

Audit and Compliance Committee

December 8, 2022



Roll Call



Craig Reed



Belvin Perry, Jr.



Michael Dubose



Ann Marie Cavazos

Action Items

01

Minutes: Consideration of Approval – October 5, 2022

-Trustee Craig Reed

02

Division of Audit Annual Work Plan

- Joe Maleszewski

03

Division of Audit Charter

-Joe Maleszewski

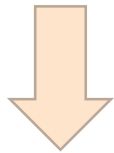


AACC Meeting Minutes

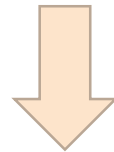
June 1, 2022



Review



Discussion



Approval

Florida Agricultural and Mechanical University
Board of Trustees



Audit & Compliance Committee Meeting

Trustee Craig Reed, Chair

Grand Ballroom

Wednesday, October 5, 2022 - 10:45 AM

Committee Minutes

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

In Chair Reed's and Vice-Chair Belvin Perry, Jr.'s absence, Trustee Dubose served as acting Chair and called the meeting to order. Ms. Deidre Milton called the roll. A quorum was not established. As a result, all action items for this meeting were included in the full Board's consent agenda and taken up there for action consideration.

Trustee Dubose acknowledged four (4) Action Items:

- Minutes: Consideration of Approval – Wednesday, June 1, 2022;
- University Code of Conduct (University Regulation 1.019) Update;
- Office of Compliance and Ethics Annual Report and Program Plan; and
- Compliance and Ethics Charter.

The first action item – Trustee Dubose acknowledged consideration of the Wednesday, June 1, 2022, Audit and Compliance Committee meeting minutes. This item was included in the consent agenda for Full Board approval consideration.

The second action item – Trustee Dubose recognized Chief Compliance and Ethics Officer Rica Calhoun to present the updated University Regulation 1.019: University Code of Conduct. The Office of Compliance and Ethics (OCE) completed a routine review of the regulation in order to provide a more detailed outline of expectations for members of the University community. Revisions to the code reflect a language assessment, additional references to new and existing policies, inclusion of language from the new strategic plan, and general language cleanup.

This item was included in the consent agenda for Full Board approval consideration.

The third action item – Trustee Dubose recognized Chief Compliance and Ethics Officer Rica Calhoun to present the Office of Compliance and Ethics Annual Report and Program Plan. Chief Compliance and Ethics Officer (CCE) Calhoun discussed the following elements of the Office of Compliance and Ethics for the FY 2021-2022:

Division of Audit: Annual Work Plan Update

Plan Projects Added



Financial Aid Audit

- **Potential Risk:** Ineffective and/or inefficient business processes having a negative impact on students and the University's ability to comply with applicable laws, regulations, and policies.
- **Project Focus:** Audit financial aid business processes, including scholarship and academic policies.
- **Strategic Plan Impact:** Priority 1 – Student Success, Priority 5 – Organizational Effectiveness and Transformation



Student Government Association Audit

- **Potential Risk:** Insufficient revenues for Summer 2023 allocation
- **Project Focus:** Perform a three-year review of the Student Government Association budget, revenues, and expenditures.
- **Strategic Plan Impact:** Priority 1- Student Success, Priority 3 -Leverage the Brand, and Priority 4 - Long-Term Fiscal Health and Sustainability



Auxiliary Services Audit

- **Potential Risk:** Insufficient revenues to balance auxiliary budgets for FY 22-23
- **Project Focus:** Perform a three-year review of revenues and expenditures for select auxiliary accounts to identify root cause of revenue declines and impact to sustainability auxiliary services.
- **Strategic Plan Impact:** Priority 4 - Long-Term Fiscal Health and Sustainability and Priority 5 – Organizational Effectiveness and Transformation

Division of Audit: Annual Work Plan Update

Plan Projects Deferred to Fiscal Year 23-24

Culture Assessment (Consulting Engagement)

Planned Scope:

- Understand the attitudes of administrators, faculty, and staff at FAMU
- Identify barriers to individual success at FAMU
- Provide recommendations to FAMU Administration for enabling faculty, staff, and students to reach their full potential
- Establish benchmarks and baseline measures for future surveys



Online Education and Support Services (Consulting Engagement)

Planned Scope:

- Assess online education and support services for sustainability, growth, competitiveness, and alignment with strategic plan priorities



IT Governance and Structure (Consulting Engagement)

Planned Scope:

- Assess and make recommendations on ITS governance policies, processes, and activities.
- Review ITS structure to determine if it is in alignment with best practices for institutions of similar size
- Review staffing for expertise and skills alignments with division goals and priorities



Athletics Ticket Office (Consulting Engagement)

Planned Scope:

- Ticketing System: Access, Reconciliation Processes
- Complimentary Tickets Processes and Procedures
- Ticket Office Security
- Ticket Office General Procedures and Processes



Division of Audit Charter Updates



Audit Language

No Substantive Changes



Investigation Language

Added language around the Inspector General Role to address requirements for training and accreditation



ERM Language

Added language to:

- Provide ERM function with similar authority and access to people and information as the Audit Function
- Define ERM scope of responsibility
- Define CRO role, responsibilities, and reporting lines

Informational Items

01

Compliance and Ethics Week

02

Investigations

03

Key Initiatives



Presented By:

Rica Calhoun

Chief Compliance & Ethics Officer

Compliance and Ethics Week REVISED

7 NOV 12:00 PM-1:00 PM
FAMU Values
 Drop in at the Office of Compliance and Ethics (OCE) in Foot-Hilyer 105 to spin the compliance wheel and get a prize! OCE will also be sending out the Code of Conduct and Resources!

8 NOV 3:00 PM
FAMU Highlight: Human Resources
<https://famu.zoom.us/j/99400320363>
 OCE is featuring AVP Ella Kiselyuk to discuss the role of HR in compliance, HR initiatives, and answering any questions you may have.

9 NOV 10:30 AM
FAMU Tone at the Middle
<https://famu.zoom.us/j/96070197061>
 OCE will host a session with Compliance Partners to incorporate compliance into their daily operations through a guided activity called, "Tone at the Middle."

14 NOV 1:30 PM
FAMU Highlight: Enterprise Risk Management
<https://famu.zoom.us/j/99617326953>
 OCE is featuring Chief Risk Officer and AVP Deidre Melton to discuss the role of enterprise risk management at the University, responsibility for responding to risk, how the University Risk Map works, and the University's Risk Appetite Statement. Bring your questions!

14 NOV 1:30 PM
FAMU Matters
 OCE will end the week with resources to members of the University community.



TONE AT THE MIDDLE

We want to hear from you. OCE is hosting a focus group to discuss its latest initiative, "Tone at the Middle," a way to incorporate compliance into daily operations. We'll provide an overview and open the floor to hear from you. Join us!

TODAY AT 10:30
<https://famu.zoom.us/j/96070197061>



COMPLIANCE AND ETHICS WEEK 2022

FAMILY HIGHLIGHT: OFFICE OF HUMAN RESOURCES

"Zoom" in and chat with the new AVP/Finance and Administration/Chief Human Resources & Diversity Officer, Ella Kiselyuk. She'll be discussing HR initiatives and more!

TUESDAY, NOVEMBER 8
3:00 PM

[HTTPS://FAMU.ZOOM.US/J/99400320363](https://famu.zoom.us/j/99400320363)



Ella Kiselyuk
 AVP/FINANCE AND ADMINISTRATION/CHIEF HUMAN RESOURCES & DIVERSITY OFFICER

COMPLIANCE AND ETHICS WEEK 2022

FAMILY HIGHLIGHT: ENTERPRISE RISK MANAGEMENT

"Zoom" in and chat with Associate Vice President for Audit and Chief Risk Officer, Deidre Melton. She'll be discussing Enterprise Risk Management (ERM), the University Risk Map and ERM services!

RESCHEDULED
MONDAY, NOVEMBER 14
3:30 PM

[HTTPS://FAMU.ZOOM.US/J/99617326953](https://famu.zoom.us/j/99617326953)



Deidre Melton
 ASSOCIATE VICE PRESIDENT FOR AUDIT AND CHIEF RISK OFFICER

FAMU Fundamentals 2023

The Modules for 2023 include:

Clery

Campus Security Authorities

Compliance, Law and Policy

Code, Retaliation, Public Records and Record Retention, and ERM

Cybersecurity

Phishing, Electronic Data Transfer and Protection

Discrimination and Harassment

Responsible Employees

Emergency Management

Hurricane Preparedness and Essential Employees



Investigations

(20 Hotline Reports Since July 1, 2022)

Issue	Count
Employee Misconduct	4
Fraud	4
Conflict of Interest	2
General Concern	2
Sexual Harassment	2
Discrimination	1
Misrepresentation of Information	1
Misuse of University Resources	1
Time Abuse	1
Waste, Abuse or Misuse of Institution Resources	1
Workplace Harassment	1

Case Status: 15 In Process 5 Closed



Area	Issue	Risk Level	Status
Academic Affairs	Faculty Misconduct/Retaliation	Medium	Ongoing (external training still needed)
Academic Affairs	Retaliation	Medium	Closed (October 21: corrective action taken)
Academic Affairs	Public Records	Medium-High	Closed (OCE provided notice regarding required zoom recording record retention)
Student Affairs	Health and Safety	High	Ongoing (OCE supported establishment of threat assessment team; integration with CARE team in progress)
Research	Conflict of Interest	Medium	Closed (October 31: corrective action taken)
Research	Grant Compliance	Medium-High	Ongoing (validate recommendations re: dissolution of current 501(c)(3))

Current Investigation Monitoring



22-23 Compliance Risk Assessment

Area	Issue	Risk Level	Action Needed
Administration	Administrative Leave	Medium-High	Compliance Focus: (Compliance Review)
Administration	Conflict of Interest	Medium	Compliance Focus: (Compliance Review of Process Implementation)
Governance	Training	Medium	Compliance Focus: (Additional BOT Training Opportunities)
Research	Foreign Gift Reporting	Medium-High	Compliance Focus: (USDOE reporting overdue, process effectiveness review of established process)
Compliance	Retaliation	Medium	Compliance Focus: (Follow up related to retaliation through micro-learning and FAMU Fundamentals)
Academic Affairs	HB 7	Medium-High	Compliance Focus: (Track legislative and judiciary actions; completion of awareness course)
Research	Foreign Influence	Medium-High	Compliance Focus: (compliance reviews re: foreign travel (Follow up July 5 and November 7) and screening (draft recommendations shared with department on November 3)

Area	Issue	Risk Level	Status
Research/ITS	Research Security and Compliance	Medium-High	Compliance Focus: (Assist ITS in NIST 800-171; centralized cloud solution for research data)
ITS/ Administration	Data Privacy	Medium-High	Compliance Focus: Coordinate with ERM in development of privacy program; GDPR review update and other reviews incorporated into the program.
Athletics	Probation and Reporting	Medium-High	Compliance Focus: Coordinating with external firm to complete annual review of probation progress (currently in year 7)
Athletics	APR	High	Compliance Focus: Completed latest APR submission with consultant (October 31). Completed and distributed drafts of improvement plans for football and men's track for feedback. (November 19)
Athletics	NCAA and Title IX compliance	Medium	Compliance Focus: Monitor and assist in the achievement of equity goals and reporting (USDOE Equity in Athletics Data Analysis and Florida report). Athletics Compliance partnered with EOP for their 50th Anniversary of Title IX Celebration (11.17.22)



Foreign Travel Process

New Process Implemented:

- Justification Clarification
- Travel Acknowledgement
- Travel Signature/Initial Addition
- Completed Form Received

BREAKING NEWS

Title IX 50th Anniversary Celebration

The Athletics Compliance Department participated in the celebration hosted by Equal Opportunity Programs, presenting information on FAMU women in athletics.

Coaches Meetings

Hosted separate meetings with coaches to review Bylaw 11.7 and Articles 12 and 14

Mandatory Department Compliance Meeting

Monthly compliance meetings scheduled to highlight compliance topics and provide a forum for coaches and staff to ask questions

Equity in Athletics Data Analysis (EADA) Report

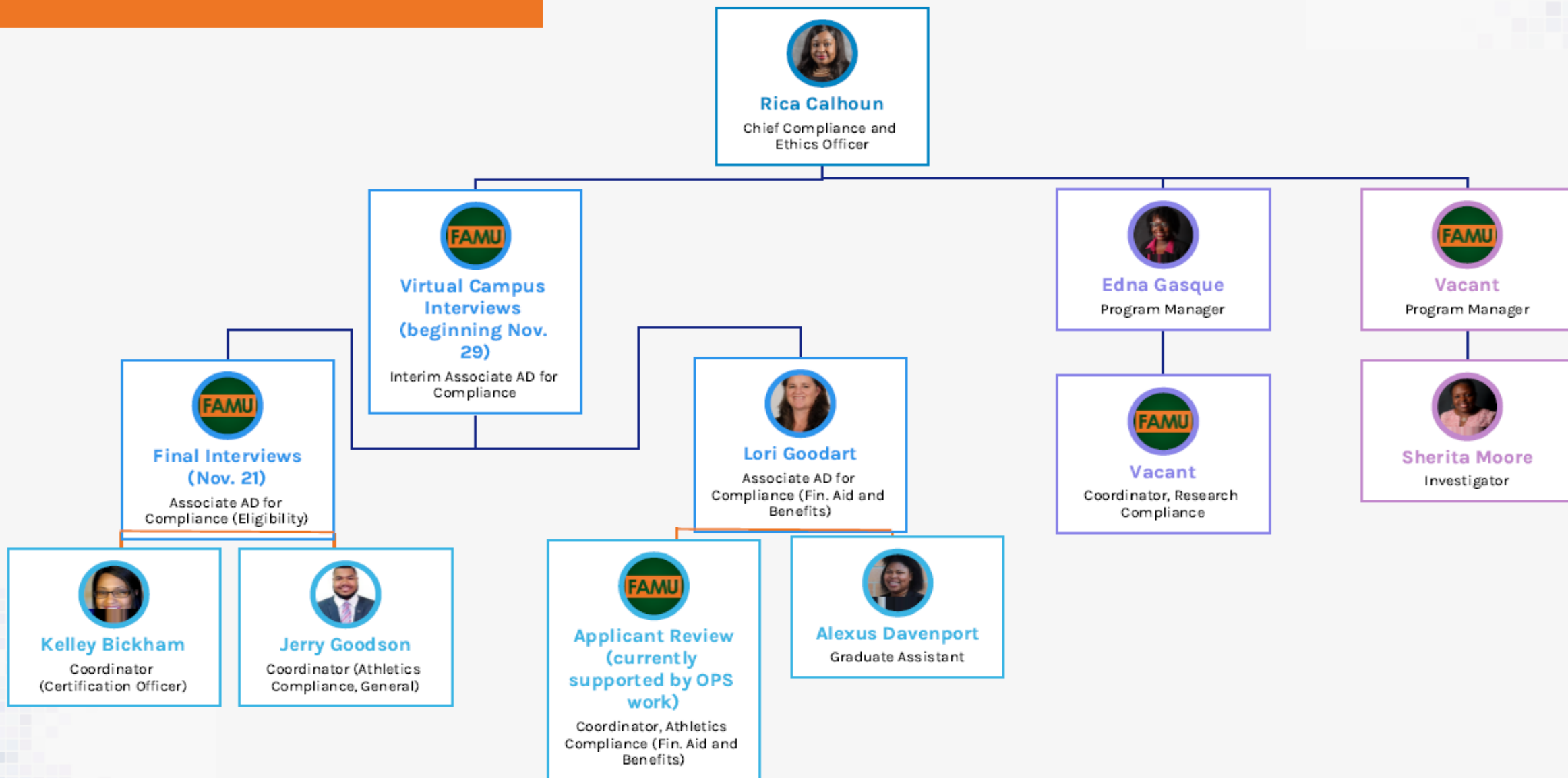
Submitted to the USDOE for 2022 on November 1, 2022

APR Reporting and Improvement Plans

APR reporting was completed with assistance from John Shukie on October 31. Two programs did not make the 930 mark.



December Status Update: We are currently on track to make offers for all positions in Athletics Compliance by December 31.



01

Audit Follow-Up

02

Procurement Services Update

03

External Audit Updates

04

Audit Updates

05

ERM Updates



Presented By:

Joseph Maleszewski
Vice President for Audit/CAE

Deidre Melton
Associate Vice President for Audit/CRO

Audit Follow-Up

- 3 Open Findings

01

OPEN – Low Risk

Monitoring for Resolution of ADA Issues

02

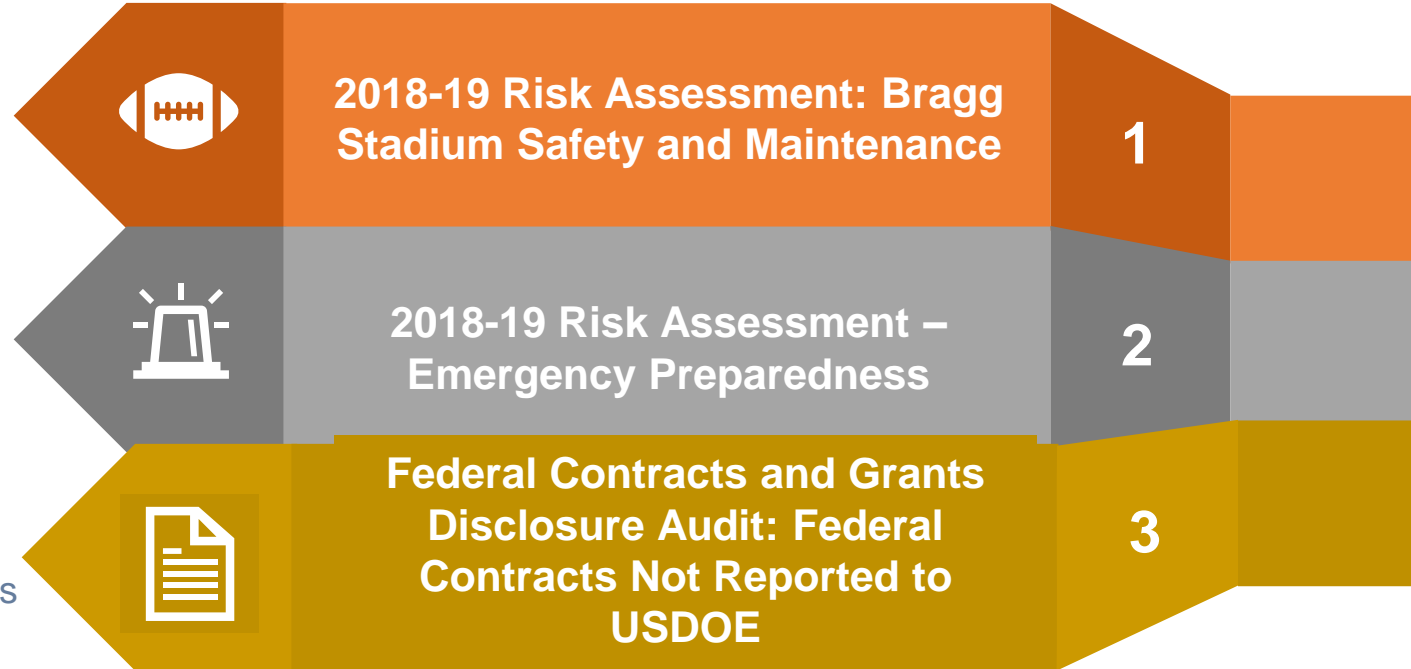
OPEN – High Risk

Updating Emergency Management Plan,
Budget Under Review

03

OPEN – Medium Risk

2018-2021 reportable payments disclosures
were not made as of November 18, 2022



Consulting Services: Office of Procurement Services



Our analysis determined opportunities for improvement in the following areas:

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

ATHLETICS



01

Inventory Management

2 Recommendations

02

Track and Field Concerns

7 Recommendations

03

Football Vendor Fee Collection

6 Recommendations

Status Updates for Division of Audit Investigation Recommendations

Inventory Management ●●●●

01.17.2022 Memorandum on Department of Athletics Inventory Management

01

Recommendation #01

Maintain an inventory control system adequate to ensure proper authorization, receipt, recording, and security of apparel and equipment including distributions, returns, and disposals. Separate the equipment and apparel processes associated with equipping student-athletes, providing benefits to employees, and incentivizing (and recognizing) stakeholder support and giving.



Reported Status: In progress

02

Recommendation #02

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.

Track and Field Concerns

01

Recommendation #01

Consider disciplinary action and training for Athletics staff involved in improper communication in front of students

02

Recommendation #02

Consider disciplinary action and training for Deputy Athletic Director involved in improper communication directed toward students

03

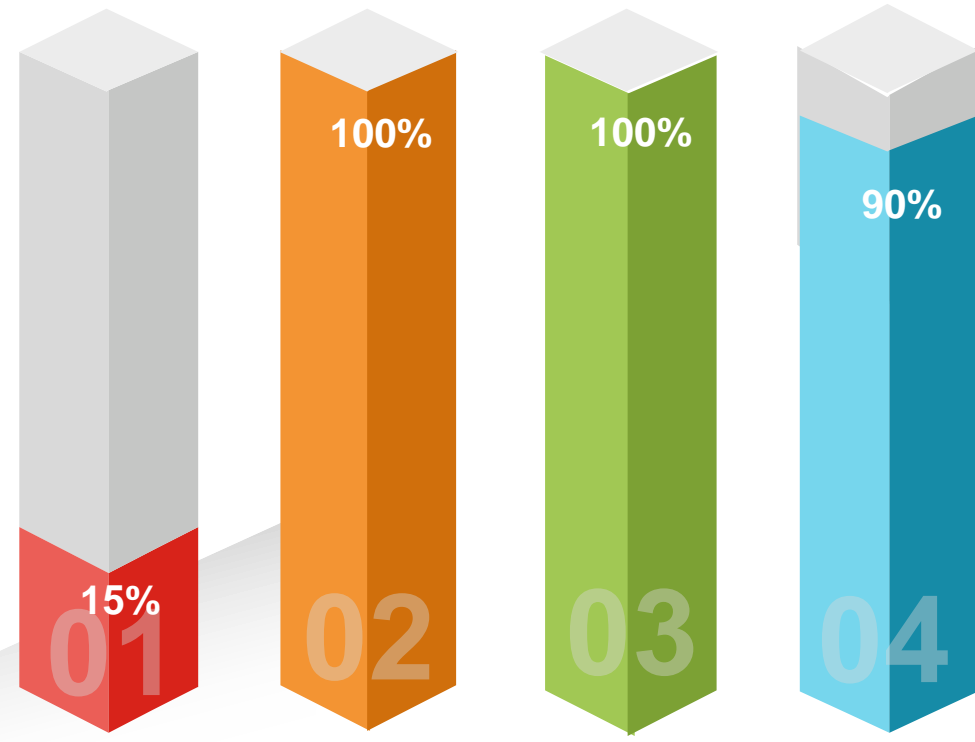
Recommendation #03

Consider disciplinary action and training for Athletic Coach involved in improper communication directed toward students

04

Recommendation #04

Assess and address various items regarding the track and field program which could lead to the loss of students



Reported Recommendation Implementation Status

Track and Field Concerns ●●●●

Report: 04.20.2022 Memorandum on Student Track Meeting (April 7, 2022)

05

Recommendation #05

Properly equip student-athletes for all future track and field competitions.

06

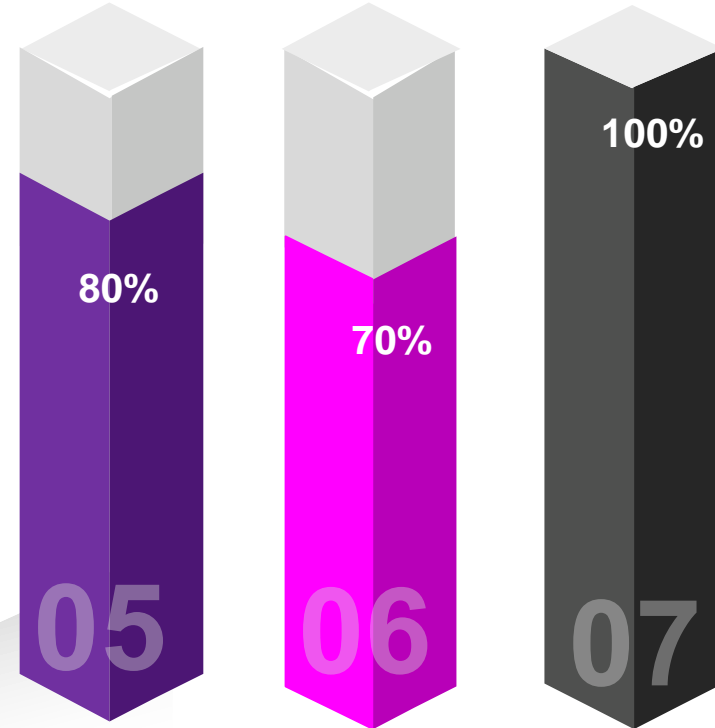
Recommendation #06

Athletics Administration should train on University practices and expectations for safeguarding University equipment.

07

Recommendation #07

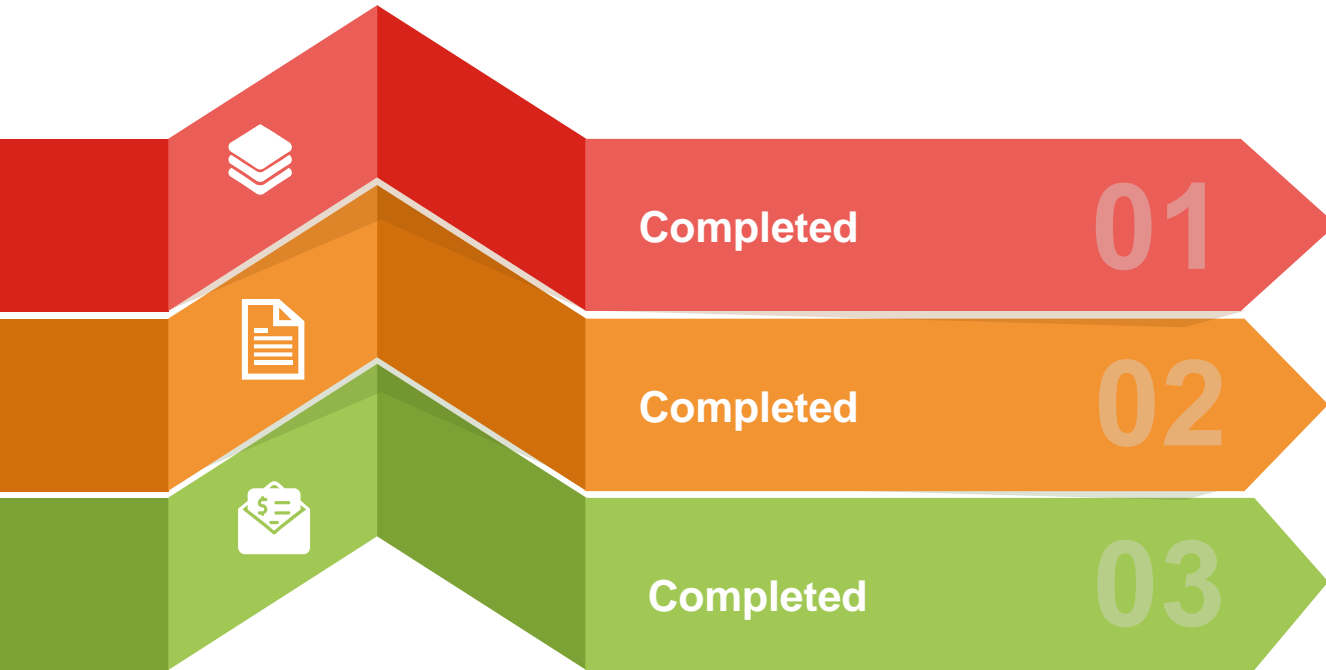
Work with the applicable Finance and Administration units to develop a process to issue per diem directly to students.



Reported Recommendation Implementation Status

Football Vendor Fee Collection

Report: #2021-10-50 Issued 09.07.2022



01

Recommendation #01

Ensure all Athletics staff involved in the collection of money are properly trained and supervised.

02

Recommendation #02

Develop a football vendor application/contract with language that accurately reflects the process to be followed by both the vendor and the Department

03

Recommendation #03

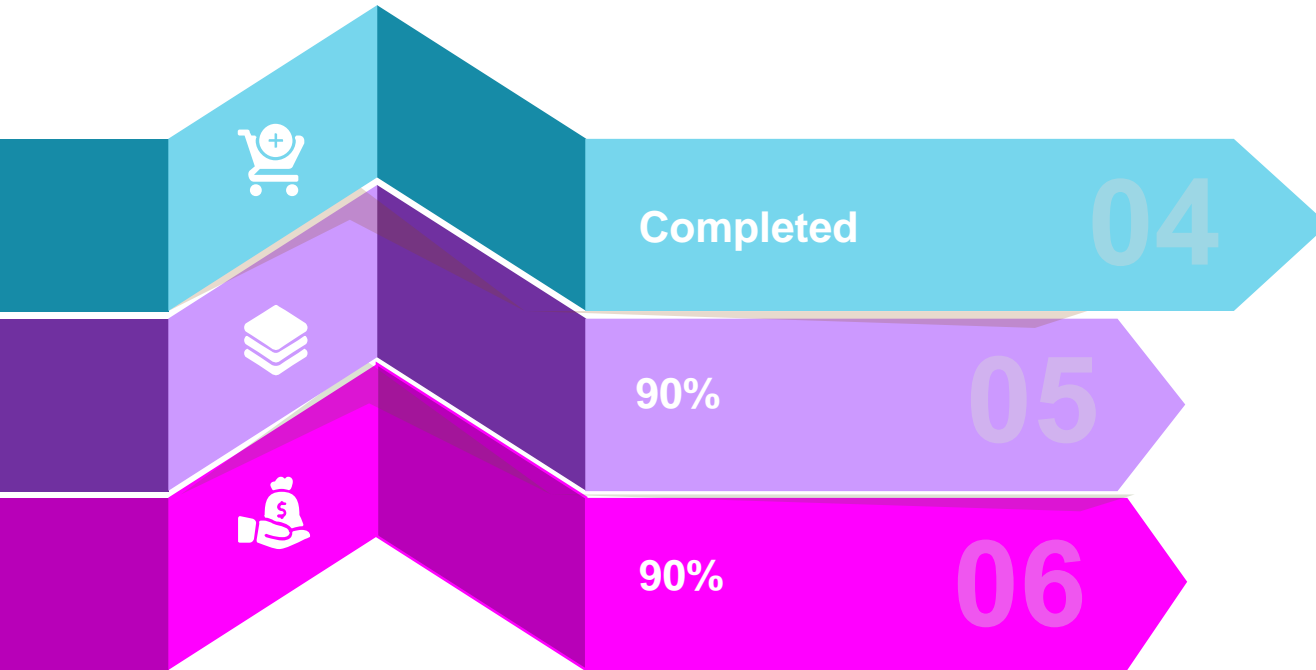
Consistently apply the established vendor fees to ensure equitable treatment. Document exceptions.

Reported Recommendation Implementation Status

Football Vendor Fee Collection



Report: #2021-10-50 Issued 09.07.2022



Recommendation #04

Establish methods of electronically accepting payments to improve accounting for payments received and customer service.



Recommendation #05

Ensure all Athletics staff involved in the collection of money are properly trained and supervised.



Recommendation #06

Ensure all Athletics staff involved in the collection of money are properly trained and supervised.

Reported Recommendation Implementation Status

Other Items

1

NCAA Agreed-Upon Procedures (AUP)

NCAA Bylaw 3.2.4.15.1 requires, “The report shall be subject to annual agreed-on verification procedures approved by the membership (in addition to any regular financial reporting policies and procedures of the institution) and conducted by a qualified independent accountant”

2

Annual Financial Statement Audit: BOT Policy Number 2005-16 Audits of University Athletics Finances

“All sources and expenditure of funds associated with the University’s Intercollegiate Athletic Programs shall be annually audited by an independent outside auditor...”

External Audits

Engagement	Status	Corrective Action Status
CROWE Direct Support Organizations (DSO) - Review of Financial Internal Controls	Complete	<p>Foundation – Complete</p> <p>Rattler Boosters – 3 Completed; Estimated completion date for remaining items January 2023</p> <p>NAA – 4 Completed; Estimated completion date for remaining items April 2023</p>
Florida Auditor General State Financial Aid – Bright Futures (Florida Public Student Financial Assistance Grant Program)	Complete	Corrective actions related to the timely remittance of undisbursed Bright Futures advances are expected to be completed in December 2022.
Intercollegiate Athletics Financial Statements	Complete	Corrective actions include annual balanced budget and continued repayment of auxiliary debt. These actions are ongoing.
Florida Auditor General Financial Statements	Fieldwork in progress	Pending
United States Department of Education Elementary and Secondary School Emergency Relief Fund (ESSER) Governor’s Emergency Education Relief Fund (GEER) Oversight and Review	Fieldwork in progress	Pending
Athletic Action Plan Assurance Service	Contracting	Pending

Audit Updates



01

New Hires

- Erica Thames
- Crisencia Brown

02

2022 Compliance and Ethics Week

Staff Participated in Code of Conduct Training, Scavenger Hunt, and FAMUly Highlight: ERM

03

Fraud Awareness Week

During this year's Fraud Awareness Week, we sent out engaging educational infographics, videos, and puzzles and hosted FRAUD BINGO with food, drinks, and prizes!

04

Professional Development & Engagements

Power Skills Lab: Public Speaking
ERM in Higher Education Summit
IIA IGNITE: Emerging Leaders

F	R	A	U	D
Phishing	Money launderer	Job rotation or mandatory vacation	10%	The Brooklyn Bridge
Identity theft	Affinity fraud	85%	Hotlines	Owner/Executive
Private Companies	Use "strong" passwords	FREE	Corporate governance	Bernie Madoff
Credit card statement	Financial statement fraud	Residual risk	The fraud triangle	A balance sheet
Shred	Pyramid scheme	"Catch Me If You Can"	Spending	Vishing

F	R	A	U	D
Financial statement fraud	85%	Tips	Service Market	
Credit report	Money laundering	Fraud risk assessment	The fraud triangle	Owner/Executive
Phishing	Affinity fraud	FREE	Corporate governance	Bernie Madoff
Credit card statement	Pyramid scheme	Enron	Hotlines	Ag Tech
Telephone hotlines	"Catch Me If You Can"	Living beyond their means	Vishing	



ERM Updates



- 1 Risk Bulletin: Talent Management
- 2 PBF Risk Assessment
- 3 Risk Dashboard: Athletics
- 4 FAMU Fundamentals 2023: ERM
- 5 SUAC ERM Session – November 30th



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

