

Florida A&M University
Operational Audit Findings and Corrective Action Plan

Executive Summary

The operational audit of Florida A&M University (FAMU) for the fiscal year ending June 30, 2006, included thirty-five (35) findings and recommendations. As a result of the serious implications of these findings, the Board of Governors appointed a Task Force for FAMU Finance and Operational Control Issues (Task Force). Several news articles have appeared related to this audit and recently the Commission on the Southern Association of Colleges and Schools (SACS) placed FAMU on six (6) month probationary status, citing non-compliance with ten (10) standards and requirements, many related to the findings cited in the operational audit. All of these concerns occurred within days of the arrival of the new president, Dr. James H. Ammons.

Members of the FAMU Board of Trustees, the Presidential Transition team and the Board of Governors' Task Force are all interested in accomplishing the following objectives:

- Identify the root causes that underlie these findings;
- Develop a strategy for addressing these findings; and
- Begin to institutionalize the corrective action.

Further, the campus had taken some actions to address the operational audit. President Ammons and his leadership team have worked diligently to develop a corrective action plan that meets the above objectives. This plan is outlined in the attached matrix.

The accompanying matrix contains a summary of: a) the operational audit issues, b) the audit findings, c) recommendations of the Auditor General, d) corrective actions taken and planned, e) identifies the units responsible for correcting the issues, and f) sets timeframes for completion. In order to ensure that this action plan is comprehensive, the SACS issues are cross-referenced and linked to the pertinent operational audit findings.

As part of the corrective action plan, staff reviewed and grouped the operational audit findings into three (3) categories:

- a) ***Priority items***: This category includes seventeen (17) items that are related to critical areas involving cash, property and critical internal control matters that were of critical concern to the FAMU Board of Trustees, the Task Force, the Auditor General, and resulted from conversations with the new Inspector General, Derrick Harper.
- b) ***Items related to policies and procedures***: The issues in this category require updates and reviews of policies and procedures. These areas will be implemented and verified.
- c) ***Completed items***: There are twenty-two (22) issues in this category that have been addressed and will be verified.

In light of the action taken by SACS, the corrective action plan is designed to resolve the issues related to the audit findings and accreditation issues in a timely fashion. Officials from SACS have noted that they will conduct a campus visit in September 2007 and will review the overall progress at the December 2007 meeting. Therefore, the staff

will work diligently to ensure that most corrective action has been addressed before the September SACS visit. Verification of these actions will occur between October and December 1, 2007. The units identified to take corrective actions will work diligently to resolve the problems expeditiously. The Vice President for Compliance and Audit will manage the overall process.

The operational audit action plan is an iterative document and will have updates as items change. The staff will update the key constituents monthly throughout this process.