September 2, 2026

Board of Governors
Audit and Compliance Committee

FAMU Audit Update

SUMMARY

Issue	Description	Status	Evidence
Investment Accounting (SPIA) (Repeat Finding)	Deficiencies in recording and reconciliation of investment account balances and related investment income	Operating	Investment reconciliations current through July 2026
Bank Reconciliations	University controls over bank account reconciliations need improvement	Operating	Bank reconciliations completed through June 2026
Vendor Payments	The University did not always promptly pay vendors	Improving/ Monitoring	91% compliance in June 2026; continued monitoring
Personnel Evaluations (A&P)	Personnel evaluations were not always performed annually	Institutionalized	Standardized annual evaluation process remains implemented
Accounting Records & Financial Reporting	Controls need improvement to ensure that the accounting records and annual financial report are accurate	Remediation in Execution	FY24-25 AG audit issued with repeat Material Weakness; corrective actions underway; Interim CFO onboarded; Controller's Office staffing and leadership capacity strengthened; monthly close discipline continues
Athletics Audit Readiness	Athletics has fallen short on meeting financial, internal, and NCAA audit requirements	Advancing	Business-office staffing progressing; CPA transitioning to Athletics; bi-weekly coordination; NCAA AUP and financial audit engagements advancing

Material Weakness – Financial Reporting (Repeat Finding)

ISSUE:

- University financial recordkeeping and reporting controls are deficient, increasing the risk for a material misstatement of the University financial statements to occur without timely detection and correction.

STATUS: CORRECTIVE ACTIONS IN PROGRESS

✓ Interim CFO appointed — strengthened executive financial leadership

✓ Repeat-finding corrective actions underway before final audit issuance

✓ Investments reconciled through July 2026

✓ Bank reconciliations current through June 2026

✓ Vendor-payment compliance improved to 91%

✓ Monthly close processes operating consistently

✓ FY26 audit readiness and continuous improvement remain the focus

Material Weakness – Financial Reporting (Cont.)

ACTION:

- ✓ Realigned Controller reporting structure
- ✓ Strengthened executive oversight
- ✓ Engaged external accounting expertise
- ✓ Expanded Controller staffing
- ✓ Formalize accounting review & approval
- ✓ Standardize reconciliations & Annual Financial Report (AFR) processes
- Modernize Controller function

NEXT STEPS:

- Complete Workday transition
- Achieve clean financial statement audits

Controller’s Office – Staffing & Vacancy Status

VACANCY STATUS REPORT

Overall Controller’s Office Vacancy Rate

36% → 23%

General Accounting Vacancy Rate

83% → 67%

STAFFING SNAPSHOT

39 FTE POSITIONS	**10** OPS STAFF
11 NEW HIRES	**9** VACANT POSITIONS

VACANCY DISPOSITION

2 Onboarding	2 Remain Vacant / Repurpose	5 True Vacancies

Recruitment remains active in General Accounting, Payroll, and Property.

Athletics – Financial Management & Audit Readiness

- **Strategic Planning - Vision 2030: Resetting the Standard and Building the Future**
- **Athletics Business Office**
  - Associate AD for Business Operations – **Recruiting Continues**
  - Business Manager – **Filled**
  - Financial Analyst – **Recruiting**
  - Senior Accountant – **Filled**
- **Biweekly Athletics/Finance and Administration Meetings**
- **NCAA AUP – FY2025 & FY2026 engagements advancing**
- **FY2025 Athletics financial statement audit advancing – CPA engaged**