

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



**Audit & Compliance Committee Meeting
Date: March 6, 2019**

STATUS OF PRIOR AUDIT FINDINGS

A summary of the status of open audit findings as of February 27, 2019 is shown below:

Executive Owner	Total Number of Open Findings	Partially Corrected Findings	Not Corrected (In Process)	Uncorrected Findings	Corrective Actions to be Validated *	Number of Findings with Corrective Actions Not Due
Wanda Ford	6	2	1		2	1
John Eason	7	1			6	
William Hudson	3				3	
Totals	16	3	1		11	1

Three (3) findings have been corrected since the last report and validation of corrected findings were completed for fourteen (14) findings.

* Corrective actions have been implemented and monitoring or validation is in process.

REVIEW RATTLER BOOSTER FINANCIAL RECORDS

Based on the Division of Audit's review of the status of Rattler Boosters Inc. (Boosters) 2017-18 financial records and internal controls, one item was still outstanding for correction as of September 2018: The Boosters had not developed written policies and procedures regarding the financial operations. This item has been corrected. The Boosters' Board approved the Boosters' policies and procedures on February 9, 2019.

UPDATE – ATHLETICS REVIEW

Since the Athletic Department continues to experience expenses in excess of revenues, the Board of Governors (BOG) has requested involvement of the Division to identify causes of system breakdowns and recommend improvements to controls. The Division continues to work in collaboration with the Controller's Office and the Athletics Department to provide advisory services. These projects are in process and includes a focus on the following:

- Decentralized cash review and related recommendations;
- Expense review corrective action plan;
- Procurement review corrective action plan;
- P-Card internal controls;
- Monitoring the completion of fiscal training and pertinent additional training for Athletics' staff.

UPDATE – EXTERNAL AUDITS

Financial and Federal Programs Audits

On January 23, 2019, the State Auditor General released its Financial Audit of Florida A&M University for fiscal year ending June 30, 2018. The audit did not identify any material internal control deficiencies or weaknesses.

The Division of Audit continues to monitor the progress of the corrective action plans developed in response to the State Auditor General’s Operational Audit.

The annual federal program audit for the year ended June 30, 2018 is in progress. The University expects release of the report in March 2019.

UPDATE – PERFORMANCE BASED FUNDING DATA INTEGRITY AUDIT

DAC completed the Performance Based Funding Integrity Audit for FY 2018-2019. The review of data submitted to the Board of Governors (BOG) related to Performance Funding indicated that controls were effective. DAC has submitted the report to the Board of Trustees (BOT) for approval and certification to the Board of Governors.

UPDATE – COMPLIANCE AND ETHICS

The Enterprise Compliance Committee’s working groups continue their work creating monitoring plans for the compliance risks identified by the Committee. High-risk areas are currently being monitored in ways that supplement the work done by the Division of Audit and in collaboration with the compliance partners in those areas. The Chief Compliance and Ethics Officer (CCEO) continues to work with division Vice Presidents to address emergent issues that arise.

We are in the process of adopting a micro-learning approach to education and training—short trainings that encourage engagement and information retention. The target implementation is June 2019. The CCEO is also leading a working group of SUS counterparts to develop a proposal for a common ethics training to be administered at all SUS universities. Communication efforts to the University community include the recognition of Compliance and Ethics Week in November 2018, the Compliance Beat newsletter, campus outreach events and training opportunities.

The Compliance and Ethics Program goal tracker highlights some of the program goal achievements in year one thus far.

UPDATE – AUDIT PLAN MODIFICATION

Based on changes in DAC’s required focus, adjustments have been made to the work plan to reallocate hours to projects that require a higher and sustained level of oversight from internal audit.

Project Description	Risk Area	Covered in	Planned Coverage		
			For Fiscal Year		
		2017-18	2018-19	2019-20	2020-21
Governance					
Leave Reporting Review	Governance, Human Resources	X			
Performance Based Funding Metrics	Governance, Academic Reporting, Academic Records Management	X	720	X	X
Review Adequacy of Risk Management	Governance	X			
Review Process for Adopting and Changing Policies	Governance, Legal			X	
Review Strategic Planning Process	Governance				
Financial					
Decentralized Cash Collections	Cash Handling, Cash Management			X	
Cash Forecasting & Budget Review	Cash Management; Strategic Financial Management			X	
Athletics Expense Review	Athletics, Financial Management, Purchasing, Institutional Compliance	X	140		
Decentralized cash collections	Cash Handling, Cash Management	X	120	X	X
Fiscal Operations: College of Pharmacy	Financial Management Operations, Institutional Compliance, Purchasing			X	
Fiscal Operations: College of Law	Financial Management Operations, Institutional Compliance, Purchasing				X
Fiscal Operations: School of Business and Industry	Financial Management Operations, Institutional Compliance, Purchasing				X
Compliance					
Audit Athletic Operations	Athletics	X	250	X	X

Status of Prior Audit Activities

March 6, 2019

Page 4

BOT 2005.18					
Implementation of NIST Standards	IT Strategy Planning & Governance, IT Compliance	X			
Medical Marijuana Compliance Review	Compliance Research, Research Administration, Grants Accounting			X	X
Subcontract Compliance	Compliance Research, Grants Accounting			X	
Faculty Leave Audit	Academic Personnel Administration				X
Export Controls Review	Export Controls		360		
Operational					
Financial Aid Student Eligibility Review	Financial Aid			X	
Band Eligibility Compliance Review	Student Centers & Activities, Student Services Administration, Institutional Compliance	X	100	X	X
Online Education & Support	Academic IT, Academic Support, Course & Curriculum Development, Instruction		360	X	
IT-Review 3rd Party Contract Management	IT Compliance, IT Strategy Planning & Governance	X			
IT- Disaster Recovery Plan Review	IT Daily Operations	X			
Cloud Service Provider Review (Governance)	IT Compliance, IT Strategy Planning & Governance, IT Daily Operations	X	90		
IT-Review Automation/Use PeopleSoft	IT Development & Research, IT Daily Operations, IT Admin Support		360		
IT- Active Directory Security and Management	IT Daily Operations; IT Strategy Planning & Governance		360		
IT-Cloud Security Operations Audit	IT Daily Operations			X	
Review P3 Process	Major Repair & Renovation, Financial Management Operations			X	
Admission & enrollment	Admissions, Enrollment Management, Student Services Administration	X			X

Status of Prior Audit Activities

March 6, 2019

Page 5

Assess Student Retention Programs	Academic Support, Academic IT, Enrollment Management			X	
Assess Student Recruiting Programs	Admissions, Enrollment Management				X
Physical Controls Over Mobile Data Storage Devices	IT Compliance, IT Daily Operations, IT Strategy Planning & Governance			X	X
Application Program Change Controls	IT Daily Operations			X	X
FAMU/FSU College of Engineering Review	Academic Administration, Institutional Compliance		480		
Licensure Program Assessment	Academic Administration, Course & Curriculum Development, Instruction, Academic Support			X	
IT- Data Center Physical Security	IT Daily Operations			X	
IT- ImageNow Operations Audit	IT Daily Operations				X
Continuous Monitoring Services					
Construction Management Review	Major Repair & Renovation	X	240	X	X
Athletics Operations & Financial Review	Athletics	X	660	X	X
Data Analytics	Internal Audit, Institutional Compliance	X	530	X	X
Total Hours Audits & Assurance			4410		
Management Advisory Services					
Consulting on Athletics Compliance Review	Athletics	X	200	X	X
Training Assistance	N/A	X	100	X	X
Enterprise Risk Management	Governance	X	100		
IT Cybersecurity Gap analysis	IT Strategy Planning & Governance, IT Daily Operations, IT Compliance	X	80		
Knight Foundation Grant Unallowable Costs Review	Grant Accounting	X	240 560		

Status of Prior Audit Activities

March 6, 2019

Page 6

Medical Marijuana Program Development	Institutional Compliance, Research Administration		200		
Audit Liaison	Internal Audit	X	320	X	X
Management Requests	Various	X	1428	X	X
Monitor Strengthening of Compliance Function	Institutional Compliance	X			
HCM 9.2 Upgrade Review	Human Resources, IT Compliance, IT Development & Research		50		
HR Onboarding and Exit Process Review	Human Resources				X
Procurement Policy & Procedure Review	Purchasing, Legal, Institutional Compliance		320		
Total Management Services			3038		
Follow-ups, Risk Assessment, and Investigations					
Follow up of Audit Findings	Various		1540	X	X
Risk Assessment	Various	X	580	X	X
Investigations	Various		2081	X	X
Total Follow-Up, Risk Assessment & Investigations			4201		
Internal Audit Administration					
Training			536		
Administration			3815		
Leave			640		
Total Internal Audit Administration			4991		
Total All Hours			16640		

Florida A&M University's Compliance and Ethics Program



Support the University's Strategic Plan in developing a world-class business infrastructure



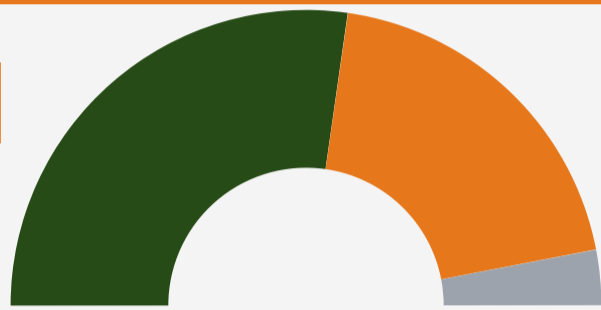
Provides oversight and guidance to university-wide ethics and compliance activities



Focuses on continuous mitigation of compliance risk for the benefit of the institution.

Program Goals: Year 1

93%



● Completed/Continuing ● In Progress/Modified ● Not Started



Oversight and Structure

- Weekly Meetings with Executive Leadership
- Monthly board updates
- Enterprise Compliance Committee



Communication

- Compliance Beat Newsletter
- Compliance and Ethics Week
- Compliance Chats
- Compliance and Ethics Surveys



Training

- Joint Training with Audit
- Micro-learning
- Code of Conduct focus
- Compliance Partner Resources



Monitoring

- Risk Assessment
- Monitoring plans
- Follow Up and Spot Checks



Response and Enforcement

- Performance Evaluation Language
- Investigation
- Compliance Reviews
- Accountability



Cooperative Initiatives

- GDPR (General Data Privacy Regulation)
- Public Records Online Platform
- Industrial Hemp
- Policy Development and Recommendations