

Annual Report

Fiscal Year 2021-2022



September 2022

● ACCOUNTABILITY ● INTEGRITY ● EFFICIENCY

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Audit Introduction, Vision, and Mission

Introduction

The Division of Audit (DoA) is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the University. The DoA assists the University in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the University's governance, risk management, and internal control processes.

To accomplish its mission, the University must maintain the confidence of its Board of Trustees, faculty, staff, students, alumni, the public, elected officials, and various other stakeholders. The Division provides valuable support in maintaining the public's confidence by performing independent and objective reviews; risk management activities; and reporting to the Audit and Compliance Committee, and responsible administrative and academic officers so that corrective actions, risk response plans and enhancements can be initiated.



Vision

We will be championed by our customers, benchmarked by our peers (counterparts), and dedicated to excellence in our products and services.

Mission

The Division'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.

Message from the Vice President for Audit



Joseph K. Maleszewski,
Vice Present for Audit/Chief Audit Executive
CIA, CGAP, CISA, CFE, CIG, CIGA, CIGI, CCEP, CCA, CFE

Our team continues to add value to FAMU and its stakeholders by promoting accountability, integrity, and efficiency through excellence in auditing (assurance), advisory and consulting, investigations, management reviews, technical assistance, and Enterprise Risk Management services.

This year the Division of Audit (DoA) witnessed much change and overcame many challenges as we remained focused on delivering value to the FAMU community.

One milestone that I am particularly proud of was achieving confirmation, from an outside audit firm, that the DoA conducts our audit work in conformance with our professional standards and best practices. Also, under the President's leadership we launched the University's Enterprise Risk Management program with Deidre Melton being designated the University's Chief Risk Officer!

In addition to our work for FAMU, our staff served our profession in many capacities and assisted our counterparts through significant community outreach.

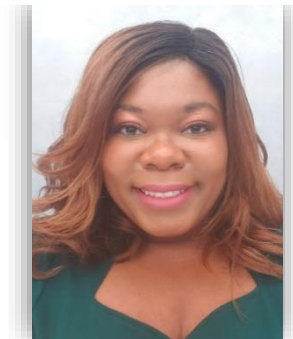
Staff achieved a number of professional milestones and certifications in related areas. Finally, we initiated efforts to enhance our audit services by employing agile auditing techniques designed to speed up and focus the audit process and enhance stakeholder communication and collaboration.

The DoA team looks forward to working with FAMU leadership and Board of Trustees members to help the University meet its mission as we continue our march to the Top 100.



Message from the Associate Vice President/Chief Risk Officer

Deidre Melton
Associate Vice President for Audit and Chief Risk Officer
CFE, CIA, CISA, CISM, CDPSE, CRISC, CRMA, CIGI



I was honored to be named FAMU's first Chief Risk Officer on August 19, 2021. The task of facilitating the implementation of a comprehensive Enterprise Risk Management (ERM) program to help extend the traditional risk management practices across the organization will be complex, but will add tremendous value to the university. When implemented fully, and in alignment with industry best practices, the ERM program will be instrumental in enabling University management to minimize the risks to the achievement of university strategic, performance, and business goals while allowing us to capitalize on opportunities.

During year one of the ERM program, the ERM team focused on identifying and capitalizing on risk management practices already in place at the University; building out the governance structure of the program; identifying ERM best practices within the State University System of Florida and across the nation; developing tools and resources to support the risk cycle; and educating leadership on ERM practices. I am particularly proud of the collaborative effort of our Board of Trustees, Senior Leadership Team, and ERM Advisory Committee in developing a comprehensive and actionable risk appetite statement to help guide management decisions.

In the upcoming year, we will continue to focus on implementing the foundational building blocks of a world-class higher education ERM program. Additionally, we are looking forward to working with FAMU faculty, staff, students and stakeholders to generate risk intelligence that will strengthen the University's culture of strategic decision making by placing an emphasis on ERM engagement, education, reporting, and accountability as outlined in the Strategic Plan 2022-2027: Boldly Striking.



FY 2021-2022 DoA Accomplishments & Highlights



During Fiscal Year 2021-2022, the DoA provided assurance services related to the Knight Foundation, the Performance-Based funding Data Integrity, Auxiliary funds to Athletics, and the FAMU-FSU College of Engineering.



The DoA provided university faculty and staff training to enhance knowledge and understanding of best practices related to ERM and Fraud.



The ERM program was established in August 2021 as part of the DoA. The ERM program will allow the University to effectively manage risk across the organization through the use of a common risk management framework and build a risk-aware culture to enhance decision making.



Over the past year, the DoA was active within the professional audit and risk communities providing advice and sharing best practices related to audits, investigations, and/or ERM. DoA provided services to state, local, and federal government agencies and higher education counterparts.



The DoA received the highest opinion of “generally conforms” during its five-year external review performed by Kaye Kendrick Enterprise, LLC. Generally conforms means that an audit activity has a charter, policies, and processes that are judged to be in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics.



The DoA implemented Agile Auditing during the fiscal year. Agile auditing allows internal audit functions to add more value to stakeholders by focusing on their needs, accelerate audit cycles, provide timely insights, be more responsive to change, and provide more efficient services.



The DoA celebrated Internal Audit Awareness Month by hosting the 1st HBCU Fraud, Risk, and Controls Town Hall meeting with remarks from FAMU President Dr. Larry Robinson and a panel of HBCU chief audit executives from FAMU, Jackson State University, Howard, and North Carolina A&T.

Governing Standards and Services

The Division’s activities for audit (assurance), advisory, investigative and ERM services are governed by the following professional standards:

Governing Body	Standards	Division Services
 <p>The Institute of Internal Auditors</p>	<p><i>International Professional Practices Framework</i> published by the Institute of Internal Auditors, Inc.</p>	<p>Audit Advisory</p>
 <p>GAO U.S. GOVERNMENT ACCOUNTABILITY OFFICE</p>	<p><i>Government Auditing Standards</i> published by the United States Government Accountability Office</p>	<p>Audit Advisory</p>
 <p>ISACA</p>	<p><i>Information Technology Assurance Framework</i> published by ISACA</p>	<p>IT Audit</p>
 <p>ASSOCIATION OF INSPECTORS GENERAL <i>Advancing Professionalism, Accountability & Integrity</i></p>	<p><i>Principles and Standards for Offices of Inspector General</i> published by the Association of Inspector General</p>	<p>Investigation</p>
 <p>STATE UNIVERSITY SYSTEM OF FLORIDA</p>	<p><i>Standards for Complaint Handling and Investigations for the State University System of Florida</i> published by the State University System of Florida</p>	<p>Investigation</p>
 <p>COSO</p>	<p>COSO- ERM Integrating with Strategy and Performance Framework</p>	<p>ERM</p>

The Division of Audit provides a variety of services to the FAMU community as detailed below.



Compliance, Operational, Performance, Information Technology and Financial-related (excluding financial statement audits)



Evaluation of management processes and systems for performance, continuous improvement, effectiveness, efficiency, and suitability of policies and objectives

Management Reviews



Wide range of activities, including assessing proposed or existing processes, improving strategic and business objectives, analyzing controls, emerging risks, etc.

Advisory & Consulting



Training (internal controls, fraud, governance, risk), policy and process revisions and development, external audit liaison, business impact analysis, and risk identification

Technical Assistance



Fraud, waste, and abuse. Additionally, the Chief Audit Executive is the University's designated official for evaluating and granting Florida Whistleblower Act designations.

Investigations



Wide range of activities, including facilitation of risk workshops to identify risk, develop risk response and monitoring plans, risk education, root cause analysis, and risk impact assessments.

Enterprise Risk Management



Larry Robinson, Ph.D., FAMU President

“As many of you know, FAMU has been named the number one public HBCU by US News and World Report for the past two years. This honor was made possible by the strong system of internal controls that support our business, financial and academic operations, as well as the hard work of everyone on our team to ensure controls are in place and are functioning optimally. This charge is led by Joe Maleszewski and his team in the Division of Audit. I’m pleased to report that our team received the highest possible rating on their external assessment of internal audit activity. The external assessment conducted by Kaye Kendrick Enterprises, LLC concluded that the Division of Audit generally conforms with over 50 attributes and performance standards and the Institute of the Internal Auditors Code of Ethics, which includes elements of integrity, objectivity, confidentiality, and competence. Whereas “generally conform” might not sound all that great to laypersons, that’s about as good as it gets in the world of auditing compliance. This report solidifies what we already know: our internal audit function is well-structured and progressive. Our team is highly competent, capable, and objective. Congratulations to the team and I want to thank all of them for their efforts in ensuring that FAMU maintains integrity, accountability and efficiency in operations.”

Quality Assessment Review

The Institute of Internal Auditors asserts that a Quality Assurance and Improvement Program (QAIP) enables an evaluation of the internal audit activity’s conformance with the Definition of Internal Auditing and the International Standards for the Professional Practice of Internal Auditing. The program also evaluates whether internal auditors apply the Code of Ethics and assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

All internal audit activities, regardless of industry, sector, or size of audit staff- even those outsourced or co-sourced- must maintain a QAIP that contains both internal and external assessments.

Internal assessments

Internal Assessments are ongoing internal evaluations of the internal audit activity, coupled with periodic self-assessments and/or reviews. The DoA performed an internal self-assessment that revealed key strengths, improvement opportunities, and highlighted the implementation of additional controls and processes to address the 2017 DoA Assessment Report:

Strengths



Improvement Opportunities



Policies & Procedures

- Review and Update Policy and Procedure Manual



QAIP Program

- Expand Frequency of Documented/Formal Internal Assessments
- Corrective Action Plan: Annual Assessment using HighBond IPPF Compliance Map

External Assessment

The International Standards for the Professional Practice of Internal Auditing require an external Quality Assessment Review (QAR) of an internal audit activity at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The QAR can be a full external assessment or a self-assessment with independent validation. The DoA chose a full external assessment and engaged Kaye Kendrick Enterprises, LLC (KKE) to provide this service. The assessment revealed the following.

Division of Audit Strengths



Areas of Improvement Opportunity



Policies & Procedures

- Clarify written procedures related to sampling methodology, resource management, and written findings



Work Environment

- Expand Frequency of Documented/Formal Internal Assessment
- CAP: Annual Assessment using HighBond IPPF Compliance Map

The division of audit addressed all improvement opportunities identified in the external assessment.



***Dr. Maurice Edington
Provost/Vice President for Academic Affairs***

"To keep up with the dynamic changes in Higher Education and to continue providing high quality assurance and advisory services the Division of Audit has implemented Agile Auditing techniques. These techniques are designed to reduce audit costs and save time, while also improving overall audit quality. In my experience Agile Auditing was effective at timely addressing high-risk areas and keeping me informed of audit results as the project progressed. This process provided me and my staff an opportunity to address issues during the audit process so that the final report reflected those corrective actions."

Audit Services

During Fiscal Year 2021-2022, the DoA completed (5) audit projects listed below:

Title	Issue Date	Report No.
FY 2019-2020 Knight Foundation Expenditure Report	9/9/2021	21-22-0001
Performance-Based Funding Data Integrity Audit	1/27/2022	21-22-0003
FY 2020-2021 Knight Foundation Expenditure Report	4/21/2022	21-22-0004
Review of Auxiliary Funds to Athletics	6/30/2022	21-22-2007
FAMU-FSU College of Engineering Audit	7/21/2021	N/A

Fiscal Year 2019-2020 Knight Foundation Expenditure Report No. 21-22-0001

In May 2017, the Knight Foundation issued a Grant Expenditure Monitoring (GEM) Report that noted a lack of expenditure controls. As a result, the DoA agreed to perform quarterly audits to ensure the new processes and controls for transaction approvals are being followed and working effectively.

We reviewed all expenses from July 1, 2019 to June 30, 2020, for compliance with the Knight Foundation Transaction Approval Process, for the two Knight Foundation grants (#90-325 and #98- 217), as detailed in the GEM resolution letter from the Knight Foundation dated September 26, 2019.

The DoA assessed internal controls put in place to manage the Knight Foundation Grants Budget Process in accordance with the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control-Integrated Framework. Internal controls were partially in place and operating effectively in certain areas to support compliance with requirements related to the GEM Resolution Letter. All identified internal control weaknesses have been resolved by management.

Performance-Based Funding Data Integrity Audit Report No. 21-22-0003

The Florida Board of Governors requires that each University evaluates their processes for completeness, accuracy, and timeliness of performance-based funding data submissions in conformance with the following Florida Statutes.

- [**Florida Statutes 1001.92**](#) -State University System Performance-Based Incentive- governs the funding model under which state universities obtain state funding.
- [**Florida Statutes 1001.706**](#)- Powers and duties of the Board of Governors- requires universities to conduct an annual audit of data submitted to the FLBOG.

We verified the data submitted for the Fall 2020, Spring 2021, and Summer 2021 academic semesters that support the University's performance-based funding metrics 4, 6, 8, 9a, and 9b; and reviewed other University actions that impact the University's Data Integrity Certification required by the Florida Board of Governors (FLBOG). Based on our audit, we have concluded that FAMU's controls and processes are adequate to ensure the completeness, accuracy, and timeliness of data submitted to the FLBOG to support performance-based funding decisions.

Fiscal Year 2020-2021 Knight Foundation Expenditure Report No. 21-22-004

The purpose of the assurance service was to determine whether the University is compliant with the Knight Foundation Transaction Approval Process included in the Resolution Plan submitted by FAMU and accepted by the Knight Foundation in response to the observation of 'Lack of Expenditure Controls' noted in the May 2017 Grant Expenditure Monitoring (GEM) Report. We reviewed 100% of the July 1, 2020 to June 30, 2021, Knight Foundation expenditures.

The DoA assessed internal controls put in place to manage the Knight Foundation Grants Budget Process in accordance with the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control-Integrated Framework. We identified weaknesses in the internal controls over the payment approval process. All identified internal control weaknesses have been resolved by management.

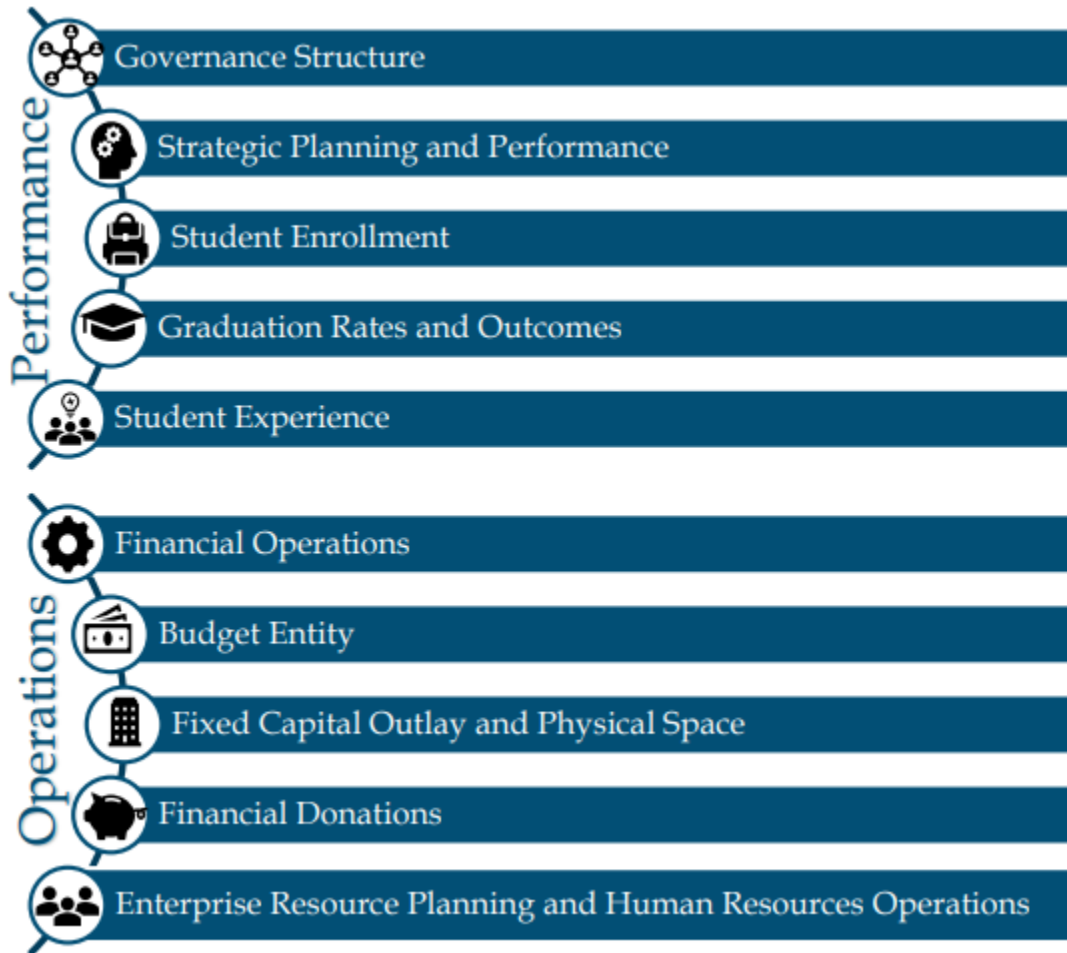
Review of Auxiliary Funds Transfers to Athletics Report No. 21-22-0007

In February 2013, the Florida Auditor General issued [Operational Report No. 2013-103](#), which reported FAMU improperly transferred monies from non-athletics auxiliary funds to its Intercollegiate Athletics Program to cover the cash deficits from 2008 to 2012 in violation of BOG Regulation 9.013. In May 2019, FAMU's Division of Audit subsequently identified an additional violation of BOG Regulation 9.013 and as a result engaged Carr, Riggs, and Ingram (CRI) to conduct a forensic review. In June 2019, CRI reported six transfers from non-athletics auxiliary funds to the Intercollegiate Athletics Program contrary to BOG regulation requirements. As a result of these identified issues, President Larry Robinson, Ph.D., directed the division of audit to conduct regular reviews of the auxiliary fund transfer to monitor compliance with BOG Regulation 9.013.

The DoA reviewed all journal entries from January 1, 2020, to June 15, 2022, that involved funds transferred to and from Auxiliary and Athletics. Our review specifically looked for any transfer of funds from Fund 116 (Auxiliary) to Fund 115 (Athletics), which would violate BOG Regulation 9.013. Our analysis of the journal entries and their supporting documents, did not identify any transactions which violated BOG Regulation 9.013.

FAMU-FSU Joint College of Engineering Audit

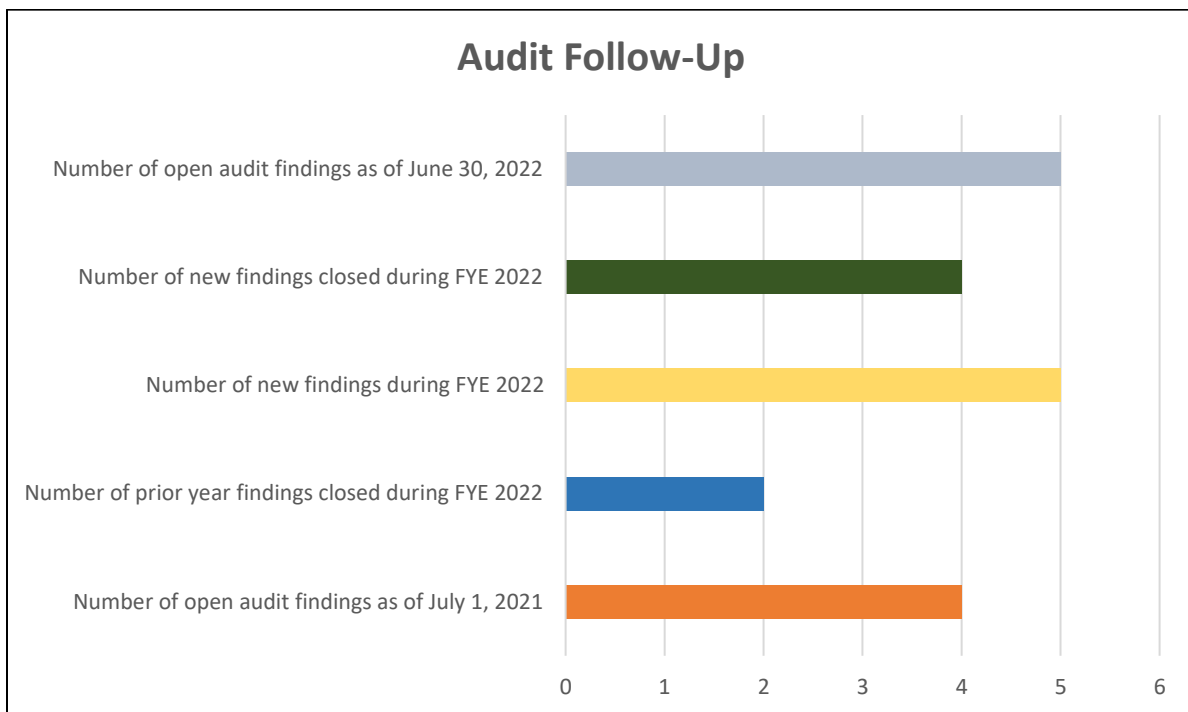
This audit of the FAMU-FSU College of Engineering was performed jointly by the FAMU Division of Audit and the FSU Office of Inspector General Services as part of their audit work plans approved by their respective university's Board of Trustees. This audit takes into consideration a 2014 study commissioned by the State University System of Florida (SUS) Board of Governors (BOG) and subsequent actions taken in response to the study; operational activities that took place during fiscal years 2018 – 2020; and student experiences from both the pre-COVID-19 pandemic era and one year into the pandemic. The audit focused on the following performance and operational topics:



Audit Follow-up

Audit Follow-ups are completed for any outstanding audit findings disclosed in audit services and may be completed for other engagements, such as risk assessments. Audit follow-up reports are provided to the Board of Trustees Audit and Compliance Committee, the President, and the Senior Leadership Team on the status of implementation of corrective actions.

The chart below depicts open and closed findings throughout Fiscal Year 2021-2022. Open audit findings are those for which management has not taken full and complete corrective actions or the Division has not validated the corrective actions taken. Closed audit findings are findings on which management has completed, and the Division has validated, corrective actions.





Arriet Foster
Lead Senior Auditor and Investigator

“Working in investigations has provided me the opportunity to meet a variety of people from across the University, each possessing valuable insight and expertise in the area of their responsibility. I am grateful to be part of a community that values the work we do and respects the role investigations plays in protecting the best interest of the students and the University as a whole.”

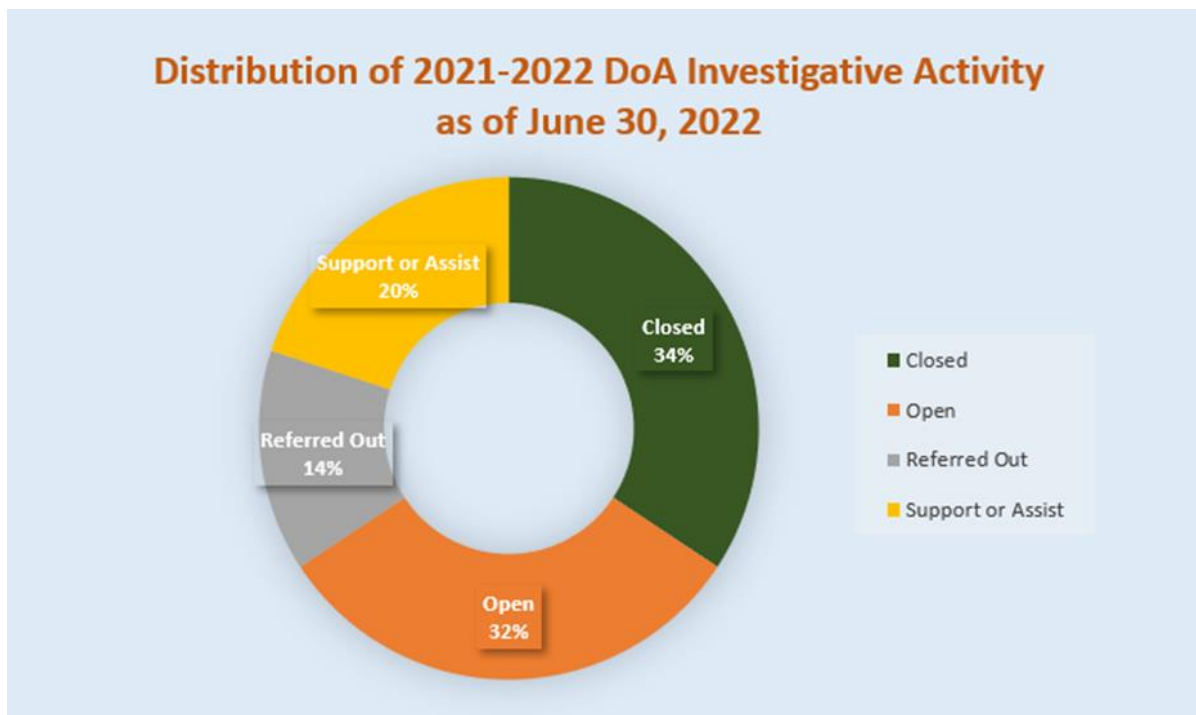
Investigations

The Division of Audit responded to, or was otherwise involved in, 35 cases during Fiscal Year 2021-2022. The following table shows the total cases by subject matter.

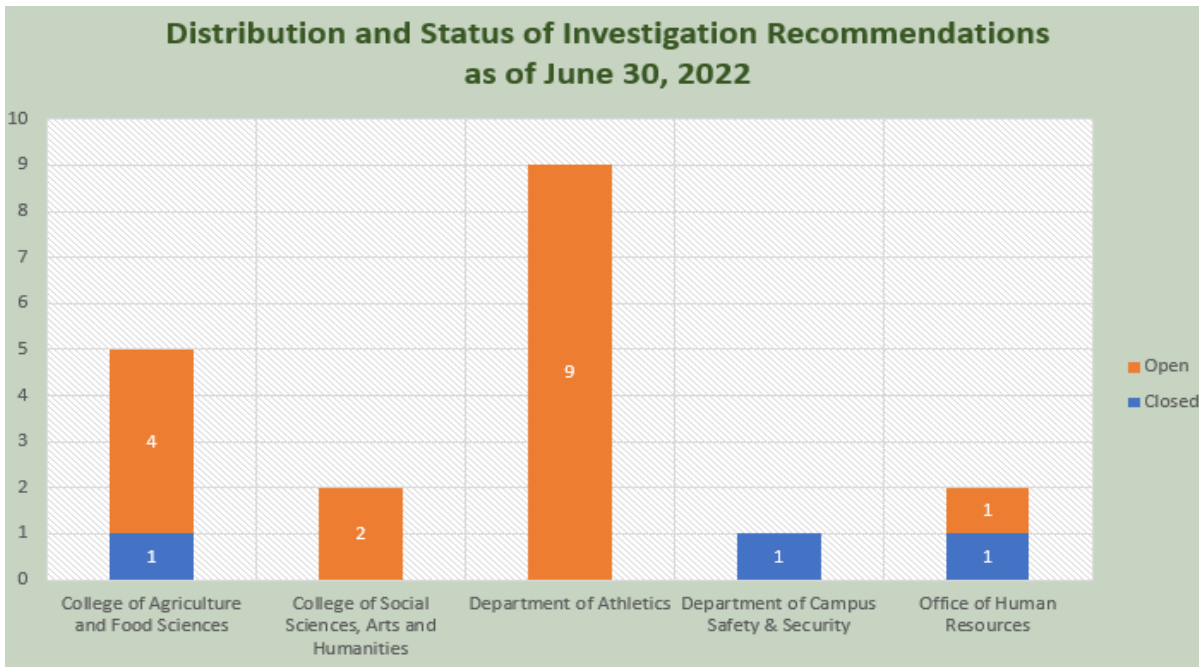
Investigative Data for July 01, 2021 - June 30, 2022



The graph below shows the disposition of the 35 cases for Fiscal Year 2021-2022. Eleven cases (32%) are open, 12 cases (34%) were closed, 7 cases (20%) were support or assistance activities in reviews handled by other investigative units, and 5 (14%) were referred out to other investigative units or to management for appropriate action.



The DoA monitored 19 investigation recommendations over the course of Fiscal Year 2021-2022. The table below shows the college or area associated with each complaint/concern and the status of the corresponding recommendation as of June 30, 2022. Three recommendations were addressed during this past year. The remaining 16 recommendations will be monitored by our office in 2022-2023.



As part of our monitoring of investigation recommendations, we assess the control breakdowns and risk levels associated with the allegation/concern under review that led to the recommendation. The graph below shows the distribution of the 19 total 2021-2022 investigation recommendations according to the five COSO risk components which, if addressed, could prevent future occurrence of the alleged/concerning activity. DoA classified the risk level for not addressing the specified area of concern as moderate for five of the recommendations and low for the remaining fourteen.



Advisory Services



Trystal Wright, Senior Auditor

“Advisory services are important because they provide an objective eye to help management identify useful solutions to operational challenges. Advisors work closely with key stakeholders to address opportunities for improvement through a variety of solutions including, increasing staffing, revising policy, updating procedures, implementing new technology, and so much more. The recommendations suggested by advisors are intended to increase the Department’s overall achievement of objectives and University goals, as well as management’s strategic decision-making abilities. “

Advisory Services

The DoA has conducted the following Advisory Services:

Medical Marijuana Education and Research Initiative (MMERI)

The purpose of the advisory project was to determine whether Medical Marijuana Education and Research Initiative (MMERI) is carried out in accordance with provisions set forth in Section 381.986 (7)(d), Florida Statutes and its expenditures were allowable and reasonable. The DoA reviewed the effectiveness of MMERI's fiscal processes and reporting requirements to ensure that management had established proper controls over expenses and performance.

Management Letter- NCAA Financial Reporting

As a follow-up to our previously issued management letters on this subject matter, we provided an updated status of FAMU Athletics compliance with the following select reporting requirements.

NCAA member institutions are required to submit financial data detailing operating revenues and expenses related to its intercollegiate athletics program to the NCAA on an annual basis. This financial data is subject to agreed-upon procedures performed by a qualified independent accountant and must be submitted to the president or chancellor prior to submission to the NCAA.

2022 Internal Controls Assurance Statement

The DoA facilitated an assessment of our internal controls based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) *Internal Controls – Integrated Framework* (Framework) to determine whether all components and principles of controls were present and functioning. This assessment applied a maturity model and identified both internal control strengths and opportunities for improvement. The maturity model employed a scale from 1-Adhoc (controls were non-existent with no formal procedures or metrics for performance measures) to 5- Optimized (controls were continuously reviewed and improved, highly automated, with comprehensive and defined performance metrics).

The University averaged 3.67 or higher on each of the five components of control as summarized in the table below.

COSO Internal Control Component	Average Maturity Level
1. Control Environment	4
2. Risk Assessment	3.75
3. Control Activities	3.67
4. Information and Communication	4
5. Monitoring Activities	4.5

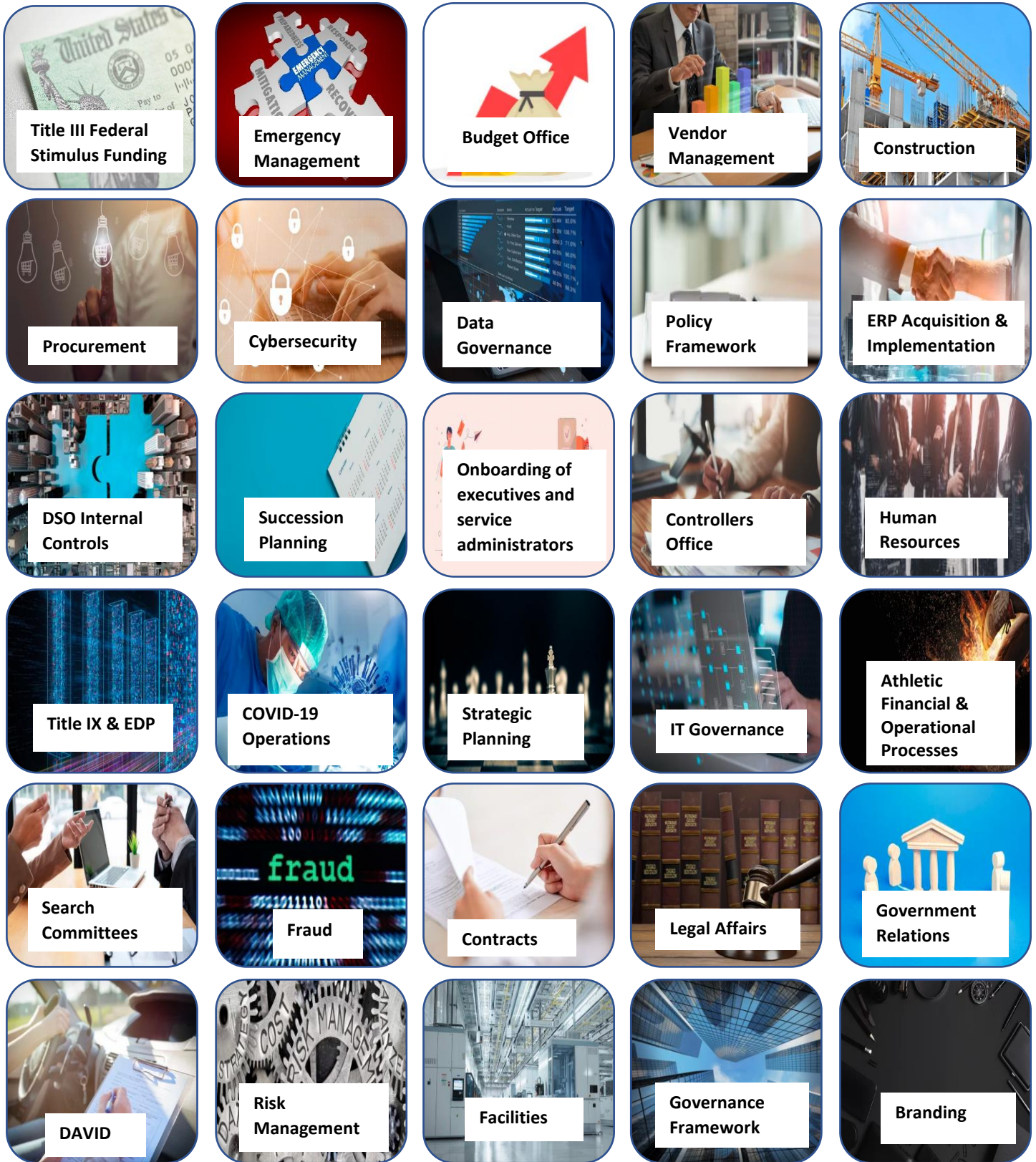
These results demonstrate that, while we have room for improvement, all five components and seventeen principles of the framework are in place and functioning.

IT Security Controls in Remote Work Environment

The purpose of the advisory was to understand and make recommendations to strengthen internal controls and security related to the following:

1. Security risks associated with the remote work environment at FAMU's colleges and schools,
2. Current processes and controls in place, additional controls needed, and controls that need to be changed in response to security risks from the remote work environment due to the COVID-19 pandemic, and
3. The impact of any changes and challenges that may have been made to facilitate remote operations.

Some of the Advisory Services that the Division of Audit provided included:





Carl Threatt Jr., Senior Auditor

"The external audit provides important and valuable insight regarding the policies, processes and internal controls that exist within the University. The external audit report reinforces the credibility of the University's financial statements, general financial health, and its operational processes."

External Audits

Florida Auditor General (AG) External Reports			
Audit	Audit Period	Report Date	Issue Noted
Financial Audit	FYE June 30, 2021	March 30, 2022	None
State of Florida- Compliance and Internal Controls Over Financial Reporting and Federal Awards	FYE June 30, 2021	March 30, 2022	None
Operational Audit	FYE June 30, 2020	January 13, 2022	One low risk item noted related to recording and reconciliation of investment accounts.

[Report No.2022-188 FAMU Financial Audit FYE 2021](#)

The AG audit disclosed that FAMU’s basic financial statements were presented fairly, in all material respects, in accordance with prescribed financial reporting standards.

The AG audit did not identify any deficiencies in internal controls over financial reporting that would be considered material weaknesses. The results of conducted tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

[Report No. 2022-189 State of Florida- Compliance and Internal Controls Over Financial Reporting and Federal Awards](#)

This annual audit is performed by the Auditor General and constitutes the State of Florida’s annual financial statement audit. The Auditor General expressed an opinion on the State of Florida’s financial statements (of which FAMU is a component unit). This audit included findings related to internal controls over financial reporting and compliance but did not have any adverse findings related to FAMU. For Federal Awards, the Auditor General deemed FAMU low risk as there were no prior year audit issues related to FAMU. Therefore, the Auditor General did not conduct Federal Awards audit testing for this past reporting cycle. Accordingly, there were no FAMU reportable findings related to either the State of Florida Financial Statements or Federal Awards.

[Report No. 2022-093 FAMU Operational Audit](#)

The Auditor General’s operational audit of FAMU focused on selected University processes and administrative activities and included a follow-up on findings noted in AG report No. 2019-063.

The operational audit included a single audit finding:

Finding 1: For the 2019-20 fiscal year, the University could not demonstrate the basis for recording Special Investments with State Treasury Account (SPIA) balances.







Notably, this audit did not include findings related to Athletics, purchasing cards or contracts and constitutes the most positive Auditor General operational audit in decades.

[FAMU Direct Support Organization \(DSO\) Audits](#)

FAMU has three direct-support organizations in accordance with Section 1004.28, Florida Statutes and Board of Governors Regulation 9.011. These legally separate, not-for-profit, corporations are organized and operated to assist the University in achieving excellence by providing supplemental resources from private gifts and bequests and valuable education support services and are governed by separate boards. FAMU’s three DSOs are:

- Florida Agricultural and Mechanical University Foundation, Inc. (Foundation) is authorized to obtain private support to meet the critical needs of the University that are not met by public funds and assist the University in maintaining its “margin of excellence”.
- Florida Agricultural and Mechanical University National Alumni Association, Inc. (Alumni Association) provides funds to foster scholarships and enhance the image of the University through positive public relations and public service.
- FAMU Rattler Boosters, Inc. (Boosters) provides contributions to the University to stimulate the education, health, and physical welfare of the students.

In accordance with FAMU BOT policies each of these DSOs must have an annual financial statement audit. The following table summarizes the financial statement audit results for FAMU’s three DSOs.

FAMU DSO Financial Statement Audits for FYE 2021					
Organization	Fiscal Year End (FYE) Report Date (RPT)	Financial Statement Opinion		Internal Control or Compliance Deficiencies	
FAMU Foundation	FYE: June 30, 2021 RPT: October 4, 2021		Unmodified		None Reported
FAMU National Alumni Association	FYE: June 30, 2021 RPT: October 8, 2021		Unmodified		None Reported
FAMU Rattler Boosters' Inc.	FYE: June 30, 2021 RPT: October 8, 2021		Unmodified		None Reported

The Following table provides a brief overview of the status of the financial standings of each of the three FAMU DSOs.

FAMU Foundation Financial Statement Audit for FYE 2021	
Report Date	October 4, 2021
Audit Firm	Watson Rice, LLP
Financial Statement Opinion	Unmodified
Internal Control/Compliance Deficiencies Reported	None Reported
DSO Totals	Assets: \$164,120,066
(1) Assets	Liabilities: \$ 3,769,680
(2) Liabilities	Net Assets: \$160,350,386
Net Assets	
Change in Net Assets (Net Position) from Prior Year	\$40,000,495
Direct Support Provided to FAMU in FYE 2020 and FYE 2021	FYE 2020: \$5,647,784 FYE 2021: \$4,514,892

FAMU National Alumni Association Financial Statement Audit FYE 2021	
Report Date	October 8, 2021
Audit Firm	Grayson Accounting and Consulting, P.A.
Financial Statement Opinion	Unmodified
Internal Control/Compliance Deficiencies Reported	None Reported
DSO Totals	Assets: \$2,655,732
(1) Assets	Liabilities: \$ 188,498
(2) Liabilities	Net Assets: \$2,467,234
Net Assets	
Change in Net Assets (Net Position) from Prior Year	\$119,100
Direct Support Provided to FAMU in FYE 2020 and FYE 2021	FYE 2020: \$148,257 FYE 2021: \$56,582

FAMU Rattler Boosters' Inc. Financial Statement Audit FYE 2021	
Report Date	October 8, 2021
Audit Firm	Grayson Accounting and Consulting, P.A.
Financial Statement Opinion	Unmodified
Internal Control/Compliance Deficiencies Reported	None Reported
DSO Totals	Assets: \$190,541
(1) Assets	Liabilities: \$ 0
(2) Liabilities	Net Assets: \$190,541
Net Assets	
Change in Net Assets (Net Position) from Prior Year	\$71,901
Direct Support Provided to FAMU in FYE 2020 and FYE 2021	FYE 2020: \$35,517 FYE 2021: \$46,456



William "Bill" Knight
Enterprise Risk Management Coordinator

"The ERM program we are building has resulted in positive changes already, but the real impact is right around the corner. The increasing focus on risk at the senior levels and the connections made between risk and strategy will result in more discussions of risk at all levels. The resulting cultural shift will allow risk to be considered more openly and break down silos concerning how risk is managed.

I predict FAMU's ERM program will soon be the standard bearer for other SUS schools."

Enterprise Risk Management

The Enterprise Risk Management (ERM) program was established in August 2021 as part of the Division of Audit. Deidre Melton was appointed as the University's Chief Risk Officer and William Knight was selected as the University's first ERM Coordinator. The following information highlights the accomplishments made to build the foundation of a premier ERM program.

Mission Statement

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.

Vision Statement

The FAMU ERM program strives to become a thought leader in enterprise risk management practices through development of innovative and cost-effective methodologies that integrates enterprise risk management practices into the culture and strategic decision-making processes of academic, student, and administrative functions within educational institutions.

Risk Appetite Statement

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 each of a whole range of activities undertaken.





Ruoxu Li
Senior IT & Data Analytics Auditor

“Professional development helps me stay up-to-date on current trends, technology, and processes in the internal audit field. It increases my professional knowledge and competence in problem-solving. It also helps me grow relationships with others that are mutually beneficial to our career.”

Professional Development and Association

DoA staff maintained professional designations/certifications and has expertise covering a variety of disciplines in auditing, financial, investigations, fraud, compliance, and information technology.

The staff maintained active memberships and attended continuing educational webinars in various professional associations. Staff also served in leadership roles and or committees in ISACA, ACUA, AIG, and IIA professional organizations.

29 Professional Designations/Certifications

(2) Certified Construction Auditor (CCA)	(4) Certified Inspector General Investigator (CIGI)
(2) Certified Compliance and Ethics Professional (CCEP)	(2) Certified Information Systems Auditor (CISA)
(3) Certified Fraud Examiner	(1) Certified Information Security Manager (CISM)
(2) Certified Government Auditing Professional (CGAP)	(1) Certified in Risk and Systems Controls (CRISC)
(4) Certified Internal Auditor (CIA)	(2) Certification in Risk Management Assurance (CRMA)
(1) Certified Inspector General (CIG)	(1) Lean Six Sigma Green Belt Process Improvement Certification (LSSGB)
(3) Certified Inspector General Auditor (CIGA)	(1) Certified Data Privacy Solutions Engineer (CDPSE)

10 Professional Membership Associations



Association of Certified Fraud Examiners (ACFE) – Tallahassee Chapter



Association of College and University Auditors (ACUA)



Association of Government Accountants (AGA)- National and Tallahassee Chapters



Association of Inspectors General (AIG) -National and State Chapters



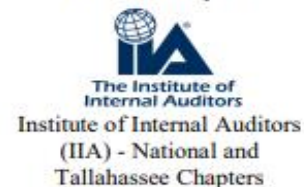
Construction Audit and Cost Control Institute (CACCI)



Florida Audit Forum



Florida Government Finance Officers Association (GFOA)



Institute of Internal Auditors (IIA) - National and Tallahassee Chapters



ISACA –National and Tallahassee Chapters



National Association of Construction Auditors (NACA)

Certifications Obtained

Certified Construction Auditor

- Joseph Maleszewski
- Carl Threatt

Certified Inspector General Investigator

- Arriet Foster
- Deidre Melton

Certification in Risk Management Assurance

- Deidre Melton

Certified Fraud Examiner

- Joseph Maleszewski



Association Leadership & Services

ACUA's Audit and Accounting Principles Committee

Chair, ACUA's Diversity and Inclusive Leadership Committee

Vice President, ISACA Tallahassee Chapter

Leadership Development Chair, She Leads Tech Tallahassee

SheLeadsTech Council, One in Tech

Advisory Council, Association of Certified Fraud Examiners

Chair, State University System of Florida IT Audit Group

Treasurer, Florida Chapter of the Association of Inspectors General

Institute Faculty, National Association of Inspectors General

Board Member, National Association of Inspectors General

Institute Instructor, Certified Inspector General Institute & Certified Inspector General Auditor Institute

FAMU and State University System (SUS) of Florida Committees

The Division of Audit actively takes part in FAMU and the SUS committees to broaden the Division’s exposure and contribute our skills and expertise to the community.

Strategic Planning Committee

**Information Technology
Governance Committee**

Diversity & Inclusion Council

**Emergency Management
Team**

**State University System (SUS)
Information Technology
Auditor Group**

State University Audit Council

Incident Response Team

**Athletics Strategic Planning
Committee**



*Rica Calhoun
Chief Compliance and Ethics Officer*

“The Division of Audit has been a valuable partner in the development of FAMU Fundamentals each year. DoA's contribution of content and feedback allow us to continue providing targeted training information to our University community.”

The Division of Audit provided training to University, Faculty and Staff to enhance knowledge and understanding of best practices related to ERM and Fraud Training.

Enterprise Risk Management Training



Key topics from the ERM training

- Collaboration Benefits
- Collaboration Roadblocks
- Collaboration Opportunities
- 2022 Trends (Risk and Compliance)
- FAMU ERM Highlights

Division of Audit Fraud Training 2022



Key topics from the fraud training

- Introduction to the Florida Whistleblower Act for Public Employees
- Overview of the Act
- Reporting in good faith

Awareness

The Institute of Internal Auditors observes “International Internal Audit Awareness Month” each May as a time for internal auditors around the world to share examples of how the profession provides value to organizations, spotlight the profession’s commitment to good governance and risk management, and explain how internal auditors protect the public interest.

Inside
you make an impact

May is Internal Audit Awareness Month.
Visit theiia.org/Awareness.



The DoA celebrated with an open house and a Town Hall Meeting moderated by Deidre Melton with remarks from President Larry Robinson, Ph.D and chief audit executive panelists from our sister HBCU’s.

Inside you make an impact
May is Internal Audit Awareness Month.
Visit theiia.org/Awareness.

FRAUD, RISK, AND CONTROLS

DATE: May 26, 2022
TIME: 4pm – 5pm

HBCU Virtual Town Hall Meeting

Opening Remarks:
Larry Robinson, Ph.D.
President, FAMU

Moderator:
Deidre Melton,
AVP for Audit/CRO,
FAMU

Panel of Chief Audit Executives

Joe Maleszewski
FAMU

Charla Parker-Thompson
TSU
TEXAS SOUTHERN UNIVERSITY

Mindy Sanders
NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

Chris Thomas
JSU JACKSON STATE UNIVERSITY

Rob Clark
HOWARD UNIVERSITY

FAMU FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

REGISTER NOW ➔

Organizational Chart

FAMU Division of Audit Organizational Chart September 2022



Resources

FAMU Division of Audit

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

Association of Certified Fraud Examiner

<https://www.acfe.com/>

Association of Colleges and Universities Auditors

<https://acua.org/>

Association of Government Accountants

<https://www.agacgfm.org/home.aspx>

Association of Inspectors General

<http://inspectorsgeneral.org/>

Florida Board of Governors

<https://www.flbog.edu/regulations/active-regulations/>

Florida Inspectors General

<https://www.floridaoig.com/>

Institute of Internal Auditors

<https://www.theiia.org/>

ISACA

<https://www.isaca.org/why-isaca>

National Association of Construction Auditors

<https://thenaca.org/>

Society of Corporate Compliance and Ethics

<https://www.corporatecompliance.org/>

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Email: divisionofaudit@fam.u.edu



"At FAMU, Great Things are Happening Every Day!"