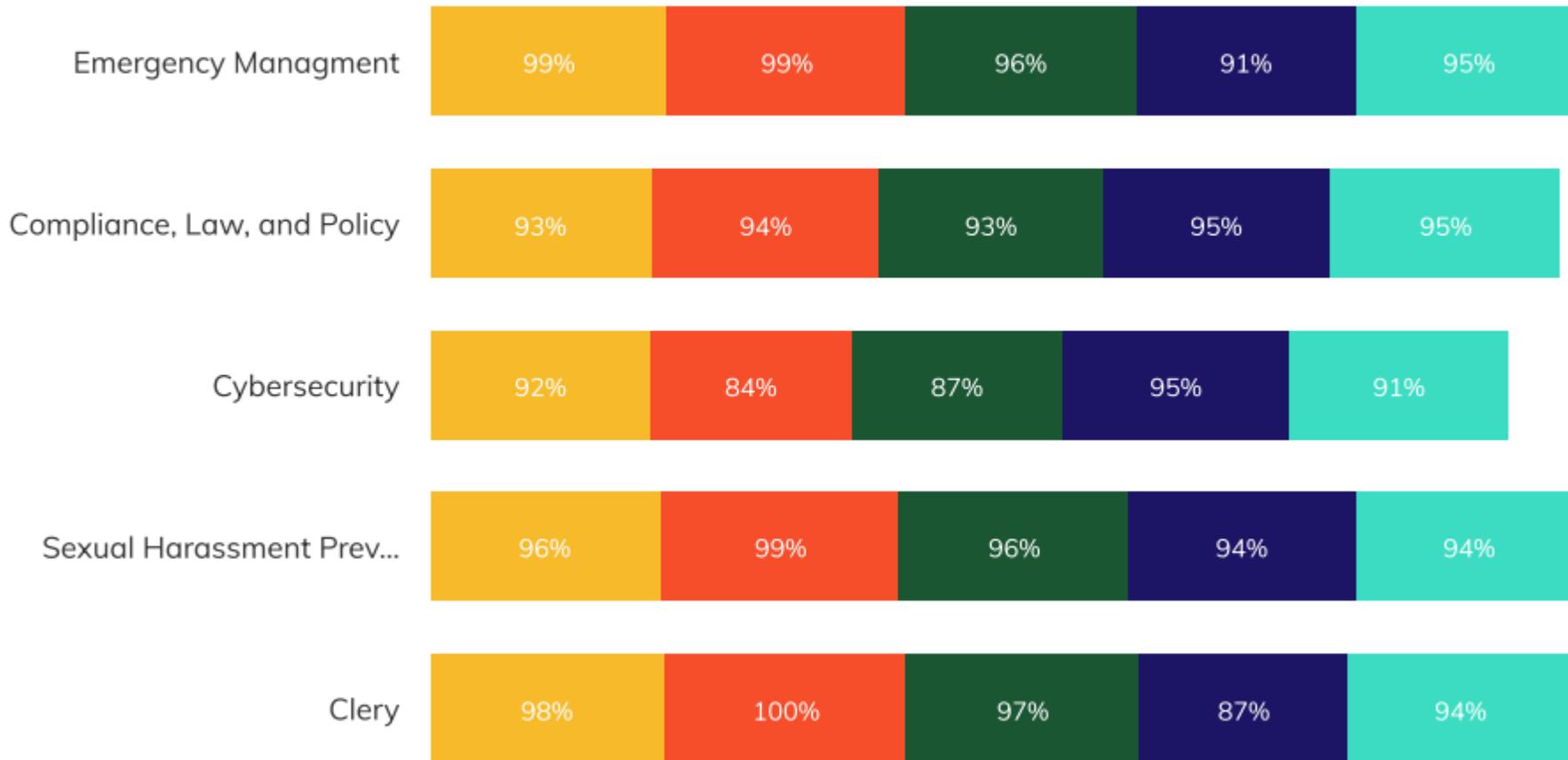


OCE Annual Report and Program Plan: Community Insights



OCE Annual Report and Program Plan: Community Insights

Course Specific Feedback (participant response of 'yes' to questions in legend below)



● Course Length OK ● Easy to Understand ● Competency Achieved ● Relevant ● Multimedia Helpful

2023
Enhancement Strategies

- Manager Support
- Accountability
- Employee Support
- Incentives

Compliance Matters!

COMPLIANCE Matters

2021 Compliance and Ethics Week Schedule of Events

NOVEMBER 1
OCE MEET AND GREET
COME VISIT US IN OUR NEW DIGS!
COFFEE AND TREATS!
FOOTE-HILYER 105
TIME: 10 AM-12 PM

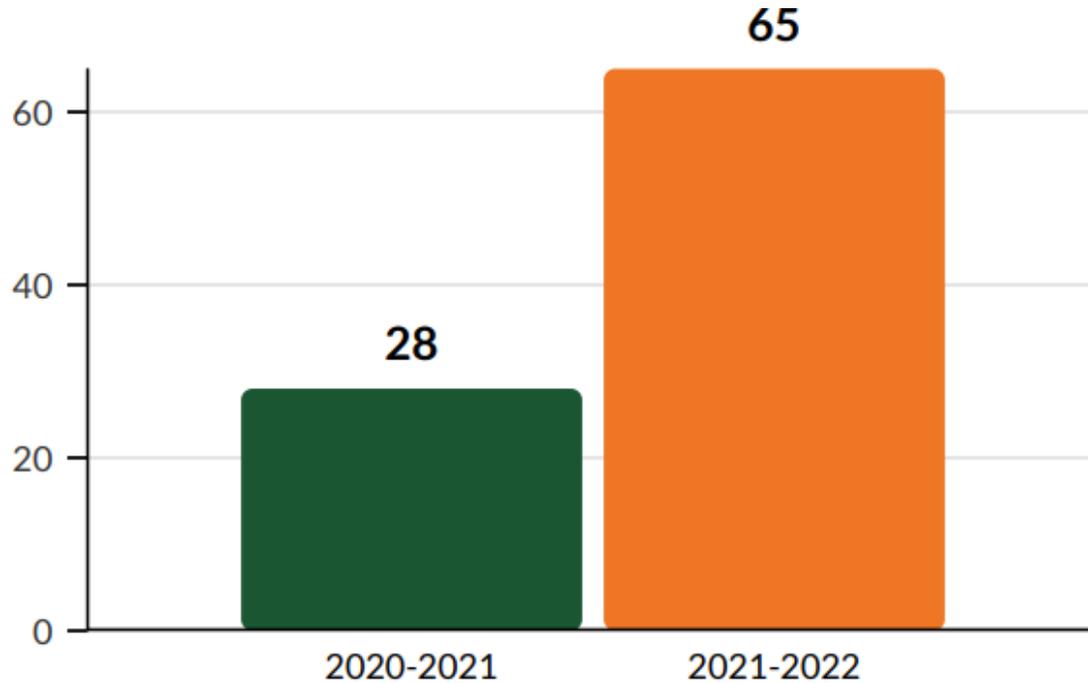
NOVEMBER 2
ORANGE DAY
WEAR YOUR ORANGE AND POST PICTURES ON OUR FACEBOOK PAGE. "FLORIDA A&M OFFICE OF COMPLIANCE AND ETHICS" HOLDING A SIGN WITH THE PHRASE #SEESOMETHING SAYSOMETHING
WATCH OUT FOR GOLDEN TICKETS THROUGHOUT CAMPUS!

NOVEMBER 3
OUR WORK MATTERS (ZOOM): FEAT. DR. ROBINSON AND TRUSTEE REED
TIME: 11 AM-12 PM
COMPLIANCE PARTNERS RECOGNITION.
"COMPLIANCE ON THE HILL"
HOW WELL DO YOU KNOW FAMU'S COMPLIANCE AND ETHICS PROGRAM? WE'LL FIND OUT IN THIS FUN GAME.

NOVEMBER 4
THE CODE: YOU KNOW IT?
LOOK OUT FOR THE OCE'S WELCOME PACKET, WHICH INCLUDES THE CODE OF CONDUCT.

NOVEMBER 5
THE "SET UP" (ZOOM)
TIME: 1 PM-2 PM
CAN YOU SPOT THE VIOLATION?
REMINDER: GET READY FOR FAMU FUNDAMENTALS (MARCH 2022)!

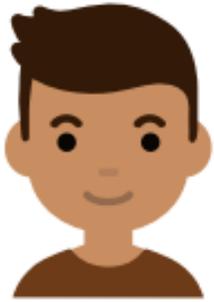
OCE Annual Report and Program Plan: Investigations



Complaints Received

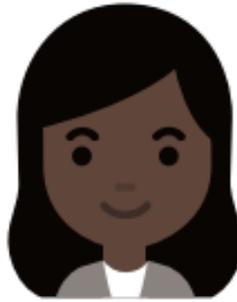
2020-2021 Top 3 Issues	2021-2022 Top 3 Issues
Fraud (21.43%)	Employee Misconduct (20%)
Employee Misconduct (17.86%)	Fraud (12.31%)
Conflict of Interest (10.71%)	Academic Misconduct; Discrimination or Harassment; General Concerns; and Waste, Abuse or Misuse on Institution Resources (Tied at 6.15%)

OCE Annual Report and Program Plan: Research Risk Assessments



105

Completed Foreign
Influence Screening



20

Triggered additional due
diligence screening



0

Denied Employment as a
result of screening

Monitoring



ATHLETICS

Coordination with the Associate Athletic Director of Compliance to monitor risk areas:

Eligibility

Data Review

NCAA Infractions Report Monitoring

Compliance External Review and Report

PANDEMIC RESPONSE

Advised University leadership regarding best practices related to pandemic response; continued implementation monitoring

COMPLIANCE AND ETHICS HOTLINE

Managing the compliance and ethics hotline for appropriate investigation or referral to triage partners

RESEARCH

Policy and process updates regarding foreign influence; Coordinated hire of Compliance Coordinator for Research to assist in monitoring and process improvements

WEAPONS ON CAMPUS

Made recommendations for the University response to weapons and behavioral threat assessment; assisting management with implementation

MMERI

Served on the MMERI taskforce to provide assistance and guidance regarding program compliance.

GOVERNANCE

Originated and coordinated the BOT Governance Series with the Division of Audit and Office of General Counsel

ENTERPRISE COMPLIANCE COMMITTEE

Enterprise Compliance Committee Meetings: 2021-2022: October, November, February, July

Working Group Meetings scheduled by compliance partner chairs

Compliance Reviews



Academic Affairs:
Faculty vs.
Administrative Duties

Interdepartmental: Foreign
Influence Travel Reporting

Student Affairs:
Weapons on Campus

Athletics: Recruitment/
Personnel

Research: Foreign Influence
Screening for Tenure

Research: Time and Effort

Athletics:
Retroactive Withdrawal

Academic Affairs: Record
Retention

Research: Conflict of
Interest

Finance and Administration:
Conflict of interest
standardized language; piggy
back agreements

Update of the Compliance and Ethics Charter



Revisions

- Organizational Processes
- Operational Process

OCE Program Plan 2022-2023

Provide oversight of compliance and ethics related activities

Develop effective lines of communication

Conduct effective training and education

Revise and develop policies and procedures

Conduct internal monitoring and compliance reviews

Respond promptly to detected problems and undertake corrective action

Enforce and promote standards through appropriate incentives and disciplinary guidelines

Measure compliance program effectiveness

Informational Items

01

OCE Organizational Chart



Presented By:

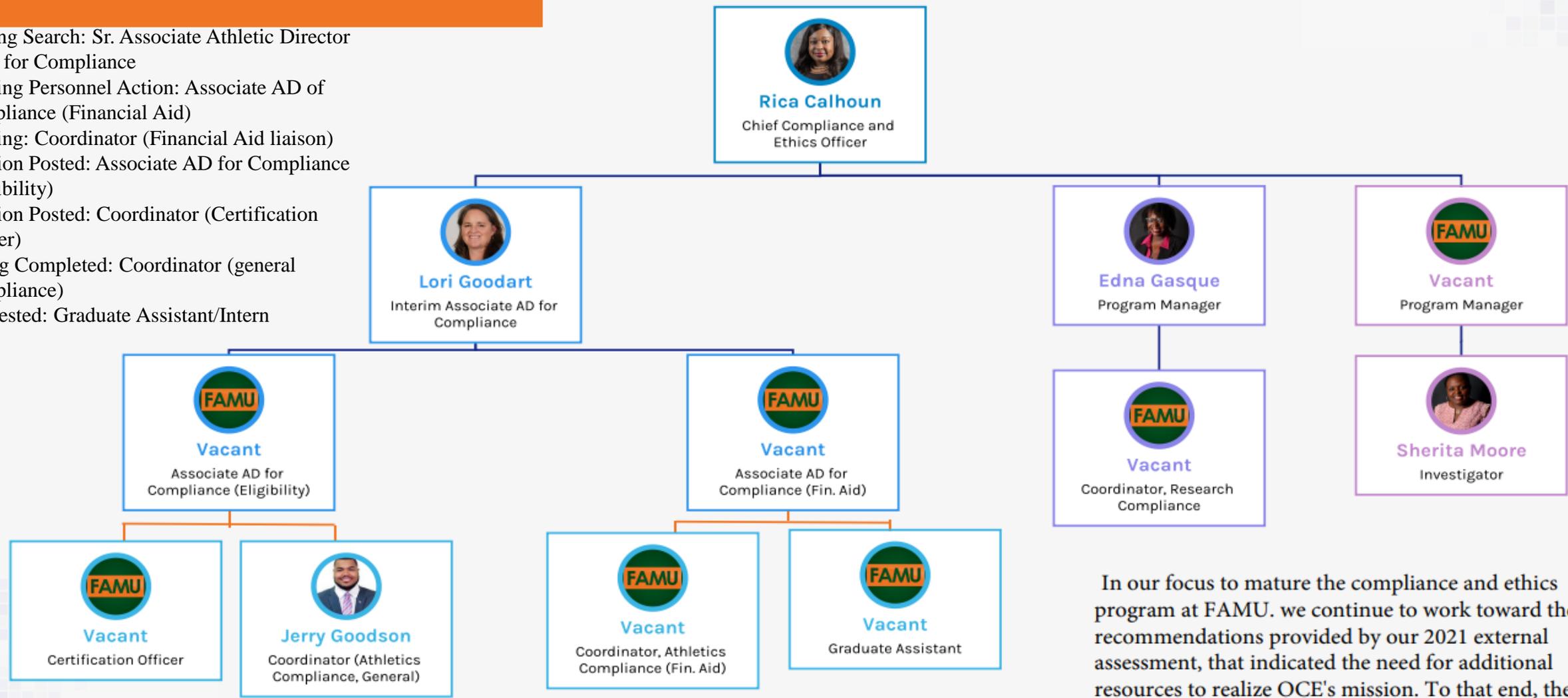
Rica Calhoun

Chief Compliance & Ethics Officer



FLORIDA A&M UNIVERSITY
OFFICE OF COMPLIANCE AND ETHICS

1. Rolling Search: Sr. Associate Athletic Director (AD) for Compliance
2. Pending Personnel Action: Associate AD of Compliance (Financial Aid)
3. Pending: Coordinator (Financial Aid liaison)
4. Position Posted: Associate AD for Compliance (Eligibility)
5. Position Posted: Coordinator (Certification Officer)
6. Hiring Completed: Coordinator (general compliance)
7. Requested: Graduate Assistant/Intern



In our focus to mature the compliance and ethics program at FAMU, we continue to work toward the recommendations provided by our 2021 external assessment, that indicated the need for additional resources to realize OCE's mission. To that end, the OCE continues to evolve to meet the needs of the University to identify and mitigate compliance risk.

Informational Items

01

Audit and Compliance Committee
Action Plan 2022-2023



Presented By:

Rica Calhoun

Chief Compliance & Ethics Officer

Joseph Maleszewski

Vice President for Audit/CAE

**Audit and Compliance Committee Action Plan
2022-2023**

Meeting Date	Major Discussion Topics	Action Items	Due Date
October 5-6, 2022	Office of Compliance and Ethics (OCE) Annual Report		n/a
		University Code of Conduct (3-year review and update, as appropriate)	12/30/2022
	Audit and Compliance Committee Action Plan for FY2022-2023		n/a
		OCE program plan changes, as appropriate	12/30/2022
	Division of Audit Annual Report		Annually Sept. 30
	Audit and Investigations Follow-up		n/a
	ERM Program: Risk Bulletins & SUS Report		
December 7-8, 2022		University Compliance and Ethics Charter (3-year review and update, as appropriate)	12/30/2022
		Division of Audit Charter Document - Update	12-30-2022
	Office of Compliance and Ethics Updates		n/a
		Audit and Compliance Committee Charter – Update every 3 years or as needed	12-30-2022
	Audit and Investigations Follow-up		n/a
	Full Board – Cyber Security Closed Door Session		n/a (generally twice a year)
	Training Update – Internal Controls and Enterprise Risk Management		n/a
	Investigation Accreditation and Timeline		
February 15-16, 2023	Performance Based Funding Data Integrity Audit		Annually March 1
		Performance Based Funding Data Integrity Certification	Annually March 1
	Audit and Investigations Follow-up		
	Office of Compliance and Ethics Updates		n/a
March 2023	Office of Compliance and Ethics- FAMU Fundamentals (University) Governance Training (BOT)		March 1-31

April 19, 2023 (Virtual)			
May 11, 2023 (Virtual) Tentative			
June 7–8, 2023		Division of Audit Work Plan	Annually July 1
	President’s Internal Controls Assessment		Annually
	Full Board – Cyber Security Closed Door Session		n/a (generally twice a year)
	Division of Audit External Quality Assessment Review		Every 5 years per audit standards (next review 2027)
	Annual Audit Risk Assessment		Annually
		External Compliance and Ethics Program Review	Every 5 years (next review 2026)
	Office of Compliance and Ethics		n/a
	Audit and Investigations Follow-up		n/a
August 2-3, 2023 (Retreat)	Trustee Training – Various Topics		n/a
October 11-12, 2023	Office of Compliance and Ethics (OCE) Annual Report		n/a
		OCE program plan changes, as appropriate	n/a
	Division of Audit Annual Report		Annually Sept. 30
	Audit and Investigations Follow-up		n/a
December 6-7, 2023		University Compliance and Ethics Charter (3-year review and update, as appropriate)	12/30/2023
		University Code of Conduct (3-year review and update, as appropriate)	12/30/2023
		Division of Audit Charter Document - Update	12-30-2023
	Office of Compliance and Ethics Updates		n/a
		Audit and Compliance Committee Charter – Update every 3 years or as needed	12-30-2023
	Audit and Investigations Follow-up		n/a
	Full Board – Cyber Security Closed Door Session		n/a (generally twice a year)
	Training Update – Internal Controls and Enterprise Risk Management		n/a

01

Audit Follow-Up

02

Investigation Follow-Up

03

External Audit Updates

04

ERM Best Practices Review

05

Division of Audit Updates



Presented By:

Joseph Maleszewski
Vice President for Audit/CAE

Deidre Melton
Associate Vice President for Audit/CRO

Audit Follow-Up

- 2 Closed Finding / 3 Open Findings

01

OPEN – Low Risk

Phase 2 Complete, Monitoring for Resolution of ADA Issues



2018-19 Risk Assessment: Bragg Stadium Safety and Maintenance

1

02

OPEN – High Risk

Identified a Facility for Sheltering, Updating Emergency Management Plan, Budget Under Review



2018-19 Risk Assessment – Emergency Preparedness

2

03

OPEN – Medium Risk

2018-2021 reportable payments disclosures were not made as of May 17, 2022



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

3

04

CLOSED – Low Risk

Policies approved at June 2022 BOT Meeting



Federal Contracts and Grants Disclosure Audit: Update University Compliance & Research Disclosure Policies

4

05

CLOSED – Low Risk

Spending plans were developed and submitted to the Knight Foundation



FY 2020 – 2021: Knight Foundation Expenditure Review: Approved Spending Plans

5

Consulting Services: Office of Procurement Services



Overall Effectiveness

Our analysis determined opportunities for improvement in the following areas:

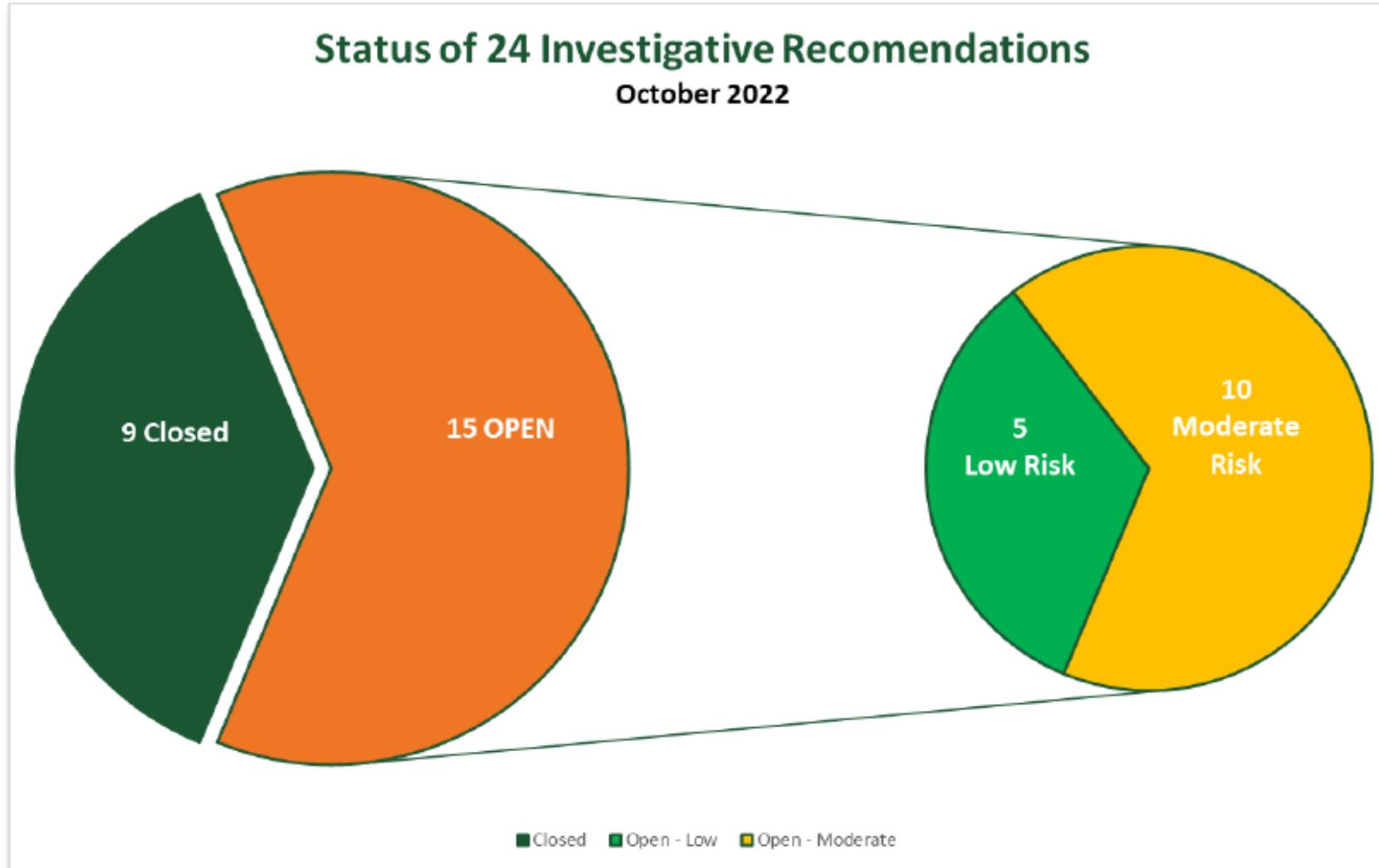
- Culture of accountability;
- Relationship-building;
- Efficiency and cost effectiveness;
- Leveraging of technology;
- Use of data to support strategic decision-making;
- Ongoing monitoring to strengthen internal controls; and
- Developing and maintaining a culture of service excellence.

Investigative Internal Controls Recommendations Follow-Up

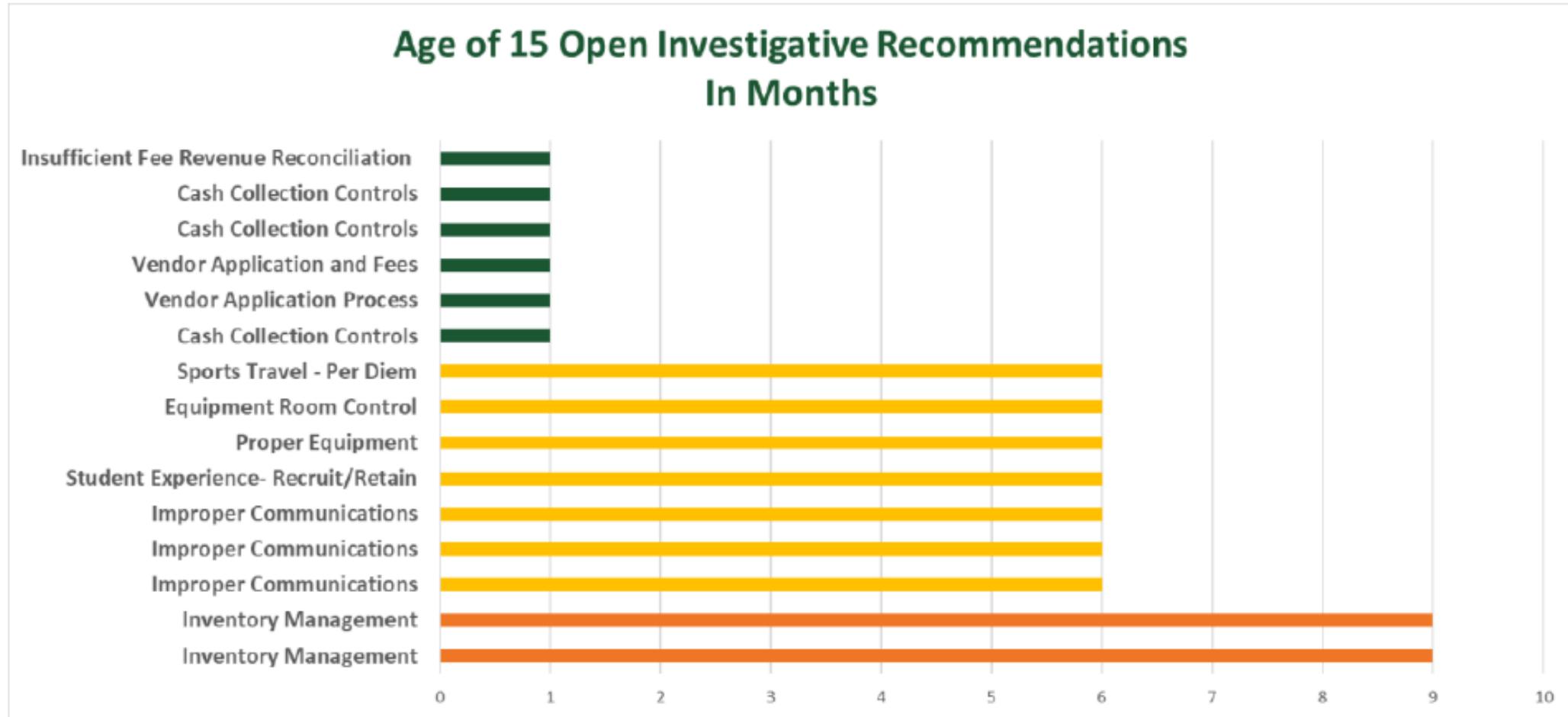
Overview of Investigation Recommendations Tracked by DoA

Department/Area/Process Owner	# of Recommendations	# Closed	# Remaining Open
Athletics	15	0	15
Department of Campus Safety & Security	1	1	0
College of Agriculture and Food Sciences	4	4	0
Office of Compliance and Ethics ¹	1	1	0
Office of Human Resources ²	3	3	0
Total	24	9	15

Investigative Internal Controls Recommendations Follow-Up: 15 Athletic Findings Risk Insights



Investigative Internal Controls Recommendations Follow-Up: Age of Open Recommendations



External Audit Updates: Crowe DSO Review

DSO Internal Controls Review

Audit	Audit Period	Start Date	Report Release Date	Issues Noted
Direct Support Organization (DSO) Internal Controls Review	<u>FYE</u> June 30, 2022	February 2022	August 5, 2022	Issues related to: Completeness, Timeliness, Accuracy, Policies and Procedures, Review and Approval, Segregation of Duties, and Supporting Documentation. <u>FAMU Rattler Boosters:</u> 4 issues <u>FAMU Foundation:</u> 6 issues <u>FAMU NAA:</u> 5 issues

Status of Issues

- FAMU Rattler Boosters (4 Issues: 2 Closed, 2 CAP In-Progress)
- FAMU Foundation (6 Issues: 6 Issues Closed)
- FAMU NAA (5 Issues: 1 Closed, 4 Additional Info Needed to Verify)

External Audit Updates: In-Progress

Florida Auditor General

Audit	Audit Period	Start Date	Anticipated Report Release Date	Current Status
State Financial Aid – Bright Futures (Florida Public Student Financial Assistance Grant Program)	<u>FYE</u> June 30, 2019 and June 30, 2020	March 2021	September 2022	Reporting

Florida Auditor General

Audit	Audit Period	Start Date	Anticipated Report Release Date	Current Status
Financial Statement Audit	<u>FYE</u> June 30, 2022	July 2022	June 2023	Fieldwork

External Audit Updates: In-Progress

James Moore, CPAs

Audit	Audit Period	Start Date	Anticipated Report Release Date	Current Status
Financial Statement Audit	<u>FYE</u> June 30, 2021	November 2021	June 2022	Overdue
Agreed Upon Procedures	<u>FYE</u> June 30, 2021	November 2021	June 2022	Overdue

U.S. Department of Education

Audit	Audit Period	Start Date	Anticipated Report Release Date	Current Status
FAMU DRS - ESSER & GEER	<u>FYE</u> June 30, 2022	July 2022	June 2023	Planning

ERM in the SUS and Beyond



Implementation of ERM Best Practices in the SUS

Five of twelve SUS institutions have implemented ERM programs. Of those five institutions, only three were reported to be fully functional as of the Summer 2022 academic term. As a result, few governance and staffing elements of a high performing ERM program were in place.



Top Public Colleges and Universities with ERM Programs

100% of the top ten public colleges and universities listed in the 2021-2022 U.S. News and World Report rankings had established ERM programs. Seven of the ten universities were a part of higher education systems which mandated implementation of enterprise risk management.



Higher Education Systems with ERM Mandates

Our review identified eleven states where higher education systems had mandated an ERM program be in place within their system's institutions.



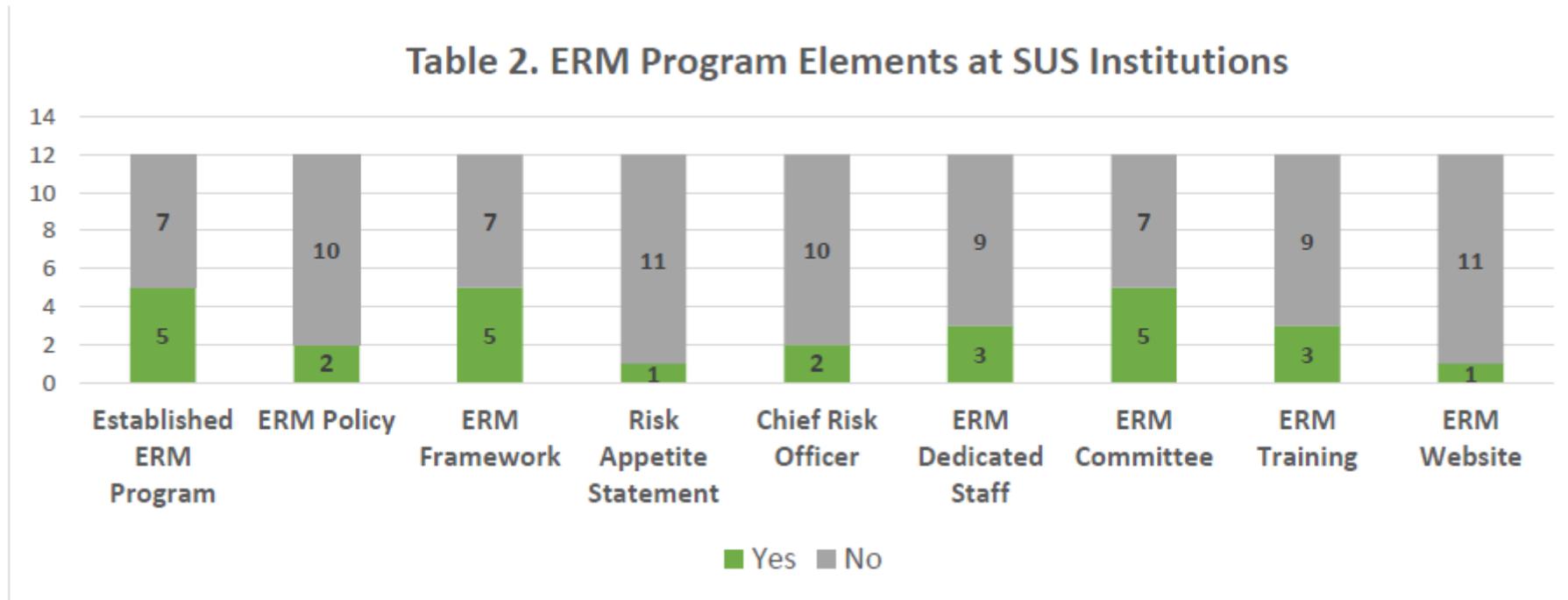
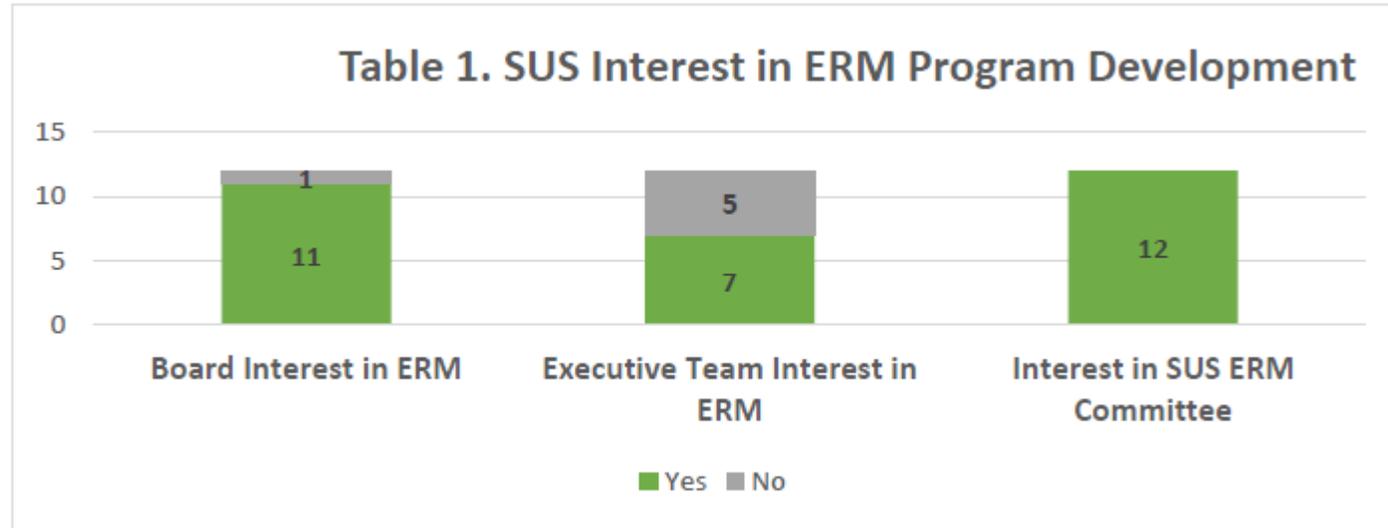
SUS ERM Maturity Self-Assessment

Our evaluation of the eleven ERM maturity self-assessments submitted by SUS institutions determined that while many of the institutions do not have established ERM programs, they possess some of the foundational building blocks needed to begin development of a mature ERM program.

ERM in the SUS and Beyond: FAMU ERM Program Maturity

FAMU ERM PROGRAM MATURITY	
Maturity ERM Category	ERM Maturity Level: Average Score
<p><u>ERM PURPOSE AND SCOPE</u> Consider the scope of your risk management efforts, including the purpose and goals of your institutional risk management program; how the program connects to your strategic, budget, and risk planning processes; and whether your institution has consistent, proactive plans in place for institutional risks. Topic FAMU Maturity Level FAMU ERM</p>	<p>Average Maturity Level: MEDIUM</p>
<p><u>ERM CENTRALIZATION AND ACCOUNTABILITY</u> Consider the extent to which your risk management processes are centralized. This includes who holds the institution accountable for taking meaningful steps to identifying, assessing, and mitigating risks; the board's role; and whether risk management processes are centralized to manage all institutional risks rather than only certain categories of risk.</p>	<p>Average Maturity Level: MEDIUM</p>
<p><u>ERM PROCESS</u> Consider whether the institution has regular, recurring processes for implementing the four steps of ERM and considering new and emerging risks.</p>	<p>Average Maturity Level: HIGH</p>
<p><u>CAMPUS RISK MANAGEMENT CULTURE</u> Consider whether the institution has a culture of risk awareness, communicates with and trains the community on ERM, encourages collaboration across areas and department, and makes risk-aware decisions as part of its operations.</p>	<p>Average Maturity Level: MEDIUM</p>

ERM in the SUS and Beyond: SUS Insights



ERM Program Updates: Risk Bulletins

FAMU FLORIDA A&M UNIVERSITY
ENTERPRISE RISK MANAGEMENT
DIVISION OF AUDIT

Psst!

Privacy in Higher Education

Risk Bulletin #22-23-001

July 19, 2022

FAMU FLORIDA A&M UNIVERSITY
ENTERPRISE RISK MANAGEMENT
DIVISION OF AUDIT

Athletics

Risk Bulletin #22-23-0002

July 29, 2022

FAMU FLORIDA A&M UNIVERSITY
ENTERPRISE RISK MANAGEMENT
DIVISION OF AUDIT

Supreme Court Decision: Dobbs v Jackson

Risk Bulletin #22-23-0003

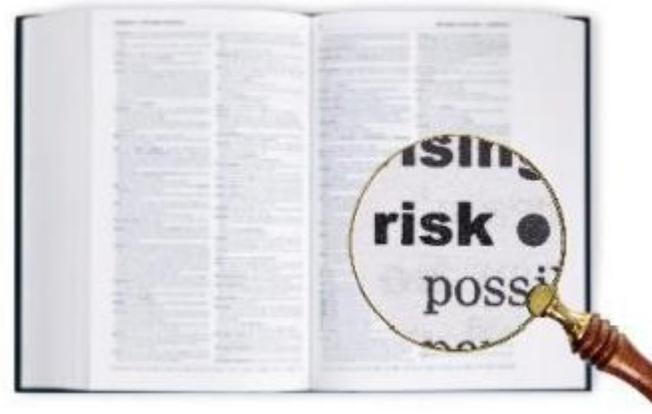
August 3, 2022

ERM Program Updates: New Tools and Resources

ERM Website Re-Build



New ERM Website



Risk Dictionary



University Risk Map

FY 2021-2022 DoA Annual Report



Division Updates: Audit Staffing

New Hire



William Thomson, CISA
Senior IT Auditor
Hire Date: September 6, 2022

Promotions



Trystal Wright, CGAP, CIGA
Senior Auditor
Promoted from Staff Auditor: August 19, 2022

Senior Auditor Vacancy

Offer - Accepted
Start Date: 10/28/2022

Staff Auditor Vacancy

Candidate Identified
Anticipated Start:
11/2022

Division Updates: Staffing Award



William Knight
ERM Coordinator

2022
Be the Change Scholarship



Division of Audit Updates: Certifications



Arriet Foster
Certified Internal Auditor



Deidre Melton
Certified Inspector General

Division of Audit Updates: Industry Leadership Role



Deidre Melton
Associate Vice President for Audit/
Chief Risk Officer

2022 -2024
Board Member-at-Large



Division of Audit Updates: Public Speaking



Joseph Maleszewski
Vice President for Audit/
Chief Audit Executive
ALG Institute (August 2022)



Deidre Melton
Associate Vice President for Audit/
Chief Risk Officer
ACUA AuditCon (September 2022)

Division of Audit: What's Next



- 1 PBF Audit
- 2 Enhanced Athletics Monitoring
- 3 PBF & Strategic Plan Risk Profiles
- 4 2022 Fraud Awareness Week
- 5 22-23 Work Plan Assessment



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

