



# Audit and Compliance Committee

## Presented by Joseph Maleszewski and Rica Calhoun

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June 3, 2020

# **Risk Assessment**

## **June 2019 - May 2020**

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**Vice President of Audit**  
**Division of Audit**

# Risk Assessment

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- Requirements
- Process
  - Interviews
  - Focus Groups
  - Industry Research
  - Audit, Advisory, Investigations
- Timeline
- COVID-19
- Heat Map

# Risk Assessment

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1. Safeguarding the health and safety of students, faculty, and staff
2. Ensuring continuity of courses of study and other essential operations
3. Determining the short- and long-term financial implications
4. Providing timely communications with key constituencies
5. Addressing special considerations such as clinical and research program continuity, food and housing insecurity, and the needs of low-income and international students

# COVID-19 Risk Areas

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**Distance Learning**



**Compliance**



**External Funding**



**Health & Safety**



**Advancement**



**Auxiliaries**



**Enrollment**



**Research**



**Construction**



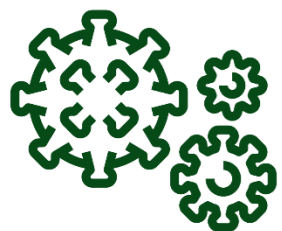
**Student Wellness**



**Budget**



**Human Resources**



**Emergency Preparedness**



**Procurement Services**



**Controller's Office**



**Athletics**



**Legal**



**Information Technology**

# Risk Assessment

## Academic Affairs: Distance Learning



Students without the proper technology for course completion may increase course failure rates, withdrawals, and impact progression rates



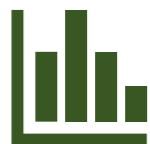
Many courses that were structured for in-person instruction, posed challenges for quick conversion to a virtual setting



Scaling of academic integrity technology and processes for volume of Distance Learning



Quality instruction will be hampered by 50% of the faculty being new to distance learning instruction and/or instructional technology



Grading policy changes may impact Performance Based Funding metric outcomes



Change of procedures to ensure compliance with privacy laws in a remote environment



Increased need for academic support services in a virtual environment



Manual graduation processes that were automated or need to be automated

# Risk Assessment

## Finance & Administration: Information Technology



Lack of employee knowledge on how to appropriately use and secure technology provided for teleworking and distance learning



Lack of sufficient levels of ongoing cybersecurity awareness communications to reinforce the need for remote workers/students to remain vigilant to socially engineered attacks



Capability to ensure that all remote access capabilities are tested and secure and endpoints used by workers are patched



Increased occurrence of phishing, malware, and ransomware attacks since the COVID-19 pandemic began



Ability of current staffing levels to meet the security monitoring and customer service within an expanded operating environment



Strain of teleworking and distance learning technology on University resources (people, costs of software/hardware/licenses)



Vulnerability management of remote access tools or infrastructure (i.e. VPN)



Insecure virtual communication platforms impacting University operations, privacy requirements, and reputation

# Risk Assessment

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## Finance & Administration: Budget



Ability to balance the FY 2019-2020 budget due to significant unplanned expenses related to COVID-19, including refunds of housing and meal plans



Ability to accurately forecast budget scenarios due to limited expense information: operational expenses to prepare and sustain a new mode of operations



Ability to accurately forecast budget scenarios due to limited revenue information: state appropriations, enrollment, fall auxiliary, etc.



# Risk Assessment

## Student Affairs: Student Wellness



Increased prevalence of mental health needs and alcohol and drug issues



Ability to virtualize recreation and fitness activities



Proliferation of electronic and manual student data requiring protection



Ability to monitor for and detect hazing within Greek life and student activities



Ability to provide additional resources to students to higher risk populations (FTIC, international students, significant financial need)



Coordinating and facilitating communication amongst departments and schools of complaints or issues when in a remote work environment



Implementation of appropriate safety measures to comply with physical distancing guidelines

# Heat Map

Risk Area	2017-2018 Risk Level	2018-2019 Risk Level	2019-2020 Risk Level
<b>ASSET AND RISK MANAGEMENT</b>			
Emergency Preparedness	Moderate	Moderate & Rising	Moderate & Rising
Endowment & Development	Moderate	Moderate	Moderate & Rising
Environmental Health & Safety	Moderate	High	High
<b>AUXILIARY AND SERVICE DEPARTMENTS</b>			
Athletics	High	High & Rising	High & Rising
Auxiliary Enterprise Administration	Low	Low	Low
Bookstore	Low	Low	Low & Rising
Housing	Moderate	Moderate	Moderate
Police	Moderate	Moderate	High
Recreation & Athletic Centers	Moderate	Moderate	Moderate
Service Centers Auxiliary	Moderate	Moderate	Low
Special Events Center	Moderate	Moderate	Moderate
<b>FINANCIAL MANAGEMENT</b>			
Accounting	Low	Low	Low & Rising
Administrative Services	Moderate	Moderate	Moderate & Rising

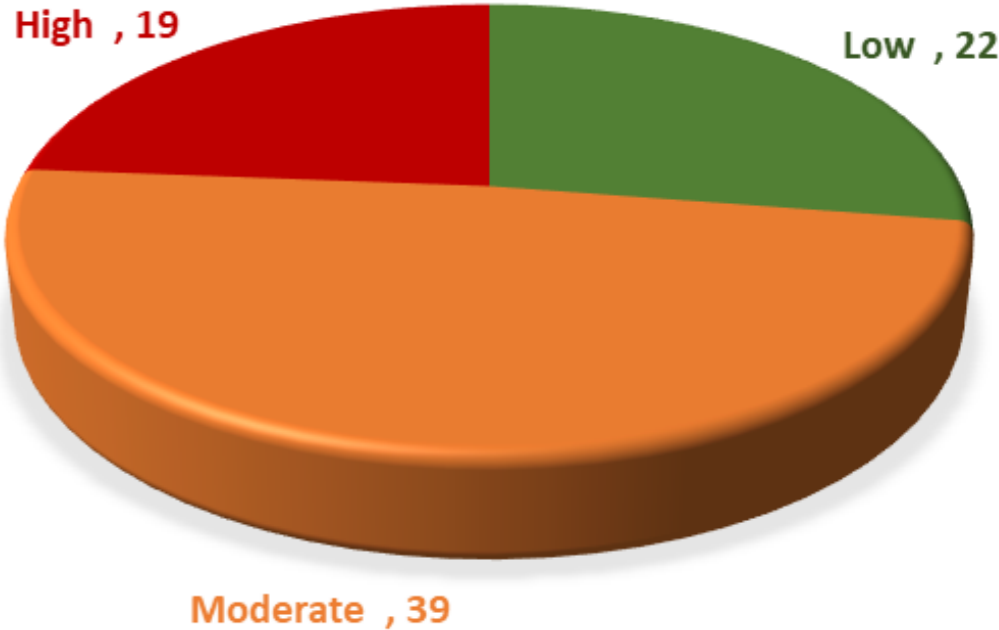
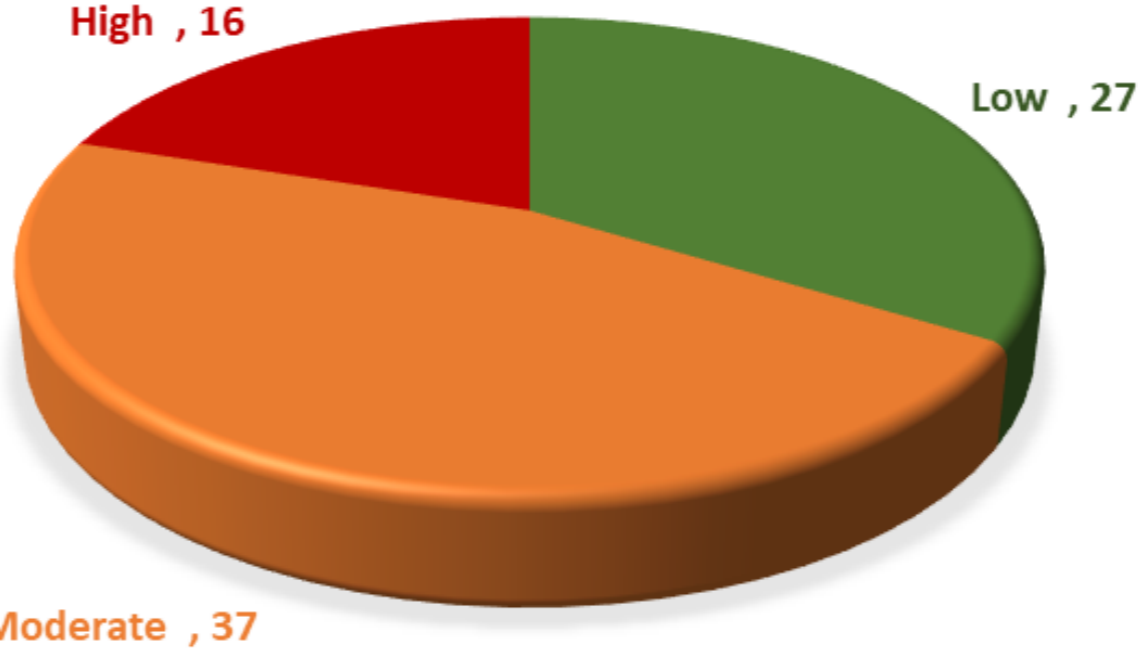
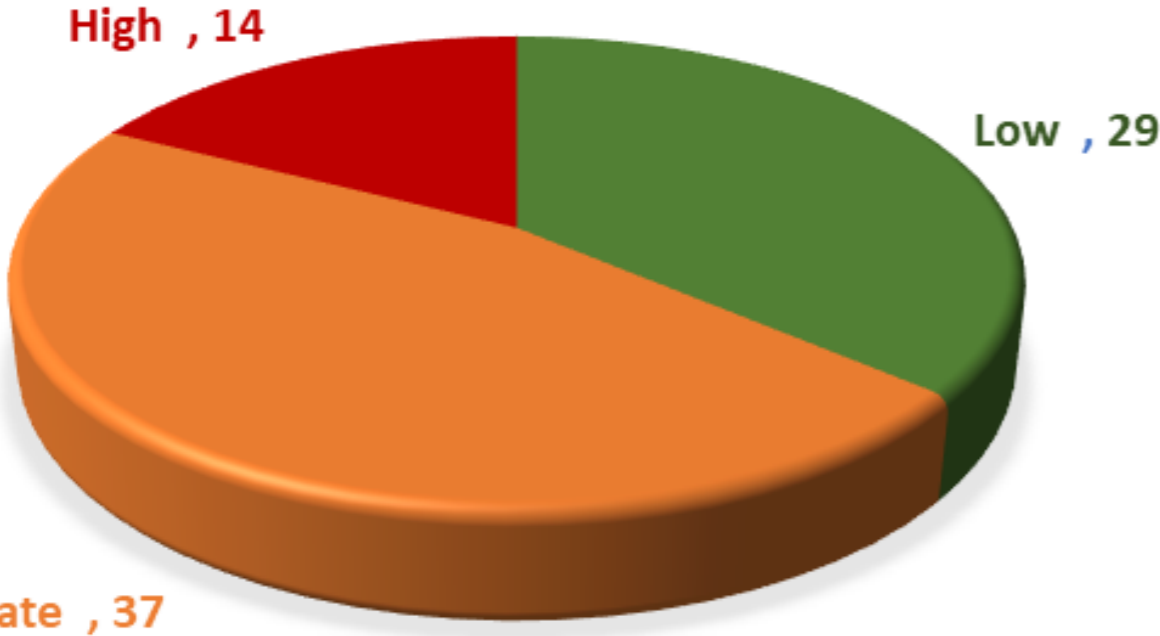
# Risk Assessment

Risk Level	FY17/18	FY18/19	FY19/20	Trend
Low	29	27	22	
Moderate	37	37	39	
High	14	16	19	

FY 2017-2018

FY 2018 - 2019

FY 2019 - 2020



# Work Plan

## July 2020 – December 2020

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**Vice President of Audit**  
**Division of Audit**

# Work Plan Overview

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## Requirement

- IIA Standards – Performance Standards 2010  
Planning

## Changes to Work Plan

- 6 – Month Audit Work Plan
- Mapped to Strategic Plan and President's Goals

## Benefit of New Format

- Responsive to rapidly changing risks
- Focus on accountability, integrity, and efficiency

# Assurance Services

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## CARES Act Funding Reviews

- Emergency Student Financial Aid
- Institutional Funds
- HBCU Funds



## Knight Foundation - SJGC Expenditure Reviews

- Q4 ( April 2020 – June 2020)
- Q1 ( July 2020 – Sept 2020)



## Reimbursements

Spring 2020 Housing and Meal Plan



## Auxiliary Transfers Review

Auxiliary to Athletics

January 2020 – June 2020



Performance Based  
Funding Data Integrity  
Audit

# Advisory Services

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## Strategic Financial Management

- Performance Based Funding
- CARES Act – HBCU Funding



## Athletics Budget Process

- Budget Process Compliance
- Revenue Forecasting
- Process for Compiling Expenses
- Budget Monitoring and Reporting
- Budgeting for Future Capital Outlay and Maintenance Costs
- Title IX



## IT- Remote Working

- Security Controls
- Operational Impacts



## Management Requests

- Board of Trustees
- Senior Leadership Team
- External Party

# Continuous Monitoring Services

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## Construction

- Root Cause Analysis: Project Delays
- Root Cause Analysis: Budget Shortfalls
- Funding Source Allowability for Expense
- CASS Relocation Plans
- Budget Reporting



## Purchase Cards

- Unallowable Expenses
- Data Trend Analysis
- Reconciliation Compliance



## Textbook Affordability

- Fall 2020
- Spring 2021



# Audit and Advisory Services on the Horizon

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## Assurance Services

- 🎯 Academic Honesty Framework
- 🎯 Property Management Review
- 🎯 Colleges/Schools – Academic and Business Operations
- 🎯 Payroll – OPS, Cost Center
- 🎯 Online Education and Support

## Advisory Services

- 🎯 Student Wellness Infrastructure
- 🎯 FEMA – Expense Tracking and Reimbursement
- 🎯 Privacy – Governance, Processes, Training
- 🎯 Housing- Business Operations & Student Safety

## Continuous Monitoring Services

- 🎯 IT-NIST 800-171/Cybersecurity Maturity Model Certification
  - 🎯 COSO – Enterprise Risk Management Implementation
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***“At FAMU, Great Things are Happening Every Day!”***