

FLORIDA **A&M** UNIVERSITY
Board of Trustees

Audit and Compliance Committee Meeting

Wednesday, March 4, 2020

9:30 a.m.

The Grand Ballroom

Committee Members: Craig Reed, Chair
Ann Marie Cavazos, Rochard Moricette, Belvin Perry and Robert Woody

AGENDA

- I. Call to Order Trustee Craig Reed

- II. Roll Call Ms. Debra Barrington

ACTION ITEMS

- III. Minutes: Consideration of Approval – December 4, 2019, 10:45 a.m. Trustee Reed

INFORMATION ITEMS

- Office of Compliance and Ethics: Rica Calhoun
- IV. Mandatory Training (Cybersecurity, Compliance & Ethics, Clery, Title IX)
 - V. Office of Compliance and Ethics Update

Division of Audit: Joe Maleszewski

- VI. Fraud Policy – Draft
- VII. Risk Tolerance Statement – Draft
- VIII. Follow-Up - Investigative, Audit, External
- IX. Internal Control Training Plan
- X. Continuous Monitoring/Advisory Update
- XI. College of Engineering
- XII. Division of Audit Update

- XIII. Adjournment

Audit & Compliance Committee Minutes
Trustee Reed, Chair
Wednesday, December 4, 2019; 10:45 AM

Members Present: Trustee Craig Reed, Chair (*Absent*)
Trustee Belvin Perry, Jr., Vice Chair
Trustee Rochard Moricette
Trustee Ann Marie Cavazos
Trustee Robert Woody

Chair Belvin Perry, Jr., called the meeting to order. Ms. Debra Barrington called the roll. A quorum was established.






Chair Perry acknowledged several action items for discussion: The Wednesday, September 18, 2019, minutes; Division of Audit Work Plan (Revised); and the BOT Internal Control & Enterprise Risk Management Policy. Vice President Joseph Maleszewski presented each of these action items. Chief Compliance and Ethics Officer Rica Calhoun presented an action item for the Code of Conduct Policy. Chair Perry requested a motion for the approval of each Action Item. Motions were made, seconded, and approved.

Chair Perry requested that Chief Compliance and Ethics Officer Calhoun present updates related to mandatory training and office activities. Ms. Calhoun informed the committee about mandatory training topics which had been developed for Clery, Compliance and Ethics, Cyber Security, Sexual Harassment Prevention, and Title IX. Ms. Calhoun informed the committee that the mandatory training would be developed in the LinkedIn Learning platform and rolled out during the month of March 2020. She further informed the committee that compliance education for board members was expected to occur in Spring 2020. Questions were asked and answered accordingly. Ms. Calhoun was applauded for an excellent "Compliance & Ethics Wrap Up Video" prepared by herself and LaTonya Baker, Internal Investigation Coordinator.

Chair Perry requested that VP Maleszewski present the remaining informational items for the Division of Audit. VP Maleszewski presented information on the following four issued audit reports: 2018 Athletics Expense Review; 2018-2019 Essential Theatre Decentralized Cash Collection Audit; Athletics Decentralized Cash Controls Audit; and Process for Adopting and Changing Policies Review. In addition, VP Maleszewski presented a status report on audit and investigative follow-up and information regarding ongoing external audits. VP Maleszewski discussed a proposed University Fraud Policy and proposed BOT Risk Appetite/Tolerance Statement which would be brought back to a future committee meeting. Finally, VP Maleszewski provided an update on the establishment of a Director of Audit position within the Division of Audit. Questions were asked and answered accordingly.

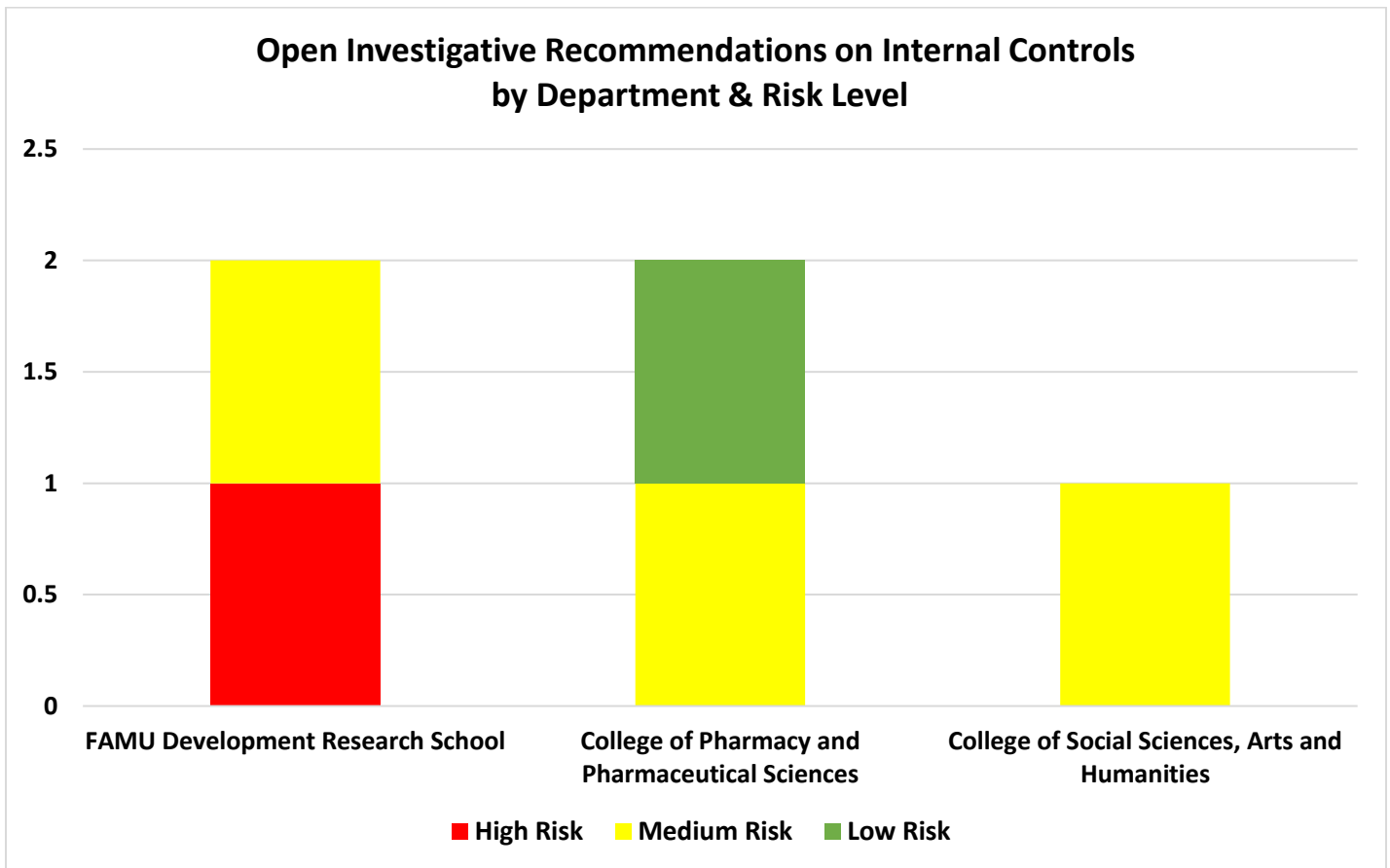
Lastly, Chair Perry asked if there were no further questions or discussions. The meeting was adjourned.

5 Open Investigation Recommendations on Internal Controls as of February 21, 2020

























2	Not Corrected - Past Due	3	Future Due Date
	FAMU Development Research School: Faculty and Staff Guidance and Expectations for Student Interactions		College of Social Sciences, Arts and Humanities: Procedures for Cash Collection by Authorized Cash Collection Points (3/2020)
	FAMU Development Research School: Follow Grade Change Policies and Procedures		College of Pharmacy and Pharmaceutical Sciences: Procedures for Trip Forms (2/2020)
			College of Pharmacy and Pharmaceutical Sciences: Use of Authorized University Cash Collection Points (2/2020)

Executive Owner for All Open Investigative Recommendations on Internal Controls:
















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



28 Investigation Recommendations on Internal Controls Validated and Closed since December 5, 2019 BOT Meeting

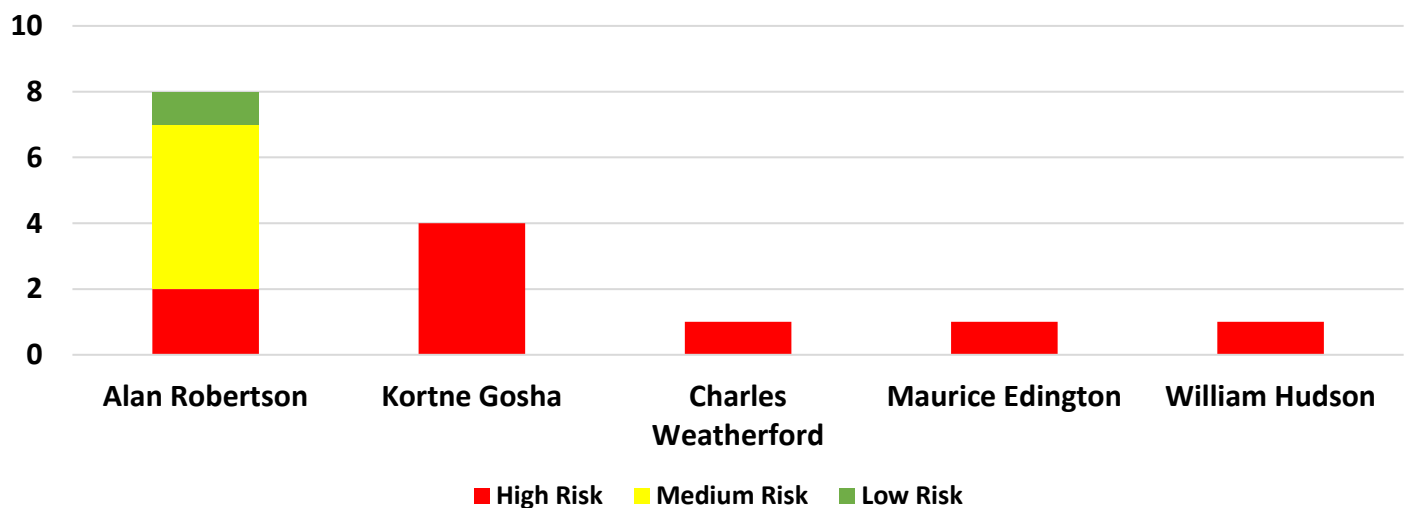
7	High Risk	14	Medium Risk	7	Low Risk
	FAMU Foundation: Separation of Duties for Authorizing & Receiving Awards		College of Education: Process for Confirming Interview Information (12/2019)		College of Agriculture and Food Sciences: Alternative Student Transportation
	FAMU Development Research School: Policy on Background Checks		College of Agriculture and Food Sciences: Services Within Scope of Grant Award- validated		College of Agriculture and Food Sciences: Create a Daily Sign-In/Out Log
	FAMU Foundation: Checks Issued to Authorized Individuals or Departments		College of Pharmacy and Pharmaceutical Sciences: Payment Process and Travel Reimbursements Training		College of Agriculture and Food Sciences: Alternate Authority to Sign Work Verification Logs
	FAMU Foundation: Approval of Check Changes		College of Pharmacy and Pharmaceutical Sciences: Receipt and Deposit of Travel Proceeds		FAMU Development Research School: Random Background Checks for Faculty & Staff
	College of Education: Falsified Credentials - Take Appropriate Personnel Actions		College of Pharmacy and Pharmaceutical Sciences: Foreign Travel – Take Appropriate Personnel Actions		FAMU Foundation: Alternative Offline Scholarship Application Process
	Human Resources: Guidance on Background and Reference Check Procedures (11/2019)		Office of International Education and Development: Central Oversight and Approval of all Study Abroad Programs (12/2019)		FAMU Foundation: Recall Check
	College of Education: New Hire and Change of Position Background Checks (12/2019)		FAMU Development Research School: Policies and Procedures for Attendance Redemption Programs		Human Resources: Amend Onboarding Process to include Outside Employment Form (11/2019)
			FAMU Development Research School: Document All Background Check Activities		
			FAMU Development Research School: Background Checks for University Employee Transfers		
			FAMU Foundation: Authorized Individuals for Check Pick-Up		
			FAMU Foundation: Guidelines for Emergency and Need-Based Funding		
			FAMU Foundation: Adherence to Scholarship Requirements by All Recipients		
			FAMU Foundation: Verification of Scholarship Eligibility Requirements		
			Sponsored Research: Monitoring of Compliance with Award Policies		







15 Open Audit Findings as of February 21, 2020

3 <u>Corrected</u> Require Validation	9 <u>Partially Corrected</u>	3 <u>Corrective Action Plans Currently Under Development</u>
 Purchasing Card Transaction Audit: Revised Policy	 2018 Operational Audit Findings: Intercollegiate Athletic Programs – Deficit Cash Balances	 2018-19 Risk Assessment: Emergency Preparedness
 Purchasing Card Transaction Audit: Supporting Documentation & Approvals	 2017-18 Cloud Security Governance Audit: Disaster Recovery	 2018-19 Risk Assessment: Hazardous Lab Chemicals
 Purchasing Card Transaction Audit: Threshold Analysis	 2017-18 Athletic Expense Review: Failure to Attend Mandatory University Fiscal and Compliance Training	 2018-19 Risk Assessment: Bragg Stadium Safety & Maintenance
	 2017-18 Athletic Expense Review: Inadequate Athletics Procurement Practices	
	 2018-19 Decentralized Cash Collections – Essential Theatre: Criminal Background Screenings	
	 2018 Operational Audit Findings: Payroll – Time Reporting	
	 2018-19 Risk Assessment: Purchasing – Vendor Contracts (Subject Matter Expert Review of Contracts)	
	 2018-19 Risk Assessment: IT Governance Committee	
	 2018-19 Risk Assessment Purchasing - Vendor Contracts (Procurement Processing Guidelines)	

Severity Risk Level  High Risk  Medium Risk  Low Risk

Open Findings by Executive Owner & Risk Level



6	Findings Closed Since December 5, 2019 BOT Meeting
	Purchasing Card Transaction Audit: Athletics Monthly Reconciliations
	Athletics Decentralized Cash Controls Audit: Ticket Void/Reissue Process
	Athletics Decentralized Cash Controls Audit: University Processing Timely Deposit
	Athletics Decentralized Cash Controls Audit: Ticket Security
	2018-19 Decentralized Cash Collections – Essential Theatre: Cash Handler Training
	2017-18 SGA Follow-Up Audit: Student Employee Time Reporting – SGA

Severity Risk Level  High Risk  Medium Risk  Low Risk