

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

Audit and Compliance Committee Meeting
Wednesday, October 5, 2022
10:45 a.m.

Committee Members: Craig Reed, Chair
Ann Marie Cavazos, Michael Dubose, Belvin Perry, and Zachary Chandler Bell

AGENDA

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

ACTION ITEMS

- | | | |
|------|---|--------------|
| III. | Minutes: Consideration of Approval – June 1, 2022 | Trustee Reed |
| IV. | University Code of Conduct (University Regulation 1.019) Update | Rica Calhoun |
| V. | Office of Compliance and Ethics Annual Report and Program Plan | Rica Calhoun |
| VI. | Compliance and Ethics Charter | Rica Calhoun |

INFORMATIONAL ITEMS

- | | | |
|-------|--|---------------------|
| | Audit and Compliance Committee Action Plan FY2022-2023 | Calhoun/Maleszewski |
| | Office of Compliance and Ethics: | Rica Calhoun |
| VII. | Office of Compliance and Ethics Update | |
| | Division of Audit: | Joe Maleszewski |
| VIII. | Audit and Investigative Follow-up | |
| IX. | ERM Best Practices Review | |
| X. | External Audit Updates | |
| XI. | Division of Audit Update | |
| XII. | Adjournment | |

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



Audit & Compliance Committee Meeting

Trustee Craig Reed, Chair

Foster-Tanner Band & Rehearsal Hall

Wednesday, June 1, 2022 - 10:45 AM

Committee Minutes

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

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

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

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

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

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

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

Maleszewski then explained the audit work plan process and reviewed the planned projects. He highlighted that some projects requiring audit coverage were identified in the section of the document entitled Audits and Advisory Services on the Horizon. Vice-Chair Perry thanked VP Maleszewski and asked if there were any questions or comments? Trustee Dubose, asked VP Maleszewski, if the Division of Audit has the team now that can accomplish all of this during this fiscal year and indicated that it seems to be a lot. Trustee Dubose inquired whether there were sufficient resources to accomplish the work plan. Trustee Moore also indicated that there were a number of high priority and time-sensitive items that would not be completed in the coming fiscal year. VP Maleszewski, discussed that, with additional resources, other items could be addressed.

Vice-Chair Perry thanked Mr. Maleszewski for the presentation and requested a motion subject to VP Maleszewski coming back to the Board with additional information regarding resource needs. Trustee Dubose moved to approve the Work Plan. Trustee Cavazos, seconded the motion. The motion carried and the Division of Audit Work Plan was approved.

The fourth action item – Vice-Chair Perry requested VP Maleszewski present, for consideration of approval, the University Policy, Internal Controls and Enterprise Risk Management. VP Maleszewski presented the policy updates. Vice-Chair Perry thanked Mr. Maleszewski for the presentation and requested a motion. Trustee Dubose moved to approve the University Policy. Trustee Cavazos, seconded the motion. The motion carried and the University Policy was approved.

The fifth action item – Vice-Chair Perry recognized Associate Vice President and Chief Risk Officer Melton to present the Enterprise Risk Management Risk Appetite Statement for consideration of approval. AVP/CRO Melton presented the Risk Appetite Statement and responded to questions. Vice-Chair Perry thanked AVP/CRO Melton for the presentation and requested a motion. There was discussion regarding the importance of AVP/CRO Melton having access to the University's leadership to perform the duties of her position. Trustee Cavazos moved to approve of the Risk Appetite Statement. Trustee Dubose seconded the motion. The motion carried and the Risk Appetite Statement was approved. Trustee Dubose requested that the Division of Audit review Enterprise Risk Management best practices, especially in the State University System of Florida, bring that information back to a future meeting, and use that information to adjust as appropriate.

Chief Compliance and Ethics Officer Rica Calhoun presented an Office of Compliance and Ethics Update. This update included information on the FAMU Fundamentals 2022 mandatory training; summary information on complaints and investigations; and other key Office of Compliance and Ethics initiatives (Faculty Misconduct/Retaliation, Retaliation, Health and Safety, Public Records, Foreign Influence, and Conflicts of Interest). Trustee Perry inquired about the level of compliance with the FAMU Fundamentals mandatory training requirement. Ms. Calhoun and Trustees discussed the need for strategies to enhance accountability and monitoring to increase the compliance rate. Chair Lawson encouraged the inclusion of business ethics training targeted specifically for managers and senior leaders. Trustee Cavazos inquired about whether the University's compliance program was sufficiently resourced – specifically to address complaints and investigations. Ms. Calhoun indicated that there are areas

such as privacy and public records which could be better addressed with additional resources. Trustee Harper encouraged the inclusion of requirements for training in annual performance goals and performance evaluations.

Ms. Calhoun discussed details around the Conflict of Interest disclosure requirements and processes. She next provided details around Foreign Influence including House Bill 7017, BOG reporting, Foreign Influence survey and screening, and policy updates.

Ms. Calhoun finished her update with a discussion of what's next. This included implementation of the external review recommendations, FAMU Fundamentals 2022 after-action plans; and Conflict of Interest disclosure automation. Ms. Calhoun reported the departure of Kentrell Kearney from FAMU athletics compliance. Mr. Kearney took an advancement opportunity with Dartmouth College Athletics. Ms. Calhoun reported that Lori Goodart, Financial Aid Coordinator would be serving as Interim Associate Athletics Director for Compliance within the Department of Athletics.

Chair Lawson asked that highlights of recent audits be reviewed. VP Maleszewski advised that a full update would be provided in the next segment of the meeting. Trustee Dubose requested information regarding key risks that "keep you up at night." VP Maleszewski indicated that those items are included as part of the Division of Audit Risk Assessment.

Vice-Chair Perry recognized VP Maleszewski, and AVP/CRO Melton to presented several informational items which included:

- I. Risk Assessment
- II. Quality Assurance and Improvement Program – External Assessment
- III. I/C Assessment – President Robinson's I/C Assurance Statement
- IV. Audit and Investigative Follow-up
- V. External Audit Updates
- VI. Division of Audit Update

As part of the Risk Assessment presentation, VP Maleszewski reviewed 8 key areas for management focus to enhance operations and risk management practices in FY2022-2023. These areas were:

1. Identify a person responsible for assessing and leading privacy efforts across the university;
2. Enhancing the policy and procedure governance framework to ensure up-to-date and aligned guidance;
3. Continuing efforts to align resource allocation with strategic priorities;
4. Enhancing all areas of the employee life cycle to increase the University's ability to recruit and retain high-performing individuals;
5. Enhancing financial and operational controls within the Department of Athletics;
6. Continuing efforts to enhance and expand emergency preparedness and response activities;
7. Continue efforts to build a comprehensive enterprise risk management function; and
8. Continuing to cultivate a culture of transparency and accountability.

VP Maleszewski discussed the useful management information contained in the Risk Assessment and how it pairs well with the management information in the President's Assessment of Internal Controls. VP Maleszewski discussed the 13 areas of risk themes by business unit and the risk heat map containing over 130 risk areas with risk trend information.

VP Maleszewski then reviewed the results of the independent quality assessment and improvement program. This assessment, performed every 5 years, found that the Division of Audit generally conforms to professional standards. This rating is the highest possible rating that can be achieved. The report highlighted areas of strength and opportunities for continues improvement.

VP Maleszewski then provided an overview of the President's annual Internal Controls Assurance Statement. The assessment highlighted areas of strength which included launching an ERM function; development of the strategic plan, policy and regulation assessment, revisions to key policies, allocating budget to areas of strategic priority, as well as training and awareness actives. The President's overall assessment is that internal controls at the university continue to be strong. With continued effort in the areas of highlighted strength it is believed that we will continue to mature our internal controls.

Trustee Dubose highlighted a need to ensure that our contracting processes work effectively and include Legal – he inquired how those processes have been tightened up. VP Maleszewski highlighted advisory services work with the Procurement Office which is ongoing. Contract management and monitoring are key topics for management to consider in the Procurement Office.

VP Maleszewski then reviewed identified areas for improvement including succession planning and career development; accountability measures to strengthen compliance; risk management plans and trainings; entity-wide assessment of business processes; strengthen Direct Support Organizations (DSOs) internal control systems; and communication of BOT meeting outcomes.

AVP/CRO Melton then provided updates on the status of audit findings and related corrective actions. Since the last BOT meeting 4 items were closed. Ms. Melton provided updates on the corrective actions related to Bragg Stadium safety and maintenance; Emergency Preparedness; Federal Contracts and Grants disclosure reporting and policies; and Knight Foundation expenditures.

Ms. Melton then provided updates on the status of investigations-related internal control recommendations and related management actions. Two items were closed since the last report and a number of the other items are anticipated to be closed in the near future. Ms. Melton discussed the Athletics-related items and ongoing efforts to work with Interim AD Smith.

VP Maleszewski provided a status report on recently completed external audits. Those included clean audits from the Auditor General on the Financial Statement Audit for FYE June 30, 2021, and the State of Florida, Compliance and Internal Controls Over Financial Reporting and Federal Awards. In addition, VP Maleszewski highlighted the

positive Auditor General Operation Audit received in January of this year. This audit only noted one minor finding related to the Special Investment Account recording methodology and reconciliation procedures.

External Audits in process included the State-wide Financial Aid Audit – Bright Futures (FYE 2019 & 2020) which will have a noted audit issue with the late return of funds in late Summer and Fall 2020. The report will be forthcoming. VP Maleszewski discussed the Athletics Financial Statement Audit (FYE 2021) which is late and the Athletics annual Agreed Upon Procedures Audit (FYE 2021) which was due in mid-January and is also late. The Crowe DSO Internal Control review for FAMU's three DSOs provided initial observations of internal control weaknesses and we await the final report for each of the three DSOs. Corrective action plans are currently under development.

Trustee Dubose inquired about controls related to Athletics Name, Image, and Likeness (NIL) legislation. VP Maleszewski discussed the current status. AVP/CRO Melton discussed coordinated efforts with the Office of Compliance and Ethics as well as the Division of Legal Affairs. The result of those discussions will drive the review of current activities by Athletics and the Office of Compliance and Ethics. CCO Calhoun emphasized the points made by Ms. Melton.

Chair Lawson asked for perspective on the reported audit findings. VP Maleszewski provided information indicating the positive audit findings reflecting the President's focus on enhancing internal controls. Chair Lawson recognized the heavy lifting that it took to achieve these positive audit results.

AVP/CRO Melton then provided updates for the Division of Audit: highlighting a Senior IT auditor vacancy; hiring of a new staff auditor; internal audit awareness; Division staff leadership roles in professional organizations; and professional speaking engagements. Ms. Melton highlighted the events of International Internal Audit Awareness Month. Finally, she highlighted the Division of Audit staff's professional associations and services.

Trustee Dubose recognized the Division of Audit for their work efforts. Chair Lawson discussed the logistics for assessing resources at an upcoming meeting.

Vice-Chair Perry thereafter adjourned the meeting.

**ACTION ITEM:
University
Regulation 1.019**

Florida Agricultural and Mechanical University



1.019 University Code of Conduct.

As members of the Florida A&M University (University) community, all faculty, staff, students, members of the Board of Trustees, University officers and affiliates are responsible for sustaining the highest ethical standards of professional conduct and integrity for this institution, and for the broader community in which we function. We share responsibility for this institution and for its enterprises. The University's strategic plan outlines the core values we hold as essential to responsible professional behavior, which include: integrity, accountability, innovation, and inclusion. The ethical principles espoused by the Florida Code of Ethics for Public Officers and Employees in Chapter 112, Part III of the Florida Statutes (Code of Ethics), reinforce our commitment to the University's values. Therefore, adherence by trustees, officers, faculty, staff, student employees, contractors and others acting on behalf of the University to the standards set forth in this Code of Conduct is an integral part of the University's goal of attracting quality students, faculty and staff, while ensuring a safe and healthy environment for all members of the campus community. The Code of Conduct outlines behavioral standards for members of the University community and for those acting on behalf of the University.

(1) Applicability. This Code of Conduct applies to the following members of the University community: a) faculty, staff, and students who are paid for working for the University; b) Board of Trustees; c) consultants, vendors and contractors and other individuals using University resources or facilities, or receiving funds administered by the University; and d) individuals who perform services for the University as volunteers and who assert an association with the University. Any reference to members of the University community as provided in this regulation shall refer to the above

referenced persons.

(2) *Compliance with Laws and University Rules and Policies.* Per Section 1012.80, Florida Statutes, members of the University community shall comply with the applicable standards, policies, rules, regulations and state and federal laws that govern and guide their work. The University promotes ongoing and open communication at all levels of the institution. As such, administrators, supervisors and managers are responsible for supporting and monitoring compliance. Members of the University community have an obligation to report any behavior that they believe is unethical or in violation of state or federal law, regulations, or university policies. See Section 17 of this Regulation for reporting options.

(3) *Disruptive Conduct.* The University strives to maintain an environment in which members of the University community treat each other with dignity and respect. University Regulation 10.111 prohibits individuals from acting intentionally to impair, interfere with, or obstruct the orderly conduct, processes and functions of the University. This includes substantially disrupting a student's, employee's, or the University's performance, opportunities or benefits.

(4) *Conflicts of Interest and Commitment.* Faculty and staff of the University owe their primary professional allegiance to the University and its mission. The University has an obligation to internal and external stakeholders to use their resources responsibly and, where required, for designated purposes. Thus, all officers, faculty, principal investigators, staff, student employees and others acting on behalf of the University hold positions of trust, and the University expects them to carry out their responsibilities with the highest level of integrity and ethical behavior. Outside activities are defined as any employment or activities entered into in addition to an individual's employment at the University, that utilize the knowledge, skills, abilities or expertise the individual uses to carry out their University duties. Outside activities, including any interest, obligation, or relationship that could potentially be, or appear to be, in conflict with the interests of the University,

including those of immediate family members, must be disclosed to the University immediately so it can be managed appropriately. Conflicts of interest can often be managed to eliminate the risk of damage to the University, but only if they are promptly disclosed.

Failure to disclose outside activities related to an actual, apparent, or possible conflict of interest or commitment is a violation of this Regulation, as well as other applicable conflict of interest policies (including University Regulations 6.002 and 10.122) and the Florida Code of Ethics.

(5) *Political Activities.* Employees with intentions to seek election to and hold public office must notify the President or President's designee of such intentions. The President or President's designee will determine whether the employee's candidacy for holding public office will interfere with the full and faithful discharge of the employee's duties, as outlined in the University Regulation 10.123 and Section 104.31, Florida Statutes.

(6) *External Communication on Behalf of the University.* Pursuant to the University Communications Policy, the Office of Communications is the official University representative to the media and is tasked with establishing and cultivating relationships with journalists, publications and broadcast networks/channels, as well as responding to media inquiries, issuing official statements and announcements and providing guidance and leadership to the University community about relevant media guidelines and best practices. All University leaders, faculty, staff, partners, vendors and contractors must coordinate with the Office of Communications to develop and distribute news and information about the University and to participate in solicited and unsolicited media interviews or media events. Use of University logos and identity must be used in accordance with the University Style Guide and other applicable policies.

(7) *Contract Authority.* The acceptance of an agreement, including sponsored project funding, may create a legal obligation on the part of the University to comply with the terms and conditions of the agreement and applicable laws and regulations. Therefore, only individuals who have authority delegated by an appropriate University official are authorized to enter into agreements on behalf of the University. All agreements, understandings, and contracts must be reviewed by the Office of General Counsel before execution.

(8) *Confidentiality and Privacy.* The University community shall use confidential information acquired in the course of University business only for official or legal purposes, and not for personal or illegal advantage, during or after such affiliation. It is imperative that each community member complies with all state and federal laws, agreements with third parties, and University policies, regulations and procedures pertaining to the use, protection and disclosure of such information. Such policies apply even after the business relationship with the University ends.

(9) *Gifts and Entertainment.* Employees must abide by expectations outlined in University regulation, policy, and the Florida Code of Ethics regarding the solicitation or acceptance of anything of value from third parties. Members of the University community are prohibited from soliciting or accepting anything of value based on the understanding that their official position will be influenced by such a gift. Employees identified as a financial disclosure reporting individual or procurement employee have additional restrictions from donors who are lobbyists, principals, political action committees or vendors doing business with the university.

- (10) *Record Keeping.* Employees are expected to demonstrate a commitment to transparency in the retention and management of records that have sufficient administrative, legal, fiscal, or historical value pursuant to University policy, the Public Records Law (Chapter 119, Florida Statutes), and the general records schedule published by the Florida Department of State's Division of Library and Information Services (notably, schedules GS1-SL and GS5). Records are defined as "all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of physical form or characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by an agency." Employees are prohibited from destroying documents in violation of law or policy, in response to, or in anticipation of, an investigation, audit, or litigation.
- (11) *Proper Use and Protection of University Assets.* The University community will strive to preserve, protect and enhance the University's assets by making prudent and effective use of University resources and property and by accurately reporting its financial condition. All funds provided for research must be spent in ways consistent with funding requirements and in compliance with guidelines on allowable costs (ie: 2 CFR Part 200 Subpart E).
- (12) *Misuse of Public Position.* Employees may not use or attempt to use their official position or any property or resource within their trust to obtain special privilege, benefit, or exemption for themselves or others.

(13) *Fraud.* As outlined in BOT Regulation 2020-01, fraud occurs when an individual obtains 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. Members of the University community must mitigate the risk of fraud by fulfilling their duties honestly, while immediately reporting any observed or suspected irregularities to their immediate supervisor.

University employees, consultants, vendors, or persons doing business with FAMU who have knowledge of a fraud, misappropriation, or other impropriety shall immediately notify his/her supervisor and/or the Division of Audit. Complaints may be made anonymously. Acts of fraud, as well as the failure to report incidents in good-faith or suspected incidents of fraud, is a violation of this Regulation. Examples of fraud include, but are not limited to:

- a. Any dishonest or fraudulent act;
- b. Falsification of documents;
- c. Misappropriation of funds, supplies, or other assets;
- d. Impropriety in the handling or reporting of money or financial transactions;
- e. Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; or,
- f. Any similar or related irregularity.

The Division of Audit has the primary responsibility for the investigation of all suspected fraudulent acts as defined above. The Division of Audit will issue reports to appropriate designated personnel detailing the findings.

- (14) *Health and Safety.* Members of the University community are expected to perform their duties in accordance with applicable health and safety laws, regulations, policies, and procedures. Members are also responsible for compliance with the health, safety, and risk management program and are required to immediately report workplace/campus injuries, illnesses, and unsafe conditions to the University Department of Environmental Health and Safety and the Office of Risk Manager.
- (15) *Sustainability.* We are all responsible for the continued viability of Florida A&M University and our local and regional communities. The University is committed to operating in an environmentally responsible manner, from the procurement of services to the operation of offices and facilities, and other business activities. Members of the University community must comply with all applicable environmental laws and regulations as well as commitments to sustainable practices and environmental protection outlined by the University's Sustainability Institute.
- (16) *Information Technology.* Pursuant to University Regulation 5.003 (Electronic Connectivity), members of the University community play a role in safeguarding information systems by adhering to established University controls and applicable law and policy. Members do not have an expectation of privacy in the use of University computers and systems. Cyber security and systems training are required of all employees before they are permitted access to these systems. Members are prohibited from using University computers or systems in furtherance of personal or political business. Information Technology Services tracks software vulnerabilities and applies patches as soon as they become available. To that end, users of the University network shall not:
- Undermine the security or the integrity of computing systems or networks or attempt to gain unauthorized access;

- Use any computer program or device to intercept or decode passwords or similar access control information;
- Knowingly or intentionally transmit, download, or upload any material that contains viruses, trojan horses, worms, time bombs, cancelbots, phishing, or any other harmful programs;
 - Transmit, download, or upload any material that contains software or other material protected by federal or state intellectual property laws unless the user owns or controls the rights thereto or has received all necessary consents; or
 - Use FAMU electronic connectivity for the exchange of pirated software.

(17) *Reporting Suspected Violations.*

- a. Members of the University community are required to report violations of applicable University policy, government contracts, and grant requirements, as well as state and federal laws and regulations. Prompt reporting of possible violations is required as it gives the University the opportunity to investigate the matter and take corrective action where needed. Complainants may initially report their concerns through their normal management chain of command, beginning with one's immediate supervisor. If it is inappropriate to report to the immediate supervisor, (e.g., the suspected violation is by the manager or the complainant is generally uncomfortable), individuals may go to a higher level of management within the college, department, or report directly to the Office of Compliance and Ethics, Office of General Counsel, Division of Audit, the Office of Human Resources or the Office of Equal Opportunity Programs. Managerial and supervisory personnel must maintain an open-door policy and take proactive measures to assure their staff that the institution supports a culture that values ethical behavior and compliance.

- b. Managers/Supervisors are responsible for reporting complaints received to the Office of Compliance and Ethics, either directly or through the University's Compliance and Ethics Hotline. As appropriate, the Office of Compliance and Ethics coordinates with the Division of Audit, the Office of Human Resources, the Office of Equal Opportunity Programs and other relevant areas, both internal and external. Employees are not exempt from the consequences of wrongdoing by self-reporting, although self-reporting may be considered in the determination of an appropriate course of action.
- c. Compliance and Ethics Hotline. Members of the University community may use the University Compliance and Ethics Hotline to report complaints of misconduct outlined in this Regulation. The Hotline allows reporting by phone or online, with an option for anonymous reporting.
- d. Other Reporting Avenues. While the Office of Compliance and Ethics coordinates the Compliance and Ethics Hotline, violations may also be reported internally to the offices listed above. Externally, suspected violations of state and federal laws may be reported to the Florida Board of Governors' Office of Inspector General and Director of Compliance or the State of Florida Whistleblower's Hotline.
- e. False Reports. Submitting a report that is known to be false (made in bad faith) is a violation of this Regulation and will result in discipline up to and including potential termination from employment.

(18) *Investigation.* Preliminary Review and Investigation. University offices tasked with investigation take every reported concern seriously. All concerns will be assessed through intake to determine the appropriate course of action. If an investigation is warranted, such initial investigation will be completed within a reasonable timeframe. The primary investigator will provide appropriate updates to the parties.

- a. Independence. Investigators are responsible for establishing and maintaining independence so that conclusions and recommendations are impartial in both fact and appearance. The investigator must consider

organizational, personal, and external impairments that impact the investigators' ability to perform work impartially.

- b. Confidentiality. Such reports may be made confidentially, and even anonymously. Confidentiality will be maintained to the extent legal and practicable, informing only those personnel who have a need to know such information.
- c. Cooperation. All members of the University community are expected to cooperate fully in any external or internal investigation. A copy of this Regulation will be provided to all employees.
- d. Interference. The integrity of an audit, investigation, or administrative action is vital in ensuring a fair and equitable outcome for all parties involved. Members of the University community are prohibited from impeding any audit or investigation. Examples of interference includes, but is not limited to: disclosing information inappropriately, making false statements, failing to respond timely to requests for information or tampering with evidence.
- e. Referral. Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management.
- f. Investigative Reports. Despite the disposition, investigative activity will result in a written report. Reports shall be fair, objective, and present the results of investigation in a clear manner.

(19) *Retaliation.* Members of the University community are prohibited from engaging in retaliation against another for reporting compliance or ethics related concerns or participating in an investigation due to such reports. Findings of retaliation are independent of the underlying claim of violation and will result in disciplinary action, up to and including termination.

(20) *Enforcement.* Members of the University community are responsible for annually completing mandatory compliance and ethics trainings, as well as maintaining compliance with law, regulation, policy and making ethical decisions. Failure to follow the standards outlined serves as a violation of this Regulation, as well as the originating regulation/policy, if applicable. Members of the University community who violate this Regulation will be subject to personnel action, up to and including termination.

(21) *Equal Opportunity.* It is the policy of Florida A&M University that each member of the University community is permitted to work or attend class in an environment free from any form of discrimination including race, religion, color, age, disability, sex, sexual harassment, sexual orientation, gender identity, gender expression, marital status, national origin, and veteran status as prohibited by State and Federal Statutes. This commitment applies to all areas affecting students, employees, applicants for admission and applicants for employment. It is also relevant to the University's selection of contractors, suppliers of goods and services and any employment conditions and practices.

Specific Authority: Chapter 112, Part III, Florida Statutes; Section 7(c), Art. IX, Fla. Const., BOG Regulation 1.001. History–New 10-05 ; Amended 2-9-2020, 10-2022.

**ACTION ITEM:
Annual Report and
Program Plan**



Annual Report

2022



Annual Report

- 03** Performance at a Glance
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- 09** Investigations
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 - University Regulation 1.019
 - Compliance and Ethics Charter
 - Annual Report and Program Plan
 - Organizational Chart and Progress

Performance at a Glance

Rica Calhoun, Chief Compliance and Ethics Officer

The Office of Compliance and Ethics focused on maturing the University's program and working with compliance partners to identify and address compliance risks across the University. The Compliance and Ethics Program 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;
- Facilitate a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct by advocating adherence to 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.

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.

Looking back at 2021-2022

Compliance and Ethics Week



FAMU Fundamentals



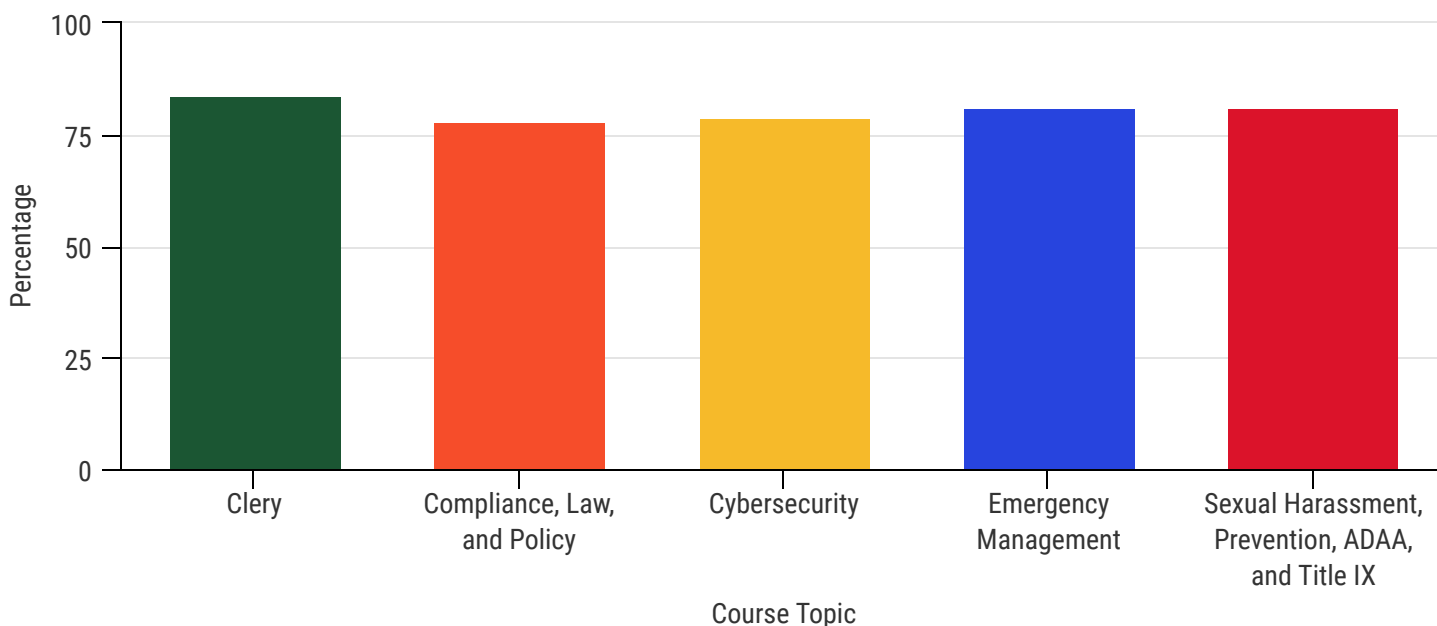
One of the core components of an effective compliance and ethics program is training and education. Members of the University community must understand University expectations and the bases for those expectations. FAMU Fundamentals is mandatory for University employees and select student employees.

In our third year, FAMU Fundamentals was composed of five modules:

- Cybersecurity
- Sexual Harassment Prevention, ADAA, and Title IX
- Clery
- Compliance, Law, and Policy
- Emergency Management

Communication began in November 2021, with the start of Compliance and Ethics Week. The training was administered from March 1-31. The total audience was 2,108. Users also received a resource library with links to all policies referenced in the training and a mandatory training calendar. This year, completion percentages stayed consistent with 2021, at about 80%. We continue to evolve and improve the training and have already received feedback for FAMU Fundamentals 2023.

FAMU Fundamentals 2022



University Community Insights



This year, we focused on soliciting feedback from members of the University community about University culture around compliance and ethics and mandatory training. We administered the "2021 Compliance and Ethics Assessment" (September 2021) and the "FAMU Fundamentals Post-Training Survey" (May 2022) to help us understand what was working and where we had opportunities for improvement.

Compliance and Ethics Assessment

OCE last administered the compliance and ethics culture survey in 2019. We refined the 2021 Compliance and Ethics Survey, which provided an opportunity for us to solicit feedback around the following areas:

- Familiarity with Resources (providing resource links, as well)
- Employee Perceptions (policies, behavioral expectations, with separate tracks for managers and employees)
- Comfort Voicing Concerns (reporting avenues and retaliation concerns)
- Employee Perception of Organizational Response to Concerns (pressures to violate law or policy, direct observations of misconduct, University response, retaliation)
- Direct feedback about the University's Compliance and Ethics Program.

Post-Training Survey

Our goal with each administration of FAMU Fundamentals is to evolve with the needs of University employees. Feedback from participants and compliance partners has helped us keep a pulse on what training topics to cover and how we can best present the information. This year, we moved to a completely different platform and offered a fifth course. With these changes, it was important to get direct feedback to help us plan for 2023. We focused on the following areas:

- Ease of access
- Usefulness of information and resources
- Content length
- Multimedia features

Compliance and Ethics Assessment

While the number of responses were slightly less in 2021 than 2019, we observed some helpful feedback from the responses we did receive to compare.

Familiarity with Resources

We saw an increase in the percentage of respondents who were aware of the compliance and ethics hotline, reporting avenues, and the University Code of Conduct.

Employee Perceptions

A majority of respondents felt that the training they receive and University policies are easy to understand and prepare them for navigating their workplace.

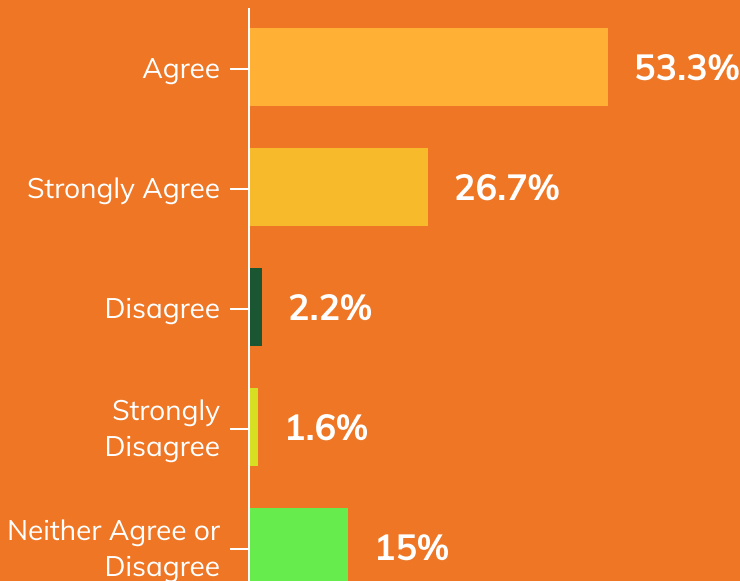
Reporting

Across both administrations of the survey, a majority of respondents were comfortable reporting their concerns to their immediate supervisors or using one of the internal reporting mechanisms. A majority of survey participants were also consistent across both surveys in their perception that they would not be retaliated against for reporting their concerns. However, some free response questions indicated a concern regarding retaliation.

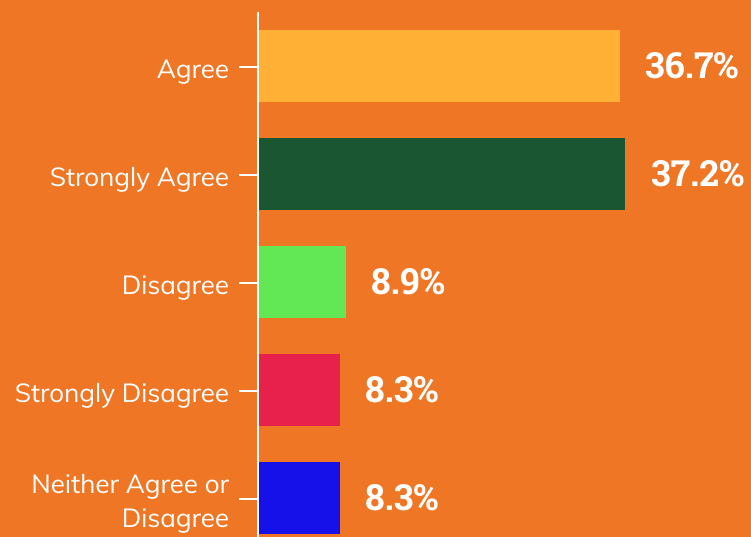
Organizational Response

A majority of respondents felt assistance was readily available. When asked what would make a person hesitant to report observed misconduct, a majority of respondents indicated that inaction would impact their willingness to report.

I believe that FAMU's Code of Conduct clearly communicates expectations.

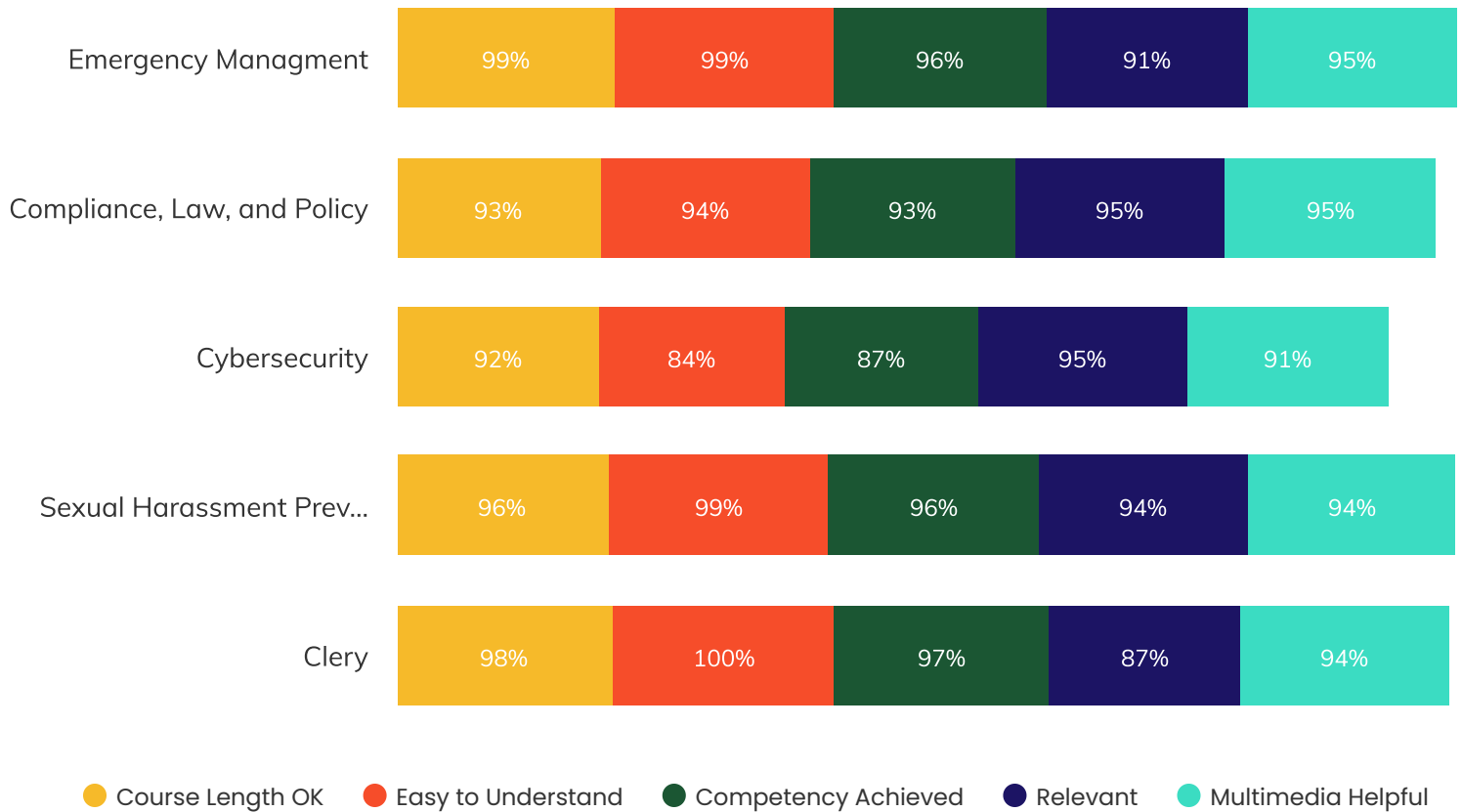


I feel comfortable reporting incidents or concerns of non-compliance to my manager.



Post-Training Survey Observations

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



Enhancement Strategies for 2023



Manager Support

Additional guidance for managers to facilitate training in their units



Accountability

Accountability measures through performance platforms and access restrictions



Employee Support

Increased outreach for feedback and support for constituencies that have access challenges



Incentives

Recognition and incentives throughout training period

Compliance and Ethics Week 2021

COMPLIANCE Matters

2021 Compliance and Ethics Week Schedule of Events

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

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

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

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

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

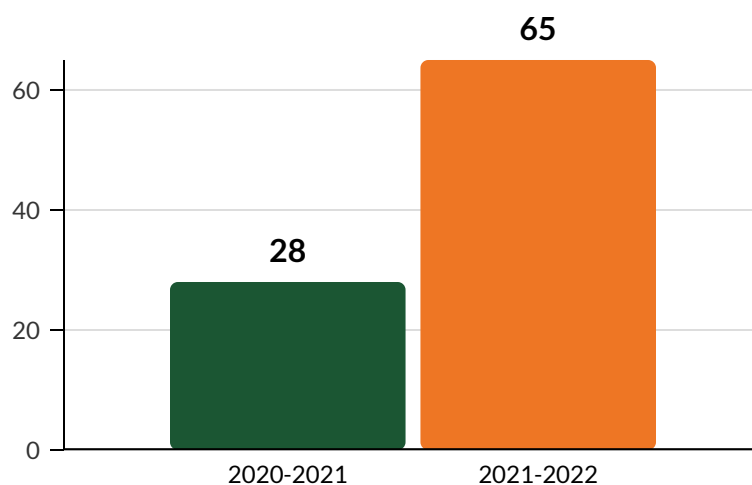
Compliance Matters!

OCE hosts FAMU's annual Compliance and Ethics Week every November. This year's theme, "Compliance Matters" focused on the shared responsibility for the success of the compliance and ethics program at the University. University Compliance Partners in the Enterprise Compliance Committee received special recognition. OCE focused on outreach and positive incentives throughout the week with appearances from President Robinson and Trustee Craig Reed. 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.

Investigations

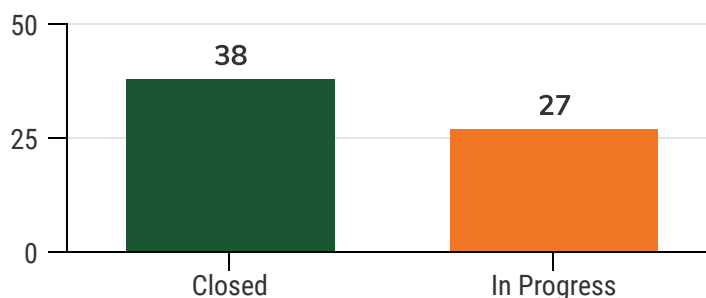


Investigations constitute another piece of the compliance structure, providing reinforcement of University expectations and accountability. The enhanced Compliance and Ethics Hotline allows us to examine trends from complaints received. OCE also coordinates meetings of the Triage Team, which includes members from the Office of Human Resources, Equal Opportunity Programs, the Division of Audit, and the Office of General Counsel. The Triage Team meets bi-weekly to discuss reports, investigations, and referrals to ensure that we are appropriately addressing concerns. In 2021-2022, we have received more than two times the reports of misconduct. This increase indicates that reporting avenues are readily accessible and used. It also corresponds with our survey feedback that participants were knowledgeable about where to report their concerns and felt comfortable reporting. Currently, 35 cases are closed and 30 are in progress.



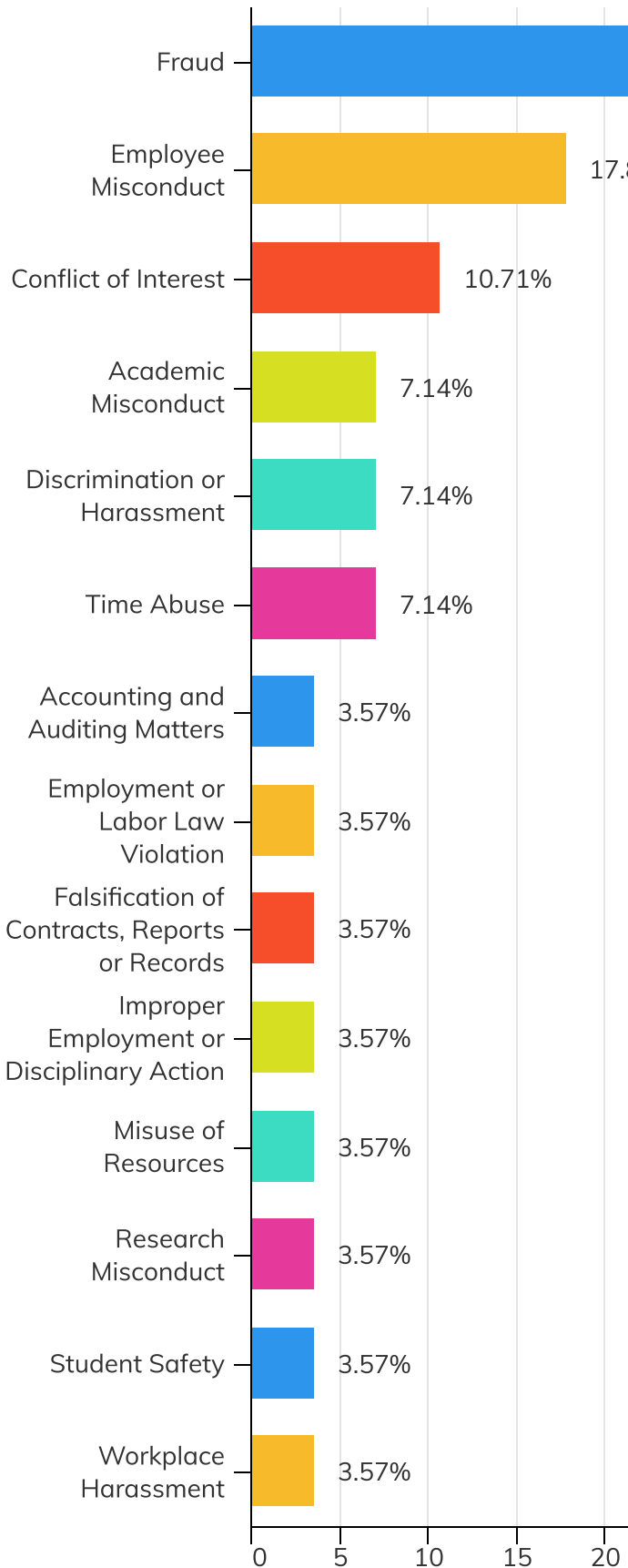
Complaints Received

2021-2022 Complaint Status

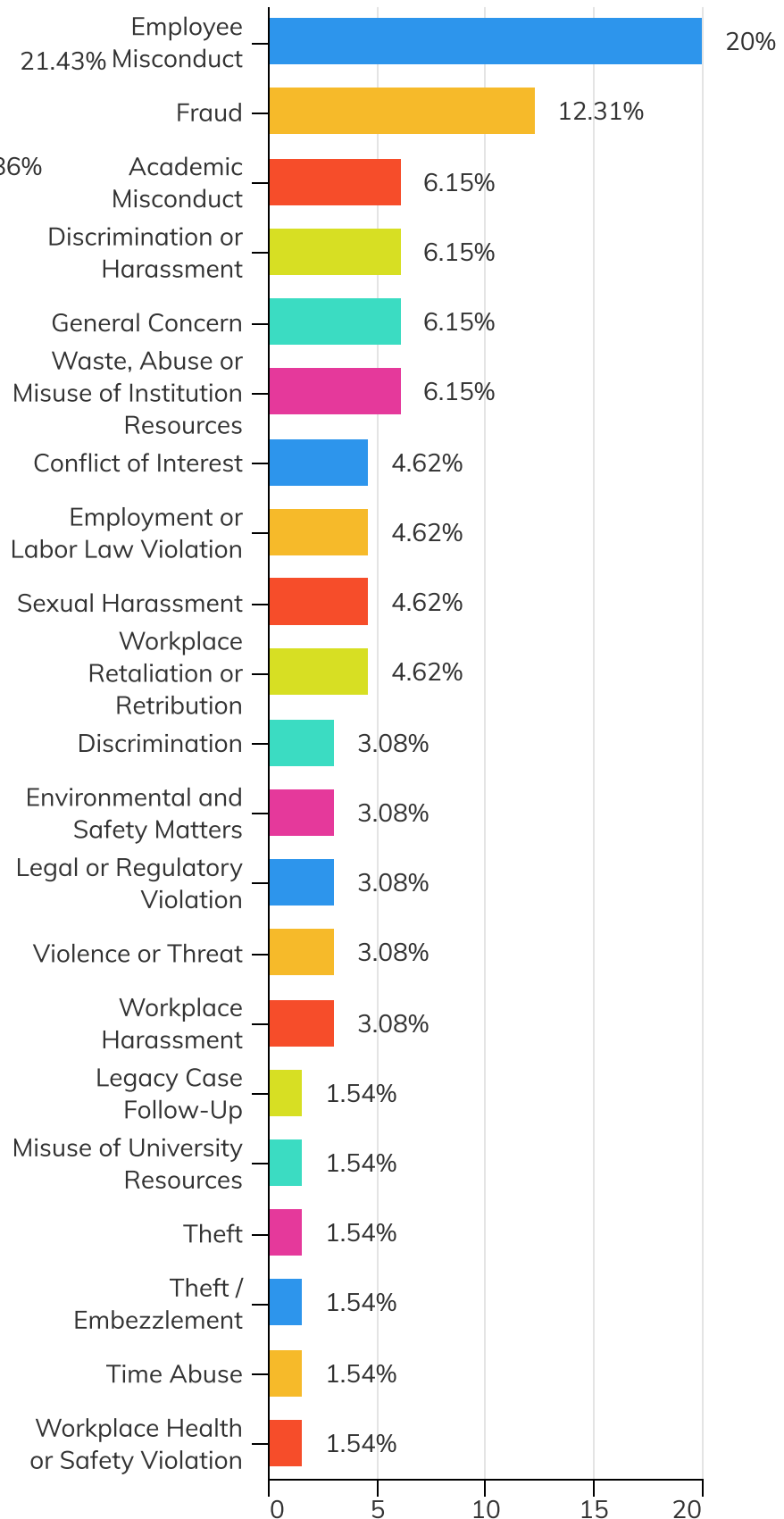


Investigations: Issue Comparison

Issue Types 2020-2021



Issue Types 2021-2022



Investigations: Trends



There is some consistency in the common issues reported to enforcement offices* between 2020-2021 and 2021-2022. The top issues include:

- Employee Misconduct
- Fraud
- Discrimination and Harassment

Conflict of interest concerns rounded out the top three reports in 2020-2021, comprising 10.7% of complaints. This issue became an area of particular emphasis this year as we moved from a manual to automated process. We provided several trainings and increased communication educating members of the University community about different types of conflicts and the need for disclosure of outside activities. Conflicts of interest concerns represented 4.6% of complaints in 2021-2022.

With the upgraded hotline platform, we will continue enhancing the use of analytics to inform our training and monitoring efforts throughout the University.



35%

of reports received were anonymous in 2020-2021



24%

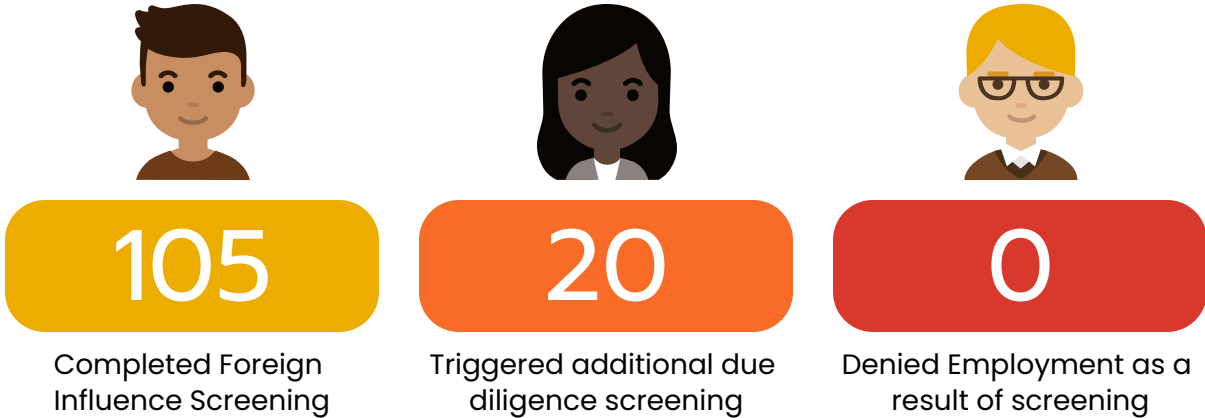
of reports received were anonymous in 2021-2022

* Office of Compliance and Ethics; Equal Opportunity Programs, Division of Audit; and the Office of Human Resources

Ongoing Risk Assessments in Research

In June 2021, the Governor signed House Bill 7017, establishing five new Florida statutes: Reporting Foreign Gifts and Contracts (286.101 and 1010.25), International Cultural Agreements (288.860), and Requirements Regarding Screening Applicants (1010.35), which became effective on July 1st, 2021; and International Travel Pre-Approval, Monitoring & Reporting (1010.36) effective January 1st, 2022.

With the heightened awareness of foreign influence in research, OCE has developed procedures that align with and fulfill the requirements of HB 7017. OCE worked very closely with the Office of Research Integrity and Office of Information Technology to develop screening procedures to address the requirements in Florida Statute 1010.35 and 1010.36. Prior to an offer of employment, researchers and individuals in research related support-positions must be screened for specific criteria in accordance with the statutes.



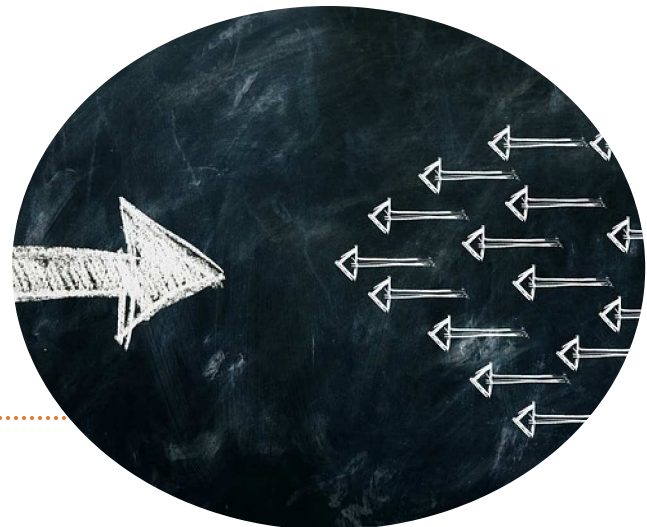
OCE and the Office of Sponsored Programs met with agents from the FBI to garner their assistance, as defined by statute. The FBI although, willing to accept any information we submit, advised that they would not be able to provide any follow-up information. It was agreed that all applicants who triggered an additional due diligence screening would be sent to the FBI regardless of denial or offer of employment.

Conflict of Interest

The annual conflict of interest disclosure process was automated and made available to all employees on July 1, 2022. The requisite disclosures (University and Research) were consolidated into one form accessible through iRattler. Faculty were reminded of their responsibility to disclose upon the resumption of the fall contracts. This disclosure is in addition to Form 1 disclosures required by the Florida Commission on Ethics by July 1 each year.

Employees and researchers must annually disclose "outside activities," defined as "any employment or activities employees/researchers engage in, outside of their University employment, that utilizes the knowledge, skills, abilities or expertise used to carry out their University duties." Researchers are also required to annually disclose significant financial interests (\$5,000 or more).

In the inaugural launch of the program, our communication plan included regular updates to the University community through the FAMUINFO, the Enterprise Compliance Committee, and the President's Leadership Team. We included primers on conflicts of interest and the amended University policies in FAMU Fundamentals, as well as sessions with Faculty Senate and Faculty Pre-Planning. OCE also hosted sessions by demand, including sessions with the Dean's Council, Freshman Studies and the College of Law. OCE continues to work with the Office of Human Resources and the Division of Research regarding this important initiative.



Monitoring

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:

<p>ATHLETICS</p> <p>Coordination with the Associate Athletic Director of Compliance to monitor risk areas:</p> <p>Eligibility</p>	<p>COMPLIANCE AND ETHICS HOTLINE</p> <p>Managing the compliance and ethics hotline for appropriate investigation or referral to triage partners</p>	<p>MMERI</p> <p>Served on the MMERI taskforce to provide assistance and guidance regarding program compliance.</p>
<p>Data Review</p> <p>NCAA Infractions Report Monitoring</p> <p>Compliance External Review and Report</p>	<p>RESEARCH</p> <p>Policy and process updates regarding foreign influence; Coordinated hire of Compliance Coordinator for Research to assist in monitoring and process improvements</p>	<p>GOVERNANCE</p> <p>Originated and coordinated the BOT Governance Series with the Division of Audit and Office of General Counsel</p>
<p>PANDEMIC RESPONSE</p> <p>Advised University leadership regarding best practices related to pandemic response; continued implementation monitoring</p>	<p>WEAPONS ON CAMPUS</p> <p>Made recommendations for the University response to weapons and behavioral threat assessment; assisting management with implementation</p>	<p>ENTERPRISE COMPLIANCE COMMITTEE</p> <p>Enterprise Compliance Committee Meetings: 2021-2022: October, November, February, July</p> <p>Working Group Meetings scheduled by compliance partner chairs</p>

Compliance Reviews

Compliance Reviews are integral to assess our current processes, identify gaps, and ensure that policies and procedures are being followed. OCE assists compliance partners by providing resources to help them identify and mitigate risk in their areas. OCE also completes monitoring to provide additional support and guidance. This year, the Office of Compliance and Ethics conducted compliance reviews in the following areas:

Academic Affairs:
Faculty vs.
Administrative Duties

Interdepartmental: Foreign
Influence Travel Reporting

Student Affairs:
Weapons on Campus

Athletics: Recruitment/
Personnel

Research: Foreign Influence
Screening for Tenure

Research: Time and Effort

Athletics:
Retroactive Withdrawal

Academic Affairs: Record
Retention

Research: Conflict of
Interest

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



What's
Next?

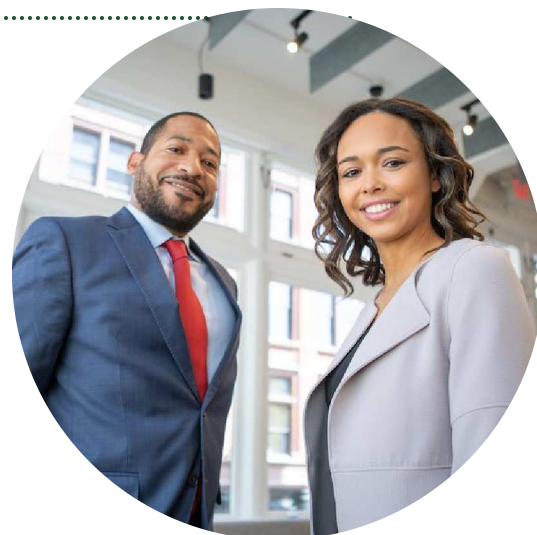


ACTION ITEM: University Regulation 1.019

The University Code of Conduct (Code) consists of principles, values and rules of behavior that guide the decisions, procedures and actions of our University as we work collectively to contribute to a culture of compliance and ethical decision-making.

The Office of Compliance and Ethics has solicited feedback for the routine review and revision of the University Code of Conduct (University Regulation 1.019) to provide a more detailed outline of expectations for members of the University Community.

Revisions to the Code reflect our assessment, additional references to new and existing policies, inclusion of language from the new strategic plan, and general language clean-up.



ACTION ITEM: Compliance and Ethics Charter

The Compliance and Ethics Charter provides members of the University community with additional insight into the role and responsibilities of the Compliance and Ethics Program at FAMU.

Revisions to the Charter include updated language to reflect current organizational and operational processes.

ACTION ITEM: Annual Report and Program Plan

This annual report and the program plan maps out goals for each needed element of an effective compliance and ethics.

Highlights include an increased focus in high risk compliance areas, training, investigations, and monitoring.

Compliance and Ethics Program Plan 2022-2023

Element 1

Provide Oversight of Compliance and Ethics and Related Activities



1. Coordinate and conduct regular meetings with the Enterprise Compliance Committee
2. Attend the President's Senior Leadership Team weekly meetings.
3. Serve and provide guidance to the Clergy Act Compliance Committee

Element 3

Conduct Effective Training and Education



1. Coordinate, create, deliver and track annual completion of FAMU Fundamentals.
2. Provide trainings to constituency groups throughout the year.
3. Plan and implement the University's annual Compliance Week learning and outreach activities.
4. Develop annual memoranda and guidance on issues of note, including conflicts of interest, Code of Conduct, Youth on Campus, privacy, and ethics.

Element 5

Conduct Internal Monitoring and Compliance Reviews



1. Monitor the conflict of interest processes in the areas of administration, research, and procurement.
2. Contribute to the University's privacy initiative.
3. Continue compliance partner reporting through the ECC.
4. Collaborate with the Chief Risk Officer, as appropriate, for risk bulletins and initiatives.
5. Coordinate the triage committee and analyze Hotline trends and risk areas and address appropriately.

Element 7

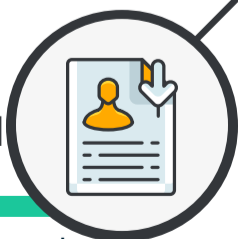
Enforce and Promote Standards through Appropriate Incentives and Disciplinary Guidelines



1. Develop and promote compliance and ethics through incentive opportunities and various outreach initiatives, including Compliance and Ethics Week.
2. Promote awareness of University regulations, policies, procedures, and regulatory requirements.
3. Promote accountability and consistent discipline.

Initiatives

New Regulations and Special Projects



1. Assist management in addressing several areas, including: athletics, research, foreign influence, NIST 800-171, GDPR, conflict of interest, and procurement.
2. Contribute to the University's operational response to address health and safety efforts, including infectious diseases.

Element 2

Develop Effective Lines of Communication



1. Prepare and distribute Compliance Beat communication and micro-learning opportunities.
2. Administer and promote the University's Compliance and Ethics Hotline (Hotline).
3. Coordinate timely responses to regulatory and external agencies, as appropriate.
4. Disseminate resources and information throughout the year.

Element 4

Revise and Develop Policies and Procedures



1. Provide guidance on policy development through the Enterprise Compliance Committee (ECC).
2. Continue to enforce and manage the University Code of Conduct and the University's Compliance and Ethics Charter.

Element 6

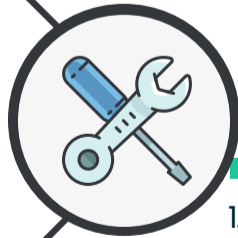
Respond Promptly to Detected Problems and Undertake Corrective Action



1. Receive and evaluate Hotline reports and direct complaints; refer, close, or investigate, as appropriate.
2. Provide recommendations for corrective actions and improvement of compliance and ethical decision-making. Monitor management response.

Element 8

Measure Compliance Program Effectiveness



1. Develop and issue OCE's annual compliance and ethics report.
2. Implement program enhancement measures identified in the external five-year program review.
3. Analyze and benchmark results from compliance and ethics culture surveys administered in 2019 and 2021.
4. Develop, measure, and track office efforts through the University assessment process.

ACTION ITEM: Compliance and Ethics Charter



FLORIDA A&M UNIVERSITY

OFFICE OF COMPLIANCE AND ETHICS

UNIVERSITY COMPLIANCE AND ETHICS CHARTER

Purpose and Mission

The Office of Compliance & Ethics (OCE) provides oversight and guidance to university-wide ethics and compliance activities and fosters a culture that embeds these disciplines in all university functions and activities. OCE is designed to promote greater coordination of and consistency among individual University compliance programs, covering a wide variety of requirements related to academics, athletics, human resources, research, health care, information technology, and numerous administrative functions.

The mission of OCE is to support 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, including an option to remain anonymous;
- Develop effective policies and procedures to promote compliance and ethical ~~behavior~~decision-making

Reporting Structure and Independence

In 2005, the Florida Agricultural & Mechanical University Board of Trustees (BOT) approved Resolution 14-05 adopting a university-wide compliance program as the foundation of the internal control and compliance environment. In support of the compliance program, the BOT maintains internal audit and compliance functions that serve as integral components of the governance structure.

~~As of July 1, 2019, the Audit and Compliance integrated function split into two separate offices. The~~ OCE administers the University's compliance function. The Chief Compliance & Ethics Officer (CCEO) oversees and manages the unit. The CCEO reports functionally to the BOT Audit and Compliance Committee and administratively to the University President.¹ The CCEO and staff have organizational independence and objectivity to perform their responsibilities and all activities of the office shall remain free from influence.

¹ Pursuant to the Florida Board of Governors Regulation 4.003(5)

Authority

The Office of Compliance & Ethics has the authority to review or investigate allegations of misconduct in all any areas of the university, including schools, colleges, administrative departments, auxiliary enterprises, and support organizations. Reviews and investigations shall not be restricted or limited by management, the pUniversity President, or the Board of Trustees. Accordingly, the OCE is authorized to:

- Have unrestricted and timely access to records, data, personnel, and physical property relevant to performing compliance reviews and investigations, and to allow for appropriate oversight and guidance related to compliance, ethics, and risk mitigation efforts.
- Allocate resources, establish schedules, select subjects, determine scopes of work, and apply the techniques required to accomplish objectives;
- Obtain the essential~~timely~~ assistance and cooperation of personnel in areas of the University where reviews and investigations are performed, as well as other specialized services from within or outside the University; and
- Have free and unrestricted access to the University President and Board of Trustees.

Documents and records obtained for the above purposes will be handled in compliance with applicable laws, regulations, and university policies and procedures. As required by law, the OCE will comply with public records requests.

The Chief Compliance and Ethics Officer will notify the appropriate divisional vice president to request remediation of any unresolved restriction or barrier imposed by any individual on the scope of any inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. If unresolved by the appropriate vice president, the Chief Compliance and Ethics Officer will notify the President to assist in remediation. If additional remediation steps are required, the Chief Compliance and Ethics Officer will make appropriate notifications as outlined in Florida Board of Governors Regulation 4.003.

Organizational Oversight

The Board of Trustees will:

- ~~Review Approve~~ the charter of the Office of Compliance & Ethics for approval. -The approved charter will be reviewed at least every three years for consistency with applicable Board of Governors and university regulations, professional standards, and best practices. Subsequent changes will be submitted to the Board of Trustees for approval. A copy of the charter and any subsequent changes will be provided to the Board of Governors;
- Approve the annual Program Plan;
- Receive communications from the CCEO on the compliance activity's performance relative to its plan and other matters;
- Make appropriate inquiries of management and the Chief Compliance and Ethics Officer to determine whether there is inappropriate scope or resource limitations; and
- Ensure the Office of Compliance & Ethics has appropriate staff and resources in which to fulfill its duties and responsibilities.

Duties and Responsibilities

The duties and responsibilities of the CCEO and staff include projects and activities that fulfill the requirements for an effective compliance and ethics program as required by Chapter 8 of the Federal Sentencing Guidelines and Board of Governors Regulation 4.003. The University's compliance and ethics program contributes to an effective control environment that promotes accountability and a commitment to the highest standards of ethics, integrity, and lawful conduct. The following elements define the duties and responsibilities of the office:

1. Compliance Risk Management
 - Assisting management with the identification and prioritization of compliance risks;
 - Assisting management with the development of mandatory risk management plans for compliance high risks;
 - Ensuring that compliance high risks are being properly managed by the designated responsible parties;
 - ~~Promoting compliance awareness through effective training and education activities;~~
 - Providing compliance advisory services to management, faculty, and staff;
 - ~~Evaluating emerging compliance trends in higher education and government and implementing best practices;~~
 - ~~Performing internal monitoring, investigations, and compliance reviews;~~ and
 - Enforcing and promoting standards through appropriate incentives and disciplinary guidelines, including the revising and developing of policies and procedures.
2. Ethics Monitoring and Education
 - ~~Evaluating emerging compliance trends in higher education and government and implementing best practices;~~
~~Establishing a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct;~~
 - Performing internal monitoring, investigations, and ~~ethic-compliance~~ reviews; and
 - Promoting compliance and ethics awareness through effective training and ~~education—education~~ activities.
3. Retaliation
 - Providing all employees with an opportunity to report issues of potential retaliation for the reporting of ~~wrong doing~~wrongdoing; and
 - ~~Review and investigate, as appropriate, allegations~~Conduct investigations into ~~claims~~ of retaliation and other applicable state and federal laws relating to

retaliation that are not covered by whistleblower protection or the Office of Equal Opportunity Programs.

The Chief Compliance and Ethics Officer and staff will:

1. Provide oversight of compliance and ethics activities;
2. Work closely with ~~the Division of Internal~~ Audit to assess and prioritize which compliance areas present the greatest risk and need for attention, based on regulatory environment and complexity, overlap with University strategic plans, and consequences of non-compliance;
3. ~~Develop an annual Program plan based on the requirements for an effective program. The Program plan and subsequent changes will be provided to the board of trustees for approval. A copy of the approved plan will be provided to the board of governors.~~
4. Provide annual training to university employees and Board of Trustees' members regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures. ~~The Program plan will specify when and how often this training will occur.~~
5. Obtain an external review of the Program's design and effectiveness at least once every five years or as deemed necessary as dictated by the circumstances. The review and any recommendations for improvement will be provided to the ~~University p~~President and Board of Trustees. The assessment will be reviewed for approval~~ed~~ by the Board of Trustees and a copy provided to the Board of Governors.
6. Identify and provide oversight and coordination of compliance partners responsible for compliance and ~~ethics-related~~ethics-related activities across campus and provide communication, training, and guidance on the Program and compliance and ~~ethics related~~ethics-related matters.
7. Administer and promote the ~~Florida Agricultural & Mechanical~~ University Compliance and Ethics Hotline, a reporting mechanism available for individuals to, anonymously or not, report potential or actual misconduct and violations of university policy, regulations, or law. ~~The~~ OCE will work to ensure that no individual faces retaliation for good faith reporting of a potential or actual violation. ~~when such report is made in good faith.~~
8. Maintain and ~~promote~~communicate the ~~U~~niversity's Code of Conduct~~policy on reporting misconduct and protection from retaliation~~ and ensure the policy articulates the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred.
9. Communicate routinely to the ~~U~~niversity ~~p~~President and the ~~B~~oard of ~~T~~rustees regarding Program activities. Annually report on the effectiveness of the Program. ~~The Program Plan and Any Program plan~~ revisions, based on the Chief Compliance and Ethics Officer's report, shall be reviewed and subject to approval by the Board of Trustees. A copy of the report and /or revised plan will be provided to the Board of Governors.

Commented [CRH1]: Redundant

10. Promote and enforce the Program, in consultation with the University President and Board of Trustees, consistently through appropriate incentives and disciplinary measures to encourage a culture of compliance and ethics. Failures in compliance and ethics will be addressed through appropriate measures, including education or disciplinary action.
11. Initiate, conduct, supervise, coordinate, or refer to other appropriate offices such inquiries, investigations, or reviews deemed appropriate in accordance with university regulations and policies, state statutes, and/or federal regulations. Submit final reports to appropriate action officials.
12. Make necessary modifications to the Program in response to detected non-compliance, unethical behavior, or criminal conduct and take steps to prevent its occurrence.
13. Assist the University in its responsibility to use reasonable efforts to exclude ~~within the university and its affiliated organizations~~ individuals within the University and its affiliated organizations whom it knew or should have known through the exercise of due diligence to have engaged in conduct ~~not einc~~consistent with an effective Program.
14. Coordinate or request compliance activity information or assistance, as necessary, from any university, federal, state, or local government entity. Oversee and coordinate external inquiries into compliance with federal and state laws and take appropriate steps to mitigate risk of non-compliance. ~~ensure safe harbor in instances of non-compliance.~~
15. Maintain a professional staff with sufficient size, knowledge, skills, experience, and professional certifications.
16. Utilize third-party resources as appropriate to supplement the department's efforts.
17. Perform assessments of the program and make appropriate changes and improvements.

Members of the University community having responsibility for a specific area of compliance must ensure the following:

- ~~1.~~ 1. Oversight of compliance in their ~~specific~~ functional areas;
- ~~2.~~ 2. Collaboration with other University units to mitigate compliance risk, as appropriate;
- ~~3.~~ 2. Adherence to the University's compliance policies;
- ~~4.~~ 3. Implementation of corrective action as necessary, arising from compliance reviews and/or investigations;
- ~~5.~~ 4. Completion of self-assessments to evaluate their individual compliance efforts ~~against a list of criteria necessary to have an effective compliance program~~; and
- ~~6.~~ 5. Immediate notification to the Chief Compliance and Ethics Officer of any realized or suspected compliance or ethics violations ~~within their functional area~~.

Professional Standards

The Office of Compliance & Ethics' activities will be governed by adherence to the *Florida Code of Ethics*; the *Code of Professional Ethics for Compliance and Ethics Professionals*; and the *U.S. Federal Sentencing Guidelines'* criteria for an

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effective compliance program. Investigation activities will be governed by adherence to professional standards issued for the State University System.

Chief Compliance & Ethics Officer

Date

President

Date

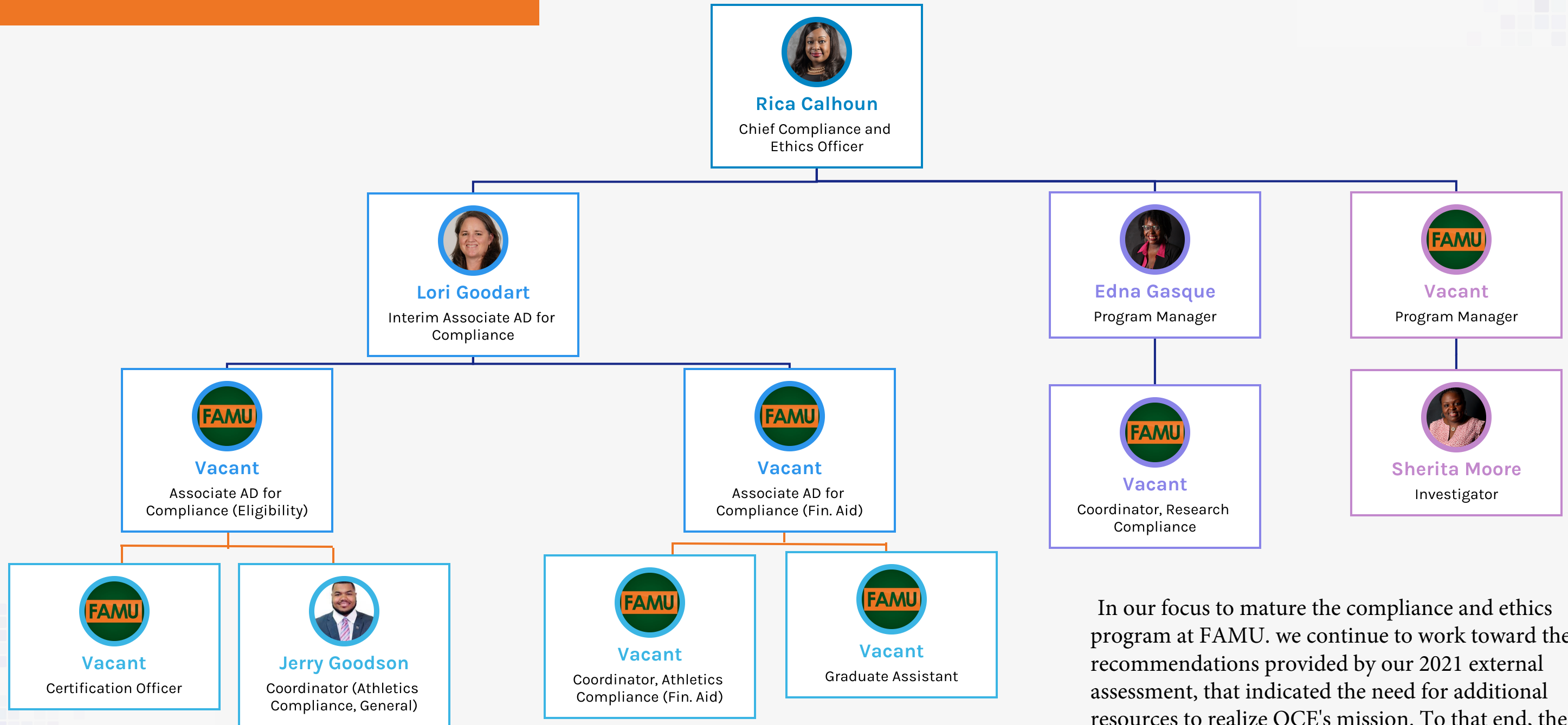
Audit Committee Chair

Date

Organizational Chart



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



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

FLORIDA **A&M** UNIVERSITY

Audit and Compliance Committee Action Plan 2022-2023

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

FLORIDA **A&M** UNIVERSITY

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



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FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

Audit Report



**Board of Trustees
Audit and Compliance Committee
October 5, 2022**



FAMU

FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

Status of Open Audit Findings



Memorandum

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

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

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

Date: September 20, 2022

Re: Status of Open Audit Findings

The Division of Audit worked with management to understand and validate actions taken by management since our May 16, 2022, report to the Audit and Compliance Committee. After validating each action taken by management, the Division of Audit prepared the below 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	2018-19 Risk Assessment: Bragg Stadium Safety and Maintenance	OPEN	HIGH	LOW
2	2018-19 Risk Assessment – Emergency Preparedness	OPEN	HIGH	HIGH
3	2021 Federal Contracts and Grants Disclosure Audit - Federal Contract Not Reported to USDOE	OPEN	HIGH	MEDIUM
4	2021 Federal Contracts and Grants Disclosure Audit - Update University Compliance and Research Disclosure	CLOSED	HIGH	LOW
5	FY 2020-2021: Knight Foundation Expenditure Review Assurance Services Report – Approved Spending Plans	CLOSED	MEDIUM	LOW



Athletics/Facilities

1. 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. As of September 7, 2021, Phase 1 was deemed 100% complete.
 - ii. **Phase 2:** January 11, 2021 – September 2022
 - 1. This phase included the removal and replacement of the press box and cosmetic upgrades. Due to a material cost increase, this scope was reduced to the westside grandstands and skybox repairs and renovation. As of September 9, 2022, Phase 2 was deemed 100% complete.
 - 2. **ADA Compliance:** Allstate Construction addressed all HC/ADA compliance as well as Life Safety within the scope of work for Phase II including HC/ADA accessible ramps, HC/ADA seating throughout the stadium seating, Life safety emergency devices, and exit signs, etc. However, the height (in certain areas) and construction of the guardrails are not compliant, in accordance with the FBC-B 1015. The University is currently looking at the most cost-effective way to address this concern and is awaiting design and pricing from the consultant/general contractor. Until these areas are addressed, the Building code official recommended that the University install “caution signage” to bring awareness to the individuals seated in these areas. All other structural concerns were addressed and completed in Phase II of this project. DoA will continue to monitor resolution of identified ADA issues.

This item remains **OPEN** until ADA issues are resolved.

- b. **Risk:** The original risk level of this item was assessed as **HIGH**. With the additional steps taken to address safety and ADA compliance in Phase II, the risk level has been reduced to **LOW**.

Student Affairs

2. 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 the following steps related to Emergency Preparedness to address these issues:
 - i. **Identifying a Dedicated Funding Source.** (Ongoing) The University created a cross-functional team to develop a three-year financial plan to address emergency preparedness needs. Emergency Management Director submitted a proposed budget to the University Budget committee for review and action. The Division of Audit will continue to monitor efforts to obtain funding.



- i. **Establishing an Evacuation Plan.** (Ongoing) While Emergency Preparedness has drafted an evacuation plan, the supporting crisis communication plan and essential employee plan, needed to initialize the overall evacuation plan still needs to be developed. Until those plans are developed by the Office of Communications and the Office of Human Resources, respectively, the evacuation plan cannot be finalized. The Division of Audit will continue to monitor the development of these plans.
- ii. **Hardening a Building on FAMU Campus.** (Completed)
 - 1. On July 20, 2022, the Florida Division of Emergency Management advised our university that Al Lawson meets their standards to shelter students, faculty, and staff. No retrofit or funding is needed. The University can shelter approx. 2,200 people in the Al Lawson.
 - 2. Facilities is actively working with the Florida Department of Emergency Management to explore utilizing the Gaither Gymnasium as another shelter option on campus.
- iii. **Emergency Management Preparedness Activities.** The University’s emergency preparedness leadership has completed the following activities since May 2022:
 - 1. The mass notification system (FAMU ALERT) went live on Monday, August 8, 2022. The FAMU ALERT system was tested university-wide on Monday, August 29, 2022.
 - 2. Emergency Management is actively working with the Division of Audit to host the CISA cyber team on campus. This program will provide training, assessments, and resources to enhance our university against cyber threats.
 - 3. Emergency Management is actively working with university departments to seek COVID-19 FEMA reimbursement funding totaling approximately \$800,000.
 - 4. August 3, 2022, our university hosted the Texas A&M Engineering Extension Service (Sponsored by DHS) to provide free training for the SLT and executive leadership for a whole community approach to critical incident management utilizing the methods across the areas of prevention, protection, mitigation, response, and recovery.
 - 5. September 9, 2022, Emergency Management and Campus Police Department representatives attended the FBI bomb threat awareness conference call.
 - 6. October 12 & 13, 2022, FAMU will host New Mexico Tech (Sponsored by DHS), to provide the following free training on campus:
 - a. **Understanding and Planning for School Bombing Incidents.**
 - i. Course is an awareness-level course that provides emergency first responders and school staff with the skills needed to plan and respond to school bomb threats and bombing incidents through lectures and exercises.
 - b. **Surviving School Bombing Incidents for Educators**
 - i. The Surviving Bombing Incidents for Educators. The course provides educators (teachers and personnel working in school environments) with the knowledge and skills necessary to perform critical life-saving actions in the immediate aftermath of a bombing incident.



7. On December 12 & 13, 2022 our university will host the University of Southern Mississippi, to provide a free training (sponsored by DHS) focused on the **Sports Venue Evacuation and Protective Actions National Center for Spectator Sports Safety and Security (NCS4)**.
 - a. The Sports Venue Evacuation and Protective Actions course assists venue operators, first responders, emergency managers, law enforcement, contractors, promoters, and owners of events in developing or enhancing event action plans with flexible and scalable protective measures for managing mass gatherings. This innovative course builds multi-agency collaboration by delivering critical planning information on evacuation and sheltering plans with actionable decision criteria that can be adapted for almost any event

The Division of Audit will continue to monitor the progress of the issues related to identifying a dedicated funding source, establishing an evacuation plan, and hardening a building on FAMU campus with the new Emergency Management Director to ensure the actions fully meet industry standards and best practices. The finding remains **OPEN** until these emergency management activities are resolved.

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

Research

3. Federal Contracts and Disclosure Audit–Federal Contract Not Reported to USDOE

- a. Status: University officials must report the Saudi Arabia Cultural Mission (SACM) 3rd party tuition payments made to the University for the 2018 (\$406,403.20) and 2019 (\$730,498.14) calendar years.
 - i. The University’s Research Security Committee is reviewed SACM 3rd party payments for the 2020, 2021 and the 2022 calendar years to discover if these respective SACM payments also exceeded the \$250,000 reporting threshold to be included within the University’s 2022 report.
 - ii. The University anticipated submitting a report disclosing all 3rd party foreign payments that exceeded the \$250,000 reporting threshold to USDOE prior to June 30, 2022. Management did not provide the Division of Audit with information to indicate that the report was submitted by June 30, 2022 as required.
- b. **Risk:** The original risk level of this item was assessed as **HIGH**. The University has taken actions to identify reportable transactions and is currently working to develop a submission process. As a result of the actions take, the risk level was reduced to **MEDIUM**. The finding remains **OPEN** until the report is submitted to USDOE.



4. Federal Contracts and Disclosure Audit–Update University Compliance and Research Disclosure Policies

a. **Status:** The FAMU Enterprise Compliance Committee Workgroup has reviewed the following university’s policies and made necessary revisions to include additional definitions for clarity, updated penalties, updated authorities, updated links and updated office names:

- BOT Policy Number 2005-08, Sponsored Contracts and Grants Policy;
- BOT Policy Number 2005-09, Principal Investigator Policy; and
- BOT Policy Number 2014-01, Export Control.

These policies were approved at the FAMU June Board meetings.

b. A working group led by Compliance and Ethics has also streamlined and automated the conflict of interest disclosure process. The requisite disclosures have been consolidated into one form accessible through iRattler and the workflow is being tested to ensure that the approval process is working properly and routed to the appropriate supervisors and compliance officers. The automated system launched on July 1, 2022.

c. **Risk:** The original risk level of this item was assessed as **HIGH**. The University has made progress with reviewing and revising policies to comply with new regulations and best practices. As a result of the actions taken, the risk level was reduced to **LOW**. The finding has been resolved and is now **CLOSED**.

Knight Foundation

5. FY 2020-2021: Knight Foundation Expenditure Review Finding – The School of Journalism and Graphic Communication did not submit spending plans to the Knight Foundation prior to the start of the fiscal year.

a. **Status:** The School of Journalism and Graphic Communication (SJGC) submitted a corrective action plan that indicates the spending plans will be submitted prior to June 15, for each year going forward. The Division of Audit confirmed that a spending plan for the Faculty Development Fund was submitted to the Knight Foundation on July 22, 2022. The spending plan for the Knight Chair Fund will be submitted once the Knight Chair position is filled, as agreed to by the Knight Foundation. As a result, this item is **CLOSED**.

b. **Risk:** The original risk level of this item was assessed as **MEDIUM**. After taking into consideration the actions by the University as of October 2022, the risk level was adjusted to **LOW**.



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FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

Investigation


Internal Controls

Recomendations



Memorandum

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

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

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

Date: September 8, 2022

Re: Status of Open Investigation Recommendations

The Division of Audit (DoA) has compiled management actions taken to address investigations-related recommendations since our **May 17, 2022**, report. The following table provides a summary by Department/Area/Process Owner.

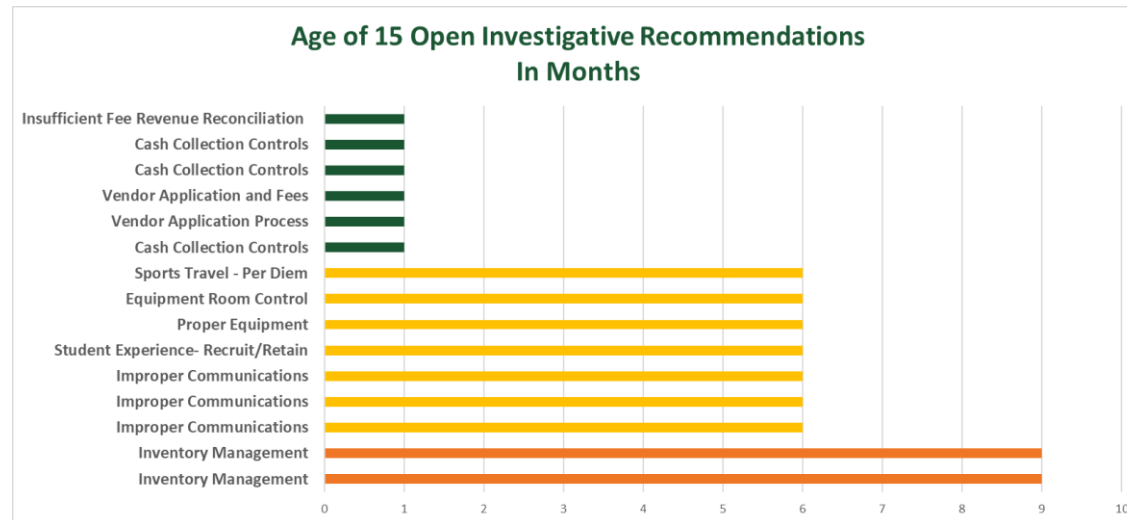
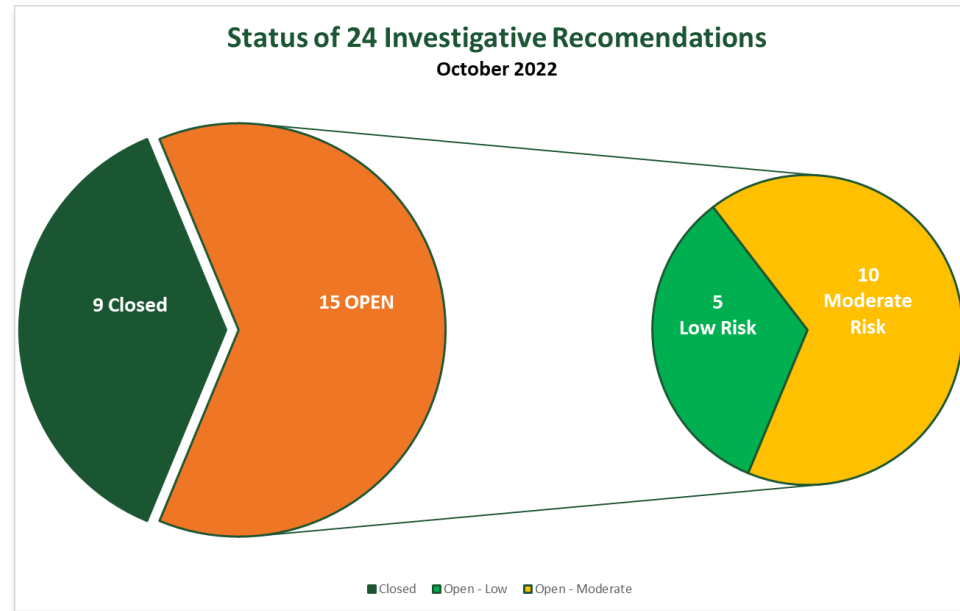
Overview of Investigation Recommendations Tracked by DoA

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

The first chart on the following page demonstrates the proportion of open recommendations as well as the associated risk levels. The second chart depicts the age of the 15 open recommendations along with a brief description of the topic.

¹ This recommendation corresponds to a concern identified with a former College of Social Sciences, Arts and Humanities employee, however it is listed here as a recommendation to be addressed by the Office of Compliance and Ethics based on process ownership.

² One of the three noted recommendations corresponds to a concern identified with a former College of Social Sciences, Arts and Humanities employee, however it is listed here as a recommendation to be addressed by the Office of Human Resources based on process ownership.



The remaining pages present detailed status and risk-level information.



Item #	Report # and Issue Date	College/Area	Issue	COSO Risk Component	Risk Level	Control Weakness	Recommendation/ Policy Determination	Owner	Update on Implementation
1	2020-11-05 Issued: 4/2/2021	College of Agriculture and Food Sciences	Direct charging of an administrative position to federal grants	Control Environment	Low	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	Status: Closed Dr. Edington provided an update to DoA on 08/01/2022. His office will work with Sponsored Programs and the General Counsel regarding this matter. Completion Date: 08/01/2022
2	2020-11-05 Issued: 4/2/2021	College of Agriculture and Food Sciences	Allocation of administrative salaries to funding sources	Monitoring	Low	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	Status: Closed DoA coordinated with CAFS and the Office of the Provost to monitor this matter to resolution. Completion Date: 08/01/2022



3	2021-02-19 Issued: 4/6/2021	College of Social Sciences, Arts and Humanities	Outside employment and undisclosed conflict of interest	Control Activities	Low	A faculty member worked for FAMU and another university simultaneously without properly disclosing the outside employment and conflict of interest.	<p>Recommendation 1: 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>	Rica Calhoun, Chief Compliance and Ethics Officer	<p>Status: Closed</p> <p>The Office of Compliance and Ethics (OCE) with the assistance of the Office of Information Technology Services successfully rolled out the automated disclosure process via iRattler on 07/01/2022.</p> <p>Completion Date: 07/01/2022</p>
4	2021-02-19 Issued: 4/6/2021	College of Social Sciences, Arts and Humanities	Outside employment and undisclosed conflict of interest	Control Activities	Low	A faculty member worked for FAMU and another university simultaneously without properly disclosing the outside employment and conflict of interest.	<p>Recommendation 2: 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>Status: Closed</p> <p>The Office of Human Resources is currently undergoing a transition of leadership which will impact the execution of this recommendation. Human Resource is receptive to the recommendation and will continue to work, as feasible, to install an HR liaison within the Office of the Provost.</p> <p>Completion Date: 09/08/2022</p>



5	2020-11-11 Issued: 10/18/2021	College of Agriculture and Food Sciences	Unauthorized teaching assistance and remote work; Undisclosed conflict of interest regarding dual employment	Monitoring	Low	An employee, who was known to teach on behalf of a CAFS professor, had not been hired teach; and had not gone through the proper credential review process to facilitate classes in the professor's absence.	<p>Recommendation 1: We recommend the College of Agriculture and Food Sciences issue notice to Dr. Cassel Gardner regarding his use of unauthorized personnel to facilitate and/or assist him with his courses and require appropriate corrective action. CAFS should consider, in its determination of corrective action, that Dr. Andrine Stanhope was not authorized to work remotely during the period of 2008 to 2012 as the telecommuting policy was not in place at that time; therefore, Gardner did not have the authority to permit Stanhope to perform work remotely for the University.</p> <p>We also recommend the College issue notification to Stanhope regarding 1) her performance of unauthorized duties while employed in another position and 2) her failure to disclose the conflict of interest pertaining to working multiple positions with competing priorities.</p>	Dr. Robert Taylor, Dean, CAFS	<p>Status: Closed</p> <p>Dr. Edington provided an update to DoA on 08/01/2022. His office will work with Sponsored Programs and the General Counsel regarding this matter.</p> <p>Completion Date: 08/01/2022</p>
6	2020-11-11 Issued: 10/18/2021	College of Agriculture and Food Sciences	Unauthorized teaching assistance and remote work; Undisclosed conflict of interest regarding dual employment	Monitoring	Low	An employee worked remotely for the University for several years while also working a full-time position in another country. According to the employee, multiple CAFS employees knew of this arrangement.	<p>Recommendation 2: Determine if funds must be repaid for 1) time Stanhope spent assisting Gardner rather than performing duties for the Associate in Land Grants position and 2) if Gardner must repay a portion of his salary for the time Stanhope performed any of his responsibilities.</p>	Dr. Robert Taylor, Dean, CAFS	<p>Status: Closed</p> <p>Dr. Edington provided an update to DoA on 08/01/2022. His office will work with Sponsored Programs and the General Counsel regarding this matter.</p> <p>Completion Date: 08/01/2022</p>



7	2020-01-27 Issued: 1/10/2022	Human Resources	Concern regarding documents maintained in official personnel file	Communication and Information	Low	A former employee reported that their official personnel file included documents that should not have been included in the file. HR has a process for the Complainant to request the document be sealed. The Complainant and HR should work to reach resolution.	Recommendation 1: Human Resources should coordinate with the Complainant to determine if written discipline documented in Complainant’s personnel file should be marked invalid and/or sealed per the FAMU/Police Benevolent Association agreement.	Sandi Anderson-Smith, Interim Associate Vice President for Human Resources	Status: Closed To date, no current or former FAMU Police Department employee has reached out to HR to request that a written discipline in their personnel file be marked invalid and/or sealed. Completion Date: 09/02/2022
8	2020-01-27 Issued: 1/10/2022	Human Resources	Decentralized process for maintaining employee personnel records	Control Activities	Low	Departments are permitted to maintain personnel records for employees that are not maintained by Human Resources. HR is the custodian of the official personnel file.	Recommendation 2: Human Resources should consider the feasibility of centralizing maintenance of all personnel records including those currently retained by departments internally; or consider implementing a process for including soft discipline documents, such as written counseling, in the official personnel file to support subsequent formal disciplinary action.	Sandi Anderson-Smith, Interim Associate Vice President for Human Resources	Status: Closed HR agrees that centralizing maintenance of all personnel records be housed in Human Resources; however, HR will collaborate with the appropriate individuals in Academic Affairs. Currently, the HR Records Management area is in the process of converting all paper A&P and USPS employee files to electronic files. implement changes. Completion Date: 09/01/2022



<p>9</p>	<p>2020-01-27 Issued: 1/10/2022</p>	<p>Department of Campus Safety & Security</p>	<p>Staffing and pay parity concerns</p>	<p>Risk Assessment</p>	<p>Moderate</p>	<p>Parties interviewed expressed concern regarding turnover with FAMU PD and compensation shortfalls compared to other local law enforcement agencies. This may create limitations with officer availability.</p>	<p>Recommendation 3: The Division of Student Affairs, within which the Department of Campus Safety & Security is positioned, should assess FAMU PD's salary structure and staffing levels to determine 1) if parity with other local law enforcement agencies may be achieved; and 2) if staffing availability, in consideration with active Mutual Aid Agreements, is adequate to meet the enforcement needs of the University.</p>	<p>Dr. William E. Hudson, Jr., Vice President for Student Affairs</p>	<p>Status: Closed</p> <p>Department of Campus Safety & Security has reported making salary adjustments over the past year (September 2021) in compliance with the collective bargaining agreement with the PBA; The department is unionized which impacts the salary structure. DoA confirmed via iRattler that staff job data reflected salary equity adjustments.</p> <p>Completion Date: 05/10/2022</p>
<p>10</p>	<p>Memorandum SUBJECT: Department of Athletics Inventory Management Issued: 1/17/2022</p>	<p>Department of Athletics</p>	<p>Inadequate internal controls over equipment and apparel.</p>	<p>Control Environment</p>	<p>Moderate</p>	<p>Past practice of giving out apparel without accounting for items, combined with the lack of proper processes for ordering, receiving, tracking, documenting, and dispositioning equipment and apparel results in missing or otherwise unaccounted for items.</p>	<p>Recommendation 1: The Department of Athletics should develop and maintain an inventory control system which: a. Ensures all equipment and apparel purchases are authorized; b. Acknowledges receipt of inventory (in the correct quantities and of the appropriate quality); c. Timely, accurately, and completely records transactions in the University records; d. Maintains control over and secures equipment and apparel; e. Ensures proper authorization, acknowledgment, and documentation of equipment and apparel distributions and returns; f. Properly accounts for the disposition of obsolete equipment and apparel; and</p>	<p>Michael Smith, Interim VP/Athletics Director</p>	<p>Status: Open</p> <p>Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans.</p> <p>Anticipated Completion Date: TBD</p>



							g. Separates the equipment and apparel processes associated with equipping student athletes, providing benefits to employees, and incentivizing (and recognizing) stakeholder support and giving.		
11	<p>Memorandum SUBJECT: Department of Athletics Inventory Management</p> <p>Issued: 1/17/2022</p>	Department of Athletics	Inadequate tracking of apparel given to employees, which is necessary for individual tax reporting purposes.	Control Environment	Moderate	Poor tracking of apparel given to employees results in the employees' inability to report taxable income, in the form of apparel, to the IRS.	<p>Recommendation 2: The Department of Athletics should develop and implement a method for tracking apparel that is given to University employees, and work with the Division of Finance and Administration to ensure proper reporting of apparel as additional income in accordance with IRS guidelines.</p>	Michael Smith, Interim VP/Athletics Director	<p>Status: Open</p> <p>Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans.</p> <p>Anticipated Completion Date: TBD</p>
12	<p>04.20.2022 Memorandum</p> SUBJECT: Student Track Meeting (April 7, 2022)	Department of Athletics	Inappropriate Communication in Front of Students	Communication and Information	Low	Athletics leadership and coaches made inappropriate statements and held conversations in front of students which should have been handled in a separate management meeting.	<p>Recommendation 1: President Robinson, in consultation with Human Resources and General Counsel, should consider imposing appropriate disciplinary action.; In addition to any disciplinary action we recommend staff be required to complete LinkedIn Learning Courses regarding conflict resolution and de-escalation; The Office of Compliance and Ethics shall review with the individual(s) relevant University regulation and the individual(s) should then be required to sign acknowledgement of their understanding of each and agree to abide by them going forward.</p>	Michael Smith, Interim VP/Athletics Director	<p>Status: Open</p> <p>Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans.</p> <p>Anticipated Completion Date: TBD</p>



13	04.20.2022 Memorandum SUBJECT: Student Track Meeting (April 7, 2022)	Department of Athletics	Inappropriate Communications Directed at Students (McCluney)	Communication and Information	Low	Athletics leadership and coaches made inappropriate statements and held conversations in front of students which should have been handled in a separate management meeting.	Recommendation 2: It is recommended that Mr. McCluney be required to complete LinkedIn Learning Courses regarding emotional intelligence, conflict resolution and de-escalation; It is recommended that Mr. Gosha be required to complete LinkedIn Learning Courses regarding executive presence, conflict resolution and de-escalation; The Division of Student Affairs shall review with the individual(s) relevant University regulation and the individual(s) should then be required to sign acknowledgement of their understanding of each and agree to abide by them going forward.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD
14	04.20.2022 Memorandum SUBJECT: Student Track Meeting (April 7, 2022)	Department of Athletics	Inappropriate Communications Directed at Students (Butler)	Communication and Information	Low	Athletics leadership and coaches made inappropriate statements and held conversations in front of students which should have been handled in a separate management meeting.	Recommendation 3: President Robinson, in consultation with Human Resources and General Counsel, should consider imposing appropriate disciplinary action.; In addition to any disciplinary action we recommend staff be required to complete LinkedIn Learning Courses regarding conflict resolution and de-escalation; Human Resources, the Office of Compliance and Ethics and the Division of Student Affairs shall review with the individual(s) relevant University regulation and the individual(s) should then be required to sign acknowledgement of their understanding of each and agree to abide by them going forward.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD



15	04.20.2022 Memorandum SUBJECT: Student Track Meeting (April 7, 2022)	Department of Athletics	Possible Loss of Students to Track Program and University	Risk Assessment	Moderate	Breakdowns within Athletics administration may have adversely impacted the student-athlete experience and may impact recruitment and retention.	Recommendation 4: President Robinson should ensure that a meeting is held with the Track program to address student concerns; Representatives from Financial Aid and Athletics Compliance should meet with the students to address concerns related to scholarships; Athletics Compliance should review the students who have entered the transfer portal and determine the potential impact to APR, so that management can put in place steps to address any deficits in the overall APR; Provost Edington should assess the potential impact on PBF metrics of athletes transferring from the University.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has met with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD
16	04.20.2022 Memorandum SUBJECT: Student Track Meeting (April 7, 2022)	Department of Athletics	Student Safety Concerns	Risk Assessment	Moderate	The Athletics Department has not properly equipped student-athletes to compete in track and field competitions.	Recommendation 5: President Robinson should work with Athletics, the FAMU Foundation, and appropriate Finance and Administration units to properly equip students for all future track and field competitions.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has met with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD
17	04.20.2022 Memorandum SUBJECT: Student Track Meeting (April 7, 2022)	Department of Athletics	Alleged Key in the Possession of Student	Control Activities	Low	The sharing of equipment room keys with students weakened the internal controls (unauthorized access to equipment) put in place to safeguard University assets (equipment).	Recommendation 6: Athletics Administration should train/coach, Coach Dawson on University practices and expectations for safeguarding University equipment.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has met with Athletics regarding this issue



									and is awaiting action plans. Anticipated Completion Date: TBD
18	04.20.2022 Memorandum SUBJECT: Student Track Meeting (April 7, 2022)	Department of Athletics	Process for Issuing Student Per Diem	Control Activities	Low	It was reported to DoA that per diem is issued through a cash advance process to each Coach. The money is deposited into the Coach's personal bank account. The Coach is then expected to withdraw the money and distribute the per diem to each student. This process presents several concerns regarding control over per diem funds.	Recommendation 7: Athletics Administration should work with the applicable Finance and Administration units to develop a process to issue per diem directly to students.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD
19	2021-10-50 Issued: 09/08/2022	Department of Athletics	Staff responsible for handling cash collection were not cash management trained as required.	Monitoring	Moderate	Staff directly responsible for collecting vendor fee payments for the 2021 football season had not completed the required cash management training.	Recommendation 1: Ensure all Athletics staff involved in the collection of money (regardless of type or form) are authorized by the Cash Management Office to do so and have completed cash management training. Athletics staff handling monies on behalf of the University must also be adequately supervised by personnel who are authorized by the Cash Management Office to supervise collections and have completed cash management training.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD



20	2021-10-50 Issued: 09/08/2022	Department of Athletics	Incorrect and/or outdated language in the vendor application.	Control Activities	Moderate	The vendor application used for the 2021 football season included inaccurate information and was not fully enforced by the Department of Athletics.	Recommendation 2: Coordinate with the Office of the General Counsel to develop a football vendor application/contract with language that accurately reflects the process to be followed by both the vendor and the Department; The contract terms should explicitly prohibit sub-leasing and outline penalties for subleasing vendor spots. Ensure both the vendor and the Department's staff complete all fields of the contract and clearly list the payment amount due.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has met with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD
21	2021-10-50 Issued: 09/08/2022	Department of Athletics	Inconsistent application and documentation of the fees charged to vendors.	Control Environment	Moderate	The Department of Athletics offered discounts to some of the football vendors but did not document when, how, and why exceptions to the established vendor fee schedule were applied.	Recommendation 3: Consistently apply the established vendor fees to ensure equitable treatment of businesses wishing to sell during the football season. Exceptions and discounts should be documented along with an explanation for deviating from the established fee schedule.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has met with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD
22	2021-10-50 Issued: 09/08/2022	Department of Athletics	Ineffective and outdated method for collecting payments.	Risk Assessment	Moderate	Vendors were required to pay by cashier's check or money order. The Department of Athletics exhibited poor control over the process of receiving, documenting, and accounting for vendor fees for the 2021 football season.	Recommendation 4: Coordinate with the Division of Finance and Administration to establish methods of electronically accepting payments to improve accounting for payments received and customer service.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has met with Athletics regarding this issue and is awaiting action plans.



									Anticipated Completion Date: TBD
23	2021-10-50 Issued: 09/08/2022	Department of Athletics	Insufficient controls over vendor fee revenue.	Control Environment	Moderate	The Department of Athletics was unable to provide complete records for reconciling vendor fee payments collected during the 2021 football season; and exhibited poor control over the process of receiving, documenting, and accounting for those payments.	Recommendation 5: Establish a collection, recording, receipt, and deposit process that includes adequate segregation of duties and accountability between the frontline cash collection personnel and the Senior Associate Athletic Director for Business and Finance.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD
24	2021-10-50 Issued: 09/08/2022	Department of Athletics	Incomplete documentation maintained by the department to account for and reconcile vendor fee revenue.	Control Environment	Moderate	The Department of Athletics was unable to provide complete records for reconciling vendor fee payments collected during the 2021 football season; and exhibited poor control over the process of receiving, documenting, and accounting for those payments.	Recommendation 6: Maintain complete and accurate records of the amounts charged and paid by vendors including copies of all payments collected and demonstrate those payments were timely provided to the Cashier's Office for deposit by the University. Athletics staff must timely perform periodic reconciliations to ensure agreement between the amounts contracted to be paid, amounts received, and amounts delivered to the Cashier's Office. Staff must follow policies and procedures regarding cash collection, as well as fraud prevention and detection, as established by the University, and be held accountable for the handling of monies due to the University.	Michael Smith, Interim VP/Athletics Director	Status: Open Implementation status is To Be Determined (TBD). Former AD Gosha resigned on April 20, 2022. DoA has meet with Athletics regarding this issue and is awaiting action plans. Anticipated Completion Date: TBD



FAMU

FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

External Audit Update



Memorandum

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

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

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

Date: September 13, 2022

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 or concluded since our May 11, 2022, report to the Audit and Compliance Committee.

CONCLUDED DIRECT SUPPORT ORGANIZATION (DSO) INTERNAL CONTROLS REVIEW:

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

The Florida Board of Governors contracted with Crowe to perform a review of internal controls at each of the twelve universities with the State University System of Florida. Crowe reviewed key controls identified by management and completed procedures which resulted in the identification of exceptions where internal controls did not exist, were not properly designed, or based on limited testing performed, were not operating as intended. As of September 13, 2022, Crowe has provided a final report to the Florida Board of Governors. FAMU DSOs have established corrective action plans to address Crowe’s observations and overarching key takeaways. The FAMU Foundation has presented evidence to warrant the closure of all 6 of the issues observed. The Division of Audit is actively working with FAMU NAA and FAMU Rattler Boosters to ensure Crowe’s recommendations are implemented effectively.



IN-PROGRESS FLORIDA AUDITOR GENERAL (AG) AUDITS:

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

Contrary to State law (Section 1009.53(5)(b), Florida Statutes), for the Summer 2020 Term, Florida Agricultural and Mechanical University remitted 108 days late undisbursed advances totaling \$31,767. Absent timely remittances of undisbursed Bright Futures Scholarship Program advances to the FDOE, FAMU cannot demonstrate compliance with State law and the FDOE may withhold payment. President Robinson has submitted a corrective action plan to the Auditor General to address timely remittance of undisbursed advances. The AG’s final report will be published soon.

Florida Auditor General				
Audit	Audit Period	Start Date	Anticipated Report Release Date	Current Status
Financial Statement Audit	FYE June 30, 2022	July 2022	June 2023	Fieldwork

IN-PROGRESS INTERCOLLEGIATE ATHLETICS FINANCIAL STATEMENTS AND AGREED UPON PROCEDURES REPORT STATUS:

James Moore, CPAs				
Audit	Audit Period	Start Date	Anticipated Report Release Date	Current Status
Financial Statement Audit	FYE June 30, 2021	November 2021	June 2022	Overdue
Agreed Upon Procedures	FYE June 30, 2021	November 2021	June 2022	Overdue



IN-PROGRESS UNITED STATES DEPARTMENT OF EDUCATION ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND (ESSER) GOVERNOR’S EMERGENCY EDUCATION RELIEF FUND (GEER) OVERSIGHT AND REVIEW:

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



FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

Division Updates



Division of Audit Updates

September 20, 2022

Staffing

New Hire



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

Promotions



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

Open Positions

- *Senior Auditor* – Interviews in Progress (Expected to Fill by Mid October)
- *Staff Auditor* – Initial Hiring Stage (Expected to Fill by end of October 2022)
- *Vacancy Impact to Work Plan* – Division Management is in the process of reviewing the current workplan to determine what adjustments will need to be made to account for the time positions are vacant. Any substantial changes to the work plan (i.e. project deferral, removal, or replacement) will be brought before the Audit and Compliance Committee (AACC) for discussion during the December 2022 AACC meeting.

Awards



William Knight, Enterprise Risk Management Coordinator, was awarded the *Be the Change* Annual Conference Scholarship, by the University Risk Management & Insurance Association. The Be the Change Annual Conference Scholarship is an opportunity specifically for an employee of a Historically Black Colleges and Universities institution to gain valuable educational and networking opportunities as a higher education risk management professional who could not attend the 2022 URMIA Annual Conference in Indianapolis without this financial support. Only one scholarship is awarded annually.



Certification



Arriet Foster, Lead Senior Auditor and Investigator, earned the Certified Internal Auditor designation in July 2022.

As the only globally recognized internal audit certification, becoming a Certified Internal Auditor® (CIA®) is the optimum way to communicate knowledge, skills, and competencies to effectively carry out professional responsibilities for any internal audit, anywhere in the world. – Institute of Internal Auditors



Deidre Melton, Associate Vice President for Audit and Chief Risk Officer, earned the Certified Inspector General designation on August 12, 2022. This certification signifies that Ms. Melton possesses the skills and knowledge needed to be successful as an inspector general in the following six core competency areas: 1) Context of the inspector general function; 2) Ethics; 3) Legal issues; 4) Public management issues; 5) Investigating fraud, waste, and abuse; and 6) Audits, inspections, and reviews.

Leadership



Deidre Melton, Associate Vice President for Audit and Chief Risk Officer, was elected to the Board of Directors for the Association of College and University Auditors (ACUA) for a two-year term, beginning September 2022. Ms. Melton, who has served ACUA for the past two years as the Chair of the Diversity & Inclusive Leadership Committee, has been tasked with being the board liaison to the Communication. ACUA, is striving to enhance all communication channels to positively impact and grow its brand, increase value to members through impactful and timely communications, and develop new opportunities to further member engagement.



Professional Engagements

The Division of Audit continues to work hard to solidify FAMU's Division of Audit as a best-in-class and highly innovative audit shop within the audit community. One of the avenues to increase brand recognition has been through actively sharing our expertise and highlighting the great things happening at FAMU during national conferences.

Association of Inspectors General (AIG) Institute – August 8 -12, 2022



Joseph Maleszewski, Vice President for Audit, served as an instructor for the following four AIG certification courses during the August 2022 AIG Institute in Jacksonville, FL.

- Internal Controls
- Use of Specialist
- Audit Follow-up
- Characteristics of IG Functions Which Maximize Value Added

ACUA AuditCon – September 12 -15, 2022



Deidre Melton, Associate Vice President for Audit and Chief Risk Officer, served on the Diversity, Equity, and Inclusion panel for the general session, where she spoke on the challenges of implementing DEI at an HBCU and in Florida, how auditors can help with DEI initiatives, and highlighted efforts that ACUA's Diversity and Inclusive Leadership Committee has made to enhance DEI within ACUA and provide resources to members for use in their institution. This panel also included representative from Duke University, Wayne State University, and University of Minnesota. Ms. Melton, also instructed a session on *Practical Plans for Implementing COSO ERM in the University Environment*.



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FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

Enterprise Risk Management Update



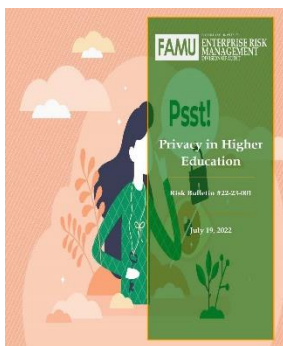
Enterprise Risk Management Updates

September 20, 2022

Risk Bulletins

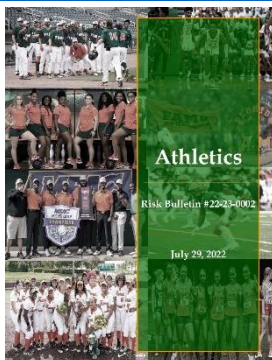
The ERM program developed and released three risk bulletins since the June 2022, Board of Trustees meeting. These risk bulletins are designed to fulfill the program’s mission of providing meaningful, actionable, and timely strategic and performance risk intelligence to our stakeholders to enhance decision making and resource alignment. These risk bulletins have been well received by President Robinson and his team. Below is a synopsis of each risk bulletin and related management actions.

Risk Bulletin on Privacy (High Risk Area)



- **Privacy at FAMU:** The University does not have a dedicated chief privacy officer and handles Privacy in a decentralized and as needed basis. As a result of the growing number of privacy laws and regulations, the University’s evolving business and academic environment, and the increase in penalties and fines levied at organizations for privacy breaches, this enterprise risk topic was shared with the SLT for consideration and action.
- The CRO led discussions with the President and his senior leadership team (SLT) on July 19, 2022 to ensure understanding of the risks related to privacy, share recommendations, and gain feedback on actions to be taken to mitigate the risks. SLT members were fully engaged in the discussions and were able to work through a variety of privacy related issues.
- **Actions Planned:** The President asked Rica Calhoun (CCEO) and Deidre Melton (AVP for Audit/CRO) to establish a Privacy Task Force and submit names of recommended task force members to him. The task force will be charged with addressing each of the recommendations listed in the bulletin, including evaluating the identification of a person to coordinate privacy efforts throughout the University.

Risk Bulletin on Athletics (High Risk Area)



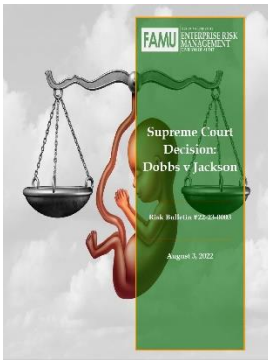
- **Athletics at FAMU:** Athletics at FAMU over the past decade has been challenged with financial and operational issues. As a result of recent and planned NCAA changes, FAMU’s move to the SWAC, and instability within the athletic director position, the risk around FAMU’s athletic program has continued to persist and require management attention. The Athletics program impact to the University’s reputation and many key business processes throughout the University, drove the need for this enterprise risk to be shared with the SLT for consideration and action.
- The CRO led discussions with the President and his senior leadership team (SLT) on August 2, 2022, to ensure understanding of the risks related to Athletics, share



recommendations, and gain feedback on actions to be taken to mitigate the risks. There was great discussion around the following athletic areas: institutional controls and governance, athletic department relationships with other university departments, fundraising, student-athlete needs, future athletic needs and opportunities, financial profile, and operations.

- **Actions:** The President appointed VP Friday-Stroud and Provost Edington to re-establish the FAMU Athletics Support Committee and serve as its co-chairs. The Committee was charged with working with Athletics to develop a governance structure and an efficient internal controls system prior to the appointment of a new Athletic Director. The Committee has been fully established and began meeting to develop and action plan to fulfill its charge.

[Risk Bulletin on Dobbs v Jackson](#) (Emerging Risk Area)



- On Friday, June 24, 2022, the Supreme Court of the United States issued its decision in the case of Dobbs v. Jackson Women’s Health Organization. The Court held that the U.S. Constitution does not confer a right to abortion, and that the authority to regulate abortion is returned to the states, overturning nearly 50 years of precedent. In response to the action taken by the court, the Association of Governing Boards of Universities and Colleges (AGB) issued an AGB Policy Alert: *The Supreme Court of the United States Overturns Roe v. Wade, Ending the Constitutional Right to an Abortion: Consequences for Higher Education*. This is an emerging risk and the level to which the risk will rise for FAMU, will depend heavily on subsequent Florida legislative changes, supply of birth control pills and devices, and public calls for activism.
- As this is an emerging risk area, and not currently assessed as high, this risk bulletin topic has not been scheduled for a SLT risk discussion session. However, during the August 2, 2022 SLT meeting, the CRO did bring attention to this topic and requested that all SLT members familiarize themselves with the impact the legislation has on FAMU and recommendations contained within the bulletin.
- **Actions:** The ERM team will work with the Director of Student Health Services and other appropriate management to gain further feedback and intended management actions related to the considerations and recommendations outlined in the bulletin.

The ERM team is in the process of developing additional risk bulletins related to cybersecurity and succession planning.



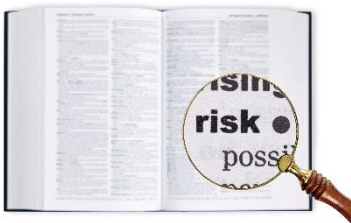
Tools and Resources

The ERM program has developed and made available to the University community a variety of risk management tools and resources since the June 2022 Board of Trustees meeting.

ERM Website Re-Build



On September 9, 2022, the ERM program, launched an enhanced [ERM website](#) to create a centralized resource for communicating risk management information, tools, and resources. The site includes information related to the ERM Advisory Committee, Risk Bulletins and Reports, ERM Staff, ERM Toolbox, ERM Trainings, FAMU Activities in the ERM Community, Risk Appetite Statement, and University ERM Policy.



As part of the ERM Toolbox, a [Risk Dictionary](#) was created to establish a common set of official terms and definitions in an effort to improve the communication of risk-related issues across the University and with our stakeholders.



As part of the ERM Toolbox, a [University Risk Map](#), was designed to provide University management, faculty, and staff with a high-level overview of key risks faced by higher education institutions and State University System of Florida (SUS) members.

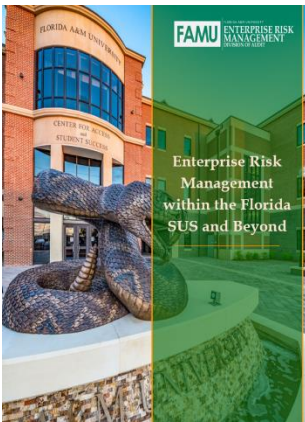
Over the upcoming months, a plan has been established to develop and provide the FAMU community with a risk reporting hotline, risk and opportunity scales for decision making, ERM service request feature, risk response tool, and risk identification tool.



ERM Initiatives in Progress

The ERM program has two major initiatives currently in progress.

ERM in the SUS and Beyond Report



During the June 2022 Audit and Compliance Committee meeting, the Chief Risk Officer was instructed to evaluate what other SUS and higher education entities were doing as it relates to enterprise risk management. The CRO has since met with each SUS sister institution to discuss their ERM practices and plans. While this process was taking place, the Board of Governors, also expressed interest in the same topic. As a result, both VP Maleszewski and I met with members of the Board of Governors staff to discuss ERM practices. We agreed to share the gathered SUS ERM information with both SUS member institutions and the Board of Governors. This information will be supplemented with Higher Education ERM best practices gathered from around the nation. Board of Governors staff informed us that ERM will be add to the agenda of an upcoming meeting and we may be called upon to provide relevant SUS and national Higher Education ERM information. The final report is expected to be released on, or before, September 30, 2022.

Performance-Based Funding Risk Assessment



On April 25, 2022, during the Enterprise Risk Management Advisory Committee (ERMAC) meeting, the Chief Risk Officer launched the process for identifying risks to performance-based funding metrics. The process including soliciting feedback from ERMAC members, staff, and management through group meetings, interviews, and other communication channels. A risk profile template for communicating the results of the assessment was developed and modeled after a best practice established by the University of Montana. The risk profile, upon its completion, will provide management with the following risk intelligence in relation to each performance-based funding metric: threats to each metric, a detailed description of each threat, campus mitigation strategies and best practices for responding to the threat, and potential opportunities that the University can take advantage of as a by-product of threat responses. The performance-based funding risk profile is expected to be submitted to the Senior Leadership Team in October 2022 for review, feedback, and prioritization of risk.