# Internal Controls Assurance Statement

June 2023

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 four 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.

The following section highlights several University initiatives that have been launched and/or reintegrated over the past year. I encourage my Senior Leadership Team and their staff to maintain a focus on these important initiatives over the coming year. As these initiatives are fully implemented we should see incremental increases to our Average Maturity Level score for each of the five components of control. These increasing scores will reflect our collective efforts to further mature the University's internal control environment. This will mean greater assurance that we will achieve the control objectives of effective and efficient operations, reliable and transparent financial and operational reporting, safeguarding University assets, promoting a culture of compliance, and the prevention, detection, and effective response to instances for fraud, waste, and abuse.
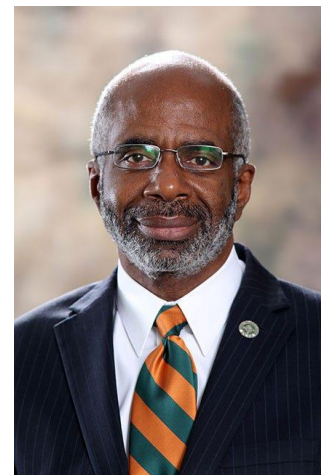
FAMU ORGANIZATIONAL RESTRUCTURING

In August 2022, discussions between myself and the FAMU BOT focused on ways to enhance operational efficiencies; improve customer service; accelerate progress towards achieving strategic goals; align talent with priorities and critical needs; and support the 2022-2027 Strategic Plan "Boldly Striking." To assess the institution's readiness to make these enhancements, FAMU benchmarked the existing administrative structure against State University System of Florida and national peer institutions.

As follow up to these high-level discussions and benchmarking efforts, in November 2022, I announced plans to restructure my leadership team. This plan included the creation of an Executive Vice President and Chief Operating Officer (COO) position, filled by Dr. Maurice Edington. Under the new structure, the COO provides direct supervision of certain functional areas which previously reported directly to me. As an initial phase COO Edington is overseeing the restructuring of several administrative offices within Student Affairs, Academic Affairs, Office of the General Counsel, Office of Compliance and Ethics, and Finance and Administration with goals to implement these changes in July 2023.

CULTURE OF ACCOUNTABILITY

FAMU seeks to strengthen our institution with a culture of accountability as highlighted in my annual priorities and goals – Goal 5: Organizational Leadership. Goal 5.4 is to Create a Culture of Accountability. At the May Senior Leadership Retreat, me and my leadership team spent a day, facilitated by Quality Measures LLC's CEO Dr. Gwen Lee-Thomas, learning how to create a culture of accountability. This session included a self-assessment, identification of accountability challenges, an accountability model, and focus on clarity of action and communication. FAMU will move forward with all haste to implement initiatives and strategies which will create and foster a culture of accountability.

This effort will include providing additional ongoing targeted professional development opportunities for SLT (e.g. providing access to executive coaching services) and managers across the university. These efforts will also include enhanced use of streamlined goals, targets and deliverables to track progress, and performance evaluations for administrators.

POLICY

This fiscal year, FAMU has partnered with MGT Consulting to assess the university's policy and regulation structures and associated processes. The goal is to ensure the policies and regulations are up-to-date, aligned, and readily available. FAMU plans to reevaluate the policy structure as well as resourcing, including the use of technology, to facilitate these necessary and important processes.

CUSTOMER SERVICE INITIATIVE

FAMU is building upon prior discipline-specific customer service initiatives with a goal to establish a comprehensive Service Excellence Initiative focused on improving the quality of services provide to internal and external stakeholders. At this year's Senior Leadership Team Retreat, I spent a full day on this topic which was facilitated by renowned higher education customer service consultant Teri Yanovitch who co-authored "Unleashing Excellence - The Complete Guide to Ultimate Customer Service." Ms. Yanovitch's session was filled with tips, techniques, and proven methods used by Disney and other major brands. She shared a step-by-step process for implementing an organization-wide customer service initiative. We will continue to work with Ms. Yanovitch as we follow this process and implement these techniques over the coming months.

ATHLETICS ACTION PLAN

To address specific issues noted by student athletes last calendar year, FAMU developed an Athletics Action Plan and has provided 8 monthly Board of Trustees updates on the status of implementing the plan.

The Athletics Action Plan Workgroup (weekly) and Implementation Team (biweekly) continue to hold regular meetings to monitor and coordinate the implementation of the plan. Progress has been made to bring all open strategies to within 85% of completion. All strategies are expected to be completed prior to June 30, 2023, with the exception of Strategy 14: Culture of Accountability. This strategy has an annual Board of Trustees reporting requirement on the key performance and student success metrics. This annual reporting requirement will be fulfilled during either the August Board of Trustees Retreat or the September Special Committee on Athletics meeting.

ENTERPRISE RISK MANAGEMENT (ERM)

The ERM function continues to provide meaningful, actionable, and timely strategic and performance risk intelligence to stakeholders to enhance decision making and resource alignment while appropriately balancing risk and opportunity. The program increased reporting through the issuance of risk bulletins (focused on enterprise risks) and risk alerts (focused on emerging risks) and by providing training on ERM best practices to all employees during FAMU Fundamentals in March 2023.

The Chief Risk Officer (CRO) partnered with our COO to create a committee of operational risk managers from high risk areas throughout the University focused on identifying and prioritizing risks, enhancing collaboration, integrating risk data into budget decisions, and developing cross-functional risk mitigation plans. Having the COO actively involved in our ERM initiatives has significantly raised awareness among the SLT regarding our challenges holistically. The COO's and CRO's focus has been to provide a platform for open discussion and shared insights, leading to a greater understanding of the organization's risk landscape and the importance of proactive risk management. This increased awareness at the SLT level has fostered a more comprehensive and strategic approach to addressing risks and vulnerabilities across the university.

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
2. Risk Assessment	4
3. Control Activities	3.67
4. Information and Communication	4.33
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. I am proud of what FAMU has accomplished to date, however, there is room for us to further improve. I recently charged all of management, faculty, and staff to continue ensuring that controls are in place and that they are doing their part to contribute to the achievement of our strategic, accountability, and performance-based funding goals.

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,

Larry Robinson, Ph.D.
President

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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.
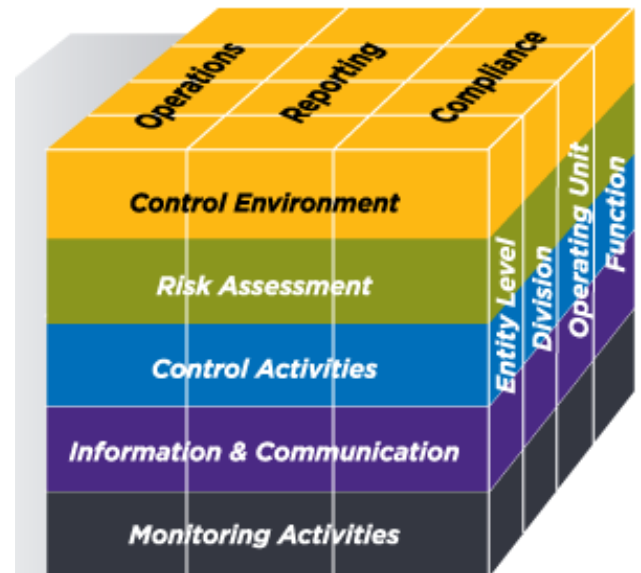
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The following seventeen principles support the five components of control.

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 do the following.

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 and interviews conducted with internal and external parties, audits, investigations, and observations made over the past year.

During the current fiscal year, the Division of Audit, developed risk and control self-assessment surveys for all departments to determine whether appropriate controls were in place to address various types of risks and how effective the controls were at mitigating the identified risk.

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,	Mostly detective controls are in place, minimal preventive controls, and highly manual.	Few performance metrics exist; thus, performance monitoring is	Most likely in reaction to audits or service disruptions.

Maturity Stage	Observable Process Characteristics			
	Procedures	Controls	Metrics	Improvement Mechanisms
	relies on "tribal knowledge[1]."		inconsistent or informal.	
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 detail the results of the University's assessment of internal controls based on the above maturity model, and identify both strengths and opportunities found within each of the Framework's components and principles of control.

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[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.	4
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 worked with consultants throughout the past year on two major initiatives designed to enhance the control environment: 1) FAMU has partnered with MGT Consulting to assess the university's policy and regulation structures and associated processes. 2) FAMU partnered with Segal to conduct a compensation study.
	In June 2022, the Board of Trustees (BOT) voted to revise the Policy 2019-01 *Internal Controls and Enterprise Risk Management* to strengthen the language related to internal controls, define risk, and further the define the roles and responsibilities for FAMU management and staff related to internal controls and enterprise risk management practices.
	Strong focus on training to communicate requirements and expectations: • Compliance Week (November 2022): Awareness campaign with a focus on building a culture of compliance. • Fraud Week (November 2022): Awareness campaign with a focus on anti-fraud policies, procedures, best practices, and red flag identifiers. • FAMU Fundamentals (March 2023): A mandatory training program for all management, faculty, and staff that covered Clery, compliance, law, policy, cyber security, emergency management, enterprise risk management and sexual harassment prevention. • FAMU Management Seminar (April 2023): A mandatory management seminar that covered essential skills for managers, student and employee

accommodations, employee and student mental health, Clery, active shooter, freedom of assembly, civil discourse, code of conduct, legislative updates, minors on campus, investigations, and customer service.

- HBCU Virtual Town Hall entitled "From Risk to Control: A proactive approach to mitigating risks and enhancing institutional performance." (May 2023)

In November 2022, President Robinson announced plans to restructure his leadership team. This plan included the creation of an executive Vice President and Chief Operating Officer (COO) position, filled by Dr. Maurice Edington. Under the new structure, the COO provides direct supervision of certain functional areas which previously reported directly to the President. The COO is tasked with increasing operational efficiency and effectiveness throughout the university and enhancing the internal control framework.

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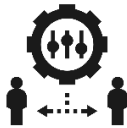
Several BOT regulations and policies require elements that contribute to a strong control environment. This includes articles of the BOT Operating Procedures such as Article 6: Code of Ethics, 6.1 Conflict of Interest; and Article 10.1: General, Collective Authority and Action.

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. The president initiated in March 2022 a full review of all University regulations and policies. The University is currently work with MGT to complete an assessment.
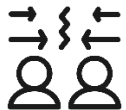
Continued diligence with maintaining board of trustee member independence, as emphasized in the Southern Association of Colleges and Schools Commission on Colleges, *Section 4.2 Governing Board .... The Governing board .... (b.) ensures a clear and appropriate distinction between the policy-making function 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. The President

challenged management to demonstrate effectiveness of training efforts, not just relying on completion and participation in the training.

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.	**4**
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, 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 policy was revised in February 2022, to further strengthen the anti-fraud framework at the university by enhancing language around the investigative process of senior University officials (President, Chief Audit Executive, and Chief Compliance and Ethics Officer).

The University conducts enterprise-wide risk assessments using the three functions below.
- **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

In November 2022, the Division of Audit, conducted a Fraud Week awareness campaign to educate the University community on best practices for fighting fraud and to highlight University anti-fraud policies. In March 2022, FAMU required all faculty and staff to take whistleblower 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 2023, the Division of Audit hosted a HBCU Virtual Town Hall entitled "From Risk to Control: A proactive approach to mitigating risks and enhancing institutional performance." This Town Hall was conducted in collaboration with FAMU's COO and Chief Audit Executive as well as the COO and Chief Audit Executive from Grambling University.

In collaboration with senior management and the University Board of Trustees, the Chief Risk Officer developed a risk appetite statement. The risk appetite statement approved at the June 2022 board of trustees meeting and will be re-evaluated at the September 2023 board of trustees meeting.

The University implemented an enterprise risk management function in August 2021, in adherence with BOT Policy 2019-01: *Internal Controls and Enterprise Risk Management*.

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.

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

Division of Audit should consider providing additional risk management and fraud related training to faculty and staff.

The University Budget Council 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.

The Enterprise Risk Management Advisory Committee should continue with plans to identify risk and risk response plans to the 2022 -2027 strategic plan.

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.	**4**
P.12	The organization deploys control activities through policies that establish what is expected and procedures that put policies into place.	**3**

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.

Information Technology Services has updated policies to align with National Institute of Standards and Technology, brought in consultants to assess gaps with Cybersecurity Maturity Model Certification, and developed a roadmap to close any identified gaps. Additionally, they have partnered with the Student Freedom Initiative to enhance technology capabilities throughout the University.

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, and facilitate automation of key processes using available technology, 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.

The University should work with its direct support organizations to strengthen their respective internal controls deficiencies identified in the Crowe audit reports. In general, the internal controls are related to the following.
- Lack of review and approval
- Lack of supporting documentation
- Lack of proper segregation of duties
- Lack of written policies and procedures
- Processes not completed timely or accurately

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.	4
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 University enhanced the new employee orientation process to have regular in-person orientations allowing new employees to meet a variety of leaders throughout campus and learn about key policies, procedures, and processes.

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.

	STRENGTHS
	The University's Emergency Management Director led efforts to roll-out Everbridge communications app. Everbridge ManageBridge brings Mass Notification, Safety Connection and IT Alerting to administrators who frequently use smartphones and tablets. This app will give FAMU the ability to have a two-way conversation with mobile recipients to provide the eyes and ears on the scene as a situation develops.
	The University's Chief Risk Officer developed enterprise risk bulletins and risk alerts to ensure that management received information on risks timely in order to make informed decisions. Additional ERM sub-committees were established to communicate and address risk collaboratively across the institution.

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. Effective usage of available technology, such as DocuSign and Qualtrics, can be used to help automate some of these processes.
	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.
	Communication of key highlights from board of trustees' meetings should be communicated via FAMUInfo to ensure all management, faculty, and staff are aware of key changes to policies and procedures, management expectations, changes in leadership, and strategic and business initiatives, goals, and objectives.
	A plan should be developed to facilitate the transition from PeopleSoft to another enterprise resource planning system to ensure all phases of an ERP implementation is effectively and efficiently carried out.

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.
Management developed action plans for internal control opportunities for improvement identified in the Internal Controls Assurance Statement and actions taken to fulfil plans were monitored by the Division of Audit.
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. This policy was updated in May 2022 to provide clarity around roles and responsibilities for internal controls and risk management and to further define risk.
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.

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