



Report No. 19-20-0010
6-Month Work Plan:
January 2021 – June 2021



ACCOUNTABILITY • INTEGRITY • EFFICIENCY

December 3, 2020



FY 2020-21 Audit Work Plan: January 2021 – June 2021

EXECUTIVE SUMMARY

Given the uncertainty that continues to surround the COVID-19 pandemic on university operations the Division of Audit (DoA) conducted additional risk assessment activities covering the June 2020 to November 2020 period. The additional risk assessment information, when combined with the information released in [Report No. 19-20-008 Risk Assessment July 2019 – May 2020](#), informed our audit work plan covering the 6-month period from January 2021 to June 2021. In planning our work, we heavily weighted the operational and financial impacts of the pandemic and the university’s associated responses. We also planned our efforts to closely align with the University’s Strategic Plan priorities and goals (Appendix A), and the President’s Goals (Appendix B).

Our work plan is risk-based to provide the most effective coverage of University operations and utilization of DoA resources in areas where assurance or advisory services can assist management in achievement of the University’s strategic priorities and business objectives. While the plan allocates 500 of our available project hours for management requests and special projects, and will guide our activities over the next 6 months, the plan may be adjusted to meet management’s and the Board’s needs as other priorities are identified.

The audit work plan covering the second half of fiscal year 2020-2021 allocates 1,100 hours on projects within the DoA to assess and improve the overall efficiency and effectiveness of divisional operations. These hours will help ensure that the division can continue to provide our customers (University management, faculty, staff, students, and other stakeholders) with quality service and information through our assurance, advisory, and investigative services in the dynamic and agile business environment in which the University operates.

In addition to our planned projects we have included a section titled “Audit and Advisory Services on the Horizon.” This section reflects projects identified based on our risk assessment for which there is a need for assurance, advisory, or continuous monitoring services within the University. Identified within this section are areas that warranted DoA coverage within the next 6 months for which adequate staffing resources are unavailable. They include:

- High priority/time sensitive assurance and advisory projects; and
- Continuous monitoring services that will be placed on hold.



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BACKGROUND

Work Plan Standards:

Professional auditing standards¹ 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 University has experienced significant changes within the institution's management, operations and programs over the past 18 months. In June 2020, the aforementioned changes, along with an ongoing global pandemic, led the CAE to move from the standard three-year audit work plan to a six-month audit work plans in an effort to focus the DoA's resources in areas of high risk and university needs.

The current plan allows the DoA to be more responsive to rapidly changing risks across the University as management continues to make changes impacting business processes, objectives, and strategic goals in efforts to ensure the health and safety of our faculty, staff, and students. The plan identifies projects on the three-year horizon for the Division of Audit that will allow it to address other medium to high risk areas.

¹ International Standards for the Professional Practice of Internal Auditing (Standards) – Performance Standards 2010 Planning



6-Month Work Plan: January 2021 – June 2021

Project Description	Hours	Strategic Support of University Priorities and Goals	
		Strategic Plan	President Goals
Assurance Services			
<u>Performance Based Funding Data Integrity Audit</u> <ul style="list-style-type: none"> Processes that ensure completeness, accuracy, and timeliness of data submissions Testing of data that supports performance funding metrics 	240	<u>Strategic Priority 5:</u> Goal 3 Goal 5	Goal 3
<u>Knight Foundation Expenditure Review: Quarter 2 October 2020 – December 2020</u> <ul style="list-style-type: none"> Approval of Expenditures Allowable Expenditures 	120	<u>Strategic Priority 2:</u> Goal 1 <u>Strategic Priority 5:</u> Goal 3	Goal 8.3
<u>Knight Foundation Expenditure Review: Quarter 3 January 2021 – March 2021</u> <ul style="list-style-type: none"> Approval of Expenditures Allowable Expenditures 	120	<u>Strategic Priority 2:</u> Goal 1 <u>Strategic Priority 5:</u> Goal 3	Goal 8.3
<u>Auxiliary Transfer Review</u> <ul style="list-style-type: none"> Review transfers from Auxiliary to Athletics for the period of July 1, 2020 – December 31, 2020 	120	<u>Strategic Priority 5:</u> Goal 3	Goal 8.3
Total Hours - Assurance Services	600		
Management Advisory Services			
<u>Title IX Review</u> <ul style="list-style-type: none"> Evaluation of University framework for Title IX compliance against federal regulations effective 8/2020. Assess resolution and appeal processes Assess coordination and communication with campus law enforcement personnel Verify existence of controls to secure confidential information 	360	<u>Strategic Priority 5:</u> Goal 3	
<u>Information Technology – Remote Working</u> <ul style="list-style-type: none"> Assess whether security controls are adequate for remote operations Assess the impact of any changes that may have been made to facilitate remote operations. 	240	<u>Strategic Priority 5:</u> Goal 5	
<u>Athletics Budget Process</u> <ul style="list-style-type: none"> Compliance with University Budgeting Processes 	360	<u>Strategic Priority 5:</u> Goal 2	Goal 8.5








Project Description	Hours	Strategic Support of University Priorities and Goals	
		Strategic Plan	President Goals
<ul style="list-style-type: none"> • Accuracy of Revenue Forecast Assumptions • Process for Compiling Expenses • Methodology for Monitoring and Communicating Budget to Actual Reporting • Budgeting for Future Capital Outlay and Maintenance Costs • Title IX Compliance 			
<p>Internal Control Assurance Statement</p> <ul style="list-style-type: none"> • Assist President Robinson with facilitating internal control divisional self-assessments • Provide training on internal control self-statement tools 	360		Goal 7.4
<p>Management Requests</p> <ul style="list-style-type: none"> • Board of Trustees Requests • Senior Leadership Team Requests • External Party Requests (i.e. BOG) 	500	Strategic Priority 6: Goal 1	
<p>Training</p> <ul style="list-style-type: none"> • Provide internal controls, fraud, and governance training to the University staff, faculty, and board of trustee members 	120	Strategic Priority 5: Goal 3	Goal 7.4
Total Hours - Management Advisory	1,940		
Continuous Monitoring Services			
<p>Textbook Affordability</p> <ul style="list-style-type: none"> • Compliance with Florida Statute 1004.085 for the Fall 2020 and Spring 2021 Semester 	180	Strategic Priority 5: Goal 3 Goal 4	
<p>CARES Act</p> <ul style="list-style-type: none"> • Compliance with funding requirements for Student and HBCU funds • Strategic utilization of HBCU funds to advance University mission, strategic goals, and business objectives 	180	Strategic Priority 5: Goal 2 Goal 3 Goal 4	Goal 8.2
<p>Purchase Cards</p> <ul style="list-style-type: none"> • Analytics focused on unallowable expenses and identifying data trends • Reconciliation Compliance 	180	Strategic Priority 5: Goal 3	
Total Hours - Continuous Monitoring Services	540		
Follow-ups, Risk Assessment, and Investigations			
External Audit and Programs	180		
Internal Audit, Investigation & Advisory	240		
Investigations – Whistleblower, Fraud, Waste, & Abuse	480		










Project Description	Hours	Strategic Support of University Priorities and Goals	
		Strategic Plan	President Goals
Risk Assessment	160		
FY20-21 6-Month Work Plan: Jan 21 – June 21	40		
Total Follow-Up, Risk Assessment & Investigations	1,100		
University and State University System Taskforces and Committees			
Enterprise Compliance Committee	25		
Information Technology Governance Committee	25		
Diversity & Inclusion Council	25		
Incident Response Team	25		
Emergency Management Team	25		
State University System - Information Technology Auditor Group	25		
State University Audit Council	25		
Total Taskforce and Committees	175		
Internal Audit Administration			
<u>Professional Development</u> <ul style="list-style-type: none"> Enhance knowledge of FAMU business processes, strategic goals, and business objectives Enhance knowledge of data analytics, risk factors impacting higher ed, information technology, and fraud Development of leadership skills and soft skills Continuing education to maintain or obtain professional certifications 	350	<u>Strategic Priority 5:</u> Goal 1	
<u>Divisional Admin Projects</u> <ul style="list-style-type: none"> Operational Manual Updates Data Analytics Program Automation of Audit Processes through AuditBond software Annual Report 	700	<u>Strategic Priority 5:</u> Goal 4 Goal 5	
<u>Quality Assurance Review (Self – Assessment)</u> <ul style="list-style-type: none"> Evaluation of the Division of Audit’s conformance with the Definition of Internal Auditing and the International Standards for the Professional Practice of Internal Auditing (Standards) Evaluation of whether internal auditors apply the Code of Ethics Assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement 	400	<u>Strategic Priority 5:</u> Goal 3 Goal 4 <u>Strategic Priority 6:</u> Goal 2	
General	831		
Leave	364		
Total Internal Audit Administration	2,645		
Total All Hours	7000		



Audits and Advisory Services on the Horizon



Assurance Services			
	Decentralized Cash Collections		Property Management
	Academic Honesty Framework		Colleges/Schools – Academic and Business Operations
	Controller Officer – Financial Controls		Sponsored Programs
	Registrar Office – Structure, Processes, Automation		Athletics – BOT Policy 2005-16
	Boosters – BOT Policy 2005-15		Payroll – OPS, Cost Center
	Procurement Services		Culture & Ethics – Red Book 2110.A1
	Effectiveness of Student Success Efforts		Effectiveness of Customer Service Initiative
	FAMU Foundation: Payment Approval Process		Research – Sub-Recipient Monitoring
	Export Controls Review		IT – DAVID System
	FAMU Summer Camps		Online Education and Support
	Title III: Department Review		IT – Cloud Security (Operations)
	IT – ImageNow		IT – Canvas
	IT - Physical Security		IT – Change Management
	Construction: P3 Process Review		Intellectual Property
	Deferred Maintenance		Office of International Students Review
	Title IX Review		


Advisory Services			
	Succession Planning		Student Wellness Infrastructure
	FEMA – COVID-19 Expense & Reimbursement		Housing – Business Operations & Student Safety (COVID-19)
	Clery Compliance		Hazing Compliance
	Privacy – Governance, Processes, Training (FERPA, GLBA, State Privacy Laws)		Athletics Fundraising – Donor Compliance, Cultivation, and Management
	Contract Template and Process Review		Athletics –Ticketing Operations
	Licensure Programs Assessment		COOP Review
	HR Onboarding & Exit Process Review		Return of Title IV Funds Process
	IT Governance & Structure		IT – State of Cybersecurity
	Strategic Financial Management – Performance Based Funding		Strategic Financial Management - CARES Act HBCU Funding

 High Priority/Time Sensitive Projects the Division of Audit is Unable to Perform within the Optimal 6-Month Time Frame (January 2021 – June 2021) Due to Staffing Limitations



Continuous Monitoring Services

	Textbook Affordability – New Process Spring 2020		COSO – Internal Controls Framework Implementation
	P-Card – Identification of Unallowable or Fraudulent Purchases and Trends		COSO - Enterprise Risk Management Integrating with Strategy and Performance Implementation
	IT- NIST 800-171/ Cybersecurity Maturity Model Certification		

 Continuous Monitoring Services Placed on Hold for a 6-Month Time Frame (January 2021 – June 2021) Due to Staffing Limitations



APPENDIX A: FAMU RISING STRATEGIC PLAN 2017-2020²

STRATEGIC PRIORITY 1: EXCEPTIONAL STUDENT EXPERIENCE

- **Goal 1:** Enhance pathways to degree attainment
- **Goal 2:** Achieve national distinction for success in retention and graduation rates
- **Goal 3:** Increase the proportion of students completing high-impact co-curricular experiences to 60%
- **Goal 4:** Increase the number of students graduating from programs in areas of high employer demand
- **Goal 5:** Strategically enhance campus residence, athletics, recreational, instructional and research facilities

STRATEGIC PRIORITY 2: EXCELLENT AND RENOWNED FACULTY

- **Goal 1:** Promote faculty excellence by recruiting, supporting and retaining a diverse faculty with a commitment to teaching, research, and community engagement, consistent with a doctoral-research university
- **Goal 2:** Maintain and develop sustainable state-of-the-art facilities that support the academic enterprise of the University

STRATEGIC PRIORITY 3: HIGH IMPACT RESEARCH, COMMERCIALIZATION, OUTREACH, AND EXTENSION SERVICES

- **Goal 1:** Expand and enhance cutting-edge research and creative scholarship for the benefit of the state of Florida, the nation, and the world
- **Goal 2:** Increase research productivity, commercialization and return on investment
- **Goal 3:** Increase the number of nationally recognized graduate programs
- **Goal 4:** Provide outstanding outreach and extension services in the tradition of a landgrant institution

STRATEGIC PRIORITY 4: TRANSFORMATIVE ALUMNI, COMMUNITY, AND BUSINESS ENGAGEMENT

- **Goal 1:** Enhance the University fundraising infrastructure and capacity to generate increased support for the University
- **Goal 2:** Enhance public-private partnerships to support teaching, research, and service
- **Goal 3:** Build and lead strong networks of supporters and partners

² Source: http://www.famu.edu/Strategic/FAMU%20Strategic%20Plan%202017-2022%20Final_reduced%20size.pdf



- **Goal 4:** Implement effective communication and marketing initiatives to increase visibility and promote the FAMU brand
- **Goal 5:** Leverage the distinctive capabilities and signature programs of the University to strengthen the FAMU brand and economic viability of the University

STRATEGIC PRIORITY 5: FIRST-CLASS BUSINESS INFRASTRUCTURE

- **Goal 1:** Recruit, develop, and retain diverse and excellent staff
- **Goal 2:** Adopt a new budgeting model to support institutional strategic priorities more effectively
- **Goal 3:** Improve transparency and strengthen internal controls to improve compliance and support strategic decisions
- **Goal 4:** Enhance business processes to improve efficiency and cost effectiveness in University operations
- **Goal 5:** Leverage technology and establish a data-driven culture

STRATEGIC PRIORITY 6: OUTSTANDING CUSTOMER EXPERIENCES

- **Goal 1:** Develop and maintain a University-wide culture of service excellence
- **Goal 2:** Sustain superior service levels with ongoing monitoring, accountability, and recognition programs to reward excellent customer service



APPENDIX B: PRESIDENT’S GOALS

President’s Annual Goals for 2020-21

Goal 1: Four-year Graduation Rate: Increase the University’s four-year graduation rate (*PBF metric*) **from 27.7% to 35%.***

Goal 2: Academic Progress Rate: Increase the second year retention rate [Second Fall Retention Rate with at Least a 2.0 GPA for Full-time FTIC students] (*PBF Metric*) **from 73.0% to 86.0%.***

Goal 3: Excess Credit Hours: Increase the percent of baccalaureate degrees awarded without excess hours **from 53.5% to 62%.***

**Note: At this time, the University is awaiting guidance from the BOG on the potential adjustments on the annual PBF goals to accommodate COVID-19 pandemic impacts.*

Goal 4: Licensure Pass Rate: Develop and execute action plans that deliver first-time licensure pass rates of:

- 4.1 Nursing: **from 63% to 80%**
- 4.2 Law: **from 57% to 75%**
- 4.3 Pharmacy: **from 83% to 85%**
- 4.4 Physical Therapy: **from 86.4% to 88%**

Goal 5: Annual Giving:

- 5.1 Increase annual giving **by 5% (from \$7.3M to \$7.7M).**
- 5.2 Increase the annual alumni giving rate **from (7.7% to 9%).**

Goal 6: R&D Expenditures: Increase total R&D expenditures **by 1% (from \$39.6M to \$40M).**

Goal 7: Organizational Leadership:

- 7.1 **Emergency Management** – Effectively manage the University through the COVID-19 pandemic by ensuring the delivery of instruction, research and business operations and **provide timely communications of the University’s reopening plan to all stakeholders.**
- 7.2 **Staffing Efficiency** – Conduct Organizational Staffing Efficiency Study.
- 7.3 **Effective Decision Making** – Expand and promote the use of data and evidence across the University through **quarterly reports and dashboards**, thus leading to effective decision-making.
- 7.4 **Operational Efficiencies** – Provide to the Board an **assurance statement and summary information** of the University’s system of internal controls using the Committee on Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework and the **status of corrective actions taken on prior audit findings to minimize internal control deficiencies and repeat audit findings.**

Goal 8: University Budget/Fiscal Management:

- 8.1 **Financial Health** – Strengthen the University’s financial health by achieving or exceeding a minimum **debt coverage ratio ≥ 1.0 .**
- 8.2 **Strategic Resource Allocations** – Develop and align resource allocations to adequately support the University’s annual strategic priorities.
- 8.3 **Operational Control** – Ensure controls are in place to drive the proper use of all funding sources, in accordance with state statutes by **maintaining a financial reserve of 7%** of the total Educational & General (E&G) Operating Budget as required by Florida Statutes 1011.45 and **conducting periodic reviews of expenditures to ensure budget compliance and identify opportunities for cost savings.**
- 8.4 **Sustainability** – Increase the reserve **by 1%.****
- 8.5 **Athletics** – Demonstrate effective leadership over the athletics program as evidenced by proper **oversight of expenditures, compliance with NCAA guidelines** and plans for **athletic facilities.**

***Note: This goal may be revisited by the Board to accommodate expenditures required as a result of the COVID-19 pandemic and/or other emergencies (i.e., natural or man-made).*

Goal 9: Internal/External Relations: Continue to expand relationship-building with key stakeholders, including students, faculty, staff, Boards, alumni, elected officials (local, state, national), corporations and the local community.



DISTRIBUTION

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- Joseph Maleszewski, Vice-President, Division of Audit

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PROJECT TEAM

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Engagement was supervised, approved, and distributed by:

Joseph K. Maleszewski, MBA, CIA, CGAP, CISA, CIG, CIGA, CIGI, CCEP
Vice President for Audit

STATEMENT OF ACCORDANCE

The Division of Audit's mission is to provide independent, objective assurance and consulting services designed to add value and improve the University's operations. It 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.

We developed the work plan in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. 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.

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

<http://www.famu.edu/index.cfm?AuditandCompliance&AboutAuditandCompliance>