

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

**Audit, Risk, and Compliance Committee Meeting**  
**Wednesday, December 4, 2024**  
**3:15 p.m.**

**Committee Members:** Michael White, Chair  
Otis Cliatt, II; John Crossman (Vice Chair); Natlie G. Figgers; Kristin Harper;  
Loryn May; Belvin Perry

**AGENDA**

- |     |               |                       |
|-----|---------------|-----------------------|
| I.  | Call to Order | Trustee Michael White |
| II. | Roll Call     | Ms. Debra Barrington  |

**ACTION ITEMS**

- |      |   |                |
|------|---|----------------|
| III. | Minutes: Consideration of Approval – September 11, 2024 | Trustee White  |
| IV.  | Risk Appetite Statement                                 | D. Melton      |
| V.   | Internal Controls & ERM Policy Update                   | D. Melton      |
| VI.  | Division of Audit Workplan Update                       | J. Maleszewski |

**INFORMATIONAL ITEMS**

- |   |                          |
|---|--------------------------|
| Office of Compliance and Ethics:                | R. Calhoun               |
| VII. Office of Compliance and Ethics Update     |                          |
| Office of Enterprise Risk Management            | D. Melton                |
| VIII. Gift Report Corrective Action Plan Update |                          |
| IX. Office of Enterprise Risk Management Update |                          |
| Division of Audit:                              | J. Maleszewski/T. Wright |
| X. Division of Audit Updates                    |                          |
| a. Audit and Investigative Follow-up            |                          |
| b. Internal and External Audit Update           |                          |
| c. Division Updates                             |                          |
| XI. Adjournment                                 |                          |

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



**Audit & Compliance Committee Meeting  
Chair White  
Wednesday, September 11, 2024  
3:30 PM**

**Committee Minutes**

**Committee Members:** Trustee White (Chair)  
Crossman (Vice-Chair)  
Trustee Kristin Harper  
Trustee Otis Cliatt, II  
Trustee Natalie G. Figgers  
Trustee Loryn May  
Trustee Belvin Perry, Jr.

Chair White called the meeting to order. The roll was called, and a quorum was established.

Chair White acknowledged five (5) action items:

1. Consideration of Approval for the May 28, 2024, Minutes;
2. Audit and Compliance Committee, Division of Audit, and ERM Charter Updates;
3. Post Tenure Review Audit;
4. OCE Annual Report and Program Plan; and
5. Update University Regulation 5.005 Freedom of Expression and Assembly Rights and Responsibilities.

**The first action item** – The first action item was approval of our May 28, 2024, meeting minutes. Chair White asked for a motion. The minutes were moved by Trustee Cliatt and seconded by Trustee Figgers. The motion carried and the May 28, 2024, minutes were approved.

**The second action item** – The second action item was consideration of approval for the Audit and Compliance Committee, Division of Audit, and Enterprise Risk Management (ERM) Charter Updates. Chair White asked VP Joseph Maleszewski and Deputy COO/CRO Deidre Melton to present the documents which were included in the meeting materials. VP Maleszewski took a point of privilege and introduced the new Audit Director Trystal Wright. He then presented the updates to the charter documents noting the removal from the Division of Audit Charter of any ERM information so that a separate ERM charter could be created. This specific change resulted from a movement to the ERM function from the Division of Audit to the Chief Operating Officer. The other driver for updates to the Division of Audit Charter were updates to the professional audit standards which go into effect January 2025 and which are more explicit about the board and senior management's role in governance of the audit function. Regarding the Audit and Compliance Committee Charter, VP Maleszewski explained that this Charter is incorporated into the Board of Trustee's Operating Procedures as Appendix "A" and includes related language updates to Section 4.2.2 of the Operating Procedures. The updates provide clarifying language about the risk oversight role of the Audit and Compliance

Committee renaming it to the Audit, Risk, and Compliance Committee. The revised language makes the Committee's responsibilities for review and approval of ERM plans, risk portfolio, risk appetite, annual report and ERM work products more clearly explicit.

Chair White called for a motion to approve the Audit and Compliance Committee, Division of Audit, and ERM Charter Updates. Chair Harper moved approval. Trustee Cliatt seconded the motion. The motion carried.

**The third action item** – The third action item was consideration of approval for the Post Tenure Review Audit. VP Maleszewski explained that this BOG-required audit was due to the BOG by June 30, 2024, and FAMU submitted the audit as required on June 21, 2024. The same BOG regulation (10.003) requires that the BOT take up the audit at their next regularly scheduled meeting. Trystal Wright presented the audit results which concluded that FAMU had complied with the BOG post tenure review requirements. There were several recommendations made to improve processes. The Provost agreed to related corrective actions which will be implemented prior to the December Committee meeting. BOG regulation requires that the Post Tenure Review Audit be performed every three years. Trustees asked about the number of faculty reviewed and their ratings. General information was provided. Chair White called for a motion to approve the Post Tenure Review Audit. Trustee May moved approval. Trustee Cliatt seconded the motion. The motion carried.

Chair White asked that we take up the fifth action item next.

**The fifth action item** – The fifth action item was consideration of approval for updates to University Regulation 5.005 Freedom of Expression and Assembly Rights and Responsibilities. Chief Compliance and Ethics Officer Calhoun provided information explaining that a comprehensive review was undertaken and that the revised language clarifies and streamlines the regulation. Language changes expanded the definition of what expressive activities are including guidance around time, place, and manner restrictions. The regulation also provides guidelines around police involvement, intervention, and disruptive activities. Trustees asked questions which were responded to by CCEO Calhoun and VP Hudson. Chair White called for a motion to approve. Trustee May moved to approve. Trustee Cliatt seconded the motion. The motion carried and moves forward for full board consideration.

Chair White then directed us to return to the fourth action item.

**The fourth action item** – The fourth action item was consideration of approval for the Office of Compliance and Ethics Annual Report and Program Plan. Chief Compliance and Ethics Officer Calhoun and Chief Privacy Officer Baker presented the annual report and program plan for committee consideration. The presentation highlighted FAMU Fundamental, Compliance and Ethics observations, Investigations, and Privacy initiatives. They then discussed compliance reviews and focused on strengthening risk-based compliance and oversight activities. Chair White asked for a motion to approve the Office of Compliance and Ethics Annual Report and Program Plan. Trustee May moved approval. Trustee Figgers seconded the motion. The motion carried and the annual report and program plan were approved.

Chair White called for Chief Compliance and Ethics Officer Calhoun to present any informational items. Calhoun clarified that informational items were covered during the presentation of the annual report and program plan.

Chair White asked for VP Maleszewski and Deputy COO/CRO Melton to present the following informational items - Division of Audit Annual Report, Audit and Investigative Follow-up, External Audit Updates, ERM Update, and Division of Audit Update. Importantly, there was an update on investigations and close out of older work products. Trustees asked about the causes for longer investigations and processes for closing out these older projects. Deputy COO/CRO Melton presented the Gift Report corrective action plan and the ERM annual report.

Chair White had to leave early and turned the meeting over to Trustee Figgers to conclude.

The informational items were presented from the meeting materials and supported by a PowerPoint presentation. There was robust discussion on the action items to provide board members with a clear understanding on the materials presented and the status of related DoA and ERM work.

**Adjournment** – Trustee Figgers adjourned the Audit and Compliance Committee Meeting as there was no further business before the committee.



# Risk Appetite Statement

December 5, 2024



## Executive Summary

Florida A&M University (FAMU) is an 1890 land-grant institution dedicated to advancing knowledge, resolving complex issues, and empowering citizens and communities. FAMU is a public, historically Black university located in Tallahassee, Florida, enrolling nearly 10,000 students from across the United States and more than 70 countries worldwide. In an ever-evolving landscape of challenges and opportunities, our university recognizes the critical importance of a well-defined Risk Appetite Statement. This document serves as the bedrock of our risk management framework, guiding our institution towards its strategic goals while ensuring prudent risk-taking and safeguarding our stakeholders' interests.

The Risk Appetite Statement, as a foundational component of our risk management strategy, plays a pivotal role in achieving several key objectives:

1. **Clarity in Decision-Making:** It provides a clear framework for assessing and managing risk, ensuring that decision makers across all university functions have the guidance needed to confidently make decisions that align with our overall risk tolerance.
2. **Enhanced Accountability:** By clearly outlining roles and responsibilities for risk, the statement establishes accountability at all levels of our organization, promoting a culture of risk awareness and ownership.

Our Risk Appetite Statement delineates roles and responsibilities across the university. Leadership is tasked with setting the tone by articulating the institution's risk appetite. Managers, faculty, and staff are empowered to assess and manage risk within their respective areas, fostering a collaborative approach to risk management that spans the entire organization.

Leadership has diligently defined risk appetite in alignment with our core operational areas and strategic plan themes and enablers. This articulation of risk thresholds enables us to:

1. **Optimize Strategic Planning:** By identifying acceptable levels of risk in key strategic areas, we strike a balance between innovation and stability, guiding the development and execution of our strategic plan with greater precision.
2. **Achieve Operational Excellence:** In core operational areas, our risk appetite statement ensures that we proactively manage risk to maintain operational excellence, protect our resources, and deliver on our commitments.
3. **Safeguard Our Mission:** By setting clear boundaries for risk-taking, we safeguard our university's mission, ensuring that it remains resilient and sustainable even in the face of uncertainty.

In conclusion, FAMU's Risk Appetite Statement is more than a mere document; it is a blueprint for achieving our strategic goals, an instrument for accountability, and a reflection of our commitment to responsible risk management. It underscores our unwavering dedication to the welfare of our institution and the community it serves.

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## Introduction

### What is Risk Appetite?

Risk appetite applies to the management of existing activities, as well as the University seeking out new opportunities. The Board of Trustees, management, faculty and staff members are responsible to continually review what the University does, to investigate new opportunities, and to take account of individual risks in decision-making.

The Risk Appetite Statement summarizes the University's tolerance for risk in a range of activities undertaken. For example, the University's tolerance for risk of significant breaches of the FAMU Code of Conduct is low. Therefore, a **RISK AVERSE** appetite has been identified regarding intentional and material breaches of FAMU Values and Code of Conduct. On the other hand, tolerance for risk in attracting additional revenue streams and resources for priority areas is classified as **OPPORTUNITY SEEKING**. All the activities undertaken by the University can be classified in terms of risk appetite. While the statement will not cover every risk area or decision, it sets out the most significant types of risks to strategic and performance goals that the University is exposed to and outlines the level of risk the University is willing to accept for each risk category.

### Objectives of Risk Appetite

The Risk Appetite Statement is a written articulation of the University's risk appetite to guide management and staff members in their daily roles. It serves to:

- Define the risk profile of the University;
- Establish a consistent view of the risk parameters the University operates in;
- Establish boundaries for risk categories to determine whether further risk responses are required or where the University is willing to take on risk in efforts to achieve certain goals and objectives; and
- Guide decision-making, particularly to be allocated in response to the level of risk which is considered 'acceptable and justifiable.' In this regard the Risk Appetite Statement with respect to the extent to which resources are required is intended to operate as a trigger for decision making, escalation and reporting.

When reading a Risk Appetite Statement, it is important to note:

- It is not a substitute for, but an adjunct to FAMU's risk management framework and is intended to be consistent with the organizations overarching approach to risk management;
- Is intentionally broad to apply across the University while remaining relevant in changing business conditions; and
- The Risk Appetite Statement is dynamic and will be reviewed on annually in conjunction with the University's strategic planning cycle.



## Risk Appetite Statement

Overall, in order to achieve its objectives, FAMU recognizes that it is not possible, or necessarily desirable, to eliminate all of the risks which arise throughout the University's inherent operations and the actions it implements to achieve its strategic goals and objectives. Acceptance of some risk is often necessary to foster growth, innovation, competitiveness and efficient business practices. FAMU established Risk Levels, Risk Categories and associated Risk Appetites are listed below:

### Risk Level Definitions

The definitions for interpreting Risk Appetite Statement in perspective of Leadership Core Positions, Strategic Plan Themes, and Strategic Enablers are detailed below.

<u>RISK LEVEL</u>	<u>Risk Definition</u>
<b>RISK AVERSE</b>	Accepts as little risk as possible. Not willing to accept any negative impact beyond Core Position to pursue objectives.
<b>RISK CONCERNED</b>	Cautious approach to risk taking. Willing to accept a small negative impact to pursue objectives.
<b>RISK NEUTRAL</b>	Potential negative impacts and accomplishment of objectives are given equal consideration.
<b>RISK TOLERANT</b>	Greater than normal risks are tolerated. Willing to accept some negative impact to pursue objectives.
<b>OPPORTUNITY SEEKING</b>	Willing for risks to be taken even if there is high uncertainty in order to gain highly valued reward. Focus is on achieving the reward but with due consideration of Core Positions. The expectation is still to make decisions that comply with all laws, rules, regulations, policies and procedures that govern the University.

## Leadership Core Positions

University leadership has taken a position on the amount of risk it is willing to accept in relation to identified principles. Management decisions causing out-of-tolerance conditions must be referred to the Senior Leadership Team for consideration and action.

Category	Principle Statement The University....
REPUTATION	<ul style="list-style-type: none"> <li>Recognizes that reputation is critical to our brand and market positioning and is <b>RISK AVERSE</b> regarding any of its activities that puts our reputation and ‘social license to operate’ in jeopardy; or could lead to loss of confidence by key stakeholders.</li> </ul>
GOVERNANCE, LEGAL & COMPLIANCE	<ul style="list-style-type: none"> <li>Is <b>RISK AVERSE</b> regarding intentional and material breaches of laws, regulation, statutes, policies, and professional standards.</li> <li>Is <b>RISK AVERSE</b> regarding criminal breaches, fraud and corruption, misuse of office, or similar related activities.</li> <li>Is <b>RISK AVERSE</b> regarding risks relating to actions that may put accreditations and/or standards of operations in jeopardy.</li> <li>Is <b>RISK AVERSE</b> regarding actions or perceptions that portray the institution as partisan, political, or favoring a candidate that would put our neutral standing in peril.</li> </ul>
FAMU VALUES	<ul style="list-style-type: none"> <li>Is <b>RISK AVERSE</b> regarding intentional and material breaches of FAMU Values and Code of Conduct.</li> <li>Is <b>RISK AVERSE</b> regarding unlawful discrimination based on protected classes.</li> <li>Is <b>RISK AVERSE</b> regarding violence, sexual misconduct, harassment, bullying, hazing, and any other inappropriate behavior and activities that puts our culture of “Excellence with Caring” in jeopardy.</li> </ul>
HEALTH AND SAFETY	<ul style="list-style-type: none"> <li>Is <b>RISK AVERSE</b> regarding safety management standards or practices that put the health and safety of our employees, students and visitors at risk.</li> </ul>
FINANCIAL STABILITY	<ul style="list-style-type: none"> <li>Is <b>RISK AVERSE</b> regarding pursuing any strategy that puts at risk the financial sustainability of the University over the medium to long term.</li> <li>Is <b>RISK AVERSE</b> regarding any strategy or activity that would negatively impact the University’s Performance-Based Funding metrics.</li> <li>Is <b>RISK CONCERNED</b> regarding allocating existing resources to support activities that are not included in our current strategic plan priorities and goals.</li> <li>Is <b>RISK CONCERNED</b> regarding application of capital that is not planned and executed in a sustainable and prudent manner.</li> </ul>
CRITICAL OPERATIONS	<ul style="list-style-type: none"> <li>Is <b>RISK AVERSE</b> for significant operational disruptions to critical student support and administrative operational and functions.</li> <li>Is <b>RISK AVERSE</b> for irrecoverable delays in teaching &amp; learning activities resulting in semester deliverables not being achieved and/or widespread student dissatisfaction due to unfavorable changes as a result of the disruption.</li> <li>Is <b>RISK CONCERNED</b> for significant loss to research including research resources, outcomes (actual or potential) and time.</li> </ul>

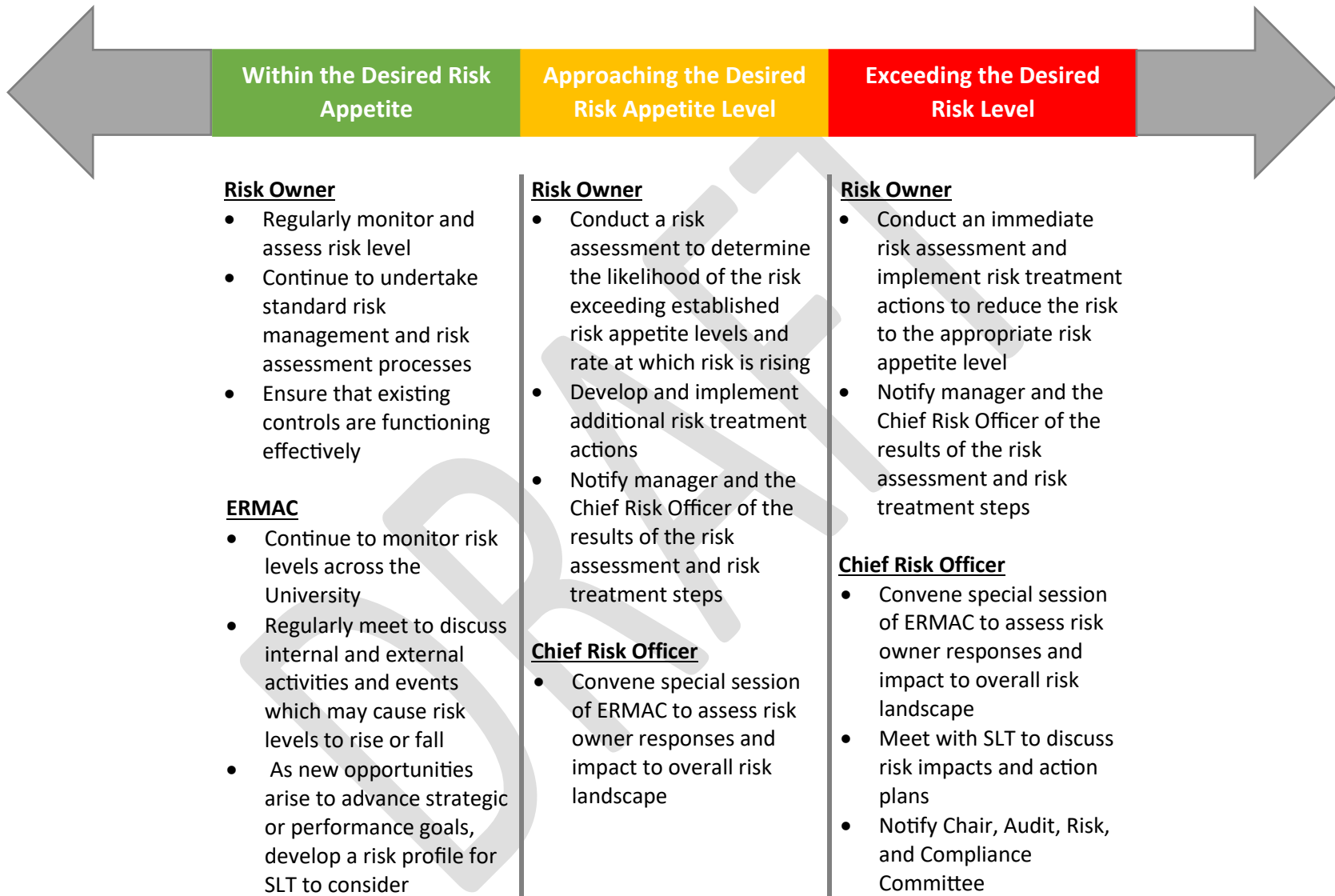
## Strategic Plan Themes & Strategic Enablers

University leadership has taken a position on the amount of risk it is willing to accept in relation to its strategic plan themes and strategic enablers that support the overall strategic plan. The following statements serve as guidance for making risk-based decisions.

Category	Principle Statement The University....
<b>STUDENT SUCCESS</b>	<ul style="list-style-type: none"> <li>• Is <b>OPPORTUNITY SEEKING</b> toward activities and processes that elevate student success outcomes to the high excellence range among state and national scales.</li> <li>• Is <b>RISK CONCERNED</b> for activities that would negatively impact FAMU’s drive to become the 1st Choice Destination among scholars.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> towards reimagining and aligning academic offerings to address emerging workforce demands and increased degree production in programs of strategic emphasis.</li> </ul>
<b>ACADEMIC SUCCESS</b>	<ul style="list-style-type: none"> <li>• Is <b>OPPORTUNITY SEEKING</b> with regards to pursuing pathways that position FAMU on a trajectory to become a Carnegie R1 institution.</li> <li>• Is <b>RISK TOLERANT</b> to implementing activities and processes which nurture the professional development of faculty and staff across the career span and across disciplines to create a culture of sustainable excellence.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> towards positioning FAMU as a world-class leader in healthcare education, research, and service.</li> </ul>
<b>LEVERAGE THE BRAND</b>	<ul style="list-style-type: none"> <li>• Is <b>OPPORTUNITY SEEKING</b> toward fostering a university-wide customer-centric culture to support academic and operational excellence.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> towards activities that would increase the University’s standing as an internationally recognized leader in academic, research, and cultural institution.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> towards activities that cultivate and diversify the network of advocates and supporters to advance the university’s mission and strategic priorities.</li> </ul>
<b>LONG-TERM FISCAL HEALTH AND SUSTAINABILITY</b>	<ul style="list-style-type: none"> <li>• Is <b>RISK AVERSE</b> toward implementing a planning and budgeting process that does not identify and secure new E&amp;G, C&amp;G, and Auxiliary funding to allocate toward strategic, business, and performance-based funding priorities.</li> <li>• Is <b>RISK NEUTRAL</b> towards implementing infrastructure enhancements in academics, research, athletics, administration, technology, and facilities to increase student success outcomes.</li> <li>• Is <b>RISK AVERSE</b> toward activities that negatively impact alumni, friend, and corporate giving.</li> </ul>

Category	Principle Statement The University....
<b>ORGANIZATIONAL EFFECTIVENESS AND TRANSFORMATION</b>	<ul style="list-style-type: none"> <li>• Is <b>OPPORTUNITY SEEKING</b> toward activities which foster a culture that builds and engages a high-performing workforce.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> toward activities to enhance and innovate processes to optimize the effectiveness of operations.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> toward activities which foster a culture of strategic decision making through promotion and enhancement of compliance, internal controls, and enterprise risk management practices with an emphasis on engagement, education, reporting, and accountability.</li> </ul>
<b>ORGANIZATIONAL CULTURE</b>	<ul style="list-style-type: none"> <li>• Is <b>OPPORTUNITY SEEKING</b> towards establishing a collaborative, collegiate, performance-focused, agile, and flexible culture that will enable organizational change to happen more readily and productively.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> towards activities that build a highly diverse, equitable and inclusive culture of belonging for our students, faculty, and staff.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> toward activities that foster and enhance data-driven decision making that furthers progress towards strategic, business and performance-based funding goals.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> toward activities that enable the free flow of information up and down the University hierarchy.</li> <li>• Is <b>OPPORTUNITY SEEKING</b> toward activities that enable consistent delivery of customer service that meet or exceed expectations and optimizes the interactions between the University, our students, and other stakeholders.</li> </ul>
<b>SYSTEMS AND INFORMATION MANAGEMENT</b>	<ul style="list-style-type: none"> <li>• Recognizes the critical need to protect and has a <b>RISK AVERSE</b> tolerance for activities, events, or behaviors that adversely impact the confidentiality, integrity, and availability of all critical business information.</li> <li>• Has a <b>RISK AVERSE</b> appetite for the loss or breach of its business and customer data in pursuit of its goals. Information assets will be protected in alignment with the University's data governance framework.</li> <li>• Has an <b>OPPORTUNITY SEEKING</b> appetite to invest in innovative solutions that increase efficiency in systems and processes across both academic and enabling activities.</li> </ul>

## Risk Appetite in Practice



## Risk Appetite Roles and Responsibilities

Risk management is integral to all aspects of FAMU’s activities and is the responsibility of all University leadership, faculty, and staff members. The following table refers to the individual roles and responsibilities with regards to risk appetite and risk management:

### BOARD OF TRUSTEES

- **Risk Oversight:** Provide oversight to ensure that management has implemented an effective system to identify, assess, manage, respond to, and monitor risks to the university and its strategic objectives.
- **Defining BOT Roles:** Define the role of the full Board of Trustees (BOT) versus its standing or other committees about risk oversight.
- **Engagement with Leadership:** Collaborate and actively engage with the President in discussions of risks, especially regarding risk philosophy, interaction and aggregation of risks, and underlying assumptions.
- **Risk Review:** Review risk information provided by management and the Audit, Risk, and Compliance Committee, including the ERM annual report, university risk portfolio, and reports on the status of risk response.
- **Strategic Risk Alignment:** Understand and assess the risks inherent in the University’s strategy, encouraging management to pursue prudent risk-taking to generate sustainable performance and value.
- **Awareness of Key Success Drivers:** Understand the key drivers of success for the University, staying informed about business management, governance, and emerging risks that may affect the institution.
- **Risk Boundaries Definition:** Define explicit boundaries for acceptable and unacceptable risks to ensure alignment with the University’s mission, values, and strategic goals.
- **Promotion of a Transparent Risk Culture:** Encourage a transparent risk culture where issues are promptly reported to the BOT, and corrective actions are timely taken.
- **Stakeholder Relationship Assessment:** Regularly assess how relationships with external partners, donors, regulatory bodies, and other stakeholders may pose risks to reputation, compliance, and strategic priorities, and monitor any conflicts of interest that could arise.
- **Crisis Management Confirmation:** Confirm that comprehensive crisis management and communication plans are in place to handle potential crises effectively, particularly those that may arise from BOT decisions or influence.



- **Cross-Functional Risk Assessment:** Assess how risks may intersect across different areas (financial, operational, reputational, etc.), especially in BOT-driven initiatives.

## BOARD OF TRUSTEES – AUDIT, RISK, AND COMPLIANCE COMMITTEE



- **BOT ERM Representation:** Represent the BOT in providing oversight of the University’s ERM practices.
- **Risk Information Collaboration:** Work with management to understand and agree on the types, frequency, and format of risk information that the BOT will review.
- **Pre-BOT Risk Review:** Review risk information prior to its presentation to the full BOT, including the ERM annual report, university risk portfolio, and reports on the status of risk response.
- **Enterprise Risk Updates:** Receive regular reports on enterprise risks and the status of risk responses to stay informed and proactive.
- **BOT Oversight Process Assessment:** On behalf of the full BOT, periodically assess the BOT’s risk oversight process to ensure effectiveness and alignment with governance best practices.

## SENIOR LEADERSHIP TEAM



- **Integrate Risk into Strategic Planning:** Ensure that risk considerations are embedded in all strategic planning processes, aligning risk appetite with strategic objectives and promoting a proactive approach to identifying potential threats or opportunities.
- **BOT Strategy and Risk Philosophy Engagement:** Lead management discussions with the BOT regarding the University’s strategy and risk philosophy, facilitating alignment and understanding at the governance level.
- **Establish Clear Communication Channels for Risk Escalation:** Develop protocols for timely and clear escalation of critical risks, both upward to the BOT and across departments, to ensure swift response and appropriate oversight.
- **ERM Advisory Committee Recommendations Approval:** Review and approve recommendations from the ERM Advisory Committee to ensure that proposed strategies align with the University’s risk appetite and strategic priorities.

- **ERM Information and Reporting Review:** Review and approve risk information and ERM progress reports before they are submitted to the BOT Audit, Risk, and Compliance Committee or the full BOT, ensuring accuracy and relevance of information presented.
- **Cultivation of a Risk-Aware Culture:** Foster a risk-aware culture by promoting risk management practices, risk-based decision-making, and establishing accountability for adherence to the risk appetite process by all management, faculty, and staff.
- **Risk Appetite and Tolerance Review:** Annually assess and align the University's risk appetite and tolerance levels with its strategic goals and objectives. This includes ensuring that the University takes prudent risks where appropriate and maintains resilience against adverse impacts.
- **Crisis Preparedness and Resilience:** Ensure the University's crisis management, business continuity, and resilience planning are adequate, tested regularly, and updated to address evolving risks, particularly those impacting campus safety, cybersecurity, and operational continuity.
- **Enhance Crisis Management and Business Continuity Preparedness:** Strengthen crisis management and business continuity plans, ensuring that leadership is prepared to lead effectively through disruptions, with clear roles and responsibilities defined for each senior leader.
- **Monitor External Risk Environment and Emerging Trends:** Stay informed on external risks, such as changes in regulatory frameworks, economic shifts, technological advancements, and higher education trends, that may impact the University's risk landscape.

## OFFICE OF ENTERPRISE RISK MANAGEMENT

- **ERM Framework Design and Implementation:** Design and implement an enterprise risk management function that aligns with Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s *Enterprise Risk Management: Integrated with Strategy and Performance*, ensuring the ERM framework supports strategic objectives.
- **Campus-Wide ERM Accountability:** Remain accountable to the President for overseeing the development, implementation, and fostering of a collaborative, campus-wide approach to ERM, embedding risk management in all university areas.
- **Risk Identification and Management Leadership:** Lead the University's processes for identifying, analyzing, evaluating, responding to, controlling, monitoring, and reporting on key risks, creating a structured approach to managing the institution's risk portfolio.





- **ERM Advisory Committee Oversight:** Oversee the Enterprise Risk Management Advisory Committee to ensure it provides strategic insights, guidance, and support for the university's risk management initiatives.
- **Risk Reporting to Leadership and BOT:** Submit all relevant risk reports, including the ERM Annual Report, University risk portfolio, and the status of risk response, to the Senior Leadership Team and the BOT Audit, Risk, and Compliance Committee for review and strategic decision-making.
- **BOT Audit, Risk, and Compliance Committee Reporting:** Report regularly to the BOT Audit, Risk, and Compliance Committee on enterprise risks and the status of risk response to maintain transparency and inform governance decisions.
- **ERM Education Program Development:** Develop a comprehensive ERM education program for faculty and staff to enhance risk awareness and ensure all employees understand their role in managing risk within the university.

## ENTERPRISE RISK MANAGEMENT ADVISORY COMMITTEE (ERMAC)

- **COSO ERM Framework Implementation Oversight:** Provide oversight, guidance, and coordination of University-wide efforts to implement the COSO ERM Framework, ensuring a consistent and integrated approach to risk management.
- **Risk Mitigation Strategy Support:** Assist FAMU's SLT, who have primary or shared responsibilities in managing risks within their assigned areas, by establishing and monitoring risk mitigation strategies and ensuring they receive sufficient organizational support.
- **Strategic and Performance Risk Intelligence Reporting:** Provide the President, SLT, and the BOT Audit, Risk, and Compliance Committee with meaningful, actionable, and timely strategic and performance risk intelligence to support informed decision-making and proactive risk management.



## RISK OWNERS



- **Risk Identification and Monitoring:** Identify, assess, manage, and monitor risks within their area to ensure comprehensive awareness and control over potential impacts.
- **Clear Risk Articulation:** Ensure risks are clearly articulated in well-defined risk statements, providing clarity for all stakeholders involved in risk management and response.
- **Sub-Risk Responsibility Assignment:** Assign responsibility, as needed, for each of the sub-risks identified within an enterprise risk to various internal stakeholders, promoting accountability and thorough management of all risk aspects.
- **ERM Integration in Operations:** Integrate ERM into daily operational activities to enhance proactive risk mitigation and align risk management with functional objectives.
- **Mitigation and Monitoring Improvement:** Identify and remediate gaps in mitigation and monitoring activities, ensuring a continuous improvement approach to risk controls and resilience.

## GENERAL COUNSEL



- **Independent Legal Assessment for ERMAC Reports:** Prepare independent assessments of ERMAC (Enterprise Risk Management Advisory Committee) reports and recommendations from a legal perspective for the President and BOT, providing objective legal insights to inform decision-making.
- **Legal Risk Appetite Guidance:** Advise the President, BOT, and SLT on legal risks associated with the University's risk appetite. This includes providing guidance on how legal risk tolerance can impact strategic initiatives, contracts, partnerships, and operational decisions.
- **Legal Risk Boundaries and Tolerance:** Define legal risk boundaries within the University's overall risk appetite framework. Collaborate with the ERM team to clarify the types of legal risks the University is willing to accept or avoid, especially in areas like regulatory compliance, contracts, and intellectual property.
- **Legal Review of High-Risk Initiatives:** Conduct proactive legal assessments of high-risk projects, partnerships, and strategic initiatives to ensure they align with the University's legal risk appetite. This helps identify potential legal exposures early and allows for adjustments that stay within acceptable risk levels.

## CHIEF COMPLIANCE AND ETHICS OFFICER



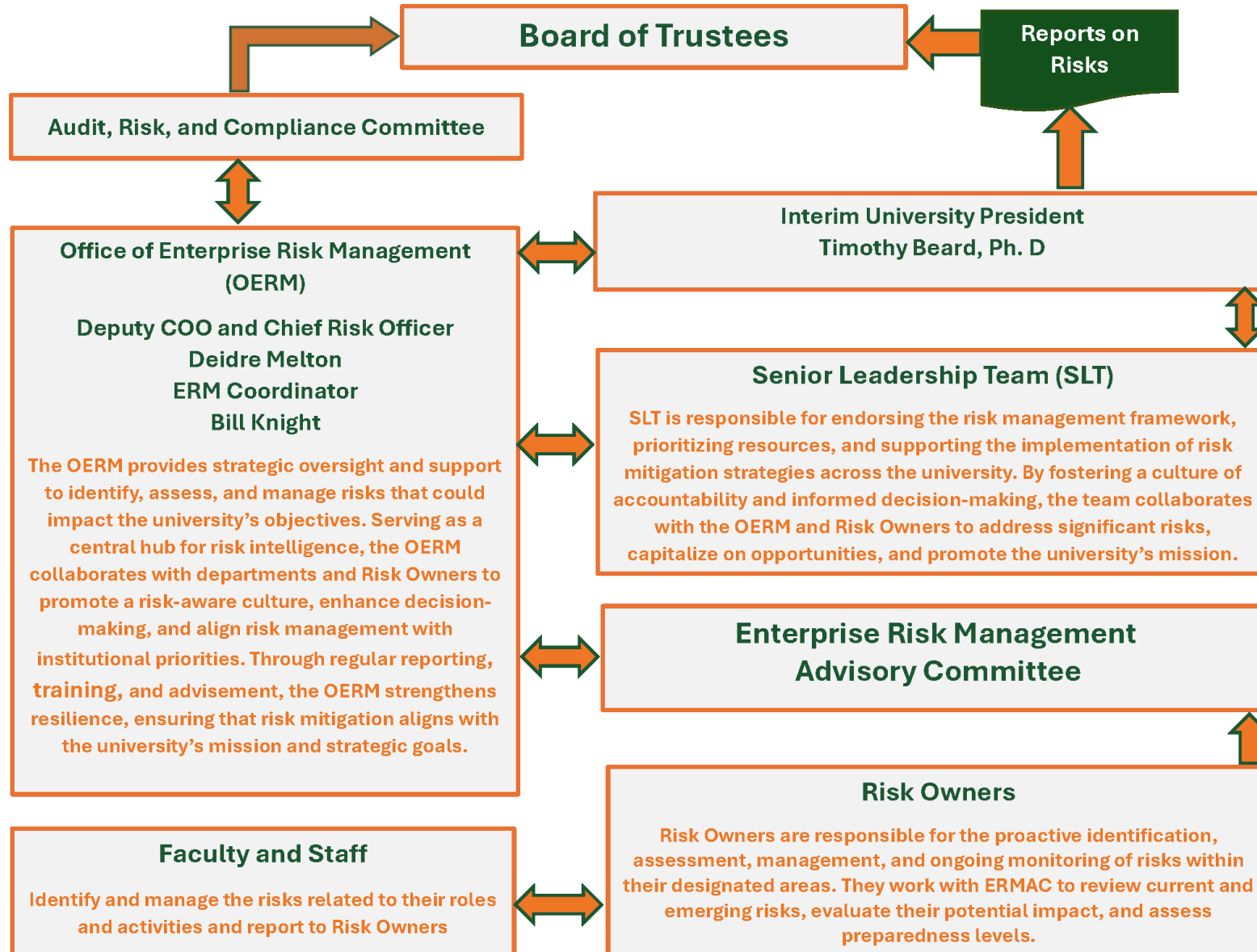
- **Independent Compliance and Privacy Assessment for ERMAC Reports**  
Prepare independent assessments of ERMAC (Enterprise Risk Management Advisory Committee) reports and recommendations from compliance and privacy perspectives for the President and Board of Trustees, providing essential insights to ensure adherence to regulatory standards and privacy requirements.
  - **Compliance Alignment with Risk Appetite:** Ensure that compliance and privacy initiatives align with the University's risk appetite, supporting strategic goals without exceeding acceptable risk boundaries. This includes evaluating and advising on whether certain compliance risks align with the University's defined tolerance levels.
  - **Risk Appetite Communication and Education:** Collaborate with the ERM team to educate university staff and faculty on how the university's risk appetite impacts compliance and privacy practices. This helps ensure that departments understand how risk appetite influences compliance expectations and the management of privacy risks.
- Risk Appetite-Based Compliance Advisory:** Provide advisory services to the President and SLT on potential compliance and privacy risks associated with new projects or strategic decisions, factoring in the University's established risk appetite. This ensures that compliance risk exposure remains within acceptable levels when undertaking new initiatives.

## CHIEF AUDIT EXECUTIVE



- **Independent Assurance of ERM Processes:** Provide independent assurance on the effectiveness of ERM processes, particularly how well risk identification, assessment, and mitigation efforts align with the University's risk appetite. This supports confidence in the risk management framework's alignment with strategic objectives.
- **Risk Appetite Compliance in Internal Controls:** Review and evaluate internal controls to ensure they reflect the University's risk tolerance and effectively mitigate risks to within acceptable levels. This includes identifying areas where controls may need strengthening to align with the risk appetite.
- **High-Risk Area Audits:** Focus audit efforts on high-risk areas identified in the risk appetite statement, providing in-depth reviews of these areas and making recommendations for staying within acceptable risk levels. Examples might include data privacy, research compliance, and financial operations.

## Risk Reporting Structure



## Appendix 1. Document Administration

### Authority

The Board of Trustees is the only authority that may approve this document and any recommended updates to this document and any other policies relating to risk management. (Refer to the Board of Trustees: [Operating Procedures - #10.4: Regulation Development, Rulemaking, and Policy](#) and [Policy 2019-01 – Internal Controls and Enterprise Risk Management](#))

### Review

This document is to be reviewed annually to ensure that all detail is accurate and reflective of FAMU’s current risk profile.

### Status and Details

Status	Version 3
Effective Date	December 6, 2024
Approval Authority	Board of Trustees
Approval Date	December 5, 2024

\_\_\_\_\_  
Chief Risk Officer & AVP for ERM

\_\_\_\_\_  
Date

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chair, Board of Trustees

\_\_\_\_\_  
Date

<p><u>Version History BOT Approval Dates</u> V1: June 3, 2022 V2: September 14, 2023</p>
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**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY**  
**Board of Trustees Policy**

**Board of Trustees Policy Number:** 2019-01

**Date of Adoption:** 12-5-2019

**Date of Revision:** 12-03-2024

<b>Subject</b>	Internal Controls and Enterprise Risk Management
<b>Authority</b>	Section 7(c), Article IX, Florida Constitution; Section 1010.01(5), Florida Statutes
<b>Applicability</b>	This policy applies to all University units and employees.

**I. Policy Statement and Purpose**

- A. The Florida Agricultural and Mechanical University (FAMU) Board of Trustees (BOT) is committed to a sound system of internal controls focused on accountability and oversight of operations. The BOT has prioritized the development of appropriate risk management processes and systems to identify challenges early, to bring them to the attention of University leadership, and to develop solutions. To that end, the University seeks to modernize existing efforts by requiring implementation of both the Enterprise Risk Management (ERM) capability and the internal control framework championed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its publications *Internal Controls – Integrated Framework* and *Enterprise Risk Management – Integrating with Strategy and Performance*. This integrated governance structure will improve mission delivery, reduce costs, and focus corrective actions toward mitigating key risks.
- B. The University administration shall develop an internal control environment governed by policies and procedures necessary to provide reasonable assurances that business processes result in effective and efficient operations, reliable financial reporting, and compliance with applicable Federal, state, local laws, rules, and Florida Board of Governors regulations. The established system of internal control is meant to keep the University focused on its mission and to minimize the impact unforeseen circumstances.
- C. ERM at FAMU is designed to systematically identify, assess, and manage risks that could impact the university’s strategic objectives. By embedding ERM into the university’s governance and decision-making processes, FAMU aims to enhance its resilience, optimize resource allocation, and capitalize on opportunities. The ERM framework ensures that risks are managed within the university’s risk appetite, enabling informed decision-making that aligns with FAMU’s mission and values.

## **II. Definitions**

- A. **Enterprise Risk Management:** Enterprise risk management is a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise. Enterprise risk management is designed to identify potential events that may affect the entity, manage risk to be within the entity's risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.
- B. **Fraud:** "Fraud" means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity's assets, bribery, or the use of one's position for personal enrichment through the deliberate misuse or misapplication of an organization's resources.
- C. **Internal Control:** Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.
- D. **Risk:** The possibility or uncertainty of an event occurring that will impact the achievement of objectives, positive or negative. The effect could be a detriment or an opportunity related to the objective. Risk is measured in terms of impact and likelihood.
- E. **Waste:** "Waste" means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

## **III. Components of Internal Control Program**

- A. The system of internal controls must be designed and implemented to support the following components:
  - 1. **Control Environment** – the set of standards, processes, and structures that provide the basis for carrying out internal controls across the University. The control environment comprises the commitment to integrity and ethical values that establish oversight responsibility and enforce accountability.
  - 2. **Risk Assessment** – the process to identify, analyze, and assess risks to the achievement of objectives.
  - 3. **Control Activities** – the actions established through policies and procedures to mitigate risks to the achievement of institutional objectives.

4. **Information and Communication** – the use of relevant information to disseminate clear messages. Sound internal controls establish expectations and procedures to support the reliability and integrity of financial information and reporting.
5. **Monitoring Activities** – the use of evaluations to ascertain whether internal controls are present and functioning.
6. **Operations Objectives** – pertain to effectiveness and efficiency of the university’s operations, including operational and financial performance goals. These objectives promote orderly, economical operations and assist in achieving outcomes consistent with the university’s mission. Operations should safeguard resources against loss due to waste, mismanagement, errors, and fraud.
7. **Reporting Objectives** – pertain to internal and external financial and nonfinancial reporting. These objectives encompass reliability, transparency, and other terms as set forth by regulators, recognized standard setters, and University rules, regulations, and policies.
8. **Compliance Objectives** – pertain to adherence to laws and regulations to which the university is subject.

- B. University-implemented internal controls shall be appropriate, reliable, cost-effective, comprehensive, reasonable, and directly related to control objectives.
- C. The University’s system of internal controls will include, at a minimum, the following best practices: segregation of duties to ensure one person does not control all aspects of a transaction and to detect error and fraud; safeguarding of assets to prevent unauthorized access, loss or damage; safeguarding of confidential information to secure personal and private information and protect against unauthorized access and threats to security; review and approval of internal processes; timeliness to ensure deadlines are met, avoid fines, and prioritize work; and documentation to support accuracy and consistency.

#### **IV. Internal Controls Roles and Responsibilities**

##### **A. Board of Trustees:**

1. **Oversight:** Provide strategic oversight of the university’s internal control system.
2. **Accountability:** Set expectations for integrity, transparency, and accountability in the performance of internal control responsibilities.
3. **Review:** Regularly review reports on internal controls and ensure that



management is addressing any identified weaknesses.

**B. President and Chief Operating Officer:**

1. **Leadership:** Lead the internal control efforts across the university, ensuring a culture of accountability and compliance.
2. **Assessment:** Annually assess the overall effectiveness of the university's internal controls and report findings to the Board of Trustees.
3. **Policy Development:** Develop and update internal control policies and procedures as needed.

**C. Senior Management (Vice Presidents, Deans):**

1. **Governance:** Establish and maintain an effective system of internal controls for their respective divisions.
2. **Assessment:** Regularly assess the effectiveness of internal controls and ensure corrective actions are taken when necessary.
3. **Resource Allocation:** Ensure that sufficient resources are allocated to maintain robust internal control systems.
4. **Reporting:** Provide regular reports on internal control status to the President and the Board of Trustees.

**D. Department Heads/Directors:**

1. **Oversight:** Supervise the implementation of internal controls across their departments.
2. **Evaluation:** Conduct periodic evaluations of the control environment and make improvements as needed.
3. **Coordination:** Work with other departments to ensure a consistent approach to internal controls.
4. **Reporting:** Report significant control issues or deficiencies to senior management.

**E. Supervisors/Manages:**

1. **Implementation:** Ensure that staff understand and follow internal control procedures.
2. **Monitoring:** Regularly review operations to ensure compliance with internal controls.

3. **Risk Mitigation:** Identify potential risks within their area and implement control measures to mitigate these risks.
4. **Training:** Provide ongoing training and guidance to staff on internal control practices.

**F. Faculty/Staff:**

1. **Adherence:** Follow established internal control procedures in daily operations.
2. **Reporting:** Immediately report any irregularities or potential control issues to supervisors.
3. **Documentation:** Maintain accurate records and ensure all transactions are documented in accordance with university policies.

**V. Components of Enterprise Risk Management Program**

- A. A robust Enterprise Risk Management (ERM) program is essential for identifying, assessing, and managing risks that could impact the university's objectives. The following components form the foundation of an effective ERM program:
1. **Risk Governance and Culture:** Establish governance structures that define roles, responsibilities, and accountability for risk management. Foster a risk-aware culture where employees at all levels understand and engage with risk management practices.
  2. **Risk Identification:** Implement processes to identify risks across all areas of the university, including strategic, operational, financial, and compliance risks. Use tools such as risk assessments, audits, and workshops to identify potential events that could impact the university.
  3. **Risk Assessment:** Evaluate the identified risks in terms of likelihood and impact. Prioritize risks based on their potential to affect the university's objectives, focusing on those that could have the most significant impact.
  4. **Risk Response:** Develop and implement strategies to manage identified risks. This includes avoiding, accepting, reducing, or sharing risks. Align risk responses with the university's risk appetite and strategic objectives.
  5. **Risk Monitoring and Reporting:** Continuously monitor the risk environment and the effectiveness of risk management strategies. Regularly report on the status of key risks to senior management and the Board of Trustees. Use Key Risk Indicators (KRIs) to provide early warnings of potential issues.
  6. **Information and Communication:** Ensure that relevant risk information is communicated effectively across the university. Establish clear channels for

reporting risks and ensure that critical information reaches decision-makers in a timely manner.

7. **Integration with Strategy and Performance:** Integrate ERM with the university's strategic planning processes to ensure that risk management supports the achievement of objectives. Align risk management activities with performance management to create a comprehensive approach to achieving university goals.
8. **Continuous Improvement:** Regularly review and improve the ERM framework to adapt to changes in the university's internal and external environment. Learn from past experiences and incorporate best practices to enhance the effectiveness of the ERM program.

## **VI. ERM Roles and Responsibilities**

### **A. Board of Trustees:**

1. **Strategic Oversight:** Provide oversight and guidance on the university's ERM framework and ensure alignment with strategic goals.
2. **Risk Philosophy:** Work with management to establish and periodically review the university's risk appetite and philosophy.
3. **Review and Approve:** Review and approve the university's risk management strategies and annual risk appetite statement.
4. **Engagement:** Engage in discussions with management on key risks and their potential impact on the university's objectives.

### **B. President and Chief Operating Officer:**

1. **ERM Leadership:** Lead and support the university's ERM efforts, fostering a risk-aware culture.
2. **Strategic Oversight:** Ensure that ERM is integrated into the university's strategic objectives and operations.
3. **Policy Approval:** Approve risk management policies and strategies developed by the Chief Risk Officer and other senior leaders.
4. **Reporting:** Provide the Board of Trustees with regular updates on the university's risk profile and management activities.

### **C. Chief Risk Officer:**

1. **ERM Framework:** Design and implement the ERM framework in alignment with COSO's guidelines.

2. **Training:** Develop and facilitate risk management training for all university staff and faculty.
3. **Risk Reporting:** Prepare and present regular risk reports to senior management and the Board of Trustees.
4. **Advisory Role:** Provide expert advice to the President and senior management on risk management strategies.

**D. Senior Management (Vice Presidents, Deans):**

1. **Risk Leadership:** Lead the ERM program within their divisions, ensuring that risks are managed effectively.
2. **Strategic Risk Assessment:** Integrate risk management into strategic planning and decision-making processes.
3. **Resource Allocation:** Ensure adequate resources are allocated for managing risks within their divisions.
4. **Reporting:** Regularly report on significant risks and their management to the President and the Board of Trustees.

**E. Department Heads/Directors:**

1. **Risk Management:** Lead the risk management efforts within their departments by identifying, assessing, and mitigating risks.
2. **Risk Reporting:** Provide regular updates to senior management on the status of risks and mitigation efforts.
3. **Collaboration:** Work with other departments to address cross-functional risks.

**F. Supervisors/Managers:**

1. **Risk Identification:** Identify risks within their area and escalate significant risks to higher management.
2. **Mitigation Plans:** Develop and implement risk mitigation strategies in coordination with department heads.
3. **Communication:** Ensure that staff are aware of relevant risks and the measures in place to address them.

**G. Faculty/Staff:**

1. **Awareness:** Understand the risks relevant to their roles and report any emerging

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risks to supervisors.

2. **Compliance:** Adhere to risk management policies and participate in risk mitigation activities as directed.

**VII. Administrative Procedures**

A. The President, or the President’s designee, shall establish appropriate administrative procedures to implement this Policy.

<b>Attachment(s)</b>	n/a
<b>Hyperlink Addresses</b>	



**FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY**  
**Board of Trustees Policy**

<b>Board of Trustees Policy Number:</b> 2019-01	<b>Date of Adoption:</b> 12-5-2019 <b>Date of Revision:</b> <del>06-02-2022</del> 12-03-2024
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<b>Subject</b>	Internal Controls and Enterprise Risk Management
<b>Authority</b>	Section 7(c), Article IX, Florida Constitution; Section 1010.01(5), Florida Statutes
<b>Applicability</b>	This policy applies to all University units and employees.

**I. Policy Statement and Purpose**

- A. The Florida Agricultural and Mechanical University (FAMU) Board of Trustees (BOT) is committed to a sound system of internal controls focused on accountability and oversight of operations. The BOT has prioritized the development of appropriate risk management processes and systems to identify challenges early, to bring them to the attention of University leadership, and to develop solutions. To that end, the University seeks to modernize existing efforts by requiring implementation of both the Enterprise Risk Management (ERM) capability and the internal control framework championed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its publications *Internal Controls – Integrated Framework* and *Enterprise Risk Management - Integrating with Strategy and Performance*. This integrated governance structure will improve mission delivery, reduce costs, and focus corrective actions toward mitigating key risks.
- B. The University administration shall develop an internal control environment governed by policies and procedures necessary to provide reasonable assurances that business processes result in effective and efficient operations, reliable financial reporting, and compliance with applicable Federal, state, local laws, rules, and Florida Board of Governors regulations. The established system of internal control is meant to keep the University focused on its mission and to minimize the impact unforeseen circumstances.
- ~~C. The University administration has the responsibility to establish and maintain an adequate system of internal controls and to furnish to the Florida Board of Governors, BOT, governmental agencies, University creditors, and other constituencies with reliable financial and operational information on a timely basis. An adequate system of internal controls is necessary for the administration to discharge these responsibilities.~~

~~D. Controls help ensure that assets are not exposed to unauthorized access and use, transactions are properly recorded in the financial records, and the resultant financial information is reliable. External organizations and supporters of the University rely on financial information to make decisions toward appropriations, loans and other debt, gifts and grants, and other contractual relationships. University resources are dependent upon a system of internal controls. The Auditor General is required annually to report upon the adequacy of the University's systems for control over financial reporting and compliance. The safeguarding of University assets and the reliability upon which the University and others can place upon the University's financial records are dependent upon the effectiveness of the internal control process.~~

C. ERM at FAMU is designed to systematically identify, assess, and manage risks that could impact the university's strategic objectives. By embedding ERM into the university's governance and decision-making processes, FAMU aims to enhance its resilience, optimize resource allocation, and capitalize on opportunities. The ERM framework ensures that risks are managed within the university's risk appetite, enabling informed decision-making that aligns with FAMU's mission and values.

## II. Definitions

~~A. Abuse: "Abuse" means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.~~

B.A. Enterprise Risk Management: Enterprise risk management is a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise. Enterprise risk management is designed to identify potential events that may affect the entity, manage risk to be within the entity's risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.

C.B. Fraud: "Fraud" means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity's assets, bribery, or the use of one's position for personal enrichment through the deliberate misuse or misapplication of an organization's resources.

D.C. Internal Control: Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

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E.D. Risk: The possibility or uncertainty of an event occurring that will impact the achievement of objectives, positive or negative. The effect could be a detriment or an opportunity related to the objective. Risk is measured in terms of impact and likelihood.

E.E. Waste: "Waste" means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

### III. Components of Internal Control Program

A. The system of internal controls must be designed and implemented to support the following components:

1. **Control Environment** – the set of standards, processes, and structures that provide the basis for carrying out internal controls across the University. The control environment comprises the commitment to integrity and ethical values that establish oversight responsibility and enforce accountability.
2. **Risk Assessment** – the process to identify, analyze, and assess risks to the achievement of objectives.
3. **Control Activities** – the actions established through policies and procedures to mitigate risks to the achievement of institutional objectives.
4. **Information and Communication** – the use of relevant information to disseminate clear messages. Sound internal controls establish expectations and procedures to support the reliability and integrity of financial information and reporting.
5. **Monitoring Activities** – the use of evaluations to ascertain whether internal controls are present and functioning.
6. **Operations Objectives** – pertain to effectiveness and efficiency of the university's operations, including operational and financial performance goals. These objectives promote orderly, economical operations and assist in achieving outcomes consistent with the university's mission. Operations should safeguard resources against loss due to waste, mismanagement, errors, and fraud.
7. **Reporting Objectives** – pertain to internal and external financial and nonfinancial reporting. These objectives encompass reliability, transparency, and other terms as set forth by regulators, recognized standard setters, and University rules, regulations, and policies.



8. **Compliance Objectives** – pertain to adherence to laws and regulations to which the university is subject.

- B. University-implemented internal controls shall be appropriate, reliable, cost-effective, comprehensive, reasonable, and directly related to control objectives.
- C. The University’s system of internal controls will include, at a minimum, the following best practices: segregation of duties to ensure one person does not control all aspects of a transaction and to detect error and fraud; safeguarding of assets to prevent unauthorized access, loss or damage; safeguarding of confidential information to secure personal and private information and protect against unauthorized access and threats to security; review and approval of internal processes; timeliness to ensure deadlines are met, avoid fines, and prioritize work; and documentation to support accuracy and consistency.

**IV. Internal Controls Roles and Responsibilities**

**A. Board of Trustees:**

~~1. Internal Controls~~

~~a.1. **Oversight:** Provide strategic oversight ~~for~~of the university’s internal control system ~~of internal controls.~~~~

~~b.2. **Define Accountability:** Set expectations ~~about~~for integrity ~~and ethical values,~~ transparency, and accountability ~~for~~in the performance of internal control responsibilities.~~

~~2. Enterprise Risk Management~~

- ~~a. Provide oversight to ensure that management has implemented an effective system to identify, assess, manage, respond to, and monitor risks to the institution and its strategic objectives.~~
- ~~b. Understand and assess the risks inherent in the University’s strategy, and encourage management to pursue prudent risk to generate sustainable performance and value.~~
- ~~c. Understand the key drivers of success for the institution, and be knowledgeable about business management, governance, and emerging risks that may affect the institution.~~
- ~~d. Work with management to establish and annually **Review:** Regularly review the institution’s risk philosophy.~~

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- e. ~~Review risk information provided by management and the Audit and Compliance Committee, including ERM annual report, institutional risk portfolio, risk appetite statement, and reports on the status of risk response.~~
- f. ~~Collaborate and actively engage with management in discussions of risks, especially regarding philosophy, interaction and aggregation of risks, and underlying assumptions.~~
- g. ~~Define the role of the full BOT versus its standing or other committees with regard to risks oversight.~~
- h. ~~Understand and assess risks associated with BOT's decisions and key strategies identified by the BOT.~~
- i. ~~Provide for an appropriate culture of risk awareness across the University; monitor critical alignments of people, strategy, risks, controls, compliance, and incentives.~~
- j. ~~Review and approve annual risk appetite statement.~~

**B. ~~Board of Trustees Audit and Compliance Committee~~**

**1. ~~Internal Controls~~**

- a. ~~Provide oversight of the entire financial reporting process. To do so effectively, the BOT should be familiar with the processes and controls that management has established and determine whether they are designed and operating effectively.~~
- b. ~~Review major issues regarding accounting principles and the presentation of the financial statements. These include significant changes in the University's selection or application of accounting principles, the adequacy of internal controls, and any special audit steps adopted in response.~~

**2. ~~Enterprise Risk Management~~**

- a. ~~Represent the BOT in providing oversight of the University's ERM practices.~~
- b. ~~Work with ensure that management to understand and agree on the types, frequency, and format of risk information that the BOT will review.~~

- ~~c. Review risk information prior to its presentation to the full BOT, including ERM annual report, institutional risk portfolio, and reports on the status of risk response.~~
- ~~d. Receive regular reports on enterprise risks and the status of risk response.~~
- ~~e. On behalf of the full BOT, periodically assess the BOT's risk oversight process.~~

**~~C. The President and the President's Administration~~**

~~1. Internal Controls~~

~~a.3. The President, in consultation with the Vice President for Finance/CFO, shall be responsible for assessing the effectiveness of the University's system of internal controls and reporting annually to the Board of Trustees regarding the University's internal controls; is addressing any identified weaknesses, and associated corrective actions.~~

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~~b. The **President and** the President's administration shall be responsible for establishing, maintaining, and consistently applying internal controls designed to:~~

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- ~~i. Prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), Florida Statutes;~~
- ~~ii. Promote and encourage compliance with applicable laws, rules, regulations, contracts, grant agreements, and best practices;~~
- ~~iii. Support economical and efficient operations;~~
- ~~iv. Ensure reliability of financial and operational records and reports; and~~
- ~~v. Safeguard University assets.~~

~~2. Enterprise Risk Management~~

- ~~a. Inspire and foster cultural change in support of ERM as a value and best practice for the institution.~~
- ~~b. Lead management discussions with the BOT regarding institutional strategy performance and risk philosophy.~~

- c. Review and approve recommendations from the Enterprise Risk Management Advisory Committee (ERMAC) (taking into consideration accompanying independent assessments from non-voting ERMAC members) regarding the development and implementation of the ERM program; ERM policy; institutional risk philosophy; institutional risks or opportunities with sufficient impact on the University's strategic objectives to warrant development of risk response plans; and proposed response plans for these risks.
- d. Review and approve risk information and ERM progress reports prior to their submittal to the Audit and Compliance Committee or the full BOT.

**D. Management**

**1. Internal Controls**

- a. Establish, maintain, and consistently apply internal controls designed to:
  - i. Prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), Florida Statutes;
  - ii. Promote and encourage compliance with applicable laws, rules, regulations, contracts, grant agreements, and best practices;
  - iii. Support economical and efficient operations;
  - iv. Ensure reliability of financial and operational records and reports; and
  - v. Safeguard University assets.

**2. Enterprise Risk Management**

- a. Demonstrate full commitment to ERM by advocating and implementing risk management best practices.
- b. Support the President, **Chief Risk Operating Officer**, and ERMAC in creating the appropriate internal environment and institutional culture for ERM.
  - c. As responsible officials, assess and manage institutional risks under the oversight of the President, Chief Risk Officer, ERMAC, and the Board of Trustees; may make presentations to the ERMAC or BOT committees upon request.

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- d. ~~Assess and manage unit-level risks within unit-level plans, budgets, and resources.~~
- e. ~~Include a discussion of risks and opportunities relevant to the mission of the senior management's unit or the University, as well as the status of any response to such risks or opportunities, in their annual workplan and budget submission.~~
- f. ~~Implement the ERM program within divisions and business units, identify risks and opportunities with impacts on the University's strategic objectives, and develop risk response plans; and proposed response plans for these risks.~~

**E. ~~The Division of Audit shall:~~**

**1. ~~Internal Control~~**

- a. ~~Conduct an independent review and assessment of the adequacy and effectiveness of internal controls at all levels of the university.~~
- b. ~~Report findings related to the Division of Audit's evaluation of internal control systems to the President and BOT.~~

**e.1. ~~Provide technical assistance to the President and the Senior Leadership Team regarding: Lead the internal control systems efforts across the university, ensuring a culture of accountability and compliance.~~**

- d. ~~The Division of Audit, which must remain independent and objective, shall not have responsibility for establishing or maintaining Assessment: Annually assess the university's internal control systems.~~

**2. ~~Enterprise Risk Management~~**

- a. ~~Non-voting, ex officio member of the ERMAC, provide independent consultation and advice.~~

**b.2. ~~Provide assurance to the BOT and the President on the overall effectiveness of the risk management process, including the evaluation, reporting, and management of key risks university's internal controls and report findings to the Board of Trustees.~~**

**3. ~~Consult Policy Development: Develop and advise on identifying update internal control policies and responding to risks procedures as needed.~~**

**C. ~~Senior Management (Vice Presidents, Deans):~~**

**1. ~~Governance: Establish and maintain an effective system of internal controls for their respective divisions.~~**

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e.2. **Assessment:** Regularly assess the effectiveness of the risk assessment process, internal controls and ensure corrective actions are taken when necessary.

d. Submit all relevant risk reports, including the ERM Annual Report, University risk portfolio, and status of risk response, to the Senior Leadership Team and the BOT – Audit and Compliance Committee.

e. Report regularly to the BOT – Audit and Compliance Committee on enterprise risks and the status of risk response.

**F. The Chief Risk Officer shall:**

3. Design and implement an enterprise risk management function. **Resource Allocation:** Ensure that sufficient resources are allocated to maintain robust internal control systems.

4. **Reporting:** Provide regular reports on internal control status to the President and the Board of Trustees.

**D. Department Heads/Directors:**

1. **Oversight:** Supervise the implementation of internal controls across their departments.

2. **Evaluation:** Conduct periodic evaluations of the control environment and make improvements as needed.

3. **Coordination:** Work with other departments to ensure a consistent approach to internal controls.

4. **Reporting:** Report significant control issues or deficiencies to senior management.

**E. Supervisors/Manages:**

1. **Implementation:** Ensure that staff understand and follow internal control procedures.

2. **Monitoring:** Regularly review operations to ensure compliance with COSO's internal controls.

3. **Risk Mitigation:** Identify potential risks within their area and implement control measures to mitigate these risks.

4. **Training:** Provide ongoing training and guidance to staff on internal control practices.

**F. Faculty/Staff:**

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1. **Adherence:** Follow established internal control procedures in daily operations.
2. **Reporting:** Immediately report any irregularities or potential control issues to supervisors.
3. **Documentation:** Maintain accurate records and ensure all transactions are documented in accordance with university policies.

**V. Components of Enterprise Risk Management: Integrated Program**

A. A robust Enterprise Risk Management (ERM) program is essential for identifying, assessing, and managing risks that could impact the university's objectives. The following components form the foundation of an effective ERM program:

1. **Risk Governance and Culture:** Establish governance structures that define roles, responsibilities, and accountability for risk management. Foster a risk-aware culture where employees at all levels understand and engage with risk management practices.
2. **Risk Identification:** Implement processes to identify risks across all areas of the university, including strategic, operational, financial, and compliance risks. Use tools such as risk assessments, audits, and workshops to identify potential events that could impact the university.
3. **Risk Assessment:** Evaluate the identified risks in terms of likelihood and impact. Prioritize risks based on their potential to affect the university's objectives, focusing on those that could have the most significant impact.
4. **Risk Response:** Develop and implement strategies to manage identified risks. This includes avoiding, accepting, reducing, or sharing risks. Align risk responses with the university's risk appetite and strategic objectives.
5. **Risk Monitoring and Reporting:** Continuously monitor the risk environment and the effectiveness of risk management strategies. Regularly report on the status of key risks to senior management and the Board of Trustees. Use Key Risk Indicators (KRIs) to provide early warnings of potential issues.
6. **Information and Communication:** Ensure that relevant risk information is communicated effectively across the university. Establish clear channels for reporting risks and ensure that critical information reaches decision-makers in a timely manner.
- a.7. **Integration with Strategy and Performance:** Integrate ERM with the university's strategic planning processes to ensure that risk management supports the achievement of objectives. Align risk management activities with

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performance management to create a comprehensive approach to achieving university goals.

b. Submit all relevant risk reports, including the ERM Annual Report, University risk portfolio, and status of risk response, to the Senior Leadership Team and the BOT – Audit and Compliance Committee;

8. Report regularly to the BOT – Audit**Continuous Improvement:** Regularly review and improve the ERM framework to adapt to changes in the university’s internal and external environment. Learn from past experiences and incorporate best practices to enhance the effectiveness of the ERM program.

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## VI. ERM Roles and Compliance Committee Responsibilities

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### A. Board of Trustees:

1. Strategic Oversight: Provide oversight and guidance on enterprise the university’s ERM framework and ensure alignment with strategic goals.

2. Risk Philosophy: Work with management to establish and periodically review the university’s risk appetite and philosophy.

3. Review and Approve: Review and approve the university’s risk management strategies and annual risk appetite statement.

e.4. Engagement: Engage in discussions with management on key risks and the status of risk response; their potential impact on the university’s objectives.

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d. Make high level recommendations to the President for keeping identified risks within tolerance levels; and

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### B. President and Chief Operating Officer:

1. ERM Leadership: Lead and support the university’s ERM efforts, fostering a risk-aware culture.

2. Strategic Oversight: Ensure that ERM is integrated into the university’s strategic objectives and operations.

3. Policy Approval: Approve risk management policies and strategies developed by the Chief Risk Officer and other senior leaders.

4. Reporting: Provide the Board of Trustees with regular updates on the university’s risk profile and management activities.

### C. Chief Risk Officer:



**1. ERM Framework:** Design and implement the ERM framework in alignment with COSO's guidelines.

**2. Training:** Develop and facilitate ~~Enterprise Risk Management~~ risk management training for all ~~university staff and faculty~~ and staff.

**3. Risk Reporting:** Prepare and present regular risk reports to senior management and the Board of Trustees.

**4. Advisory Role:** Provide expert advice to the President and senior management on risk management strategies.

**D. Senior Management (Vice Presidents, Deans):**

**1. Risk Leadership:** Lead the ERM program within their divisions, ensuring that risks are managed effectively.

**2. Strategic Risk Assessment:** Integrate risk management into strategic planning and decision-making processes.

**3. Resource Allocation:** Ensure adequate resources are allocated for managing risks within their divisions.

**4. Reporting:** Regularly report on significant risks and their management to the President and the Board of Trustees.

**E. Department Heads/Directors:**

**1. Risk Management:** Lead the risk management efforts within their departments by identifying, assessing, and mitigating risks.

**2. Risk Reporting:** Provide regular updates to senior management on the status of risks and mitigation efforts.

**3. Collaboration:** Work with other departments to address cross-functional risks.

**F. Supervisors/Managers:**

**1. Risk Identification:** Identify risks within their area and escalate significant risks to higher management.

**2. Mitigation Plans:** Develop and implement risk mitigation strategies in coordination with department heads.

**3. Communication:** Ensure that staff are aware of relevant risks and the measures in place to address them.

<b>BOT POLICY: Internal Controls and Enterprise Risk Management</b>	<b>POLICY NO: 2019-01</b>	<b>PAGE: 13 of 13</b>
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**G. Faculty/Staff:**

**1. Awareness: Understand the risks relevant to their roles and report any emerging risks to supervisors.**

**e.2. Compliance: Adhere to risk management policies and participate in risk mitigation activities as directed.**

**V.VII. Administrative Procedures**

**A.** The President, or the President's designee, shall establish appropriate administrative procedures to implement this Policy.

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<b>Attachment(s)</b>	n/a
<b>Hyperlink Addresses</b>	



FLORIDA A&M UNIVERSITY  
DIVISION OF AUDIT

**REVISED**  
**Division of Audit**  
**FY 2024-2025**  
**Work Plan**

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**Report #24-25-003**

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**December 5, 2024**



## EXECUTIVE SUMMARY

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The Division of Audit (DoA) is committed to enhancing the University's capacity to achieve its strategic priorities and business objectives through risk-based audit and advisory services. This work plan outlines our focused efforts to provide comprehensive coverage of university operations, leveraging our resources in areas that most significantly impact the institution's success.

In the development of this year's work plan, we prioritized areas affected by recent statutory and regulatory changes, recognizing the substantial operational and financial implications for the university. Our approach is intricately aligned with the University's Strategic Plan, directly supporting its outlined priorities and goals, as well as aligning with the President's Goals.

Our activities over the coming year will be guided by this plan, which remains flexible to adapt to emerging priorities identified by management and the Board. This adaptive strategy ensures that our efforts are continuously aligned with the University's evolving needs, providing targeted, strategic support that promotes effectiveness and efficiency across university operations.

Through this work plan, the DoA will continue to deliver valuable insights and guidance, assisting university management in navigating the complexities of the higher education landscape, thus contributing to the institution's overarching mission and vision.



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DRAFT



## BACKGROUND

Professional auditing standards<sup>1</sup> 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.

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 2024-2025 Audit Work Plan, was developed based on information from a university-wide risk assessment that included risk surveys, workshops, and other channels of communication with leadership, faculty, staff, and students. The top ten risks for the university are identified in the chart below.

FAMU TOP 10 RISKS for FY 2024-2025			
1	Staff and Student Mental Health	6	Campus Safety and Security
2	Talent Management	7	Organizational Change Management
3	Culture of Accountability	8	Human Resources Operations
4	Financial Management	9	Financial Aid
5	IT/Cybersecurity	10	Political Impact and Legislation

The internal audit and enterprise risk management function work plans are designed to address high risk areas of the university and support the achievement of [Boldly Striking, Florida A&M University’s \(FAMU\) 2022-2027 Strategic Plan](#).

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



## INTERNAL AUDIT RESOURCES

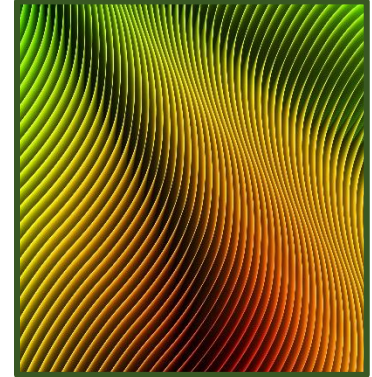
The Division of Audit has the following staff to support the internal audit function and work plan.



Joseph Maleszewski  
VP for Audit/CAE  
(1800 Hours)



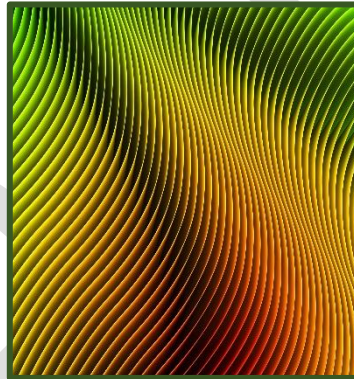
Trystal Wright  
Audit Director  
(1800 Hours)



VACANT  
Audit Manager  
(1800 Hours)



Nancy Shepherd  
Lead Sr. Auditor  
(1800 Hours)



VACANT  
Sr. IT Auditor & Investigator  
(1800 Hours)



Erica Thames  
Investigations Manager  
(1800 Hours)



Crisencia Brown  
Auditor & Investigator  
(1800 Hours)



Rasheedat McKay  
Special Projects Coordinator & Investigator  
(1800 Hours)



## INTERNAL AUDIT WORK PLAN



### Board of Trustees (Mandatory)

- Athletics Financial Review - Spring 2024
- Athletics Financial Review - Fall 2024 (Removal)



### Florida Board of Governors (Mandatory)

- Performance-based Funding Data Integrity Audit (Strategic Priority 4)
- Foreign Influence Audit (Strategic Priority 2)



### Operational

- Campus Safety & Security (Strategic Priority 5)
- Controller's Office Advisory (Strategic Priority 5) (Removal)



### Academic Affairs Advisory Services

- Colleges & Schools: Operations (Strategic Priority 5)



### IT/Cybersecurity

- Cybersecurity Maturity Model Certification Level 1 Self- Assessment (Strategic Priority 2) (Removal)
- IT Governance (Strategic Priority 5)



### FAMU Committees

- Athletic Action Plan Implementation Team and Workgroup (Strategic Priority 5)
- Policy Advisory Committee (Strategic Priorities 1 - 5)
- Civil Discourse Committee (Strategic Priority 1 - 2)



### Training and Awareness

- Fraud Awareness Week (Strategic Priority 5)
- Internal Audit Awareness Month (Strategic Priority 5)
- FAMU Fundamentals (Strategic Priority 5)
- FAMU Management Seminar (Strategic Priority 5)



### DoA Services

- External Audit Coordination
- Investigative Services
- Management Requests
- Audit, Advisory, & Investigative Follow-up





## PROJECT TEAM

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### Engagement was conducted by



Trystal Wright, CIGA, CIGI, CGAP  
Audit Director

### Engagement was supervised and approved, and distributed by:



Joseph K. Maleszewski, MBA, CIA, CGAP, CISA, CIG, CIGA, CIGI, CCEP,  
CCA, CFE  
Vice President for Audit, Chief Audit Executive, and Inspector General

## STATEMENT OF ACCORDANCE

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The Division of Audit's mission is to enhance and protect the value of FAMU and its stakeholders by providing excellence in risk-based and objective assurance, advice, and insight through the promotion of accountability, integrity, and efficiency.

We developed the work plan in accordance with the International Standards for the Professional Practice of Internal Auditing. 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. We believe the evidence obtained provides a reasonable basis for our risk assessment and conclusions based on our objectives.

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

<https://www.famu.edu/administration/audit/>



**FAMU** FLORIDA A&M UNIVERSITY  
**OFFICE OF ENTERPRISE RISK MANAGEMENT**

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# Board Report

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**December 2024**

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Prepared by:  
**Deidre Melton**

Deputy Chief Operating Officer &  
 AVP of Enterprise Risk Management

**William "Bill" Knight**  
 Enterprise Risk Management  
 Coordinator



## Message from the Chief Risk Officer

I am pleased to present this report detailing the ongoing efforts of the Enterprise Risk Management (ERM) program over the past two months, a period marked by pivotal developments and strategic enhancements aligned with our commitment to proactively address and mitigate risks impacting our institution. As you are aware, the risk landscape within higher education is rapidly evolving, shaped by regulatory shifts, changes in political leadership, and the rising complexity of risks confronting universities nationwide. These dynamics underscore the urgency of integrating ERM into our daily operations to better manage uncertainties, ensure resilience, and enhance our institution's effectiveness in achieving its strategic and performance goals.

To this end, my team and I have focused on several critical initiatives aimed at embedding risk management into the fabric of FAMU's operations. Notable accomplishments in recent months include:

- 1. Strengthening ERM Frameworks and Policies:** We have taken significant steps to bolster our ERM framework by reassessing our Risk Appetite Statement, making enhancements to the Internal Controls and ERM policy, and conducting a program maturity assessment. creating new policies and standards that are responsive to regulatory changes and evolving compliance requirements.
- 2. Enhancing Board and Leadership Communication:** Given the increasing importance of effective risk communication, I have worked closely with my team to produce timely risk alerts and bulletins, specifically addressing the emerging risks around NCAA regulations, Business Continuity, Digital Disruption, and the implications of the recent CMMC rule. These alerts aim to provide actionable intelligence to support data-driven decisions and reinforce FAMU's strategic priorities.
- 3. Advancing Risk Governance Through Establishment of PERCAL Committee:** Through comprehensive risk assessments, forward-looking visioning, and targeted action plans, PERCAL (Policy, Ethics, Risk, Compliance, Audit, and Legal) aims to transform key units into high-performing entities that safeguard the university while driving operational excellence, strategic alignment, and institutional value creation. This initiative enhances organizational resilience, accountability, and informed decision-making to ensure FAMU's long-term sustainability and success.
- 4. Cultivating a Risk-Aware and Service Excellence Culture:** Through participation in the Management and Employee Townhalls in November, we were able to communicate to staff and managers strategies and information needed for fostering a culture of risk awareness and service excellence across the university. This cultural shift is crucial for creating a supportive environment that empowers our staff and students while addressing emerging needs.
- 5. Building Stakeholder Trust and Engagement:** Recognizing the challenges posed by recent shifts in leadership and operational goals, we have focused on initiatives to strengthen relationships with our industry partners, faculty, and student communities. Through open forums, workshops, and the development of collaborative policies, we are reinforcing trust and promoting a unified approach to achieving FAMU's mission.



**Deidre Melton**  
**Deputy Chief Operating Officer &  
Associate Vice President for ERM**

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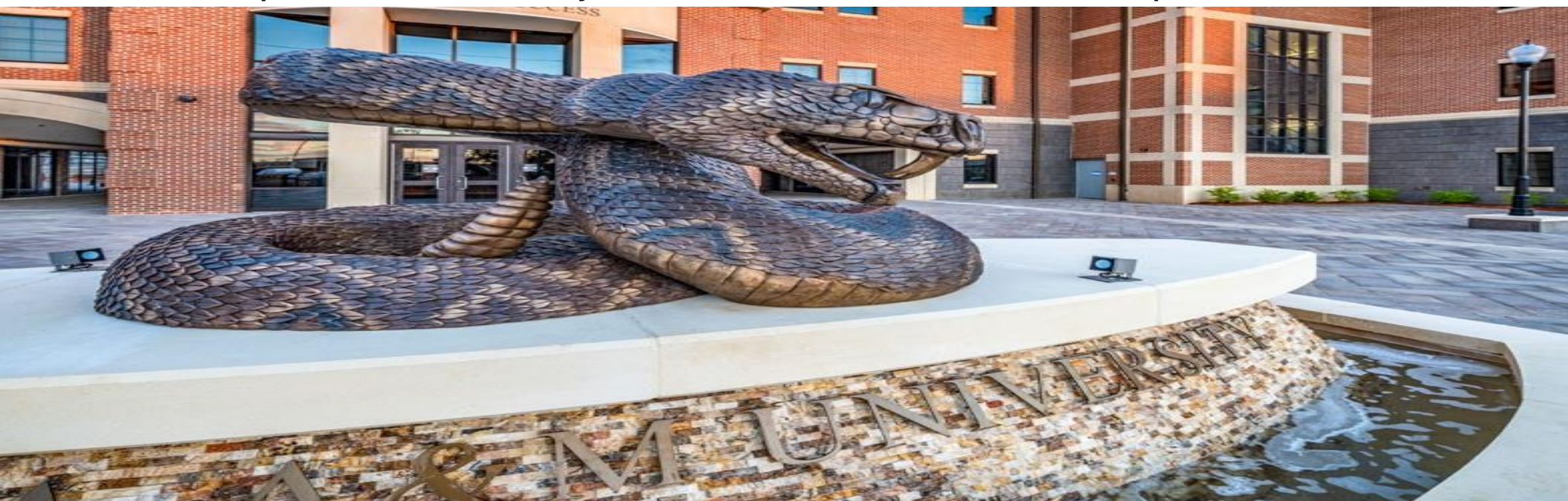
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## ERM Advisory Committee Updates

The Enterprise Risk Management Advisory Committee (ERMAC) plays a pivotal role in fortifying the university's risk management framework. Over the past few months, significant strides have been made through the activities of its first cohort, the Risk Managers Sub-Committee. These efforts have advanced the university's strategic risk mitigation measures and reinforced a collaborative culture of risk awareness and action across various operational units. ERMAC's 2nd cohort is the PERCAL sub-committee and has just begun its work.

### Cohort 1: Risk Managers Sub-Committee

The Risk Managers Sub-Committee, an integral part of ERMAC, comprises representatives from a diverse array of operational risk areas, as well as support roles from the Office of Compliance and Ethics and the Office of the Chief Operating Officer. This sub-committee is dedicated to ensuring a comprehensive approach to risk identification, scoring, and mitigation within the university. Members have conducted detailed assessments pertinent to their areas, highlighting critical risks that demand immediate intervention. This analysis has guided the development of precise response strategies, each accompanied by defined timelines for execution. The representatives are currently reporting progress on the mitigation efforts, ensuring that the university remains proactive and prepared. New emerging risks are also being documented and integrated into the ongoing assessment framework.

### Cohort 2: PERCAL Sub-Committee:

The newly formed PERCAL Sub-Committee (Policy, Ethics, Risk, Compliance, Audit, and Legal) has commenced its meetings and is shaping the strategic integration of risk management across broader, critical functions of the university. The PERCAL Sub-Committee is a dedicated advisory and support body emphasizing the interplay of legal, policy, compliance, and ethics in the university's risk management ecosystem. The focus of PERCAL extends beyond risk identification to include the cultivation of strategic insights and action plans that reinforce accountability and resilience throughout the institution. By embedding risk considerations into broader policy and ethical discussions, the sub-committee fosters a holistic view of the university's challenges and opportunities. This initiative marks a significant step toward transforming the university's risk management landscape, ensuring robust decision-making and sustainable growth.



## Risk Appetite Statement Update

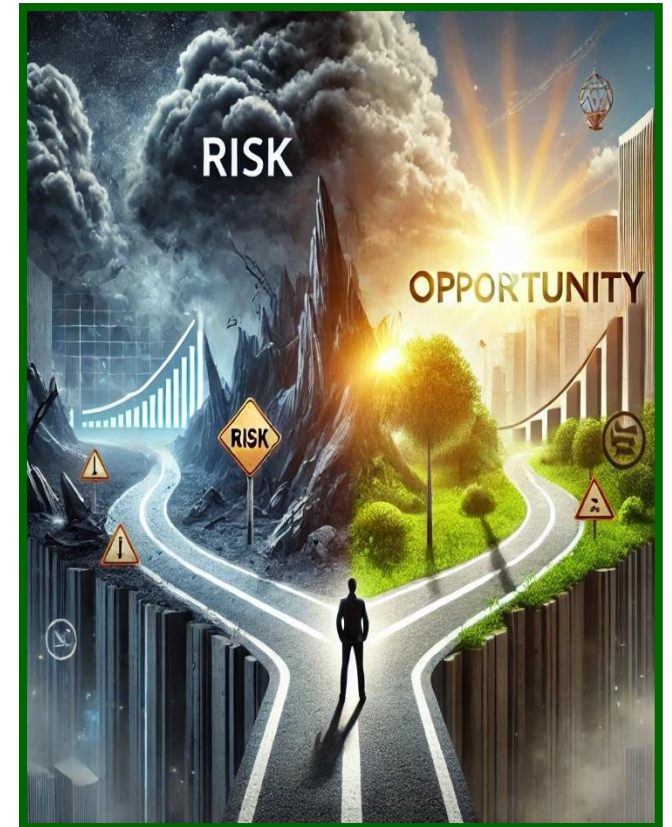
The annual review and update of FAMU's Risk Appetite Statement is a critical process that ensures the document continues to align with the university's evolving strategic goals and operational needs. This year, the review was conducted in collaboration with Gartner ERM consultants, leading to several key revisions to enhance its clarity and usability. Notable changes include clearer language to define roles and responsibilities, changes to risk appetite levels related to governance restructured sections for improved readability, and updates to reflect the ERM office's transition to the Office of the Chief Operating Officer. These adjustments underscore the statement's purpose as a decision-making tool that guides leadership, faculty, and staff in assessing and managing risk effectively across all university activities.

### Why was the Risk Appetite Updated?

As part of FAMU's comprehensive risk management framework, the Risk Appetite Statement requires annual review by the Senior Leadership Team and the Board of Trustees, with formal approval by the Board. This cycle reaffirms the document's relevance and ensures alignment with the university's overarching risk tolerance and strategic planning. Leadership's input is essential to validate that risk levels and wording reflect current institutional priorities and the external environment. The reviewed and updated document will be presented for approval at the December Audit, Risk, and Compliance Committee meeting, securing its role as a foundational instrument for guiding strategic decision-making and maintaining institutional resilience.

### What is ERM's Plan to Operationalize the Risk Appetite Statement?

ERM's plan to operationalize the Risk Appetite Statement includes sending targeted communications to the campus community to raise awareness and understanding of its importance. We will host a workshop with the senior leadership team to develop strategies for integrating the statement into decision-making processes. Additionally, we will create training sessions for department heads and key stakeholders to demonstrate practical applications of the statement in daily operations. To further embed the statement, ERM will offer one-on-one consultations to assist units in aligning their goals and decisions with the university's defined risk tolerance levels. Finally, we will develop resources such as decision-making templates, FAQs, and an online toolkit to facilitate consistent application across all areas of the university.



## ERM Process Improvement: Workiva Implementation

The implementation of Workiva marks a transformative step forward for ERM operations, addressing long-standing challenges and setting the foundation for a more proactive, data-driven approach to risk management. With only two staff members, the ERM Office has struggled to effectively monitor risk mitigation efforts, maintain consistent communication with stakeholders, and deliver real-time risk intelligence to support strategic decision-making. These limitations, compounded by manual processes, have hindered the university's ability to anticipate and respond to emerging risks efficiently. Workiva, a cloud-based platform that centralizes Governance, Risk, and Compliance (GRC) data, will resolve these challenges by providing a streamlined and integrated risk management framework. Scheduled to go live on March 1, Workiva will enhance operational efficiency, foster transparency, and enable better alignment of risks with the university's strategic goals.

### Benefits to the Board of Trustees:

- **Enhanced Oversight:** Provides the board with real-time, consolidated risk reports and dashboards for better governance and informed decision-making.
- **Improved Transparency:** Ensures clear visibility into risk mitigation efforts and alignment with the university's strategic goals.
- **Streamlined Reporting:** Facilitates comprehensive and consistent reporting on risk, compliance, and audit findings.

### Benefits to University Management:

- **Real-Time Risk Intelligence:** Delivers actionable insights through integrated data across assessments, controls, and audits.
- **Efficiency Gains:** Automates repetitive tasks like data aggregation and reporting, allowing management to focus on strategic priorities.
- **Empowered Decision-Making:** Equips leaders with intuitive tools and dashboards to monitor risks and their mitigation status effectively.
- **Enhanced Collaboration:** Supports cross-departmental coordination with shared access to risk data and status updates.

### Benefits to University Staff:

- **Increased Engagement:** Provides risk owners with tailored views and automated reminders to ensure timely actions and accountability.
- **Simplified Processes:** Reduces manual inputs and complexity, streamlining the risk assessment and reporting process.
- **Capacity Building:** Enables staff to contribute effectively to risk mitigation through easy-to-use tools and clear guidance.



## Training and Awareness: Venom Vision Workshops for Managers and Employees

Training and awareness are essential components of fostering a culture of compliance, operational excellence, and risk management at FAMU. Through structured workshops and targeted initiatives, the Office of Enterprise Risk Management (ERM) equips managers and employees with the tools to navigate challenges, improve processes, and align their daily activities with the university's strategic goals. During Compliance Week, the ERM office participated in two mandatory workshops designed to empower the campus community where we led training discussions on "**Manager Strategies for Operational Efficiency and Service Excellence**" and "**Supporting Operational Efficiency and Service Excellence for University Success**." These sessions reinforced the importance of accountability, collaboration, and strategic alignment in achieving institutional success.

### Manager Strategies for Operational Efficiency and Service Excellence

This session provided managers with actionable strategies to enhance service excellence and operational efficiency while integrating compliance and risk management into daily operations. Participants learned how to set standards for service-oriented behaviors, lead by example, and promote solution-oriented mindsets to address challenges effectively. The session also emphasized the importance of conducting regular process reviews, cross-training team members, and leveraging automation to improve efficiency. Managers were encouraged to foster open communication about risks, implement regular risk assessments, and share lessons learned to enhance accountability and resilience across units

### Supporting Operational Efficiency and Service Excellence for University Success

This training session focused on empowering employees to actively engage, take ownership, and elevate their contributions to the university's success. The session highlighted three core actions: **Engage, Empower, and Elevate**. Employees were encouraged to foster active participation and collaboration, take ownership of their roles while supporting colleagues, and strive for continuous improvement through innovation and alignment with strategic goals. Practical steps, such as regularly assessing workflows, celebrating achievements, and fostering a service-first attitude, were shared to inspire a culture of excellence and collaboration across departments





## Risk Bulletin: NCAA Benefits Expansion ([Click Here to Download Bulletin](#))

The new National Collegiate Athletic Association (NCAA) benefits for student-athletes, effective as of August 1, 2024, significantly expand their rights and opportunities in three key areas: Name, Image, and Likeness (NIL), healthcare, and academic support. Under the new NIL guidelines, student-athletes are now able to monetize their personal brand through sponsorships, endorsements, and other commercial ventures, allowing them to capitalize on their athletic performance and visibility. In addition to NIL opportunities, the enhanced benefits include comprehensive healthcare coverage paid for by the NCAA, with a stronger focus on mental health services, injury prevention, rehabilitation, and even post-eligibility medical care which are all the responsibility of the university. These healthcare improvements are designed to ensure that student-athletes receive adequate support throughout and beyond their collegiate careers. Furthermore, the academic benefits now require universities to provide increased tutoring, academic advising, and resources tailored to the unique needs of student-athletes, helping them succeed in both their athletic and academic pursuits. As a Historically Black College and University (HBCU) in Florida, Florida Agricultural and Mechanical University (FAMU) faces unique challenges and opportunities in managing the expansion of the NCAA benefits. This report outlines the key risks associated with these developments and their potential impact on our athletics program, institutional reputation, and financial sustainability.

### Key Risks Identified:

1. **Increased Competition for Top Talent (NIL):** Without a competitive NIL program, we risk a talent drain, weakening our athletics performance and reducing key revenue streams such as ticket sales, sponsorships, and media deals.
2. **Healthcare and Academic Resource Strain:** The expanded healthcare and academic benefits for student-athletes require additional investment in medical staff, mental health services, and academic support infrastructure.
3. **Compliance and Regulatory Risks:** Navigating the complex regulatory landscape of NIL, healthcare, and academic benefits requires strict adherence to both NCAA rules and Florida state laws.
4. **Reputational Risks:** As public scrutiny of how universities handle NIL, health, and academic benefits intensifies, we face the risk of reputational damage if these areas are mismanaged or perceived as inequitable.
5. **Financial Sustainability:** The expansion of benefits represents a significant financial burden for our athletics program, which is mandated by the Board of Governors for the State University System of Florida to remain financially self-sustaining.



## Risk Alert: Business Continuity ([Click Here to Download Full Risk Alert](#))

Disruption is Inevitable – Preparedness is a Choice! Florida Agricultural & Mechanical University (FAMU) is an institution built on excellence, but even excellence is vulnerable to unexpected disruptions like hurricanes, cyberattacks, utility failures, and public health crises. The question isn't **if** a disruption will occur but **when**. Without a robust business continuity plan, FAMU's ability to deliver on its mission is at serious risk.

### Why This Matters to FAMU's Strategic Priorities:

Business continuity is not just about surviving a crisis—it's about thriving despite one. It is how we protect FAMU's mission, safeguard the student experience, and continue our pursuit of Carnegie R1 status. Without preparedness, we risk everything we've worked so hard to build. We cannot allow anything to jeopardize our strategic priorities:

- **Student Success** depends on uninterrupted learning and support.
- **Academic Excellence** relies on protecting our research and intellectual property.
- **Leveraging the Brand** hinges on our ability to deliver a seamless and exceptional experience even during disruptions. Continuity ensures we maintain trust with students, faculty, donors, and the community.
- **Fiscal Health** requires operational resilience to avoid financial losses.
- **Organizational Effectiveness** needs plans to keep our talented staff and faculty focused and engaged, even in difficult times.

### Potential Consequences of Inaction:

- **Operational Chaos:** Without continuity plans, departments, colleges, and schools may face shutdowns or prolonged disruptions to essential services, leading to student dissatisfaction and reputational damage.
- **Data Breaches & Intellectual Property Losses:** Failure to secure systems during a crisis can result in breaches that could cripple our reputation and competitiveness as we strive for R1 status.
- **Financial Fallout:** Interruptions in operations could lead to millions in financial losses due to halted tuition payments, research grants, and potential legal and regulatory fines.
- **Reputational Damage:** Once trust is broken among students, faculty, staff, and the public, it's extremely difficult to rebuild. Our ability to deliver the FAMU brand of excellence in customer service and academic outcomes is at risk.



## Risk Alert: Digital Disruption ([Click Here to Download Risk Alert](#))

Digital Disruption is Reshaping Education! Digital disruption is transforming higher education at an unprecedented rate. Advances in technology, particularly in artificial intelligence, data analytics, and online platforms, are redefining how we teach, research, and operate. While these changes promise to enhance our educational model and operational efficiency, they also pose significant challenges if not strategically managed.

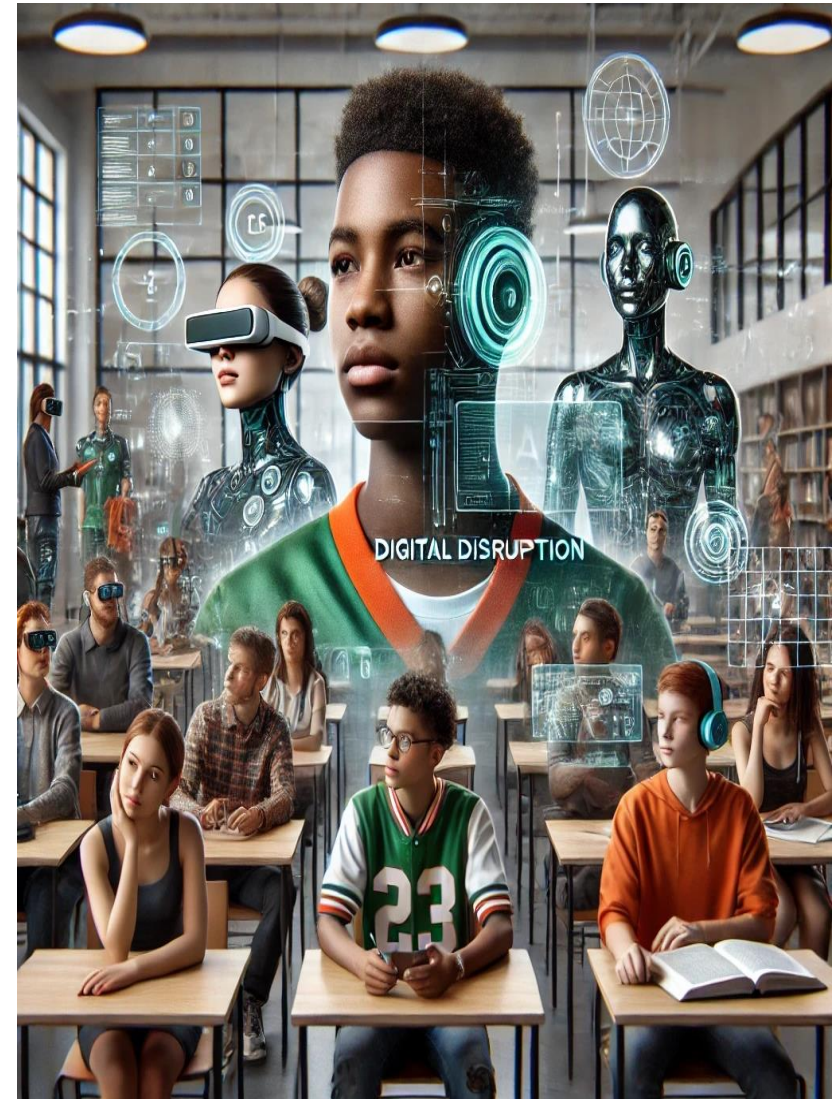
### Why This Matters to FAMU's Strategic Priorities:

Digital disruption is not just a trend; it's a fundamental shift in how we operate and deliver education. As Florida A&M University (FAMU) aims to enhance its national standing and achieve its strategic objectives, it is crucial that we proactively embrace digital disruption to remain competitive and fulfill our mission of excellence. Strategic Priorities at Risk:

- **Student Success:** Digital tools must enhance, not hinder, the accessibility and quality of education for all students, supporting improved retention and graduation rates.
- **Academic Excellence:** Our research capacity and intellectual contributions must leverage digital advancements to drive innovation and maintain integrity.
- **Leverage the Brand:** FAMU's reputation depends on staying at the forefront of digital trends to meet stakeholder expectations and expand our influence.
- **Fiscal Sustainability:** Efficient digital integration can open new revenue streams and optimize current expenditures, securing our financial future.
- **Organizational Effectiveness:** Adopting digital solutions can improve workflow but requires careful change management to ensure staff and faculty engagement and retention.

### Potential Consequences of Inaction:

- **Operational Inefficiencies:** Lagging in digital adoption could slow our processes, affecting student services and administrative functions.
- **Competitive Disadvantage:** Failure to innovate could diminish FAMU's appeal to prospective students and faculty, impacting enrollment and talent recruitment.
- **Security Vulnerabilities:** Inadequate attention to digital advancements could lead to cybersecurity risks, threatening data integrity and privacy.
- **Missed Opportunities:** Not capitalizing on digital tools could result in lost opportunities for research funding, partnerships, and technological leadership.



## Risk Alert: Cybersecurity Maturity Model Certification ([Click Here to Download Risk Alert](#))

The Department of Defense (DoD) on October 15, 2024 issued the final rule for the Cybersecurity Maturity Model Certification (CMMC), establishing rigorous cybersecurity requirements for all institutions involved in DoD-funded research. This rule takes effect on December 16, 2024, and mandates that any organization handling Controlled Unclassified Information (CUI) or Federal Contract Information (FCI) must comply with specific cybersecurity standards to protect sensitive government data. Compliance is not optional; it is a prerequisite for securing or retaining DoD research funding. Achieving and maintaining CMMC compliance is essential to FAMU's strategic goals, including our path to R1 Carnegie status.

### Why This Matters to FAMU's Strategic Priorities:

Achieving and maintaining CMMC compliance is not just a regulatory requirement; it's an opportunity to strengthen FAMU's position as a leader in research excellence, secure federal funding, and enhance our reputation as a trusted partner.

- **Student Success:** Compliance ensures continued access to DoD funding, supporting research opportunities for students and enabling hands-on experience.
- **Academic Excellence:** Protecting our research and intellectual property not only safeguards academic integrity but also enhances our ability to attract top faculty and secure high-impact projects.
- **Leveraging the Brand:** CMMC compliance showcases our commitment to secure research, attracting industry partnerships and increasing our visibility in high-profile research areas.
- **Fiscal Health:** Federal research funding, including DoD grants, is crucial for financial stability. CMMC compliance secures these funding streams, supporting financial resilience and growth opportunities.
- **Organizational Effectiveness:** Compliance with federal cybersecurity standards promotes operational efficiency, minimizing disruptions and aligning FAMU with best practices.

### Potential Consequences of Inaction:

- **Loss of Critical Funding:** Non-compliance with CMMC standards could lead to the immediate loss of DoD research grants, repayment of grant funds, and prevent access to future funding opportunities.
- **Legal and Financial Penalties:** Non-compliance could result in penalties up to \$10,000 per control, with a minimum of 110 controls required for evaluation.
- **Operational Disruptions and Setbacks:** Inadequate cybersecurity protections increase the risk of cyber incidents that could disrupt academic programs, research, and administrative operations.
- **Erosion of Trust Across Stakeholders:** Failure to protect research data and comply with federal standards could break the trust of students, faculty, and government partners.



## Top Faculty and University Risks

TOP FACULTY RISKS				
Strategic Priority	Risk	Risk Description	Risk Appetite	Inherent Risk Level
Priority 2: Academic Excellence	Workload and Burnout	Faculty members are experiencing high levels of workload, often juggling teaching, research, administrative responsibilities, and service commitments. This can lead to burnout, characterized by emotional exhaustion, depersonalization, and a sense of reduced personal accomplishment.	Risk Averse	HIGH
Priority 2: Academic Excellence	Mental Health and Well-being	Mental health and well-being encompass the psychological and emotional state of faculty members. Factors contributing to mental health issues include stress, anxiety, depression, and the challenges of balancing professional and personal life.	Risk Averse	HIGH
Priority 2: Academic Excellence	Research Funding and Grant Competition	Securing research funding is increasingly competitive, with limited grants available from government agencies, private foundations, and industry sponsors. Faculty members face significant pressure to obtain funding to support their research initiatives and career progression.	Opportunity Seeking	HIGH
Priority 2: Academic Excellence	Academic Freedom and Censorship	Academic freedom refers to the liberty of faculty members to teach, conduct research, and publish without undue interference or restriction. Censorship and external pressures can threaten this freedom, impacting the ability to explore controversial or innovative ideas.	Risk Averse	MEDIUM
Priority 5: Organizational Effectiveness & Transformation	Job Security and Tenure Uncertainty	Job security and tenure uncertainty refer to concerns about the stability and permanence of faculty positions. Changes in tenure policies, budget constraints, and shifting institutional priorities can create an environment of uncertainty for faculty members.	Opportunity Seeking	MEDIUM
TOP UNIVERISTY RISKS				
Strategic Priority	Risk	Risk Description	Risk Appetite	Inherent Risk Level
Priority 1: Student Success Priority 5: Organizational Effectiveness & Transformation	Staff and Student Mental Health	The mental health of both staff and students is critical to the overall well-being and performance of the university community. This risk encompasses issues such as stress, anxiety, depression, and other mental health conditions that can affect individuals' ability to work, study, and engage effectively.	Risk Averse	HIGH
Priority 5: Organizational Effectiveness & Transformation	Talent Management	Talent management involves attracting, developing, retaining, and effectively utilizing staff members. This includes faculty and administrative personnel and is crucial for the institution's operational success. Additional focus on succession planning, professional development, and compensation were concerns raised by faculty and staff.	Opportunity Seeking	MEDIUM
Priority 3: Leverage the Brand	Culture of Accountability	A culture of accountability refers to an environment where all members of the university community take responsibility for their actions and outcomes. This	Opportunity Seeking	HIGH

		includes ethical behavior, compliance with policies, and commitment to the institution's values and goals.		
<b>Priority 4: Long-Term Fiscal Health &amp; Sustainability</b>	<b>Financial Management</b>	Financial management involves planning, organizing, directing, and controlling financial activities such as procurement and utilization of funds. It ensures that the university's financial resources are used effectively and efficiently. The University has experienced significant staff turnover in the Controller's Office which has impacted financial operations, management continue to raise concerns related to the efficiency of procurement processes, donor management, and insufficient funding to meet strategic and business objectives.	<b>Risk Averse</b>	<b>HIGH</b>
<b>Priority 5: Organizational Effectiveness &amp; Transformation</b>	<b>IT/Cybersecurity</b>	IT/cybersecurity covers the protection of the university's information systems from cyber threats such as hacking, data breaches, and malware attacks. It also includes the management of IT infrastructure and services. The infusion of artificial intelligence into the university environment poses a variety of technical, ethical and operational risks.	<b>Risk Averse</b>	<b>MEDIUM</b>
<b>Priority 5: Organizational Effectiveness &amp; Transformation</b>	<b>Campus Safety and Security</b>	Campus safety and security involve measures to protect students, staff, and visitors from physical harm and to ensure a safe learning and working environment. This includes emergency preparedness, crime prevention, and response to incidents.	<b>Risk Averse</b>	<b>MEDIUM</b>
<b>Priority 5: Organizational Effectiveness &amp; Transformation</b>	<b>Organizational Change Management</b>	Organizational change management refers to the processes and strategies used to manage changes within the university, such as restructuring, implementing new technologies, or changing policies. The University has made changes to structure and leadership, while initiating several major strategic initiatives that impact university operations.	<b>Opportunity Seeking</b>	<b>HIGH</b>
<b>Priority 5: Organizational Effectiveness &amp; Transformation</b>	<b>Human Resources Operations</b>	Human resources operations encompass the management of employee-related functions such as recruitment, training, payroll, and compliance with labor laws. University departments continue to struggle with recruiting qualified candidates, have frustrations with the hiring, onboarding, and offboarding processes, and are not fully aware of compliance requirements with new labor laws.	<b>Opportunity Seeking</b>	<b>MEDIUM</b>
<b>Priority 1: Student Success</b>	<b>Financial Aid</b>	Financial aid includes the provision of scholarships, grants, loans, and work-study opportunities to support students' educational expenses. During the past year there have been concerns about the amount of financial available for students, timely processing of financial aid, customer service, and cross-functional collaboration for effective financial aid processes.	<b>Risk Concerned</b>	<b>MEDIUM</b>
<b>Varied Impacts</b>	<b>Political Impact and Legislation</b>	This risk involves the influence of political decisions and legislative changes on the university's operations and policies. This can include changes in funding, regulations, and educational mandates. Over the past few years, significant changes in local and federal law have impacted university operations and increased staff uncertainty around compliance.	<b>Risk Averse</b>	<b>MEDIUM</b>

## ERM Office Highlights

### ERM Internship:



The Office of Enterprise Risk Management is proud to announce that we have been awarded the "*Be the Change* Funded Student Internship" grant from the University Risk Management & Insurance Association (URMIA) for the second consecutive year. This \$7,500 grant supports a paid student internship that enables us to provide a meaningful learning experience for a deserving student, offering them the opportunity to work closely with risk management professionals and gain hands-on experience in the field. The new intern will continue the impactful work of the previous intern, focusing on enhancing ERM awareness, assisting with risk assessments, and engaging with the student population about everyday risks in student life. This continuity ensures that our initiatives remain student-centered and resonate with the unique perspectives of our campus community.

### New Employee Spotlight:



We are excited to announce that Sabrina Butler is the newest member of the Enterprise Risk Management team. Sabrina is a critical liaison in the Enterprise Risk Management process, where she works across departments to ensure identified risks are effectively managed. Following ERMAC committee meetings, Sabrina coordinates with key authorities in each area—ranging from Facilities to University Police—to track progress on risk response actions, whether they involve mitigation, enhancement, or monitoring. She compiles comprehensive progress reports on these responses, which provide senior leadership and the board of trustees with clear insights into our preparedness and proactive risk management across the university. We are very excited to have Sabrina to the Enterprise Risk Management team.

### Professional Development:



The ERM team participated in the exclusive, invitation-only "ERM in Higher Ed: Navigating Risks in Higher Education" workshop hosted by the Enterprise Risk Management Initiative at NC State University's Poole College of Management. This two-day, in-person workshop provided a platform for ERM leaders in higher education to share insights, discuss challenges, and explore best practices for enhancing their risk management programs. Attendees had the opportunity to learn from real-world case studies and connect with peers across the sector, broadening their understanding of effective risk management strategies tailored for the unique environment of higher education. A highlight of the workshop was the presentation by FAMU's Chief Risk Officer, Deidre Melton, who led a session on "Enhancing ERM Communications." Deidre showcased the university's commitment to clear and impactful risk communication. Her presentation was well-received, with attendees expressing strong interest and admiration for the quality and comprehensiveness of FAMU's communication products.



**Component 1: ERMAC Risk Managers Sub-Committee**

The sub-committee will deliver powerful reports that spotlight critical risks, targeted mitigation strategies, and significant achievements across all key areas. Comprehensive reports on emergency management, campus safety, student health services, environmental health & safety, and research will be released, with senior leadership providing strategic feedback at each step. Bi-weekly meetings and a comprehensive end-of-year progress report will ensure continuous momentum and accountability.

**Component 2: Establish ERMAC Cohort 2**

This year, we will strategically launch Cohort 2 of the ERM Advisory Committee, comprising the Office of Compliance and Ethics, the University Policy Office, and the Division of Audit. By appointing key leaders, establishing a clear meeting cadence, and setting focused priorities, we aim to drive meaningful impact across these critical areas. Regular priority presentations and action plan meetings will ensure that each area advances with purpose and delivers tangible results.



**Component 3: Develop a Comprehensive Action Plan Process**

This year, we will establish a robust process to monitor and drive the completion of risk response action plans. Our goal is to enhance reporting on these plans and streamline the entire process by integrating it into the Workiva ERM software, ensuring efficiency and accountability throughout. This initiative will empower our teams to proactively manage risks and deliver timely, data-driven updates to leadership.



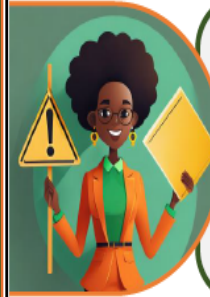
**Component 4: Enhancing Risk Communications**

This year, we will elevate our risk communications by issuing regular alerts on emerging risks and providing in-depth reports on risks impacting our Performance Based Funding Metrics and Strategic Plan Goals. Additionally, we will release targeted risk strategy reports on a select group of top risks identified in the University risk assessment, ensuring that our stakeholders are informed and prepared to take action.



**Component 5: Implement a Dynamic Risk Assessment Process**

This year, we will implement a dynamic risk assessment process that includes a series of targeted workshops on critical areas such as leadership, artificial intelligence, legislation, and cybersecurity. We will conduct industry risk scans and integrate our risk registry into the Workiva platform. Additionally, we will gather comprehensive risk data through interviews and surveys with key stakeholders, including the Board of Trustees, faculty, and mid-management, culminating in a detailed Risk Assessment Report.



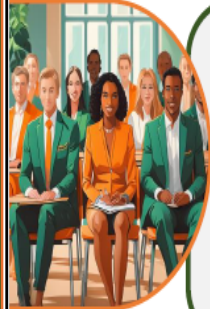
**Component 6: Strengthening the ERM Governance Framework**

This year, we will take decisive action to enhance the ERM Governance Framework, ensuring it is both robust and aligned with best practices. We will conduct thorough reviews of risk appetites, charters, policies, and procedures, as well as maturity assessments to identify areas for improvement. By fortifying the governance structure, we will solidify the foundation of our ERM program, driving greater accountability, transparency, and effectiveness across the university.



**Component 7: Expanding Training and Awareness**

This year, we will prioritize the expansion of training and awareness initiatives across the university to deepen understanding and engagement with ERM principles. We will develop targeted training programs and awareness campaigns to equip faculty, staff, and stakeholders with the knowledge and tools they need to effectively identify, assess, and manage risks. This will foster a proactive risk culture that supports the university's strategic objectives.



**Component 8: Transitioning the ERM Program to the Office of the Chief Operating Officer**

This year marks a pivotal shift as the ERM program transitions from the Division of Audit to the Office of the Chief Operating Officer. In this new structure, the Chief Risk Officer will also take on the role of Deputy Chief Operating Officer, integrating risk management more deeply into the university's operational strategy. This transition will enhance the alignment of risk management with our broader strategic goals, driving a more cohesive and resilient organization.







## **Enterprise Risk Management Resources**

**ERM WEBSITE**



**RISK REPORTING HOTLINE**



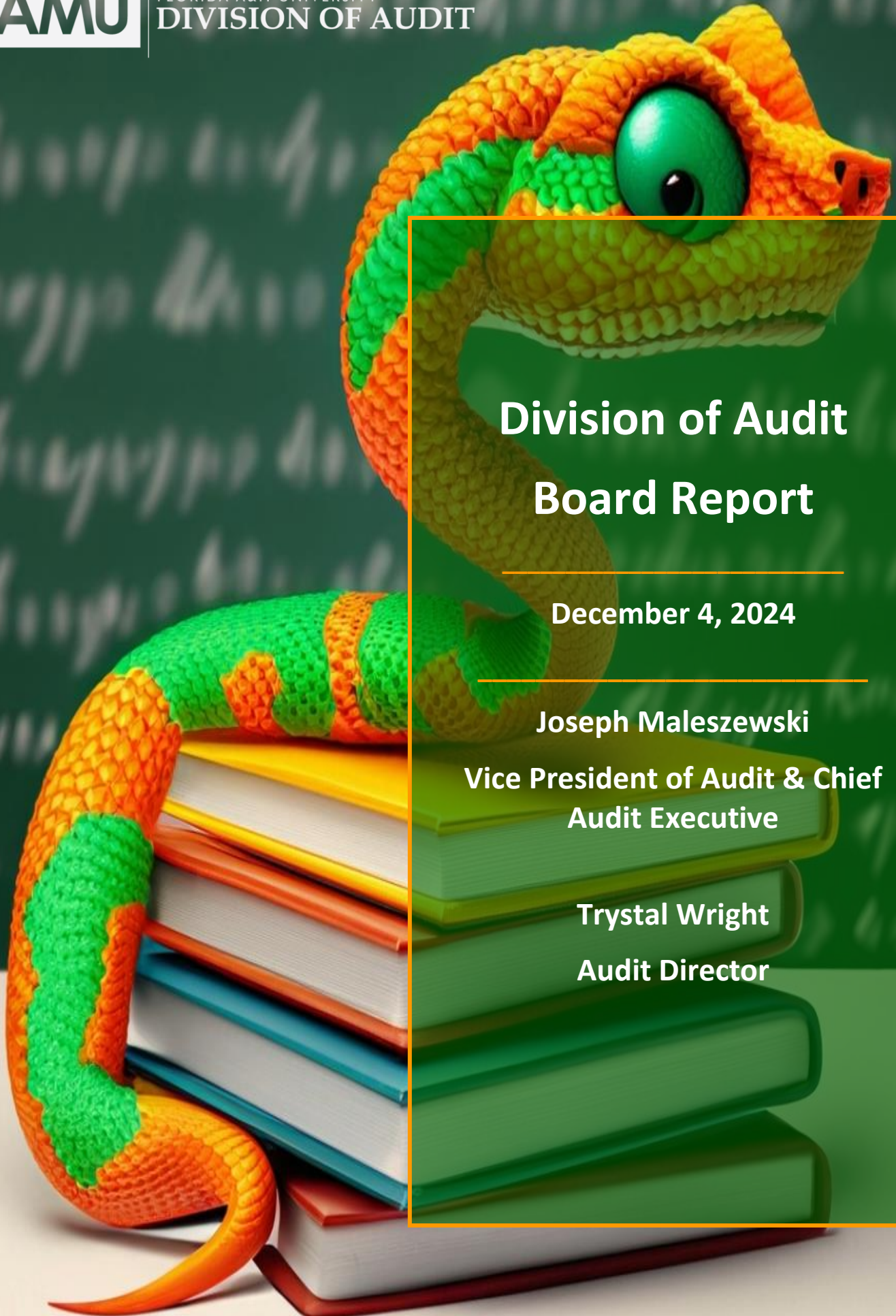
**ERM SERVICE REQUEST**



**EMAIL: [erm@famu.edu](mailto:erm@famu.edu) PHONE: 850-412-5479**



FLORIDA A&M UNIVERSITY  
DIVISION OF AUDIT



# Division of Audit Board Report

December 4, 2024

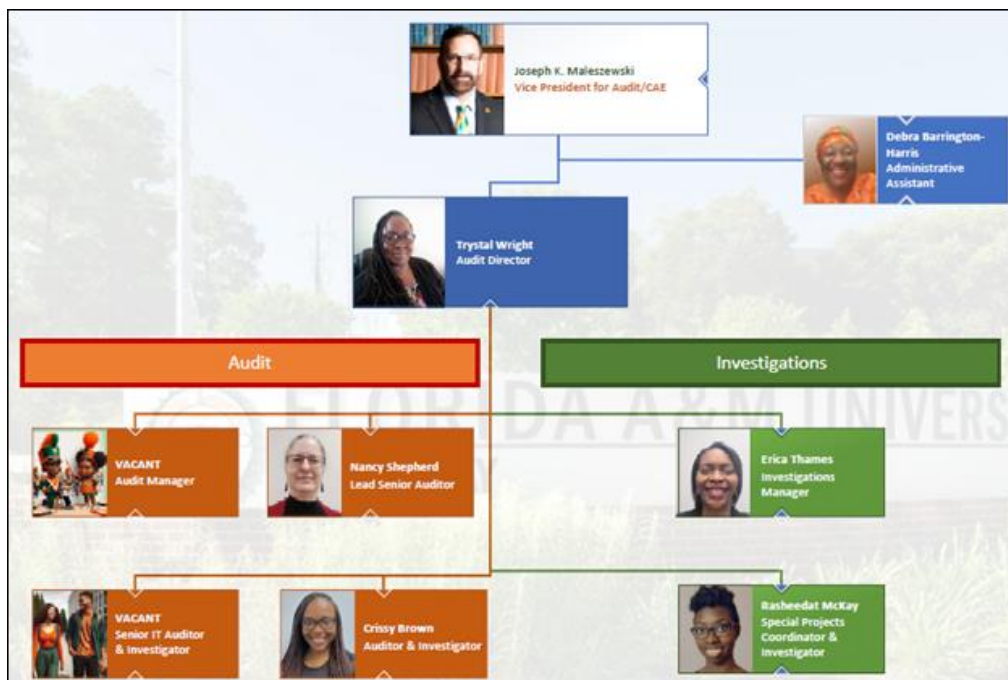
Joseph Maleszewski  
Vice President of Audit & Chief  
Audit Executive

Trystal Wright  
Audit Director

**Dear Esteemed Members of the FAMU Board of Trustees,**

I am excited to submit the Division of Audit’s materials for the upcoming December 4th Audit, Risk, and Compliance Committee meeting. It has been an exciting and busy fiscal year so far with many changes across the University and within the Division.

These changes include some personnel changes. In September I announced that I had promoted Trystal Wright from Audit Manager to Director of Audit. Since that time, we have worked diligently to advertise for and interview candidates to fill the vacant Audit Manager position. In October our Senior IT Auditor & Investigator Will Thomson resigned. He has relocated to Colorado to be with family and pursue other opportunities. We are currently advertising the Senior IT Auditor & Investigator position and hope to fill it early in the new calendar year.



Collectively, these vacancies will require some updates to our board-approved work plan. We look forward to working with FAMU leadership and Board of Trustees members to help the University meet its mission.



Sincerely,

Vice President for Audit and Chief Audit Executive



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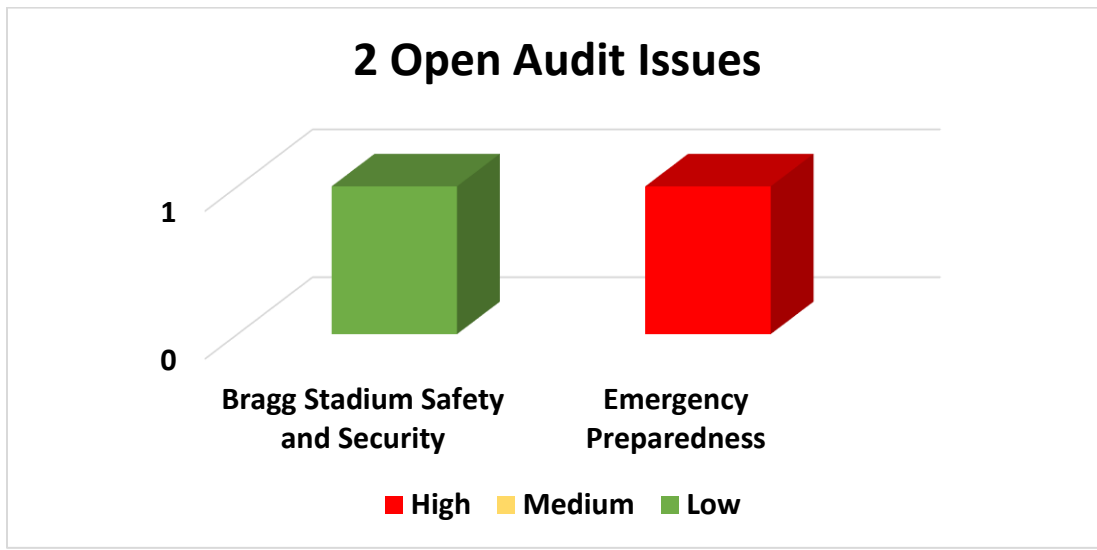


# Internal Audit Activities

Audit Work Plan				
Project	Start Date	Initial Projected Completion	Revised Projected Completion	Status
Financial Aid Audit	December 2022	March 2024	October 2024	Reporting
Athletics Financial Review: Spring 2023	December 2023	June 2024	October 2024	Reporting
Gramm Leach Bliley Act (GLBA): Safeguards Rule Audit	November 2023	March 2024	December 2024	Complete
Foreign Influence Audit	August 2024	October 2024	March 2025	Fieldwork
Athletics Financial Review: Spring 2024	Pending	March 2025	June 2025	Pending
Performance-Based Funding Data Integrity Audit	November 2024	March 2025	n/a	Fieldwork
Cybersecurity Maturity Model Certification (CMMC)	-	March 2025	n/a	To be Performed Externally
Athletics Financial Review: Fall 2024	-	June 2025	TBD	Postponed

## Status of Correct Actions for Open Audit Issues since June 2023

Florida Board of Governors Regulation [4.002 State University System Chief Audit Executive](#), Section 3(b) requires the chief audit executive to report on the progress made by management in implementing corrective actions.



### **Bragg Stadium Safety and Security (Open Issue: 1; Closed Issue:1)**

Executive Owner: Angela Suggs, Vice President for Athletics/AD

- **ADA Guardrail Compliance** - The height (in certain areas) and construction of the guardrails are not compliant, in accordance with the Florida Building Code: FBC-B 1015. The University is currently looking at the most cost-effective way to address this concern and is awaiting design and pricing from the consultant/general contractor. Until these areas are addressed, the Building code official recommended that the University install “caution signage” to bring awareness to the individuals seated in these areas. **(Status- OPEN; Risk Level- LOW)**
- **ADA Restroom Compliance** – Restrooms are not fully ADA compliant, in accordance with certain elements of Florida Building Code *Chapter 6: Plumbing Elements and Facilities*. However, for the past two years the University has contracted with a vendor to provide ADA accessible restrooms during events held at the stadium. **(Status- CLOSED)**

### **Emergency Preparedness (Open Issues: 1)**

Executive Owner: Alonda Thomas, Chief Marketing and Communications Officer

- **Establishing an Evacuation Plan** - The Evacuation Plan has been finalized with the supporting essential employee plan. The crisis communication plan will need to be enhanced based on feedback received during the May 23, 2023, hurricane tabletop exercise. **(Status- OPEN; Risk Level- HIGH)**

### **Security Plan Audit (Open Issues: CONFIDENTIAL)**

Executive Owner: Robert Seniors, Vice President for Information Technology Services/CIO

- The referenced audit issues are considered confidential in accordance with [Florida Statute 1004.055 Security of Data and Information Technology in State Postsecondary Education Institutions](#). A detailed review of progress made on corrective actions taken to resolve issues identified during the Security Plan Audit will be provided to Board of Trustees members during the December 2024 Cybersecurity Closed Door Session. Board members are entitled to a one-on-one briefing prior to this meeting and can request a briefing by contacting Joseph Maleszewski, Vice President for Audit/CAE at [joseph.maleszewski@famu.edu](mailto:joseph.maleszewski@famu.edu).

### **GLBA - Safeguards Rule Audit (Open Issues: CONFIDENTIAL)**

Executive Owner: Robert Seniors, Vice President for Information Technology Services/CIO

- The referenced audit issues are considered confidential in accordance with [Florida Statute 1004.055 Security of Data and Information Technology in State Postsecondary Education Institutions](#). A detailed review of progress made on corrective actions taken to resolve issues identified during the 2024-2025 GLBA Audit will be provided to Board of Trustees members during the December 2024 Cybersecurity Closed Door Session. Board members are entitled to a one-on-one briefing prior to this meeting and can request a briefing by contacting Joseph Maleszewski, Vice President for Audit/CAE at [joseph.maleszewski@famu.edu](mailto:joseph.maleszewski@famu.edu).

# External Audit Activities

The Division of Audit functions as the University's official liaison for external auditors to assist management with meeting the requests and understanding various audit requirements. We also monitor the implementation status of audit recommendations, including recommendations with long implementation timelines to ensure they are progressing.

The chart below provides an overview of external audits currently in-progress or recently concluded since our September 2024, report to the Audit, Risk and Compliance Committee.

Current Status of External Audits		
Audit	Current Status	Comments
<b><u>Florida Auditor General (AG)</u></b> Operational Audit (FYE 2024)	Complete	The final report for the AG Operational Audit was published Tuesday, October 29, 2024. There were four adverse audit findings, which include the following: <ul style="list-style-type: none"> <li>• <b>Special Investments with State Treasury Account:</b> A repeat finding related to Special Investments with State Treasury Account (SPIA);</li> <li>• <b>Bank Account Reconciliations:</b> Untimely preparation of bank reconciliations;</li> <li>• <b>Prompt Payment (40 days):</b> Payments to vendors not being in compliance with the 40-day prompt payment requirement; and</li> <li>• <b>Personnel Evaluations:</b> Employee evaluations not being performed consistently; 11 out of a sample of 28 individuals did not have current evaluations on file for the time period under audit.</li> </ul>
<b><u>Florida Auditor General (AG)</u></b> Financial Statement Audit (FYE 2024)	In-Progress	The audit fieldwork is currently in progress, with the final audit report anticipated to be issued by March 2025.
<b><u>Thomas, Howell, Ferguson (THF)</u></b> Athletics Financial Statement Audit (FYE 2022 and FYE 2023)	In-Progress	THF's audit fieldwork is nearing completion, and a report is expected to be issued in the near future.
Athletics Agreed Upon Procedures	Pending	Currently, there is no firm under contract to perform the required Agreed Upon Procedures (AUP) for NCAA-required January 15, 2025, submission deadline.
Athletics Financial Statement Audit (FYE 2024)	Pending	Currently, there is no firm under contract to perform the Board of Trustees required Athletics Financial Statement Audit for FYE 2024.

## **Florida AG Operational Audit (FYE 2024)**

Executive Owner: Rebecca Brown, Vice President for Athletics/CFO

The AG Operational audit included the following recommendations in the final Audit Report. The final Operational Audit Report published to the BOT also includes the University's response to the following recommendations:

- **SPIA Account:** The University should establish procedures to ensure that Cash in Bank, SPIA, and SPIA income transactions are promptly and accurately recorded by fund consistent with the ICOFA Financial Statement Guide. In addition, the University should enhance procedures to ensure that reconciliations of SPIA account balances by fund to the general ledger account balances are performed at least monthly, with reconciling items promptly identified, thoroughly investigated, adequately documented, and resolved.
- **Bank Account Reconciliations:** University procedures should be enhanced to ensure that University records demonstrate timely reconciliations of bank account balances to general ledger control accounts and supervisory review and approval of the reconciliations.
- **Prompt Payment (40 days):** The University should enhance procedures to ensure that vendors are paid promptly in accordance with University procedures. Such enhancements may include monitoring vendor invoice receipt dates and using aging reports to track payment due dates.
- **Personnel Evaluations:** The University should improve procedures to ensure that the required personnel evaluations are performed annually. Such improvements should include appropriate performance evaluation training, effective communication to hold supervisors accountable for completing the required evaluations, and the maintenance of applicable communication and evaluation records.



Current Status of External Audits for DSOs		
Audit	Current Status	Comments
<b><u>FAMU Boosters</u></b> Financial Statements Audit (FYE2023 & 2024)	Complete October 11, 2024	Grayson Accounting and Consulting, an independent CPA firm, determined that the financial statements were presented fairly, in all material respects. The results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.  However, certain limited procedures were applied in accordance with auditing standards but were not designed to identify all deficiencies in internal control that might be considered material or significant weaknesses. Given these limitations, there were no deficiencies identified in internal controls but, material weaknesses may exist that have not been identified. Furthermore, Grayson did not provide an opinion on whether the financial statements of the FAMU Rattler Boosters are free from material misstatement, as obtaining reasonable assurance on this matter was outside the scope of their audit objectives.
<b><u>FAMU Foundation</u></b> Financial Statement Audit (FYE 2023 & 2024)	Complete October 3, 2024	Watson Rice Accountants and Advisors, an independent CPA firm, determined that the financial statements present fairly, in all material respects.
<b><u>FAMU National Alumni Association</u></b> Financial Statement Audit (FYE 2023)	Complete November 15, 2023	Grayson Accounting and Consulting, an independent CPA firm, determined that the financial statements were presented fairly, in all material respects.
<b><u>FAMU Research Foundation</u></b>	Requested Exemption	Pending

**FAMU DSOs**

The external auditors for the FAMU Boosters, Foundation, and National Alumni Association applied limited procedures in accordance with auditing standards that were not designed to identify all deficiencies in internal control that might be considered material or significant weaknesses. Given these limitations, there were no deficiencies identified in internal controls however, it was noted that material weaknesses may exist that have not been identified. The external auditors also did not provide opinions on whether the financial statements of the DSOs are free from material misstatement, as obtaining reasonable assurance on this matter was outside the scope of their audit objectives.

The FAMU Research Foundation (FRF) is currently in the process of being established. So far, FRF has established a bank account with the Bank of America, had their 501(c)(3) status approved by the IRS, filed the necessary 990-N tax form for small tax-exempt organizations with annual gross receipts less than \$50,000, and established a Board, which has not yet met. Currently, the account holds \$28,000 but has no major expenditures. The Division of Audit will provide advisory services to assist the FRF with its establishment and operations.

# Advisory Activities

Advisory Work Plan			
Project	Initial Projected Start Date	Revised Projected Start Date	Status
IT Governance: State of Cybersecurity	March 2025	n/a	Pending
Campus Safety & Security	October 2024	February 2025	Pending
Academic Affairs: Operations	January 2025	March 2025	Pending
Controller's Office Self-Assessment	January 2025 (resume)	TBD	Postponed

## Status of Correct Actions for Open Advisory Issues

Institute of Internal Audit Standards, [2500 – Monitoring Progress](#), requires the internal audit activity to monitor the disposition of results of consulting engagements to the extent agreed upon with the client. The Division of Audit monitors corrective actions only for recommendations accepted by management during the consulting engagement. Accepted recommendations and corrective action plans are confirmed by both the division vice president and chief operating officer for monitoring.

### 2022 Procurement Services

Executive Owner: W. Rebecca Brown, Vice President for Finance and Administration

- A total of 34 recommendations were agreed upon by Procurement Services management.
- Twelve (12) of those recommendations have been successfully implemented.
- Twenty-two (22) of the recommendations remain open, of which:
  - Six (6) expected implementation dates were extended to October 2024 and are now past due, related to effectiveness and internal controls;
  - Two (2) expected implementation dates were extended to July 2025; and related to standardizing financial consequences in University contracts and efficient use of technology.
  - Seven (7) have future implementation dates; six (6) by December 2024 and one (1) by Spring 2025; and related to p-card usage, creating a contract repository, including a financial consequence in contract clauses, training and oversight.

- Three (3) require an implementation date to be set; and are related to setting procurement goals, updating the Procurement and P-Card Manuals, and implementing IT controls and monitoring activities.
- Two (2) require clarification or additional information; and are related to updating the Procurement and P-Card Manuals to enhance accountability and updating P-Card and Contract Management Trainings.
- Two (2) of the recommendations are pending closure, as the Division of Audit assists Procurement Services with documenting cross-functional process workflows.

### **IT Security Controls in Remote Work Environment Audit (Open Issues: CONFIDENTIAL)**

Executive Owner: Robert Seniors, Vice President for Information Technology Services/CIO

- The referenced audit issues are considered confidential in accordance with [Florida Statute 1004.055 Security of Data and Information Technology in State Postsecondary Education Institutions](#). A detailed review of progress made on corrective actions taken to resolve issues identified during the IT Security Controls in Remote Work Environment Audit will be provided to Board of Trustees members during the December 2024 Cybersecurity Closed Door Session. Board members are entitled to a one-on-one briefing prior to this meeting and can request a briefing by contacting Joseph Maleszewski, Vice President for Audit/CAE at [joseph.maleszewski@famu.edu](mailto:joseph.maleszewski@famu.edu).

# Investigation Services

The Division of Audit (DoA) is authorized to perform investigations into allegations of fraud, waste, abuse, and whistleblower determinations and disclosures, pursuant to the Florida's Whistle-blower Act (Sections 112.3187-112.31895, Florida Statutes). The DoA manages cases, such as investigations, preliminary inquiries, and management referrals. Additionally, our team collaborates with other departments and external agencies on referral matters.

In accordance with the DoA Charter, investigation activities are required to conform to standards found in the *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General, and professional standards issued for the State University System of Florida entitled *Standards for Complaint Handling and Investigations for the State University System of Florida*.

The following information is designed to keep the Board of Trustees informed regarding DoA investigative activities.

## DoA Investigative Workload - FY 2024-2025

As of November 15, 2024, DoA has concluded work related to 19 complaints issuing 9 investigation reports. We have also received an additional 19 complaints during FY2024-2025. The information below provides details:



**4**  
**OPEN CARRYFORWARD CASES**

- 4 Active Investigations



**10**  
**FY 2024-2025 OPEN CASES**

- 6 Active Investigations
- 4 Management Referrals



**19**  
**RECEIVED CASES – 2024-2025**

- 6 Investigations
- 12 Management Referrals
- 1 External Investigation – Major Gift

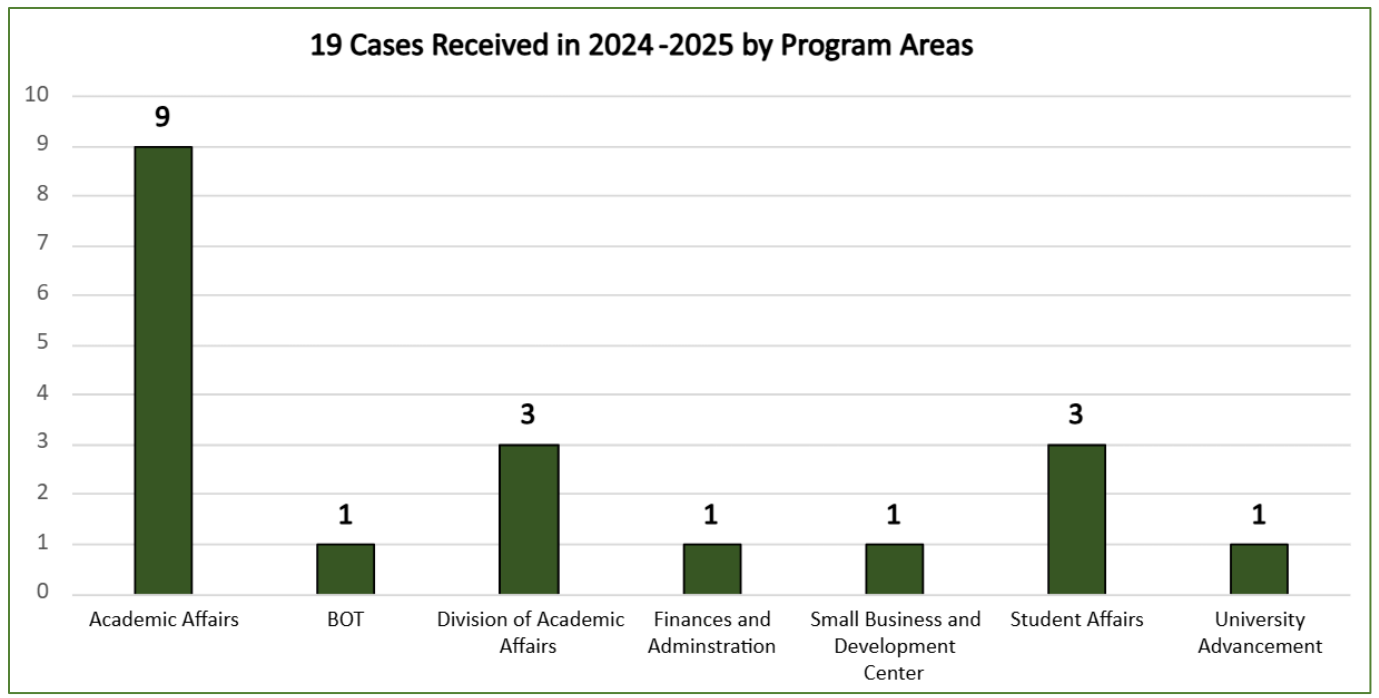


**19**  
**FY 2024-2025 CLOSED CASES**

- 10 Management Referrals Issued
- 9 Investigations Completed



**9**  
**INVESTIGATION REPORTS ISSUED SINCE JULY 1, 2024.**



### Open Investigation Cases Breakdown

As of November 15, 2024, the Division of Audit has **14** open cases. Among these, ten (10) are active investigations and four (4) are management referrals. The table below summarizes the open investigative issues by type of concern.

Open Investigative Issues	Count
Accounting and Auditing	1
Conflict of Interest *	2
Discrimination or Harassment *	1
Fraud	4
General Concern	3
Misconduct	2
Waste, Abuse, Misuse of Institution Resources	1
<b>Grand Total</b>	<b>14</b>

*\*Although these issues originated as either a conflict of interest or discrimination or harassment they contained elements appropriate for the Division of Audit jurisdiction.*

## CLOSED CASES

#	Date Received	Case#	Case Name	Case Category	Date Closed
<b>INVESTIGATIONS</b>					
1	1/27/2022	2022-01-71	Special Pay	General Concern	9/9/2024
2	6/6/2022	2022-06-96	Former Athletic Employee	Harassment	8/19/2024
3	10/27/2022	2022-10-111	Inappropriate ticket sells	Fraud	9/9/2024
4	11/15/2022	2022-11-116	Tickets	Fraud	8/19/2024
5	12/13/2022	2022-12-119	SGA	Legal or Regulatory Violation	8/28/2024
6	2/27/2023	2023-03-131	Improper Termination	Discrimination or Harassment	8/1/2024
7	3/1/2023	2022-11-118	Employment complaint: Student Assignment & AOR credits	General Concern	8/29/2024
8	3/15/2023	2023-03-137	Alleged fraud and altered Financial Aid records	Fraud	10/18/2024
9	7/13/2023	2023-7-158	Inappropriate IT Director Designation used for CoPPS employee	General Concern	10/18/2024
10	7/21/2023	2023-8-164	Summer Camp WB	General Concern	9/5/2024
11	8/11/2023	2023-8-165	Improper Canvas Access	General Concern	8/7/2024
12	9/7/2023	2023-9-173	JCOE Employee Compensation	Accounting and Auditing	8/20/2024
13	9/8/2023	2023-9-172	Timesheet and Attendance Fraud	Misconduct	10/30/2024
14	11/20/2023	2023-11-200	Employee Compensation	General Concern	10/9/2024
15	6/11/2024	2024-6-252	Foundation check	Fraud	9/9/2024
16	7/29/2024	2024-7-Formal Complaint	Formal Complaint	General Concern	8/19/2024
17	8/22/2024	2024-8-274	Breach of Confidentiality	Breach of Confidentiality	8/30/2024
18	9/11/2024	2024-9-278	Pharmacy Degree Credentials	Other	10/9/2024
19	9/11/2024	2024-9-279	Education Degree Credentials	Other	10/24/2024

OPEN CASES							
#	Date Received	Case#	Allegation Description	Department	Executive Owner	Phase	Risk Level
<b>INVESTIGATIONS</b>							
1	9/11/24	2024-9-280	Time Abuse	Academic Affairs	Provost Watson	Fieldwork	Low
2	9/30/24	2024-10-282	Mismanagement of Funds/Fraud	Academic Affairs	Provost Watson	Fieldwork Complainant Non-Responsive	Undetermined
<b>MANAGEMENT REFERRALS</b>							
3	10/23/24	2024-10-290	Faculty Harassment	Academic Affairs	Provost Watson	Reporting	Undetermined
4	11/11/24	2024-11-295	OFA-Student Loan-	Student Affairs	Dr. Hudson	Reporting	Low



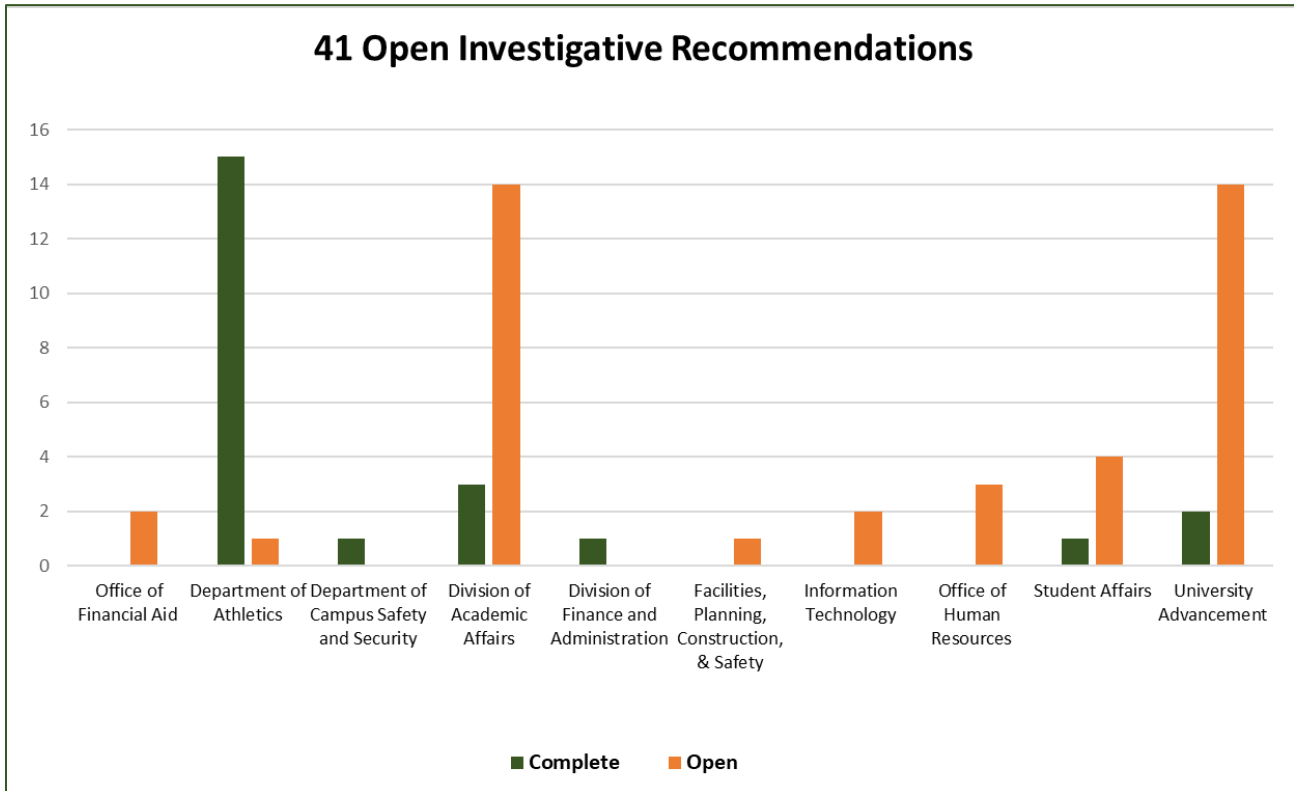
## OUTSTANDING OPEN CASES – OVER 90 DAYS

#	Date Received	Case#	Allegation Description	Department	Executive Owner	Phase	Risk Level	Days Outstanding
<b>INVESTIGATIONS</b>								
1	4/1/22	2022-4-80	Contractors inappropriately compensated	Academic Affairs	Provost Watson	Reporting	Moderate	960
2	5/31/23	2023-6-ITS WB	Contracts - Confidential	n/a	Interim President Beard	External Inv Fieldwork	High	535
3	1/31/24	2023-8-167 WB	Contracts - Confidential	Finance and Administration	VP Rebecca Brown	Fieldwork	Low	290
4	6/23/24	2024-6-254	Referred from OCE: Employee misconduct and interference with student housing	OCE	Chief Compliance Officer Rica Calhoun	Reporting	Low	146
5	6/25/24	2024-6-255 OPS Advisors	Employees are contracted to provide OPS academic advisement services after hours; however, they are performing the work during work hours.	Academic Affairs	Provost Watson	Fieldwork	Low	144
6	7/19/24	2024-7-264 CAFS Attendance	Employee misconduct: Timesheet and attendances fraud	Academic Affairs	Provost Watson	Reporting	Moderate	120
7	7/26/24	2024-7-266	Employee Misconduct: Alleged P-card fraud	Student Affairs	VP Hudson	Reporting	Low	113
<b>MANAGEMENT REFERRALS</b>								
8	7/16/24	2024-7-256 DRS	DRS employee pocketing grant funds	Academic Affairs	Provost Watson	Referral to OCE	Low	123
9	7/23/24	2024-7-262	Censorship of academic freedom	Academic Affairs	Provost Watson	Referral (Extension granted)	Low	116
10	7/29/24	2024-7-267 Payroll Fraud	Employees payroll checks redirects to fraudulent account	Finance and Administration HR	VP Rebecca Brown Terrisa Brown	Referral to DCSS	n/a	110

## Status of Management Actions for Investigation

### Recommendations:

DoA collaborated with management to understand the measures taken since the last report to the Audit, Risk, and Compliance Committee. The table below summarizes the status of management actions. The green bars indicate 23 completed corrective actions and the orange bars summarize the 41 items which remain open at this time.



### Department of Athletics Inventory Management (1 Open Recommendation)

Executive Owner: Angela Suggs, Vice President for Athletics/AD

- Develop and implement a method for tracking apparel that is given to University employees, and work with the Division of Finance and Administration to ensure proper reporting of apparel as additional income in accordance with IRS guidelines** - The Department of Athletics is in the process of meeting with the Division of Finance and Administration regarding the proper reporting of apparel based on IRS guidelines.  
**Status – Open; Risk Level - Moderate; Anticipated Completion – December 2024)**

## **Department of Campus Safety and Security Staffing Level (Recommendation - CLOSED)**

Executive Owner: Audrey Alexander, Chief, DCSS

1. **Evaluate campus security staffing levels** - DCSS has doubled its staffing levels. Currently, there are 27 administrative, patrol, SRO, and investigator positions, with 21 of those positions filled. One additional hire is currently in the onboarding process. DCSS is committed to continuing the process of filling the remaining vacancies. **(Status – Complete)**

## **Division of Academic Affairs (14 Open Recommendations)**

### **Case: 2023-1-121 – Alleged Additional Employment Violation**

Executive Owner: Dr. Allyson Watson, Vice President of Academic Affairs and Provost

1. Consult with Human Resources and the Office of General Counsel regarding appropriate actions to address late submission of Additional Employment Requests and unauthorized secondary employment. **(Status – Complete; Risk Level – Low)**
2. Improve Additional Employment Procedures and Processes. **(Status – Open; Risk Level – Low; Anticipated Completion – December 2024)**
3. Require verification of Request for Approval of Additional Employment (RAAE) authorization. **(Status – Open; Risk Level – Low; Anticipated Completion – December 2024)**

### **Case: 2022-11-118 - Student Assignment and Assignment of Responsibility Credits**

Executive Owner: Dr. Allyson Watson, Vice President of Academic Affairs and Provost

1. **AOR Resolution:** The faculty member's AOR aligns with the learners who registered for the courses assigned to the faculty member. As such, no revisions are necessary. **(Status – Complete; Risk Level – Low)**
2. **Faculty guidance on UFF CBA procedures:** Faculty will be reminded of Article 20 of the UFF CBA and counseled by the supervisor to address any concerns regarding overload compensation with their union representative. **(Status – Open; Risk Level – Low; Anticipated Completion – Spring 2025)**
3. **Recommend supervisor adhere to UFF CBA Section 9:** Faculty reports to a different director. Faculty's current director will adhere to UFF CBA 9.3 Annual Assignment and complete the assignment for faculty based upon the needs of the pharmacy practice center. **(Status – Complete; Risk Level – Low)**
4. **Recommend faculty comply with UFF CBA 9.3:** The Director will discuss the assignment of responsibility, request faculty sign AORs, and acknowledge receipt of assignment. If overload is assigned, an OPS contract will be submitted for payment with the AOR. **(Status – Open; Risk Level – Low; Anticipated Completion – Spring 2025)**

### **Case: 2023-8-164 - Marching 100 Youth Summer Band Camp Safety: Inclement Weather Protocols**

Executive Owner: Dr. Allyson Watson, Vice President of Academic Affairs and Provost

1. **Ensure on-campus incidents reported to the DEHS and ORM:** CEPD Director ensure summer camp incidents will be immediately reported to the DEHS and ORM, which are no longer the same entity. (The Office of Continuing Education uses the acronym of OCE

and not CEPD). All future summer camp informational sessions and training programs will include discussing the requirement to immediately report incidents to the DEHS and ORM. **(Status – Open; Risk Level – Moderate; Anticipated Completion – 12/1/2024)**

- 2. Arrange for first aid and CPR training for all camp employees and volunteers:** First aid and CPR training will be provided for summer camp staff and volunteers. CEPD Director and Director of Marching band contacted the Tallahassee Chapter of the American Red Cross to schedule training and are awaiting further information. Training will be provided for each director and designated staff and volunteers from each camp. Dean of the School of Nursing and her team offered the following recommendations which we will also implement:

- Remind campers to identify pre-existing health conditions on their medical history form. Band camp staff should review the forms to extract information related to health concerns and meet with the students upon arrival.
- Ensure first aid kits and AEDs are available in all areas.
- Secure RNs and APRNs and delineate their responsibilities.

Further, handouts will be provided by the Dean of the School of Nursing to help educate campers and staff on measures to ensure their safety and steps to take when an emergency arises. **(Status – Open; Risk Level – Moderate; Anticipated Completion – 5/1/25)**

- 3. Update the Marching 100 Band Practices Policy:** The following policy will be in effect regarding band camp staff practices in the event of inclement weather and medical emergencies. Staff are required to adhere to the following protocol:

- Weather: Notify the camp director who will assess the inclement weather scenario and determine the location to immediately move the students and staff (i.e., band room, west side practice room, or campus recreation center).
- Medical Emergencies: When a situation is identified as an emergency due to heat exhaustion, breathing, body injury, and/or other ailments that limit a student's ability to function, staff are directed to contact the campus police, 850-599-3256 and/or 911 immediately. The staff will then notify the camp director, who will contact the student's parents/guardians. The camp director will also contact the Director of DEHS, ORM, and OCE.
- The camp director will prepare an incident report and submit it to the Directors of EHS, ORM and OCE within 24 hours of the incident's occurrence.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – 12/1/2024)**

- 4. Confirm Blue Room issues are resolved:** The Director of Marching Band and Director of Plant Operations and Maintenance (POM) will ensure all non-functioning items in the west side building are removed, and collaborate to keep water fountains, restrooms, and the ice machine operational one month before camp. They will also ensure the air conditioning is functional and secure appropriate systems for heating and cooling. Fans will be installed, including four ceiling fans and four industrial floor fans, for adequate ventilation. Lighting fixtures will be updated for proper visibility during evening rehearsals.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – 5/1/25)**

- 5. Conduct an assessment to evaluate the feasibility of adding an outdoor pavilion, tensile roofing, or equivalent:** The Director of Marching Band and the Director of Plant Operations and Maintenance (POM) will work with OFPCS to conduct a comprehensive needs assessment for the summer camp. The current recommendations include:

- Add a permanent tent over the area with outside bleachers.

- Build a 500-seat grandstand pavilion, which has been requested for over six years. It would serve as an outdoor classroom and provide shelter during inclement weather.
- Repair the drill field sound system to ensure its consistent operation for instructional and emergency use.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – 5/1/25)**

6. **Employ, contract, or solicit a volunteer medically trained staff, to assist with camp participants and band members’ needs:** A medical staff (APRNs and/or RNs) will be utilized during summer camp. Medical staff will be obtained through employment or volunteer services.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – 7/1/25)**

7. **Ensure all prospective volunteers and employees undergo a background check:** A collaborative system has been in place between the Office of Continuing Education, HR, the Rattler Card Office, and Housing for more than five years. This system only allows approved staff to be placed on payroll, receive a Rattler Card, and have access to housing and meals. The Summer Camps Coordinator in the OCE will now visit each camp periodically to physically verify that all staff and volunteers have been approved.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – 7/1/25)**

8. **Submit all volunteer names to Office of Continued Education:** All prospective volunteers for the summer camp will undergo background screenings and complete the University's training and volunteer form. Their names and forms will be submitted to the Office of Continuing Education (OCE) for approval. Only approved volunteers will be allowed to participate in the camp. The Director of Marching Band will verify that all participating volunteers have been approved by the OCE. Any volunteers starting after the camp begins will also require OCE approval before participation.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – 5/1/25)**

#### **Case: 2023-9-172 Alleged Timesheet Violations**

Executive Owner: Dr. Allyson Watson, Vice President of Academic Affairs and Provost

1. Monitor timesheet entries to ensure regular work hours and annual leave hours are accurately reported when employee attends class during work hours.

**(Status – Open; Risk Level – Low; Anticipated Completion – TBA)**

2. Track employee’s attendance through email notifications or attendance sheets. **(Status – Open; Risk Level – Low; Anticipated Completion – TBA)**

#### **Facilities, Planning, Constructions (1 open Recommendation)**

#### **Case: 2023-8-164 Marching 100 Youth Summer Band Camp Safety: Inclement Weather Protocols**

Executive Owner: Kendall Jones, Associate Vice President Facilities, Planning, Construction, and Safety

1. **Clearly define and specify the types of illnesses or injuries that must be reported:** The Director of DEHS now requires any injury sustained by a summer camp participant to be reported. Inasmuch, the camp director will notify the DEHS and ORM of illnesses and injuries when they occur. Summer camp participants cannot receive care at the FAMU Student Health Services Center.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – 12/1/2024)**

## **Office of Human Resources (3 Open Recommendations)**

Executive Owner: Terrisa Brown, Assistant Vice President of Human Resources

### **Case: 2023-2-131 Alleged Wrongful Termination**

1. Implement procedures for providing resources and training to supervisors on the appointment, onboarding, evaluation, and offboarding requirements of each employee group classification.  
(Status – Open; Risk Level – Low; Anticipated Completion – December 2024)
2. Assess the feasibility of documenting the start date and end date of the probationary period within the employee’s HR file and iRattler to be viewable by supervisors.  
(Status – Open; Risk Level – Low; Anticipated Completion – December 2024)
3. Document the extension of an employee’s probationary period in the employee’s HR file and iRattler with the new start and end dates following an approved extension.  
(Status – Open; Risk Level – Low; Anticipated Completion –TBA)

## **Student Affairs (4 Open Recommendations)**

### **Case: 2022-12-119 – Alleged Improper Use and Time Recording by SGA Members**

Executive Owner: Dr. William Hudson, Vice President of Student Affairs

1. **Ensure SGA members are given a work schedule and completed hours based on their designated scheduled:** SGA members will submit to the SGA director, their office hours no less than the second week of the academic Semester two inch. To ensure class schedule class schedule align with planned office hours.  
(Status – Open; Risk Level – Low; Anticipated Completion –Spring 2025)
2. **Confirm SGA members complete the office hours, as reported in the University’s timekeeping system:** There are three branches executive. Judicial and legislative within. Student Government Association Each branch. Has been assigned a liaison. Within joint operations, the full-time employees assist and provide oversight to SGA. Each liaison We’ll manage. A notebook of printed timesheets for each SGA member within their assigned branch. The SGA Members will be required to personally and manually input time, and the liaison will be required. Will be required to verify that the manual timesheet is accurate and is the same as the online iRattler Time submissions. Each liaison will. Submit a weekly time report to the iRattler system.  
(Status – Open; Risk Level – Low; Anticipated Completion –10/14/24)
3. **Ensure SGA members office hours are monitored by an advisor:**
  1. The joint operations branch liaisons will serve. As the frontline monitors for SGA office hours - any member reporting. For office hours will have to sign in & out with the assigned branch liaison.  
(Status – Open; Risk Level – Low; Anticipated Completion –10/7/24)
4. **In consultation with legal, consider the option of not paying all student government leaders:** Each SUS member institution has different SGA constitutions and statutes in the individual institutions have to abide by what has been implemented at the individual institutions. Per Florida statues, the students have a high level of autonomy when it comes to drafting them or amending their documents. A proposal will be tendered to the SGA (specifically the student Senate) by the Vice President for Student Affairs (or his/her designee) that will request the SGA consider: (1) The option

of not paying all SGA members and (2) The option of considering SGA members receiving two stipend payments during semester, which will remove the need to complete time sheets throughout the semesters.

**(Status – Open; Risk Level – Low; Anticipated Completion –11/18/24)**

## **Division of University Advancement (14 Open Recommendations)**

On August 8, 2024, the Board of Trustees convened to discuss the issuance of the report from Buchanan Ingersoll & Rooney, PC. During the meeting, Interim President Timothy Beard committed to preparing an action plan, which will be presented to the Board at their September 11th-12th meeting. The plan will include specific dates and assignments.

Executive Owner: Dr. Donald Palm, Executive Vice President, Chief Operating Officer, and Interim Vice President for University Advancement

### **1. Changes to FAMU Policies and Regulations:**

- Review Current Policies and Guidelines: Conduct a thorough review of current FAMU Foundation policies and guidelines to identify specific areas requiring modifications in line with the recommendation.
- Establish a Gift Threshold: Define a financial threshold for gifts that require Board approval. Consider historical data, current financial landscape, and peer institutions' practices to determine the appropriate threshold.
- Policy Modification Drafting: Draft the necessary modifications to the FAMU Foundation Policies and Guidelines. This should include clear language that determines who has responsibility for accepting or rejecting gifts over an established threshold, such as the FAMU Foundation, VP of Advancement, and/or University President.
- Stakeholder Review and Feedback: Circulate the draft modifications among key stakeholders, including University leadership, for feedback and additional input. Ensure legal compliance and alignment with university objectives.
- Board Approval of Revised Policies: Present the final draft of the revised policies to the Foundation Board of Directors for approval.
- Ensure that the policies are formally adopted into the Foundation's governance framework.
- Communication and Training: Develop and implement a communication strategy to inform relevant stakeholders, including Foundation staff, University leadership, and potential donors, about the changes. Provide training sessions to Foundation staff on the updated policies and procedures.
- Implementation and Monitoring: Implement the revised policies immediately upon Board approval. Establish a monitoring process to ensure compliance with the new guidelines and to assess the effectiveness of the policy change. Regularly review the impact of the new policy and make adjustments as needed.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

### **2. FAMU Regulation Update:**

- Review of Current Regulation: Conduct a comprehensive review of the current language in FAMU Regulation, Chapter 1.021, to identify gaps related to the President's responsibility for communicating financial matters to the Board of Trustees.

- Establish a Financial Threshold: Determine a clear financial threshold above which the President is required to report to the Board of Trustees. This threshold should be aligned with the University's financial policies and comparable to peer institutions.
- Drafting the Regulation Update Develop draft language to amend FAMU Regulation, Chapter 1.021. The draft should clearly define the President's responsibility to provide timely and adequate information to the Board of Trustees about significant financial matters exceeding the established threshold.
- Stakeholder Review and Feedback: Circulate the draft amendment among key stakeholders for feedback. Ensure that the proposed changes are legally sound, clear, and in the best interest of the University's governance framework.
- Board of Trustees Approval: Present the final draft of the regulation update to the University Board of Trustees for review and approval. Ensure that all necessary documentation and rationale for the changes are provided.
- Regulation Implementation: Once approved, formally incorporate the updated regulation into the University's governance documents. Communicate the changes to all relevant parties, including University leadership and administrative departments.
- Training and Communication: Develop and deliver training sessions to university leadership, including the President and senior administrative staff, on the new reporting requirements. Additionally, provide clear communication to all relevant departments about the changes in the regulation.
- Monitoring and Reporting: Establish a monitoring system to ensure compliance with the updated regulation. Include periodic reviews and reports to the Board of Trustees to confirm that the President is providing timely and adequate financial information as required.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

### **3. Confidential Records and Sunshine Laws**

- Consult with Legal Counsel: Engage with internal and, if necessary, external legal counsel to fully understand the conflict between the Florida Sunshine Law and the Florida Public Records Act. Specifically, explore the legal implications of both statutes as they pertain to donor anonymity and board of trustees' fiduciary duties.
- Legal Analysis and Reconciliation: Conduct a detailed legal analysis to identify potential ways to reconcile the conflicting statutes. This may include exploring case law, legal precedents, and interpretations that can provide a pathway to harmonize the requirements of both laws.
- Develop a Legal Position: Based on the legal analysis, develop a formal legal position that outlines how the University will address the conflict, if applicable.
- **Conclusion:** The Florida Statutes contain provisions regarding donor anonymity for University DSOs. While these provisions exempt certain DSO records from public disclosure, they do not exempt DSO meetings from the Sunshine Law. Therefore, while donor identities may remain confidential, DSO meetings must still be open to the public.

**(Status – Complete; Risk Level – Low)**

### **4. Communication to Donor of Foundation Position: Consider Drafting a Communication to the Donor:**



- Consult with legal counsel and any relevant stakeholders to determine whether a formal communication with the donor is needed.
- If a need is determined, draft a formal letter to the Donor that clearly outlines the Foundation's position. The letter should include:
  - A statement that the Gift Agreement was never executed.
  - An explanation that the transfer of stock was invalidated by the Carta transfer agent.
  - Confirmation that the stock certificates in the Foundation's possession have been canceled.
  - A declaration that, as of May 14, 2024, the University and the Foundation have no ownership interest in Batterson Farms Corporation nor any legal relationship with the Donor.
  - Review and Approval of the Communication (if applicable): Submit the drafted letter for review and feedback to the Foundation Board of Directors, Foundation Legal Counsel and/or University Legal Counsel to ensure it accurately reflects the Foundation's position and adheres to legal standards. Make any necessary revisions based on feedback.
  - Document the Communication and Response (if applicable): Document the delivery of the letter, including the date and method of delivery. Track any response.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

5. **Roles of Vice President for University Advancement and Executive Director of the Foundation:** Assessment of Current Roles and Responsibilities: Conduct a comprehensive assessment of the current roles and responsibilities associated with the Vice President for University Advancement and Executive Director of the FAMU Foundation. This assessment will include an analysis of the workload, key functions, and the effectiveness of having these roles combined.

Benchmarking and Best Practices: Research and benchmark best practices from peer institutions regarding the structure of their advancement and foundation leadership. Determine how similar universities organize these roles and the impact of separating them.

Stakeholder Consultation: Engage with key stakeholders, including the FAMU Foundation Board of Directors, senior university leadership, and FAMU Board of Trustees, to gather input and feedback on the potential separation of these roles. Understand concerns, expectations, and potential benefits or challenges associated with the change.

Evaluation and Decision-Making: Based on the assessment, benchmarking, and stakeholder feedback, evaluate the pros and cons of separating the roles. Develop a recommendation for either maintaining the current structure or separating the roles into two distinct positions.

Action Plan for Separation (if approved): If the decision is made to separate the roles, develop a comprehensive action plan for the transition. This plan should include:

- Job Descriptions: Draft new job descriptions for each role, clearly defining responsibilities, expectations, and reporting structures.
- Recruitment: Initiate the recruitment process for the new positions, including internal and external searches if necessary.

- Transition Planning: Outline steps for a smooth transition, ensuring continuity of operations in both University Advancement and
- the FAMU Foundation.
- Budget and Resources: Assess and allocate the necessary budget and resources to support the two distinct positions.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

**6. Analysis of Senior Leadership Reporting Chains:** Conduct a Comprehensive Review of Current Reporting Chains: Review the existing reporting structure of senior leadership positions within the University. This includes mapping out current reporting lines, identifying overlaps or gaps in oversight, and assessing the clarity of each position's responsibilities. Review the existing reporting structure of senior leadership positions within the University. This includes mapping out current reporting lines, identifying overlaps or gaps in oversight, and assessing the clarity of each position's responsibilities.

- Evaluate Qualifications and Effectiveness of Current Leadership: Conduct an evaluation of the qualifications, experience, and performance of individuals in senior leadership roles. This should include a review of their ability to provide effective oversight, accountability, and strategic guidance within their respective areas.
- Benchmarking and Best Practices: Research and benchmark against best practices in reporting structures, leadership qualifications, and performance evaluation processes from peer institutions. Identify successful models that enhance oversight and accountability in similar university settings.
- Stakeholder Consultation: Engage with key stakeholders, including senior leadership and external experts, to gather input on the current reporting structure and potential improvements. Ensure that any changes align with the University's strategic goals and governance needs.
- Develop a Revised Reporting Structure: Based on the review, evaluation, and stakeholder feedback, develop a revised reporting structure that strengthens oversight and accountability. Ensure that the new structure clearly defines reporting lines, responsibilities, and accountability mechanisms.
- Implementation of the Revised Structure: Implement the revised reporting structure, including any necessary staffing changes, reassignments, or adjustments in responsibilities. Communicate the changes clearly to all affected parties and provide support during the transition.
- Training and Development: Offer training and development opportunities to senior leaders to ensure they are well-equipped to fulfill their roles in the new reporting structure. Focus on enhancing leadership skills, strategic oversight, and accountability.

**(Status – Open; Risk Level – Moderate ; Anticipated Completion – February 2025)**

**7. Revision of University Position Descriptions:** Review Current Position Descriptions: Conduct a thorough review of the current position descriptions for the Assistant Vice President for University Advancement and the Vice President for University Advancement. Identify gaps related to due diligence responsibilities and compliance with donor research protocols.

- Identify Due Diligence Tools and Resources: Compile a comprehensive list of tools and resources available for conducting due diligence on prospective donors. This can include databases, consulting with experts in the fundraising arena, and any other relevant tools that can assist in donor research.

- Draft Revised Position Descriptions: Revise the position descriptions to include specific language that:
  - Highlights the importance of conducting accurate research on prospective donors.
  - Requires the Assistant Vice President for University Advancement and Vice President to be knowledgeable about the due diligence tools available and when to initiate a due diligence request.
  - Clearly outlines their responsibilities for ensuring compliance with due diligence protocols.
  - Includes accountability measures to prevent future oversights in the donation process.
  - Includes a requirement that the Executive Director of the Foundation hold an annual strategy session in conjunction with the Chair of the Foundation Board of Directors. Facilitation of the strategy session, should the need arise, should be sought by professionals familiar with Foundation best practices and industry trends.
  - Includes professional development requirements within the position description, such as attendance of the annual conference for the Association of Governing Boards.

Training and Communication: Develop and deliver training sessions for the Assistant Vice President and Vice President for University Advancement on the updated position. **(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

## 8. Office of Advancement Training

Develop Training Curriculum: Design a training curriculum focused on due diligence for donors. The curriculum should cover:

- The importance of due diligence in the donation process.
- Specific procedures for conducting due diligence on all donors.
- Tools and resources available for donor research.
- Identification and handling of derogatory information.
- Protocols for escalating issues to the vice president or executive vice president level.
- Identify Training Participants: Identify all individuals within the Office of Advancement who will be required to participate in the training. This should include all staff members involved in donor relations, fundraising, and gift acceptance.
- Schedule and Deliver Training Sessions: Schedule and conduct mandatory training sessions for all identified participants. Ensure that the training is delivered in a format that accommodates all staff, such as in-person workshops, webinars, or online modules. Provide opportunities for participants to ask questions and engage with the material.
- Create and Distribute Due Diligence Guidelines: Develop and distribute written guidelines on due diligence procedures to all staff in the Office of Advancement. These guidelines should include step-by-step instructions for conducting due diligence, criteria for identifying derogatory information, and the process for escalating issues.
- Implement a Due Diligence Checklist: Create a due diligence checklist that must be completed for every donor before accepting a gift. This checklist should ensure that all necessary steps are taken, and it should be signed off by the responsible staff member and reviewed by a supervisor before proceeding with the gift acceptance.

- Establish an Escalation Protocol: Formalize a protocol for escalating derogatory information identified during due diligence to the vice president or executive vice president level. This protocol should include clear criteria for what constitutes derogatory information and detailed steps for escalation.
- Continuous Improvement and Refresher Training: Provide regular refresher training sessions to ensure that all staff remain informed about due diligence procedures. Update the training curriculum and guidelines based on feedback, new tools, or changes in compliance requirements.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

## **9. Policy for Different Types of Gifts, Including Private Stock Transfers**

- Policy Development: Draft a comprehensive policy that covers the acceptance of different types of gifts, including but not limited to private stock, real estate, and other non-cash assets. The policy should include:
  - Clear Guidelines for Various Gift Types: Establish protocols and criteria for accepting different types of gifts, detailing the specific requirements and considerations for each type.
  - Due Diligence Requirements: Define mandatory due diligence procedures for all types of donations, ensuring alignment with the University’s mission and legal standards.
  - Documentation and Compliance: Outline the necessary documentation, including independent audits, appraisals, and IRS forms, required for each gift type.
- Stakeholder Review and Feedback: Present the draft policy to key stakeholders, including the Foundation Board of Directors, University leadership, and legal counsel, for review and feedback.
- Approval and Adoption of Policy: Submit the final policy for formal approval by the Foundation Board of Directors and/or University leadership. Once approved, the policy will be adopted and incorporated into the Foundation’s governance framework.
- Training and Education: Develop and deliver training programs for Foundation leadership and relevant staff on the newly established policy, with a focus on the intricacies of private stock transfers and other complex donations. The importance of due diligence and compliance with legal and ethical standards. The specific protocols and documentation requirements for different types of gifts.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

## **10. Comprehensive Training**

Develop Training Modules: Develop a series of training modules that cover the following key areas:

- Chain of Command: Clear guidelines on the chain of command in the gift process, including when and how senior leadership should be involved.
- Due Diligence Procedures: Detailed instructions on the requisite documentation for due diligence, including who is responsible for completing and verifying these documents.
- Documentation and Signatures: Step-by-step guidance on who should sign various documents during the gift process and at what stages these signatures are required.
- Announcement Protocols: Guidelines on when public announcements of donations should be made, ensuring that all due diligence and necessary approvals are completed beforehand.

- Identify Training Participants: Identify all individuals within the Office of Advancement and related departments who are involved in the gift process. Ensure that the training reaches everyone responsible for any aspect of gift acceptance, documentation, or announcements.
- Schedule and Deliver Training Sessions: Schedule and deliver comprehensive training sessions to all identified participants. Ensure that the sessions are interactive and provide opportunities for participants to ask questions and clarify any doubts.
- Create and Distribute Reference Materials: Develop and distribute reference materials, including quick reference guides, checklists, and flowcharts, that participants can use during the gift process. These materials should reinforce the training content and provide easy to access information on chain of command, due diligence, documentation, and announcement protocols.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

## **11. Changes to FAMU Policies and Regulations**

- Review Current Policies and Practices: Conduct a review of current policies and practices regarding the reporting of donations to the University BOT and Foundation BOD. Identify any existing gaps and compare them with the settlement agreement threshold policy.
- Determine Appropriate Donation Threshold: Collaborate with the University BOT and Foundation BOD to determine an appropriate financial threshold for donations that should trigger mandatory reporting to both boards. Consider factors such as the University's financial landscape, the potential impact of donations, and best practices from peer institutions.
- Draft Policy for Reporting Threshold: Draft a formal policy that establishes the agreed-upon threshold for informing the University BOT and Foundation BOD about donations. The policy should outline the procedure for reporting and specify the types of donations that require notification (e.g., cash, stock, real estate).
- Review and Approve the Policy: Present the draft policy to the University BOT and Foundation BOD for review and/or approval. Make any necessary revisions based on their feedback to ensure the policy is comprehensive and aligns with both boards' expectations.
- Implement the Reporting Procedure: Implement the new reporting procedure, ensuring that all relevant departments and staff are aware of the threshold and the steps to be taken when a donation meets or exceeds it. Incorporate the procedure into the University's governance and operational frameworks.
- Communicate the New Policy: Communicate the new policy to all relevant stakeholders, including University leadership, the Foundation BOD, the University BOT, and Advancement staff. Ensure that the communication is clear and that all parties understand the importance of the threshold for transparency and oversight.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – December 20, 2024)**

## **12. EthicsPoint Reporting**

- Review Current EthicsPoint Reporting Process: Conduct a comprehensive review of the current EthicsPoint reporting process, focusing on how hotline tips are received, distributed, and monitored. Identify gaps in the current system, particularly regarding the responsibility and accountability for reviewing and acknowledging tips.

- Identify and Designate Responsible Individuals: Work with each department to identify and designate specific individuals responsible for reviewing and acknowledging EthicsPoint hotline tips. Ensure that these individuals are in positions of authority and have the necessary knowledge to address complaints effectively.
- Establish Clear Responsibilities and Expectations: Develop clear guidelines outlining the responsibilities of designated individuals. These guidelines should include:
  - Timely Review: Requirement to review all ethics notifications within a specified timeframe (e.g., 24-48 hours).
  - Acknowledgment: Mandatory acknowledgment of receipt and initiation of appropriate actions within the system.
  - Follow-Up: Procedures for following up on complaints to ensure they are addressed promptly and effectively.
- Integrate Accountability Measures: Integrate accountability measures within the EthicsPoint system to track whether designated individuals are reviewing and acknowledging tips. This may include:
  - Automated Alerts: Setting up automated reminders for designated individuals if a tip has not been reviewed within the required timeframe.
  - Audit Logs: Implementing audit logs to record when and by whom a tip was reviewed and acknowledged, ensuring transparency and accountability.
- Training and Communication: Provide training sessions for all designated individuals on their responsibilities within the EthicsPoint system. The training should cover the importance of timely review, the acknowledgment process, and how to navigate the system effectively.

**(Status – Open; Risk Level – Moderate; Partially Implemented (4 out of 5); Anticipated Completion – December 31, 2024)**

### **13. BOT Fiduciary Duties:** Review Current Communication and Reporting Practices:

Conduct a thorough review of the current communication and reporting practices between the University administration, the BOT, and the FAMU Foundation Board of Directors (BOD). Identify any gaps or instances where the BOT and BOD may have been excluded from critical discussions or decisions.

Establish Clear Guidelines for BOT and BOD Involvement: Develop clear guidelines that outline when and how the BOT/BOD should be informed and involved in critical discussions and decisions. These guidelines should include:

- Criteria for Critical Information: Define what constitutes critical information that must be shared with the BOT and BOD ( e.g., significant financial decisions, legal matters, ethical concerns, etc.).
- Communication Protocols: Establish protocols for ensuring that information is communicated to the BOT and BOD in a timely and comprehensive manner, including regular updates and emergency notifications when necessary.
- Meeting Inclusions: Ensure that the BOT and BOD is included in relevant meetings where decisions are being made that impact the University’s financial health and integrity.

Implement Regular Reporting Mechanisms: Implement regular reporting mechanisms to keep the BOT and BOD informed of critical issues. This could include:

- Quarterly Reports: Provide detailed quarterly reports on the University’s financial status, legal matters, and compliance issues.
- Special Briefings: Schedule special briefings for the BOT and BOD when significant decisions are pending or when urgent matters arise.

- Access to Information: Ensure that BOT and BOD members have access to relevant documents and data needed to make informed decisions.

Training for BOT and BOD Members: Provide training for BOT and BOD members on their fiduciary duties, the importance of being informed, and the specific types of information they should expect to receive. This training should also cover how to interpret financial reports, legal updates, and compliance information.

**(Status – Open; Risk Level – High; Anticipated Completion – February 2025)**

#### **14. Donor Confidentiality and Florida Sunshine Law – BOT Closed Door Sessions:**

- Legal Review of Closed Sessions Options: Conduct a legal review to explore options for allowing closed sessions or individual briefings of the BOT when discussing sensitive donation-related matters. Review existing statutes and case law to determine permissible exceptions under the Florida Sunshine Law.
- Develop Policy Amendment Proposal (if applicable): Based on the legal review, draft a policy amendment proposal that outlines conditions under which closed sessions or individual briefings may be held. Ensure the proposal balances donor confidentiality with the BOT's need for comprehensive oversight.

**(Status – Complete; Risk Level – Low)**

#### **15. Review the Existing Confidentiality Agreement**

1. Review the Existing Confidentiality Agreement: Conduct a thorough review of the existing FAMU Confidentiality Agreement to identify areas that lack clarity regarding the extent and limitations of confidentiality. Assess any past counsel received concerning the NDA or Confidentiality Agreement.
2. Draft Revised Confidentiality Agreement: Draft a revised version of the FAMU Confidentiality Agreement that explicitly outlines permitted discussions and disclosures. Ensure that the revised document balances the need for transparency among university leadership with the protection of confidential information.
3. Stakeholder Review and Approval: Present the revised Confidentiality Agreement to key stakeholders, including the BOT and senior leadership, for review and approval. Make any necessary revisions based on their feedback.
4. Implement and Communicate the Revised Agreement: Implement the revised Confidentiality Agreement across the University. Ensure that all relevant parties, including University leadership and those involved in donor relations, understand and sign the updated agreement. Provide training sessions to clarify the revised terms.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

#### **16. Training on Non-Disclosure Agreements (NDA):** Create a comprehensive training curriculum that covers:

- The scope and legal implications of NDAs and the FAMU Confidentiality Agreement.
- The importance of transparency in university operations.
- Guidelines on when and how information covered by these agreements can be shared with the BOT, BOD, and other key stakeholders.
- Case studies or scenarios illustrating proper and improper use of NDAs and confidentiality agreements.

Identify Training Participants: Identify all staff members who are involved in negotiating, signing, or enforcing NDAs and confidentiality agreements, as well as those who may need to share sensitive information with the BOT or other stakeholders. This may include senior leadership, legal counsel, FAMU Foundation staff, and advancement officers.

Schedule and Deliver Training Sessions: Schedule and conduct training sessions for all identified participants. Ensure the sessions are interactive, allowing participants to ask questions and engage with the material.

Create and Distribute Reference Materials: Develop and distribute reference materials that participants can use after the training. These materials should include:

- Summaries of key points from the training.
- Quick reference guides on the scope of NDAs and confidentiality agreements.
- Flowcharts or decision trees for determining when and how information should be shared with the BOT, BOD, or other stakeholders.

**(Status – Open; Risk Level – Moderate; Anticipated Completion – February 2025)**

### **Office of Financial Aid**

#### **Case: 2023-3-137 Alleged Misuse of Financial Aid**

Executive Owner: Dr. William Hudson, Vice President of Student Affairs

- Ensure accurate financial aid awarded to each student.

**(Status – Open; Risk Level – High; Anticipated Completion – TBA)**

- Expand the review of SFP processes to include additional staff support to verify the accurate retrieval of academic data from Campus Solutions.

**(Status – Open; Risk Level – High; Anticipated Completion – TBA)**

### **Office of Information and Technology**

#### **Case: 2023-7-158 Alleged Misuse of Job Title**

Executive Owner: Robert Senior, Chief Information Officer

- In coordination with the Provost of Academic Affairs and appropriate leadership including, Chief Operating Officer, Vice President for Finance and Administration Office of Human Resources, and Interim President, develop a reporting structure from organizational IT units to the CIO as well as ensure a distinction between college-specific IT personnel job titles and ITS job titles.

**(Status – Open; Risk Level – Low; Anticipated Completion – TBA)**

- In collaboration with the Provost of Academic Affairs and Academic Human Resources, redefine job titles of college-specific IT personnel to include the specific college that the IT personnel represent.

**(Status – Open; Risk Level – Low; Anticipated Completion – TBA)**



# Staff Highlights

## 2024 ACUA AuditCon – Atlanta, GA

The Association of College and University Auditors (ACUA) is an international professional organization serving institutions of higher education around the globe. Since its establishment in 1958, ACUA has provided its members a collegial forum for exchanging and sharing knowledge and generating new ideas. AuditCon is ACUA’s reimagined annual conference that allows members to network and socialize with likeminded professionals.

Three members of our Division of Audit staff presented on various topics at ACUA AuditCon 2024. Our **Investigations Manager, Erica Thames**, gave an enlightening presentation on “*Unveiling the Ethical Maze: Navigating Auditors Through Higher Education’s Moral Quandaries*,” which proved to be a thought-provoking session that explored the complex ethical challenges faced by auditors in higher education. **Lead Senior Auditor Nancy Shepherd**, presented an educational briefing on “*Fulfilling the Spirit and the Letter of 2024 Uniform Grant Guidance Updates*,” which covered the contents of the significant update to the Uniform Grant Guidance within the broader context of evolving trends in Federal grant management policy, including concepts of accountability such as verification, control, performance, and risk management. **Audit Director Trystal Wright’s** riveting presentation on “*Harnessing the Power of AI for Audit Planning & Testing*” explored how artificial intelligence (AI) is transforming audit methodologies by enhancing efficiency and effectiveness. The session highlighted real-world practical insights demonstrating the significant impact of AI on audit practices, including improvements in audit planning, resource allocation, and risk assessment strategies.



**Erica Thames,  
Investigations Manager**



**Trystal Wright,  
Audit Director**



**Nancy Shepherd,  
Lead Senior Auditor**

## PROFESSIONAL DEVELOPMENT

The Division of Audit prioritizes professional development of our team in alignment with the Boldly Striking Strategic Priority 5.1. *Enhance a culture that intentionally fosters building and engaging a high performing workforce and fortifies FAMU's status as an employer of choice.* Continuous education is vital for our staff to maintain the highest standards of professional competence and ensure the integrity of our operations. By prioritizing their growth and development, we enable them to conduct high-quality investigations and uphold our commitment to excellence.

Many members of DOA staff attended the ACUA AuditCon conference this year. The conference featured a range of sessions, including workshops, panel discussions, and keynote presentations, focusing on key topics such as risk management, compliance, and the integration of technology in auditing processes. Attendees had the opportunity to network with peers, share insights, and explore innovative strategies to enhance audit effectiveness. Overall, AuditCon 2024 served as a valuable platform for advancing the profession and addressing the unique challenges faced by auditors in academia.

### Employee of the Quarter



Based on her many contributions to the University and her stellar work performance Deidre Melton was promoted to the position of Deputy Chief Operating Officer and AVP for Risk Management. This marks a key and import milestone in her career to take on operational duties at a very high level at FAMU. This was made possible by Ms. Melton deep dedication to the institution, exceptional leadership skills, trusted advisor status to many, her constant preparation and drive to for continuous improvement. Ms. Melton's facilitation of the University's Enterprise Risk Management program has had a significant impact on FAMU fulfilling the mission to provide meaningful, actionable, and timely strategic and performance risk intelligence to our stakeholders to enhance decision making and resource alignment while appropriately balancing risk and opportunity. The real "magic" in her approach is that she brings people together and insists that all contribute and participate for the greater good of FAMU!

We're very proud to recognize Deidre Melton as our Employee of the Quarter—thank you so much, Deidre, for all that you do!