

FLORIDA **A&M** UNIVERSITY
Board of Trustees

Audit and Compliance Committee Meeting
Wednesday, September 15, 2021
11:00 a.m.

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

AGENDA

- | | | |
|-----|---------------|----------------------|
| I. | Call to Order | Trustee Craig Reed |
| II. | Roll Call | Ms. Debra Barrington |

ACTION ITEMS

- | | | |
|------|----------------------------------------------------------------|--------------|
| III. | Minutes: Consideration of Approval – June 2, 2021 at 9:45 a.m. | Trustee Reed |
| IV. | Office of Compliance and Ethics Annual Report | Rica Calhoun |
| V. | Office of Compliance and Ethics Plan | Rica Calhoun |

INFORMATIONAL ITEMS

- | | | |
|----------------------------------|----------------------------------------|---------------------------|
| Audit and Compliance Committee: | | |
| VI. | Committee Action Plan | R. Calhoun/J. Maleszewski |
| Office of Compliance and Ethics: | | Rica Calhoun |
| VII. | Office of Compliance and Ethics Update | |
| Division of Audit: | | Joe Maleszewski |
| VIII. | Risk Assessment Follow-up | |
| IX. | Audit and Investigative Follow-up | |
| X. | External Audit Updates | |
| XI. | Division of Audit Annual Report | |
| XII. | Division of Audit Update | |
| XIII. | Adjournment | |

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



**Audit & Compliance Committee Meeting
Trustee Craig Reed, Chair
Grand Ball Room
Wednesday, June 2, 2021 - 9:45 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. In Ms. Barrington's absence, Ms. Linda Barge-Miles called the roll. A quorum was established.

Chair Reed acknowledged five (5) Action Items:

1. Minutes: Consideration of Approval – March 3, 2021 at 9:45 AM;
2. Board of Trustee Policy 2005-14 Financial and Other Conflicts of Interest and Commitment Governing Research;
3. External review of the University's Compliance and Ethics Program by Huron;
4. Division of Audit FY2021-2022 Audit Work Plan; and
5. Notice of Proposed New Regulation for a regulation titled Fraud Prevention and Detection.

ACTION ITEM 1: A motion was made by Trustee Belvin Perry, Jr. for approval of the March 3, 2021, Minutes. Trustee Ann Marie Cavazos seconded the motion. There was no discussion. The motion was unanimously approved.

ACTION ITEM 2: Chair Reed recognized Chief Compliance and Ethics Officer Rica Calhoun to present revisions to Board of Trustee Policy 2005-14 *Financial and Other Conflicts of Interest and Commitment Governing Research*. Ms. Calhoun explained that the policy had been updated to address changes in federal and state guidance regarding research activities. Ms. Calhoun reviewed associated changes to the conflicts of interest processes including automation of reporting for both faculty and staff. She also discussed related implementation and training for these revised processes.

Trustee DuBose moved approval of Board of Trustee Policy 2005-14 *Financial and Other Conflicts of Interest and Commitment Governing Research*. Trustee Cavazos seconded the motion. The motion was unanimously approved.

ACTION ITEM 3: Chair Reed then moved to the next approval item – the external review of the University's Compliance and Ethics Program by Huron in accordance with the State University System of Florida Board of Governors Regulation 4.003(7)(c). Chief Compliance and Ethics Officer Calhoun explained that the external review is required once every 5 years and summarized the process, scope, and results of the review for the Committee.

The Huron review found no material deficiencies in the eight areas of the program reviewed. Ms. Calhoun summarized the external review observations and recommendations with the Committee.

Huron made recommendations regarding program resources; a central repository for policies, procedures and other guidance documents; compliance training; BOT training; risk ownership process; risk owner roles and responsibilities; and enforcement for non-compliance.

Chair Reed opened the floor to questions and comments. Board members asked questions and commended Ms. Calhoun and her team for their progress in implementing an effective compliance and ethics program. Discussion surrounded the topic of BOT training and consistency of actions for identified instances of non-compliance.

Trustee Perry moved approval of the external review of the University's Compliance and Ethics Program. Trustee Cavazos seconded the motion. The motion was unanimously approved by the Committee.

ACTION ITEM 4: Chair Reed moved to the fourth action item – consideration of approval for the Division of Audit's proposed *Fiscal Year 2021-20221 Audit Work Plan*. VP Maleszewski reviewed the audit work plan with the committee. This plan is required by regulation, professional standards, and the Division's charter document. The work plan includes Assurance Services; Advisory Services; Taskforces and Committees; Continuous Monitoring; Follow-up, Investigations, and Risk Assessments; and Internal Audit Administration.

Trustees asked questions regarding diversity and inclusion and discussed alignment with the State University System of Florida Board of Governors' diversity and inclusion efforts. Following discussion, Chair Reed asked for a motion to approve the Division of Audits proposed *Fiscal Year 2021-20221 Audit Work Plan*. Trustee DuBose moved approval and the motion was seconded by Trustee Perry. The motion was unanimously approved.

ACTION ITEM 5: Chair Reed moved on to the fifth action item - the Notice of Proposed New Regulation for a regulation titled *Fraud Prevention and Detection*. The Board of Governors approved a system fraud regulation in March 2021 requiring each system university to adopt a fraud regulation. The FAMU BOT had previously approved BOT Policy 2020-01 in December 2020 entitled *Fraud Prevention and Detection*. This new regulation supplements the existing policy and, when fully approved, will bring the FAMU into compliance with the March 2021 BOG regulation. VP Maleszewski briefly reviewed the regulation. Chair Reed asked if there was any discussion and called for a motion to approve. Trustee Perry moved approval of the notice of proposed new regulation. Trustee DuBose seconded the motion and it was approved unanimously.

INFORMATION ITEMS: Chair Reed then recognized Chief Compliance and Ethics Officer Rica Calhoun to present the Office of Compliance and Ethics Informational Items. Ms. Calhoun reviewed FAMU Fundamentals training (Cybersecurity, Sexual Harassment Prevention, Clery Act, Code of Conduct, Open Meetings and Records, and Fraud) offerings and completion rates. She reviewed the BOT Governance Series trainings (Compliance and Ethics, and SUS/FAMU Governance). Ms. Calhoun then reviewed upcoming events for the Compliance and Ethics Program which include a plan review and development (for program years 4-7); compliance coordinator position for research; compliance and ethics culture survey, and office relocation.

Chair Reed commended Ms. Calhoun for an excellent job and inquired regarding program resources. Ms. Calhoun indicated additional resources were needed to expand both the program's monitoring and reach as there are currently 2 positions in the Office of Compliance and Ethics. She further indicated that resources would be discussed as part of the evaluation and response to the Huron review.

Chair Reed acknowledged VP Maleszewski to present the following Division of Audit Informational Items:

1. Risk Assessment;
2. Audit and Investigative Follow-up;
3. Internal Controls Assessment Statement;
4. International Internal Audit Awareness Month; and
5. Division of Audit Update - What's Next for Division of Audit for the 2021 Calendar Year.

VP Maleszewski and Audit Director Melton presented the informational items and offered to answer any questions and/or elaborate on any of the presented items.

With regard to the Risk Assessment, Trustee DuBose inquired about the "high" assessment for FAMU Police. Discussion ensued regarding associated risks. The discussion then turned to risk trends and Trustee Cliatt encouraged management to have action plans to address and mitigate known high risk areas. Trustee DuBose asked for follow-up with the President and his team to better understand risks associated with the Department of Campus and Safety Security (FAMU Police).

Trustee Cavazos inquired regarding the status of investigations and VP Maleszewski indicated that individual briefings could be provided but that ongoing investigations are confidential.

Trustee Washington indicated that, with regard to Athletics, FAMU need a way to understand the risk level absent the auxiliary repayment plan which will keep it categorized as "high" risk. Director Melton indicated that there is an Athletics risk theme that breaks out specific Athletics risk areas needing attention. Further discussion ensued regarding corrective actions put into place to mitigate Athletics risks.

Trustee Moore emphasized the need for the University to present the action items/plans associated with high-risk areas. Chair Reed and VP Maleszewski acknowledged the input from Trustees regarding the presentation of risk information and the desire to have risk response/management information presented contemporaneously with the risk assessment information.

Chair Reed then turned to Director Melton to provide an update on audit and investigative follow-up. Chair Reed asked that the follow-up information identify a responsible party, associated actions, and a timeline for the corrective actions to be taken.

Chair Reed then asked for the update on the Internal Controls Assurance Statement. VP Maleszewski briefly reviewed the statement and described the report contents to the Committee. VP Maleszewski indicated that the Division of Audit would work with management to establish corrective action plans tied to both the Risk Assessment and the Internal Controls Assurance Statement.

VP Maleszewski turned the discussion over to Audit Director Melton to review International Internal Audit Awareness Month activities hosted by the Division of Audit over the month of May. Ms. Melton then briefly reviewed upcoming activities for the Division of Audit including an upcoming office move, annual report, training, quality assurance and improvement program, and newsletter.

Trustee Whigham asked that the Division of Audit engage students in the preparation of the newsletter and other Division activities.

There being no further business before the Committee, Chair Reed adjourned the meeting.



FAMU

FLORIDA A&M UNIVERSITY
**OFFICE OF COMPLIANCE
AND ETHICS**

2021 ANNUAL REPORT



Rica Calhoun, Chief
Compliance and Ethics
Officer



La'Tonya Baker,
Associate Compliance
Officer



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The Road We Walked Together

In 2020-2021, we have continued addressing the objectives necessary to build an effective compliance and ethics program. Throughout the last year, we have successfully completed the first successful external review of the Compliance and Ethics Program, continued large scale mandatory compliance and ethics training, and provide meaningful contributions to the pandemic response. We continue to observe a positive commitment from the University, from management to our compliance partners, and faculty and staff who supported the mission that we all share.



MISSION

1

The Compliance and Ethics Program, now housed in the Office of Compliance and Ethics (OCE), supports the University's mission and strategic plan by proactively partnering with faculty, staff, and management to:

- Ensure compliance risks are identified, prioritized and managed appropriately;
- Establish a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct by promoting adherence to all applicable federal, state, and local laws, regulations, as well as standards and internal policies and protocols;
- Provide general compliance training to employees and faculty and guidance to managers;
- Provide an avenue for anonymous reporting of potential non-compliance or unethical behavior; and
- Develop effective policies and procedures to promote compliance and ethical behavior.

Looking Back at 2020–2021...

OUTREACH



COLLABORATION

MONITORING



ENTERPRISE
COMPLIANCE
COMMITTEE

AWARENESS



COMPLIANCE
AND ETHICS
WEEK



COMPLIANCE TRAINING
AND DISCLOSURE
CALENDAR



PANDEMIC
RESPONSE AND
IMPLEMENTATION



DIGITAL
MARKETING



TRAINING



HIGH RISK
MONITORING



EXTERNAL
REVIEW



EXTERNAL REVIEW 2

- Compliance and Ethics Program External Review:
- Standards
- Structure
- Monitoring
- Communication
- Training and Education
- Response and Enforcement

Enterprise Compliance Committee
Compliance Policies and Procedures
Openness and Accessibility
Large-Scale Training Culture
Collaboration Communication

In Detail:

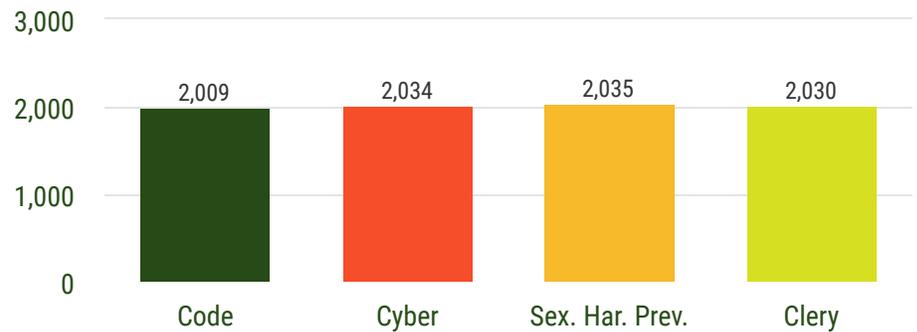
The SUS Board of Governors' Regulation 4.003(7)(c) requires an external review of all Florida state universities' institutional compliance programs at least once every five years. In accordance with this regulation, we engaged Huron Consulting Group to conduct an external evaluation of FAMU's Compliance and Ethics Program ("Program"). This assessment reviewed the Program's design, effectiveness, and consistency with applicable Board of Governors and university regulations, professional standards, and best practices.

The Huron team reviewed over 130 documents, interviewed 27 individuals from across our campus, including members of the board, and found no material deficiencies in the eight areas of our program, which just entered year three. We are extremely proud of this result and it is a testament to our compliance partners who work with us on a daily basis to move our culture of compliance and ethics forward.

Huron's evaluation informed our understanding of the Program's strengths and areas of focus in support of our goal for an effective Program. The University has made great progress facilitating a compliant and ethical environment across the various organizational divisions and units. Identified focus areas which center around appropriate resources, policy centralization, and technology.



2021 Mandatory Compliance Training Completion



In Detail (continued):

One of the core components of an effective compliance and ethics program is training and education. Members of the University community must understand University expectations and the bases for those expectations. FAMU Fundamentals is mandatory for University employees and select student employees.

In our second year, FAMU Fundamentals was composed of four modules:

- Cybersecurity
- Sexual Harassment Prevention and Title IX
- Clery
- The Code of Conduct, Open Records, and Fraud

Communication began in November 2020, with the start of Compliance and Ethics Week. The training was administered from March 1-31. The total audience was 2,584. Users also received a resource library with links to all policies referenced in the training and a mandatory training calendar. Completion numbers for this cycle show an increase, from about 70% in 2020 to about 80% this year. We continue to evolve and improve the training and have already received feedback for FAMU Fundamentals 2022.

Compliance Brief ^{2nd Edition}
Conflicts of Interest



COMPLIANCE AND ETHICS WEEK 2020

OCE hosts FAMU's annual Compliance and Ethics Week every November. FAMU's Compliance and Ethics Week is an extension of our ongoing commitment to the University's compliance and ethics program. Stakeholders receive an electronic copy of the University's Code of Conduct and the OCE Welcome Packet.



FAMU FLORIDA A&M UNIVERSITY
OFFICE OF COMPLIANCE
AND ETHICS

Florida A&M University's Compliance and Ethics Week November 1-7, 2020

"Risky Business!"

Monday- Kickoff

Look out for the OCE's Welcome Packet, which includes the updated Code of Conduct.

Tuesday- Virtual Meet & Greet

<https://famu.zoom.us/j/92446838954>

Please join us at 2 pm to learn more about the OCE and discuss FAQs.

Wednesday - ORANGE DAY Featuring Dr. Robinson

Please wear your orange and post pictures on our Facebook page "Florida A&M Office of Compliance and Ethics" holding a sign with the phrase #SeeSomethingSaySomething.

Thursday - FAMUly Fun & Games

<https://famu.zoom.us/j/95613835172>

Please join us at 1 pm for a game of Jeopardy featuring Compliance issues.

Friday- Purge Day & Wrap Up

Be sure to check FAMU INFO for tips on records management, OCE's new roll outs and the next mandatory training !

MONITORING

5

Monitoring is a cornerstone of the internal control structure, to ensure that the policies and risk mitigation processes in place are actually working. In 2020-2021, high-risk monitoring was implemented through the OCE and the Enterprise Compliance Committee's compliance partners. Some areas monitored are below:

ATHLETICS

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

NCAA Infractions Report Monitoring

Compliance External Review and Report

Monitoring Schedule 2021-2022: September, December, March

UNIVERSITY 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

PANDEMIC RESPONSE

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

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

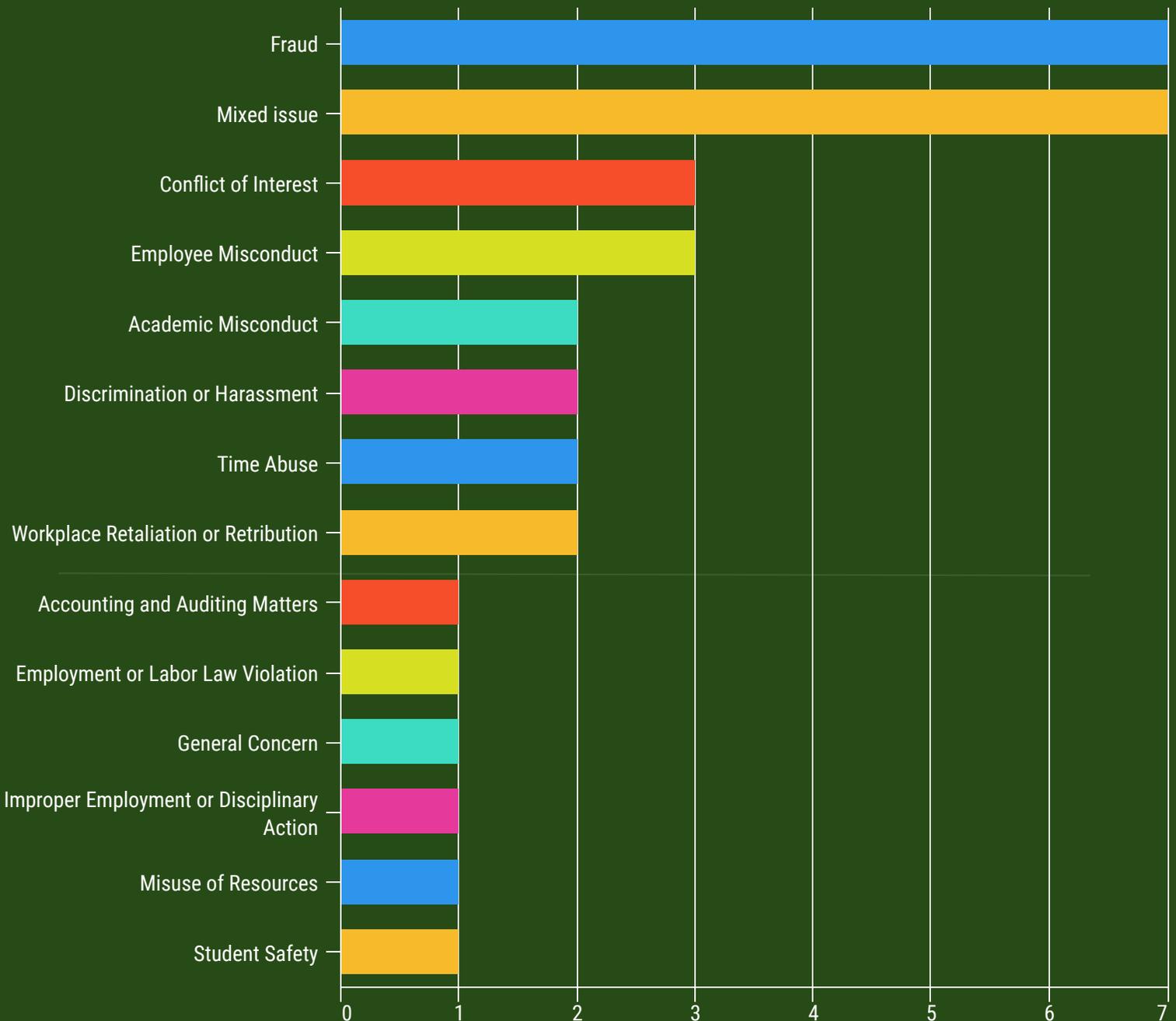
Enterprise Compliance Committee Meetings: 2020-2021: July, September, December, March, June

Working Group Meetings scheduled by compliance partner chairs

INVESTIGATIONS

Investigations constitute another piece of the compliance structure, providing reinforcement of University expectations and accountability. Thirty-four cases have been addressed or in progress through this process in 2020–2021.

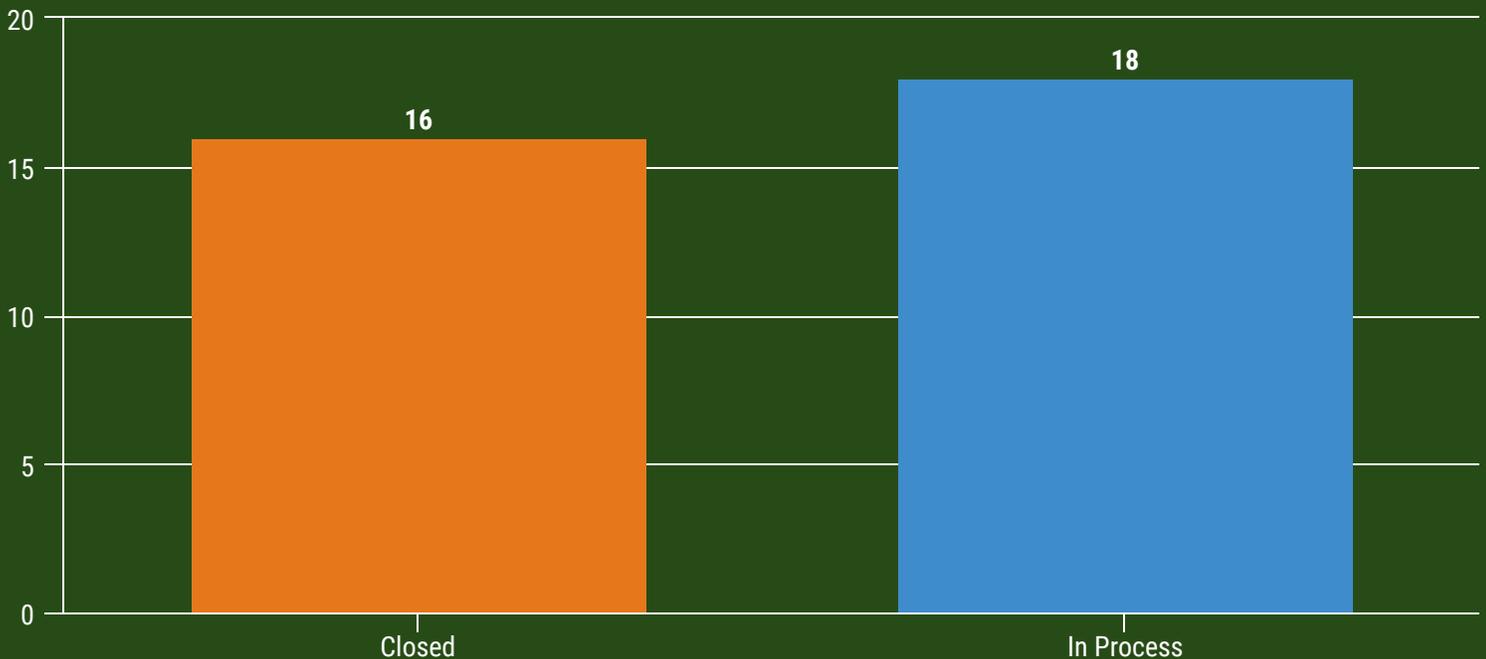
Allegation Type



INVESTIGATIONS (Continued)

The OCE currently has one investigator responsible for the initiation, coordination, or referral of complaints reported to the OCE directly or through the University's Compliance and Ethics Hotline. Eighteen cases are currently in progress.

Investigation Status





YEAR FOUR

8

Feedback over the last year through external review, investigations, and outreach informed our efforts for year three and our goals for year four. The OCE will continue to utilize the resources available to implement an effective compliance and ethics program with a focus on education, investigative work, and comprehensive monitoring.

Looking Forward to 2021–2022...

OUTREACH



**INCREASED
COLLABORATION**

MONITORING



**ENTERPRISE
COMPLIANCE
COMMITTEE**

AWARENESS



**COMPLIANCE
AND ETHICS
WEEK**



**ADDITIONAL
ENGAGEMENT
OPPORTUNITIES**



**UPDATED
RISK
ASSESSMENT**



**COMPLIANCE
AND ETHICS
CULTURE SURVEY**



**EXPANDED
TRAINING
OPPORTUNITIES ON
VARIOUS FORMATS**



**INCREASED
MONITORING**



**WEBSITE
DEVELOPMENT**



FLORIDA A&M UNIVERSITY

OFFICE OF COMPLIANCE AND ETHICS

Compliance and Ethics Program Plan

Recommendations are grouped based on relative priority to supplement the implementation roadmap and guide the next steps of the OCE.

High Priority

Recommendations to be ***implemented in the next 12 months*** to address identified risks and current / near term FAMU Program needs.

Medium Priority

Recommendations to be ***implemented in the next 1 to 3 years***. These recommendations are critical and are either:

- Dependent on high priority steps, or
- Necessary but have a lower level of risk.

Low Priority

Recommendations to be ***initiated in the next 3 to 5 years***. These recommendations should be considered based on the future direction of FAMU and the Program.

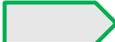
Compliance and Ethics Roadmap

Roadmap (Part 1) – Governance, Organizational Structure, and People

The implementation roadmap is a set of prioritized recommendations for consideration during the next 5-year period prior to the 2026 BOG compliance program review requirement.

- The roadmap is organized into time segments of near term (0-12 months), medium term (2-3 years), and long-term (4-5 years).

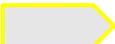
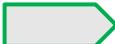
	Near Term	Medium Term	Long Term
	2022	2023-2024	2025-2026
Governance	Obtain approval to invest funding and increase support for the OCE.		
Organizational Structure		Revise organizational structure to align to the current reporting responsibilities described in the OCE Charter and publish on the FAMU website.	
People	Leverage resources in the departments of compliance partners to assign compliance roles and responsibilities for communication and reporting to OCE.	Determine if additional OCE resources will be FAMU FTE or outsourced to a third-party and either advertise the position opening or contact with a third-party vendor.	Continue efforts to revise and update the Code of Conduct to include language describing the required Annual Compliance Training. Leverage graduate program assistance to allow for a graduate hire to gain administrative and coordinating experience in OCE.

 High Priority
  Medium Priority
  Low Priority

Compliance and Ethics Roadmap

Roadmap (Part 2) – Process and Technology

	Near Term	Medium Term	Long Term
	Year 1	Years 2-3	Years 4-5
Process	Continue to charge risk owners with acting as stewards of compliance and integrity of their business activities and processes	Increase communication between the president and the FAMU athletics head coaches to align with National Collegiate Athletics Association (“NCAA”) guidance ¹ and best practices.	
	Continue efforts establishing an ERM assessment process to include in the annual Compliance Risk Assessment to align risk considerations.	Develop a process to ensure policies and procedures are regularly updated and made available to all employees, faculty, and staff, and included/referenced in training curriculum.	
	Continue to assess the COI process for non-research faculty.	Centralize the storage and accessibility of all Program policies, procedure, codes of conduct, and other relevant regulatory documents.	Develop policy and procedures to coordinate, streamline, and standardize enforcement actions processes across the university.
Technology	Assess the current FAMU technology systems used for reporting, storage, training, etc.	Invest in a technology system or upgrade to allow and scale for growth and to enable robust reporting.	

 High Priority
  Medium Priority
  Low Priority

FLORIDA **A&M** UNIVERSITY

Audit and Compliance Committee Action Plan 2021-2022

Meeting Date	Major Discussion Topics	Action Items	Due Date
September 15-16, 2021	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 1-2, 2021		University Compliance and Ethics Charter (3-year review and update, as appropriate)	12-30-2022
		University Code of Conduct (3-year review and update, as appropriate)	12-30-2022
		Division of Audit Charter Document - Update	12-30-2021
	Office of Compliance and Ethics Updates		n/a
		Audit and Compliance Committee Charter – Update every 3 years or as needed	12-30-2021 12-30-2024
	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
February 16-17, 2022	Performance Based Funding Data Integrity Audit		Annually March 1
		Performance Based Funding Data Integrity Certification	Annually March 1
	Audit and Investigations Follow-up		n/a
	Office of Compliance and Ethics Updates		n/a
March 2022	Office of Compliance and Ethics— FAMU Fundamentals (University) Governance Training (BOT)		March 1-31
April 20, 2022 (Zoom)			
May 12, 2022 (Zoom)			
June 8—9, 2022		Division of Audit Work Plan	Annually July 1

FLORIDA UNIVERSITY

	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
	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
	Trustee Training – Various Topics		n/a
August 3-4, 2022 (Retreat)			
General responsibilities			



Memorandum

To: Craig Reed, Chair, Board of Trustees, Audit and Compliance Committee

From: Joseph K. Maleszewski, Vice President, Division of Audit
 Deidre Melton, Associate Vice President for Audit/CRO



CC: Larry Robinson, Ph.D., University President
 Board of Trustees Members
 Senior Leadership Team Members

Date: August 27, 2021

Re: Status of Open Audit Findings

The Division of Audit worked with management to obtain an understanding of the actions taken by management since our June 2, 2021, report to the Audit and Compliance Committee. After validating each action taken by management, the Division of Audit prepared the following summary table followed by detailed information from management regarding the status of corrective actions and the level of residual risk for each audit finding.

Finding	Status	Original Risk Level	Current Risk Level
1 2019 Crowe Report: Information Security – Policies and Procedures	CLOSED	LOW	LOW
2 2018 Operational Audit Findings: Intercollegiate Athletics Programs – Deficit Cash Balances	OPEN	HIGH	HIGH
3 2018-19 Risk Assessment: Bragg Stadium Safety and Maintenance	OPEN	HIGH	MEDIUM
4 2018-19 Risk Assessment – Emergency Preparedness	OPEN	HIGH	HIGH

Information Technology Services

1. 2019 Crowe Report: Information Security – Policies and Procedures

- a. **Status:** As part of the IT Centralization initiative, ITS completed an analysis of the findings included in the 2017-2018 Cloud Security Governance Audit, 2018-2019 Risk Assessment, and the 2019 Crowe Report. In addition to this analysis, ITS reviewed all existing information technology policy and procedures in order to determine a baseline for establishing best practices going forward. ITS has identified that over the past few years all of the audits and assessments have clearly established that the FAMU Information Technology security standards need to address National Institute of Standards and Technology (NIST) SP 800-53: *Security and Privacy Controls for Information Systems and Organizations* and NIST SP 800-171: *Protecting Controlled Unclassified Information in Nonfederal Systems and Organizations*. The comprehensive analysis and review process have led to the formulation of the **NIST**



Compliance Approach in which ITS believes that every effort related to Information Technology Security controls should be made in accordance to overall compliance with NIST SP 800-53 and NIST SP 800-171.

The five policies that were identified within the Crowe report represent 5 of the 18 Security Control families identified within NIST SP 800-53 and NIST SP 800-171. In order to properly address the underlying intent of the Crowe Report, and previous audit findings, the University revised the BOT Enterprise Information Systems Security and Controls Policy 2008-01a during the March 2021 BOT meeting. Since then, ITS has developed the associated standards to support the BOT Policy. As a result, this item is considered **CLOSED**.

- b. **Risk:** The original risk level of this item was assessed as **LOW**. The risk level remains **LOW**.

Athletics

1. 2018 Operational Audit Findings: Intercollegiate Athletics Programs – Deficit Cash Balances

- a. **Status:** Athletics took appropriate actions to balance their 2018-2019, 2019-2020, and the 2020-21 budgets thereby avoiding deficit cash balances for those three fiscal years. Athletics Department continues to take steps to reduce expenses and increase fundraising in efforts to achieve a balanced budget for the 2021-2022 fiscal year. These efforts, if successful, will comply with the Board of Governors regulatory requirement that Athletics be a self-sustaining entity which was one issue related to this finding.

The second issue related to this finding was the University’s repayment of transfers of unallowable auxiliary funds to cover athletic expenditures. While the University has successfully met the terms of the original 2016 repayment plan, in August 2019 an independent audit firm, noted additional unallowable transfers of auxiliary funds were made to Athletics. The University adjusted their receivables to account for the additional unallowable expenses and developed a revised repayment schedule that reflect the full amount owed. The FY 2021 -Year 5, Athletics’ (\$115,000) and FAMU Foundation (\$269,594) debt repayment obligations to Auxiliaries, totaling \$384,594 were successfully made prior to fiscal year end.

On July 31, 2021, James Moore CPAs issued the FYE 2020 FAMU Athletics Financial Statement external audit report. A financial viability audit issue was disclosed within the external audit report indicating that the Athletics Program’s operations have historically not produced sufficient positive cash flows, net revenues, and net position to be considered self-sustaining. The external audit report acknowledged that the FAMU Athletics deficit reduction plan addresses the elimination of the deficit, including specific actions to be taken and a time frame for completing the actions.

Due to the deficit’s remaining impact on the financial viability of the program, this item is considered **OPEN**.

- b. **Risk:** The original risk level of this item was assessed as **HIGH**. While Athletics has taken considerable actions to address the issues related to this finding, the risk remains **HIGH**.



However, we note that the risk is continuing to fall toward a **MEDIUM** risk level each year that the budget is balanced and all repayments are made on time.

2. 2018-19 Risk Assessment: Bragg Stadium Safety and Maintenance

a. **Status:** Athletics, working in conjunction with Finance and Administration, developed a schedule and timeline to address ADA, safety, and maintenance issues at Bragg Stadium. The plan is broken into the following two phases:

i. **Phase 1:** November 3, 2020 – September 30, 2021

1. Metal pan and seat replacement, steel frame water blasting and repainting is essential to the safety of Bragg Stadium. This phase also includes replacing all steel pans and seats. The design will also include the water blasting and repainting of the steel frame seating replacement and we will entertain alternates pricing for the Restrooms for Handicap/ ADA accessibility. Any steel repair details will be included.
2. **Actions Taken to Complete Phase I:** Phase 1 is deemed 90% complete as some construction and design activities remain outstanding (i.e., installation of concrete aluminum seating, patch concrete on concrete box seating, coating and painting of light poles and electrical plan for lighting, etc.). Phase 1 now has a projected completion date of September 7, 2021.

ii. **Phase 2:** January 11, 2022 – February 1, 2022

1. This phase includes the removal and replacement of the press box. The initial portion of phase would include an analysis of the needs of the University for the size and use of this facility. The Concession stands and restroom renovation would be to upgrade and modernize the existing concession stands and restrooms. In addition, this phase includes upgrading the stadium lighting and sound system.
2. **Actions Taken to Complete Phase II:** The Request for Design Services for Phase II was awarded to Clemons Rutherford and Associates. Phase 2 remains in the conceptual design phase and the design status reports deems this phase as being 12% complete. The substantial project completion date for Phase II is deemed to be during the Fall of 2022.

This item remains **OPEN** until construction is completed to resolve the safety and ADA issues.

b. **Risk:** The original risk level of this item was assessed as **HIGH**. After taking into consideration the actions by Finance and Administration to-date, the risk level was adjusted to **MEDIUM**.

Finance and Administration

1. 2018-19 Risk Assessment – Emergency Preparedness

a. **Status:** The original emergency preparedness findings centered around issues related to the University adequately preparing for hurricanes, or other weather-related events. This included identifying a dedicated funding source, establishing an evacuation plan, and hardening a building on FAMU campus that meet state requirements as a hurricane shelter. The University has taken several steps related to Emergency Preparedness to address these issues:



- i. **Identifying a Dedicated Funding Source.** The University created a cross-functional team to develop a three-year financial plan to address emergency preparedness needs. FAMU Budgets across divisions (i.e., Police Department, Environmental Health and Safety, Health Services, Plant Operations and Maintenance, etc.) were evaluated to assess if some of the emergency preparedness needs can be addressed by existing budgets. In the interim, the University remains committed to using contingency funding to cover any gaps in funding should an emergency arise.
- ii. **Establishing an Evacuation Plan.** General emergency evacuation plans are posted in multiple locations in each building. The Continuity of Operations Plan identifies a process for evacuation of students residing on campus prior to weather related emergencies such as hurricanes (page 25-26). The plan includes closely monitoring the weather to determine the likely path of impact, contacting possible alternate facilities and coordinating with the Red Cross regarding shelter locations. Considering the uncertainty of hurricane impacts, the University has relied on relationships with a variety of other institutions within the SUS or throughout the southeast to provide aid as needed. It was determined by the Housing Director, that approximately 5-10% of the students in on campus housing may need assistance evacuating. The vast majority of students either return home or do not need assistance evacuating.
- iii. **Hardening a Building on FAMU Campus.** The University has received a proposal from an MLD Architects to evaluate the existing Faster – Tanning Building to determine the steps needed to reinforce the existing building to serve as a hurricane structure. The University anticipates that the assessment and evaluation report will be completed by the end of August 2021.
- iv. **Emergency Management Director.** The University is continuing with the hiring process for an Emergency Management Director. This director will be responsible for overseeing all emergency preparedness efforts. The position will report to the University’s Vice President for Student Affairs. As of May 17, 2021, the position was being advertised. The top three prospects were provided to the Vice President for Student Affairs for his review and consideration during August 2021. The Vice President for Student Affairs indicated that the goal is for the position to be filled prior to the September 2021 FAMU Board meeting.

While the University has made progress on the issues related to identifying a dedicated funding source and establishing an evacuation plan, the Division of Audit will discuss these actions with the new Emergency Management Director, to ensure the actions fully meet industry standards and best practices. Additionally, the issues related to hardening a building on FAMU campus remains unresolved. Therefore, the finding remains **OPEN**, until these plans for building hardening have been finalized and/or implemented.

- b. **Risk:** The original risk level of this item was assessed as **HIGH**. The risk remains **HIGH** for this finding while the University identifies new leadership to oversee the emergency management function, and works to develop comprehensive plans to address issues identified within the current budgetary constraints placed on the University.

Investigation Recommendation Report

August 27, 2021

Report #	Issue	College/ Area	Component and Risk Level	Control Weakness	Recommendation/Policy Determination	Owner	Status
2020-11-05 Issued 04/02/2021	Direct charging of an administrative position to federal grants	College of Agriculture and Food Sciences	COSO Component: Control Environment	The salary for the Associate in Land Grants position was directly charged to two federal grants despite not meeting the criteria for direct charging of an administrative position's salary to federal grants.	Recommendation 1: Determine the percentage of time the Associate in Land Grants worked directly for Evans-Allen research projects and directly for 1890 Cooperative Extension projects based on a reasonable, replicable method supported by documentation for the period of March 2018 through September 2020; and calculate the corresponding total salary and benefits paid for that time. Follow-up with the U.S. Department of Agriculture (USDA) National Institute of Food and Agriculture (NIFA) to determine if any portion of the 1890 Cooperative Extension and Evans-Allen awards used to fund the Associate in Land Grants position salary should be returned to the USDA based on the amount of time not worked directly for research and extension.	Dr. Robert Taylor, Dean, CAFS	Open Dr. Taylor submitted a sizeable proposed corrective action plan to the Division of Audit on 06/14/2021 to address the recommendations issued in DoA Report #2020-11-05. The corrective action plan is currently under review by the Division of Audit to determine the sufficiency of the response. Anticipated Completion Date: 09/30/2021
			Risk Level: Low				
2020-11-05 Issued 04/02/2021	Allocation of administrative salaries to funding sources	College of Agriculture and Food Sciences	COSO Component: Monitoring	CAFS may be charging the salaries for several administrative positions to restricted funding sources, or sources which do not allow for the direct charging of administrative or indirect costs.	Recommendation 2: Evaluate the sources currently used to fund all CAFS administrative positions and ensure the appropriate amounts are allocated to indirect costs when allowed, or to unrestricted sources of funding when indirect or Facilities and Administration costs are not allowed. Determine a method to demonstrate that administrative staff are properly charged to the correct funding sources in compliance with applicable rules.	Dr. Robert Taylor, Dean, CAFS	Open Dr. Taylor submitted a sizeable proposed corrective action plan to the Division of Audit on 06/14/2021 to address the recommendations issued in DoA Report #2020-11-05. The proposal is currently under review by the Division of Audit to determine the sufficiency of the response. Anticipated Completion Date: 09/30/2021
			Risk Level: Low				

Investigation Recommendation Report

August 27, 2021

Report #	Issue	College/ Area	Component and Risk Level	Control Weakness	Recommendation/Policy Determination	Owner	Status
2020-11-05 Issued 04/02/2021	Telecommuting policy applicability	Faculty, College of Agriculture and Food Sciences	<p>COSO Component: Information and Communication</p> <hr/> <p>Risk Level: Low</p>	Non-teaching faculty members may assume the telecommuting policy and agreement terms do not apply to them based on the definition of "eligible employee" included in the policy.	Policy Concern 1: Management should consider revising the applicability and definition of "eligible employee" in University Policy Number UP-03-01, Telecommuting Policy and Agreement, to include non-teaching faculty.	Dr. Maurice Edington, Provost, Office of the Provost	<p>Open</p> <p>Rica Calhoun, Chief Compliance and Ethics Officer, and Dr. Denise Wallace, General Counsel, are coordinating to complete the revisions to the Telecommuting Policy and Implementation Guidelines by October 1.</p> <p>Anticipated Completion Date: 10/01/2021</p>
2020-11-05 Issued 04/02/2021	Compliance with mandatory COVID-19 training	College of Agriculture and Food Sciences	<p>COSO Component: Monitoring</p> <hr/> <p>Risk Level: Low</p>	Staff within CAFS were working on campus without having completed the mandatory COVID-19 training. Monitoring to ensure staff returning to campus had completed the training was not in place in CAFS.	Policy Concern 2: The Office of the Provost should work with the Dean of CAFS to ensure all direct reports are required to complete the mandated COVID-19 training, and consult with the Office of Compliance and Ethics to determine corrective action as deemed appropriate.	Dr. Maurice Edington, Provost, Office of the Provost	<p>Closed</p> <p>All eight of Dean Taylor's direct reports completed the COVID-19 training as of June 11, 2021.</p> <p>Completed: 06/11/2021</p>

Investigation Recommendation Report

August 27, 2021

Report #	Issue	College/ Area	Component and Risk Level	Control Weakness	Recommendation/Policy Determination	Owner	Status
2021-02-19 Issued 04/06/2021	Outside employment and undisclosed conflict of interest	College of Social Sciences, Arts and Humanities	<p>COSO Component: Control Activities</p> <hr/> <p>Risk Level: Low</p>	A faculty member worked for FAMU and another university simultaneously without properly disclosing the outside employment and conflict of interest.	Recommendation: HR should work with the Office of Compliance and Ethics to evaluate the feasibility of automating the conflict of interest disclosure process, ensuring appropriate levels of review, approval, and monitoring. Conflict of Interest disclosures and monitoring have the potential to exploit gaps in coordination between HR and the Office of the Provost, which assumes personnel functions. It may be helpful to consider an HR liaison function in the Office of the Provost that works closely with both offices to maintain continuity and consistency in personnel actions and record management.	<p>Sandi Anderson-Smith, Interim Associate Vice President for Human Resources</p> <p>Rica Calhoun, Chief Compliance and Ethics Officer</p>	<p>Open</p> <p>The Office of Compliance and Ethics has been working to consolidate conflict of interest disclosure forms across institutional and research expectations and create mutually agreeable pathways for automation. Chandra Nandineni with the Office of Information Technology Services has created a module in iRattler for conflict disclosure that the HR/OCE workgroup is refining including offering their second round of edits on July 12, 2021. ITS is currently updating the module as a result of edits identified through the testing process.</p> <p>HR continues to partner with the Office of Provost as it relates to the launch of the HR Satellite, and is working to schedule the next meeting with the Provost.</p> <p>Anticipated Date for next HR meeting with the Office of the Provost is early Fall 2021, prior to 09/30/2021.</p>



Memorandum

To: Craig Reed, Chair, Board of Trustees, Audit and Compliance Committee

From: Joseph K. Maleszewski, Vice President, Division of Audit
Deidre Melton, Associate Vice President for Audit/CRO

CC: Larry Robinson, Ph.D., University President
Board of Trustees Members
Senior Leadership Team Members

Date: August 27, 2021

Re: Status of External Audits

The Division of Audit functions as the University’s official liaison for external auditors to assist management with meeting the requests and understanding various audit requirements. The following is a status of external audits in-progress since our June 2, 2021, report to the Audit and Compliance Committee.

IN PROGRESS FLORIDA AUDITOR GENERAL AUDITS:

Auditor General In-Progress Audits			
Audit	Audit Period	Start Date	Anticipated Report Release Date
Operational Audit	<u>FYE</u> June 30, 2020	May 2021	September 2021
Financial Statement	<u>FYE</u> June 30, 2021	June 2021	March 2022

On August 18, 2021, the Florida Auditor General Office held the FAMU Operational Audit Exit Conference meeting and communicated six possible issues¹ that could be included within the anticipated September 2021 report.

IN PROGRESS DIRECT SUPPORT ORGANIZATION (DSO) AUDITS:

In-Progress DSO Audits			
Organization	Audit Period	Expected Start Date	Anticipated Report Release Date
FAMU Foundation	<u>FYE</u> June 30, 2021	August 2021	October 2021
FAMU National Alumni Association	<u>FYE</u> June 30, 2021	August 2021	October 2021
FAMU Rattler Boosters’ Inc.	<u>FYE</u> June 30, 2021	August 2021	October 2021

¹ 1) Special Purpose Investment Account; 2) P-cards; 3) BOG Reporting of State University Student Fees; 4) Athletics Deficit; 5) Construction – General Condition Costs; and 6) Construction-Subcontractor selection and monitoring.



FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

Annual Report

FY 2020-2021



August 2021

● ACCOUNTABILITY ● INTEGRITY ● EFFICIENCY

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Division of Audit Introduction, Vision, and Mission



Introduction

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the University. It assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the University's governance, risk management, and internal control processes.



To accomplish its mission, the University must maintain the confidence of its Board of Trustees, faculty, staff, students, alumni, the public, elected officials, and various other stakeholders. The Division of Audit provides valuable support in maintaining the public's confidence by performing independent and objective reviews, and reporting their findings to the Audit and Compliance Committee and responsible administrative and academic officers so that corrective actions or enhancements can be initiated.

Vision

We will be championed by our customers, benchmarked by our peers (counterparts), and dedicated to excellence in our products and services.

Mission

We add value to FAMU and its stakeholders by promoting accountability, integrity, and efficiency through excellence in auditing, investigations, advisory services, management reviews, and technical assistance.

Message from the Vice President of Division of Audit



I am pleased to submit the FAMU Division of Audit Annual Report for the fiscal year ended June 30, 2021.

Our team continues to work hard to meet our mission to add value to FAMU and its stakeholders by promoting accountability, integrity, and efficiency through excellence in auditing, investigations, management reviews, and technical assistance.

Due to COVID-19 impacts our team transitioned to new ways of conducting our work remotely, including: conducting audit and investigative work remotely; converting in-person trainings to webinars; and collaborating virtually as one team. Despite these challenges, I am proud of the team's dedication to our mission and productivity throughout these challenging times.

The Division of Audit team looks forward to continuing our work with FAMU leadership and Board of Trustees members to help the University meet its mission as we march to the Top 100.

Joseph K. Maleszewski, Vice President for Audit

VALUES

- Integrity
- Objectivity
- Competence
- Confidentially
- Fairness
- Professional
- Personable
- Empathetic

PRIORITIES

- Awareness
- Sufficiency
- Timeliness
- Added-Value

FY 2020-2021 Division of Audit Accomplishments



Provided Assurance Services related to Performance Based Funding Data Integrity, Coronavirus Aid, Relief, and Economic Security (CARES) Act's Higher Education Emergency Relief Fund (HEERF), Active Directory Security and Management, Federal Contracts and Grants Disclosure, and Review of HEERF II Institutional Funds for Student Financial Support.



Conducted various projects in addition to assurance services. These projects included investigations, advisory and consulting services, management requests, and continuous monitoring projects.



Worked with University management to validate and close 16 audit and investigation findings. Provided timely finding status updates to the Board of Trustees and the President.



Developed FAMU Fraud Policy 2020-01, which was adopted by the Board of Trustees in December 2020. Developed new FAMU Fraud Prevention and Detection Regulation, (1.023) that establishes risk management strategies to prevent and detect fraud. The Fraud Regulation was approved by the Board of Trustees in June 2021.



Launched the Division's data analytics program that aims at building an effective data analytics function to carry out projects that will add value to the University community.



Provided various training sessions to the University community. Primary training sessions included: 1) Board of Trustees Governance Primer; 2) Internal Controls; 3) Internal Controls Assessment; 4) FAMU Management Seminar - Enterprise Risk Management; 5) FAMU Management Seminar - Preparing for Audit; and 6) FAMU Fundamentals - Fraud Awareness.



Celebrated International Internal Audit Awareness Month in May 2021 by holding a Fraud, Risk, and Controls Virtual Town Hall; hosting a Virtual Audit Awareness Scavenger Hunt; releasing the inaugural newsletter edition of "The Audit Report"; and conducting a University-wide Phishing Campaign in partnership with FAMU Information Technology Services.



Participated in FAMU's Relay for Life fund raiser in April 2021. Our team surpassed our goal and raised over \$1,000 to help the American Cancer Society sustain critical research and patient services in this difficult time.

Governing Standards and Services

The Division’s activities for audit (assurance), advisory, and investigative services are governed by the following professional standards:

Governing Body	Standards	Division Services
	<i>International Professional Practices Framework</i> published by the Institute of Internal Auditors, Inc.	Audit Advisory
	<i>Government Auditing Standards</i> published by the United States Government Accountability Office	Audit Advisory
	<i>Information Technology Assurance Framework</i> published by ISACA	Audit
 <p>ASSOCIATION OF INSPECTORS GENERAL <i>Advancing Professionalism, Accountability & Integrity</i></p>	<i>Principles and Standards for Offices of Inspector General</i> published by the Association of Inspector General	Investigation
	<i>Standards for Complaint Handling and Investigations for the State University System of Florida</i> published by the State University System of Florida	Investigation

In addition to the core services of audit, advisory, and investigation, the Division conducts management reviews and provides technical assistance.

				
<p>Audits</p> <p>Compliance, Operational, IT and Financial Related (excluding financial statement audits)</p>	<p>Management Reviews</p> <p>Evaluation of management processes and systems for performance, continuous improvement, effectiveness, efficiency, and suitability of policies and objectives</p>	<p>Advisory & Consulting</p> <p>Wide range of activities, including assessing proposed or existing processes, improving strategic and business objectives, analyzing controls, emerging risk, etc.</p>	<p>Technical Assistance</p> <p>Training (internal controls, fraud, risk), policy and process revisions and development, external audit liaison, business impact analysis, and risk identification</p>	<p>Investigations</p> <p>Fraud, waste, abuse, and Florida Whistleblower Act</p>

Audit Services

During FY 2020-2021, the Division completed the seven (7) audit projects listed below.

Title	Issue Date	Report No.
Active Directory Security and Management CONFIDENTIAL	11/30/2020	20-21-0001
Performance-Based Funding Data Integrity Audit	2/19/2021	20-21-0002
CARES Act HEERF – Institutional Portion	4/6/2021	20-21-0003
CARES Act HEERF – Student Aid Portion	4/6/2021	20-21-0004
CARES Act HEERF – HBCU/HBGI	4/27/2021	20-21-0005
Federal Contracts and Grants Disclosure	6/11/2021	20-21-0008
Review of HEERF II Institutional Funds for Student Financial Support	6/30/2021	Management Letter

Active Directory Security and Management CONFIDENTIAL Report No. 20-21-0001



In accordance with Division of Audit’s Annual Work Plan, approved by FAMU’s Board of Trustees, we reviewed the University Information Technology Services’ (ITS) procedures and controls for securing the Windows Active Directory environment. We benchmarked the ITS’ procedures and controls against industry leading practices and Microsoft’s recommended controls to identify areas for improvements. The main areas we reviewed included the following:

- Administrator account management;
- User account management;
- Security events monitoring;
- Password policy settings;
- Domain security policy setting;
- Audit policy setting;
- Active Directory security assessment; and
- Domain controller disaster recovery and data backup

Due to sensitivity and confidentiality of the audit, the findings and recommendations were communicated with University Board of Trustees during a closed-door session at the December 2020 BOT meeting.

Performance-Based Funding Data Integrity Audit Report No. 20-21-0002

Florida Statutes 1001.92 – State University System Performance-Based Incentive governs the funding model under which state universities obtain state funding.

Florida Statutes 1001.076 (5)(e) – Powers and Duties of the Board of Governors requires Florida A&M University to conduct an annual audit of data submitted to the Florida Board of Governors (FLBOG).

We performed the Performance-Based Funding Data Integrity Audit to verify the data submitted for Fall 2019, Spring 2020, and Summer 2020 academic semesters that supports the University’s performance funding metrics 5, 6, 8, 9 and 10; evaluated the University’s processes for completeness, accuracy, and timeliness of performance funding data submissions; and reviewed other University actions that impact the University’s Data Integrity Certification required by the FLBOG.

The audit did not reveal any material errors within the data files submitted by FAMU and found that the controls and processes established by FAMU were adequate to ensure completeness.

FAMU Performance-Based Funding Metrics (Selected for Review)



Data Integrity Certification

Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
12. I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Data Integrity Certification Representations, Signatures	
I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.	
Certification: <u>Harry Robinson</u> <small>DocuSigned by:</small> President	Date: <u>2/26/2021</u>
I certify that this Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge.	
Certification: <u>Kevin Lawson</u> <small>DocuSigned by:</small> Board of Trustees Chair	Date: <u>2/26/2021</u>

CARES Act HEERF – Institutional Portion Report No. 20-21-0003

We completed our audit of the Coronavirus Aid, Relief, and Economic Security (CARES) Act’s Higher Education Emergency Relief Fund (HEERF) – Institutional Portion, totaling \$6,525,662. Our evaluation of compliance with the related Certification and Agreement, reporting requirements, allowable use of funds as outlined in the CARES Act, subsequent United States Department of Education (USDOE) guidance, and State University System of Florida Board of Governors publication of the CARES Act Higher Education Emergency Relief Fund Compliance Guidance found the following for the period March 13, 2020 to October 31, 2020:

 <p>Reimbursement Costs</p> <p>The University reimbursed themselves only for allowable costs incurred after March 13, 2020:</p> <ul style="list-style-type: none"> • Meal Plan Refunds: \$1,407,449 • Housing Refunds: \$2,400,378 • Delivery of Instruction: \$2,717,835 	 <p>Senior Administrator Expenses</p> <p>The Division of Audit did not identify payments made for any senior administrator or executive salary, benefits, or other forms of compensation.</p>
 <p>Certification of Funding and Agreement</p> <p>The University signed and returned the Certification of Funding and Agreement to the U.S. Department of Education on July 6, 2020, acknowledging the terms and conditions.</p>	 <p>One Year Deadline for Funds Expenditure</p> <p>The University expended the full amount of Institutional Costs funds prior to the filing of their October 30, 2020, quarterly report, which they communicated to USDOE on the reporting form as their final report.</p>
 <p>Funds Compliance Documentation</p> <p>The University has documented compliance with the use of these funds through the required USDOE reporting and through this audit performed by the Division of Audit.</p>	 <p>Reporting</p> <p>The University posted the required 30-day, 45-day, and Quarterly report timely and accurately to the University’s COVID-19 webpage.</p>
 <p>50% Spending Limit of HEERF Funds</p> <p>The University spent \$6,525,662 to cover costs related to significant changes in delivery instruction due to the coronavirus act. This expenditure total represents 50% of the \$13,051,325 allocated to the University.</p>	 <p>Unallowable Expenses</p> <p>DoA’s review of expenditures related to Institutional Costs funds did not identify payment to contractors for pre-enrollment recruitment activity, endowments, capital outlays associated with facilities to athletics, sectarian instruction, or religious worship.</p>

We assessed internal controls put in place to manage the Institutional Portion funds in accordance with the Committee of Sponsoring Organizations of the Treadway Commission’s (COSO) Internal Control-Integrated Framework. In general, internal controls were in place and operating effectively to support compliance with federal guidelines related to the use of the Institutional Portion funds. However, our assessment identified that controls could be strengthened in the areas listed below:

- Budget summaries development,
- System or documentation storage, and
- Process for tracking the funds.

CARES Act HEERF – Student Aid Portion Report No. 20-21-0004

We completed our audit of the CARES Act HEERF – Student Financial Aid Portion, totaling \$6,525,663. Our evaluation of compliance with the related Certification and Agreement, reporting requirements, awards to students as outlined in the CARES Act, subsequent USDOE guidance, and State University System of Florida Board of Governors publication of the CARES Act Higher Education Emergency Relief Fund Compliance Guidance found the following for the period March 13, 2020 to December 31, 2020:

 <p>Tier Awards The University allocated emergency financial grants to 6,632 students with significant need automatically in tier amounts, including:</p> <ul style="list-style-type: none"> • Undergraduates (Pell) - \$932 • Undergraduates (Non-Pell) - \$858 • Graduate/Professional - \$647 	<p>University Tier Award Process</p>  <p>DoA reviewed the tier awarding process the University implemented, which promptly provided emergency financial grants directly to students based off of maximum need.</p>
<p>Certification and Agreement</p>  <p>The University signed and returned the Certification and Agreement to the U.S. Department of Education on April 9, 2020 acknowledging the terms and conditions.</p>	<p>One Year Deadline for Funds Expenditure</p>  <p>The University expended the entire Student Aid award amount of \$6,525,663 as of January 12, 2021.</p>
<p>Funds Compliance Documentation</p>  <p>The University documented compliance with the use of these funds through the required USDOE reporting and through this audit performed by DoA.</p>	<p>Reporting</p>  <p>The University posted the required 30-day, 45-day, and quarterly reports timely and accurately to the University's COVID-19 webpage.</p>
<p>50% (\$6,525,663) of HEERF Funds</p>  <p>The University provided 50 percent of the HEERF funds to students through direct payments using an automated tier system and grant applications.</p>	<p>Grant Application Awards</p>  <p>The University's COVID-19 Emergency Student Financial Assistance Application process, which awarded \$1,000 grant to 606 students who demonstrated financial need due to the COVID-19 pandemic, was in compliance with USDOE and CARES Act requirements.</p>

We assessed internal controls put in place to manage the Institutional Portion funds in accordance with the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control-Integrated Framework. In general, internal controls were in place and operating effectively to support compliance with federal guidelines related to the use of the Institutional Portion funds. However, our assessment identified that controls could be strengthened in the areas described below:

- Controls to validate award amounts, and
- Controls to identify ineligible students of Student Aid Portion funds.

CARES Act HEERF – HBCU/HBGI Report No. 20-21-0005

We completed our audit of the CARES Act HEERF - Historically Black Colleges and Universities (HBCU) and Historically Black Graduate Institutions (HBGI) portions, totaling \$26,309,331. We evaluated compliance with the related Certification and Agreement, reporting requirements, allowable use of funds as outlined in the CARES Act, and subsequent (USDOE) guidance. Additionally, we assessed internal controls put in place to manage the HBCU/HBGI funds and the eligible uses of:

- Defraying Costs,
- Student Grants,
- Technology, and
- Training Faculty and Staff

Our evaluation found the following for the period of March 13, 2020 to November 30, 2020:

 <h3>Expenditures</h3> <p>The University allocated HBCU funds in the following allowable categories:</p> <ul style="list-style-type: none">• Student Grants• Delivery of Instruction• Training for University Staff• Payroll	 <h3>Senior Administrator Expenses</h3> <p>No payments made for any senior administrator or executive salaries, benefits, bonuses or stock buybacks/ options were identified</p>
 <h3>Certification and Agreement</h3> <p>The University signed and returned the Certification of Funding and Agreement to the U.S. Department of Education on April 30, 2020, acknowledging the terms and conditions</p>	 <h3>One Year Deadline for Funds Expenditure</h3> <p>The University reported on the February 11, 2021, quarterly report expending \$16,964,435 and is on track to meet the one year deadline</p>
 <h3>Funds Compliance Documentation</h3> <p>The University has documented compliance with the use of these funds through the required USDOE reporting and through this audit</p>	 <h3>Reporting</h3> <p>The University posted the quarterly reports timely and accurately to the University's COVID-19 webpage</p>
 <h3>CARES Act HBCU Student Grants</h3> <p>The University awarded \$2,001,750 to 1,428 eligible students as of November 6, 2020, to assist students with covering expenses related to the COVID-19 pandemic</p>	 <h3>Budget Process</h3> <p>There was an effective budget process and expenditures aligned with the budget</p>

Federal Contracts and Grants Disclosure Report No. 20-21-0008

On January 21, 2020, the Florida House of Representatives, Select Committee on Integrity of Research Institutions met regarding foreign corruption of research institutions. In response to concerns raised during the meeting, Florida Board of Governors, Chair Kitson, sent a letter to SUS Presidents regarding foreign influence disclosure policies, procedures, and practices.

On January 30, 2020, FAMU President Larry Robinson, Ph.D., responded in a letter to Chair Kitson, stating the University will cooperate with the Committee and its inquiry. Additionally, President Robinson informed Chair Kitson, that he had directed the Chief Audit Executive to undertake an audit of FAMU’s compliance with federal agency disclosure policies for federal contracts and grants.

We undertook the assurance service and focused the audit on the following objectives. The audit results are included below. We provided management with recommendations for areas that improvements are needed.

	OBJECTIVES	RESULTS
	<p>Internal Controls – Conflicts of Interest Reporting: Assessed the design and operating effectiveness of internal controls over reporting and follow-up on identified conflict of interest issues</p>	<p>Satisfactory</p>
	<p>Training – Financial Conflict of Interest/Foreign Influence: Assessed the completeness of training to ensure that all personnel are aware of foreign influence and financial conflict of interest disclosure requirements</p>	<p>Satisfactory</p>
	<p>Foreign Disclosure Reporting: Assessed whether the University and/or FAMU Foundation had complied with foreign disclosure reporting requirements related to Section 117 of the Higher Education Act for contracts and gifts over \$250,000</p>	<p>Improvement Needed</p>
	<p>Undisclosed – Financial Support or Foreign Components: Evaluated internal and external information to identify potentially undisclosed financial support and/or foreign components</p>	<p>Improvement Needed</p>

Review of HEERF II Institutional Funds for Student Financial Support (Management Letter)

At the request of President Robinson, the Division of Audit reviewed the proposed use of the Higher Education Emergency Relief Fund (HEERF) II – Institutional funds to provide student support by paying down certain student account balances.

The HEERF II funds were authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Public Law 116-260, signed into law on Dec. 27, 2020. In total, the CRRSAA authorizes \$81.88 billion in support for education.

On March 19, 2021, the USDOE published HEERF Lost Revenue Frequently Asked Questions which included guidance on the concept and scope of reimbursing, calculating, and reporting for lost revenue under the HEERF grant programs.

The chart below illustrated our review objectives and results:

Objective	University Action	Results
Determine if the revenues being classified as lost revenue, falls within an allowable category as outlined in USDOE guidance.	Revenues identified as lost revenue were for discharging unpaid student account receivables.	Satisfactory
Determine if the lost revenue identified, occurred on or after March 13, 2020	Students that were eligible for debt forgiveness were enrolled in the University on or after March 13, 2020.	Satisfactory
Determine if the funding source was appropriate.	The identified funds for reimbursement were from HEERF II (a)(2) funds.	Satisfactory
Review the documentation to support the lost revenue reimbursement included an estimate of lost revenue, rationale, calculations, methodology, and underlying data.	Documentation included: <ul style="list-style-type: none"> • Amount: \$2,970,340.46 • Methodology: Outlined in Controller Memorandum to CFO Robertson on June 30, 2021. • Calculations/Data: SQL query FAMU_SF_COVID_BAL_PAYOFF utilized to pull the student account balances. 	Satisfactory

Based on our review we concluded that the documentation provided supports the use of HEERF II Institutional funding to discharge student debt or unpaid balances for students who accrued balance during the specified time period. The query used to pull student account balances was consistent with the specified criteria and in line with the USDOE guidance.

Audit Follow-ups

Audit follow-ups are completed for any outstanding audit findings disclosed in audit services and may be completed for other engagements, such as risk assessments. Periodic audit follow-up reports are provided to the BOT's Audit and Compliance Committee, the President, and the Senior Leadership Team on the status of implementation of corrective actions.

During the fiscal year, there were fifteen (15) open audit findings¹. At the end of the fiscal year, eleven (11), or 73% of the 15 findings were closed and four (4) remained open. Closed audit findings are findings on which management has completed, and the Division has validated, corrective actions. Open audit findings are those which either management has not taken full and complete corrective actions or the Division has not validated the effectiveness of corrective actions taken.

The details of our follow-ups are described below:

11 Closed Audit Findings as of June 30, 2021	
	2017-18 Cloud Security Governance Audit: Disaster Recovery
	2017-18 Athletic Expense Review: Failure to Attend Mandatory University Fiscal and Compliance Training
	2018-19 Risk Assessment: Hazardous Lab Chemicals
	2018-19 Risk Assessment: IT Governance Committee
	IT Governance Committee: The University Lacked the Establishment of an IT Governance Committee
	2019 Crowe Report: Data Protection – Employee Removable Media
	FAMU DRS Florida Education Finance Program/Full-Time Equivalent Student Enrollment (8/2020): 0351-02 Reported Student Course Schedules Not in Agreement with Bell Schedules
	FAMU DRS Florida Education Finance Program/Full-Time Equivalent Student Enrollment (8/2020): 0351-04 Incorrectly Reported ESE Student Course Schedule
	FAMU DRS Florida Education Finance Program/Full-Time Equivalent Student Enrollment (8/2020): 0351-05 Exceeding 6-Year Maximum Period Allowed for ESOL Funding
	FAMU DRS Florida Education Finance Program/Full-Time Equivalent Student Enrollment (8/2020): 035171/72 Teachers Not Certified or Approved to Teach Out-of-Field. No Parent Notification of Teacher Out-of-Field Teaching Status
	FAMU DRS Florida Education Finance Program/Full-Time Equivalent Student Enrollment (8/2020): 035173 Valid Florida Teaching Certificate

¹ Due to security and confidentiality, we did not include the finding status of the audit of Active Directory Security and Management in the report.

4 Open Audit Findings as of June 30, 2021 (Partially Corrected)

	2018 Operational Audit Findings: Intercollegiate Athletic Programs – Deficit Cash Balances
	2018-19 Risk Assessment: Emergency Preparedness
	2018-19 Risk Assessment: Bragg Stadium Safety & Maintenance
	2019 Crowe Report: Information Security – Policies and Procedures

Severity Risk Level  High Risk  Medium Risk  Low Risk

Continuous Monitoring Services

Continuous monitoring provides management timely identification of new issues; transaction errors; abuse, fraud, and non-compliance; and ongoing assurance over risk management and internal controls, as well as the ability to assess and prioritize resources. During FY 2020-2021, the Division performed four (4) continuous monitoring projects including:

Auxiliary Transfers

At President Robinson's direction the Division of Audit performs periodic reviews of general ledger journal transfers to evaluate compliance with Florida Board of Governors Regulation - 9.013 Auxiliary Operations. We reviewed supporting documentation within iRattler (PeopleSoft) for journal entries within Fund Code 115 (Athletics) and Fund Code 116 (Auxiliary Services). Our review found no journal entries were made contrary to Florida Board of Governors Regulation 9.013 - Auxiliary Operations.

The Knight Foundation

The Resolution Plan submitted by FAMU and accepted by the Knight Foundation in response to the Observation of 'Lack of Expenditure Controls' in the Grant Expenditure Monitoring Report (May 2017) included an Oversight Plan. One provision of the plan includes quarterly audits by the Division to ensure new processes and controls are being followed and working effectively. For this fiscal year, the Division audited supporting documentation submitted by the School of Journalism and Graphic Communication to the Academic Affairs and FAMU Foundation for expenses for Knight Foundation Grant #90-325 and for Knight Foundation Grant #9800217 to ensure compliance with grant terms.

Purchasing Card

The Division used audit data analysis tool "IDEA" to focus on unallowable expenses and identify P-card use trend and spending pattern to ensure compliance and detect fraud. Some sample analytics performed by the Division are described below:

- P-card spending trend by vendor and P-card holders;
- Duplicated transactions;
- Questionable Merchant Category Code (MCC) code review;
- Weekend transactions; and
- Other reasonableness reviews.

Textbook Affordability

The Division continuously monitors the University's requirement to comply with Florida Statute 1004.085(6) regarding textbook affordability. Specifically, we obtained and monitored the timely posting of textbook information throughout the academic year to ensure that students understood course textbook requirements and had sufficient time to consider textbook purchase options and limit their textbook costs. The goal was to be proactive and assist management with identifying and remediating textbook adoption issues, and enhance the University's efforts to comply with the State's Textbook and Instructional Materials Affordability law.

Management Request

Internal Controls Assurance Statement June 2021

In accordance with BOT Policy 2019-01, the President and the President’s administration are responsible for establishing, maintaining, and consistently applying internal controls designed to:

- 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.

Additionally, the BOT charged the President with the responsibility for assessing the effectiveness of the University’s system of internal controls and reporting annually to the BOT regarding the University’s internal controls, any identified weaknesses, and associated corrective actions.

The Division worked with the President to:

- Provide internal controls training to all management, faculty, and staff;
- Develop an internal control self-assessment tool for use by divisions, colleges, and schools; and
- Evaluate the University’s overall internal control system based on the five components of the COSO Framework.

Below is the timeline of events used by the University to develop the internal controls assurance statement and FAMU’s maturity level of the COSO components of controls as a result of the internal controls framework assessment, respectively.



COSO Internal Control Component	Average Maturity Level
1. Control Environment	4
2. Risk Assessment	3.75
3. Control Activities	3.67
4. Information and Communication	4
5. Monitoring Activities	4.5

Management Letter

Status of Select Athletics Reporting Requirements

The Division serves as a proactive business partner to Athletics. Through assurance and consulting services, the Division, evaluates Athletics to provide information to improve the effectiveness and efficiency of operations, risk management, control, and governance processes. We issued a Management Letter (memorandum) on December 16, 2020, and provided relevant University officials and departments updates on the status of FAMU Athletics' compliance with reporting requirements to their governing bodies. The table below summarized the status of the four select reporting requirements (As of December 2020):

Fiscal Year End	Equity in Athletics Report USDOE Due: Annually October 31	NCAA Financial Reporting NCAA Bylaws 3.2.4.15 Due: Annually January 15	AUP Report NCAA Bylaws 3.2.4.15.1 Due: Annually January 15	Elective Financial Audit BOT 2005-16 Best Practice Due Date: Annually March 31
June 30, 2017	Data was submitted during October 2017	Data was reported to the NCAA by the Former FAMU Budget Director	Engagement Letter (Signed 2/2/18) Report Not Issued Due Date: January 2018	Engagement Letter (Signed 2/2/18) Report Issued: February 13, 2019 James Moore
June 30, 2018	Data was submitted during October 2018 by the Former FAMU Budget Director	Data was reported to the NCAA by the Former FAMU Budget Director.	No Engagement Letter Report Past Due Due Date: January 2019	Engagement Letter (Dated 3/29/19) Report Issued February 20, 2020 James Moore
June 30, 2019	Data was submitted on October 30, 2019 by the FAMU Athletics Budget Director	Data was reported to the NCAA by the Former FAMU Athletics Budget Director	Engagement Letter (Signed 2/27/20) Report Not Issued Due Date: January 2020	Engagement Letter (Signed 2/27/20) Report Issued October 15, 2020 James Moore
June 30, 2020	Data was submitted on December 15, 2020 by the FAMU Senior Associate Athletics Director, Business and Finance/SWA. Due Date Was: January 2021	FAMU Senior Associate Athletics Director, Business and Finance/SWA is tentatively assigned to submit this information. Due Date: January 2021	No Engagement Letter Due Date: January 2021	Engagement Letter (Signed 12/15/20) Best Practice Due Date: March 2021

Legend: ■ = Report issue date after deadline
■ = Report not issued or past due

Investigations

Investigations result from information reported to the Division through the University's hotline; correspondence provided directly to the Division in the form of letters, memoranda, emails, and telephone calls; from the Florida Board of Governors; the Governor's Office of the Chief Inspector General; and other sources.

During fiscal year 2020-2021, the Division received 16 cases. The following table summarizes each case and their status.

<i>Item</i>	<i>Case #</i>	<i>Topic</i>	<i>Determination</i>	<i>Case Type</i>	<i>Case Status</i>
1	20-08-0003	Improper Approval and Reimbursement of Travel Expenses	Not Substantiated	Investigation	Closed
2	2020-10-04	Outside Employment and Conflict of Interest	Inconclusive	Investigation	Closed
3	2020-11-05	CAFS Land Grants Administrative Position Funding	Partially Substantiated	Investigation	Closed and Recommendations Issued to Management
4	2021-02-19	Outside Employment and Conflict of Interest	Substantiated	Investigation	Closed and Recommendations Issued to Management
5	2021-05-28	Investigation Interference	Not Substantiated	Investigation	Closed
6	2020-01-27	FAMU PD Records, Staffing, and Accreditation	N/A	Investigation	Open
7	2020-11-11	Unauthorized Teaching, Outside Employment and Conflict of Interest	N/A	Investigation	Open
8	2021-11-12	Unauthorized Adjustment of Employee Timesheet	N/A	Inquiry	Closed
9	2021-01-15	Student/Faculty Dispute	N/A	Inquiry	Closed
10	2020-11-08	Student Loan Dispute	N/A	Inquiry	Referred Out
11	2020-11-09	Student Loan Dispute	N/A	Inquiry	Referred Out
12	2021-03-22	Loan Fraud	N/A	Inquiry	Referred Out
13	2021-05-25	Faculty/Dean Dispute	N/A	Inquiry	Referred Out
14	2021-05-26	Unauthorized Scholarship Offer	N/A	Inquiry	Open
15	2021-05-27	Forgery and Plagiarism Case Review	N/A	Inquiry	Open
16	CAFS Farms	Unauthorized Sale of University Property	N/A	Inquiry	Open

Status of Investigative Internal Control Recommendations

We assessed internal controls within departments, colleges, and schools as part of the investigative process in an effort to assist with preventing future reoccurrence of a similar issue or complaint.

The table listed below highlights the internal controls recommendations, and their statuses as identified in three investigations over the past fiscal year. In the table, the internal controls are mapped to the five components of control within the COSO Internal Controls – Integrated Framework that the University adopted in December 2019.

In summary, five of the six recommendations remain open while one item was closed

Report #	Issue	Control Assessment	COSO Component	Recommendation	Status
19-08-002 Issued 06/19/2020	Improper use of P-card	Control Deficiency	Control Environment	<ul style="list-style-type: none"> Provide travel training to all travelers, travel representatives, and travel approvers within CAFS. 	Closed 05/11/2021
2020-11-05 Issued 04/02/2021	Direct charging of an administrative position to federal grants	Control Deficiency	Control Environment	<ul style="list-style-type: none"> Determine time allocation and associated salary for the Associate in Land Grants position for March 2018 to September 2020, spent working directly on USDA grants. Follow-up with USDA to determine if any portion of the position salary must be repaid based on the above calculations. 	Open 06/14/2021
2020-11-05 Issued 04/02/2021	Allocation of administrative salaries to funding sources	Control Weakness	Monitoring	<ul style="list-style-type: none"> Evaluate the sources currently used to fund all CAFS administrative positions for compliance with funding terms. Develop a process for documenting administrative staff time and how the associated salary is to be charged to appropriate funding sources. 	Open 06/14/2021
2020-11-05 Issued 04/02/2021	Telecommuting policy applicability	Control Weakness	Information and Communication	<ul style="list-style-type: none"> Management should consider revising the applicability and definition of “eligible employee” in University Policy Number UP-03-01, Telecommuting Policy and Agreement, to include non-teaching faculty. 	Open TBD
2020-11-05 Issued 04/02/2021	Compliance with mandatory COVID-19 training	Control Weakness	Monitoring	<ul style="list-style-type: none"> Ensure all CAFS employees, who are required to complete the mandated COVID-19 training, have taken the training. 	Open 08/2/2021
2021-02-19 Issued 04/06/2021	Outside employment and undisclosed conflict of interest	Control Process Improvement	Control Activities	<ul style="list-style-type: none"> Evaluate the feasibility of automating the conflict of interest disclosure process, ensuring appropriate levels of review, approval, and monitoring. Consider an HR liaison function in the Office of the Provost that works closely with Human Resources and Office of Compliance and Ethics to maintain continuity and consistency in personnel actions and record management. 	Open 06/21/2021

Risk Assessments

Risk Assessment July 2020 – June 2021 Report No. 20-21-0005

We conducted our annual risk assessment to develop a meaningful Audit Work Plan for FY2021-2022. Our risk assessment included the development of a risk assessment heat map based upon the Association of College and University Auditors’ (ACUA) risk dictionary. This heat map illustrates the University’s changing risks over a three-year period (FY 2018-2019 to FY 2020-2021) in 136 risk categories within the following 12 risk theme areas:

- | | | | |
|-----------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------|-----------------------------------------|
|  | Asset and Risk Management |  | Auxiliary and Service Departments |
|  | Financial Management |  | Human Resources Development |
|  | Information Technology |  | Instruction and Academic Support |
|  | Leadership and Governance |  | Plant Operations and Maintenance |
|  | Purchasing and Warehousing |  | Research and Development |
|  | Student Services |  | University Relations and Alumni Affairs |

The risk information contained in the report should inform management decision-making around opportunities to improve operational efficiencies, enhance academic and operational effectiveness, enhance compliance, and allocate limited staffing, financial, and other resources to their highest and best use. The University can enhance operations and risk management practices in the upcoming 2021-2022 fiscal year by:



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



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



Continuing to cultivate a culture of transparency and accountability



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



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



Continuing efforts to align resource allocation with strategic priorities



Implementing the new fraud regulation called for by the Board of Governors



Enhancing the policy and procedure governance framework to ensure up-to-date and aligned guidance

FY 2021-2022 Work Plan

Our work plan is *risk-based* to provide the most effective coverage of University operations and utilization of the Division's resources in areas where assurance or advisory services can assist management in the achievement of the *University's Strategic Plan Priorities and Goals* and the *President's Goals*.

The Annual Work Plan totaling **14,560** hours, allocated hours to different projects listed in the table below. The plan allocated **1,500** of our available project hours for management requests and special projects and **1,300** hours on projects within the Division to assess and improve the overall efficiency and effectiveness of operations.



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



Continuous Monitoring

4 Projects Totaling 1,840 Hours

Foreign Influence, Construction, Purchase Cards, NIST800171/ NIST800-53 Implementation



Follow-up, Investigations, & Risk Assessments

6 Focus Areas Totaling 2,240 Hours

External Audits & Programs, Follow-Up (Audits, Investigations, & Advisory), Investigations (Whistleblower, Fraud, Waste, Abuse), Division of Audit Risk Assessment, Fraud Risk Management Framework, 2022-2023 Annual Work Plan



Internal Audit Administration

5 Focus Areas Totaling 4,100 Hours

Professional Development, Division Administrative Projects, External Audit Coordination, Quality Assurance Review, General Admin, Leave



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

Other Activities

In addition to the Division’s main responsibilities in audits (assurance), follow-ups, advisory services, investigations, and continuous monitoring activities, we also conducted various projects to promote internal control awareness and improve business processes and compliance. Some key projects are described below:

We provided various training sessions related to governance, internal controls, enterprise risk management, and fraud prevention and detection to the University community.

Internal Controls Training Agenda

- Internal Controls
- Benefits of Internal Controls
- Internal Controls: Statutory Requirements
- FAMU Policy
- Committee on Sponsoring Organizations for the Treadway Commission (COSO) Overview
- Control Objectives & Activities – General Examples
- Internal Control Types & Examples

FAMU Management Seminar Preparing for Audit Agenda

- What is an Audit
- Types of Audits
- External Audits
- Internal Audits
- Audit Process
- Tips for a Successful Audit
- External Audit Liaison Services

Board of Trustees’ Governance Training Agenda

- FAMU BOT Governance
- State University System of Florida (SUS) Governance
- Governing Boards
- Introduction to Board of Governors
- Florida Board of Governors Regulation 1.001
- Association of Governing Boards (AGB): A Board’s Basic Responsibilities
- Q & A

FAMU Fundamentals Fraud Awareness Agenda

- Overview of Fraud
- Facts: Association of Certified Fraud Examiners Report to the Nation
- Fraud in Higher Education
- Fraud Effects and Prevention Strategies
- New FAMU Fraud Policy
- Responsibilities of FAMU Employees
- The Division of Audit’s Roles & Responsibilities

FAMU Management Seminar Enterprise Risk Management Agenda

- What is Risk?
- What is ERM?
- ERM in Higher Ed
- FAMU Risk Management & ERM
- COSO ERM Framework
- ERM Challenges & Reminders
- Q&A



DoA's Data Analytics Program

Following [FAMU's Strategic Plan 2017-2022, Priority #5, Goal Five "Leverage technology and establish a data-driven culture"](#), DoA established a Data Analytics Program in 2020.

Our goal is to build an effective data analytics function to carry out projects that will add value to the University community.

The Division performs the following steps in order to prepare the data for analysis:

1. Clean the data;
2. Consolidate relevant data;
3. Check the quality of the data; and
4. Arrange the data in a format where analysis can be performed.

The Division developed a three-year data analytics strategic plan; acquired the audit data analytics software "IDEA;" received PeopleSoft query training and identified frequently used PeopleSoft queries to be used for future projects; and spearheaded projects using the IDEA tool.

International Audit Awareness Month May 2021

May is International Internal Audit Awareness Month and we celebrated the month of May by actively promoting and raising awareness of Division of Audit's value and role. As a whole, we conducted the following activities during the month:



Fraud, Risk, and Controls Virtual Town Hall

May 6, 2021

Discussions among University community and the panelists.



Scavenger Hunt: Audit Awareness

To Raise audit awareness of the role and contributions of internal auditing at FAMU.



The Audit Report

Publication Released
May 21, 2028

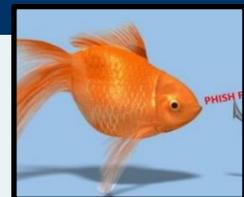
Inaugural DoA Newsletter covering mission, vision, and activities.



Meet the Auditors

Publication Released
May 28, 2021

Experiences, specialties, and fun facts of DoA Team.



Phishing Campaign

Results Released
June 11, 2021

DoA & FAMU Information Technology Services conducted campus wide campaign.



FAMU Fraud Policy

The Division developed FAMU Fraud **Policy 2020-01** which was adopted by the Board of Trustees on December 03, 2020. **Policy 2020-01** was established to facilitate the development of controls that will aid in the detection and prevention of fraud against FAMU.

Policy-2020-01 defines **Fraud** as: Obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity's assets, bribery, or the use of one's position for personal enrichment through the deliberate misuse or misapplication of an organization's resources. Fraud generally means an act of deception, bribery, forgery, extortion, theft, misappropriation, false representation, conspiracy, corruption, collusion, embezzlement, or intentional concealment or the omission of material facts.

FAMU Fraud Regulation

In response to the Florida Board of Governors Regulation 3.003 the FAMU Board of Trustees has adopted **Regulation 1.023** that complements the Fraud Policy, BOT 2020-01. **Regulation 1.023** was approved by the BOT in June 2021 and establishes criteria related to appropriate institutional controls and risk management framework that provide reasonable assurance that fraudulent activities within the university are prevented, detected, reported, and investigated.

This new regulation establishes risk management strategies to prevent and detect fraud and highlights **Anti-Fraud Framework, Responsibilities, Reporting, Rights and Protections of Reporting Individual, Alert Process, and Employee Actions**.

REGULATION CHAPTER TITLE AND NUMBER: Fraud Prevention and Detection, (1.023)

AUTHORITY FOR REGULATION: Section 7, Article IX, Florida Constitution and Board of Governors Regulations 1.001, 3.003, and 4.001 requires each University Board of Trustees to adopt a regulation establishing criteria related to appropriate institutional controls and risk management framework.

OUR TEAM



Joseph Maleszewski Vice President of Audit

University Assurance & Advisory
Specialty Areas:

- Governance
- Controls
- Risk Management

-  Certified Internal Auditor
-  Certified Information Systems Auditor
-  Certified Government Auditing Professional
-  Certified Inspector General
-  Certified Inspector General Auditor
-  Certified Inspector General Investigator
-  Certified Compliance & Ethics Professional
-  Masters of Business Administration

Accountability

Integrity

Efficiency

When did you come to FAMU and why was FAMU your employer of choice?

I came to FAMU in March 2019 to join a dynamic leadership team and board committed to the advancement of this historic institution through its strategic plan – FAMU Rising. I wanted to contribute to the mission and vision of FAMU with my professional background and higher education experience with the State University System of Florida Board of Governors.

How long have you been providing assurance and advisory services in the higher education industry?

I have 29 years of work service primarily in the areas of auditing, investigations, and information technology. Seven of those years have been spent in higher education.

What are your hobbies?

I like to spend time with my family and staying active. I am a skilled woodworker and handy-man. I like challenging myself with running, triathlons, obstacle course racing, Rucking, and fitness.



Deidre Melton Director of Audit

University Assurance & Advisory

Specialty Areas:

- Cybersecurity
- Risk Management
- Internal Controls
- Fraud
- Governance
- Business Process Improvement

-  Certified Internal Auditor
-  Certified Information Systems Auditor
-  Certified Fraud Examiner
-  Certified Information Security Manager
-  Certified in Risk & Information Systems Controls
-  Certified Data Privacy Solutions Engineer
-  Masters of Business Administration

Accountability

Integrity

Efficiency

When did you come to FAMU and why was FAMU your employer of choice?

I started with FAMU in January 2014. FAMU was always where I planned to finish my career. Seeing and experiencing firsthand the passion for, and impact that my uncle (former Vice President of Student Affairs Roland Gaines) and my dean (former School of Business and Industry Dean Sybil Mobley) had on FAMU and its students while I was completing the Five-Year MBA Program motivated me to want to do the same. When an opportunity arose for me to be able to use my expertise to help FAMU excel, I jumped at it.

How long have you been providing assurance and advisory services in the higher education industry?

I have been providing assurance, advisory, and investigative services in higher education for over 15 years. I spent eight years auditing higher ed and K-12 institutions throughout Florida for the Florida Auditor’s General Office before coming to FAMU.

What are your hobbies?

I love reading, interior decorating, arts and crafts projects, spending time with my family (especially my two daughters who are three- and eight-years old), planning (I am a Happy Planner and OhSoPaper fanatic), and singing (I am not great at it, but I am definitely passionate about it).



Carl Threatt, Jr. Lead Senior Auditor

University Assurance & Advisory
Specialty Areas:

- Accounting
- Fraud Prevention and Detection

-  Certified Internal Auditor
-  Certified in Risk Management Assurance
-  Certified Fraud Examiner
-  Certified Inspector General Auditor
-  Certified Inspector General Investigator
-  Certified Compliance & Ethics Professional
-  Lean Six Sigma Green Belt Certification
-  Masters of Business Administration

Accountability

Integrity

Efficiency

When did you come to FAMU and why was FAMU your employer of choice?

I came to FAMU in August 2013 to join an audit team that was assembled to restore integrity within the FAMU Audit and Compliance function. I had previously established the internal audit function at another HBCU in 1998 and relished the opportunity to collaborate with leadership to improve the University's control environment.

How long have you been providing assurance and advisory services in the higher education industry?

I have 28 years of collective experience conducting and coordinating financial, operational and compliance audits in higher education. Before coming to FAMU, I conducted extensive financial statement audit work for five years with the Georgia Department of Audits and Accounts, and spent fifteen years at another HBCU where I served in the roles of Chief Audit Executive and Assistant to the Vice President for Fiscal Affairs.

What are your hobbies?

I enjoy watching and debating professional sports with friends and family. I enjoy watching greatness, so I watch a lot of Tom Brady and LeBron James, my two favorite professional athletes. I am a four-time chess champion and like playing this game whenever I can find a challenging opponent.



Ruoxu Li, CIA, CISA

Sr. IT & Data Analytics Auditor

University Assurance & Advisory Specialty Areas:

- IT/Cybersecurity
- Procurement

Accountability

Integrity

Efficiency

When did you come to FAMU and why was FAMU your employer of choice?

I joined FAMU in 2013. FAMU is one of the best HBCUs. The auditor position that I was applying for matched my expertise and experiences perfectly.

How long have you been providing assurance and advisory services in the higher education industry?

I have worked in higher education for almost 13 years.

What are your hobbies?

I love traveling and photography.



Bill Knight, Jr., CIGA Senior Auditor

University Assurance & Advisory Specialty Areas:

- NCAA Compliance
- Grants Compliance
- College/School Business and Strategic Operations

Accountability

Integrity

Efficiency

When did you come to FAMU and why was FAMU your employer of choice?

I started working at FAMU in June of 2018. I was looking for an auditing job with an organization with a strong tie to the local community and one that valued serving others. A couple of my friends worked at FAMU and always talked about the sense of strong family bond everyone had, as well as the vibrant atmosphere of the university setting. My friends were right... I've had a great experience these past three years.

How long have you been providing assurance and advisory services in the higher education industry?

I have only been working in higher ed for the three years I've been here at FAMU. Before that I worked in assurance and advisory services in state government for 22 years.

What are your hobbies?

It's funny how my hobbies have changed over the years. I used to hunt and fish a good bit before I got married (my wife is not going to see this is she). Raising two kids became my hobby – baseball, softball, cub scouts, dancing, band, etc. Now I just piddle in the yard growing daylilies and playing golf when I can.



Danielle Myrick Auditor

University Assurance & Advisory Specialty Area:

- Contracts

Accountability

Integrity

Efficiency

When did you come to FAMU and why was FAMU your employer of choice?

I came to FAMU in June 2020 to advance my career as an internal auditor.

How long have you been providing assurance and advisory services in the higher education industry?

I have been providing assurance and advisory services in the higher education industry for almost one year.

What are your hobbies?

My hobbies include reading, baking, traveling, exercising, and spending time with family and friends.



Arriet Foster, MBA, CFE, CIGA Senior Auditor

University Assurance & Advisory Specialty Areas:

- Fraud
- Investigations
- Grants Compliance
- Policy Development

Accountability

Integrity

Efficiency

When did you come to FAMU and why was FAMU your employer of choice?

I started with FAMU in October 2020. As the child of two FAMU graduates and a Tallahassee native, the University has played an integral role in my life. I'm excited to be here.

How long have you been providing assurance and advisory services in the higher education industry?

I worked for Florida State University for four years in grants and contracts. While I also worked as an auditor in an Inspector General's Office in state government, joining the audit team at FAMU has given me the opportunity to return to serving the higher education industry.

What are your hobbies?

I am an arts lover – movies, music, dance, design, theatre, and literature. I enjoy studying various forms of human thought and expression. I've recently learned I'm pretty good at axe throwing.



Ms. Debra Barrington Administrative Assistant

Notary Public

Accountability

Integrity

Efficiency

When did you come to FAMU and why was FAMU your employer of choice?

I initially joined FAMU in 1996 and left to work for other state and private agencies. I finally came back to FAMU in 2004 and have been here ever since! I found FAMU to be a discovery of incredible history, full of excitement, and adventure. I love the closeness to sports and the students. Everyone here seeks to advance and is willing to help. People here are continuously encouraged to be determined, never give up, and pursue their dreams.

What are your experiences and expertise?

I started working when I was 14. I took the Corporative Business Education program while I was in high school. That education and training gave me the opportunities to advance administratively and clerkly. I enjoy everything that has to do with administration. During my more than 30-years' career, I have worked for various agencies, including the Offices of Gadsden, Leon, and Wakulla counties, and the City of Tallahassee. I also served as a customer service representative in each state office for which I worked. I enjoy meeting, greeting, and helping people. I helped homeless people finding their homes while working with the City of Tallahassee.

What are your hobbies?

Hairstyling and barbering are my hobbies. I studied at Euro Cosmetology and Barbering College, formally known as Roffler. I also love singing in my church choir, prophetic praise dance, cooking, and spending quality time with my family and friends.

Professional Development and Association

Collectively, the Division staff maintained 14 professional designations/certifications and has expertise covering a variety of disciplines in auditing, financial matters, investigations, fraud, compliance, and information technology.

The Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing*, Section 1230, states that “Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.”

Our staff members maintained active memberships and attended continuing educational webinars in various professional associations. These associations allow Division staff members to establish and advance professional networks, and participate in professional community activities. Staff also served in leadership roles and or committees in the ISACA, ACUA, AIG, and IIA professional organizations.

14 Professional Designations/Certifications

Certified Construction Auditor (CCA)	Certified Inspector General Investigator (CIGI)
Certified Compliance and Ethics Professional (CCEP)	Certified Information Systems Auditor (CISA)
Certified Fraud Examiner (CFE)	Certified Information Security Manager (CISM)
Certified Government Auditing Professional (CGAP)	Certified in Risk and Systems Controls (CRISC)
Certified Internal Auditor (CIA)	Certification in Risk Management Assurance (CRMA)
Certified Inspector General (CIG)	Lean Six Sigma Green Belt Process Improvement Certification (LSSGB)
Certified Inspector General Auditor (CIGA)	Certified Data Privacy Solutions Engineer (CDPSE)

10 Professional Membership Associations



Association of Certified Fraud Examiners (ACFE) – Tallahassee Chapter



Association of College and University Auditors (ACUA)



Association of Government Accountants (AGA)- National and Tallahassee Chapters



Association of Inspectors General (AIG) -National and State Chapters



Construction Audit and Cost Control Institute (CAACCI)



Florida Audit Forum



Florida Government Finance Officers Association (GFOA)



Institute of Internal Auditors (IIA) - National and Tallahassee Chapters



ISACA –National and Tallahassee Chapters



National Association of Construction Auditors (NACA)

Sample Training Attended & Certifications Obtained



ACUA:

- Assessing the Strength of Your Institution’s Academic Integrity Program in a Remote Learning Environment
- Analytics as Part of Every Audit
- Audit Interactive A Higher Education Collaborative Experience

AGA:

- Fraud Risk Management
- Tallahassee Chapter - 2021 Virtual Government Training Event

Galvanize:

- Ready and Resilient: How to Apply Agile Principles to Internal Audit

IIA:

- Exploring Agile Auditing

ISACA:

- April 2021 Educational Session: OT Security

Association Leadership & Services

ACUA’s Audit and Accounting Principles Committee

Chair, ACUA’s Diversity and Inclusive Leadership Committee

Immediate Past President, ISACA Tallahassee Chapter

Past President and non-voting board member of the Tallahassee Chapter of the Institute of Internal Auditors

Leadership Development Chair, SheLeadsTech Tallahassee

SheLeadsTech Council, One in Tech

Advisory Council, Association of Certified Fraud Examiners

Chair, State University System of Florida IT Audit Group

Treasurer, Florida Chapter of the Association of Inspectors General

Institute Faculty, National Association of Inspectors General

Board Member, National Association of Inspectors General

Institute Instructor, Certified Inspector General Institute & Certified Inspector General Auditor Institute

FAMU and State University System (SUS) of Florida Committees

The Division of Audit actively take part in FAMU and the SUS committees to broaden the Division’s exposure and contribute our skills and expertise to the community.

Enterprise Compliance Committee	Information Technology Governance Committee	Diversity & Inclusion Council	Emergency Management Team
State University System (SUS) - Information Technology Auditor Group	State University Audit Council	Incident Response Team	Athletics Strategic Planning Committee

Resources

FAMU Division of Audit Web Page, which includes links to the *Division Charter* and mission statement.

<http://www.famu.edu/index.cfm?AuditandCompliance&AboutAuditandCompliance>

Association of Certified Fraud Examiner

<https://www.acfe.com/>

Association of Colleges and Universities Auditors

www.acua.org

Association of Government Accountants

<https://www.agacgfm.org/home.aspx>

Association of Inspectors General

<http://inspectorsgeneral.org/>

FLBOG Regulations

<http://www.flbog.edu/about/regulations/>

Florida Inspectors General

<http://www.floridaoig.com/>

Institute of Internal Auditors

<http://www.theiia.org/>

ISACA

https://www.isaca.org/Pages/default.aspx?cid=1000270&Appeal=SEM&gclid=CjwKCAjw4NrpBRBsEiwAUcLcDI5F5hwh7a5PsHR0yDLicN_7DMesCn9PcW4w7iQppS6NwsmSvZQADBoC5ZEQAvD_BwE&gclidsrc=aw.ds

National Association of Construction Auditors

<https://thenaca.org/>

Society of Corporate Compliance and Ethics

<https://www.corporatecompliance.org/>



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Phone: (850) 412-5479

Fax: (850) 561-2079

<http://www.famu.edu/index.cfm?AuditandCompliance>

Email: auditandcompliance@famu.edu



“At FAMU, Great Things are Happening Every Day!”



New Offices - DOA is now located on the ground level of the Foote-Hilyer Administration Center (FHAC) in the old Cashier's Office, Suite G7. The move was completed in August 2021. The move allowed DOA to be in the same suite, added space for a conference room for trainings and investigative interviews, and dedicated work space for external auditors.



Enterprise Risk Management – In June 2021, President Larry Robinson, Ph.D., directed the Division of Audit to implement the Enterprise Risk Management function. Additionally, Deidre Melton, the Director of Audit, was appointed as the University's Chief Risk Officer. After working with the appropriate administrative offices to effect this change, On August 20, 2021 the Division of Audit's structure was changed to accommodate this appointment. Ms. Melton became the Associate Vice President for Audit and Chief Risk Officer. Plans are under way to develop the ERM function, while complying with all Institute of Internal Auditor's requirements for safeguards to independence.



Professional Development - Joseph Maleszewski, Deidre Melton, and Arriet Foster attended the 2021 Association of Inspectors General Institute, August 23–27. VP Maleszewski facilitated sessions for the Certified Inspector General and Certified Inspector General Auditor tracks, while AVP Melton and Ms. Foster participated in the Certified Inspector General Investigator track and were awarded certification.



Trainings - DOA will be providing mandatory Internal Controls Training and Enterprise Risk Management trainings beginning in October 2021. Be on alert for the notifications concerning this training.



FLORIDA A&M UNIVERSITY

DIVISION OF AUDIT Organization Chart



Joseph Maleszewski,
Vice President of Audit/CAE



Debra Barrington,
Administrative
Assistant



Deidre Melton,
AVP of Audit/CRO

AUDIT

ERM



Carl Threatt,
Senior Auditor



Arriet Foster,
Lead Senior Auditor &
Investigator



Vacant,
ERM Coordinator



William Knight,
Senior Auditor



Danielle Myrick,
Auditor



Ruoxu Li,
Sr IT & Data Analytics
Auditor