



Audit and Compliance Committee Meeting



September 2, 2020

Rica Calhoun,
Chief Compliance & Ethics Officer



FLORIDA A&M UNIVERSITY
OFFICE OF COMPLIANCE
AND ETHICS

2020 ANNUAL REPORT

Rica Calhoun, Chief Compliance and Ethics Officer
La'Tonya Baker, Compliance Coordinator



MISSION

1

The Compliance and Ethics Program, now housed in the Office of Compliance and Ethics (OCE), supports the University's mission and strategic plan by proactively partnering with faculty, staff, and management to:

- Ensure compliance risks are identified, prioritized and managed appropriately;
- Establish a control environment, level of accountability, and ethical framework that promotes commitment to the highest standards of ethics, integrity, and lawful conduct by promoting adherence to all applicable federal, state, and local laws, regulations, as well as standards and internal policies and protocols;
- Provide general compliance training to employees and faculty and guidance to managers;
- Provide an avenue for anonymous reporting of potential non-compliance or unethical behavior; and
- Develop effective policies and procedures to promote compliance and ethical behavior.

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Looking Back at 2019–2020...

OUTREACH



COLLABORATION

MONITORING



ENTERPRISE
COMPLIANCE
COMMITTEE

AWARENESS



COMPLIANCE
AND ETHICS
WEEK



COMPLIANCE BRIEF
SERIES



REOPENING
PLAN



DIGITAL
MARKETING



TRAINING



HIGH RISK
MONITORING



CODE OF
CONDUCT



PROGRESS

Compliance and Ethics Program Elements:

Standards

Communication

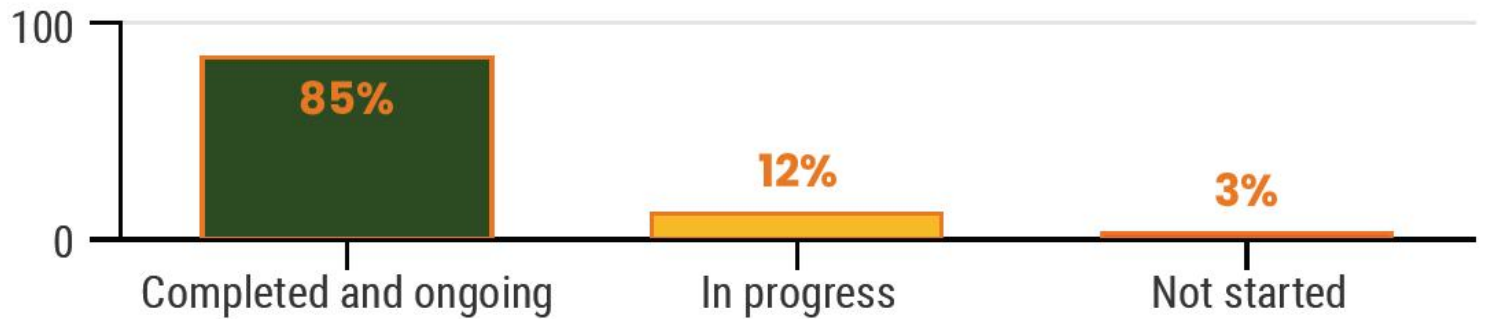
Structure

Training and Education

Monitoring

Response and Enforcement

Goal Progress (34 Goals)



MANDATORY TRAINING

4
Modules

2,000+
Trained

Resources
and
Follow Up

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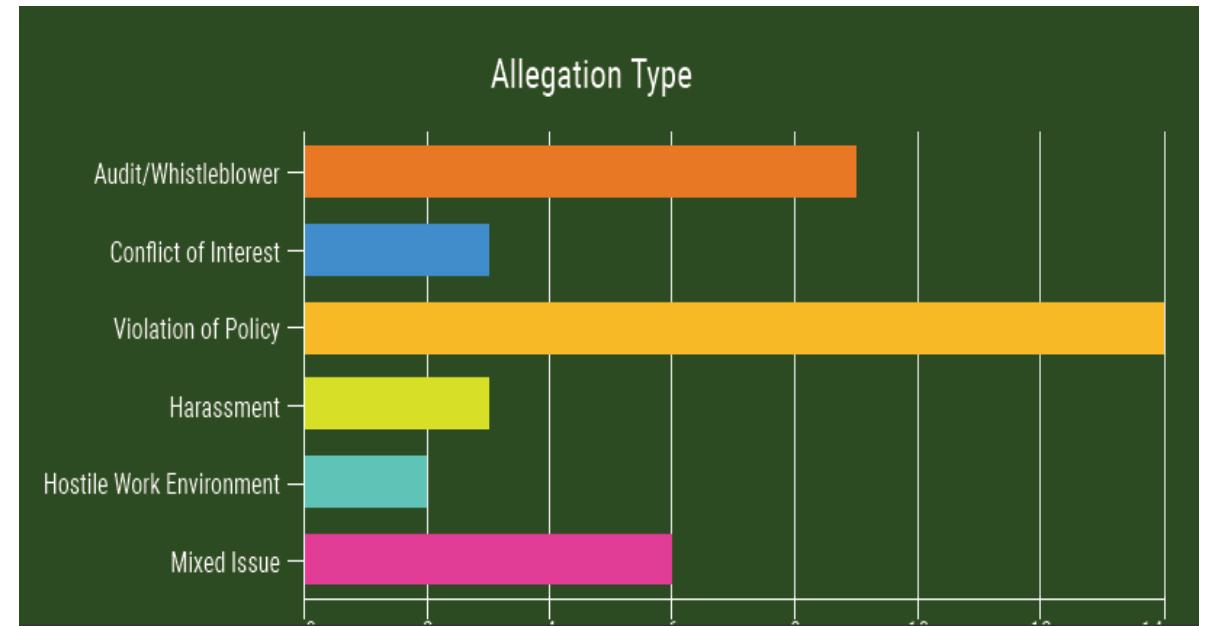
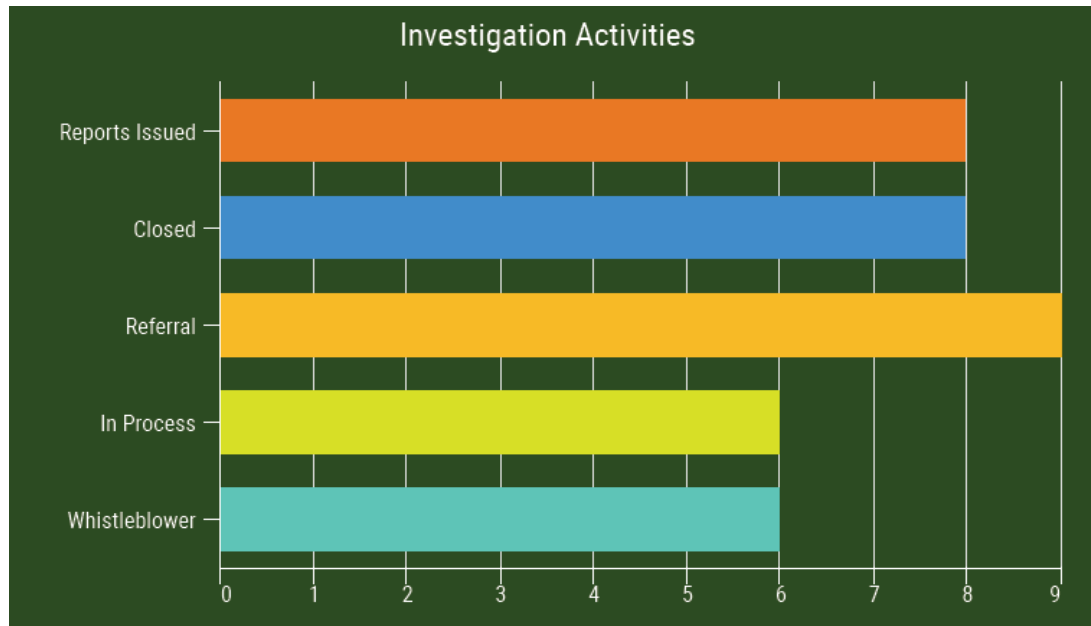
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MONITORING

Monitoring is a cornerstone of the internal control structure, to ensure that the policies and risk mitigation processes in place are actually working. In 2019-2020, high-risk monitoring was implemented through the OCE and the Enterprise Compliance Committee's compliance partners. Some areas monitored are below:

- Athletics
- University Compliance and Ethics Hotline
- MMERI
- NCAA Infractions Report
- Research
- Governance
- University Reopen
- Enterprise Compliance Committee

INVESTIGATIONS





PROTECT THE
FAMILY

YEAR THREE

6

Feedback over the last year through direct meetings, investigations, and outreach informed our efforts for year two and our goals for year three. The OCE will continue to utilize the resources available to implement an effective compliance and ethics program with a focus on education, investigative work, and comprehensive monitoring.

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Looking Forward to 2020–2021...

OUTREACH



**INCREASED
COLLABORATION**

MONITORING



**ENTERPRISE
COMPLIANCE
COMMITTEE**

AWARENESS



**COMPLIANCE
AND ETHICS
WEEK**



**ADDITIONAL
ENGAGEMENT
OPPORTUNITIES**



**UPDATED
RISK
ASSESSMENT**



**DIGITAL
MARKETING**



**EXPANDED
TRAINING
OPPORTUNITIES ON
VARIOUS FORMATS**



**INCREASED
MONITORING**



**WEBSITE
DEVELOPMENT**

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Joseph Maleszewski, Vice President of Audit

1

Internal Controls Training Update

2

Issued Audit Projects

3

Audit and Investigative Follow-up

4

Division of Audit Update

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Internal Controls Training

5

Sessions

1300

Faculty & Staff Trained

12

Website
Resources

Upcoming

Training Sessions

September 9, 2020

September 10, 2020

September 21, 2020

September 22, 2020

FAMU Assessment Day

November 6, 2020

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FY 19-20 Carry-Over Audit Projects



Advisory
MMERI



Assurance
Foreign
Influence



Mgmt. Review
Duplicate
Purchase Order



Mgmt. Review
Spr. '20
SGA Elections



Assurance
IT Active
Directory












Auditor General Report No. 2021-011 – FAMU DRS: Florida Education Finance Program Full-Time Equivalent Student Enrollment

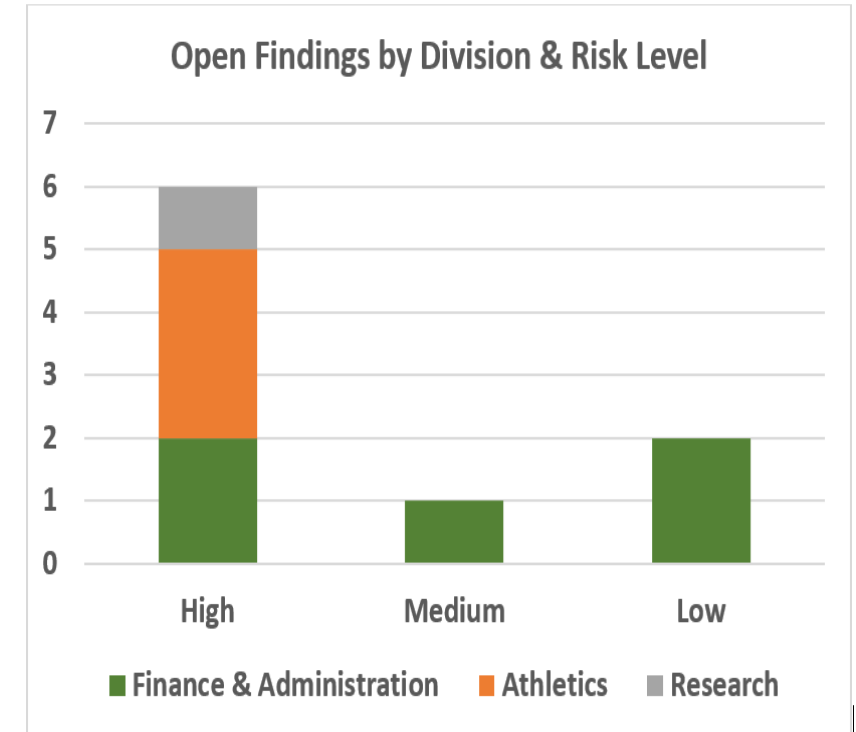
Areas of Material Non-Compliance

- State requirements governing teacher certification
- School Advisory Board approval of out-of-field teacher requirements
- Notification to parents regarding teachers' out of field status
- Earning of required in-service training points in ESOL strategies
- Reporting errors or records not properly or accurately prepared or were not available for examination

Audit Follow-Up










9 Open Audit Findings as of August 14, 2020



4 <u>Partially Corrected</u>	5 <u>Not Corrected</u> In Process
<p> 2018 Operational Audit Findings: Intercollegiate Athletic Programs – Deficit Cash Balances</p> <p> 2017-18 Cloud Security Governance Audit: Disaster Recovery</p> <p> 2017-18 Athletic Expense Review: Failure to Attend Mandatory University Fiscal and Compliance Training</p> <p> 2018-19 Risk Assessment: IT Governance Committee</p>	<p> 2018-19 Risk Assessment: Emergency Preparedness</p> <p> 2018-19 Risk Assessment: Hazardous Lab Chemicals</p> <p> 2018-19 Risk Assessment: Bragg Stadium Safety & Maintenance</p> <p> 2019 Crowe Report: Data Protection – Employee Removable Media</p> <p> 2019 CROWE Report: Information Security – Policies and Procedures</p>



Severity Risk Level  High Risk  Medium Risk  Low Risk

Audit Follow-Up

9	Findings Closed Since February 21, 2020 BOT Meeting
	Purchasing Card Transaction Audit: Revised Policy
	2017-18 Athletic Expense Review: Inadequate Athletics Procurement Practices
	2018-19 Decentralized Cash Collections – Essential Theatre: Criminal Background Screenings
	Purchasing Card Transaction Audit: Threshold Analysis
	Purchasing Card Transaction Audit: Supporting Documentation & Approvals
	2018 Operational Audit Findings: Payroll – Time Reporting
	2018-19 Risk Assessment: Purchasing – Vendor Contracts (Subject Matter Expert Review of Contracts)
	2018-19 Risk Assessment Purchasing - Vendor Contracts (Procurement Processing Guidelines)
	2019 Crowe Report: Security Awareness Training

Severity Risk Level  High Risk  Medium Risk  Low Risk

Investigative Follow-Up

**One Investigation Recommendation on Internal Controls
as of August 14, 2020**

Future Due Item








College of Agriculture and Food Sciences: Provide Travel Training to Travelers, Travel Representatives, and Travel Approvers within the College.

Executive Owner for the Open Investigative Recommendation on Internal Controls:

Dr. Maurice Edington, Vice President of Academic Affairs/Provost

Investigative Follow-Up

5 Investigation Recommendations on Internal Controls Validated and Closed since March 5, 2020 BOT Meeting

1	High Risk	3	Medium Risk	1	Low Risk
	FAMU Development Research School: Faculty and Staff Guidance and Expectations for Student Interactions		FAMU Development Research School: Follow Grade Change Policies and Procedures		College of Pharmacy and Pharmaceutical Sciences: Use of Authorized University Cash Collection Points
			College of Social Sciences, Arts and Humanities: Procedures for Cash Collection by Authorized Cash Collection Points		
			College of Pharmacy and Pharmaceutical Sciences: Procedures for Trip Forms		

CARES Act Audit Plans

Emergency Student
Financial Aid Grants
\$6,525,663

Institutional
Funds
\$6,525,663

HBCU Grant
\$26,309,331

PLANNING

✓ COMPLETE

FIELDWORK

IN PROGRESS















REPORTING

PHASED: 9/20 -12/20

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Risk Assessment & Work Plan Status

Assurance Services		Advisory Services	
	CARES Act – Emergency Student Financial Aid Grants		Title IX Review
	CARES Act – Institutional Funds		Information Technology – Remote Working
	CARES Act – HBCU Funds		Athletic Budget Process
	Spring 2020 Reimbursements		
	Performance Based Funding Data Integrity Audit	Continuous Monitoring	
	Knight Foundation Expenditure Review: FY 19-20/Q4		Construction
	Knight Foundation Expenditure Review: FY 20-21/Q1		Textbook Affordability
	Auxiliary Transfer Review: 1/11/2020 – 6/30/2020		Purchase Cards

Fraud Policy

Anti-Fraud
Purpose
Statement

Definition

Roles and
Responsibilities

Actions
Constituting
Fraud

Fraud
Reporting

Fraud
Investigations

Whistleblower
Protections

Disciplinary
Actions

Draft

September
2020

Internal Review

October – November
2020

BOT Approval

December
2020

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Annual Report: FY 19-20

Regulation

- BOG – 4.002 State University System
Chief Audit Executives

Coverage

- Vision, Mission, Values, Priorities
- Assurance and Advisory Services
- Investigative Activities
- Continuous Monitoring
- Staff Experience and Accomplishments

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DIVISION OF AUDIT

Annual Report 2019-2020



ACCOUNTABILITY • INTEGRITY • EFFICIENCY

September 2020

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CLOSING



FLORIDA A&M UNIVERSITY

Founded in 1887 as the State Normal College for Colored Students, Florida Agricultural and Mechanical University (FAMU) is the only historically state supported educational facility for African Americans in Florida. It has always been co-educational. In 1890, the second Morrill Act was passed. This enabled the school to become the Black Land Grant College for the State of Florida. In 1891, the college was moved from its original location west of town to its present location which was once the site of "Highwood," Territorial Governor W.P. Duval's slave plantation. The site is one of the highest hills in Tallahassee. The school was known as Florida A&M College from 1909 until 1953 when it attained university status.