



**FLORIDA
AGRICULTURAL AND
MECHANICAL
UNIVERSITY**

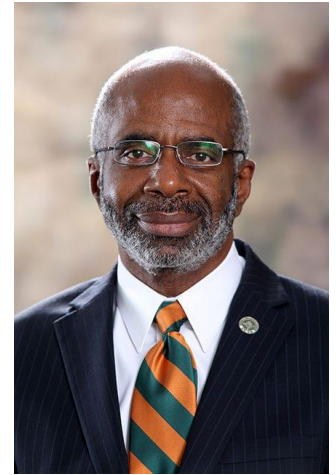
Internal Controls Assurance Statement

June 2021



Statement from the President – Larry Robinson, Ph.D.

Florida Agricultural and Mechanical University has been named the No.1 Public Historically Black College & University in the U.S. News & World Report Rankings for the past two years. In part, this honor was made possible by the strong system of internal controls that supports our business, financial, and academic operations and the hard work of everyone on our team to ensure controls are in place and functioning optimally.

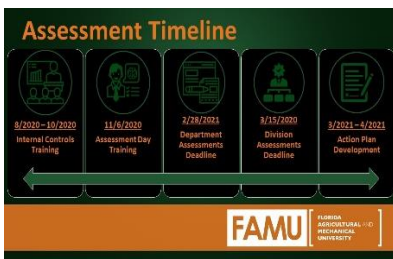


Over the past year and a half, the University has faced one of the most challenging times in its history, as the COVID-19 pandemic forced our University to change the way we operate both academically and administratively. In March 2020, we moved the vast majority of our student instruction to distance learning and transitioned the majority of our staff to remote work, with our ultimate goal of ensuring the health and safety of our faculty, staff, students, and stakeholders. This meant, we had to change our processes and controls to support this new way of doing business, while continuing to move this great institution forward in meeting our mission, strategic goals, business objectives, and performance-based funding metrics. We ensured our internal control structure was dynamic and remained strong during this time by doing the following:



Forming cross-functional teams to assess operational changes, identify risk and opportunities, and implement comprehensive plans. These teams took into consideration changes to policies, procedures, and processes and emphasized training and communication to faculty, staff, students, and stakeholders.

Mandating training in the Committee on Sponsoring Organizations of the Treadway Commission (COSO) Internal Controls – Integrated Framework (Framework). This training highlighted the University’s internal control policies as well as faculty and staff roles and responsibilities in ensuring internal controls are in place and functioning within their operational and academic units.



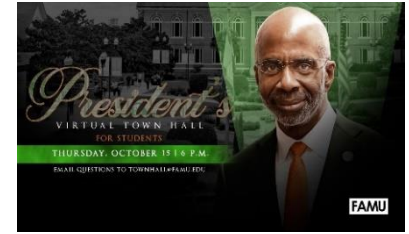
Requiring all divisions to complete an internal controls self-assessment to identify strengths and opportunities for improvement of the Framework’s five internal control components and seventeen principles.

Directing the Division of Audit to conduct audits of the over \$39 million in federal COVID-19 relief funds provided to the University. These audits focused on the allowable use of these funds and compliance with applicable reporting requirements. Where appropriate, the audits assessed the strategic use of funds for the advancement of University strategic and performance goals.





Tasking key Univesity leaders with routine collaboration with their State University System of Florida and national counterparts to assess the dynamically changing environment, and share best practices in adapting to the COVID-19 pandemic.



Hosting numerous town hall meetings for our faculty, staff, students and others who make up our FAMUly to ensure that we were timely and fully communicating expectations as changes were made to operations, inviting feedback, and addressing questions and concerns.

At my direction, the Division of Audit facilitated an assessment of our internal controls based on the Framework to determine whether all components and principles of controls were present and functioning. This assessment applied a maturity model and identified both internal control strengths and opportunities for improvement. The maturity model employed a scale from 1-Adhoc (controls were non-existent with no formal procedures or metrics for performance measures) to 5- Optimized (controls were continuously reviewed and improved, highly automated, with comprehensive and defined performance metrics).

I am pleased to report that on this five-point maturity scale the University averaged 3.67 or higher on each of the five components of control as summarized in the table below.

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

These results demonstrate that, while we have room for improvement, all five components and seventeen principles of the framework are in place and functioning.

One of the most important type of internal controls are those used to ensure accurate and complete financial reporting. These controls include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the institution; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles.

These controls at the University, are annually subject to external audit scrutiny by Florida’s legislative auditor the Auditor General. Their most recent financial audit was issued in March 2021 and covered the period ending June 30, 2020. This audit determined the following:

- **Financial Statements:** The basic financial statements of FAMU (a component unit of the State of Florida) were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.
- **Internal Controls over Financial Reporting:** The audit did not identify any deficiencies in internal control over financial reporting that were consider to be material weaknesses.
- **Compliance:** The results of audit tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, issued by the Comptroller General of the United States.

I reaffirm my commitment to the success of our students and the mission of this historically important institution dedicated to the vision of being recognized as a premier land-grant, doctoral-research university that produces globally competitive graduates. We will work diligently to improve our internal controls as we chart a path to becoming one of the top 100 Best National University in the U.S. News & World Report rankings.

In this document, I present some of the details of our internal control assessment. It is organized by the Framework's five components of controls and 17 principles. I highlight some notable internal control strengths as well as opportunities for improvement which require our collective attention and resources. I look forward to working with our Board of Trustees, members of my senior leadership team, faculty and staff to enhance our internal controls as a strategy to improving efficiency and effectiveness in achieving our shared priorities and goals.

Thank you,

A handwritten signature in cursive script that reads "Larry Robinson".

Larry Robinson, Ph.D.
President

Table of Contents

- Internal Controls Framework Overview..... 5**
- Internal Controls Framework Assessment**
 - Control Environment..... 8**
 - Risk Assessment.....11**
 - Control Activities.....13**
 - Information & Communications.....15**
 - Monitoring Activities.....17**

Internal Controls Framework Overview

In December 2019, the Florida Agricultural and Mechanical University (University) Board of Trustees (BOT) adopted Policy 2019-01 *Internal Controls and Enterprise Risk Management*. The policy mandated that the University adopt the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Controls – Integrated Framework (Framework). The Framework stipulates that a system of internal controls must be designed and implemented to support the following components:

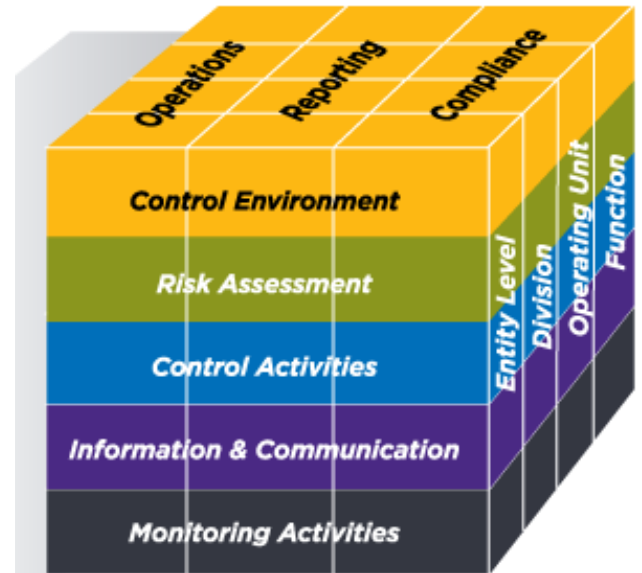
Control Environment – the set of standards, processes, and structures that provide the basis for carrying out internal controls across the University. The control environment comprises the commitment to integrity and ethical values that establish oversight responsibility and enforce accountability.

Risk Assessment – the process to identify, analyze, and assess risks to the achievement of objectives.

Control Activities – the actions established through policies and procedures to mitigate risks to the achievement of institutional objectives.

Information and Communication – the use of relevant information to disseminate clear messages. Sound internal controls establish expectations and procedures to support the reliability and integrity of financial information and reporting.

Monitoring Activities – the use of evaluations to ascertain whether internal controls are present and functioning.



©2013 Committee on Sponsoring Organizations of the Treadway Commission. Used with permission.

The following seventeen principles support the five components of control:

Control Environment

1. Demonstrates commitment to integrity and ethical values
2. Exercises oversight responsibility
3. Establishes structure, authority and responsibility
4. Demonstrates commitment to competence
5. Enforces accountability

Risk Assessment

6. Specifies relevant objectives
7. Identifies and analyzes risk
8. Assesses fraud risk
9. Identifies and analyzes significant change

Control Activities

10. Selects and develops control activities
11. Selects and develops general controls over technology
12. Deploys through policies and procedures

Information & Communication

13. Uses relevant information
14. Communicates internally
15. Communicates externally

Monitoring Activities

16. Conducts ongoing and/or separate evaluations
17. Evaluates and communicates deficiencies

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



Prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), Florida Statutes



Promote and encourage compliance with applicable laws, rules, regulations, contracts, grant agreements, and best practices



Support economical and efficient operations



Ensure reliability of financial records and reports



Safeguard University assets

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

In response to the BOT’s charge, President Larry Robinson, Ph.D., instructed management, faculty, and staff to implement internal controls that were appropriate, reliable, cost-effective, comprehensive, and reasonable in supporting the mission as well as the strategic, business, and performance objectives of the University. To facilitate these efforts, he worked with the Division of Audit to:

- Provide internal controls training to all management, faculty, and staff;
- Develop an internal control self-assessment tool for use by divisions, colleges, and schools; and
- Evaluate the University’s overall internal control system utilizing information gathered through the internal control self-assessment tool, interviews and focus groups conducted with internal and external parties (management, faculty, BOT representatives, etc.), audits, investigations, and observations made over the past year in response to the COVID-19 pandemic.

Below is an illustration of the timeline of events used by the University to develop the internal controls assurance statement:



The University’s system of internal controls is dynamic, and controls change to meet the needs of the organization over time. As a result, the University chose to implement a maturity model to guide the implementation and continuous improvement of the University’s overall internal controls framework. The maturity model uses a five-point scale and is outlined below:

Maturity Stage	Observable Process Characteristics			
	Procedures	Controls	Metrics	Improvement Mechanisms
1. Ad Hoc	No formal procedures exist.	Controls are non-existent or primarily in reaction to a “surprise.”	There are not metrics or performance monitoring.	None
2. Repeatable	Some standard procedures exist, relies on “tribal knowledge ¹ .”	Mostly detective controls are in place, minimal preventive controls, and highly manual.	Few performance metrics exist; thus, performance monitoring is inconsistent or informal.	Most likely in reaction to audits or service disruptions.
3. Defined	Procedures are well documented, but not kept current to reflect changing business needs.	Preventive and detective controls are employed, still reliant on manual activities.	Some metrics are used, but performance monitoring is still manual and/or infrequent.	Generally, occurs during periodic (e.g. annual) policy and procedures review.
4. Managed	Procedures and controls are well documented and kept current.	Preventive and detective controls are employed, with greater use of automation to reduce human error.	Many metrics are used with a blend of automated and manual performance monitoring.	Best practices and/or benchmarking are used to improve processes.
5. Optimized	Process and controls are continuously reviewed and improved.	Preventive and detective controls are highly automated to reduce human error and cost of operations.	Comprehensive, defined performance metrics exist, with extensive automated performance monitoring.	Extensive use of best practices, benchmarking, and/or self-assessment to continuously improve processes.

The following pages details the results of the University’s assessment of internal controls based on the above maturity model, and identifies both strengths and opportunities found within each of the Framework’s components and principles of control.

¹ Tribal knowledge is any unwritten information that is not commonly known by others within an organization. This term is used most when referencing information that may need to be known by others in order to produce quality products or services. The information may be key to quality performance, but it may also be totally incorrect.

Internal Controls Framework Assessment



CONTROL ENVIRONMENT

The control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The control environment is comprised of the following five principles of control, which were all found to be present and functioning.

	PRINCIPLES OF CONTROL	MATURITY LEVEL
P.1	The organization demonstrates a commitment to integrity and ethical values.	5
P.2	The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.	4
P.3	Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.	5
P.4	The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.	3
P.5	The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.	3

The University’s control environment is shaped by its’ history, mission, core values, and regulatory oversight, and the higher education industry in which we compete and allowed the University to be resilient throughout the COVID-19 pandemic and continue to meet its business objectives. Key strengths of the control environment at the University are detailed below.

STRENGTHS



The University Code of Conduct (BOT Regulation 1.019), was updated in February 2020. The change was related to external communication on behalf of the university, contract authority, gifts and entertainment, record keeping, fraud, health and safety, sustainability, information technology, investigations, retaliation, and equal opportunity.



In December 2019, Board of Trustees (BOT) adopted Policy 2019-01 [Internal Controls and Enterprise Risk Management](#) and adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO):

- Internal Controls – Integrated Framework, and
- Enterprise Risk Management - Integrating with Strategy and Performance.



Strong focus on training to communicate requirements and expectations:

- August 2020 - February 2020: Mandatory Internal Controls Training
- March 2020: Mandatory training on conflicts of interest, fraud, public records and open meetings
- April 2021: Management training on Handling Emergencies during COVID; Enterprise Risk Management; Telecommuting Guidelines; Cedar and ADA Compliance; Due Process/Policy Considerations; Fostering Student Success in a Remote Learning Environment; Title IX /Consensual Relationships; Preparing for Audits; Clery Campus Security Authority; Employee Law; and FERPA.

STRENGTHS



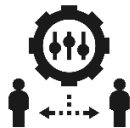
In March 13, 2020, the President approved University Policy UP-03-01 Telecommuting Policy, which was critically important to the university's ability to respond to the COVID-19 pandemic and pivot to remote work for all but select employees who needed to work on site to deliver essential university services.



The President sets a strong tone at the top for ethical and honest conduct. On August 6, 2020, the BOT evaluated President Robinson on his exhibition of honesty and integrity. The BOT members collectively scored him a 4.9 out of 5.0 possible points.



The BOT meets regularly as a body and separately with individuals of management to provide administrative oversight of the development and performance of internal controls. Trustees often provide insightful and constructive feedback to assist in improving outcomes.



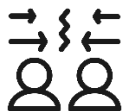
Several BOT regulations and policies require elements that contribute to a strong control environment. This includes articles of the BOT Operating Procedures such as Article 6: Code of Ethics, 6.1 Conflict of Interest; and Article 10.1: General, Collective Authority and Action.

The University strives to continuously improve its control environment and move toward an optimized maturity level for all five principles. As a result, areas were identified where opportunities existed to improve the control environment.

OPPORTUNITIES FOR IMPROVEMENT



The policy structure and processes need to be improved to ensure policies are reflective of compliance requirements, management direction, and current practices. This was evidenced by both the Division of Audit Report No. 19-20-0005 [Advisory Services Report Process for Adopting and Changing Policies](#) and the Board of Trustees self-evaluation in August 2020 where trustees evaluated the following metric, "The Board periodically reviews and evaluates its policies," as average. One trustee commented, "*Our policies should undergo a full review both specific to governance and to the University's overall operation to bring them current. I would also recommend that an ongoing schedule of review be adopted.*"



Continued diligence with maintaining board of trustee member independence, as emphasized in the Southern Association of Colleges and Schools Commission on Colleges, *Section 4.2 Governing Board ... The Governing board ... (b.) ensures a clear and appropriate distinction between the policy-making function of the board and the responsibility of the administration and faculty to administer and implement policy.* Board members must rigorously adhere to the old Association of Governing Boards maxim, "noses in and fingers out." "Noses in, fingers out" is AGB's unofficial mantra of board engagement—the board's role is to oversee the execution of strategies and policy development without crossing the line into the tactical micromanagement of day-to-day operations.



Enhanced accountability around compliance with mandatory trainings and equitable and consistent treatment by management in response to policy violations.

OPPORTUNITIES FOR IMPROVEMENT



In June 2017, the FAMU Board of Trustees approved the University’s strategic plan: “FAMU RISING” 2017-2022. Strategic Priority 5: First-class Business Infrastructure, Goal 1: Recruit, develop, and retain diverse and excellent staff resulted in the development of a succession planning program. In the long term, succession planning, underpinned by career development will support effective replacement planning (short term) and transition planning (longer term) of personnel throughout all levels of the University, thereby strengthening continuity and the overall capability of Florida A&M University. Continued focus should be placed on fully implementing the succession planning program for the University.



RISK ASSESSMENT

Risk is defined by COSO’s Internal Controls – Integrated Framework as the possibility that an event will occur and adversely affect the achievement of objectives. Therefore, like all entities, the University experiences risk at all levels. These risks may result from both positive and negative variances from expectations.

For example, a significant variance in student enrollment projections can have many impacts on the University. If there are significant declines in student enrollment, this could lead to major revenue loss, cancelled courses, or layoffs. Conversely, suppose there are significant increases in student enrollment. In that case, there may not be enough faculty to teach courses, quality of instruction and student engagement may decrease, or physical space constraints may be exceeded in classrooms and housing. Therefore, having sound processes in place for assessing risk throughout the University is vital to the University’s ability to meet its mission and strategic objectives.

The risk assessment component is comprised of the following four principles of control, which were all present and functioning at the University.

	PRINCIPLES OF CONTROL	MATURITY LEVEL
P.6	The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.	4
P.7	The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.	3
P.8	The organization considers the potential for fraud in assessing risks to the achievement of objectives.	4
P.9	The organization identifies and assesses changes that could significantly impact the system of internal control.	4

An assessment of the University’s risk assessment processes revealed several key strengths, as noted below.

STRENGTHS



The University specifies organizational objectives through its Strategic Plan (FAMU Rising), Presidential Goals, annual Accountability Plan, and assessment activities for divisions, colleges, and schools.



The University implemented BOT Policy 2020-01: [Fraud Policy](#) in December 2020 that established a zero tolerance for fraudulent, unethical, and dishonest activities. Additionally, the policy established responsibilities for the identification, reporting, and investigation of fraud.



The University conducts enterprise-wide risk assessments using three functions:

- **Office of Compliance and Ethics:** Compliance Risk Assessment
- **Division of Audit:** Conducts an annual risk assessment of impacts to internal controls, financial risks, strategic risks, compliance risks, and reputational risks
- **Insurance & Risk Management:** Assess risks related to areas covered under the State Risk Management Trust Fund

STRENGTHS



In March 2021, FAMU required all faculty and staff to take fraud training as part of its FAMU Fundamentals mandatory training program.



The University's senior leadership team meets as a group weekly to discuss operations and areas of risk throughout the University.



In December 2019, Board of Trustees (BOT) adopted Policy 2019-01 [Internal Controls and Enterprise Risk Management](#) and adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management - Integrating with Strategy and Performance.



In May 2021, the Division of Audit hosted a Fraud, Risk, and Controls Town Hall meeting for all faculty and staff to increase awareness and provide faculty and staff the opportunity to ask questions specific to their roles within the University.

The University strives to continuously improve its risk assessment processes and move toward an optimized maturity level for all four principles. As a result, areas were identified where opportunities existed to improve risk assessment.

OPPORTUNITIES FOR IMPROVEMENT



Management should establish long-range risk management plans to support critical success factors for business units, colleges, and schools.



Management should consider providing additional risk management and fraud related training to faculty and staff.



In collaboration with senior management, the University Board of Trustees should establish a risk tolerance statement



The University should continue with its plans to implement an enterprise risk management function in adherence with BOT Policy 2019-01: [Internal Controls and Enterprise Risk Management](#).



Management could enhance the budget process by utilizing strategic objectives as a basis for allocating resources needed to attain desired academic, operational and financial performance, and reduction of risk.



Management should consider integrating risk identification into the strategic planning process for the strategic plan currently in development.



CONTROL ACTIVITIES

Control activities for the University are mechanisms used to manage the achievement of its strategies, performance, and business objectives. For example, when the University pivoted to remote instruction in Spring 2020, as result of the COVID-19 pandemic, a cross-functional team assessed the impacts to the University. The team assessed relevant academic processes (i.e., testing, grading, instruction, privacy, etc.), information technology needs (i.e., virtual meeting platforms, security, hardware, student collaboration tools, etc.), and locations where additional control activities were needed. The control activities component is comprised of the following three principles of control, which were all present and functioning.

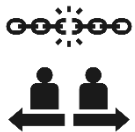
	PRINCIPLES OF CONTROL	MATURITY LEVEL
P.10	The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.	4
P.11	The organization selects and develops general control activities over technology to support the achievement of objectives.	3
P.12	The organization deploys control activities through policies that establish what is expected and procedures that put policies into place.	4

There were several strengths noted during the assessment of control activities utilized by the University. Highlighted below were some of the key strengths identified during the assessment.

STRENGTHS



Management considered the regulatory environment, complexity of the higher education industry, and scope of University operations, and our mission to select and develop control activities.



In University areas where staffing is lean, management actively assesses for proper segregation of incompatible duties, and where such segregation is not practical management selects and develops alternative control activities.



Financial Aid management performs quarterly user access reviews to restrict technology access rights to authorized users commensurate with their job responsibilities.



The Division of Audit, Office of Compliance and Ethics, Office of Equal Opportunity Programs, and Ombudsman, receives, triages, refers and/or investigates complaints on matters identified within their respective sphere of authority when there are alleged violations of control activities.

The University strives to continuously improve its control activities and move towards an optimized maturity level for all three principles. As a result, areas were identified where opportunities existed to improve control activities.

OPPORTUNITIES FOR IMPROVEMENT



The University should continue building out a comprehensive set of policies and procedures to guide the development and communication of standard IT procedures and technology general controls.



Management should perform an entity-wide assessment to understand and determine the dependency and linkage between business processes, automated control activities within PeopleSoft, and technology general controls.



Development and training on risk mitigation processes and procedures should be integrated into management practices.



Management should provide additional training to staff on the use of technology available to increase efficiencies.



Significant strides are being made in the area of University/Division-wide policy review. An annual mechanism has been established to ensure consistent and timely review. There is a need for greater accountability associated with constituent compliance with established policies.



All divisions, colleges, and schools should perform formal best practices and benchmarking assessments to inform needed changes within policies, procedures, and practices.



INFORMATION & COMMUNICATIONS

Relevant and quality information is imperative to the University’s ability to achieve its strategic, business, and performance objectives. This information may come from internal sources (i.e. employees, information systems, etc.) or externally (regulatory bodies, news, parents, alumni, etc.). Therefore, establishing effective and efficient communications for information to flow throughout the entire organization and between external sources enables clear communication of expectations and requirements. The information and communications component are comprised of the following three principles of control, which were all present and functioning.

	PRINCIPLE OF CONTROL	MATURITY LEVEL
P.13	The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.	3
P.14	The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.	4
P.15	The organization communicates with external parties regarding matters affecting the functioning of internal control.	5

While all principles of the information and communications component were present and functioning, the University exhibited key strengths in the areas below.

STRENGTHS



The use of Qualtrics to gather feedback to continuously improve operations throughout the University.



External constituents receive relevant information about matters impacting the University. In addition, Sponsored Research, the Office of Procurement, and the Auxiliary Services Departments timely advise consultants and vendors of relevant expectations and related changes.



Reporting (i.e. Financial Conflict of Interest, Misconduct, Title IX violations, etc.), to appropriate state and federal agencies are made as required.



Communications with students and families are made using a variety of platforms including FAMU email, iStrike, Blackboard, social media platforms, and listservs.



The President and his Senior Leadership Team meets weekly to communicate information and actions throughout the University. University experts are regularly invited to the meetings to provide greater insights on topics for informed decision making.

The University strives to continuously improve its processes for communicating and sharing information externally and internally with a goal of increasing the maturity levels for all three principles of the information and communications component. As a result, areas were identified where opportunities existed to improve information and communications.

OPPORTUNITIES FOR IMPROVEMENT



There is a heavy reliance on manual processes in key areas of the University. Further automation of processes would increase the timeliness, relevancy, and quality of information available for use and decision making.



Enhance performance monitoring and evaluation within academic areas for administration, faculty, and students.



The University is effective at communicating from the senior leadership team to their direct reports through staff meetings. However, improvements could be made to increase informal and formal communication of strategy, expectations, and information impacting business and academic operations to faculty and staff at the director/chair level and below.



Training should be provided on a regular basis to ensure newer university employees are made aware of all relevant policies and procedures.



The University should consider utilizing existing technology, such as Microsoft Teams, to increase communication and sharing of information among management, faculty, and staff.



MONITORING ACTIVITIES

The COSO Internal Controls – Integrated Framework defines monitoring activities as those activities that assess whether each of the five components of internal control and relevant principles are present and functioning. The University’s monitoring activities (management reviews, internal audit, external audits and reviews, assessments, etc.) assists management in determining whether the system of internal control is effectively addressing current risks and business needs and potential changes that may need implementing to address new risks. The monitoring activities component is comprised of the following two principles of control, which were all present and functioning.

	PRINCIPLE OF CONTROL	MATURITY LEVEL
P.16	The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.	4
P.17	The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.	5

While all principles of the monitoring activities component were present and functioning, there were notable strengths to the University’s efforts in this area.

STRENGTHS



All divisions, colleges, and schools completed annual assessments that are monitored for continuous improvement opportunities. FAMU received the 2020 Excellence in Assessment Designation, recognized for conducting comprehensive assessment of student learning outcomes as a means to drive internal improvement and advance student success.



Internal control deficiencies are reviewed with leadership and/or during staff consultations for timely correction.



Internal control deficiencies and related correction actions are routinely reported to senior management and the Board of Trustees.



University Policy UP-01-02: [Internal Controls and Enterprise Risk Management](#), requires the University to annually provide to the BOT an assurance statement and summary information including an analysis of the University’s systems, controls, and legal compliance.



The Division of Audit performs an annual risk assessment to guide their assurance and advisory work plan to assesses against criteria established by regulators, oversight bodies, and best practices. The Division of Audit, additionally has an established process to work with management, and other designated personnel, to follow-up on corrective action plans implemented to address noted audit findings and process improvement recommendations.

The University strives to continuously improve its monitoring activities. As a result, areas were identified where opportunities existed to improve monitoring activities.

OPPORTUNITIES FOR IMPROVEMENT



Information and communication systems are monitored and periodically evaluated, but the information from this monitoring is not used to timely update noted deficiencies and often times the changes are cost prohibitive.



Improvement is needed to management's monitoring of the control environment by enhancing static, periodic monitoring with continuous monitoring techniques.



Management periodically spots check records to ensure expectations are met. Root causes of issues should be identified and used for continuous improvement.
