

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

**Audit and Compliance Committee Meeting**  
**Wednesday, September 2, 2020**  
**8:50 a.m.**

Zoom

**Committee Members:** Craig Reed, Chair  
Ann Marie Cavazos, Dominique Xavier McClinton, 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 – June 3, 2020, 3:20 p.m. Trustee Reed

**INFORMATIONAL ITEMS**

- Office of Compliance and Ethics: Rica Calhoun
- IV. Office of Compliance and Ethics Annual Report
  
- Division of Audit: Joe Maleszewski
- V. Internal Controls Training Update
- VI. Issued Audit Projects
- VII. Audit and Investigative Follow-up
- VIII. Division of Audit Update
  
- IX. Adjournment

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

**Division of Audit - Committee Minutes**  
**Trustee Reed, Chair**  
**Wednesday, June 3, 2020, 2:00 PM**

**Members Present:** Trustee Craig Reed, Chair  
Trustee Belvin Perry, Jr., Vice Chair  
Trustee Dominique Xavier McClinton  
Trustee Ann Marie Cavazos  
Trustee Robert Woody

Chair Reed, called the meeting to order. Ms. Linda Barge-Miles called the roll. A quorum was established.

Chair Reed greeted everyone and expressed “Thanks” to *former* Trustee Rochard Morciette for his service provided over the past year. Chair Reed welcomed FAMU new Student member, Dominique Xavier McClinton and looking forward to working with him. Thanks for being a part of the TEAM. Trustee McClinton responded “Thank you and he is glad to be a part.”

Chair Reed acknowledged that the Division of Audit had two action items. The first action item was approval of the Wednesday, March 4, 2020 Minutes. Chair Reed requested a motion for approval. A motion was made by Trustee Belvin Perry, Jr. and seconded by Trustee Ann Marie Cavazos. Chair Reed, acknowledging that the minutes were motioned and seconded properly, called for a vote. The minutes were unanimously approved.

Chair Reed asked VP Maleszewski to present the results of the Division of Audit Risk Assessment and Work Plan. The Risk Assessment begins on page two of the materials and the Work Plan document begins on page 26. VP Maleszewski presented Division’s Risk Assessment and Work Plan documents.

Chair Reed thanked VP Maleszewski and this team and then called for a motion. Approval for the Risk Assessment and Work Plan documents was motioned by Trustee Belvin Perry, Jr. and seconded by Trustee Ann Marie Cavazos. Chair Reed acknowledging the motion and second than called for a vote. Both documents were unanimously approved.

Chair Reed called for any discussion and/or further business discussion. There being none, Chair Reed adjourned the meeting.



**FAMU**

FLORIDA A&M UNIVERSITY

**OFFICE OF COMPLIANCE  
AND ETHICS**

**2020**

**ANNUAL**

**REPORT**

Rica Calhoun, Chief Compliance and Ethics Officer

La'Tonya Baker, Compliance Coordinator



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## The Road We Walked Together

In 2019–2020, we have continued addressing the objectives necessary to build an effective compliance and ethics program. Throughout the last year, we have established the Office of Compliance and Ethics, launched the first mandatory compliance and ethics training program and provided meaningful contributions to the pandemic response. We continue to observe a positive commitment from the University, from management to our compliance partners, and faculty and staff who supported the mission that we all share.



# MISSION

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.

## 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

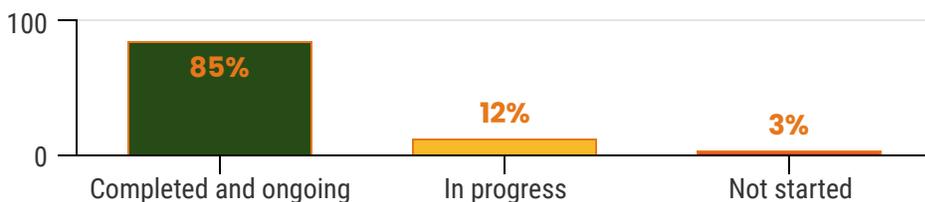
Structure

Training and Education

Monitoring

Response and Enforcement

### Goal Progress (34 Goals)



## In Detail:

The compliance and ethics program serves as an integral part of the University's risk mitigation structure through coordination with university leadership, the Enterprise Compliance Committee, and monitoring high compliance risk areas. In 2019-2020, we focused on building specific aspects of the program surrounding structure, education, and outreach. Program goals continued to center on the core elements of the program.

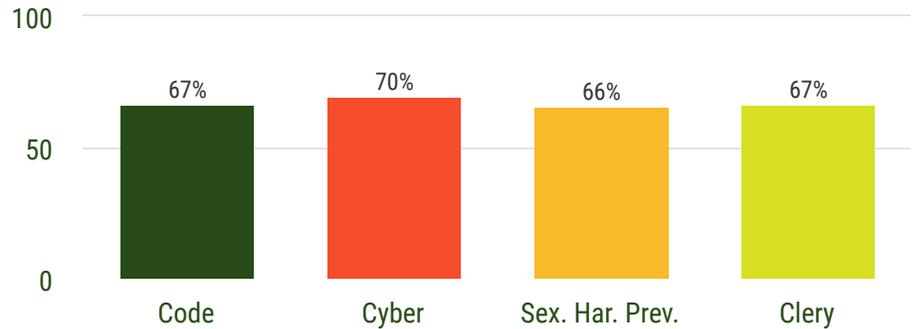
The OCE updated the Compliance and Ethics Charter to better reflect the organizational changes. OCE also revised the Code of Conduct, incorporating feedback from stakeholders and providing more detail and topic coverage. The amended Code of conduct was approved by the Board of Trustees on December 5, 2019.

The OCE provided advisory services throughout the year across University divisions. Highlights include multiple engagements with the University's Deans' Council, the Student Affairs leadership team, the Supervisory Boot Camp, and the University's Operations Continuity Task Force.





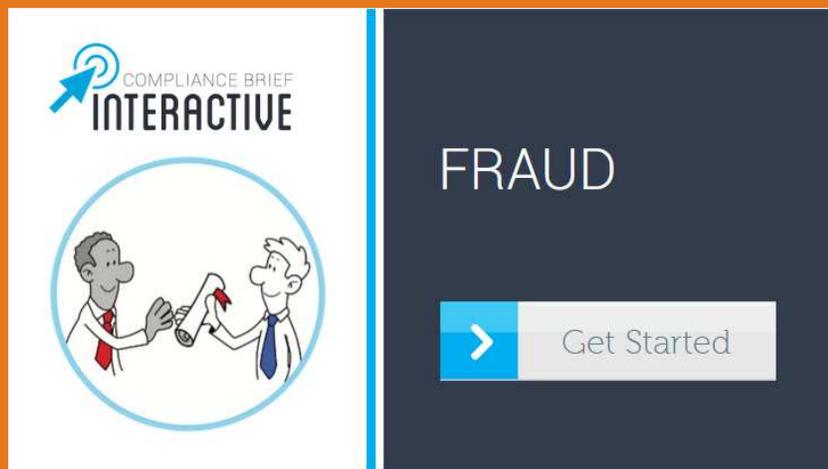
## 2020 Mandatory Compliance Training Completion



### In Detail (continued):

The OCE continued the "Compliance Brief" Series, a set of micro-learning trainings offered via email and configured for mobile and PC access on topics which included "Fraud" and "Misuse of Resources." We also launched the first mandatory training period this year. The training covered modules on the following topics: "Cyber Security," "Code of Conduct," "Clery," and "Sexual Harassment Prevention." All employees were required to complete the training and appropriate assessments during March 2020. Our combined audience was about 3000 users, which included faculty, staff, and select graduate assistants and student workers. The completion time frame was extended to April 15, due to the COVID-19 pandemic. More than 2000 users completed the training modules.

Each week of the training period, the OCE provided senior leadership and college deans with a listing of those who completed the training. At the end of the training period, the OCE provided the non-compliance list to the Office of Human Resources, senior leadership and college deans to work with managers to initiate the administrative accountability process for those who failed to complete the training. Non-completion is a consideration in performance evaluations, as well.



# 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

Coordination with the Associate Athletic Director of Compliance to monitor risk areas.

NCAA Infractions Report Monitoring

Equity

Spot Checks: Initial/Continuing Eligibility- Fall 2019

Transfers- Fall 2019

Monitoring Schedule 2020-2021: September, December, March

## UNIVERSITY COMPLIANCE AND ETHICS HOTLINE

Upgrading the Hotline from legacy system to EthicsPoint, which provides enhanced reporting and tracking.

## RESEARCH

Grant compliance reviews;  
Research security focus;  
Coordinated hire of Compliance Coordinator for Research to assist in monitoring and process improvements

## UNIVERSITY REOPEN

Advised University leadership regarding best practices related to reopen; coordinated the completion of the reopening plan and ensured compliance with Board of Governors' expectations; continued implementation monitoring

## MMERI

Served on the MMERI taskforce to provide assistance and guidance regarding program compliance.

## GOVERNANCE

Leave Review: 2019: December

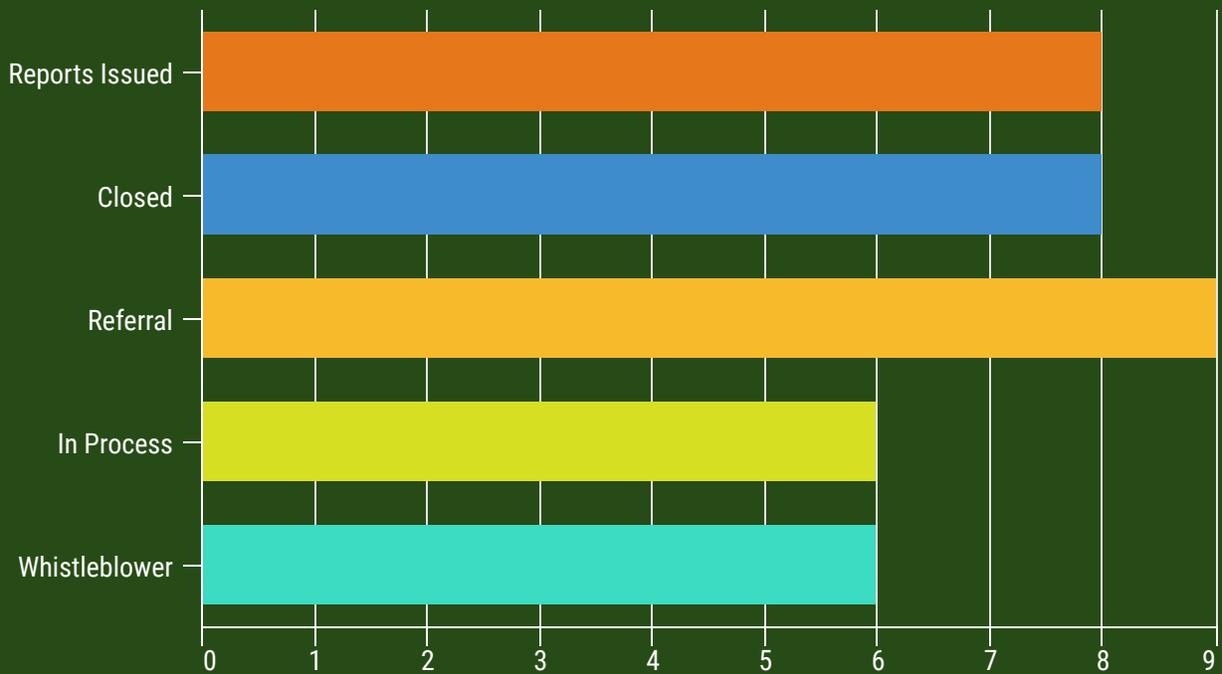
## ENTERPRISE COMPLIANCE COMMITTEE

Enterprise Compliance Committee Meetings: 2019-2020: September, January, April, July  
Working Group Meetings scheduled by compliance partner chairs

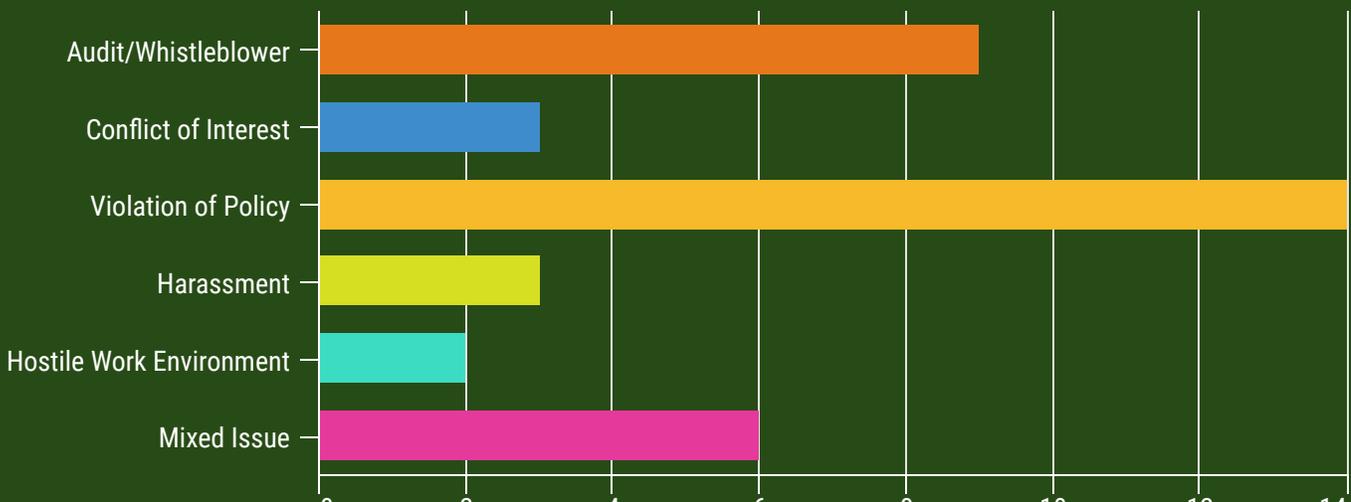
# INVESTIGATIONS

Investigations constitute another piece of the compliance structure, providing reinforcement of University expectations and accountability. The OCE currently has one investigator responsible for the initiation, coordination, or referral of complaints reported to the OCE directly or through the University's Compliance and Ethics Hotline. Thirty-seven cases have been addressed or in progress through this process in 2019–2020.

Investigation Activities



Allegation Type



# 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.

#PROTECTTHE  
**FAMILY**

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**

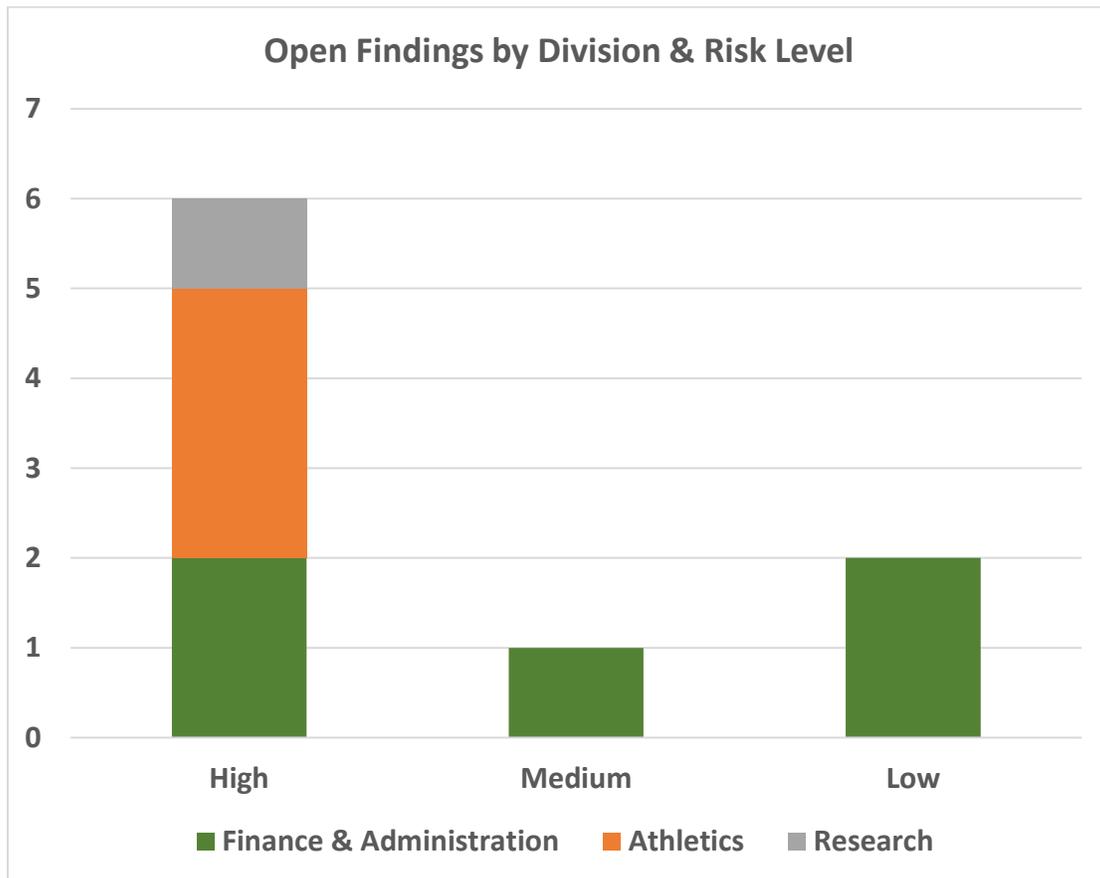


**WEBSITE  
DEVELOPMENT**

## 9 Open Audit Findings as of August 14, 2020

<span style="font-size: 2em; color: orange;">4</span> <u>Partially Corrected</u>	<span style="font-size: 2em; color: purple;">5</span> <u>Not Corrected</u> In Process
<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: flex-start;"> <span style="color: red; font-size: 1.5em; margin-right: 5px;">⚡</span> <div> <p><b>2018 Operational Audit Findings:</b> Intercollegiate Athletic Programs – Deficit Cash Balances</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <span style="color: red; font-size: 1.5em; margin-right: 5px;">⚡</span> <div> <p><b>2017-18 Cloud Security Governance Audit:</b> Disaster Recovery</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <span style="color: red; font-size: 1.5em; margin-right: 5px;">⚡</span> <div> <p><b>2017-18 Athletic Expense Review:</b> Failure to Attend Mandatory University Fiscal and Compliance Training</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <span style="color: yellow; font-size: 1.5em; margin-right: 5px;">⚠</span> <div> <p><b>2018-19 Risk Assessment:</b> IT Governance Committee</p> </div> </div> </div>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: flex-start;"> <span style="color: red; font-size: 1.5em; margin-right: 5px;">⚡</span> <div> <p><b>2018-19 Risk Assessment:</b> Emergency Preparedness</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <span style="color: red; font-size: 1.5em; margin-right: 5px;">⚡</span> <div> <p><b>2018-19 Risk Assessment:</b> Hazardous Lab Chemicals</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <span style="color: red; font-size: 1.5em; margin-right: 5px;">⚡</span> <div> <p><b>2018-19 Risk Assessment:</b> Bragg Stadium Safety &amp; Maintenance</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <span style="color: green; font-size: 1.5em; margin-right: 5px;">⚠</span> <div> <p><b>2019 Crowe Report:</b> Data Protection – Employee Removable Media</p> </div> </div> <div style="display: flex; align-items: flex-start;"> <span style="color: green; font-size: 1.5em; margin-right: 5px;">⚠</span> <div> <p><b>2019 CROWE Report:</b> Information Security – Policies and Procedures</p> </div> </div> </div>

Severity Risk Level    ⚡ High Risk    ⚠ Medium Risk    ⚠ Low Risk



# 9

## Findings Closed Since February 21, 2020 BOT Meeting

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

Severity Risk Level  High Risk  Medium Risk  Low Risk

## 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

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

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