



Excellence With Caring

Florida Agricultural and Mechanical University

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BOARD OF TRUSTEES

February 27, 2020

The Honorable Jason Fischer, Chair
Joint Legislative Auditing Committee
111 West Madison Street, Room 876
Claude Pepper Building
Tallahassee, Florida 32399-11400

Dear Chair Fischer:

Florida A&M University (FAMU) received your letter on January 9, 2020, regarding the status of corrective actions taken in response to the findings reported in the past four consecutive operational audit reports that the intercollegiate athletics program continued to experience cash deficits. The University's written explanation of the status of corrective actions taken, as well as future actions are included in this letter.

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.

To ensure complete transparency of this issue, the results of an August 5, 2019, Carr, Riggs, & Ingram report regarding auxiliary transfers were briefed to both the FAMU Board of Trustees (August 16, 2019) and the Board of Governors (August 28, 2019). During this time, the University 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 established an Athletics Assessment Team comprised of senior managers who worked together to evaluate the structure of the athletics program, develop a program of cost-cutting and revenue generating measures, and identified areas of improvement to athletic program financial processes. Further action was taken 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. With the retirement of our

Athletics Director in December 2019, we have brought on a new Vice President and Athletics Director (AD), a Deputy AD and Chief of Staff, and a Senior Associate AD for Business and Finance.

These teams are collectively working on this issue and have balanced the Athletic budget for a second year in a row. FAMU also will continue to follow approved plans to pay back auxiliary dollars improperly transferred to athletics.

I want to assure you that FAMU and this Board of Trustees remains committed to fully resolving this audit finding. Please contact me if you need further information regarding these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelvin Lawson", with a long, sweeping underline.

Kelvin Lawson

Chair, FAMU Board of Trustees

Copy: The Honorable Jeff Brandes, Vice Chair, Joint Legislative Auditing Committee
Alan Robertson, FAMU Vice President/CFO Finance and Administration
Tim Jones, Vice Chancellor, Finance/Administration and CFO, Board of Governors
Julie Leftheris, Inspector General and Director of Compliance, Board of Governors