

**Florida Agricultural and Mechanical University
Board of Trustees**



**Division of Audit and Compliance
2015-16 Risk Assessment and Internal Audit Plan**

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2015-16 Risk Assessment & Internal Audit Plan

Executive Summary

In developing the 2015-2016 Internal Audit Plan, we performed a university-wide internal audit risk assessment, a process that identified and analyzed risks facing Florida Agricultural and Mechanical University (FAMU). The risk assessment served as the primary basis for developing the 2015-2016 Internal Audit Plan. The objective of the risk assessment is to align internal audit resources to those processes that pose the highest risk to the University's ability to achieve its objectives. In addition, we considered fraud risk factors in the development of this Internal Audit Plan.

While completing this year's risk assessment, we conducted 16 interviews with certain members of the Executive Staff and members of FAMU's Board of Trustees related to the University's overall risk universe. Each interview was scheduled for approximately one hour, and each interviewee was asked to comment on the risks associated with FAMU's ability to execute its core objectives and risks specifically related to their span of control. Additionally, meetings with eight focus groups (45 participants) were held and a survey was distributed to focus group participants to solicit feedback on risks associated with significant processes, and to assist in ranking the overall risk of major processes in the different risk universe spheres.

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Risk Assessment Matrix Development Process

The development of the Risk Assessment Matrix is a three step process:

1. Determine the risk universe for FAMU
2. Determine the likelihood of occurrence having a material impact on the University
3. Risk definition – low, medium and high

Risk Universe

The risk universe was compiled using a standard risk universe for Universities and adjusting for operations applicable to FAMU. The adjustments to the risk universe were made from our knowledge and experience with the University’s operations, prior Internal Audit reports, and from discussions with Executive Staff and focus groups.

Likelihood of Material Impact of Occurrence

The risk related to each category was scored based on the likelihood of having a material impact on the University. Interviewees and survey recipients completed the risk ranking, where each risk was scored on an impact and likelihood scale. Guidance on risk ranking (listed below) was provided to survey recipients for measuring impact and likelihood on a 1-5 scale.

Likelihood

Score	Rating	Probability
5	Expected	>90%
4	Highly likely	≤ 90%
3	Likely	≤ 60%
2	Not likely	≤ 30%
1	Slight	≤ 10%

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Risk Impact

Score	Rating	Strategic		Operations	Compliance	Financial
5	Significant	Loss of confidence in all stakeholder* groups	Potential closing of University	Enterprise wide; inability to continue normal operations across entire University	Management indictments; Large-scale legal action; Regulatory sanctions	Financial impact greater than \$100M
4	High	Loss of confidence by 3 or more stakeholder* groups	2 or more changes in senior leadership; significant changes to University's strategic plan	Significant interruptions to University operations	Management challenges; Large legal liabilities; Regulatory fines	Financial impact of \$70M-\$100M
3	Moderate	Loss of confidence by 2 or more stakeholder* groups	1 or more changes in senior leadership; significant changes to University's operating plans and execution	Moderate interruptions to University operations	Management reviewed; Legal reserve established; Regulatory investigation	Financial impact of \$50-\$70M
2	Low	Loss of confidence limited to 1 stakeholder* group	Refinements or adjustments to University's operating plans and execution	Minor interruptions to University operations	Management unaffected; Minimal liabilities; Regulatory attention	Financial impact between \$100K - \$50M
1	Limited	Limited impact to 1 stakeholder* group	Limited adjustment necessary	Limited interruptions to University operations	Limited liabilities or Regulatory impact	Financial impact of less than \$100K

***Note: example stakeholder groups include students, faculty, Board of Governors, Board of Trustees, donors, alumni, SACS, USDOE, etc.**

Upon receipt of the surveys, we multiplied impact and likelihood and used that number to calculate overall risk, which was then grouped into risk categories of low, moderate and high.

Risk Definition

Low risk – FAMU has an unlikely probability of risks occurring that would have at least a material impact on the Company's ability to achieve its strategic objectives.

Moderate risk – FAMU has a medium probability of risks occurring that would have at least a material impact on the Company's ability to achieve its strategic objectives.

High risk – FAMU has an expected probability of risks occurring that would have at least a material impact on the Company's ability to achieve its strategic objectives.

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Risk Assessment Matrix

There are many definitions and categories of risk. Entities perceive risk based on the nature of their operations, the organization’s culture and other factors unique to them. Risk Management is broadly defined as a process designed to identify potential events that may affect the entity, and to manage risks to provide reasonable assurance regarding achievement of entity objectives. ¹

Every entity exists to realize value for its stakeholders. Value is created, preserved or eroded by management decisions in all aspects of an entity’s activities, from strategy setting to daily operations. Entities failing to recognize the risks they face, from external or internal sources, and to manage them effectively, can destroy value. An effective starting point for understanding risk is to take a look at all aspects of an entity’s activities.

The matrix below classifies and ranks FAMU’s risks according to the risk universe and scoring as discussed above. Additionally, prior year and planned internal audit coverage is noted in the table below. The Auditor General also performs annual financial statement and federal awards audits.

		Overall Ranking (Impact * Likelihood)	Planned Internal Audit Coverage		
			2015-16	2016-17	2017-18
<ul style="list-style-type: none"> ● Low: <10.0 ● Medium: 10.1 – 14.9 ● High: >15 					
Strategic Risks					
Governance					
1.01	Corporate Governance	16.18		X	
1.02	Leadership Effectiveness	14.02			
1.03	Control Environment/Internal Controls	13.51	X	X	X
1.04	Roles, Responsibility & Accountability	13.46			
1.05	Culture	16.92			X
Planning & Resource Allocation					
2.01	Strategic Planning & Direction	13.81			
2.02	Annual Budgeting & Forecasting	13.73			
2.03	IT Enablement & Process Automation	16.61			X
2.04	Alliances & Partnerships	11.26			
Strategic Initiatives					
3.01	Program Planning & Governance	13.44			
3.02	Program Execution & Monitoring	13.01			
3.03	Business Acceptance & Change Management	13.88			
Industry Dynamics					
4.01	Macro-economic Factors	10.36			
4.02	Regulatory Uncertainty / Government Advocacy	16.00			
4.03	Educational Standard / Preference Changes	12.46			
Communications					
5.01	Alumni Relations	14.09			
5.02	Community/Media Relations	15.01			

¹ Source: COSO Enterprise Risk Management – Integrated Framework, 2004 COSO

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	<ul style="list-style-type: none"> ● Low: <10.0 ● Medium: 10.1 – 14.9 ● High: >15 	Overall Ranking (Impact * Likelihood)	Planned Internal Audit Coverage		
			2015-16	2016-17	2017-18
5.03	Crisis Communication	14.72		X	
5.04	Faculty, Staff & Student Communication	13.09			
Operational Risks					
Academic Operations					
6.01	Curriculum Strategy & Development	12.60			
6.02	Faculty Recruiting & Retention Strategy	13.91			
6.03	Student Recruiting & Retention Strategy	17.49		X	
6.04	Tuition - Cost of Education	14.01		X	
6.05	Admission & Enrollment	16.14			
6.06	Financial Aid	15.93	X	X	X
6.07	Billings (tuition/services)	12.43			
6.08	Student Support Services	13.09			
Education Delivery					
7.01	Capacity Planning & Scheduling	11.47			
7.02	On-line Education & Support	13.10			
7.03	Licensing & Classroom Technology Support	12.41			
Contracts & Grants					
8.01	Contract Management	12.09		X	
8.02	Sponsor Funding	11.60			
8.03	Intellectual Property	8.86			
8.04	Clinical Trials Research Billing	9.63			
8.05	Research & Data Integrity	11.43		X	
Donor Management					
9.01	Fundraising/Development Infrastructure	12.67			
9.02	Donor Compliance / Intent	12.07			
9.03	Gifts & Donation Management	12.27			X
Supply Chain					
10.01	Vendor Management & Supplier Quality	10.80			X
10.02	Procurement & Supplier Rationalization	9.41			
People / Human Resources					
11.01	Human Capital Strategy / Planning	14.81			
11.02	Faculty & Staff Performance	15.00			X
11.03	Development & Training	15.58			
11.04	Succession Planning	16.30			
Information Technology					
12.01	IT Strategy & Planning	15.79			
12.02	IT Network Infrastructure & Architecture	17.36			
12.03	IT Availability	16.30	X		
12.04	Information Security	16.75		X	

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	<ul style="list-style-type: none"> ● Low: <10.0 ● Medium: 10.1 – 14.9 ● High: >15 	Overall Ranking (Impact * Likelihood)	Planned Internal Audit Coverage		
			2015-16	2016-17	2017-18
Environmental Health & Safety / Hazards					
13.01	Physical Security	14.95			
13.02	Public & Student Safety	15.36		X	
13.03	Lab Safety	13.64			X
13.04	Business Continuity Planning / Resiliency	12.86			
Physical Assets					
14.01	Real Estate Optimization	10.77			
14.02	Property, Plant & Equipment Optimization	13.27			
14.03	Construction Management	14.08	X	X	X
14.04	Facilities Management	13.51			
Compliance Risks					
Code of Conduct					
15.01	Ethics & Integrity	14.25			
15.02	Fraud / Asset Misappropriation	14.80			
15.03	Academic Misconduct	15.08			X
15.04	Conflict of Interest	14.48			
Legal & Regulatory					
16.01	Anti-corruption	12.96			
16.02	Research Compliance	11.96			
16.03	Labor Laws	11.91			
16.04	Sales Tax Compliance	10.28			
16.05	Athletic Programs & NCAA	16.91			X
16.06	HIPAA (Privacy & Security)	12.80		X	
16.07	FERPA	13.57			
16.08	Maintain 501(c)3 Tax-Exempt Status	12.67			
Finance Risks					
Accounting & Reporting					
17.01	Financial Accounting, Reporting and Disclosure	13.70			
17.02	Management Reporting & Business Intelligence	15.56	X	X	X
Liquidity & Credit					
18.01	Cash Planning & Management	13.82			X
18.02	Credit & Collections	14.74			
18.03	Investment Strategy & Management	17.60			
18.04	Funding & Refinancing	13.01			
18.05	Debt Structure & Management	14.37			
18.06	Bond Compliance	14.36			
18.07	Pension Fund Liability	13.53			
Risk Management					
19.01	Insurance Coverage & Optimization	14.59			

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Risk Themes

Listed below is a summary of risks consistently cited by interviewees and survey recipients during this year's Risk Assessment. These are summarized here to provide the Audit Committee and management with areas represented to the Division of Audit & Compliance to be "top of mind" for key executives and managers within the organization.

► Governance

An area noted during our Risk Assessment interview process was that while the University has policies and procedures in place, oftentimes certain areas or departments are not following these policies. Failure to follow policies and procedures increases the University's risk in all risk categories, and affect the ability to safeguard resources and deliver education services. An additional concern is lack of a process for adopting, reviewing, and changing University policies, which increases the risk that policies are not updated to meet changes in the environment.

Internal audit coverage – Policies and procedures reviews (conducted as part of each audit and in investigations); Review of process for adopting, reviewing and changing policies (2015-16); assessing ethics-related programs and activities (2016-17); assessing adequacy of risk management (2017-18)

► Funding

Diminishing funding from the State and a continued soft economy is a high risk for the University. Decreased government funding results in increased dependence on tuition and donations in a current state where enrollment is flat and tuition increases are not likely to be approved. The University is continuing to recover from the previous SACS probation. Although the University is no longer on probation, the University has continued to have several flow-down effects: there is an adverse effect on faculty and student morale; and enrollment has decreased from prior levels and flattened. Reductions in Federal funding for student financial aid (i.e., PELL grants for summer terms) provides continued concern for students' ability to obtain financial aid (as approximately 90% of the student body is on some sort of financial aid).

Donor relations and donor management also were cited as a risk to the University. Capital campaigns are challenging given the recent low rankings from the performance funding metrics and continued media scrutiny surrounding the University.

Continued funding from the State relies on meeting certain metrics, including retention, graduation rates, and employment after graduation. The Board of Governors has mandated that it receive assurance that the process for submitting data related to performance funding metrics is reliable. Additionally, Florida Statute 1009.286 was recently passed, which requires a student to be responsible for 100% of course costs if the student exceeds 110% of the required credit hours to obtain a degree.

Internal audit coverage – Process review for performance based funding metrics (2015-16, 2016-17, and 2017-18); Assessment of Compliance with Florida Statute 1009.286 (2016-17); and FAMU Foundation process review (2017-18)

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► Student Recruitment and Retention

A main goal of the University is the ability to recruit the best and the brightest students. Historically, the University has enrolled a mix of “access opportunity” students (i.e., students who do not meet all requirements for admission to the University). Although the number of “access opportunity” students admitted in the last two years has been reduced from prior years, the mix of “access opportunity” students admitted continues to have an impact on graduation rates (on average 6 years) and progression rates. This will continue to affect the University’s ability to meet the requirements for performance-based funding metrics, if support services are not provided. The University has implemented an initiative to reduce the number of access opportunity students accepted; however, the University will need to invest money and resources to continue this initiative and to increase the number of students who apply for admission. Additionally, money and resources will need to be invested to provide the support services to retain students, such as academic advisement, tracking system, amended academic policies, career development, transition programs, counseling, and classroom technology support.

Internal audit coverage – Student Recruitment and Retention process assessment (2016-17)

► Financial Aid

Risk Assessment interviewees and survey respondents consistently noted the management of financial aid funds (including administering to students and return of funds to the government) as a high risk area for the University. If financial aid is not administered according to federal regulations, penalties and fines could occur. Additionally, if FAMU fails to administer financial aid to students in a timely manner, this could adversely affect student recruitment and retention.

It was also noted that the University’s IT systems are not used to their full functionality, and financial aid processes were noted as being more manual than necessary.

An Associate Vice President and two debt counselors have been hired to address some of the high risk areas. Enhancements to financial aid processes in the past year have included satisfactory academic progress appeal, exit counseling, and official and unofficial withdrawals.

Internal audit coverage – Financial aid process review (2015-16); student eligibility review (2016-17); Review compliance with Return to Title IV provisions (2017-18)

► Athletics & NCAA Compliance

One high compliance risk noted by Risk Assessment participants was the potential for a major NCAA or Title IX infraction. The University is required to have a certain number of players eligible to field a team. During 2013-14 and 2014-15, the NCAA imposed penalties on some athletic teams as a result of a low academic progress rate. An NCAA investigation disclosed some violations and additional penalties could be imposed. Additionally, there is elevated media scrutiny around college athletics, and an infraction could potentially cause increased reputational risk for FAMU.

Another risk related to the athletic department is lack of funding and the operating deficit. The athletic department has operated with a minimal compliance staff, increasing the risk that noncompliance could occur. Much of the department’s funding comes from the athletic fees assessed to students; consequently

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the flat enrollment increases the risk that the Athletic department's revenues will continue to be less than expenses.

Internal audit coverage – Follow-up on certain financial and operational Athletic department processes (2015-16); Liaison in responding to NCAA investigative report (2015-16); audit of athletic department cash collections (2016-17); review of compliance with NCAA regulations (2017-18)

► **Human Resources**

Human Resources provides the systems, tools, and processes for managers to perform their day-to-day responsibilities and operations. During the Risk Assessment, several respondents noted the University administration continues to face organizational challenges in recruiting and retaining talented faculty and staff. Respondents noted that faculty salaries are low compared to other state universities and rank as one of the lowest in the State of Florida. Additional risks to the University included retaining institutional knowledge, inadequate performance evaluation process, and background checks not being timely performed. Respondents also mentioned that certain areas lacked either enough resources or lacked qualified resources to effectively carry out University objectives.

Several respondents also indicated that formal succession planning is not consistently performed by the University administration, which could result in loss of institutional knowledge when individuals leave the University.

Human Resources is currently redesigning the University's position classification system to ensure that staff positions are appropriately classified. The new staff classification system will assist managers with making fiscally responsible decisions when it comes to making compensation and promotion decisions.

Internal audit coverage – assessing privacy risks (2015-16); assess performance evaluation process (2017-18)

► **Information Technology (IT)**

Almost all Risk Assessment participants noted some aspect of IT as a high risk for the University. A theme consistently mentioned was that the University's ERP System (PeopleSoft) is not configured to provide maximum system functionality. One root cause of this issue noted is that there is no IT Governance Committee in place to make long term strategic decisions regarding selecting and prioritizing the development of functionality that should exist in the system. Several respondents noted that manual processes are required to supplement and/or be used in place of processes that could be automated (including systemic approvals, reconciliations, segregation of duties controls, etc.).

The growing cost of IT is also a high risk for the University. During the Risk Assessment, individuals noted it is difficult to meet salary demands of rising IT professionals, and also difficult to retain the talent needed to maintain the University systems. Maintaining the resources the University has spent time to train, specifically with particular applications (PeopleSoft), is a challenge that creates further risk. The Network Operations Closet (NOC) air conditioning system needs to be replaced. It does not have sufficient cooling and there is a risk it could go down for an extended period of time.

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The establishment of a disaster recovery plan is important for the University to reduce the likelihood of interrupted operations. The University currently does not have a comprehensive and formalized disaster recovery plan; however, the applications that run on the PeopleSoft system are hosted by a third party, Cedar Creststone, which has a disaster recovery plan and could recover PeopleSoft data. However, the University uses several other IT applications that do not have formal disaster recovery plans and which could cause significant interruptions if not easily recoverable.

Data breaches and inadequate access controls continue to be a concern. A University-wide procedure that would require supervisors to verify access to data within their area of responsibility is being developed.

Finally, online classes are in the early stages of development at the University. This is a large revenue opportunity for the University, and it will be important to have the system infrastructure to be able to effectively offer courses via this platform. The University has migrated several IT systems (irattler/peopleSoft, Blackboard, email, legacy student system, and website infrastructure) to the cloud and other third party managed hosted systems.

Internal audit coverage – Information Technology access controls assessment (2015-16), IT security controls assessment (2015-16); Disaster Recovery Assessment (2016-17); IT Automated Controls Assessment (2017-18)

► **Physical Security / Public and Student Safety**

Physical security and public/student safety was noted as a high risk at the University. During the Risk Assessment, respondents noted that funding is not adequate to secure the campus and upgrades should be made to more fully secure the campus and its buildings. While a rogue student or person on campus can always pose a risk, the University has implemented measures to reduce the impact, including ensuring that the security cameras are operational, installing additional cameras, increasing lighting, officers walking the campus and buildings to show a physical presence, increasing training hours for staff, evaluating firearms training, use of an emergency notification system, and purchase of equipment. The Department of Public Safety received State accreditation during the year and is seeking accreditation from a national agency as evidence that its processes and procedures meet appropriate standards of operation. Other security measures being considered include fencing off parts of campus in which the crime is the highest, equipment and technological updates, and adding building access security.

Several respondents indicated appropriate controls and processes to ensure safety in university laboratories need improvement, which increases the risk that students and staff could be injured.

Internal audit coverage – Review Clery Act reporting (2016-17); Assessment of Laboratory safety controls (2017-18)

► **Media Relations and Crisis Communication**

Due to the recent events, the University has had extensive media coverage over the past few years. Publishing inaccurate information and creating a negative image of the University is a high risk for the University. As previously mentioned, this could also lead to an adverse impact on fundraising, retention, and enrollment.

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When a crisis occurs related to FAMU, the University could be unfavorably affected if the crisis is not addressed with a swift, formal action plan, including clearly defined roles and responsibilities. Crisis management and emergency management teams have been established to respond to events that could affect the University's image and brand. Respondents indicated crisis communications have not been timely and accurately reaching faculty, staff, and students. All stakeholders of the University should be considered in crisis communications – students, faculty, staff, alumni, community, and the media.

Improvements in university communications have included implementation of a quality control review of publications and a style manual to provide uniformity in university publications.

Internal audit coverage – Crisis communication plan development advisory project (2016-17)

► **Procurement and Accounts Payable**

Risk assessment participants noted that the procurement function (including vendor management and accounts payables) is a risk to FAMU.

Interviewees noted that the procurement process is slow and often takes longer than expected to generate purchase orders. This was noted as especially affecting the area of research and grants, as many grants are on a restricted timeline for using funds. This area in particular has had to create system work-arounds to procure goods/services. System work-arounds create elevated risk for the University in the areas of following policies and procedures, potential for fraud, and other downstream inefficiencies.

Respondents also noted that certain vendors are hesitant to work with FAMU as timely payment is not consistent. Limited ability to work with preferred vendors could affect performance of the University and its ability to meet key objectives.

Internal audit coverage – Accounts Payable review (2015-16); Contracts and Grants review (2016-17); Research Compliance assessment (2016-17); Vendor performance management review (2017-18)

► **Construction Management**

The University has two major construction projects in process. A new procedures manual has been developed for management of construction projects, but has not been used long enough to determine its effectiveness. In addition there has been significant turnover in the Facilities Planning and Construction department.

Internal audit coverage – Audit construction project (2015-16); (2016-17); (2017-18)

► **Budgeting and Cash Management**

Flattening enrollment, uncertainty around donations and state funding, and flattening of tuition increases have caused an uncertainty in the level of funding the University will receive in coming years. As such, participants noted that budget planning at the University has become a challenge. Having a solid budget process in place allows the University to more appropriately allocate resources. The University is in the process of reviewing and revising its budget process to provide a structure to ensure that resources are allocated to those programs and activities that further the University's goals and are priorities.

The University collects cash at sites other than the central cashier's office. The decentralization of cash collections increases the risk of misappropriation of assets.

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Internal audit coverage – Decentralized cash collections (2015-16, 2016-17, and 2017-18); Cash forecasting and budget review (2017-18)

▶ **Regulatory and Compliance**

The University's compliance function is decentralized. Compliance officers for the various compliance activities oversee compliance in their area of responsibility, such as NCAA, Title IX, ethics, research, Equal Employment Opportunity, ADA, Family Medical Leave Act, and SACS, but there is no on-going coordinating and monitoring of the day-to-day compliance activities. Risk for noncompliance is increased without appropriate coordination and on-going oversight.

Internal audit coverage – Management service project to implement proposed BOG regulation concerning compliance function (2015-16); assess compliance with Family Medical Leave Act (2016-17)

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Project Description	Proposed Internal Audit Plan Risk Category/Risk Area	Coverage for Fiscal Year		
		2015-16	2016-17	2017-18
Governance				
Policies & procedures review	Control Environment	400		
Policy adoption, review, and change review	Corporate governance		X	
Review adequacy of risk management	Culture			X
Financial				
Accounts payable review	Accounting and reporting	400		
Decentralized cash collections	Accounting and reporting	300	X	X
Cash forecasting & budget review	Accounting and reporting			X
Compliance				
Review privacy risks	Legal & regulatory	300		
Review compliance with NCAA rules	Legal & regulatory			X
Review compliance with FMLA	Legal & regulatory		X	
Operational				
Financial aid process review	Academic operations	350		
Financial aid student eligibility review	Academic operations		X	
Financial aid return to title IV compliance	Academic operations			X
IT - Access controls review	Information Technology	400		
IT - Security controls review	Information Technology	400		
IT - Disaster Recovery Plan review	Information Technology		X	
IT - Review Automation/use of PeopleSoft	Information Technology			X
Construction management review	Physical assets	300	X	X
Review laboratory safety controls	Environmental Health & Safety			X
Review Title IX/Clery Act reporting	Environmental Health & Safety		X	
Review compliance with 1009.286, FS	Academic operations		X	
FAMU Foundation Process review	Donor Management			X
Contracts & grants compliance review	Contracts & Grants		X	
Research compliance review	Contracts & Grants		X	
Vendor performance management	Supply chain			X
Assess student recruitment & retention	Academic operations		X	
Review performance evaluation process	People/Human Resources			X

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Performance based funding metrics	Control environment/internal controls	1,500	X	X
Total Hours Audits & assurance		4,350		
Management Advisory Services				
Implementation of compliance function	Compliance/Legal & regulatory	400		
Crisis communication plan development	Strategic/communications		X	
Management requests		700	X	X
Total Management Services		1,100		
Follow Ups And Investigations				
Follow up athletic department processes		250		
Follow up of audit findings		250	X	X
Investigations		3,305		
Total Follow up and investigation		3,805		
Internal Audit Administration				
Training		320		
Administration		4,800		
Leave		520		
Total internal Audit Administration		5,640		
Total All Hours		14,895		

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Risk Assessment Process

In preparation for the risk assessment interviews, the team researched FAMU and its industry risks by utilizing experiences from FAMU and other university internal audits. Based on the research performed, the team members discussed the views of risk facing FAMU and reviewed a listing of projects performed by the Division during the year.

The team then solicited feedback on the relevant risk points and potential projects during the risk assessment interview process. The interviews are an integral part of the risk assessment process, as the Division brings internal audit experience and FAMU management expertise on the risks facing the University.

In addition, we met with focus groups and distributed an automated risk assessment survey to the next level of FAMU administrators, soliciting their confidential input on risks facing the organization. The result of this process is a comprehensive view of the important risks at FAMU and an audit plan responsive to those risks.

Interviewee Listing

In conducting the University risk assessment, we interviewed fifteen individuals across the organization in key financial, operational, strategic and compliance functions. Each interview was scheduled for one hour.

Interviewees were asked to specifically consider and comment on the following items:

- ▶ The scope of their responsibilities
- ▶ Inherent risk in their functional area
- ▶ Their view of risks related to the processes in their area of responsibility
- ▶ Their view on overall risk to the University
- ▶ Their view of fraud risk for the University

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Interview Listing *(continuation)*

The following members of FAMU’s Board of Trustees, Executive Staff, and other members of Administration were interviewed:

Name	Title
Trustee Rufus Montgomery	Chairman, Board of Trustees
Trustee Karl E. White	Chairman, Audit Committee, Board of Trustees
Elmira Mangum	President
Dale Cassidy	Vice President for Finance and Administration
Terence Calloway	Chief of Police/Director of Public Safety
Marcella David	Provost & Vice President for Academic Affairs
Funmi Ojetayo, Esq	Special Assistant and Counsel to the President
George Cotton Sr.	Vice President, University Advancement/Executive Director of FAMU Foundation (i)
Earl D’Wayne Robinson	Interim Athletic Director
Dr. William E. Hudson, Jr.	Vice President for Student Affairs
David Cantrell	Associate Vice President and Chief Information Officer (ii)
Avery D. McKnight, Esq.	Vice President and General Counsel
Timothy Moore	Vice President for Research
Jimmy Miller	Vice President for Communications and External Relations
Joyce Ingram	Assistant Vice President and Chief Human Resources Officer
Wanda Ford	Executive Director of Title III Programs

- (i) Since George Cotton Sr., was hired by FAMU on July 1, 2015, Angela Poole, former Interim Vice President for University Advancement/Executive Director of FAMU Foundation, also participated in the risk assessment interview for the University Advancement/FAMU Foundation area.
- (ii) Since David Cantrell was hired by FAMU on June 8, 2015, Michael James, former Interim Associate Vice President and Chief Information Officer, also participated in the risk assessment interview for the Enterprise Information Technology (EIT) area.

In addition, we distributed the risk assessment survey to the next level of FAMU administration (focus groups) soliciting their confidential input on risks facing the University.

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An Overview of Surveys Received

RISK ASSESSMENT FOCUS GROUP PARTICIPATION	
Group	Participants
Academic	5
Audit	6
Compliance	9
Finance	8
Financial Aid	3
Information Technology	6
Registrar	4
Research	4
TOTAL	45

Risk Assessment Survey Overview of Surveys Used in Risk Matrix		
	# of Total Surveys Received	% of Total Surveys Received
Leadership (Board of Trustees and Senior Management)	9	25%
Middle Management	27	75%
Total	36	100%