

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



**Audit & Compliance Committee Meeting
Chair White
Wednesday, June 11, 2025
1:00 p.m.**

Committee Minutes

Committee Members: Michael White, Chair; Emery A. Gainey, Vice Chair; John Crossman; Kelvin Lawson; Craig Reed

Vice Chair Gainey called the meeting to order. The roll was called. A quorum was not established. Vice Chair Gainey moved to information items.

INFORMATIONAL ITEMS

Vice Chair Gainey recognized LaTonya Baker who presented information items and updates for the Office of Compliance and Ethics in the absence of Rica Calhoun, Compliance and Ethics Officer. Ms. Baker shared that the Office of Compliance and Ethics continues to work in promoting accountability and risk mitigation across the university. There has been an advanced initiative in mandatory compliance, training, conflict of interest, reviews, and compliance risk assessment, which are highlighted in the Board materials. There were no questions.

Vice Chair Gainey then recognized VP Maleszewski and Trystal Wright, Director of Audit to present updates on the Foreign Influence Audit; Audit and Investigative Follow-up; Internal and External Audit Update; and Division Updates.

The Foreign Influence Audit – VP Maleszewski presented the audit supported by a PowerPoint. The Board of Governor's required audit of Foreign Influence was recently completed and must be submitted to the Board Office by the end of June. The audit addressed:

- **Section 1010.35, F.S. (Screening Foreign Researchers):** Requires background screening of foreign nationals and individuals with over one year of experience in a country of concern before appointment to research-related positions.
- **Section 1010.36, F.S. (Foreign Travel):** Requires the University to implement a monitoring program for employment-related international travel by faculty, researchers, and research staff.
- **Section 1010.25, F.S. (Foreign Gift Reporting):** Requires semi-annual reporting of gifts and contracts totaling \$50,000 or more from foreign sources, including procurement contracts involving countries of concern.

VP Maleszewski provided an overview of the audit testing and both positive and adverse audit findings requiring management attention. He emphasized and recognized members of the

management team who used the audit as an opportunity to immediately initiate corrective actions to address noted deficiencies.

VP Maleszewski indicated that the Division of audit is awaiting information from management on corrective actions associated with each area and committed to bringing updated information back to the Audit, Risk, and Compliance Committee at their September meeting.

Audit Work Plan Update - Trystal Wright, Auditor Director, presented an update on the Division of Audit work plan highlighting audit work completed and in process for the current fiscal year. Auditor Director Wright provided an update on Advisory Services completed, in process and planned for the current fiscal year.

External Audit Update – VP Maleszewski provided an update on external audits of the university and its Direct Support Organizations. He highlighted that on May 9, 2025, Chair Harper and President Beard received an invitation from the Board of Governors to attend next week's Board of Governor's Audit and Compliance Committee to present on management plans and actions associated with these external audits. VP Maleszewski then summarized the external audit findings from the Auditor General's Financial Statement and Operational Audit of the University. The Operational Audit had the following findings:

- **Finding 1:** University records for the period July 2022 through December 2023 did not demonstrate the basis for recording the Special Investments with State Treasury Special Purpose Investment Account (SPIA) balances in only one restricted fund and the SPIA income in only one unrestricted fund. As of December 31, 2023, the SPIA balance totaled \$56.5 million and, for the 18-month period ending on that date, the SPIA income totaled \$1.9 million. A similar finding was noted in the Auditor General's report No. 2022-093.
- **Finding 2:** University controls over bank account reconciliations need improvement.
- **Finding 3:** Contrary to University procedures, the University did not always promptly pay vendors.
- **Finding 4:** University personnel evaluations were not always performed annually, contrary to University regulations.

Regarding the Auditor General's Financial Statement audit, the auditor general determined that FAMU's financial statements were fairly presented in all material respects. However, this required significant adjustments recommended by the Auditor General and the Auditor General cited FAMU with a significant deficiency in internal controls over financial matters which ensure that the accounting records and annual financial report are accurate. He then noted that Thomas Howell Ferguson had been contracted to audit the fiscal years 2020-2021 and 2021-2022. This audit engagement was terminated by mutual agreement as the university was unable to timely provide accurate information and supporting documentation to complete the audit. There is currently no firm under contract to audit the fiscal year ending June 30, 2024, or the current fiscal year that ends later this month. VP Maleszewski then indicated that the University has not completed the required NCAA Agreed Upon Procedures for the annual NCAA operating report required to be submitted by January 15th of each year. VP Maleszewski indicated that one cause is persistent turnover at the management level and within the functions – Office of the Controller and Department of Athletics, Business Office. Trustee Lawson commented on these issues and their causes along with descriptions of the prior processes used to provide assurance

to the Board of Governors around these matters. Chair Harper inquired about the timing and policies as well as the oversight practices.

VP Maleszewski then summarized the audits of the Direct Support Organizations including the Research Foundation which obtained an exemption to the Board of Governor's audit requirement due to the minimal financial activity.

Investigations Update – VP Maleszewski provided an update on investigations highlighting significant progress in concluding older cases. Trustee Brown expressed his appreciation for the update and thanked the team. VP Maleszewski acknowledged and complemented Erica Thames, Investigations Manager, for her hard work and dedication. He also thanked President Beard for his support and resources.

Division of Audit Updates – Audit Director Wright expressed her pleasure in welcoming Jayla Livingston-Miller as our new IT Auditor & Investigator. Wright summarized her qualifications and background for the Committee. Director Wright then provided a summary of the Division of Audit's activities for International Internal Audit Awareness Month.

ACTION ITEMS

Ms. Harris was asked to call the roll and determine if a quorum is established. Present were Vice Chair Gainey, Trustee Lawson, and Trustee Reed. Absent were Trustee White and Crossman. A quorum was established and Vice Chair Gainey moved to action items.

Minutes – The first action item was consideration of approval for the February 12, 2025, meeting minutes. Draft minutes were included in the materials. Vice Chair Gainey asked for a motion to approve the meeting minutes. The minutes were moved by Trustee Lawson and seconded by Trustee Reed. The motion carried and the February 12, 2025, meeting minutes were approved.

Division of Audit Annual Work Plan: Vice Chair Gainey acknowledged VP Maleszewski to present the Division of Audit Annual Work Plan. VP Maleszewski requested Director Wright to review the draft work plan along with slide highlighting the planned work. VP Maleszewski then highlighted his obligation to communicate resource needs to the board and directed them to key information in the meeting materials regarding staffing levels in the Division, especially as it relates to investigations. Trustee Brown emphasized the need for timely investigations and his appreciation for staff work and communication about staffing needs.

Trustee Lawson mentioned the importance of Procurement and inquired about audit coverage and why it was not on the plan. VP Maleszewski summarized the progress made regarding late vendor payments and the need for continued focus and plans tied to metrics to provide transparency on the status and progress in the financial area. Audit Director Wright reminded the committee that in 2022 the Division completed an advisory engagement for Procurement with a wide range of recommendations, many of which have yet to be addressed or completed.

President Beard emphasized the focus on late vendor payments and the promise of a new ERP system to further help with the processes. Chair Harper reviewed her guidance to the finance team to develop a score card with metrics, so we know the goal and where we are tracking with progress.

Vice Chair Gainey asked for a motion. The 2025-2026 Division of Audit Annual Work Plan was moved by Trustee Lawson and seconded by Trustee Reed. The motion carried and the 2025-2026 Division of Audit Annual Work Plan was approved.

Adjournment

Vice Chair Gainey adjourned the meeting as there was no further business.