

FLORIDA **A&M** UNIVERSITY
Board of Trustees

Audit and Compliance Committee Meeting
Thursday, December 8, 2022
8:30 a.m.

Committee Members: Craig Reed, Chair
Ann Marie Cavazos, Michael Dubose, and Belvin Perry

AGENDA

- | | | |
|-----|---------------|----------------------|
| I. | Call to Order | Trustee Craig Reed |
| II. | Roll Call | Ms. Debra Barrington |

ACTION ITEMS

- | | | |
|------|--|-----------------|
| III. | Minutes: Consideration of Approval – October 5, 2022 | Trustee Reed |
| IV. | Division of Audit Annual Audit Work Plan Update | Joe Maleszewski |
| V. | Division of Audit – Charter Update | Joe Maleszewski |

INFORMATIONAL ITEMS

- | | |
|--|--------------------------|
| Office of Compliance and Ethics: | Rica Calhoun |
| VI. Office of Compliance and Ethics Update | |
| Division of Audit: | J. Maleszewski/D. Melton |
| VII. Audit and Investigative Follow-up | |
| VIII. External Audit Updates | |
| IX. Division of Audit Update | |
| X. Adjournment | |

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



Audit & Compliance Committee Meeting

Trustee Craig Reed, Chair

Grand Ballroom

Wednesday, October 5, 2022 - 10:45 AM

Committee Minutes

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

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

Trustee Dubose acknowledged four (4) Action Items:

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

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

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

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

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

- FAMU Fundamentals (university-wide training);
- Post-training survey;
- Compliance and Ethics Assessment;
- Compliance and Ethics Week;
- Investigations;
- Research Risk Assessment;
- Monitoring; and
- Compliance Reviews.

Trustees Dubose and Cliatt expressed concern that the survey data indicated over 25% of respondents did not feel comfortable reporting concerns to their manager. Trustee Dubose asked if it is getting worse year over year percentage-wise and if CCO Calhoun would dig into the matter a little deeper and come back to the Committee with more information.

CCO Calhoun indicated she did not have the numbers with her, however, she would get the information for them. CCO Calhoun indicated she would track this metric and solicit feedback from her team to find out if there's anything we can do better regarding an outreach related to retaliation.

Trustee Cavazos raised an issue that faculty have voiced concerns over retaliation and asked how is a finding of retaliation addressed. How is it reported to senior leadership? CCO Calhoun responded that they would report to senior leadership, the complainant, and the appropriate Vice President.

VP Maleszewski indicated the survey question asked about comfort reporting issues to their manager; however, the University has other avenues for individuals to report concerns, including DoA, and OCE through the hotline and other offices.

Trustee Cavazos asked about a new policy for Title IX because the current one conflicts with the language in the Faculty Handbook. General Counsel Wallace indicated the current Title IX policy was recently updated and may be updated again. General Counsel will submit an updated copy of the policy to the Faculty Senate.

Trustee Dubose asked what the University is doing with the data trends from investigations and complaints received. CCO Calhoun and CRO Deidre Melton indicated that the trends impact training, policies, and the development of preventive and detective controls.

Trustee Harper asked what drives accountability after an investigation finding and who closes the case. CCO Calhoun and VP Maleszewski indicated the case is closed once the management response is received. However, if management's response is inadequate, the issue will escalate as appropriate.

CCO Calhoun discussed the FY 2022-2023 OCE Program Plan. The plan contains the following elements:

- Provide Oversight of Compliance and Ethics and Related Activities;
- Develop Effective Lines of Communication;
- Conduct Effective Training and Education;

- Revise and Develop Policies and Procedures;
- Conduct Internal Monitoring and Compliance Reviews;
- Respond Promptly to Detected Problems and Undertake Corrective Action;
- Enforce and Promote Standards through Appropriate Incentives and Disciplinary Guidelines;
- Measure Compliance Program Effectiveness; and
- New Regulations and Special Projects.

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

The fourth action item – Trustee Dubose recognized Chief Compliance and Ethics Officer Rica Calhoun to present the Compliance and Ethics Charter. CCO Calhoun explained the revisions to the Charter include updated language to reflect current organizational and operational processes. This item was included in the consent agenda for Full Board approval consideration.

Trustee Dubose recognized VP Maleszewski and CCO Calhoun to present the Audit and Compliance Committee Action Plan FY2022-2023. VP Maleszewski indicated the Audit and Compliance Committee Action Plan was in the handout and guides the Committee's work over the coming year. The Committee can change the plan if necessary.

Trustee Dubose recognized VP Maleszewski, and AVP/CRO Melton to present several informational items, which included:

- I. Audit and Investigative Follow-up
- II. ERM Best Practices Review
- III. External Audit Updates
- IV. Division of Audit Update Risk Assessment

Trustee Harper asked about the open finding on Emergency Preparedness and the status of closing it out. AVP/CRO Melton indicated that the hold-up was getting a designated budget. VP Hudson said the budget was in place and needed to be finalized.

Trustee Dubose suggested the University reach out to AACC Chair Reed for insight into best practices for supply chain and procurement services.

Trustee Cliatt is concerned about the 15 open Athletics Investigative Recommendations. Trustee Cliatt asked who was working on them and will this slide be discussed in the Athletics meeting today. VP Maleszewski indicated the open items were from investigations before Interim VP Smith's appointment; however, there has been considerable collaboration with Athletics and DoA surrounding the corrective action. Trustee Harper indicated corrective measures would occur regardless of where the VP is if the right talent is in place. Chair Lawson commented that Interim VP Smith had lost approximately 50% of his staff since his appointment.

AVP/CRO Melton discussed the *ERM in the SUS and Beyond* report requested by Chair Reed and prepared by the ERM team. Other ERM updates discussed were Emerging Risk Bulletins, the ERM website, ERM tools, and the University Risk Map.

VP Maleszewski updated the Committee on the DoA Annual Report, staffing, and upcoming events. VP Maleszewski indicated he would bring an updated audit work plan back in December for review and approval.

Trustee Dubose thereafter adjourned the meeting.



Report No. 22-23-003
FY 2022-2023 Annual Work Plan
(Amended December 8, 2022)



ACCOUNTABILITY • INTEGRITY • EFFICIENCY

December 8, 2022



EXECUTIVE SUMMARY

International Standards for the Professional Practice of Internal Auditing state that the chief audit executive (CAE) must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization’s goals. Additionally, the CAE must review and adjust the plan, as necessary, in response to changes in the organization’s business, risks, operations, programs, systems, and controls. The CAE must then communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.

The Division of Audit’s [2022 – 2023 Annual Work Plan](#) was approved by the Board of Trustees on June 2, 2022. Since that time, the risk landscape at the University has changed. In an effort to be responsive to those changes and ensure that Division staff are allocating resources to areas that would provide the most value to our stakeholders and provide leadership with the intelligence they need for informed decision making, our Annual Work Plan was amended to add the three priority audits as depicted below.

Plan Projects Added

Financial Aid Audit



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

Student Government Association Audit



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

Auxiliary Services Audit



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



In order to balance planned projects with Division of Audit resources, Division management reviewed the audit plan and assessed projects that could be deferred to the 2023-2024 fiscal year work plan based on level of risk and areas where division staff were already providing advisory services outside of a formal project. The following projects were selected for deferment.

Plan Projects Deferred to Fiscal Year 23-24



Culture Assessment (Consulting Engagement)

Planned Scope:

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



Online Education and Support Services (Consulting Engagement)

Planned Scope:

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



IT Governance and Structure (Consulting Engagement)

Planned Scope:

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



Athletics Ticket Office (Consulting Engagement)

Planned Scope:

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



DISTRIBUTION

Responsible Manager:

- Joseph Maleszewski, Vice President for Audit and Chief Audit Executive

Internal Distribution:

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 - Michael Dubose
 - Kristin Harper
 - Zachary Bell, FAMU Student Body President
 - Belvin Perry, Jr.
 - Craig Reed, FAMU Audit and Compliance Committee Chair
 - Kenward Stone
 - Nicole Washington
- FAMU Senior Leadership Team
 - Larry Robinson, Ph.D., President
 - Dr. Maurice Edington, Executive Vice President and Chief Operating Officer
 - Dr. Allyson Watson, Provost and Vice President, Academic Affairs
 - Linda F. Barge-Miles, Chief of Staff
 - Dr. Kelly McMurray, Vice President, Strategic Planning, Analysis and Institutional Effectiveness
 - Rica Calhoun, Chief Compliance & Ethics Officer
 - Dr. Kyle Eidahl, Faculty Senate Representative
 - Dr. Shawnta Friday-Stroud, Vice President, University Advancement/ Executive Director, FAMU Foundation
 - Cynthia Henry, Executive Assistant
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 - Carmen Cummings Martin, Assistant VP, Alumni Affairs/University Advancement
 - Dr. Ezzeldin R. Aly, Faculty Senate Representative
 - Robert Seniors, VP, Information Technology Services/CIO
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 - Danielle McBeth, Director, Government Relations
 - Michael Smith, Interim Vice President/Director of Athletics
 - Keith Miles, Director, Communications, Marketing, and Media Relations
 - Dr. Gloria Walker, Vice President for Finance and Administration/CFO
 - Dr. Eric Akins, Director, Title III Programs

External Distribution:

- Julie Leftheris, Inspector General and Director of Compliance, Board of Governors



WORK PLAN MANGEMENT TEAM

Plan was amended by:



Deidre Melton, MBA, CFE, CIA, CISA, CISM, CDPSE, CRISC, CRMA
Associate Vice President for Audit and Chief Risk Officer

Plan amendments were approved and distributed by:



Joseph K. Maleszewski, MBA, CIA, CGAP, CISA, CIG, CIGA, CIGI, CCEP,
CCA, CFE
Vice President for Audit and Chief Audit Executive

STATEMENT OF ACCORDANCE

The Division of Audit's mission is to enhance and protect the value of FAMU and its stakeholders by providing excellence in risk-based and objective assurance, advice, and insight through the promotion of accountability, integrity, and efficiency.

We developed the work plan in accordance with the International Standards for the Professional Practice of Internal Auditing. Those standards require we plan and conduct a risk assessment to use as a basis for the development of the audit work plan aligned with university goals. We believe the evidence obtained provides a reasonable basis for our risk assessment and conclusions based on our objectives.

Please address inquiries regarding this report to the Division of Audit at (850) 412-5479.

<https://www.famu.edu/administration/audit/>



Division of Audit Charter

Purpose

The authority and responsibilities of the Florida Agricultural and Mechanical University's (FAMU) Division of Audit (DoA/Division) are defined in this charter.

The DoA is led by the Vice President for Audit who serves as the University's Chief Audit Executive/Inspector General and the Associate Vice President for Audit who serves as the University's Chief Risk Officer.

The DoA enhances and protects organizational value by providing risk-based and objective audits and consulting engagements; planning and overseeing the university enterprise risk management program; and investigating instances of fraud, waste, and abuse as follows:

- **Audit:** Provides independent, objective audit (assurance) and consulting (advisory) activities designed to add value and improve university operations. The Division helps the university accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- **Risk Management:** Facilitates the enterprise risk management (ERM) program by creating and maintaining the framework to effectively identify, assess, and manage enterprise risk. The role does not include supervision of the Risk Management Office, housed within the Division of Legal Affairs, which administers the university insurance programs.
- **Investigations:** Investigates allegations of fraud, waste, and abuse. Additionally, the Inspector General, reviews statutory whistle-blower information, designates whistleblowers, and coordinate all activities of the university as required by the Florida Whistle-blower's Act.

Role

The DoA provides insight on the mitigation of strategic, performance, and business risk to assist the BOT and University management in the effective discharge of their responsibilities as they relate to the University policies, processes, programs, information systems, internal controls, and management reporting. The DoA is a point of coordination of and responsibility for activities that promote accountability, integrity, and efficiency in university operations.



Mission

The DoA’s mission is to enhance and protect the value of FAMU and its stakeholders by providing excellence in risk-based and objective assurance, advice, and insight through the promotion of accountability, integrity, and efficiency.

Standards and Professionalism

Audit and consulting activities will conform to the *International Professional Practices Framework* published by the Institute of Internal Auditors, Inc. and/or the *Information Systems Auditing Standards* published by ISACA. The DoA shall uphold the principles of integrity, objectivity, confidentiality, and competency as defined in the Institute of Internal Auditors’ *Code of Ethics*. The DoA is to utilize the Committee of Sponsoring Organizations (COSO) as the model for evaluating the adequacy of internal controls. Additionally, the Division will adhere to the University’s regulations, the Division’s standard operating procedures manual, and Florida Board of Governors regulations and standards.

Investigation activities will conform to standards found in the *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General, and professional standards issued for the State University System of Florida entitled *Standards for Complaint Handling and Investigations for the State University System of Florida*.

Enterprise Risk Management activities will utilize the Committee of Sponsoring Organizations (COSO) as the model for facilitating enterprise risk management activities. In accordance with the *International Professional Practices Framework* published by the Institute of Internal Auditors, Inc.; the Division and its staff, are prohibited from owning University risks. Risks must be owned and managed by university administrators, faculty, and staff of operational and academic areas.

Authority

The DoA provides audit, investigative, and risk management services to all entities of FAMU, including schools, colleges, administrative departments, auxiliary enterprises, and direct support organizations. Accordingly, the Division is authorized to:

- Have timely, unlimited, and unrestricted access to all data, books, records, files, property, information systems, and personnel of FAMU as necessary to carry out the Division’s duties and responsibilities;
- Allocate resources, establish schedules, select subjects, determine scopes of work, and apply the techniques required to accomplish objectives;



- Obtain the essential assistance and cooperation of personnel in areas of the University where audits and investigations are performed, as well as other specialized services from within or outside the University;
- Facilitate the university's Enterprise Risk Management (ERM) by creating and maintaining the framework which ensures that risks are appropriately identified, assessed, managed, and considered in institutional decision making; and
- Have free and unrestricted access to the BOT.

The Vice President of the Division of Audit serves as the University's Chief Audit Executive, as described in the *International Standards for the Professional Practice of Internal Auditing*, and as Inspector General as authorized in Section 112.3189(1), Florida Statutes. The Associate Vice President for Audit serves as the University's Chief Risk Officer. The Chief Audit Executive and/or the Chief Risk Officer shall notify the chair of the BOT's audit committee or the President, as appropriate, of any unresolved restriction or barrier imposed by any individual on the scope of an inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. The Chief Audit Executive and/or Chief Risk Officer shall work with the BOT and university management to remedy scope or access limitations. If the university is not able to remedy such limitations, the Chief Audit Executive shall timely notify the Board of Governors, through the Office of Inspector General and Director of Compliance (OIGC), of any such restriction, barrier, or limitation.

Organization

The Chief Audit Executive and Chief Risk Officer reports functionally to the Chair of the BOT and to the Chair of the BOT's Audit and Compliance Committee, and therefore communicates and interacts directly with the BOT, including at BOT meetings and between BOT meetings as appropriate. The Chief Audit Executive reports administratively to the President of the University. The Chief Risk Officer reports administratively to the Vice President of Audit but shall have free and unrestricted access to the President of the University.

The BOT will:

- Approve the charter of the Division of Audit;
- Approve the risk-based internal audit plan;
- Receive communications from the Chief Audit Executive on the internal audit activity's performance relative to its plan and other matters;
- Approve all decisions regarding the performance evaluation, appointment, removal, and annual compensation and salary adjustment of the Chief Audit Executive;
- Approve ERM annual reports, institutional risk portfolio, risk appetite guidance, and reports on the status of risk response efforts; and
- Make appropriate inquiries of management and the Chief Audit Executive to determine whether there is inappropriate scope or resource limitations.

The Chief Audit Executive shall report directly to the Chair of the BOT and Chair of the BOT's Audit and Compliance Committee any allegations about the University President. Any



allegations related to the Chief Audit Executive shall be reported to the University President and Chair of the BOT's Audit and Compliance Committee. Any allegations against BOT members shall be reported to the Board of Governors. These allegations are not to be handled internally and are not to be investigated by the Division.

Independence and Objectivity

The Division will remain free from interference by any element in the University, including matters of audit and investigation selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Division staff must have no personal and external impairments to their independence, and have no direct responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

Division staff will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Division staff will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Chief Audit Executive will confirm to the BOT, at least annually, the organizational independence of the internal audit activity.

Responsibility

The scope of internal audit encompasses, but is not limited to, providing assurance to management by examining and evaluating of the adequacy and effectiveness of the university's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the University's stated goals and objectives.

Chief Audit Executive

The Chief Audit Executive is responsible for fulfillment of the following activities:

- Provide direction for, supervise, and coordinate audits, investigations, and risk management activities which promote economy, efficiency, and effectiveness in the administration of university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units;
- Conduct, supervise, or coordinate activities for the purpose of preventing and detecting fraud and abuse within university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units;
- Maintaining a professional audit staff with sufficient knowledge, skills, abilities, experience, and professional certifications;
- Perform consulting and advisory services related to governance, risk management and control as appropriate for the University. Such services include management requests, and participation in institutional committees;



- Review statutory whistle-blower information and coordinate all activities of the university as required by the Florida Whistle-blower's Act;
- Address significant and credible allegations relating to waste, fraud, or financial mismanagement as provided in Board of Governors Regulation 4.001;
- Keep the President and BOT informed concerning significant and credible allegations and known occurrences of waste, fraud, mismanagement, abuses, and deficiencies relating to university programs and operations; recommend corrective actions; and report on the progress made in implementing corrective actions;
- Promote, in collaboration with other appropriate university officials, effective coordination between the university and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies. Consider the scope of their work for the purpose of providing optimal audit coverage to the University at a reasonable overall cost;
- Review and make recommendations, as appropriate, concerning policies and regulations related to the university's programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units;
- Evaluate the systems established to ensure compliance with policies, plans, procedures, laws and regulations which could have a significant impact on the University;
- Evaluate the reliability and integrity of information and the means used to identify, measure, classify, and report such information;
- Evaluate risk exposures relating to achievement of the university's strategic objectives;
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Communicate to the president and the board of trustees, at least annually, the office's plans and resource requirements, including significant changes, and the impact of resource limitations;
- Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter;
- Coordinate or request audit, financial- and fraud-related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity;
- Develop and maintain a quality assurance and improvement program for the office of Chief Audit Executive. This program must include an external assessment conducted at least once every five (5) years. The external assessment report and any related improvement plans shall be presented to the BOT, with a copy provided to the Board of Governors;
- Establish policies that articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred;
- Inform the BOT when contracting for specific instances of audit or investigative assistance; and



- Report routinely to the BOT on matters including significant risk exposures, control issues, fraud risks, governance issues, and other matters requested by the President and the BOT.

Chief Risk Officer

The Chief Risk Officer is responsible for fulfillment of the following activities:

- Primary responsibility for facilitating the design and implementation of Enterprise Risk Management consistent with COSO’s Enterprise Risk Management: Integrated with Strategy and Performance in collaboration with university leadership;
- Responsible and accountable for overseeing the development, implementation, and fostering of a collaborative, campus-wide approach to ERM at the University;
- Promote the consistent use of risk management and ownership of risk at all levels of the institution;
- Build a risk-aware culture, including appropriate education and training;
- Lead the institution’s processes for identifying, analyzing, evaluating, responding to and controlling, monitoring, and reporting on key risks;
- Submit risk information for review on a regular basis to the Board of Trustees Audit and Compliance Committee and the full Board;
- Charge, appoint, and oversee the work of an ERM Advisory Committee (ERMAC);
- Submit high-level recommendations to the President for keeping identified risks within tolerance levels; and
- Annually submit a Risk Appetite Statement to the BOT for review.

 VP of Audit (Chief Audit Executive)

 Date

 Associate VP of Audit (Chief Risk Officer)

 Date

 President

 Date

 Audit & Compliance Committee Chair

 Date



Division of Audit Charter

Introduction

Internal auditing Purpose

The authority and responsibilities of the Florida Agricultural and Mechanical University's (FAMU) Division of Audit (DoA/Division) are defined in this charter.

The DoA is an independent led by the Vice President for Audit who serves as the University's Chief Audit Executive/Inspector General and the Associate Vice President for Audit who serves as the University's Chief Risk Officer.

The DoA enhances and protects organizational value by providing risk-based and objective audits and consulting engagements; planning and overseeing the university enterprise risk management program; and investigating instances of fraud, waste, and abuse as follows:

- **Audit:** Provides independent, objective audit (assurance) and consulting activity that is guided by a philosophy of adding value (advisory) activities designed to add value and improve the university operations of. The Division helps the University. It assists the University in accomplishing university accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the University's risk management, control, and governance, risk management, and internal control processes.

To accomplish its mission, the University must maintain the confidence of its Board of Trustees (BOT), faculty, staff, students, alumni, the public, elected officials, and various other stakeholders. The Division provides valuable support in maintaining the public's confidence by performing independent and objective reviews, risk management activities, and reporting to the Audit and Compliance Committee and responsible administrative and academic officers so that corrective actions, risk response plans, and enhancements can be initiated. The Division's objective is to assist the BOT, President, and University management in the effective discharge of their responsibilities.

- **Risk Management:** Facilitates the enterprise risk management (ERM) program by creating and maintaining the framework to effectively identify, assess, and manage enterprise risk. The role does not include supervision of the Risk Management Office.

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housed within the Division of Legal Affairs, which administers the university insurance programs.

- Investigations: Investigates allegations of fraud, waste, and abuse. Additionally, the Inspector General, reviews statutory whistle-blower information, designates whistleblowers, and coordinate all activities of the university as required by the Florida Whistle-blower’s Act.

Role

The Division of Audit (Division)DoA provides insight on the mitigation of strategic, performance, and business risk to assist the BOT and University management in the effective discharge of their responsibilities as they relate to the University policies, processes, programs, information systems, internal controls, and management reporting. The Division of AuditDoA is a point of coordination of and responsibility for activities that promote accountability, integrity, and efficiency in theuniversity operations of the university.

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DRAFT



Mission

The ~~Division of Audit's (Division)~~DoA's mission is to ~~addenhance and protect the~~ value ~~toof~~ of FAMU and its stakeholders by ~~promoting~~providing excellence in risk-based and objective assurance, advice, and insight through the promotion of accountability, integrity, and efficiency ~~through excellence in auditing, investigations, advisory services, risk management, management reviews, and technical assistance.~~

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Standards and Professionalism

Audit ~~and consulting~~ activities will conform to the *International Professional Practices Framework* published by the Institute of Internal Auditors, Inc.; ~~the Government Auditing Standards published by the United States Government Accountability Office;~~ and/or the *Information Systems Auditing Standards* published by ISACA. The DoA shall uphold the principles of integrity, objectivity, confidentiality, and competency as defined in the Institute of Internal Auditors' Code of Ethics. The DoA is to utilize the Committee of Sponsoring Organizations (COSO) as the model for evaluating the adequacy of internal controls. Additionally, the Division will adhere to the University's regulations, the Division's standard operating procedures manual, and Florida Board of Governors regulations and standards ~~guidance.~~

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Investigation activities will conform to standards found in the *Principles and Standards for Offices of Inspector General* published by the Association of ~~Inspector~~Inspectors General, and professional standards issued for the State University System of Florida entitled *Standards for Complaint Handling and Investigations for the State University System of Florida.*

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Enterprise Risk Management activities will utilize the Committee of Sponsoring Organizations (COSO) as the model for facilitating enterprise risk management activities. In accordance with the International Professional Practices Framework published by the Institute of Internal Auditors, Inc.; the Division and its staff, are prohibited from owning University risks. Risks must be owned and managed by university administrators, faculty, and staff of operational and academic areas.

Authority

The ~~Division~~DoA provides audit, investigative, and risk management services to all entities of ~~Florida A&M University~~FAMU, including schools, colleges, administrative departments,



auxiliary enterprises, and direct support organizations. Accordingly, the Division is authorized to:

- Have timely, unlimited, and unrestricted access to all data, books, records, files, property, information systems, and personnel of Florida A&M University/FAMU as necessary to carry out the Division’s duties and responsibilities;
- Allocate resources, establish schedules, select subjects, determine scopes of work, and apply the techniques required to accomplish objectives;
- Obtain the essential assistance and cooperation of personnel in areas of the University where audits and investigations are performed, as well as other specialized services from within or outside the University;
- Facilitate the university’s Enterprise Risk Management (ERM) by creating and maintaining the framework which ensures that risks are appropriately identified, assessed, managed, and considered in institutional decision making; and
- Have free and unrestricted access to the BOT.

The Vice President of the Division of Audit serves as the University’s Chief Audit Executive, as described in the *International Standards for the Professional Practice of Internal Auditing*. ~~The Chief Audit Executive, and as Inspector General as authorized in Section 112.3189(1), Florida Statutes. The Associate Vice President for Audit serves as the University’s Chief Risk Officer.~~ The Chief Audit Executive and/or the Chief Risk Officer shall notify the chair of the BOT’s audit committee or the President, as appropriate, of any unresolved restriction or barrier imposed by any individual on the scope of an inquiry, or the failure to provide access to necessary information or people for the purposes of such inquiry. The Chief Audit Executive and/or Chief Risk Officer shall work with the BOT and university management to remedy scope or access limitations. If the university is not able to remedy such limitations, the Chief Audit Executive shall timely notify the Board of Governors, through the Office of Inspector General and Director of Compliance (OIGC), of any such restriction, barrier, or limitation.

Organization

The Chief Audit Executive and Chief Risk Officer reports functionally to the Chair of the BOT and to the Chair of the BOT’s Audit and Compliance Committee, and therefore communicates and interacts directly with the BOT, including at BOT meetings and between BOT meetings as appropriate. The Chief Audit Executive reports administratively to the President of the University. The Chief Risk Officer reports administratively to the Vice President of Audit but shall have free and unrestricted access to the President of the University.

The BOT will:

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- Approve the charter of the Division of Audit;
- Approve the risk-based internal audit plan;
- Receive communications from the Chief Audit Executive on the internal audit activity’s performance relative to its plan and other matters;
- Approve all decisions regarding the performance evaluation, appointment, removal, and annual compensation and salary adjustment of the Chief Audit Executive;
- Approve ERM annual reports, institutional risk portfolio, risk appetite guidance, and reports on the status of risk response efforts; and
- Make appropriate inquiries of management and the Chief Audit Executive to determine whether there is inappropriate scope or resource limitations.

The Chief Audit Executive shall report directly to the Chair of the BOT and Chair of the BOT’s Audit and Compliance Committee any allegations ~~by, or about,~~ the University President. Any allegations related to the Chief Audit Executive shall be reported to the University President and Chair of the BOT’s Audit and Compliance Committee. Any allegations against BOT members shall be reported to the Board of Governors. These allegations are not to be handled internally and are not to be investigated by the Division.

Independence and Objectivity

The Division will remain free from interference by any element in the University, including matters of audit and investigation selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Division staff must have no personal and external impairments to their independence, and have no direct responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment.

Division staff will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Division staff will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Chief Audit Executive will confirm to the BOT, at least annually, the organizational independence of the internal audit activity.

Responsibility

The scope of internal audit encompasses, but is not limited to, providing assurance to management by examining and evaluating of the adequacy and effectiveness of the university’s

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governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the University’s stated goals and objectives.

Chief Audit Executive

The Chief Audit Executive is responsible for fulfillment of the following activities:

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- Provide direction for, supervise, and coordinate audits, investigations, and risk management activities which promote economy, efficiency, and effectiveness in the administration of university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units;
- Conduct, supervise, or coordinate activities for the purpose of preventing and detecting fraud and abuse within university programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units;
- Maintaining a professional audit staff with sufficient knowledge, skills, abilities, experience, and professional certifications;
- Perform consulting and advisory services related to governance, risk management and control as appropriate for the University. Such services include management requests, and participation in institutional committees;
- Review statutory whistle-blower information and coordinate all activities of the university as required by the Florida Whistle-blower’s Act;
- Address significant and credible allegations relating to waste, fraud, or financial mismanagement as provided in Board of Governors Regulation 4.001;
- Keep the President and BOT informed concerning significant and credible allegations and known occurrences of waste, fraud, mismanagement, abuses, and deficiencies relating to university programs and operations; recommend corrective actions; and report on the progress made in implementing corrective actions;
- Promote, in collaboration with other appropriate university officials, effective coordination between the university and the Florida Auditor General, federal auditors, accrediting bodies, and other governmental or oversight bodies. Consider the scope of their work for the purpose of providing optimal audit coverage to the University at a reasonable overall cost;
- Review and make recommendations, as appropriate, concerning policies and regulations related to the university’s programs and operations including, but not limited to, auxiliary facilities and services, direct support organizations, and other component units;
- Evaluate the systems established to ensure compliance with policies, plans, procedures, laws and regulations which could have a significant impact on the University;
- Evaluate the reliability and integrity of information and the means used to identify, measure, classify, and report such information;
- Evaluate risk exposures relating to achievement of the university’s strategic objectives;



- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Communicate to the president and the board of trustees, at least annually, the office’s plans and resource requirements, including significant changes, and the impact of resource limitations;
- Provide training and outreach, to the extent practicable, designed to promote accountability and address topics such as fraud awareness, risk management, controls, and other related subject matter;
- Coordinate or request audit, financial- and fraud-related compliance, controls, and investigative information or assistance as may be necessary from any university, federal, state, or local government entity;
- Develop and maintain a quality assurance and improvement program for the office of Chief Audit Executive. This program must include an external assessment conducted at least once every five (5) years. The external assessment report and any related improvement plans shall be presented to the BOT, with a copy provided to the Board of Governors;
- Establish policies that articulate the steps for reporting and escalating matters of alleged misconduct, including criminal conduct, when there are reasonable grounds to believe such conduct has occurred;
- Inform the BOT when contracting for specific instances of audit or investigative assistance; and
- Report routinely to the BOT on matters including significant risk exposures, control issues, fraud risks, governance issues, and other matters requested by the President and the BOT.

Chief Risk Officer

The Chief Risk Officer is responsible for fulfillment of the following activities:

- Primary responsibility for facilitating the design and implementation of Enterprise Risk Management consistent with COSO’s Enterprise Risk Management: Integrated with Strategy and Performance in collaboration with university leadership;
- Responsible and accountable for overseeing the development, implementation, and fostering of a collaborative, campus-wide approach to ERM at the University;
- Promote the consistent use of risk management and ownership of risk at all levels of the institution;
- Build a risk-aware culture, including appropriate education and training;
- Lead the institution’s processes for identifying, analyzing, evaluating, responding to and controlling, monitoring, and reporting on key risks;

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FLORIDA A&M UNIVERSITY
OFFICE OF COMPLIANCE
AND ETHICS

Board of Trustees Report

December 2022



Rica Calhoun, Esquire, CCEP
Chief Compliance and Ethics
Officer



Edna Gasque, FCCM
Program Manager



Sherita Moore
Investigator

OFFICE ACTIVITIES



The Office of Compliance and Ethics (OCE) continues to work with compliance partners across the University on initiatives to assist in identifying and mitigating compliance risks across the institution. Since the October meeting, we have continued our work, teaming up with University divisions and units to provide compliance and ethics education, investigate and report misconduct, and refine this year's compliance risk assessment.

HIGHLIGHTS

- Compliance and Ethics Week
- Investigations
- Key Initiatives
 - FAMU Fundamentals 2023
 - Investigative Follow-Up
 - Compliance Risk Assessment
 - Compliance Focuses 2022-2023
 - Compliance Review: Foreign Travel
 - Athletics Compliance



**Compliance and Ethics Week
 REVISED**

**7
 NOV**

FAMUly Values

12:00 PM-1:00 PM

Drop in at the Office of Compliance and Ethics (OCE) in Foote-Hilyer 105 to spin the compliance wheel and get a prize! OCE will also be sending out the Code of Conduct and Resources!

**8
 NOV**

FAMUly Highlight: Human Resources

3:00 PM

<https://famu.zoom.us/j/99400320363>

OCE is featuring AVP Ella Kiselyuk to discuss the role of HR in compliance, HR initiatives, and answering any questions you may have.

**9
 NOV**

FAMUly Tone at the Middle

10:30 AM

<https://famu.zoom.us/j/96070197061>

OCE will host a session with Compliance Partners to incorporate compliance into their daily operations through a guided activity called, "Tone at the Middle."

**14
 NOV**

FAMUly Highlight: Enterprise Risk Management

1:30 PM

<https://famu.zoom.us/j/99617326953>

OCE is featuring Chief Risk Officer and AVP Deidre Melton to discuss the role of enterprise risk management at the University, responsibility for responding to risk, how the University Risk Map works, and the University's Risk Appetite Statement. Bring your questions!

**14
 NOV**

FAMUly Matters

1:30 PM

OCE will end the week with resources to members of the University community.

Compliance and Ethics Week 2022

FAMU celebrated Compliance and Ethics Week 2022 with learning events, resources, and highlighting the importance of a tone of compliance throughout the organization. The week's theme was, "FAMUly Matters." OCE provided lunch at the FAMU Hub for winners of the training feedback survey incentive. The Office of Compliance and Ethics' first initiative began the week before compliance week, on November 1, with a "Tone from the Middle" activity. As we always say in the Office of Compliance and Ethics (OCE), compliance is the responsibility of everyone and managers are an integral part of sustaining a culture of compliance. One of the areas of focus this year is incorporating compliance and ethical decision-making into the daily work of our University community. OCE introduced "Tone at the Middle," a compliance initiative focused on partnership with managers. Managers' efforts are crucial as we reinforce our University community awareness of critical compliance topics. OCE provided all managers with everything they needed for staff engagement and follow-up :

- **Tone at the Middle Toolkit:** This condensed toolkit is designed to provide content to communicate with the department and help facilitate team dialogue. We started with Code of Conduct Awareness. This toolkit had everything managers needed to include in staff meetings to talk about the Code of Conduct and its importance...down to a script for them to use. Communications and training materials are provided and the files are titled with the step and day of deployment. At the end of the timeframe, managers provided employees with a commitment forms. We held a session on November 9 for managers to join and ask questions about the toolkit and tell us how their implementation was going.
- **Retaliation:** OCE dedicated a segment of the week to discuss retaliation, providing a compliance micro-learning video on subtle retaliation and article via direct emails to all faculty and staff.



Compliance and Ethics Week 2022

FAMUly Highlights

OCE featured University compliance partners to share more information about their departments and initiatives. This year, OCE hosted AVP Ella Kiselyuk to discuss the role of HR in compliance and onboarding, advisory services, and conflict of interest disclosure.

OCE also featured Chief Risk Officer and AVP Deidre Melton to discuss the role of enterprise risk management at the University, responsibility for responding to risk, how the University Risk Map works, and the University's Risk Appetite Statement. While the weather forced the reschedule of our ERM session, OCE hosted over 100 members of the campus community across both events who asked great questions and were excited to know more about these compliance partners.

Resources were provided in each session, including the HR Newsletter and ERM resources located in the ERM website toolkit.

FAMU FLORIDA A&M UNIVERSITY
OFFICE OF COMPLIANCE AND ETHICS


COMPLIANCE AND ETHICS WEEK 2022

FAMILY HIGHLIGHT: OFFICE OF HUMAN RESOURCES

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

TUESDAY, NOVEMBER 8
3:00 PM

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



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

[HTTPS://WWW.FAMU.EDU/ADMINISTRATION/DIVISION-OF-FINANCE-AND-ADMINISTRATION/HUMAN-RESOURCES/INDEX.PHP](https://www.famu.edu/administration/division-of-finance-and-administration/human-resources/index.php)

FAMU FLORIDA A&M UNIVERSITY
OFFICE OF COMPLIANCE AND ETHICS

COMPLIANCE AND ETHICS WEEK 2022


FAMILY HIGHLIGHT: ENTERPRISE RISK MANAGEMENT

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

RESCHEDULED

MONDAY, NOVEMBER 14
3:30 PM

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



Deidre Melton
ASSOCIATE VICE PRESIDENT FOR AUDIT AND CHIEF RISK OFFICER

[HTTPS://WWW.FAMU.EDU/ADMINISTRATION/AUDIT/ENTERPRISE_RISK_MANAGEMENT/ERM.PHP](https://www.famu.edu/administration/audit/enterprise_risk_management/erm.php)





FAMILY
Matters





FLORIDA A&M UNIVERSITY

OFFICE OF COMPLIANCE
AND ETHICS

COMPLIANCE AND
ETHICS WEEK 2022

SPOTLIGHT

FAMU TRIO

FAMU VITICULTURE CENTER

DIVISION OF AUDIT

OFFICE OF HUMAN RESOURCES

DR. ANANDHI AND HER
AGRICULTURAL SCIENCE CLASS

HERBERT FRANKLIN

FAMU FUNDAMENTALS SURVEY
WINNERS

FAMU Fundamentals 2023

Why Mandatory University Compliance Training?

Board of Governors' Regulation 4.003 requires all universities to establish and implement an effective compliance and ethics program. Compliance training is a key requirement of such a program. Per the regulation:

“University employees and board of trustees’ members shall receive training regarding their responsibility and accountability for ethical conduct and compliance with applicable laws, regulations, rules, policies, and procedures.”

OCE appreciates the full support of the University Board of Trustees and the President’s Senior Leadership Team in the implementation of mandatory training for all University employees. Content holders met on October 17. As we continue to innovate and improve the training, we are excited to be partnering with the School of Journalism and Graphic Communication to develop the training presentation for Canvas.

The Modules for 2023 include:

- Clery
 - Campus Security Authorities
- Compliance, Law and Policy
 - Code, Retaliation, Public Records and Record Retention, and ERM
- Cybersecurity
 - Phishing, Electronic Data Transfer and Protection
- Discrimination and Harassment
 - Responsible Employees
- Emergency Management
 - Hurricane Preparedness and Essential Employees

Remaining timeline highlights:

December 31, 2022: Course Content Due

January-February 2023: Implementation on Canvas

March 1-31, 2023: Mandatory training window for all employees

OCE will report completion to University managers and senior leadership throughout the training period, with a final report in April 2023.



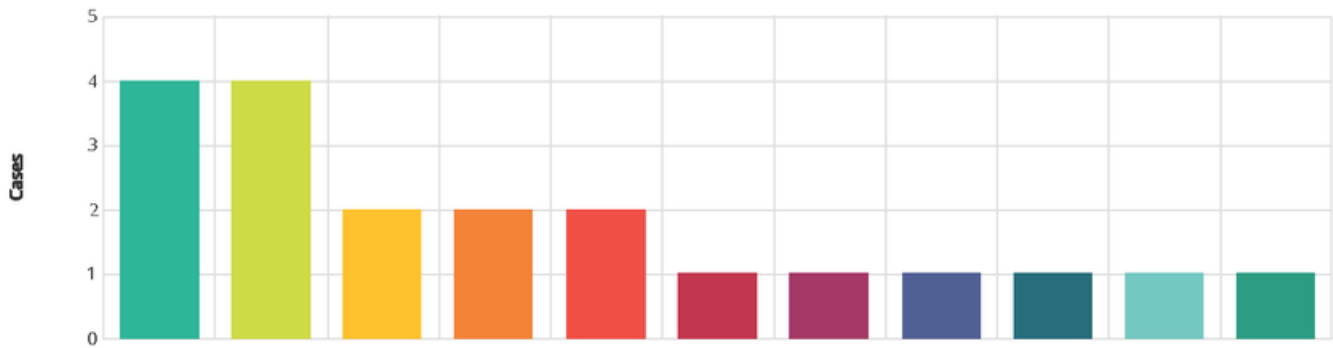
Investigations

OCE manages the University's Compliance and Ethics Hotline. We intake concerns of misconduct for referral to other University enforcement offices* or for investigation by OCE. Since July 1, the hotline has logged 20 reports. OCE is assigned to 10 cases since July 1, 3 have closed and 7 are in progress. Open investigations in OCE include allegations of impermissible conflicts of interest, retaliation, and employee misconduct.

*Includes the Offices of Compliance and Ethics, HR, Equal Opportunity Programs, and the Division of Audit

Summary - Issue Type 11.22

Date Range 07/01/2022 - 11/19/2022



Issue	Count (%)
Employee Misconduct	4 (20%)
Fraud	4 (20%)
Conflict of Interest	2 (10%)
General Concern	2 (10%)
Sexual Harassment	2 (10%)
Discrimination	1 (5%)
Misrepresentation of Information	1 (5%)
Misuse of University Resources	1 (5%)
Time Abuse	1 (5%)
Waste, Abuse or Misuse of Institution Resources	1 (5%)
Workplace Harassment	1 (5%)
Total	20

Investigations

Summary - Process Status

Date Range 07/01/2022 - 11/19/2022



Case Status	Count (%)
● In Process	15 (75%)
● Closed	5 (25%)
Total	20

Key Initiatives

Current Investigative Monitoring

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

Key Initiatives

Compliance Focus: 22-23 Compliance Risk Assessment

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

Key Initiatives

Compliance Focus: 22-23 Compliance Risk Assessment (continued)

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

Compliance Review Highlight

Foreign Travel Update

The Office of Compliance and Ethics and Information Technology assisted the Office of International Education and Development, Office of Animal Welfare and Research Integrity, and the Controller's Office in updating the University's travel form to ensure compliance with 1010.35, Florida Statutes. The statute, in part, "requires each state university to require the Research Integrity Office to preapprove and screen any employment-related foreign travel and employment-related foreign activities engaged in by all faculty, researchers, and research department staff..." The law specifies that the research integrity office's "preapproval must be based on the applicant's review and acknowledgment of the university's or entity's guidance related to countries under sanctions or other restrictions of the state or the United States government, as well as the individual traveler's binding commitment to comply with the university's or entity's limitations on travel and activities abroad and obey all applicable federal laws."

All process recommendations have been implemented. In addition, the travel process has now been substantially automated in iRattler.



Compliance Review Results

Foreign Travel Process

Old Process:

1. The current process for travel authorization begins with the Request for Foreign Travel.
2. The travel representative works with the appropriate Dean for their review and approval.
3. The form is then routed to the Office of International Education and Development, the Provost and President, respectively.
4. The Controller's Office receives the completed form. The Traveler does not sign this form.

Controller's Office
 Florida Agricultural & Mechanical University

Travel Department
 201 Foote-Hilyer Administration Building
 Tallahassee, FL 32307
 Ph: (850) 561-2978 Fax: (850) 412-6602

Request for Foreign Travel

Travel Rep. Name <input style="width: 90%;" type="text"/>	Travel Rep. Phone Number <input style="width: 90%;" type="text"/>
Travel Rep. Email <input style="width: 100%;" type="text"/>	
Traveler's Name <input style="width: 45%;" type="text"/>	
Traveler's Employee ID <input style="width: 45%;" type="text"/>	
Destination(s) <input style="width: 80%;" type="text"/>	From/Travel Dates <input style="width: 15%;" type="text"/>
To/Travel Dates <input style="width: 65%;" type="text"/>	

Justification for Foreign Travel:

Approvals below indicates the above named traveler has been approved for foreign travel.

_____ Signature of Dean	_____ Printed Name of Dean
_____ *Signature of International Programs	_____ Printed Name of International Programs
_____ Signature of Provost	_____ Printed Name of Provost
_____ Signature of President/Designee	_____ Printed Name of President/Designee

*Send form to the Provost office for signature and scanning into Image Now. After President's Approval form should be routed to the Travel Office to complete process.

Compliance Review

Foreign Travel Process

New Process Recommended in June 2022 and implemented November 4, 2022 (amended form on next page):

1. Justification Clarification: The following language has been added to the "Justification for Foreign Travel" section, "Provide all applicable information, including the name of the sponsor and any itineraries or schedule of events as an attachment to this form."
2. Traveler Acknowledgement: An additional section was included for the traveler to acknowledge the following: "The Traveler has reviewed the University's guidance related to countries of concern or other restrictions of the State of Florida or the United States government. The Traveler agrees to comply with the University's limitations on travel and activities abroad and obey all applicable federal and state laws, as well as University policies and procedures."
3. Traveler Signature/Initial Addition: A signature line was added to the form for the Traveler to sign.
4. Completed Form Received: Once the form is completed, , it will be routed to the Travel Rep to attach to the travel authorization in iRattler. Once the travel authorization is entered in iRattler, it will route to all approvers, beginning with the Office of Animal Welfare and Research Integrity.
 - a. Additionally, the Office of Information Technology Services (ITS) should be included to the receipt list of the completed form, as this will enhance the processes of tracking of University data and devices.

****Recommended Additions in Process:** Traveler Guidance: In accordance with BOG directives, the University guidance referenced in item 2 above must be developed to provide to travelers and includes information such as: federal license requirements; customs rules; export controls; restrictions on taking the University's tangible or intellectual property abroad; any restrictions on presentations, teaching, and interactions with foreign colleagues; and any other subjects important to the research and academic integrity of the University. While this information is referenced in item 2 above and available through the International SOS guidance provided to travelers, OCE recommends that it be readily available on the website as well to enhance ease of access. The Office of Export Control and Office of International Education and Development are currently working to assist the Office of Research Integrity to develop this guidance from existing materials.

Request for Foreign Travel

Travel Rep. Name

Travel Rep. Phone Number

Travel Rep. Email

Traveler's Name

Traveler's Employee ID

Destination(s)

From/Travel Dates

To/Travel Dates

Justification for Foreign Travel: Provide all applicable information, including the name of the sponsor and any itineraries or schedule of events as an attachment to this form.

Foreign Influence

In 2021, the Florida Legislature passed HB 7017, which created several different laws surrounding foreign influence in higher education, citing several "foreign countries of concern," including: the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, and the Syrian Arab Republic. The reference to "foreign countries of concern" also includes any agency of or any other entity under significant control of such foreign country of concern. Pursuant to 1010.35, F.S., FAMU is required to establish an approval and monitoring program for all foreign travel by January 1, 2022. The program requires that the FAMU Office of Research Integrity preapproves and screens any employment-related foreign travel and employment-related foreign activities engaged in by all faculty, researchers, and research department staff.

In addition, the U.S. government maintains country-specific sanctions programs, which comes with varying levels of restrictions. Countries that are currently subject to comprehensive embargoes by the U.S. government include: (1) Cuba; (2) Iran; (3) North Korea; and (4) Syria.

Travel to any comprehensively sanctioned country, if permitted, will require significant regulatory compliance. Such compliance is not limited to federal and state regulations, but also the procedures that the University has implemented in reviewing university-supported travel requests.

By your signature, you, as the Traveler, acknowledge that you have reviewed the University's guidance related to countries of concern or other restrictions of the State of Florida or the United States government. You agree to comply with the University's limitations on travel and activities abroad and obey all applicable federal and state laws, as well as University policies and procedures.

 Signature of Traveler

 Printed Name of Traveler

 Signature of Dean

 Printed Name of Dean

***After Dean's Approval form should be routed to your Travel Rep to complete process**

Athletics Compliance

Athletics Compliance has focused on Athletics Plan action items and enhancing education and outreach for individual sports. Key deliverables include:

The Athletics Compliance Department hosted separate meetings with coaches to review several bylaws, including:

- Bylaw 11.7: Limitation on the Number and Duties of Coaches and Noncoaching Staff members, and
- Article 12 and 14: Continued Eligibility, Transfer Eligibility, and Waiver Criteria.

Compliance staff developed and presented the material through a PowerPoint presentation and provided handouts. Meetings occurred between October 19 and November 17.

Compliance staff has also attended several practices to observe and provide visibility for questions from coaches and student-athletes. Practice visits logged include:



Date & Time	Sport
10/06/22 2:00pm-2:45pm	Baseball
10/06/22 3:00pm-3:34pm	Football
10/07/22 9:00am- 9:50am	Tennis
10/07/22 10:00am-10:50am	Softball
10/13/22 3:00pm-3:30pm	Football
10/14/22 3:30pm-4:00pm	Men's Basketball
10/20/22 9:00am-9:30am	Softball
10/20/22 9:30am – 10:00am	Tennis
10/20/22 3:00pm-3:30pm	Football
10/20/22 4:00pm-4:45pm	Golf
10/26/22 3:00pm- 3:30pm	Track
10/27/22 3:30pm-4:00pm	Football
11/03/22 4:00pm-4:30pm	Football

Athletics Compliance



Title IX 50th Anniversary Celebration

The Athletics Compliance Department participated in the celebration hosted by Equal Opportunity Programs, presenting information on FAMU women in athletics. It was a great event that really showcased the contributions of women of FAMU to athletics since the law's passage in 1972.

Mandatory Department Compliance Meeting

Meetings have been scheduled and added to the athletics compliance calendar for the rest of the calendar year. These monthly meetings highlight compliance topics and provide an opportunity for coaches and staff to ask questions. November's meeting is scheduled for November 29.

Equity in Athletics Data Analysis (EADA) Report

University Compliance/Athletics Compliance, the Budget Office, and Interim AD Smith coordinated to complete the data analysis and reporting for submission to the USDOE for 2022 on November 1.

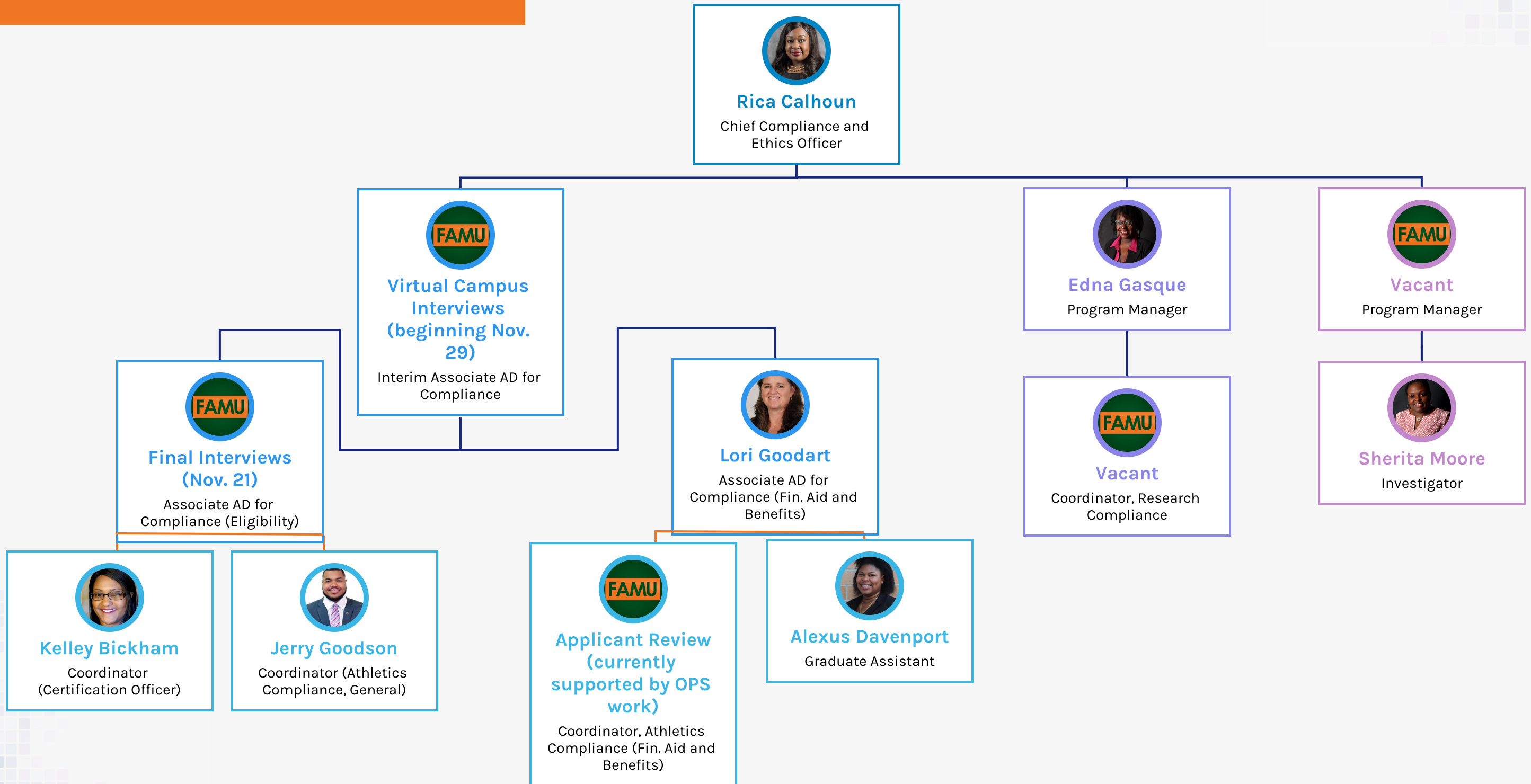
APR Reporting and Improvement Plan

Athletics Compliance coordinated with John Shukie, one of the architects of the APR system, to complete our APR reporting this cycle. Unfortunately, Men's Football and Men's Track did not make the 930 mark. OCE completed a compliance review of last year's APR Improvement Plan for football, which informed the improvement plan this year. The athletics action plan has also provided valuable goals and strategies for both football and men's track 2022-2023 improvement plans.



FLORIDA A&M UNIVERSITY
**OFFICE OF COMPLIANCE
AND ETHICS**

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



Rica Calhoun
Chief Compliance and Ethics Officer



Virtual Campus Interviews (beginning Nov. 29)
Interim Associate AD for Compliance



Edna Gasque
Program Manager



Vacant
Program Manager



Lori Goodart
Associate AD for Compliance (Fin. Aid and Benefits)



Vacant
Coordinator, Research Compliance



Sherita Moore
Investigator



Final Interviews (Nov. 21)
Associate AD for Compliance (Eligibility)



Kelley Bickham
Coordinator (Certification Officer)



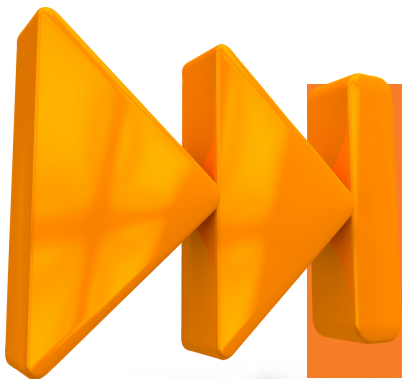
Jerry Goodson
Coordinator (Athletics Compliance, General)



Applicant Review (currently supported by OPS work)
Coordinator, Athletics Compliance (Fin. Aid and Benefits)



Alexus Davenport
Graduate Assistant



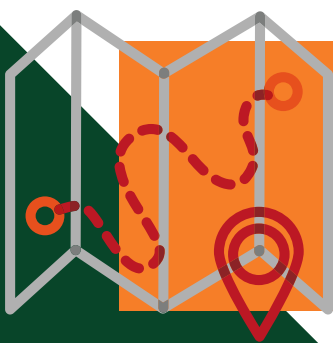
Implementation of
External Review
Recommendations

Focus areas include:

- Increased resources to achieve additional efficiencies in program goals.
- Enhanced monitoring of compliance risk

FAMU
Fundamentals
2023/ BOT
Training

Working to prepare content, implement enhancement ideas, and execute deployment of the latest training. Monitor completion of BOT training (December 31).



Complete
Office
Restructure

Fill all remaining vacancies and complete office restructure to enhance efficiencies and monitoring reach.



FAMU

FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

Audit Report



**Board of Trustees
Audit and Compliance Committee
December 7, 2022**



Memorandum

To: Craig Reed, Chair, Board of Trustees, Audit and Compliance Committee

From: Joseph K. Maleszewski, Vice President for Audit/CAE
Deidre Melton, Associate Vice President for Audit/CRO

CC: Larry Robinson, Ph.D., University President
Board of Trustees Members
Senior Leadership Team Members

Date: November 18, 2022

Re: Status of Open Audit Findings

The Division of Audit worked with management to understand and validate actions taken by management since our October 5, 2022, report to the Audit and Compliance Committee. After validating each action taken by management, the Division of Audit prepared the below summary table followed by detailed information from management regarding the status of corrective actions and the level of residual risk for each audit finding.

	Finding	Status	Original Risk Level	Current Risk Level
1	2018-19 Risk Assessment: Bragg Stadium Safety and Maintenance	OPEN	HIGH	LOW
2	2018-19 Risk Assessment – Emergency Preparedness	OPEN	HIGH	MEDIUM
3	2021 Federal Contracts and Grants Disclosure Audit - Federal Contract Not Reported to USDOE	OPEN	HIGH	MEDIUM



Athletics/Facilities

1. 2018-19 Risk Assessment: Bragg Stadium Safety and Maintenance

- a. **Status.** Allstate Construction has addressed all Healthcare and Americans with Disabilities Act (HC/ADA) compliance as well as life safety within the scope of work for Phase II including HC/ADA accessible ramps, HC/ADA seating throughout the stadium seating, life safety emergency devices, and exit signs, etc. However, the height (in certain areas) and construction of the guardrails are not compliant, in accordance with the FBC-B 1015. The University is currently looking at the most cost-effective way to address this concern and is awaiting design and pricing from the consultant/general contractor. Until these areas are addressed, the Building code official recommended that the University install “caution signage” to bring awareness to the individuals seated in these areas. All other structural concerns were addressed and completed in Phase II of this project. DoA will continue to monitor resolution of identified ADA issues including restrooms.

This item remains **OPEN** until ADA issues are resolved.

- b. **Risk:** The original risk level of this item was assessed as **HIGH**. With the additional steps taken to address safety and ADA compliance in Phase II, the risk level has been reduced to **LOW**.

Student Affairs

2. 2018-19 Risk Assessment – Emergency Preparedness

- a. **Status:** The original emergency preparedness findings centered around issues related to the University adequately preparing for hurricanes, or other weather-related events. This included identifying a dedicated funding source, establishing an evacuation plan, and hardening a building on FAMU campus that meet state requirements as a hurricane shelter. The University has taken the following steps related to Emergency Preparedness to address these issues:
 - i. **Identifying a Dedicated Funding Source.** (Ongoing) The University created a cross-functional team to develop a three-year financial plan to address emergency preparedness needs. Emergency Management Director submitted a proposed budget to the University Budget committee for review and action. The Division of Audit will continue to monitor efforts to obtain funding.
 - i. **Establishing an Evacuation Plan.** (Completed) The Evacuation Plan has been finalized with the supporting essential employee plan and crisis communication plan. The plan was updated with lessons learned from hurricane Ian.
 - ii. **Hardening a Building on FAMU Campus.** (Completed)
 1. On July 20, 2022, the Florida Division of Emergency Management advised our university that Al Lawson meets their standards to shelter students, faculty, and staff. No retrofit or funding is needed. The University can shelter approx. 2,200 people in the Al Lawson.
 2. Facilities is actively working with the Florida Department of Emergency Management to explore utilizing the Gaither Gymnasium as another shelter option on campus.



- iii. **Emergency Management Preparedness Activities.** The University’s emergency preparedness leadership has completed the following activities since October 5, 2022:
 1. The mass notification system (FAMU ALERT) is live and has been tested and used for events and incidents on campus. Campus PD continues to train on the functionality of the application.
 2. Emergency Management is actively working with the Division of Audit to host the CISA cyber team on campus. This program will provide training, assessments, and resources to enhance our university against cyber threats.
 3. Emergency Management is actively working with university departments to seek COVID-19 FEMA reimbursement funding. Approximately \$100,000 is currently being returned to the university, with more to follow.
 4. On December 12 & 13, 2022, our university will host the University of Southern Mississippi, to provide a free training (sponsored by DHS) focused on the **Sports Venue Evacuation and Protective Actions National Center for Spectator Sports Safety and Security (NCS4)**.
 - a. The Sports Venue Evacuation and Protective Actions course assists venue operators, first responders, emergency managers, law enforcement, contractors, promoters, and owners of events in developing or enhancing event action plans with flexible and scalable protective measures for managing mass gatherings. This innovative course builds multi-agency collaboration by delivering critical planning information on evacuation and sheltering plans with actionable decision criteria that can be adapted for almost any event.

The Division of Audit will continue to monitor the progress of the issues related to identifying a dedicated funding source to ensure the actions fully meet industry standards and best practices. The finding remains OPEN until these emergency management activities are resolved.

- b. **Risk:** The original risk level of this item was assessed as **HIGH**. With the completion of the emergency evacuation plan and identification of a building to shelter students in case of an emergency the risk level has been reduced to **MEDIUM**.

Research

3. Federal Contracts and Disclosure Audit–Federal Contract Not Reported to USDOE

- a. **Status:** University officials must report the Saudi Arabia Cultural Mission (SACM) 3rd party tuition payments made to the University for the 2018 (\$406,403.20) and 2019 (\$730,498.14) calendar years.
 - i. The University’s Research Security Committee is reviewing SACM 3rd party payments for the 2020, 2021 and the 2022 calendar years to discover if these respective SACM payments also exceeded the \$250,000 reporting threshold to be included within the University’s 2022 report.



- ii. The University anticipated submitting a report disclosing all 3rd party foreign payments that exceeded the \$250,000 reporting threshold to USDOE prior to June 30, 2022. Management did not provide the Division of Audit with information to indicate that the report was submitted by June 30, 2022 as required.
- b. **Risk:** The original risk level of this item was assessed as **HIGH**. The University has taken actions to identify reportable transactions and is currently working to develop a submission process. As a result of the actions take, the risk level was reduced to **MEDIUM**. The finding remains **OPEN** until the report is submitted to USDOE.



Memorandum

To: Craig Reed, Chair, Board of Trustees, Audit and Compliance Committee

From: Joseph K. Maleszewski, Vice President, Division of Audit/CAE
 Deidre Melton, Associate Vice President for Audit/CRO

CC: Larry Robinson, Ph.D., University President
 Board of Trustees Members
 Senior Leadership Team Members

Date: November 18, 2022

Re: Status of External Audits

The Division of Audit functions as the University’s official liaison for external auditors to assist management with meeting the requests and understanding various audit requirements. We also monitor the implementation status of audit recommendations, including recommendations with long implementation timelines to ensure they are progressing.

The chart below provides an overview of external audits currently in-progress or recently concluded since our September 9, 2022, report to the Audit and Compliance Committee.

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

The following pages provide details of the audit statuses and includes the issues noted, status of implementation of the corrective actions, and the anticipated completion dates of those actions.



CONCLUDED DIRECT SUPPORT ORGANIZATIONS (DSO) - REVIEW OF FINANCIAL INTERNAL CONTROLS:

DSO Financial Internal Controls Review					
Audit	Audit Period	Report Release Date	Status of Implementation Key Issues	Status of Implementation Initial Observations	Anticipated Completion Date
DSO – Review of Financial Internal Controls <ul style="list-style-type: none"> FAMU Rattler Boosters FAMU Foundation FAMU NAA 	<u>FYE</u> June 30, 2022	August, 4, 2022	<p>Crowe’s key observations noted issues related to segregation of duties; supporting documentation; policies and procedures; review and approval; management responsiveness; and completeness, timeliness and accuracy of information.</p> <p><u>FAMU Foundation:</u></p> <ul style="list-style-type: none"> Crowe did not identify key observations for the FAMU Foundation. <p><u>FAMU Rattler Boosters:</u></p> <ul style="list-style-type: none"> The DSO contact did not respond to information and documentation requests timely or completely. The Boosters also had inadequate segregation of duties and used personal accounts for depositing and subsequently remitting donor contributions and cash to the FAMU Foundation. 	<p>Crowe’s initial observations were summarized at the university-level and delivered to university management and the Board of Governors. The status of the corrective actions for those observations are as follows:</p> <p><u>FAMU Foundation:</u></p> <ul style="list-style-type: none"> 6 initial observations related to the following areas have all been resolved: <ul style="list-style-type: none"> Account reconciliation Capital assets management Credit card reconciliation System user access Accounts receivable reconciliation – Timeliness Accounts receivable reconciliation - Documentation <p><u>FAMU Rattler Boosters:</u></p> <ul style="list-style-type: none"> 3 initial observations related to the following areas have been resolved: <ul style="list-style-type: none"> Accounts payable segregation of duties Oversight of cash management and donor contributions Timeliness of management responses 	<p><u>FAMU Foundation:</u> All corrective actions associated with initial observations have been fully implemented. University Responsible Party: Friday-Stroud</p> <p><u>FAMU Rattler Boosters:</u> Final corrective action completed before January 31, 2023. Responsible Party: AD Smith</p>



			<p><u>FAMU NAA:</u></p> <ul style="list-style-type: none"> • The NAA had inadequate segregation of duties over cash management because the Treasurer had the ability to collect cash, record cash collected, and complete the monthly cash account reconciliations. • The NAA had inadequate segregation of duties over Journal Entries because the Treasurer had the ability to prepare and post manual journal entries to the general ledger. • The NAA has inadequate segregation of duties in the Procurement function because the NAA President was able to approve his own travel expense reimbursement request. 	<ul style="list-style-type: none"> • The Crowe observation related to procurement policies and procedures is due to be completed before January 31, 2023. <p><u>FAMU NAA:</u></p> <ul style="list-style-type: none"> • 4 initial observations related to the following areas have been resolved: <ul style="list-style-type: none"> ○ Cash management segregation of duties ○ Journal Entries segregation of duties ○ Procurement segregation of duties ○ System user access review • The Crowe observation of policies and procedures related to Board conflict of interest disclosure, Board training and orientation requirement, and Record retention changes are due to be updated by April 1, 2023. 	<p><u>FAMU NAA:</u></p> <p>Final corrective action completion anticipated by April 1, 2023.</p> <p>Responsible Party: Cummings Martin</p>
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The FAMU Foundation has presented evidence to satisfy all 6 of the initial observations. The FAMU Boosters have confirmed that the authorized Truist bank account is the only Financial institution being used, other than the FAMU Foundation. Once the Boosters implement a Procurement policy, procedure, and training plan, all of the Crowe observations for the Boosters, including the Overarching Key takeaways, will be satisfied. Once the NAA submits policies and procedures related to Board conflict of interest disclosure, Board training and orientation requirement, and record retention changes, all of Crowes’ observations and overarching key takeaways will be resolved.



CONCLUDED FLORIDA AUDITOR GENERAL AUDITS:

Florida Auditor General					
Audit	Audit Period	Report Release Date	Issues Noted	Status of Implementation	Anticipated Completion Date
State Financial Aid – Bright Futures (Florida Public Student Financial Assistance Grant Program)	FYE June 30, 2019 and June 30, 2020	September 2022	For the Summer 2020 Term, FAMU remitted undisbursed advances 108 days late, totaling \$31,767.	The Office of Financial Aid previously implemented procedures for preparing return transmittals for undisbursed funds for the Florida Bright Futures Programs. Those procedures have since been enhanced to ensure timely returns of undisbursed funds to the Office of Student Financial Assistance (OSFA) by implementing an additional process of reviewing and reconciling the programs within the established deadlines. The Assistant Director assigned to oversee the State Programs will provide the Associate Director with the appropriate forms and documentation for returning funds within 7 days of the established state deadline. In addition, a follow-up will occur with the University Controller’s office to ensure the funds have been remitted. All funds cited have been returned as required to the Office of Student Financial Assistance.	Target Date: December 1, 2022; Responsible Party: Lisa Stewart, Director, Office of Financial Aid Executive Owner: VP Hudson



CONCLUDED INTERCOLLEGIATE ATHLETICS FINANCIAL STATEMENTS:

James Moore, CPAs																									
Audit	Audit Period	Report Release Date	Issues Noted	Status of Implementation	Anticipated Completion																				
Financial Statement Audit	FYE June 30, 2021	October 2022	<p>Financial statements were present fairly, in all material respects. The auditors did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses. They did note the ongoing issue related to financial viability. FAMU’s Intercollegiate Athletics Program had a substantial deficit in net position as a result of numerous years of operating losses. In accordance with State Statute, athletic auxiliary services should be self-supporting entities. Our opinion is not modified with respect to this deficit.¹</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Financial Statement Opinion:</td> <td style="text-align: right; padding: 2px;">Unmodified</td> </tr> <tr> <td style="padding: 2px;">Deficiencies in internal control over financial reporting:</td> <td style="text-align: right; padding: 2px;">None</td> </tr> <tr> <td style="padding: 2px;">Issues Noted:</td> <td style="text-align: right; padding: 2px;">Financial Viability (Deficit)</td> </tr> <tr> <td colspan="2" style="padding: 5px 0 0 0;">Athletics Totals</td> </tr> <tr> <td style="padding: 2px;">(1) Assets:</td> <td style="text-align: right; padding: 2px;">\$6,697,665</td> </tr> <tr> <td style="padding: 2px;"><u>(2) Liabilities:</u></td> <td style="text-align: right; padding: 2px;"><u>\$7,844,323</u></td> </tr> <tr> <td style="padding: 2px;">Operating loss:</td> <td style="text-align: right; padding: 2px;">(\$1,146,658)</td> </tr> <tr> <td style="padding: 2px;">Nonoperating Revenues:</td> <td style="text-align: right; padding: 2px;">\$1,335,136</td> </tr> <tr> <td colspan="2" style="padding: 5px 0 0 0;">Overall Net Position:</td> </tr> <tr> <td style="padding: 2px;">Change in Net position:</td> <td style="text-align: right; padding: 2px;">(\$9,256,951) \$ 188,478</td> </tr> </table>	Financial Statement Opinion:	Unmodified	Deficiencies in internal control over financial reporting:	None	Issues Noted:	Financial Viability (Deficit)	Athletics Totals		(1) Assets:	\$6,697,665	<u>(2) Liabilities:</u>	<u>\$7,844,323</u>	Operating loss:	(\$1,146,658)	Nonoperating Revenues:	\$1,335,136	Overall Net Position:		Change in Net position:	(\$9,256,951) \$ 188,478	<p>The joint efforts of the Board of Governors and FAMU Board of Trustees (BOT), two oversight bodies, continue with the commitment that the President will ensure a balanced athletics budget and repayment of improper auxiliary monies used in support of our athletics program. The University has implemented additional controls requiring increased levels of system approvals for auxiliary fund transfers to Athletics. These controls include approvals by a party independent of the financial function, as well as the University President, and notification to our Chief Audit Executive should another similar transfer occur. Immediately following the release of the report, the University took further action by the University to rebuild both our financial and athletics management teams. As of January 2020, this rebuild included hiring a new Vice-President/CFO for Finance and Administration, Controller, and Budget Director.</p>	<p>Corrective actions have been implemented and are ongoing. These actions included annual balance budgets and continued repayment of auxiliary debt in accordance with the approved repayment schedule.</p>
Financial Statement Opinion:	Unmodified																								
Deficiencies in internal control over financial reporting:	None																								
Issues Noted:	Financial Viability (Deficit)																								
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Overall Net Position:																									
Change in Net position:	(\$9,256,951) \$ 188,478																								

¹ As of June 30, 2021, Athletics had a deficit in net position of \$9,256,951. The deficit is the result of numerous years of operating expenses exceeding revenues. As a result of the deficit net position, management implemented a deficit reduction plan which was updated in December 2019. The interest-free repayment plan is for a term of 25 years. A portion of the deficit will be paid by other direct support organizations of the University.



The Division of Audit is working with the Department of Athletics to engage an independent CPA firm to perform the required Board-directed financial audit and NCAA Agreed Upon Procedures (AUP) engagements for the fiscal year ending June 30, 2022.

IN-PROGRESS FLORIDA AUDITOR GENERAL FINANCIAL STATEMENTS AUDIT:

Florida Auditor General				
Audit	Audit Period	Start Date	Report Release Date	Current Status
Financial Statement Audit	<u>FYE</u> June 30, 2022	July 2022	June 2023	Fieldwork

IN-PROGRESS UNITED STATES DEPARTMENT OF EDUCATION ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND (ESSER) GOVERNOR’S EMERGENCY EDUCATION RELIEF FUND (GEER) OVERSIGHT AND REVIEW:

U.S. Department of Education				
Audit	Audit Period	Start Date	Anticipated Report Release Date	Current Status
FAMU DRS - ESSER & GEER	<u>FYE</u> June 30, 2022	July 2022	June 2023	Fieldwork

IN-PROGRESS FAMU ATHLETICS ACTION PLAN ASSURANCE SERVICES:

FAMU Athletics Action Plan				
Audit	Audit Period	Start Date	Report Release Date	Current Status
FAMU Athletics Action Plan Assurance Services	<u>FYE</u> October 1, 2022 – January 31, 2023	November 2022	January 2023	Firm identified, scope of work prepared, and contracting is in process. Fieldwork anticipated to be underway by November 30, 2022.



Division of Audit Updates December 8, 2022

Staffing

New Hires



Erica Thames, MPA, CIGA, Advanced Yellow Belt
Senior Auditor
Hire Date: October 28, 2022



Crisencia Brown
Staff Auditor
Hire Date: October 28, 2022

2022 Compliance and Ethics Week



During the 2022 Compliance and Ethics Week, the Division staff were trained on the Code of Conduct and other compliance topics. 100% of Division Staff signed and submitted the Commitment Form agreeing that they read, understood and would abide by the University’s Code of Conduct. Additionally, staff participated in the Compliance Scavenger Hunt and won prizes.

FAMU FLORIDA A&M UNIVERSITY
OFFICE OF COMPLIANCE AND ETHICS
COMPLIANCE AND ETHICS WEEK 2022

FAMILY HIGHLIGHT: ENTERPRISE RISK MANAGEMENT

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

RESCHEDULED

MONDAY, NOVEMBER 14
3:30 PM

Deidre Melton
ASSOCIATE VICE PRESIDENT FOR AUDIT AND CHIEF RISK OFFICER

https://www.famu.edu/administration/audit-and-ethics_99617526932/

<https://famu.zoom.us/j/99617526932>

On November 14th, Chief Risk Officer Deidre Melton, was the featured guest on the FAMUly Highlight: Enterprise Risk Management where she discussed how the FAMUly could use risk intelligence to enhance strategic decision making and refine resource allocation to propel their units toward performance and strategic goals.



2022 Fraud Awareness Week

The Division of Audit promoted Fraud Awareness Week 2022 from November 14 – 18th throughout FAMU’s campus. By serving as an official supporter, we joined hundreds of organizations who partnered with the Association of Certified Fraud Examiners – the world’s largest anti-fraud organization and premier provider of anti-fraud training and education – for this year’s Fraud Awareness Week campaign.

Fraud Awareness Week champions the need to proactively fight fraud, and promote anti-fraud awareness, education, and training. We are proud to be a part of a University that has dedicated itself to building a “Culture of Compliance” and demonstrates a commitment to “Excellence with Caring,” and safeguarding the trust and monetary investments our students, alumni and taxpayers place in the University.

During this year’s Fraud Awareness Week, we sent out engaging educational infographics, videos, and puzzles and hosted FRAUD BINGO with food, drinks, and prizes! See the pictures below for snapshots from BINGO.

All of our informational flyers are posted on the [FAMU Division of Audit’s website](#).





Professional Development

Power Skills Lab: Public Speaking – October 28th and November 7th



As part of the Division of Audit’s efforts to advance the University’s Strategic Plan Priority 5: Organizational Effectiveness and Transformation, which has a focus on recruiting, retaining, and developing employees, we have implemented Power Skill Labs to ensure our staff has the skills and knowledge necessary to perform at high levels. Communication skills is a critical skill for auditors and enterprise risk management staff. Team members must be able to present information effectively to a live audience.

In October and November, the Division of Audit hosted a two-part Power Skills Lab: Public Speaking where staff learned the fundamentals of giving engaging and informative presentations during part one and presenting in front of their peers for constructive feedback during part two. Both sessions were led by our guest instructor, Rob Clark, Chief Audit and Compliance Officer at Howard University. Rob Clark is an experienced and award-winning public speaker.

ERM in Higher Education Summit (Raleigh, NC) – November 3 -4, 2022



Deidre Melton, Associate Vice President for Audit and Chief Risk Officer, attended the Institute of Internal Auditors’ ERM in Higher Education Summit. The summit was by invitation-only and was limited to those leading enterprise risk management functions at colleges and universities across the nation. The summit featured real-world illustrations of university ERM implementations along with discussion sessions for sharing about ERM challenges and successful best practices. FAMU’s ERM Risk Bulletins were highlighted as a best practice for senior leadership and board communications of high and emerging risks.



Professional Engagements

The Division of Audit continues to work hard to solidify FAMU's Division of Audit as a best-in-class and highly innovative audit shop within the audit community. One of the avenues to increase brand recognition has been through actively sharing our expertise and highlighting the great things happening at FAMU during national conferences.

IIA IGNITE: Emerging Leaders Conference (Las Vegas, NV) – September 12 -15, 2022



Deidre Melton, Associate Vice President for Audit and Chief Risk Officer, was invited by the Institute of Internal Auditors (IIA), to present in Las Vegas at their inaugural IGNITE: Emerging Leaders Conference on October 31, 2022. Ms. Melton spoke on “Creative Ways to Grow Your Team’s Skillsets” which was a session focused on ways audit leaders could grow their team’s competencies from general awareness to expert using the IIA’s Internal Auditor Competency Framework, along with enhance their staff’s technical and power skills to build high performing staff. Additionally, Ms. Arriet Foster, Lead Senior Auditor and Investigator, attended the conference and was able to attend sessions designed to enhance her leadership skills.



take advantage of as a by-product of threat responses. The performance-based funding risk profile is expected to be completed in January 2022.

Risk Dashboard: Athletics



In October 2022, FAMU Board of Trustees Chair Kelvin Lawson, requested the development of a risk dashboard that could be used to monitor the top risks of the athletic program. A dashboard format and the top 20 athletic program risks have been identified. ERM program staff will work with management and staff during December 2022 and January 2023 to complete the dashboard components, including identifying risk drivers, mitigation actions, and risk owners for each of the athletic program risks. The dashboard is expected to be finalized and presented to the FAMU Board of Trustees during the February 2023 Board of Trustees meeting.

FAMU Fundamentals 2023: ERM Educational Session



The ERM program is in the process of developing an ERM educational session as part of the 2023 FAMU Fundamentals. The session will allow for all FAMU faculty, staff, and administrators to receive basic training on enterprise risk management concepts, ERM tools and resources availability to them, and learn more about their role and responsibilities for identifying, mitigating, monitoring, and reporting risks.

ERM Activities

FAMUly Highlight: ERM – November 14, 2022

On November 14th, Chief Risk Officer Deidre Melton, was the featured guest on the FAMUly Highlight: Enterprise Risk Management where she discussed how the FAMUly could use risk intelligence to enhance strategic decision making and refine resource allocation to propel their units toward performance and strategic goals. This session was open to the entire FAMU community to provide them a chance to learn more about the ERM program and ask questions.



ERM in Higher Education Summit (Raleigh, NC) – November 3 -4, 2022



Deidre Melton, Associate Vice President for Audit and Chief Risk Officer, attended the Institute of Internal Auditors (IIA), ERM in Higher Education Summit. The summit was by invitation-only and was limited to those leading enterprise risk management functions at colleges and universities across the nation. The summit featured real-world illustrations of university ERM implementations along with discussion sessions for sharing about ERM challenges and successful best practices. FAMU's ERM Risk Bulletins were highlighted as a best practice for senior leadership and board communications of high and emerging risks.



FAMU

FLORIDA A&M UNIVERSITY

**ENTERPRISE RISK
MANAGEMENT**
DIVISION OF AUDIT

Enterprise Risk Management within the Florida SUS and Beyond

Report No. 2023-ERM-04

October 3, 2022



Executive Summary

On June 2, 2022, the Chair of the Audit and Compliance Committee for Florida Agricultural and Mechanical University’s (FAMU) Board of Trustees, directed the Chief Risk Officer to evaluate enterprise risk management (ERM) programs within the State University System of Florida (SUS). As a result, the Chief Risk Officer (CRO) compiled a list of best practices related to governance and staffing of enterprise risk management programs and met with each SUS institution to determine if those best practices were in place, evaluated whether the top public universities in the nation had established ERM programs, evaluated which states contained higher education systems where the implementation of ERM had been mandated, and provided each institution with a maturity self-assessment tool to gauge the overall maturity of SUS institutions. The following chart depicts some of the key outcomes of the ERM assessment of SUS institutions and the broader nation.

Implementation of ERM Best Practices in the SUS

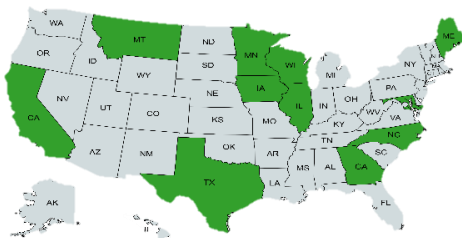


Five of twelve SUS institutions have implemented ERM programs. Of those five institutions, only three were reported to be fully functional as of the Summer 2022 academic term. As a result, few governance and staffing elements of a high performing ERM program were in place.

Top Public Colleges and Universities with ERM Programs



100% of the top ten public colleges and universities listed in the 2021-2022 U.S. News and World Report rankings had established ERM programs. Seven of the ten universities were a part of higher education systems which mandated implementation of enterprise risk management.



Higher Education Systems with ERM Mandates

Our review identified eleven states where higher education systems had mandated an ERM program be in place within their system’s institutions.

SUS ERM Maturity Self-Assessment



Our evaluation of the eleven ERM maturity self-assessments submitted by SUS institutions determined that while many of the institutions do not have established ERM programs, they possess some of the foundational building blocks needed to begin development of a mature ERM program.



While FAMU’s ERM program has only been operational since August 2021, the Chief Risk Officer and her team, were able to leverage many of the risk management practices put in place by the Division of Audit, Office of Compliance and Ethics, and other areas within the university to quickly build out the foundation of the program. FAMU’s average maturity rankings for each of the four categories assessed in the United Educators Higher Education ERM Maturity Tool is below:

<p>NO FORMAL ERM PROCESS</p> <p>Traditional risk management without a process for managing risk across an institution</p>	<p>LOW MATURITY</p> <p>ERM program started, but is not yet a regular business process reaching beyond ERM leadership</p>	<p>MEDIUM MATURITY</p> <p>ERM process established, but is not yet part of the institution’s culture or strategic decision-making; there is room to grow in some areas</p>	<p>HIGH MATURITY</p> <p>Advanced ERM process is part of the institution’s culture and strategic decision-making</p>
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<p>FAMU ERM PROGRAM MATURITY</p>	
<p>Maturity ERM Category</p>	<p>ERM Maturity Level: Average Score</p>
<p><u>ERM PURPOSE AND SCOPE</u> Consider the scope of your risk management efforts, including the purpose and goals of your institutional risk management program; how the program connects to your strategic, budget, and risk planning processes; and whether your institution has consistent, proactive plans in place for institutional risks. Topic FAMU Maturity Level FAMU ERM</p>	<p>Average Maturity Level: MEDIUM</p>
<p><u>ERM CENTRALIZATION AND ACCOUNTABILITY</u> Consider the extent to which your risk management processes are centralized. This includes who holds the institution accountable for taking meaningful steps to identifying, assessing, and mitigating risks; the board’s role; and whether risk management processes are centralized to manage all institutional risks rather than only certain categories of risk.</p>	<p>Average Maturity Level: MEDIUM</p>
<p><u>ERM PROCESS</u> Consider whether the institution has regular, recurring processes for implementing the four steps of ERM and considering new and emerging risks.</p>	<p>Average Maturity Level: HIGH</p>
<p><u>CAMPUS RISK MANAGEMENT CULTURE</u> Consider whether the institution has a culture of risk awareness, communicates with and trains the community on ERM, encourages collaboration across areas and department, and makes risk-aware decisions as part of its operations.</p>	<p>Average Maturity Level: MEDIUM</p>

FAMU’s ERM program is one of the more mature programs in the SUS system, as a result of the ERM program staff strategically capitalizing on policies, processes, and procedures already in place and implementation of new industry best practices. Additionally, the support of our Board of Trustees, as well as the Senior Leadership Team, has assisted in setting the tone for a risk-aware culture within the university environment and driving acceptance of new risk management processes for quicker implementation.



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Background

Risk Management and Enterprise Risk Management:

Risk management is those processes that ensure university management and the Board of Trustees identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of institutional objectives. Enterprise Risk Management (ERM) is a business process, led by senior leadership and the board, that extends the concepts of risk management to include identifying risks across the entire enterprise; assessing the impact of risks to the operations and mission; developing and practicing response or mitigation plans; monitoring the identified risks; holding the risk owner accountable; and consistently scanning for emerging risks. ERM can be viewed as an extension of traditional risk management with the hallmarks of a good ERM program including:

- Enterprise-wide Approach;
- Executive-level Sponsorship;
- Defined Accountability;
- Intentional, Systematic, and Structured;
- Defined risk tolerance/appetite;
- Establishment and communication of risk management process goals and activities; and
- Monitored treatment plans (i.e., avoidance, accept & monitor, reduce the likelihood, reduce the impact, or transfer).

The underlying premise of ERM is that every institution exists to provide value for its stakeholders and all institutions face uncertainty. The challenge for our board and leadership team is to determine how much uncertainty to accept as we strive to grow stakeholder value. Uncertainty presents both risk and opportunities, with the potential to erode or enhance value.

The Association of Governing Boards¹(AGB), which all institutions within the State University System of Florida (SUS) is a member of, states in regard to ERM:

“Only governing boards fully engaged in risk management can effectively support their institutions as they weather the literal and figurative storms facing higher education today. Every committee, not just members of the finance or audit committees, must engage in thoughtful risk assessment and avoid unjustified complacency.”

AGB encourages our members to engage in a robust Enterprise Risk Management (ERM) program at the institutions they serve. A comprehensive program enables administrators to “assess and manage institution-wide risks and the external and internal forces that shape the risk environment” of an institution. Ultimately, appropriate board oversight and ERM reports inform governing boards of the most critical risks to fulfilling their strategic plans and institutional mission.”

¹ The Association of Governing Boards of Universities and Colleges (AGB) is the premier organization focused on empowering college, university, and foundation boards to govern with knowledge and confidence.



ERM Standards:

There are two widely accepted risk management standards organizations within higher education generally utilize to help manage risks:

- *COSO Enterprise Risk Management – Integrating with Strategy and Performance*: Focuses on the importance of considering risk in both the strategy-setting process and in driving performance.
- *ISO 31000 – Risk Management*: A family of standards relating to risk management codified by the International Organization for Standardization.

FAMU has implemented the *COSO Enterprise Risk Management – Integrating with Strategy and Performance*. The following diagram provides an overview of the framework’s five interrelated components and 20 principles.



Enterprise Risk Management Framework: Integrating with Strategy and Performance © 2017 Committee of Sponsoring Organizations of the Treadway Commission (COSO). All rights reserved. Used with permission.

Integrating ERM with business practices results in better information that supports improved decision-making and leads to enhanced performance. It helps organizations to:

- Anticipate risks earlier or more explicitly, opening up more options for managing the risks;
- Identify and pursue existing and new opportunities;
- Respond to deviations in performance more quickly and consistently;
- Develop and report a more comprehensive and consistent portfolio view of risk; and
- Improve collaboration, trust, and information-sharing.

Specifically, within the State University System of Florida, implementing the *COSO Enterprise Risk Management – Integrating with Strategy and Performance* would allow institutions to implement a focused and systematic approach to addressing risk, and identifying opportunities, to their strategic plans, Performance-based Funding metrics, pre-imminence metrics, and the U.S. National News and World Report Rankings.



State University System of Florida Board of Governors' ERM Focus:

In the fall of 2017, the State University System of Florida Board of Governors surveyed member institutions regarding their risk management practices to determine if the institutions:

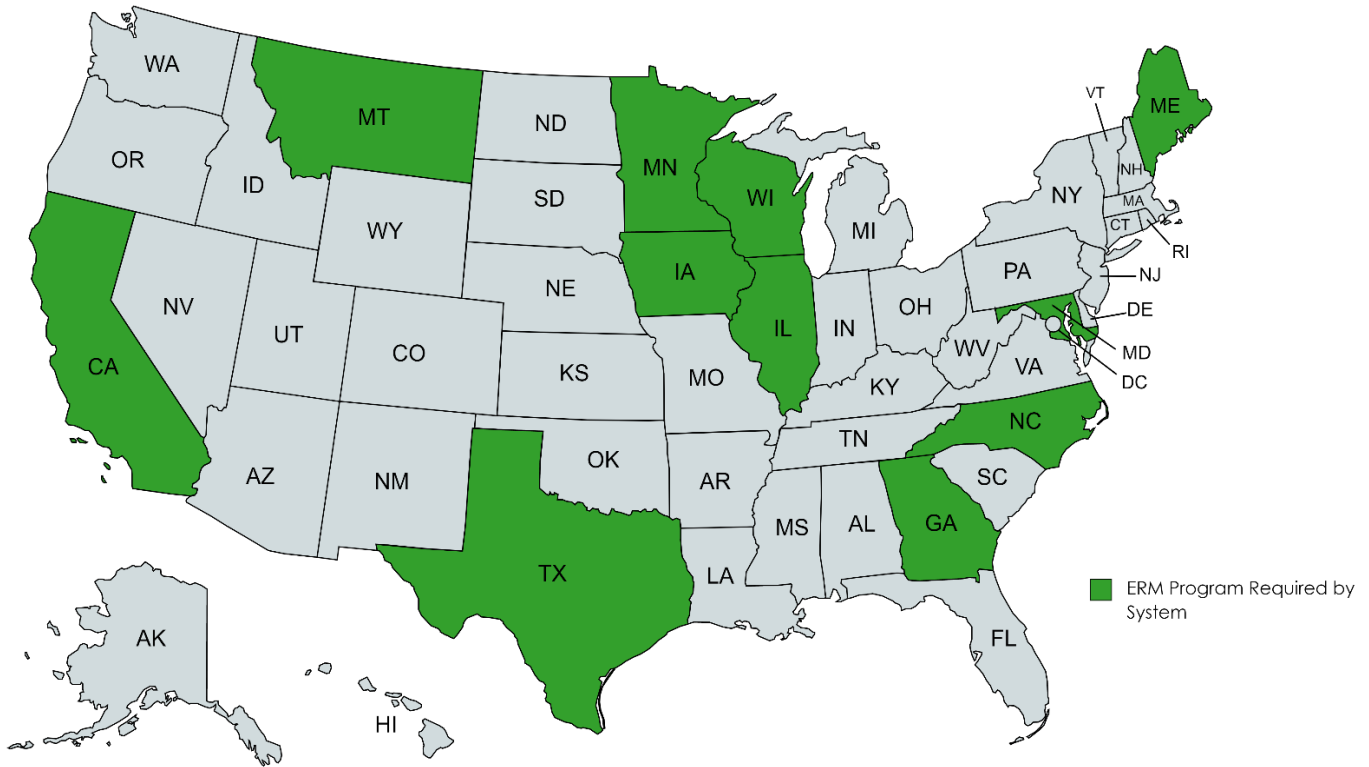
1. Utilized traditional risk management practices to manage risks;
2. Communicated risks to senior management;
3. Maintained an enterprise-level risk inventory;
4. Had a board-level committee responsible for risk management;
5. Had a management-level risk committee;
6. Had an enterprise risk management (ERM) governing document; and
7. Board of Trustees communicated a risk tolerance/appetite.

The results of the survey , as shown below, were presented during January 25, 2018 Audit and Compliance Committee Meeting of the Florida Board of Governors.

Percent	Information
100%	Traditional risk management
100%	Communicate risks to senior management
50%	Enterprise-level risk inventory
100%	Board-level committee responsible for risk management
50%	Management-level risk committee
25%	ERM governing document
75%	Board of Trustees communicates Risk Appetite



The Board of Governors has not acted since this time to mandate an ERM program through regulation, as they have the audit and compliance functions. Our research of other state systems revealed that eleven state college and university systems have issued system policies and/or regulations mandating that each of their system institutions implement an enterprise risk management program. The map below highlights those states (in green) with a system policy and/or regulation in place.





ERM at Florida A&M University

The FAMU ERM program was established in August 2021 as part of the Division of Audit. President Larry Robinson, appointed Deidre Melton as the University’s Chief Risk Officer, and tasked her with building a first-class enterprise risk management program. Over the past year, Ms. Melton, with the assistance of her ERM Coordinator William Knight, has begun development and implementation of FAMU’s ERM program.

The United Educators² developed a [maturity tool](#) for higher education institutions to evaluate their program. The tool allows institutions to qualitatively assess each aspect of ERM: purpose and scope, centralization and accountability, process, and campus risk management culture. Unlike most maturity models, which aim to produce a numerical score that advances over time, this tool is designed to show which aspects of ERM programs present the greatest growth opportunities.

NO FORMAL ERM PROCESS	LOW MATURITY	MEDIUM MATURITY	HIGH MATURITY
Traditional risk management without a process for managing risk across an institution	ERM program started, but is not yet a regular business process reaching beyond ERM leadership	ERM process established, but is not yet part of the institution’s culture or strategic decision-making; there is room to grow in some areas	Advanced ERM process is part of the institution’s culture and strategic decision-making

The following tables highlights FAMU’s current maturity ratings and identifies program highlights and future actions planned over the next 1 – 3 years as the program matures.

ERM PURPOSE AND SCOPE			
Consider the scope of your risk management efforts, including the purpose and goals of your institutional risk management program; how the program connects to your strategic, budget, and risk planning processes; and whether your institution has consistent, proactive plans in place for institutional risks.			
	Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
Purpose Statement	Does the institution have a charter, policy, or other document stating purpose for ERM?	HIGH Yes, clearly stated purpose drives explicit ERM goals across institution	Highlights <ul style="list-style-type: none"> The University has both a Board of Trustees Policy (2019-01) and University Policy (UP-01-02) that states the purpose of FAMU’s ERM program. The University has established mission and vision statements to also highlight the goals of the ERM program (See Appendix A)

² With about 1,600 members ranging from large university systems to small, independent K-12 schools, United Educators (UE) is committed to providing the coverage and tools needed to confidently operate your campus while managing education-specific risks.



ERM PURPOSE AND SCOPE

Consider the scope of your risk management efforts, including the purpose and goals of your institutional risk management program; how the program connects to your strategic, budget, and risk planning processes; and whether your institution has consistent, proactive plans in place for institutional risks.

	Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
Strategic planning and decision-making processes			<p><u>Future Actions</u></p> <ul style="list-style-type: none"> The ERM program will develop awareness campaigns and educational programming to enhance FAMU community understanding of ERM and the program goals.
	How do strategic processes connect with ERM?	<p><u>MEDIUM</u></p> <p>Strategic processes sometimes informed by ERM data</p>	<p><u>Highlights</u></p> <ul style="list-style-type: none"> The Chief Risk Officer was added to the strategic planning processes for building the 2022-27 <i>Boldly Striking</i> strategic plan. In this capacity, the CRO had the opportunity to provide feedback using risk intelligence. ERM is integrated into the 2022-27 <i>Boldly Striking</i> strategic plan, Priority 5 Organizational Effectiveness and Transformation, Goal 3: Strengthen the University’s culture of strategic decision making through promotion and enhancement of compliance, internal controls, and enterprise risk management practices with an emphasis on engagement, education, reporting, and accountability. <p><u>Future Actions</u></p> <ul style="list-style-type: none"> The Enterprise Risk Management Advisory Committee (ERMAC) will begin the process of identifying the risks to all strategic plan priorities and related goals in Fall 2022. The completion of this task and ongoing monitoring of risks will allow the University to move to a HIGH maturity level.
Institutional budgeting processes	How do budget-setting processes connect with ERM?	<p><u>MEDIUM</u></p> <p>Informally consider top risks, ERM mitigation efforts</p>	<p><u>Highlights</u></p> <ul style="list-style-type: none"> The University has informally considered risk to University strategies and Performance-Based Funding (PBF) metrics during the budgeting process on a consistent basis over the past few years. During the budget cycle to determine the FY 22-23 budget, the Budget Council prioritized the funding of PBF initiatives. <p><u>In-Progress/Future Actions</u></p> <ul style="list-style-type: none"> In Spring 2022, the ERMAC began the process of identifying specific risks and opportunities for each PBF metric, to provide University



ERM PURPOSE AND SCOPE

Consider the scope of your risk management efforts, including the purpose and goals of your institutional risk management program; how the program connects to your strategic, budget, and risk planning processes; and whether your institution has consistent, proactive plans in place for institutional risks.

	Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
Reactive vs. proactive planning			management with risk intelligence to enhance decision-making, including budgeting. This process is expected to be completed prior to the start of the FY 23-24 budget planning process and will assist the University into moving to a HIGH maturity level.
	Does the institution manage risk proactively?	HIGH Yes, proactively plans for and mitigates existing, emerging, and long-term risks	<u>Highlights</u> As part of the ERM program several activities have been instituted to help the University move from employing reactive risk management practices to being proactive. These activities include: <ul style="list-style-type: none"> • June 9, 2022: The Senior Leadership Team (SLT) held a retreat where the Chief Audit Executive and Chief Risk Officer spent the morning holding discussions with SLT on the top risks facing the University. • Starting in July 2022, the Chief Risk Officer began periodically attending SLT meetings to facilitate discussions with SLT on enterprise high risk areas to help management identify appropriate risk response measures. • In July 2022, the ERM Program begin releasing risk bulletins on high and emerging University risks. All high-risk areas bulletins are discussed at a SLT meetings. Emerging risk bulletins are optional for discussion at SLT, but ERM staff works with and monitors actions taken by risk owners. <u>Future Actions</u> <ul style="list-style-type: none"> • Develop a process for the CRO to regularly discuss high and emerging risk areas with the SLT. • Develop a process for ERM personnel to monitor progress toward mitigation responses to high risk areas.



ERM CENTRALIZATION AND ACCOUNTABILITY

Consider the extent to which your risk management processes are centralized. This includes who holds the institution accountable for taking meaningful steps to identifying, assessing, and mitigating risks; the board's role; and whether risk management processes are centralized to manage all institutional risks rather than only certain categories of risk.

	Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
ERM Centralization	Does ERM have influence across the institution?	<p><u>MEDIUM</u></p> <p>Not yet across entire institution; some influence across departments involved in the process</p>	<p><u>Highlights</u></p> <ul style="list-style-type: none"> • The Enterprise Risk Management Advisory Committee (ERMAC) is composed of a cross-functional group of leaders across the University which provides ERMAC the opportunity to influence the entire University as the ERM program and ERMAC activities mature. • The risk bulletin reporting and discussion process allows for ERM to have some influence on high and emerging risk areas that impact the institution at an enterprise level. • The Chief Risk Officer is not currently involved in crisis management situations, such as recent athletics, housing, and band activities that led to an emergency Board of Trustees meeting on September 2, 2022. ERM best practices indicate that Chief Risk Officers should be actively involved when situations reach crisis level to advise leadership in real-time on the risk-based implications of the quick decisions' leaders are faced with making. <p><u>Future Actions</u></p> <ul style="list-style-type: none"> • Provide training on ERM to all ERMAC members. • Create regular communications for ERMAC members to share with their colleagues. • Develop a crisis management risk toolkit and work with senior management to understand the role enterprise risk management has in the crisis management process.
Connection to the Board	Does the ERM committee directly report to and hear back from the board?	<p><u>MEDIUM</u></p> <p>Yes, regularly reports to board but may not get guidance</p>	<p><u>Highlights</u></p> <ul style="list-style-type: none"> • The Chief Risk Officer is the chair of the ERMAC. The Chief Risk Officer reports out on ERM activities, including those of ERMAC, at each Audit and Compliance Committee meeting of the Board of Trustees. • The Chief Risk Officer has received input and feedback from the Board during meetings on activities and direction of the program. Additionally, the Chief Risk Officer, met with several Board members to gain feedback and insights into the development of the University's risk appetite statement.



ERM CENTRALIZATION AND ACCOUNTABILITY

Consider the extent to which your risk management processes are centralized. This includes who holds the institution accountable for taking meaningful steps to identifying, assessing, and mitigating risks; the board's role; and whether risk management processes are centralized to manage all institutional risks rather than only certain categories of risk.

	Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
Board Oversight			<p>Future Actions</p> <ul style="list-style-type: none"> The Chief Risk Officer will hold separate quarterly meetings with the Board Chair and Audit and Compliance Committee Chair regarding ERM activities and the University's risk landscape. The ERM program will develop an annual risk survey for all board members to complete to gain feedback on ERM program activities.
	Does the board hold senior leaders accountable for progress on ERM?	<p>MEDIUM No, board mandates ERM process but no accountability</p>	<p>Highlights</p> <ul style="list-style-type: none"> The Board of Trustees Policy 2019-01: Internal Controls and Enterprise Risk Management holds the President and his Senior Leadership Team responsible for reviewing and approving recommendations from ERMAC regarding the development and implementation of the ERM program, as well as, ERM progress reports. The board has required management develop risk response plans for all high risk, and some medium risk areas and for the Division of Audit to monitor and report on progress related to the risk response plans. <p>Future Actions</p> <ul style="list-style-type: none"> Automate the risk response plan development and monitoring process. Develop ERM dashboards for board members to help with program oversight and decision making.
Senior Leadership Oversight	Does the ERM committee hold senior administrators accountable for ERM participation?	<p>MEDIUM Yes, but may not always have authority</p>	<p>Highlights</p> <ul style="list-style-type: none"> The Chief Risk Officer, who chairs the ERMAC, encourages participation and responsiveness by senior leadership in ERM activities. However, the Chief Risk Officer and ERMAC, does not have the authority to hold senior leaders accountable for participation. Instead, the Chief Risk Officer work with the Chief Audit Executive to gain assistance with responsiveness from his colleagues on the Senior Leadership Team.



ERM PROCESS

Consider whether the institution has regular, recurring processes for implementing the four steps of ERM and considering new and emerging risks.

	Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
Role of campus community in identifying risks	Does the institution empower stakeholders at all levels to report risks and use data to elevate risks?	<u>HIGH</u> Yes, formal process in place to report risks, collect data, elevate risks to institutional level	<u>Highlights</u> <ul style="list-style-type: none"> The ERM program developed a risk reporting structure in collaboration with the Senior Leadership Team, which was approved by the Board of Trustees as part of the Risk Appetite Statement. The Division of Audit conducts a comprehensive risk assessment that seeks input from all levels of the University in identifying risks throughout the year through interviews, advisory activities, focus groups, self-assessments, and one-on-one meetings. <u>Future Actions</u> <ul style="list-style-type: none"> Develop a risk reporting hotline feature on the ERM website. Host risk workshops throughout each fiscal year to gather additional risk data. Provide risk communications to the campus communication that educate them on risk management best practices, their role and responsibility for reporting risks, and ERM activities.
Identify risks	Does the institution formally identify institutional risks?	<u>HIGH</u> Yes, and across all areas to uncover root causes of risk	<u>Highlights</u> <ul style="list-style-type: none"> The risk assessment process, led by the Division of Audit, uses the Association of College and University Auditors Risk Dictionary to assess all standard higher education risk areas and related controls and categorize them by area. ERMAC is in the process of developing a comprehensive risk profile for the Performance-based Funding metrics with an expected completion of October 2022. <u>Future Activities</u> <ul style="list-style-type: none"> ERMAC will develop a comprehensive risk profile for the strategic plan strategic priorities and goals. The risk assessment process will be enhanced to include University Risk Management and Insurance Association risk data. ERMAC will be implementing a risk reporting hotline for all staff, students, faculty, and stakeholders to be able to report risks.



ERM PROCESS

Consider whether the institution has regular, recurring processes for implementing the four steps of ERM and considering new and emerging risks.

	Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
Assess risks			<ul style="list-style-type: none"> The ERM program will work with Gartner to enhance risk identification processes.
	Does the institution formally prioritize institutional risks?	<p>HIGH</p> <p>Yes, uses established scale to consistently prioritize risks</p>	<p>Highlights</p> <ul style="list-style-type: none"> Risks are annually prioritized and reported through the risk assessment process led by the Division of Audit. The eight-point scale ranges from Low Risk to High & Rising. The University also developed a Risk Appetite Statement which identified the highest priority areas for the University and identified a risk appetite level for each priority area ranging from Risk Averse to Opportunity Seeking. <p>Future Actions</p> <ul style="list-style-type: none"> Develop dashboards and processes to synthesize risk data in real-time for regular prioritization and management action. ERMAC will work with the Senior Leadership Team to prioritize risks to Performance-based Funding metrics and the strategic plan upon completion of the risk assessment process to the respective areas. Host ERM workshops with University community to gain feedback into the risk ranking process.
	Does the institution develop mitigation plans and hold risk owners accountable?	<p>MEDIUM</p> <p>Yes, but doesn't hold risk owners accountable for actions on all plans</p>	<p>Highlights</p> <ul style="list-style-type: none"> The University develops risk mitigation plans for all high-level and select medium-level risks identified in the risk assessment process and risk bulletins. Risk response plans are currently followed-up on quarterly and reported to the Board of Trustees. <p>Future Actions</p> <ul style="list-style-type: none"> Automate the risk-response follow-up process. Follow-up on risk response plans monthly with risk owners.
Report risks	Does the ERM committee formally report on past, current, and future risk management initiatives?	<p>HIGH</p> <p>Yes, and uses consistent metrics to establish future goals</p>	<p>Highlights</p> <ul style="list-style-type: none"> The Board of Trustees receives an update on ERM program initiatives during every Audit and Compliance Committee Meeting. The Senior Leadership Team and Board of Trustees receives risk assessment reports



ERM PROCESS

Consider whether the institution has regular, recurring processes for implementing the four steps of ERM and considering new and emerging risks.

	Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
Monitor new and emerging risks			<p>showing current risks and a three-year trend of past risks. Additionally, both groups receive risk bulletins related to emerging (future) risks.</p> <ul style="list-style-type: none"> Risks are regularly assessed against the risk appetite statement, strategic plan goals, Performance-based Funding metrics, and established risk scales. <p>Future Actions</p> <ul style="list-style-type: none"> Establish a regular cadence of communications to disseminate information related to emerging risks within higher education to management and staff. Continue to develop processes to engage the Senior Leadership Team, ERMAC, and the FAMU community in the risk identification and goal setting process.
	Does the institution regularly scan for new and emerging risks?	HIGH Yes, formal process in place	<p>Highlights</p> <ul style="list-style-type: none"> Regular scans of new and emerging risks are done through Senior Leadership Team discussions, attendance at higher education conferences where emerging risks are highlighted, higher education publications, and quarterly emerging risk reports received through our Gartner ERM platform. <p>Future Actions</p> <ul style="list-style-type: none"> Continue to monitor emerging risks and determine appropriate methods for communication (i.e. risk bulletins, management communication, etc.)
Recurring process	Does the institution regularly repeat the ERM process?	HIGH Yes, is recurring business process that grows annually	<p>Highlights</p> <ul style="list-style-type: none"> The ERM function is an officially established program of the University. The University continues to enhance the full cycle of ERM business processes including the risk identification and response processes, risk communications, risk tools, and risk awareness and education resources for the FAMU community. <p>Future Actions</p>



ERM PROCESS

Consider whether the institution has regular, recurring processes for implementing the four steps of ERM and considering new and emerging risks.

Topic	FAMU Maturity Level	FAMU ERM Program Highlights & Future Actions
		<ul style="list-style-type: none"> Continue to build a risk-aware culture through education, awareness campaigns, and development of risk tools and toolkits. Enhance the risk assessment and response processes through automation and dashboards.

CAMPUS RISK MANAGEMENT CULTURE

Consider whether the institution has a culture of risk awareness, communicates with and trains the community on ERM, encourages collaboration across areas and department, and makes risk-aware decisions as part of its operations.

Topic	FAMU Maturity Level	FAMU ERM Program Actions & Achievements
Culture Has the institution created a culture of risk awareness?	<u>MEDIUM</u> No, only leaders see importance of proactive, collaborative ERM	<p><u>Highlights</u></p> <ul style="list-style-type: none"> The Board of Trustees and Senior Leadership Team members regular discuss risk to institutional priorities and seek to collaborate across divisions to address the risks. In April 2021, all management received training on enterprise risk management as part of the President’s mandatory Management Seminar. Faculty and staff as a whole have not generally been trained and made aware of the full importance of understanding the University’s risk profile and integrating risk management best practices into their decision processes on a consistent basis. <p><u>Future Actions</u></p> <ul style="list-style-type: none"> Create training on ERM for all faculty, staff, and management. Integrate ERM information into the Division of Audit’s quarterly newsletter. Develop a Risk Champion Program for the University designed to identify and educate participants throughout the University who can assist in championing risk management best practices within their respective divisions, colleges, or schools.
Communication Does the institution communicate with its community on ERM based on their roles and responsibilities?	<u>MEDIUM</u> No, but committee members informally communicate with peers and direct reports	<p><u>Highlights</u></p> <ul style="list-style-type: none"> While the institution is effective at communicating enterprise risk information and activities to the Board of Trustees, Senior Leadership Team, and ERMAC members, communication has not been consistent to lower



CAMPUS RISK MANAGEMENT CULTURE

Consider whether the institution has a culture of risk awareness, communicates with and trains the community on ERM, encourages collaboration across areas and department, and makes risk-aware decisions as part of its operations.

Topic	FAMU Maturity Level	FAMU ERM Program Actions & Achievements
		<p>management, faculty, and staff across the University.</p> <p>Future Actions</p> <ul style="list-style-type: none"> Develop communication tools and channels for distribution of ERM information and tools to the broader FAMU community based on their roles and responsibilities.
Risk Management Training	<p>MEDIUM Yes, but only senior leaders are trained on effective practices</p>	<p>Highlights</p> <ul style="list-style-type: none"> In April 2021, all management received training on ERM as part of the President’s mandatory Management Seminar. <p>Future Actions</p> <ul style="list-style-type: none"> Create training on ERM for all faculty, staff, and management. Create a Risk Owner toolkit that will include an on-demand training on risk and their responsibilities and tools to assist in fulfilment of stated responsibilities.
Collaboration	<p>MEDIUM Yes, but inconsistently on several institutional risks</p>	<p>Highlights</p> <ul style="list-style-type: none"> The President, Chief Risk Office, and Chief Audit Executive has consistently encouraged management to work collaboratively across University functional areas to effectively manage risk. However, a collaborative approach has not been consistently instituted by all management. Institutional risks related to operational risk areas and Performance-based Funding metrics have been consistently reviewed. Institutional risks related to the University’s strategic plan has not been consistently reviewed and risk response place established to promote cross-functional collaboration. <p>Future Actions</p> <ul style="list-style-type: none"> ERMAC will continue to build comprehensive risk profiles for Performance-based Funding metrics and the University’s 2022-2027 Boldly Striking strategic plan and work with management to identify risk response plans and owners that will allow for a collaborative and effective approach to addressing identified risks.



CAMPUS RISK MANAGEMENT CULTURE

Consider whether the institution has a culture of risk awareness, communicates with and trains the community on ERM, encourages collaboration across areas and department, and makes risk-aware decisions as part of its operations.

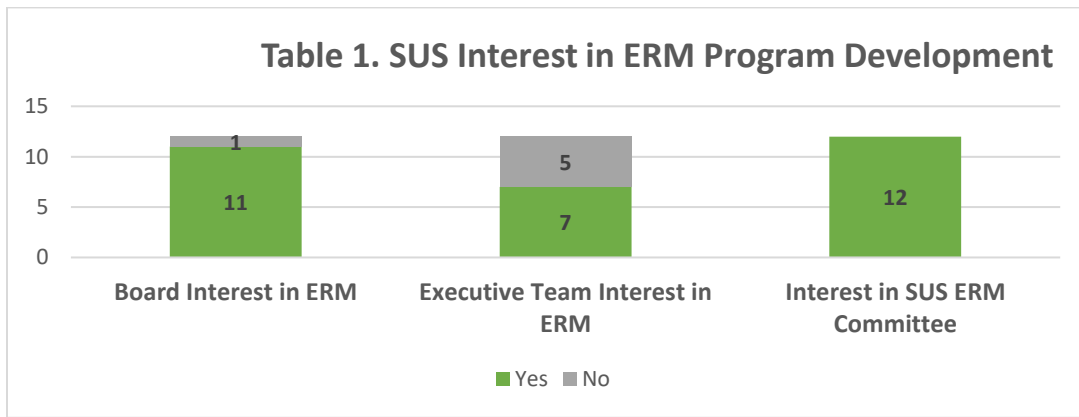
Topic		FAMU Maturity Level	FAMU ERM Program Actions & Achievements
Risk-informed operational decisions	When making operational decisions, does the institution consider possible risks?	<p><u>MEDIUM</u> Yes, but only leaders involved in ERM consider risk</p>	<p><u>Highlights</u></p> <ul style="list-style-type: none"> Currently Senior Leadership Team members and management comprising the ERMAC committee consider risks when making operational decisions. However, management and leaders at all levels of the University have not been trained on methods for integrating risk intelligence into the decision-making processes. <p><u>Future Actions</u></p> <ul style="list-style-type: none"> Create training and tools for all faculty, staff, and management to educate them on how to integrate University risk intelligence into the decision-making process.



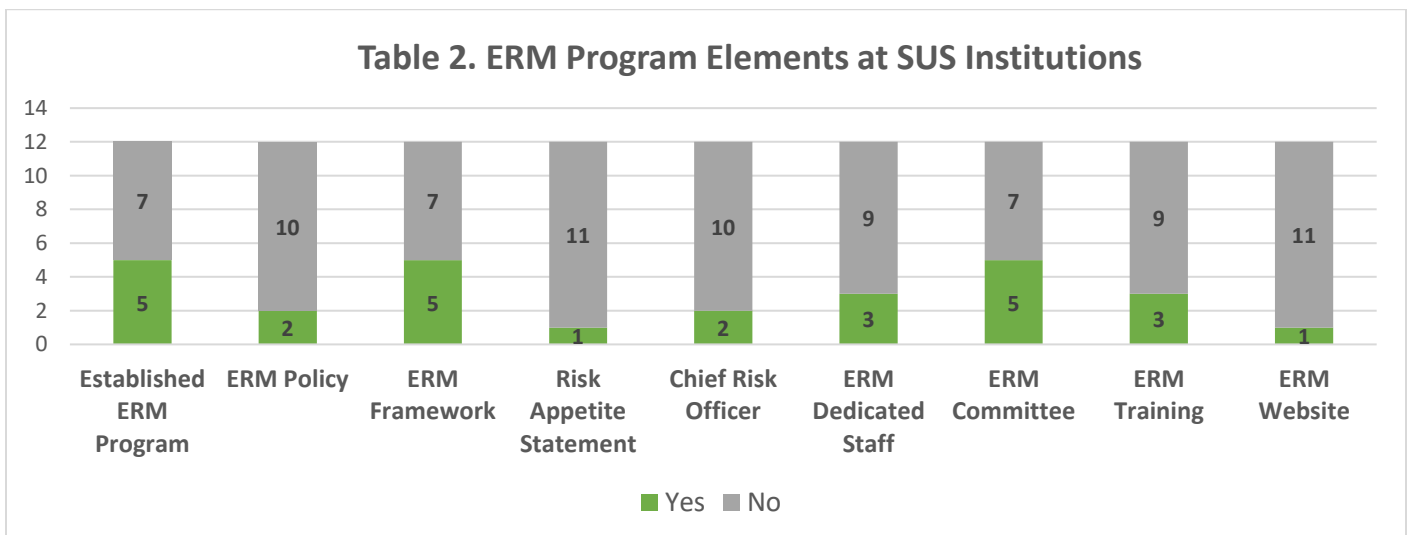
ERM in the State University System of Florida (SUS)

As a follow-up to the 2017 ERM Survey of SUS institutions, the Office of Enterprise Risk Management at FAMU, interviewed representatives from all eleven sister SUS institutions to determine ERM program elements in place and interest in ERM program development. Representatives interviewed resided in their University’s audit and/or compliance functions.

As Table 1 below illustrates, there is broad interest in developing ERM programs within the SUS. While a majority of SUS Boards of Trustees have expressed keen interest in the development of ERM programs, only 58% percent of SUS executive teams are interested in ERM programs. Additionally, 100% of representatives interviewed express interest in participating in a SUS ERM Committee, should one be established, to help with advancing ERM practices at their institution.



Many of the SUS institutions did not have in place key elements of an ERM program to help support and govern ERM practices throughout their institutions, as illustrated in Table 2 below. While five institutions had established ERM programs, at the time of the interview, only three were fully operational. The remaining two were working on redeveloping their programs.



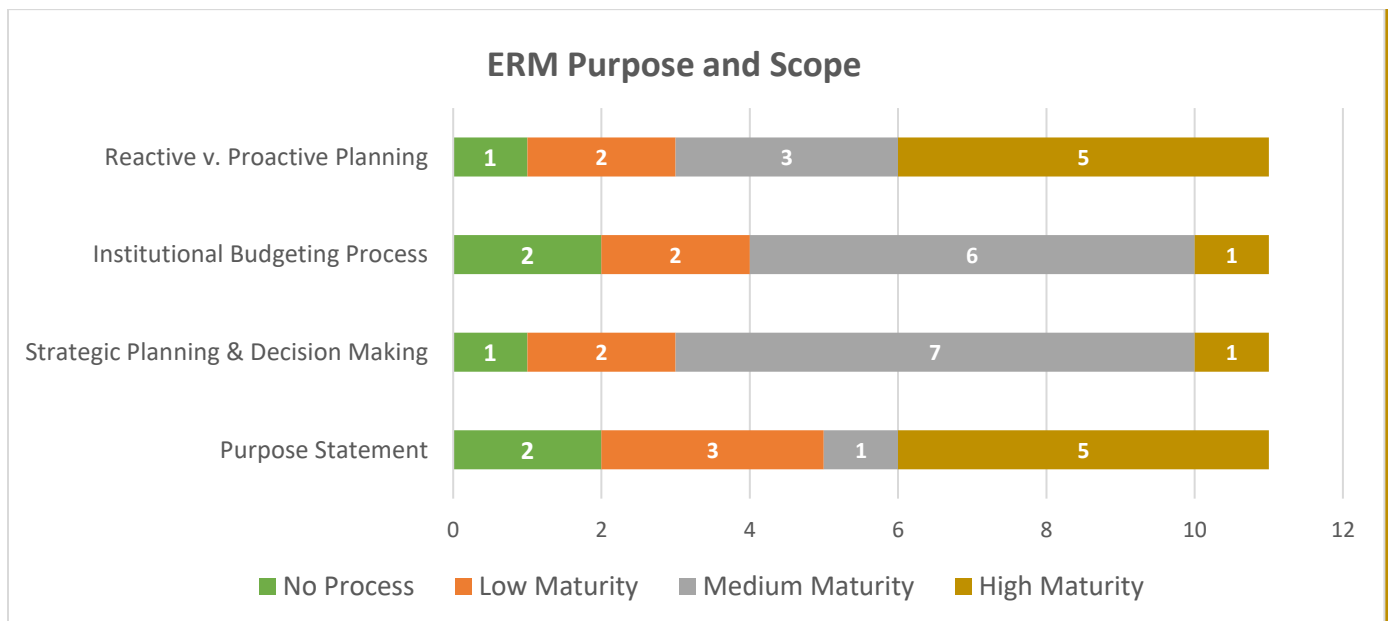


All SUS institutions, with the exception of Florida Gulf Coast University, completed the United Educators ERM maturity self-assessment. The average maturity levels for SUS institutions in each of the four major categories assessed in the tool (purpose and scope, centralization and accountability, process, and campus risk management culture) is identified in the charts below. While most SUS institutions do not have formal ERM programs to ensure a comprehensive look at risks across their institutions, many respondents indicated their institution considers institutional top risks and tries to address them using more traditional risk management practices. It is important to note, that information submitted in each institution’s maturity self-assessment was not verified for accuracy by FAMU’s ERM program staff.

NO FORMAL ERM PROCESS	LOW MATURITY	MEDIUM MATURITY	HIGH MATURITY
Traditional risk management without a process for managing risk across an institution	ERM program started, but is not yet a regular business process reaching beyond ERM leadership	ERM process established, but is not yet part of the institution’s culture or strategic decision-making; there is room to grow in some areas	Advanced ERM process is part of the institution’s culture and strategic decision-making

ERM Purpose and Scope

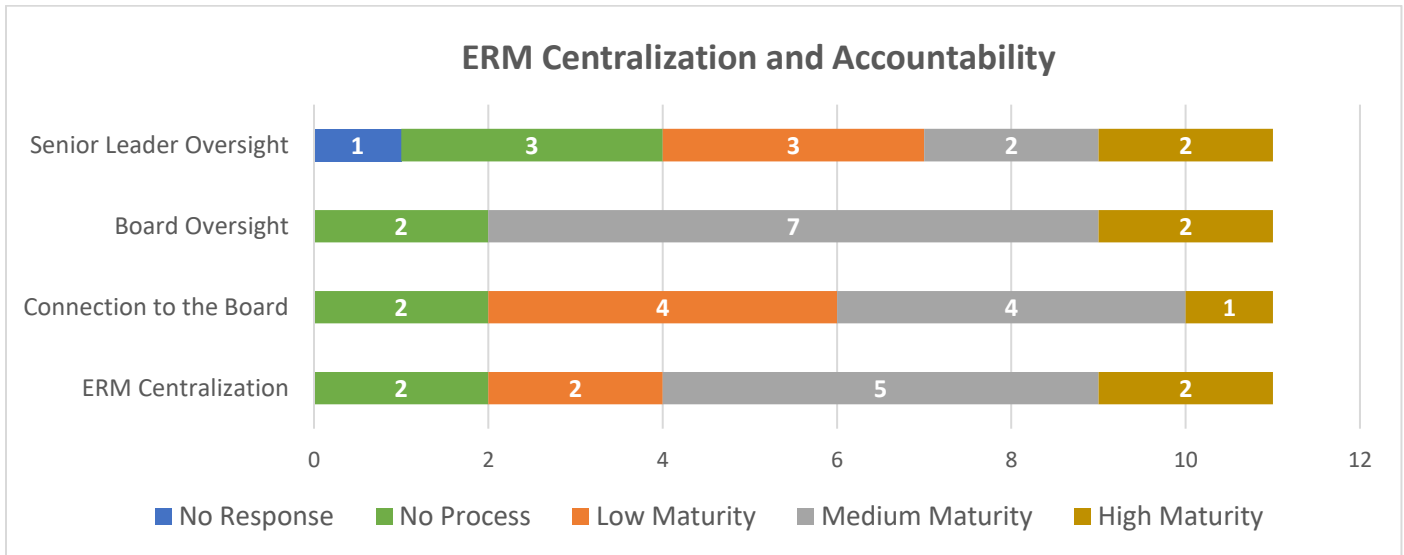
The ERM purpose and scope category required each institution representative to consider the scope of their risk management efforts, including the purpose and goals of the institutional risk management program; how the program connects to their strategic, budget, and risk planning processes; and whether your institution has consistent, proactive plans in place for institutional risks.





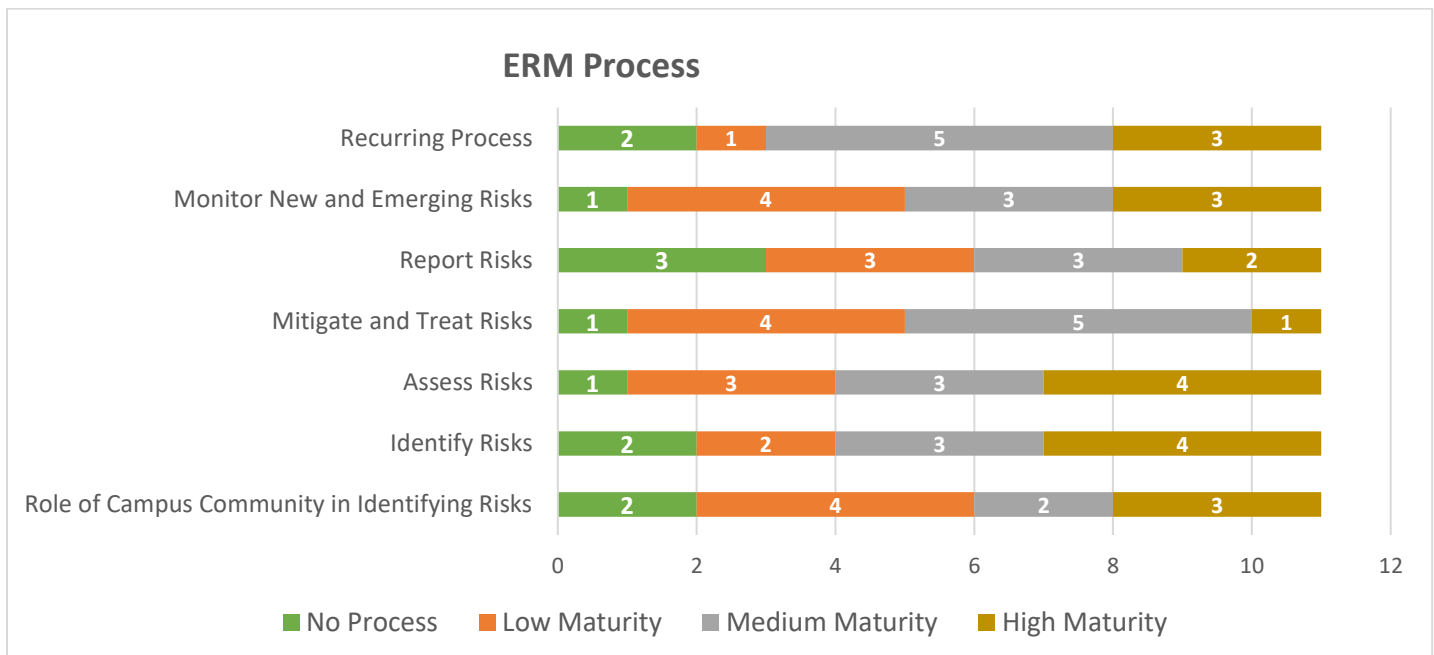
ERM Centralization and Accountability

The ERM centralization and accountability category required each institution representative to consider the extent to which their risk management processes are centralized. This includes who holds the institution accountable for taking meaningful steps to identifying, assessing, and mitigating risks; the board’s role; and whether risk management processes are centralized to manage all institutional risks rather than only certain categories of risk.



ERM Process

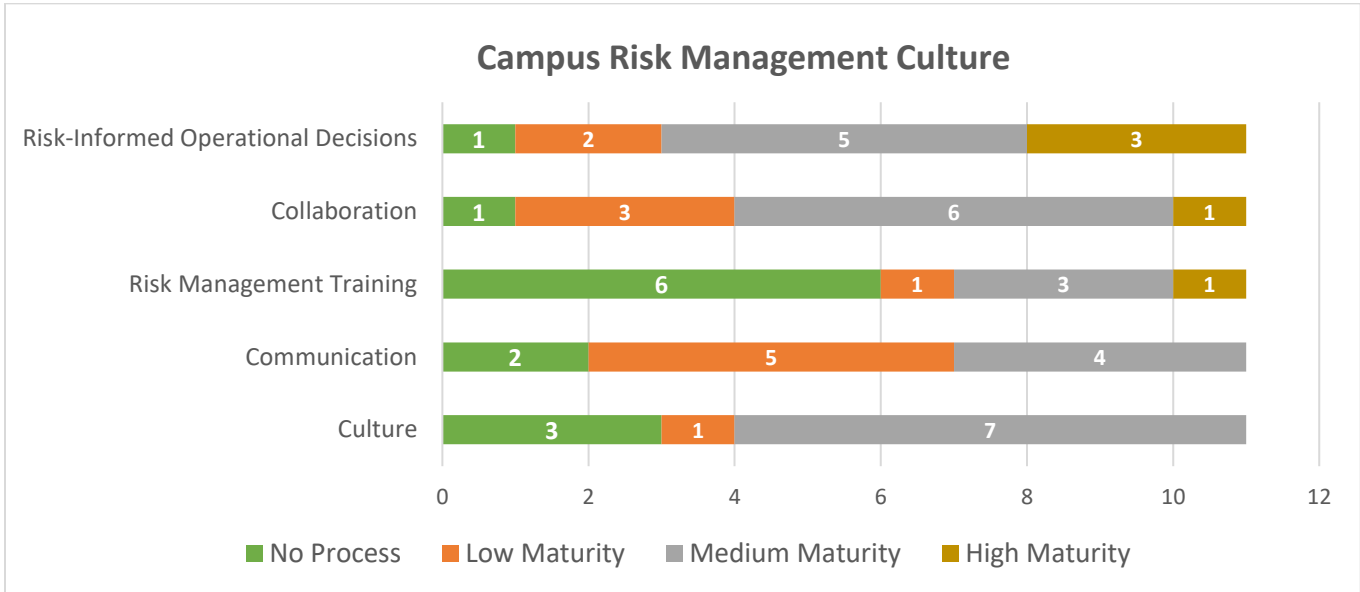
The ERM process category required each institution representative to consider whether the institution has regular, recurring processes for implementing the four steps of ERM and considering new and emerging risks.





Campus Risk Management Culture

The campus risk management category required each institution representative to consider whether the institution has a culture of risk awareness, communicates with and trains the community on ERM, encourages collaboration across areas and department, and makes risk-aware decisions as part of its operations.





ERM at the Top 10 Public Colleges and Universities in the U.S.

The Office of Enterprise Risk Management at Florida Agricultural and Mechanical University (FAMU), reviewed whether the top ten public colleges and universities in the United States (U.S.) as identified by the 2021- 2022 Best Colleges U.S. News and World Report Rankings, had implemented ERM programs. We were able to determine that 100% of the top 10 public institutions had an ERM program. It is important to note, that seven of the ten universities, are part of systems that have prioritized and mandated ERM programs.

Institution	Ranking	ERM Program	ERM System Mandate
University of California – Los Angeles	1	Yes	Yes
University of California - Berkeley	2	Yes	Yes
University of Michigan – Ann Arbor	3	Yes	No
University of Virginia	4	Yes	No
University of California – Santa Barbara	5 (Tie)	Yes	Yes
University of Florida	5 (Tie)	Yes	No
University of North Carolina at Chapel Hill	5 (Tie)	Yes	Yes
University of California – San Diego	8	Yes	Yes
University of California - Irvine	9	Yes	Yes
Georgia Institute of Technology	10	Yes	Yes



APPENDIX A: FAMU ERM Mission and Vision Statements



Mission Statement

To provide meaningful, actionable, and timely strategic and performance risk intelligence to our stakeholders to enhance decision making and resource alignment while appropriately balancing risk and opportunity.



Vision Statement

The FAMU ERM program strives to become a thought leader in enterprise risk management practices through development of innovative and cost-effective methodologies that integrates enterprise risk management practices into the culture and strategic decision-making processes of academic, student, and administrative functions within educational institutions.





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