



FLORIDA  
AGRICULTURAL AND  
MECHANICAL  
UNIVERSITY

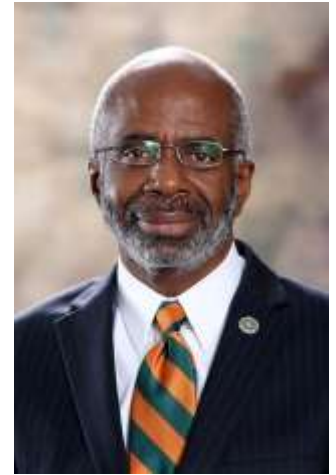
# Internal Controls Assurance Statement

June 2022



# Statement from the President – Larry Robinson, Ph.D.

Florida Agricultural and Mechanical University has been named the No.1 Public Historically Black College & University in the U.S. News & World Report Rankings for the past three years. In part, this honor was made possible by the strong system of internal controls that supports our business, financial, and academic operations and the hard work of everyone on our team to ensure controls are in place and functioning optimally.



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



## **Launched an Enterprise Risk Management Function**

In August 2021, I appointed a Chief Risk Officer, for the University who has been tasked with building a comprehensive enterprise risk management framework, building a risk-aware culture, and educating management and staff on risk management best practices. Over the past year, an Enterprise Risk Management Advisory Committee was developed and a risk appetite statement to help drive risk identification, response and decision making in the years going forward.

## **Development of the 2022 – 2027 Strategic Plan**

Over the past year, a cross-functional strategic planning committee, in collaboration with University stakeholders, have worked diligently to build out the strategic vision of what FAMU is looking to become as an institution over the next five years. With the goals and strategies outlined within the new strategic plan, FAMU management and staff is poised to boldly lead the University into an era of unprecedented innovation, transformation, and excellence.



## **Policy and Regulation Assessment Process**

In March 2022, my Senior Leadership Team, was tasked with reviewing all University regulations and policies to identify areas where the policies and regulations were no longer needed, caused inefficiencies, were not aligned with statute or best practices, or needed enhancement. While this process is still on-going, we anticipate completion in the first half of fiscal year 2022-23.

## **Revision to Key Policies**

Over the past year, management has worked to revise key policies related to fraud, conflict of interest, export control, internal controls, enterprise risk management, sponsored contracts and grants, principal investigators, grading policies, student code of conduct, and due process to strengthen the overall internal control system at the University.





### Allocating Budget to Strategic Priorities

The University continues to have a focus on ensuring that our strategic priorities are allocated resources through the budgeting processes to enhance our ability to achieve our strategic goals and objectives.

### Training and Awareness Activities

This past year, the University has focused on building a “culture of compliance”. This effort was facilitated through a broad range of training and awareness activities to help educate our management, faculty, and staff on University expectations while providing them the necessary knowledge to be successful. I would like to highlight the following events, which were all instrumental in helping to build a “culture of compliance” here at FAMU: Compliance Week (November 2021) Fraud Week (November 2021), FAMU Fundamentals (March 2022), FAMU Management Seminar (April 2022), and the HBCU Fraud, Risk, and Controls Virtual Town Hall Meeting (May 2022).



At my direction, the Division of Audit facilitated an assessment of our internal controls based on the Framework to determine whether all components and principles of controls were present and functioning. This assessment applied a maturity model and identified both internal control strengths and opportunities for improvement. The maturity model employed a scale from 1-Adhoc (controls were non-existent with no formal procedures or metrics for performance measures) to 5- Optimized (controls were continuously reviewed and improved, highly automated, with comprehensive and defined performance metrics).

I am pleased to report that on this five-point maturity scale the University averaged 3.67 or higher on each of the five components of control as summarized in the table below.

<b>COSO Internal Control Component</b>	<b>Average Maturity Level</b>
<b>1. Control Environment</b>	<b>4</b>
<b>2. Risk Assessment</b>	<b>3.75</b>
<b>3. Control Activities</b>	<b>3.67</b>
<b>4. Information and Communication</b>	<b>4</b>
<b>5. Monitoring Activities</b>	<b>4.5</b>

These results demonstrate that, while we have room for improvement, all five components and seventeen principles of the framework are in place and functioning. Further, the hard work of the University’s management, faculty, and staff to build a “Culture of Compliance” has paid off, as demonstrated over the past year by our receipt of:

- Clean financial statement audits for the University and our three Direct Support Organizations, the FAMU National Alumni Association, FAMU Foundation, and FAMU Rattler Boosters;
- The absolute best Auditor General operational audit in over 10 years, that only noted one minor finding related to more routine reconciliation and method of allocation for our Special Purpose Investment Account; and
- A clean Auditor General Financial and Federal Awards audit.

I am proud of what FAMU has accomplished to date, however, there is room for us to further improve. I recently charged all of management, faculty, and staff to continue ensuring that controls are in place and that

they are doing their part to contribute to the achievement of our strategic, accountability, and performance-based funding goals.

I reaffirm my commitment to the success of our students and the mission of this historically important institution dedicated to the vision of being recognized as a premier land-grant, doctoral-research university that produces globally competitive graduates. We will work diligently to improve our internal controls as we chart a path to becoming one of the top 100 Best National University in the U.S. News & World Report rankings.

In this document, I present some of the details of our internal control assessment. It is organized by the Framework's five components of controls and 17 principles. I highlight some notable internal control strengths as well as opportunities for improvement which require our collective attention and resources. I look forward to working with our Board of Trustees, members of my senior leadership team, faculty and staff to enhance our internal controls as a strategy to improving efficiency and effectiveness in achieving our shared priorities and goals.

Thank you,

A handwritten signature in cursive script that reads "Larry Robinson".

Larry Robinson, Ph.D.  
President

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# Internal Controls Framework Overview

In December 2019, the Florida Agricultural and Mechanical University (University) Board of Trustees (BOT) adopted Policy 2019-01 *Internal Controls and Enterprise Risk Management*. The policy mandated that the University adopt the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Controls – Integrated Framework (Framework). The Framework stipulates that a system of internal controls must be designed and implemented to support the following components.

**Control Environment** – the set of standards, processes, and structures that provide the basis for carrying out internal controls across the University. The control environment comprises the commitment to integrity and ethical values that establish oversight responsibility and enforce accountability.

**Risk Assessment** – the process to identify, analyze, and assess risks to the achievement of objectives.

**Control Activities** – the actions established through policies and procedures to mitigate risks to the achievement of institutional objectives.

**Information and Communication** – the use of relevant information to disseminate clear messages. Sound internal controls establish expectations and procedures to support the reliability and integrity of financial information and reporting.

**Monitoring Activities** – the use of evaluations to ascertain whether internal controls are present and functioning.



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The following seventeen principles support the five components of control.

<b>Control Environment</b>	<ol style="list-style-type: none"> <li>1. Demonstrates commitment to integrity and ethical values</li> <li>2. Exercises oversight responsibility</li> <li>3. Establishes structure, authority and responsibility</li> <li>4. Demonstrates commitment to competence</li> <li>5. Enforces accountability</li> </ol>
<b>Risk Assessment</b>	<ol style="list-style-type: none"> <li>6. Specifies relevant objectives</li> <li>7. Identifies and analyzes risk</li> <li>8. Assesses fraud risk</li> <li>9. Identifies and analyzes significant change</li> </ol>
<b>Control Activities</b>	<ol style="list-style-type: none"> <li>10. Selects and develops control activities</li> <li>11. Selects and develops general controls over technology</li> <li>12. Deploys through policies and procedures</li> </ol>
<b>Information &amp; Communication</b>	<ol style="list-style-type: none"> <li>13. Uses relevant information</li> <li>14. Communicates internally</li> <li>15. Communicates externally</li> </ol>
<b>Monitoring Activities</b>	<ol style="list-style-type: none"> <li>16. Conducts ongoing and/or separate evaluations</li> <li>17. Evaluates and communicates deficiencies</li> </ol>

In accordance with BOT Policy 2019-01, the President and the President’s administration are responsible for establishing, maintaining, and consistently applying internal controls designed to do the following.



Prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), Florida Statutes

Promote and encourage compliance with applicable laws, rules, regulations, contracts, grant agreements, and best practices

Support economical and efficient operations

Ensure reliability of financial records and reports

Safeguard University assets

Additionally, the BOT charged the President with the responsibility for assessing the effectiveness of the University’s system of internal controls and reporting annually to the Board of Trustees regarding the University’s internal controls, any identified weaknesses, and associated corrective actions.

In response to the BOT’s charge, President Larry Robinson, Ph.D., instructed management, faculty, and staff to implement internal controls that were appropriate, reliable, cost-effective, comprehensive, and reasonable in supporting the mission as well as the strategic, business, and performance objectives of the University. To facilitate these efforts, he worked with the Division of Audit to:

- Provide internal controls training to all management, faculty, and staff;
- Develop an internal control self-assessment tool for use by divisions, colleges, and schools; and
- Evaluate the University’s overall internal control system utilizing information gathered through the internal control self-assessment tool and interviews conducted with internal and external parties, audits, investigations, and observations made over the past year in response to the COVID-19 pandemic.
- During the current fiscal year, the Division of Audit, developed a follow-up and assessment process to facilitate the development of response plans and monitor progress towards completion of management’s response plans.

Below is an illustration of the timeline of events used by the University to develop the internal controls assurance statement.



The University’s system of internal controls is dynamic, and controls change to meet the needs of the organization over time. As a result, the University chose to implement a maturity model to guide the implementation and continuous improvement of the University’s overall internal controls framework. The maturity model uses a five-point scale and is outlined below.

Maturity Stage	Observable Process Characteristics			
	Procedures	Controls	Metrics	Improvement Mechanisms
1. Ad Hoc	No formal procedures exist.	Controls are non-existent or primarily in reaction to a “surprise.”	There are not metrics or performance monitoring.	None
2. Repeatable	Some standard procedures exist, relies on “tribal knowledge <sup>1</sup> .”	Mostly detective controls are in place, minimal preventive controls, and highly manual.	Few performance metrics exist; thus, performance monitoring is inconsistent or informal.	Most likely in reaction to audits or service disruptions.
3. Defined	Procedures are well documented, but not kept current to reflect changing business needs.	Preventive and detective controls are employed, still reliant on manual activities.	Some metrics are used, but performance monitoring is still manual and/or infrequent.	Generally, occurs during periodic (e.g. annual) policy and procedures review.
4. Managed	Procedures and controls are well documented and kept current.	Preventive and detective controls are employed, with greater use of automation to reduce human error.	Many metrics are used with a blend of automated and manual performance monitoring.	Best practices and/or benchmarking are used to improve processes.
5. Optimized	Process and controls are continuously reviewed and improved.	Preventive and detective controls are highly automated to reduce human error and cost of operations.	Comprehensive, defined performance metrics exist, with extensive automated performance monitoring.	Extensive use of best practices, benchmarking, and/or self-assessment to continuously improve processes.

The following pages detail the results of the University’s assessment of internal controls based on the above maturity model, and identify both strengths and opportunities found within each of the Framework’s components and principles of control.

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<sup>1</sup> Tribal knowledge is any unwritten information that is not commonly known by others within an organization. This term is used most when referencing information that may need to be known by others in order to produce quality products or services. The information may be key to quality performance, but it may also be totally incorrect.



# Internal Controls Framework Assessment



## CONTROL ENVIRONMENT

The control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The control environment is comprised of the following five principles of control, which were all found to be present and functioning.

	PRINCIPLES OF CONTROL	MATURITY LEVEL
P.1	The organization demonstrates a commitment to integrity and ethical values.	5
P.2	The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.	4
P.3	Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.	5
P.4	The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.	3
P.5	The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.	3

The University's control environment is shaped by its' history, mission, core values, and regulatory oversight, and the higher education industry in which we compete and allowed the University to be resilient throughout the COVID-19 pandemic and continue to meet its business objectives. Key strengths of the control environment at the University are detailed below.

### STRENGTHS



Management updated and strengthened key elements of policies related to fraud, conflict of interest, export control, internal controls, enterprise risk management, sponsored contracts and grants, principal investigators, grading policies, student code of conduct, and due process.



In June 2022, the Board of Trustees (BOT) will be voting to revise the Policy 2019-01 [\*Internal Controls and Enterprise Risk Management\*](#) to strengthen the language related to internal controls, define risk, and further the define the roles and responsibilities for FAMU management and staff related to internal controls and enterprise risk management practices.

Strong focus on training to communicate requirements and expectations:



- Compliance Week (November 2021): Awareness campaign with a focus on building a culture of compliance.
- Fraud Week (November 2021): Awareness campaign with a focus on anti-fraud policies, procedures, best practices, and red flag identifiers.
- FAMU Fundamentals (March 2022): A mandatory training program for all management, faculty, and staff that covered Clery, compliance, law, policy, cyber security, emergency management, and sexual harassment prevention.
- FAMU Management Seminar (April 2022): A mandatory management seminar that covered management responsibilities and best practices for public state employees, student and employee accommodations, FMLA, public records and

## STRENGTHS

Sunshine Law, emergency and risk management, coping with mental health challenges in higher education, legislative updates and the impact on K-12 and higher education/academic freedom disruptive conduct, discrimination, title ix, and compliance.

- HBCU Fraud, Risk, and Controls Virtual Town Hall Meeting (May 2022).



In March 13, 2020, the President approved University Policy UP-03-01 Telecommuting Policy, which was critically important to the university's ability to respond to the COVID-19 pandemic and pivot to remote work for all but select employees who needed to work on site to deliver essential university services. In October 2021, the telecommuting policy was enhanced for ongoing use and tips for employers on how to manage telecommuting was supplied to management.



The BOT meets regularly as a body and separately with individuals of management to provide administrative oversight of the development and performance of internal controls. Trustees often provide insightful and constructive feedback to assist in improving outcomes.



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

The University strives to continuously improve its control environment and move toward an optimized maturity level for all five principles. As a result, areas were identified where opportunities existed to improve the control environment.

## OPPORTUNITIES FOR IMPROVEMENT



The policy structure and processes need to be improved to ensure policies are reflective of compliance requirements, management direction, and current practices. This was evidenced by both the Division of Audit Report No. 19-20-0005 [Advisory Services Report Process for Adopting and Changing Policies](#) and the Board of Trustees self-evaluation in August 2020 where trustees evaluated the following metric, "The Board periodically reviews and evaluates its policies," as average. The president initiated in March 2022 a full review of all University regulations and policies.



Continued diligence with maintaining board of trustee member independence, as emphasized in the Southern Association of Colleges and Schools Commission on Colleges, *Section 4.2 Governing Board .... The Governing board .... (b.) ensures a clear and appropriate distinction between the policy-making function of the board and the responsibility of the administration and faculty to administer and implement policy.* Board members must rigorously adhere to the old Association of Governing Boards maxim, "noses in and fingers out." "Noses in, fingers out" is AGB's unofficial mantra of board engagement—the board's role is to oversee the execution of strategies and policy development without crossing the line into the tactical micromanagement of day-to-day operations.



Enhanced accountability around compliance with mandatory trainings and equitable and consistent treatment by management in response to policy violations. The President challenged management to demonstrate effectiveness of training efforts, not just relying on completion and participation in the training.



In the long term, succession planning, underpinned by career development will support effective replacement planning (short term) and transition planning (longer term) of personnel throughout all levels of the University, thereby strengthening continuity and the overall capability of Florida A&M University. Continued focus should be placed on fully implementing the succession planning program for the University.



# RISK ASSESSMENT

Risk is defined by COSO’s Internal Controls – Integrated Framework as the possibility that an event will occur and adversely affect the achievement of objectives. Therefore, like all entities, the University experiences risk at all levels. These risks may result from both positive and negative variances from expectations.

For example, a significant variance in student enrollment projections can have many impacts on the University. If there are significant declines in student enrollment, this could lead to major revenue loss, cancelled courses, or layoffs. Conversely, suppose there are significant increases in student enrollment. In that case, there may not be enough faculty to teach courses, quality of instruction and student engagement may decrease, or physical space constraints may be exceeded in classrooms and housing. Therefore, having sound processes in place for assessing risk throughout the University is vital to the University’s ability to meet its mission and strategic objectives.

The risk assessment component is comprised of the following four principles of control, which were all present and functioning at the University.

	PRINCIPLES OF CONTROL	MATURITY LEVEL
P.6	The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.	4
P.7	The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.	3
P.8	The organization considers the potential for fraud in assessing risks to the achievement of objectives.	4
P.9	The organization identifies and assesses changes that could significantly impact the system of internal control.	4

An assessment of the University’s risk assessment processes revealed several key strengths, as noted below.

## STRENGTHS



The University specifies organizational objectives through its Strategic Plan, Presidential Goals, annual Accountability Plan, and assessment activities for divisions, colleges, and schools.



The University implemented BOT Policy 2020-01: [Fraud Policy](#) in December 2020 that established a zero tolerance for fraudulent, unethical, and dishonest activities. Additionally, the policy established responsibilities for the identification, reporting, and investigation of fraud. The policy was revised in February 2022, to further strengthen the anti-fraud framework at the university by enhancing language around the investigative process of senior University officials (President, Chief Audit Executive, and Chief Compliance and Ethics Officer).



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

- **Office of Compliance and Ethics:** Compliance Risk Assessment
- **Division of Audit:** Conducts an annual risk assessment of impacts to internal controls, financial risks, strategic risks, compliance risks, and reputational risks

## STRENGTHS

- **Insurance & Risk Management:** Assess risks related to areas covered under the State Risk Management Trust Fund



In November 2021, the Division of Audit, conducted a Fraud Week awareness campaign to educate the University community on best practices for fighting fraud and to highlight University anti-fraud policies. In March 2022, FAMU required all faculty and staff to take whistleblower training as part of its FAMU Fundamentals mandatory training program.



The University's senior leadership team meets as a group weekly to discuss operations and areas of risk throughout the University.



In December 2019, Board of Trustees (BOT) adopted Policy 2019-01 [Internal Controls and Enterprise Risk Management](#) and adopted the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management - Integrating with Strategy and Performance.



In May 2022, the Division of Audit hosted a HBCU Fraud, Risk, and Controls Town Hall meeting for all faculty and staff to increase awareness and provide faculty and staff the opportunity to ask questions specific to their roles within the University. The town hall included representatives from Florida Agricultural and Mechanical University, Howard University, Jackson State University, Texas Southern University, and North Carolina A&T State University.



In collaboration with senior management and the University Board of Trustees, the Chief Risk Officer developed a risk appetite statement. The risk appetite statement is slated for final approval at the June 2022 board of trustees meeting.



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

The University strives to continuously improve its risk assessment processes and move toward an optimized maturity level for all four principles. As a result, areas were identified where opportunities existed to improve risk assessment.

## OPPORTUNITIES FOR IMPROVEMENT



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



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



The University Budget Council could enhance the budget process by utilizing strategic objectives as a basis for allocating resources needed to attain desired academic, operational and financial performance, and reduction of risk.

## OPPORTUNITIES FOR IMPROVEMENT



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

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# CONTROL ACTIVITIES

Control activities for the University are mechanisms used to manage the achievement of its strategies, performance, and business objectives. For example, when the University pivoted to remote instruction in Spring 2020, as result of the COVID-19 pandemic, a cross-functional team assessed the impacts to the University. The team assessed relevant academic processes (i.e., testing, grading, instruction, privacy, etc.), information technology needs (i.e., virtual meeting platforms, security, hardware, student collaboration tools, etc.), and locations where additional control activities were needed. The control activities component is comprised of the following three principles of control, which were all present and functioning.

	PRINCIPLES OF CONTROL	MATURITY LEVEL
P.10	The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.	4
P.11	The organization selects and develops general control activities over technology to support the achievement of objectives.	3
P.12	The organization deploys control activities through policies that establish what is expected and procedures that put policies into place.	4

There were several strengths noted during the assessment of control activities utilized by the University. Highlighted below were some of the key strengths identified during the assessment.

## STRENGTHS



Management considered the regulatory environment, complexity of the higher education industry, and scope of University operations, and our mission to select and develop control activities.



In University areas where staffing is lean, management actively assesses for proper segregation of incompatible duties, and where such segregation is not practical management selects and develops alternative control activities.



Financial Aid management performs quarterly user access reviews to restrict technology access rights to authorized users commensurate with their job responsibilities.



The Division of Audit, Office of Compliance and Ethics, Office of Equal Opportunity Programs, and Ombudsman, receives, triages, refers and/or investigates complaints on matters identified within their respective sphere of authority when there are alleged violations of control activities.

The University strives to continuously improve its control activities and move towards an optimized maturity level for all three principles. As a result, areas were identified where opportunities existed to improve control activities.

## OPPORTUNITIES FOR IMPROVEMENT



The University should continue building out a comprehensive set of policies and procedures to guide the development and communication of standard IT procedures and technology general controls.

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Management should perform an entity-wide assessment to understand and determine the dependency and linkage between business processes, automated control activities within PeopleSoft, and technology general controls.

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Development and training on risk mitigation processes and procedures should be integrated into management practices.

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Management should provide additional training, and facilitate automation of key processes using available technology, to staff on the use of technology available to increase efficiencies.

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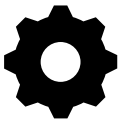
Significant strides are being made in the area of University/Division-wide policy review. An annual mechanism has been established to ensure consistent and timely review. There is a need for greater accountability associated with constituent compliance with established policies.

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All divisions, colleges, and schools should perform formal best practices and benchmarking assessments to inform needed changes within policies, procedures, and practices.

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The University should work with its direct support organizations to strengthen their respective internal controls deficiencies identified in the Crowe audit reports. In general, the internal controls are related to the following.

- Lack of review and approval
  - Lack of supporting documentation
  - Lack of proper segregation of duties
  - Lack of written policies and procedures
  - Processes not completed timely or accurately
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# INFORMATION & COMMUNICATIONS

Relevant and quality information is imperative to the University’s ability to achieve its strategic, business, and performance objectives. This information may come from internal sources (i.e. employees, information systems, etc.) or externally (regulatory bodies, news, parents, alumni, etc.). Therefore, establishing effective and efficient communications for information to flow throughout the entire organization and between external sources enables clear communication of expectations and requirements. The information and communications component are comprised of the following three principles of control, which were all present and functioning.

	PRINCIPLE OF CONTROL	MATURITY LEVEL
P.13	The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.	3
P.14	The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.	4
P.15	The organization communicates with external parties regarding matters affecting the functioning of internal control.	5

While all principles of the information and communications component were present and functioning, the University exhibited key strengths in the areas below.

## STRENGTHS



The use of Qualtrics to gather feedback to continuously improve operations throughout the University.



External constituents receive relevant information about matters impacting the University. In addition, Sponsored Research, the Office of Procurement, and the Auxiliary Services Departments timely advise consultants and vendors of relevant expectations and related changes.



Reporting (i.e. Financial Conflict of Interest, Misconduct, Title IX violations, etc.), to appropriate state and federal agencies are made as required.



Communications with students and families are made using a variety of platforms including FAMU email, iStrike, Blackboard, social media platforms, and listservs.



The President and his Senior Leadership Team meets weekly to communicate information and actions throughout the University. University experts are regularly invited to the meetings to provide greater insights on topics for informed decision making.

## STRENGTHS



The University's Emergency Management Director led efforts to roll-out Everbridge communications app. Everbridge ManageBridge brings Mass Notification, Safety Connection and IT Alerting to administrators who frequently use smartphones and tablets. This app will give FAMU the ability to have a two-way conversation with mobile recipients to provide the eyes and ears on the scene as a situation develops.

The University strives to continuously improve its processes for communicating and sharing information externally and internally with a goal of increasing the maturity levels for all three principles of the information and communications component. As a result, areas were identified where opportunities existed to improve information and communications.

## OPPORTUNITIES FOR IMPROVEMENT



There is a heavy reliance on manual processes in key areas of the University. Further automation of processes would increase the timeliness, relevancy, and quality of information available for use and decision making. Effective usage of available technology, such as DocuSign and Qualtrics, can be used to help automate some of these processes.



Enhance performance monitoring and evaluation within academic areas for administration, faculty, and students.



The University is effective at communicating from the senior leadership team to their direct reports through staff meetings. However, improvements could be made to increase informal and formal communication of strategy, expectations, and information impacting business and academic operations to faculty and staff at the director/chair level and below.



Training should be provided on a regular basis to ensure newer university employees are made aware of all relevant policies and procedures.



The University should consider utilizing existing technology, such as Microsoft Teams, to increase communication and sharing of information among management, faculty, and staff.



Communication of key highlights from board of trustees' meetings should be communicated via FAMUInfo to ensure all management, faculty, and staff are aware of key changes to policies and procedures, management expectations, changes in leadership, and strategic and business initiatives, goals, and objectives.



A plan should be developed to facilitate the transition from PeopleSoft to another enterprise resource planning system to ensure all phases of an ERP implementation is effectively and efficiently carried out.



# MONITORING ACTIVITIES

The COSO Internal Controls – Integrated Framework defines monitoring activities as those activities that assess whether each of the five components of internal control and relevant principles are present and functioning. The University’s monitoring activities (management reviews, internal audit, external audits and reviews, assessments, etc.) assists management in determining whether the system of internal control is effectively addressing current risks and business needs and potential changes that may need implementing to address new risks. The monitoring activities component is comprised of the following two principles of control, which were all present and functioning.

	PRINCIPLE OF CONTROL	MATURITY LEVEL
<b>P.16</b>	The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.	<b>4</b>
<b>P.17</b>	The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.	<b>5</b>

While all principles of the monitoring activities component were present and functioning, there were notable strengths to the University’s efforts in this area.

## STRENGTHS



All divisions, colleges, and schools completed annual assessments that are monitored for continuous improvement opportunities. FAMU received the 2020 Excellence in Assessment Designation, recognized for conducting comprehensive assessment of student learning outcomes as a means to drive internal improvement and advance student success.



Management developed action plans for internal control opportunities for improvement identified in the 2021 Internal Controls Assurance Statement and actions taken to fulfil plans were monitored by the Division of Audit.



Internal control deficiencies and related correction actions are routinely reported to senior management and the Board of Trustees.



University Policy UP-01-02: [\*Internal Controls and Enterprise Risk Management\*](#), requires the University to annually provide to the BOT an assurance statement and summary information including an analysis of the University’s systems, controls, and legal compliance. This policy was updated in May 2022 to provide clarity around roles and responsibilities for internal controls and risk management and to further define risk.



The Division of Audit performs an annual risk assessment to guide their assurance and advisory work plan to assesses against criteria established by regulators, oversight bodies, and best practices. The Division of Audit, additionally has an established process to work with management, and other designated personnel, to follow-up on corrective action plans implemented to address noted audit findings and process improvement recommendations.

The University strives to continuously improve its monitoring activities. As a result, areas were identified where opportunities existed to improve monitoring activities.

### OPPORTUNITIES FOR IMPROVEMENT



Information and communication systems are monitored and periodically evaluated, but the information from this monitoring is not used to timely update noted deficiencies and often times the changes are cost prohibitive.

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

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