



Report No. 19-20-0009
6-Month Work Plan:
July 2020 – December 2020



ACCOUNTABILITY • INTEGRITY • EFFICIENCY

June 4, 2020



FY 2020-21 Audit Work Plan: July 2020 – December 2020

EXECUTIVE SUMMARY

Given the uncertainty surrounding the COVID-19 pandemic on university operations the Division of Audit (DoA) modified our risk assessment activities and shortened our planning horizon from 1 fiscal year (with a 3-year component) to the 6-month period from July 2020 to December 2020. In fall 2020, the Division will perform additional risk assessment work to plan the remainder of the fiscal year. In planning our work, we heavily weighted the operational and financial impacts of the pandemic and the university's associated responses. We also planned our efforts to closely align with the University's Strategic Plan priorities and goals (Appendix A), and the President's Goals (Appendix B).

For the Division of Audit, the COVID-19 pandemic creates an immediate need to focus advisory and assurance services on financial matters including the availability and use of federal funds made available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and other federal fund sources such as Federal Emergency Management Agency (FEMA).

Our work plan is risk-based to provide the most effective coverage of University operations and utilization of DoA resources in areas where assurance or advisory services can assist management in achievement of the University's strategic priorities and business objectives. The plan allocates 300 of our available project hours for management requests and special projects. The plan will guide our activities over the next 6 months, but will be adjusted to meet management's and the Board's needs as other priorities are identified.

In addition to our planned projects we have included a section titled "Audit and Advisory Services on the Horizon." This section reflects projects identified based on our risk assessment for which there is a need for assurance, advisory, or continuous monitoring services within the University over the next one to three years. Identified within this section are areas that warranted DoA coverage within the next 6 months for which adequate staffing resources are unavailable. They include:

- High priority/time sensitive assurance and advisory projects; and
- Continuous monitoring services that will be placed on hold.



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BACKGROUND

Work Plan Standards:

Professional auditing standards¹ 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.

The University has experienced significant changes within the institution's management, operations and programs over the past 12 months. These changes, along with an ongoing global pandemic, have led the CAE to move from the standard three-year audit work plan to a six-month audit work plan in an effort to focus the Division of Audit's resources in areas of high risk and university need.

The new six-month audit plan process will allow the Division of Audit to be more responsive to rapidly changing risks across the University during the Fiscal Year 2020-2021, while fulfilling its mission of promoting accountability, integrity, and efficiency throughout the University. Additionally, the CAE has identified projects on the three-year horizon for the Division of Audit.

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



6-Month Work Plan: July 2020 – December 2020

Project Description	Hours	Strategic Support of University Priorities and Goals	
		Strategic Plan	President Goals
Assurance Services			
<u>CARES Act – Emergency Student Financial Aid Grants</u> <ul style="list-style-type: none"> Funds Used within Department of Education and CARES Act Guidelines Reporting Compliance 	240	<u>Strategic Priority 5:</u> Goal 3	
<u>CARES Act – Institutional Funds</u> <ul style="list-style-type: none"> Funds Used within Department of Education and CARES Act Guidelines Reporting Compliance 	240	<u>Strategic Priority 5:</u> Goal 3	
<u>CARES Act – HBCU Funds</u> <ul style="list-style-type: none"> Funds Used within Department of Education and CARES Act Guidelines Reporting Compliance Review of Strategic Process for Applying Funds 	240	<u>Strategic Priority 5:</u> Goal 3 Goal 4	
<u>Spring 2020 Reimbursements</u> <ul style="list-style-type: none"> Methodology for reimbursement of housing and meal plans Evaluation of whether any additional reimbursements were made 	240	<u>Strategic Priority 5:</u> Goal 3	
<u>Performance Based Funding Data Integrity Audit</u> <ul style="list-style-type: none"> Processes that ensure completeness, accuracy, and timeliness of data submissions Testing of data that supports performance funding metrics 	240		Goal 1 Goal 6
<u>Knight Foundation Expenditure Review: Quarter 4 April 2020 – June 2020</u> <ul style="list-style-type: none"> Approval of Expenditures Allowable Expenditures 	120	<u>Strategic Priority 2:</u> Goal 1 <u>Strategic Priority 5:</u> Goal 3	
<u>Knight Foundation Expenditure Review: Quarter 1 July 2020 – September 2020</u> <ul style="list-style-type: none"> Approval of Expenditures Allowable Expenditures 	120	<u>Strategic Priority 2:</u> Goal 1 <u>Strategic Priority 5:</u> Goal 3	
<u>Auxiliary Transfer Review</u> <ul style="list-style-type: none"> Review transfers from Auxiliary to Athletics for the period of January 11, 2020 – June 30, 2020 	120	<u>Strategic Priority 5:</u> Goal 3	



Project Description	Hours	Strategic Support of University Priorities and Goals	
		Strategic Plan	President Goals
Total Hours - Assurance Services	1,560		
Management Advisory Services			
<u>Title IX Review</u> <ul style="list-style-type: none"> Evaluation of University framework for Title IX compliance against federal regulations effective 8/2020. Assess resolution and appeal processes Assess coordination and communication with campus law enforcement personnel Verify existence of controls to secure confidential information 	240		
<u>Information Technology – Remote Working</u> <ul style="list-style-type: none"> Assess whether security controls are adequate for remote operations Assess the impact of any changes that may have been made to facilitate remote operations. 	240	<u>Strategic Priority 5:</u> Goal 5	
<u>Athletics Budget Process</u> <ul style="list-style-type: none"> Compliance with University Budgeting Processes Accuracy of Revenue Forecast Assumptions Process for Compiling Expenses Methodology for Monitoring and Communicating Budget to Actual Reporting Budgeting for Future Capital Outlay and Maintenance Costs Title IX 	360	<u>Strategic Priority 5:</u> Goal 2	
<u>Management Requests</u> <ul style="list-style-type: none"> Board of Trustees Requests Senior Leadership Team Requests External Party Requests (i.e. BOG) 	300		
Total Hours - Management Advisory	1,140		
Continuous Monitoring Services			
<u>Construction</u> <ul style="list-style-type: none"> Root Cause Analysis of Identified Project Delays and Budget Shortfalls Review Allowability of Funds Used to Mitigate Budget Shortfalls Review Plans for Relocating Departments Related to CASS Review of Reporting for Content Enhancements 	240	<u>Strategic Priority 1:</u> Goal 5	Goal 8



Project Description	Hours	Strategic Support of University Priorities and Goals	
		Strategic Plan	President Goals
<u>Textbook Affordability</u> <ul style="list-style-type: none"> Compliance with Florida Statute 1004.085 for the Fall 2020 and Spring 2021 Semester 	180		
<u>Purchase Cards</u> <ul style="list-style-type: none"> Analytics focused on unallowable expenses and identifying data trends Reconciliation Compliance 	180	<u>Strategic Priority 5:</u> Goal 3	
Total Hours - Continuous Monitoring Services	600		
Follow-ups, Risk Assessment, and Investigations			
External Audit and Programs	180		
Internal Audit, Investigation & Advisory	240		
Investigations – Whistleblower, Fraud, Waste, & Abuse	90		
Risk Assessment	160		
FY20-21 6-Month Work Plan: Jan 21 – June 21	40		
Total Follow-Up, Risk Assessment & Investigations	710		
University and State University System Taskforces and Committees			
Enterprise Compliance Committee	25		
State University Audit Council	25		
State University System - Information Technology Auditor Council - Chair	25		
Emergency Management Team	25		
Total Taskforce and Committees	100		
Internal Audit Administration			
Professional Development	350	<u>Strategic Priority 5:</u> Goal 1	
<u>Divisional Admin Projects</u> <ul style="list-style-type: none"> Operational Manual Updates Data Analytics Program Automation of Audit Processes through AuditBond software Divisional Assessment Annual Report 	400	<u>Strategic Priority 5:</u> Goal 4 Goal 5	
Internal Controls Training <ul style="list-style-type: none"> Provide internal controls training to the University staff, faculty, and board of trustee members. 	120	<u>Strategic Priority 5:</u> Goal 3	
General	386		
Leave	260		
Total Internal Audit Administration	1,516		
Total All Hours	5,626		





Audits and Advisory Services on the Horizon


Assurance Services			
	Decentralized Cash Collections	🎯	Property Management
	Knight Foundation Q 2 Financial Review		Knight Foundation Q 2 Financial Review
🎯	Academic Honesty Framework	🎯	Colleges/Schools – Academic and Business Operations
	Controller Officer – Financial Controls		Sponsored Programs
	Registrar Office – Structure, Processes, Automation		Athletics – BOT Policy 2005-16
	Boosters – BOT Policy 2005-15	🎯	Payroll – OPS, Cost Center
	Procurement Services		Culture & Ethics – Red Book 2110.A1
	Effectiveness of Student Success Efforts		Effectiveness of Customer Service Initiative
	FAMU Foundation: Payment Approval Process		Research – Sub-Recipient Monitoring
	Export Controls Review		IT – DAVID System
	FAMU Summer Camps	🎯	Online Education and Support
	Title III: Department Review		IT – Cloud Security (Operations)
	IT – ImageNow		IT – Canvas
	IT - Physical Security		IT – Change Management
	Construction: P3 Process Review		Intellectual Property
	Deferred Maintenance		Office of International Students Review
	Title IX Review		

Advisory Services			
	Succession Planning	🎯	Student Wellness Infrastructure
🎯	FEMA – COVID-19 Expense & Reimbursement	🎯	Housing – Business Operations & Student Safety (COVID-19)
	Clery Compliance		Hazing Compliance
🎯	Privacy – Governance, Processes, Training (FERPA, GLBA, State Privacy Laws)		Athletics Fundraising – Donor Compliance, Cultivation, and Management
	Contract Template and Process Review		Athletics –Ticketing Operations
	Licensure Programs Assessment		COOP Review
	HR Onboarding & Exit Process Review		Return of Title IV Funds Process
	IT Governance & Structure		IT – State of Cybersecurity
🎯	Strategic Financial Management – Performance Based Funding	🎯	Strategic Financial Management - CARES Act HBCU Funding

- 🎯 High Priority/Time Sensitive Projects the Division of Audit is Unable to Perform within the Optimal 6-Month Time Frame (July 2020 – December 2020) Due to Staffing Limitations



Continuous Monitoring Services			
	Textbook Affordability – New Process Spring 2020		COSO – Internal Controls Framework Implementation
	P-Card – Identification of Unallowable or Fraudulent Purchases and Trends		COSO - Enterprise Risk Management Integrating with Strategy and Performance Implementation
	IT- NIST 800-171/ Cybersecurity Maturity Model Certification		

 Continuous Monitoring Services Placed on Hold for a 6-Month Time Frame (July 2020 – December 2020) Due to Staffing Limitations



APPENDIX A: FAMU RISING STRATEGIC PLAN 2017-2020²

STRATEGIC PRIORITY 1: EXCEPTIONAL STUDENT EXPERIENCE

- Goal 1: Enhance pathways to degree attainment
- Goal 2: Achieve national distinction for success in retention and graduation rates
- Goal 3: Increase the proportion of students completing high-impact co-curricular experiences to 60%
- Goal 4: Increase the number of students graduating from programs in areas of high employer demand
- Goal 5: Strategically enhance campus residence, athletics, recreational, instructional and research facilities

STRATEGIC PRIORITY 2: EXCELLENT AND RENOWNED FACULTY

- Goal 1: Promote faculty excellence by recruiting, supporting and retaining a diverse faculty with a commitment to teaching, research, and community engagement, consistent with a doctoral-research university
- Goal 2: Maintain and develop sustainable state-of-the-art facilities that support the academic enterprise of the University

STRATEGIC PRIORITY 3: HIGH IMPACT RESEARCH, COMMERCIALIZATION, OUTREACH, AND EXTENSION SERVICES

- Goal 1: Expand and enhance cutting-edge research and creative scholarship for the benefit of the state of Florida, the nation, and the world
- Goal 2: Increase research productivity, commercialization and return on investment
- Goal 3: Increase the number of nationally recognized graduate programs
- Goal 4: Provide outstanding outreach and extension services in the tradition of a landgrant institution

STRATEGIC PRIORITY 4: TRANSFORMATIVE ALUMNI, COMMUNITY, AND BUSINESS ENGAGEMENT

- Goal 1: Enhance the University fundraising infrastructure and capacity to generate increased support for the University
- Goal 2: Enhance public-private partnerships to support teaching, research, and service
- Goal 3: Build and lead strong networks of supporters and partners

² Source: http://www.famu.edu/Strategic/FAMU%20Strategic%20Plan%202017-2022%20Final_reduced%20size.pdf



- Goal 4: Implement effective communication and marketing initiatives to increase visibility and promote the FAMU brand
- Goal 5: Leverage the distinctive capabilities and signature programs of the University to strengthen the FAMU brand and economic viability of the University

STRATEGIC PRIORITY 5: FIRST-CLASS BUSINESS INFRASTRUCTURE

- Goal 1: Recruit, develop, and retain diverse and excellent staff
- Goal 2: Adopt a new budgeting model to support institutional strategic priorities more effectively
- Goal 3: Improve transparency and strengthen internal controls to improve compliance and support strategic decisions
- Goal 4: Enhance business processes to improve efficiency and cost effectiveness in University operations
- Goal 5: Leverage technology and establish a data-driven culture

STRATEGIC PRIORITY 6: OUTSTANDING CUSTOMER EXPERIENCES

- Goal 1: Develop and maintain a University-wide culture of service excellence
- Goal 2: Sustain superior service levels with ongoing monitoring, accountability, and recognition programs to reward excellent customer service



APPENDIX B: PRESIDENT’S GOALS ³

President’s 2019-2020 Goals	
Goal	Description
1	Achieve an overall score on the metrics evaluated under the Performance Based Funding Model of at least 71 points
2	Increase the University’s four-year graduation rate from 22.5% to 30%
3	Achieve first-time licensure pass rates that meet or exceed state/national benchmarks in Law ($\geq 80\%$), Nursing ($\geq 85\%$), Pharmacy ($\geq 85\%$) and Physical Therapy ($\geq 78\%$)
4	Increase annual giving by 5% and continue plans to launch a capital campaign
5	Continue implementation of the University’s comprehensive plan to improve customer service in key campus administrative units
6	Increase enrollment of FCS AA transfer students from 886 to 975
7	Increase total R&D expenditures by 1%
8	Ensure Completion of CASS and residence hall on time and within budget
9	Strengthen the University’s financial health by achieving or exceeding debt coverage ration ≥ 1.0

³ Source: <http://president.famu.edu/presidentgoals/pag.php>



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PROJECT TEAM

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Engagement was supervised, approved, and distributed by:

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

STATEMENT OF ACCORDANCE

The Division of Audit's mission is to provide 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.

We developed the work plan in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. 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 work plan and conclusions based on our objectives.

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

<http://www.famu.edu/index.cfm?AuditandCompliance&AboutAuditandCompliance>