

Vision

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



Mission

We add value to FAMU and its stakeholders by promoting accountability, integrity, and efficiency through excellence in auditing, investigations, management reviews, and technical assistance.



Joseph K. Maleszewski,
MBA, CIA, CISA, CIG, CIGA, CIGI, CGAP, CCEP
VP for Audit

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Message from the VP for Audit

I am excited to announce that President Robinson has approved the Division of Audit to lead the University's Enterprise Risk Management (ERM) efforts! To move forward with this process, I have promoted Deidre Melton to Associate Vice President and Chief Risk Officer. Congratulations and well-deserved Deidre!

She will be assisted in carrying out her ERM duties by an ERM Coordinator position which we will fill in the near future.

In championing the ERM program the Division of Audit will abide by the Institute of Internal Auditors' guidance entitled [*IIA Position Paper: The Role of Internal Auditing in Enterprise-Wide Risk Management*](#). This will require that the Division implement the following safeguards:

- It must be clear that management remains responsible for risk management.
- The nature of internal auditor's responsibilities should be documented in the internal audit charter and approved by the audit committee.

- Internal auditing should not manage any of the risks on behalf of management.
- Internal auditing should provide advice, challenge and support to management's decision making, as opposed to making risk management decisions themselves.
- Internal auditing cannot also give objective assurance on any part of the ERM framework for which it is responsible. Such assurance should be provided by other suitably qualified parties.
- Any work beyond the assurance activities should be recognized as a consulting engagement and the implementation standards related to such engagements should be followed.

We look forward to working with the President and our entire campus community to implement a robust and effective ERM Program.

Joseph K. Maleszewski
Chief Audit Executive and
Vice President for the Division of
Audit

Employee Spotlight

The Division of Audit is spotlighting Ms. Debra Barrington to recognize her and her contributions to the team and highlight interesting facts:



Ms. Debra Barrington

Administrative Assistance

When did you come to FAMU and why was FAMU your employer of choice?

I initially joined FAMU in 1996 and left to work for other state and private agencies. I finally came back to FAMU in 2004 and have been here ever since!

I found FAMU to be a discovery of incredible history, full of excitement, and adventure. I love the closeness to sports and the students. Everyone here seeks to advance and is willing to help. People here are continuously encouraged to be determined, never give up, and pursue their dreams.

What are your experiences and expertise?

I started working when I was 14. I took the Corporate Business Education program while I was in high school. That education and training gave me

the opportunities to advance administratively and clerkly. I enjoy everything that has to do with administration. During my more than 30-year career, I have worked for various agencies, including the Offices of Gadsden, Leon, and Wakulla counties, and the City of Tallahassee. I also served as a customer service representative in each state office for which I worked. I enjoy meeting, greeting, and helping people. I helped homeless people find their homes while working with the City of Tallahassee.

What are your hobbies?

Hairstyling and barbering are my hobbies. I studied at Euro Cosmetology and Barbering College, formally known as Roffler. I also love singing in my church choir, prophetic praise dance, cooking, and spending quality time with my family and friends.

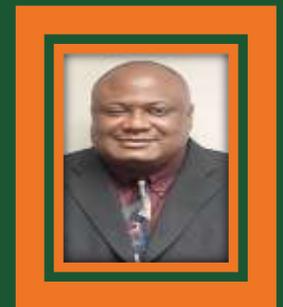
Contributing Auditor:
Ruoxu Li
CIA, CISA
Senior IT & Data Analytics Auditor

THE AUDIT TEAM

Deidre Melton,
CIA, CFE, CISA, CISM,
CRISC
Director of Audit



Carl Threatt Jr.,
MBA, CIA, CRMA, CFE,
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Lead Senior Auditor



Ruoxu Li,
CIA, CISA
Senior IT & Data
Analytics Auditor



THE AUDIT TEAM

William (Bill) Knight,
CIGA



Arriet Foster,
MBA, CFE, CIGA
Senior Auditor &
Investigation Specialist



Danielle Myrick,
Auditor



Who Audits the Auditor?

Measuring and assessing performance and controls is just as important for the Division of Audit (DoA) as it is for any department.

When do the internal auditors get audited? The [International Standards for the Practice of Internal Auditing \(Standards\)](#) and Florida Board of Governors [Regulation 4.002 - State University System Chief Audit Executives](#), requires that an external assessment be conducted of internal audit departments at least once every five years by a qualified, independent reviewer or review team. The purpose of the review is to provide reasonable assurance to management and stakeholders that DoA processes conform with applicable professional Standards.

Additionally, the external assessment allows the internal audit function to measure itself against organization policies, stakeholder expectations, and industry best practices.

The Chief Audit Executive (CAE) leads the process of selecting an external assessor with the full involvement and support of senior management and the Board of Trustees' Audit and Compliance Committee. The external assessment looks at Do's internal controls, ethics, governance, and risk management processes. The areas noted in the graph below are the Standards reviewed and assessed for evaluating the Do's performance.

DoA completed an External Quality Assessment in February 2017 and received the highest rating of "Generally Conformed with the Standards." The next peer review will take place in 2022. We recognize that there are always opportunities to improve performance and look forward to increasing the efficiency and effectiveness of our department. If you have identified any opportunities for improvement that DoA should consider, please email them to: auditandcompliance@famuedu.

Contributing Auditor:
Carl E. Threatt Jr.
MBA, CIA, CRMA, CFE, CCEP,
CIGA, CIGI, CCA
Senior Auditor



Audit 101

What is an audit?

An audit is part of the University's system of "checks and balances" designed to complement other management evaluations and to provide constructive recommendations for enhanced operational performance. It is a review of a selected program, activity or function which provides management an independent appraisal of whether:

- Desired results and objectives are achieved efficiently and effectively;
- Systems are in place to ensure compliance with laws, policies, procedures and regulations; and
- Financial and operating information is accurate, complete and reliable.

Although the Division of Audit (DoA) provides other types of services, an audit is the most comprehensive and provides the highest level of assurance. Audits are conducted in accordance with statutory requirements and internationally recognized audit standards.

How are audits selected?

Our Division works with university employees and managers to develop an audit work plan that is approved by the Board. Some audits and reports are required by law while some audits included in the plan are requested by management. Others are chosen through a risk assessment process.

What is the audit process?

Before an audit begins, we notify management through an "engagement letter," which includes a general description of the planned audit work, the scope of the audit, the audit period, who will be involved and when the audit will start.

- **Entrance Conference** - An entrance conference is a meeting between the DoA and management of the area being audited. The purpose of this meeting is to introduce the audit team and audit participants, to discuss the purpose of the project and to discuss the project's direction, scope and make inquiries regarding fraud, illegal acts, and material misstatements.
- **Project Research** - Following the entrance conference, auditors conduct additional research to develop an understanding of the area being audited. During this phase, we review laws, regulations, policies, procedures, organization charts, position descriptions, performance and financial reports, industry literature, etc. During project research, auditors normally interview some staff members. At the end of this phase, we determine specific objectives for in-depth study.

- **Fieldwork** - During fieldwork, we review processes, conduct tests and perform other procedures necessary to accomplish our audit objectives. Fieldwork is the most time-consuming part of the process for the auditee, as this phase usually includes activities such as gathering data, reviewing files, and asking questions.
 - **Reporting: First Draft** - Once fieldwork is complete, we prepare a draft report of findings. This draft report contains background of the area being audited; audit purpose, scope and methodology; reportable conditions and recommendations. The draft is sent to management of the audited area for review.
 - **Exit Conference** - The exit conference is an opportunity to discuss the draft report and make certain the information in the draft report is accurate. Minor issues encountered during the audit but not significant enough to include in the report may also be discussed at this meeting. The draft report may be modified based on information provided.
 - **Management Response** - Once the report is issued for management response, the manager of the program function or operational unit has an opportunity to respond in writing to any findings and recommendations contained in the report. A copy of the management response is included in the final report. In general, a management response should contain the following information:
 - A response agreeing with the findings should begin with "We concur" and explain what will be done to correct the issues, including an estimated completion date.
 - A response disagreeing with the findings should begin with "We do not concur" and explain the reason for the disagreement.
- Final Report Distribution** - Audit reports are distributed to the President, Board, and the Board of Governors Inspector General and Director of Compliance. We also distribute reports to appropriate department management and other interested parties unless they contain confidential or sensitive information which would limit report distribution.



The Division of Audit provides independent, objective assurance and consulting services designed to add value and improve the University's operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.





Need to file a complaint or make a report to the Division of Audit?

You can reach DOA by emailing us at auditandcompliance@famuedu or by phone at 850-412-5479.

Complaints can also be submitted via the University's Compliance and Ethics Hotline which allows anonymous reporting.

[Click on this link to go to the Hotline.](#)

We look forward to hearing from you.



Fraud Education and Resources

Want to know more about how to prevent, detect and address fraud within the University or in your day to day life? Check out some of the resources listed below.

[Association of Certified Fraud Examiners](#)

[Association of Government Accountants Fraud Resources](#)

[FAMU Division of Audit](#)

[FRAUD Magazine](#)

[Institute of Internal Auditors Fraud Resources](#)

Investigations 101



The Division of Audit serves you and the University community at large by fostering an environment of accountability, integrity, efficiency, fairness, objectivity, and professionalism. One of the ways DoA provides this service is by conducting administrative investigations of reported fraud, waste, and abuse.

Administrative Investigations: DoA investigations are administrative in nature since the DoA does not have jurisdiction over criminal matters; however, we will work with other offices, agencies, and law enforcement to conduct thorough investigations or refer out cases as appropriate.

Administrative investigations may be conducted by DoA to determine if:

1. Fraud, waste, abuse, misappropriation, or some other impropriety has occurred;
2. A violation of federal, state or University regulation, policy, or procedure has occurred;
3. A Complainant qualifies for Whistle-blower status;
4. Recommendations are needed to address a violation or policy concern; and/or
5. University regulations, policies, and procedures are operating effectively and efficiently.

Authority: In accordance with the Florida Board of Governors Regulations [4.001](#) and [4.002](#), DoA investigations are conducted under the guidelines outlined in the [Standards for Complaint Handling and Investigations for the State University System of Florida](#).

When applicable, investigations are also conducted in compliance with the Florida Whistle-blower Act ([Section 112.3187-112.31895 Florida Statutes](#)).

Additionally, the University has regulations and policies which authorize the DOA to perform investigative activities related to fraud, waste, and abuse, specifically:

- University Regulation [1.019 University Code of Conduct](#)
- University Regulation [1.023 Fraud Prevention and Detection](#)
- FAMU Board of Trustees [Policy 2020-1 Fraud Policy](#)

Complaints: An investigation is normally initiated when a complaint or allegation is received via email, phone, or the web-based Compliance and Ethics hotline.

A complaint can be submitted at any time. That means the resulting investigation conducted by DoA, if

warranted, is often unanticipated by some of the University staff involved. We understand it may be stressful or overwhelming to be contacted by a DoA auditor/investigator looking for information regarding a serious allegation levied against you or a co-worker, which is why we've provided an overview of the DoA Investigation process in the graphic below.

The Investigation Process: Our investigation process involves multiple types of evidence gathering including researching federal, state and University rules, regulations, and guidelines; requesting and reviewing records and documentation; and interviewing University employees.

We use this information to make an investigative determination regarding the validity of the allegation, then issue a report with our analysis and any necessary recommendations to management. Keep in mind, the overarching objective of a DoA investigation is to “fact find.” In other words, we want to understand the “Who, What, Where, When, Why and How” of the alleged violation reported to us and you may play a pivotal role in helping us do that. We appreciate your assistance and cooperation.

Contributing Auditor:
Arriet Foster, MBA, CFE, CIGA
Senior Auditor and Investigation Specialist

DOA Investigation Process



STEP 1: Complaint Disposition

After a complaint alleging misconduct is received, the DOA will determine, based on the nature of the complaint, if the case should be **handled by Division staff** or **referred to another entity** such as the Office of Compliance and Ethics, Office of Human Resources, Office of the General Counsel, Equal Opportunity Programs or FAMU PD.

STEP 2: Evidence Gathering

For investigations handled by the DOA, the DOA investigator will develop an Investigation Plan which will include several methods of evidence gathering. The investigator may interview the **Complainant** as well as **Witnesses** and the **Subject** of the complaint. The investigator will also request documentation to review to help with making an investigative determination.

STEP 3: Investigative Determination

After the evidence is gathered, reviewed and analyzed, the investigator, in conjunction with DOA leadership, will determine the allegation to be **Substantiated** (supported by evidence), **Not Substantiated** (not supported by evidence) or **Inconclusive** (sufficient evidence was not available to determine if the allegation was either substantiated or not substantiated.) The DOA will clearly state in the Investigation Report the investigative determination of each allegation.

STEP 4: Report Issuance

The investigation will conclude with the issuance of a DOA report, which will include the governing directives (rules, regulations, policies) related to the allegations, the investigative determination, and the analysis of evidence used to make the investigative determination. Depending on the investigator's findings, the **DOA will close the investigation or issue recommendations to management** to help ensure proper policy revision, procedural implementation, disciplinary action, or follow-up action is taken to mitigate the recurrence of issues disclosed during the investigation.

STEP 5: Follow-Up

The DOA will follow-up with the appropriate process owners to ensure corrective action has been taken regarding recommendations issued in the investigation report. Management responses are tracked and communicated to the Board of Trustees. A recommendation is considered **Open** until it has been fully addressed, and then it is classified as **Closed**.



The joint FAMU-FSU College of Engineering audit focused on the following ten areas.

Performance

- Governance Structure
- Strategic Planning and Performance
- Student Enrollment
- Graduation Rates and Outcomes
- Student Experience

Operations

- Financial Operations
- Budget Entity
- Fixed Capital Outlay and Physical Space
- Financial Donations
- Enterprise Resource Planning and Human Resources Operations

Joint College of Engineering

The FSU Office of Inspector General Services and the FAMU Division of Audit worked hand-in-hand recently to complete an audit of the Joint FAMU-FSU College of Engineering (Joint College). The results of this audit were presented to the Joint College Management Council at their July 20, 2021 meeting.

This report was delivered in a time of transition as the Dean of the Joint College, Murry Gibson, Ph.D., recently announced his plans to step down in December 2021, when he will become a faculty member in the college carrying out research, teaching, and service. A Dean search is underway to select his predecessor. We believe the audit report reflects well on Dean Gibson's tenure.

The audit concluded that, while complex, the Joint College governance structure is effective. We noted that the Joint College creates a synergy unique in American higher education by combining a historically black college and university (HBCU), and a Carnegie classified Research 1 Institution. Some noted benefits of the Joint College are that it:

- Expands FAMU's access to FSU's research opportunities and resources;
- Enhances FSU's ability to participate in funding opportunities afforded to FAMU as an HBCU;
- Provides engineering education opportunities to students of varied backgrounds (notably women, African Americans, and other minorities);
- Advances engineering through scholarly research;
- Furthers the ideal and strategic advantage of diversity and inclusion in both higher education and the workforce; and
- Produces a significant number of patents contributing to the economic impact on the community and the state.

Since the Joint College was established in 1982, it has operated without the benefit of a formalized strategic plan. To his credit, Dean Gibson initiated a formal strategic planning process focused on the three areas of Research and Graduate Education; Student Success; and Diversity and Inclusion. These plans align well with the SUS and constituent university strategic plans.

The Joint College has enjoyed stable undergraduate enrollment and growing post-graduate enrollment contributing significantly to a rise in the US News and World Report rankings. Under the Dean's leadership the Joint College has improved graduation rates and employment opportunities continue to be strong for all majors offered by the Joint College.

Our audit gathered positive student feedback regarding the Joint College in terms of first impressions, facilities, events, and services. It was important to students that the Joint College's program and degree offerings keep up with industry standards - specifically industry software training.

In general terms, the Joint College is funded annually by the Legislature at around \$14 million for a college with annual expenditures of approximately \$27 million. To sustain the Joint College requires significant financial support from both constituent universities – much of which goes to fund positions. Success in implementing the Joint College strategic plan initiatives is predicated on additional funding. Also, a much-needed Building C has been approved for planning since 2009 but has not been funded for construction. To help meet the Joint College's financial needs, Dean Gibson has made fundraising a top priority. The Joint College alumni and corporate fundraising campaigns raised over \$930,000 in the fiscal year 2019-20.

The joint nature of the college requires that budgeting, financial, operational, human resources, and other Joint College processes be performed in systems supported by both constituent universities. The Dean has established a *Reciprocity Task Force* to study these issues more broadly and in-depth. Specifically, the Task Force will identify aspects that require staff, faculty, and students to use double systems and processes and/or to reconcile them. It will be important for the Joint College Management Council and the two constituent universities to take up the Task Force's findings when reported in the coming weeks.

Our audit engagement resulted in recommendations to improve the Joint College's performance and business operations.

Contributing Auditor:
William (Bill) Knight
Senior Auditor

What's Happening



Risk Assessment and Work Plan – The Division's 2020-2021 Risk Assessment and 2021-2022 Annual Work Plan were both approved by the FAMU BOT Audit Committee on June 3, 2021. These reports can be viewed online on our [web page](#). The Annual Work Plan contains a detailed schedule of projects planned for the 2021-2022 year. Please contact the DoA if you know of any areas that you feel internal controls are not effective or if you are aware of any other process improvement opportunities at the University.



Annual Report - The Division's Annual Report for Fiscal Year 2020-2021 was released on August 27, 2021. Included in the report are summarized audits, investigations, follow-ups, continuous monitoring projects, and other activities completed during the year end and the statuses of those in a progress at the year end. The Annual Report was reviewed with the Audit and Compliance Committee Meeting at its September 2021 meeting.



New Offices – As of August 2021, the Division of Audit is now located on the ground level of the Foote-Hilyer Administration Center (FHAC) in the old Cashier's Office (G-7). The move allowed Division staff to be collocated in the same space, have adequate storage, a conference room and space for visiting auditors.



ERM Update – President Robinson approved the establishment of the University's Enterprise Risk Management (ERM) function within the Division of Audit. As a result, Deidre Melton was promoted to AVP for Audit and Chief Risk Officer. Also, the Division established an ERM Coordinator position which will be filled in the near future. The Division's activities related to ERM will be performed within the professional guidance provided by the Institute of Internal Auditors.



Trainings – In August, Joseph Maleszewski, Deidre Melton, and Arriet Foster attended the 2021 Association of Inspectors General Institute. VP Maleszewski facilitated sessions for the Certified Inspector General track, while Director Melton and Ms. Foster participated in the Certified Inspector General Investigator track – both attaining this professional certification.

The Division of Audit will be providing internal controls and related training in October. Be on alert for the notifications concerning this training.

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ACCOUNTABILITY ● INTEGRITY ● EFFICIENCY



FLORIDA A&M UNIVERSITY
DIVISION OF AUDIT

FAIRNESS ● OBJECTIVITY ● PROFESSIONALISM

Foote-Hilyer Administration Center

Tallahassee FL, 32307