

**Florida Agricultural and Mechanical University
Board of Trustees**



Audit & Compliance Committee Meeting

Trustee Craig Reed, Chair

Grand Ballroom

Thursday, June 08, 2023 – 8:30 AM

Committee Minutes

Members Present Trustee Craig Reed (Chair), Trustee Ann Marie Cavazos, Trustee Michael Dubose, and Trustee Belvin Perry

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

- Minutes: Consideration of Approval – Thursday, February 16, 2023;
- Division of Audit Annual Work Plan; and
- University Code of Conduct University Regulation 1.019.

The first action item – Chair Reed acknowledged consideration of the Thursday, February 16, 2023, Audit and Compliance Committee Meeting Minutes. The minutes were moved by Trustee Belvin Perry, Jr., and seconded by Trustee Dubose. The motion carried and the February 16, 2023, minutes were approved.

The second action item – Chair Reed recognized VP Joseph Maleszewski to discuss the “Draft” Division of Audit FY2023-2024 Work Plan for the Committee’s and BOT consideration for approval. VP Maleszewski presented the audit portion of the Work Plan which included:

- Two BOT-required projects related to FAMU Athletics for Fall 2023 and Spring 2024;
- Three BOG-required projects on Performance-based Funding Data Integrity, Foreign Influence, and Post-Tenure Review;
- Two operational audits related to Property Management, and Campus Safety and Security;
- Four advisory service projects for colleges and schools related to their contributions to Performance Based Funding, National Rankings, Strategic Plan, and Operations;
- Two IT/Cybersecurity engagements related to the Cybersecurity Maturity Model Certification Level 1 Self-Assessment, and Gramm-Leach Bliley Act;
- Continued service on various committees including the Athletic Action Plan Implementation Team and Workgroup, Metrics and Rankings Workgroup, and Civil Discourse Committee;

- Training and Awareness activities including Fraud Awareness Week, Internal Audit Awareness Month, FAMU Fundamentals, and the FAMU Management Seminar; and
- Division of Audit services including External Audit Coordination, Investigative Services, Management Requests, and Audit, Advisory, & Investigative Follow-up.

VP Maleszewski acknowledged CRO Melton to present the Enterprise Risk Management portion of the Work Plan. CRO Melton discussed planned work being predicated upon requested positions and may have to be readdressed if positions are not allocated as requested. She reviewed planned work related to the ERM program's purpose and scope including ERM Policy Review, Risk Appetite Statement Review, Strategic Plan Risk Assessment, and Risk-Based Budget Tools. She then covered the Enterprise Risk Management Advisory Committee and their focus on Strategic and Performance risk as well as focus on operational risk. She reviewed how the ERM Process will focus on conducting Risk Workshops, Risk and Controls Certification Program, University Risk Assessment, Risk Mitigation, Risk Alerts – Emerging Risks, and Risk Bulletins.

CRO Melton reviewed how the ERM program will influence the Campus Risk Management Culture through ERM Awareness Week, ERM On-Demand Training Courses, Risk Champion Program, ERM Newsletter, and Infographics, and Risk Culture Survey. Finally, she reviewed Special Projects planned for the coming year including a Crisis Management Toolkit, Cybersecurity Toolkit, Athletic Risk Toolkit, Artificial Intelligence Risk Toolkit, and ERM Standard Operating Procedures.

CRO Melton took questions. Chair Reed recognized Trustee Harper who discussed intellectual property and related risks. Chair Reed then called for a motion to approve. Trustee Dubose made a motion which was seconded by Trustee Belvin Perry, Jr. The motion carried.

The third action item – Chair Reed recognized Chief Compliance Officer Rica Calhoun to present University Regulation 1.019 *University Code of Conduct*.

Ms. Calhoun indicated that recent legislation changes prompted updates to the FAMU University Code of Conduct. Changes included additional language that aligns with university expectations and provides clarifying terms. Material changes included updates related to freedom of expression and civil discourse. Chair Reed requested a motion. Trustee Belvin Perry, Jr., moved approval. Trustee Dubose seconded the motion which carried.

Chair Reed acknowledged Chief Compliance Officer Calhoun to address informational items.

Informational Items:

Ms. Rica Calhoun shared Office of Compliance and Ethics (OCE) Updates. She began with a summary of this year's FAMU Fundamentals which included the following sessions and completion rates:

- Clery: 1704 / 84%
- Compliance and Ethics: 1789 / 88%
- Enterprise Risk Management: 1774 / 87%
- Public Records: 1774 / 87%
- Cyber Security: 1778 / 87%
- Emergency Management: 1779 / 87%
- Sexual Harassment Prevention...: 1808 / 89%

Ms. Calhoun highlighted that we saw an increase in raw numbers and percentages over last year and are inching toward about 90% across most modules.

Ms. Calhoun next reviewed investigative activities – noting that since July 1, the hotline has logged 57 reports. Open investigations in OCE include allegations of impermissible conflicts of interest, retaliation, and employee misconduct. Across investigative offices, 24 complaints have been closed and 33 are in process.

Ms. Calhoun then addressed OCE Key Initiatives monitoring in different functional areas. These issues included Faculty Misconduct/ Retaliation, Health and Safety, Public Records, Foreign Influence and Conflicts of Interest.

She then highlighted the inaugural edition (May 2023) of the OCE quarterly newsletter entitled *Compliance Chronicles*.

Ms. Calhoun introduced Miranda Levy in her new role as Coordinator in the OCE. She then discussed how the OCE continues to represent the University locally and nationally – highlighting the following items:

- **Tallahassee Independent Ethics Board:** Dr. Robinson recently nominated Rica Calhoun to serve as a board member of the Tallahassee Independent Ethics Board. The Board consists of seven members, of which, five are individually selected by the City Commission, Public Defender Office, State Attorney, President of Florida A & M University, and the President of Florida State University.
- **Florida Law Enforcement Accreditation Assessor:** La'Tonya Baker, Compliance Program Manager, recently achieved the credential of Certified Assessor. This certification assists her in enforcing the highest uniform standards for investigative units. Her experience assists the Office of Compliance and Ethics enhance effectiveness and compliance with best practices in investigations.
- **FBI Compliance Academy:** La'Tonya Baker was also one of only 50 individuals selected out of 300 applicants across the country to attend the May 2023 FBI Corporate Compliance Professional Outreach event in Washington, DC at the FBI Headquarters. This was a unique opportunity to observe FBI operations and learn more about their compliance efforts to share with FAMU.
- **Forum on Conflicts of Interest (FOCI) Mentorship:** Compliance Program Manager, Edna Gasque, has recently been selected to be a Mentee in the FOCI Mentorship Program. The FOCI Mentorship Program serves to connect mentors

with a group of mentees to support their career journey, to help them build their peer network, as well as access resources through their engagement with FOCI.

Ms. Calhoun then highlighted the following items:

- OCE served on the student code of conduct committee and contributed to the latest review.
- Rica Calhoun and La'Tonya Baker supported and facilitated a Civil Discourse discussion through engagement with the SGA Senate.
- OCE partnered with FAMU Athletics to host the NCAA visit April 25-26, 2023.
- Rica Calhoun presented at the University's New Employee Orientation.
- OCE presented on Civil Discourse and Investigations at the 2023 FAMU Management Seminar.
- Rica Calhoun presented "Ethics in Higher Education" to the Association of College and University Auditors (ACUA) on May 25, to more than 900 registrants.

Ms. Calhoun reviewed the revised organizational structure for the Office of Compliance and Ethics and discussed "What's Next?" She discussed efforts to implement the External Review recommendations including focus on increased resources to achieve additional efficiencies in program goals and enhanced monitoring of compliance risk. She then discussed FAMU Fundamentals after action efforts which include working with managers and compliance partners to increase training completion, post-training survey, and implement enhancement ideas. Finally, she covered OCE restructuring including working on the integration of Equal Opportunity Programs and Athletics Compliance into the Office of Compliance and Ethics, including alignment of reporting lines and responsibilities.

Chair Reed complemented Ms. Calhoun and her team on the evolution of the compliance and ethics function.

Chair Reed then acknowledged VP Maleszewski and AVP Melton to present the following information items:

- Risk Assessment;
- I/C Assessment – President Robinson's I/C Assurance Statement;
- Audit and Investigative Follow-up;
- External Audit Updates;
- ERM Updates; and
- Division of Audit Update.

First, AVP Melton presented the FAMU TOP 10 Risks for FY 2023-2024 where were identified as 1) Campus Safety and Security, 2) Talent Management, 3) IT/Cybersecurity, 4) Staff and Student Mental Health, 5) Organizational Change Management, 6) Emergency Preparedness, 7) Culture of Accountability, 8) Privacy and Data Governance, 9) Legislation Impacts from Florida's 2023 Session, and 10) Athletics.

VP Maleszewski then provided an overview of the President's annual Internal Controls Assurance Statement. He noted that this is the third year in a row that DoA assisted President Robinson in his assessment of the University's Internal Control Structure,

which is required by the Board of Trustees, Policy, and University Policies adopted in December 2019.

VP Maleszewski emphasized that BOT and University policies require that the President and the President's Administration are responsible for establishing, and consistently maintaining a system of internal controls which:

- Prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), Florida Statutes;
- Promote and encourage compliance with applicable laws, rules, regulations, contracts, grant agreements, and best practices;
- Support economical and efficient operations;
- Ensure reliability of financial records and reports; and
- Safeguard University assets.

VP Maleszewski also shared that these policies require President Robinson to evaluate the system of internal controls annually, identifying any areas of weakness and opportunities for improvement.

The process requires that President Robinson report his assessment of internal controls on a five (5) point scale for each of the five components of control. For this year, three (3) of the five (5) components of controls were strengthened - *Control Environment* went from a four (4) to a 4.2; *Risk Assessment* went from a 3.75 to a 4.0; and *Information and Communication* went from four (4) to 4.33.

Mr. Maleszewski indicated that the opportunity for the university to enhance internal controls lies in the *Control Activity* component of the framework, where it has been at a 3.67 for the three (3) years of this assessment. Control Activities are tied closely to the concept of risk management. Management controls are implemented to ensure that business processes are performed appropriately, meet the business objective, and do not subject us to any unnecessary risk. The President's assessment this year identifies areas of strength and opportunities for improvement. Areas of strength included organizational restructuring, enhanced new employee orientation, Athletics Action Plan, policy, Enterprise Risk Management, and training and awareness. Identified opportunities for improvement included talent management, culture of accountability, risk mitigation, entity-wide assessment of business processes, customer service initiatives, and enhance communication channels. The President's overall assessment is that internal controls at the university continue to be strong. With continued effort in the areas of highlighted strength it is believed that we will continue to mature our internal controls.

VP Maleszewski proceeded to report the 2022-2023 internal audit activities. He indicated that the 22-23 Performance-Based Funding Data Integrity Audit was completed; the Security Plan Audit (Confidential) is complete and in follow-up; the Driver and Vehicle Information Database (DAVID) audit is in the reporting phase; and the Financial Aid audit is in "Fieldwork." He indicated that there were five (5) closed audit issues and 11 open audit issues currently being monitored.

VP Maleszewski then summarized the 2022-2023 External Audit Activities. These included three complete projects - DSO Internal Controls Review (Crowe), State Financial Aid-Bright Futures (AG), and Financial Statement Audit (FYE 2022). Two projects are in the planning phase - Athletics Financial Statement Audit (FYE 2022-

2023), and Athletics Agreed Upon Procedures (FYE 2022-2023). The Athletics Action Plan Review (Thomas Howell Ferguson) is in the follow-up phase and the Auditor General is currently in the process of initiating their Financial Statement Audit for FY2022-2023. VP Maleszewski summarized that there are currently four (4) open audit issues and 14 closed audit issues.

VP Maleszewski then provided a brief summary of the 2022-2023 Division of Audit Investigations. He indicated that there are 27 items for the year, with 12 investigations in progress, six (6) referred, and eight (8) closed. He summarized that the type of issues are in the areas of Accounting and Auditing (7), Discrimination or Harassment (1), Employee Misconduct (2), Falsification or Destruction of Business Records (1), Fraud (5), General Concern (8), Legal or Regulatory Violation (1), and Other (2).

VP Maleszewski then summarized the FY 2022-2023 Division of Audit Advisory Services. The projects in the follow-up phase are the Title IX (Control Self-Assessment), Office of Procurement Services, and Remote Work IT Controls. Two projects are in the reporting phase – they are Student and Faculty Experience for both the College of Agricultural and Food Sciences (CAFS) and the College of Pharmacy and Pharmaceutical Sciences Institute of Public Health (CoPPHS/IPH). Two projects are in fieldwork phase – they are Academic Affairs: Student and Faculty Experience, and Controller's Office (Control Self-Assessment).

AVP Deidre Melton provided key Enterprise Risk Management (ERM) updates. She highlighted the role of the Enterprise Risk Management Advisory Committee (ERMAC); the development of new ERM tools; IT/Cybersecurity Risk Bulletin; Pregnant/Nursing Employee Risk Alert; Bomb Threat Planning Team; and participation in the FAMU Fundamentals training.

AVP Melton then provide Division of Audit office updates related to training, staff, professional development, and new team members.

Chair Reed adjourned the Audit and Compliance Committee Meeting since there was no further business to be discussed.