Florida A&M University Project Report

2018-19 Performance Based Funding Data Integrity Audit

Overall Rating	Finding Counts	Target Completion
CONTROLS ARE EFFECTIVE	0 Findings	January 30, 2019

Purpose / Objective	Background	Scope
The Performance Based Funding Data Integrity Audit is designed to assess those controls that address the topic of data integrity, including a detailed analysis of the processes, procedures, system based controls and other data verification measures in place to support the integrity of information presented to the Florida Board of Governors (Board) for the University's Performance Funding calculations. The objectives of this audit were to: A. Determine whether the university's performance based funding-related controls, processes, and data submissions were complete, accurate, and data submissions are timely. B. Evaluate the representations included on the Data Integrity Certification.	The Division of Audit and Compliance conducts internal audits of the University's operations, programs, and activities to provide management with independent, objective assurance services designed to add value and improve the University's operations. These services assist the University in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. **Audit Methodology** Data submitted to the Board, upon which performance funding is based, and methods and controls applied by management to ensure data integrity were subject to several key audit procedures. Specifically, detailed management narratives, as well as Board publications related to data compilation were reviewed, and various samples of data reported to the Board were verified to University source documents. Our audit was conducted in accordance with the International Professional Practices Framework, published by the Institute of Internal Auditors, Inc.; the Government Auditing Standards, published by the United States Government Accountability Office; and the Information Systems Auditing Standards published by ISACA.	The focus of the audit is specifically on the controls surrounding the development and submission of data relative to the University's 10 Performance Funding Metrics as outlined and approved by Florida Board of Governors: 1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) 2. Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation 3. Cost to the Student (Net Tuition and Fee Cost to the Student) 4. Four Year FTIC Graduation Rate 5. Academic Progress Rate (2nd Year Retention with GPA Above 2.0) 6. Bachelor's Degrees within Programs of Strategic Emphasis 7. University Access Rate (Percent of Undergraduates with a Pell-grant) 8. Graduate Degrees Awarded in Areas of Strategic Emphasis (includes STEM) 9. Percent of Bachelor's Degrees without Excess Hours 10. Percent of R&D Expenditures Funded from External Sources Management responses to audit inquiries gathered are intended to reflect managements' assertions as to the validity, consistency, and integrity of Performance Funding Data. This audit reviewed Performance Funding Metrics reported data as of October 31, 2018.

Overall Project Rating

Overall Conclusion / Rating Description	Rating Scale
Based on our audit, we have concluded that controls and processes which Florida A & M University has in place to ensure the accuracy and completeness of data submitted to the Board of Governors in support of performance based funding were operating effectively. Generally, controls evaluated were adequate, appropriate, and effective to provide reasonable assurance that risks related to Performance Based Funding are being managed and objectives of data submissions as outlined in Florida Board of Governor file submission guides were met.	**CONTROLS ARE EFFECTIVE** **CONTROLS NEEDED SOME IMPROVEMENT** **CONTROLS NEEDED SIGNIFICANT IMPROVEMENT** **CONTROLS ARE UNSATISFACTORY**

FAMU

Division of Audit and Compliance (DAC)

To: **Julie Leftheris, Inspector General**

From: **Rica Calhoun, Interim Vice President, Division Audit and Compliance**

Date: **February 26, 2019**

Re: **Performance Based Funding Data Integrity Audit: Prior Audit Findings Update**

The Florida A&M University Board of Trustees Audit Committee emphasized the importance of implementing corrective action and University management completed significant work to do so. The Division of Audit and Compliance followed up on all audit findings from 2017-18 through our regular follow-up process throughout the year and as part of the 2018-2019 Performance Based Funding Data Integrity Audit. The Division conducted the audit pursuant to accepted audit standards. The results of the audit testing indicated that the data files were materially correct. The Division of Audit and Compliance will continue to monitor the processes of areas related to performance based funding to ensure data accuracy.

Performance Based Funding
March 2019 Data Integrity Certification

STATE UNIVERSITY SYSTEM *of* **FLORIDA**
Board of Governors

University Name: _____ **Florida A&M University** _____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

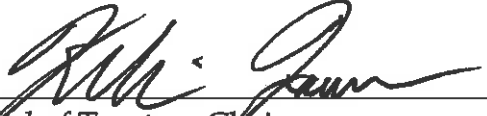| Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _~Larry Robinson~_ Date _3/7/19_
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _~signature~_ Date _3/7/19_
Board of Trustees Chair

FLORIDA ATLANTIC UNIVERSITY™

Office of Inspector General

Audit Report: *Performance Based Funding Data Integrity*

As of October 31, 2018

BOCA RATON • DANIA BEACH • DAVIE • FORT LAUDERDALE • JUPITER • PORT ST. LUCIE

REPORT ON THE AUDIT OF
PERFORMANCE BASED FUNDING DATA INTEGRITY

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2018 Performance-Based Funding Model
Final Metric Score Sheet

Scores in black are based on Excellence.   Scores in orange are based on Improvement.

Metric	FAMU	FAU	FGCU	FIU	FSU	NCF	UCF	UF	UNF	USF	UWF
1	7	8	8	7	7	10	7	9	8	8	6
2	6	9	9	9	8	4	9	10	8	8	8
3	10	10	7	10	10	10	2	8	1	6	10
4	5	3	2	10	10	10	5	10	1	10	6
5	3	7	4	10	10	1	7	10	4	6	7
6	7	10	10	9	7	10	10	10	10	10	10
7	10	9	7	10	6	6	9	6	7	9	9
8.a	9	10	10	9	8		10	10	9	10	10
8.b						4					
9	5	8	8	6	10	10	8	10	10	9	10
10.a	10										
10.b		10	10	10							
10.c					10						
10.d					10						
10.e							10				
10.f								10			
10.g									10		
10.h										10	
10.i											10
Total Score	72	84	75	90	86	75	77	93	68	86	86

Metric 1 - Percent of Bachelor's Graduates Employed and/or Continuing their Education Further 1 Yr after Graduation
Metric 2 - Median Average Wages of Undergraduates Employed 1 Yr after Graduation
Metric 3 - Net Tuition & Fees per 120 Credit Hours
Metric 4 - Four Year Graduation Rates (Full-time FTIC)
Metric 5 - Academic Progress Rate (2nd Year Retention with GPA above 2.0)
Metric 6 - Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)
Metric 7 - University Access Rate (Percent of Undergraduates with a Pell Grant)
Metric 8a - Graduate Degrees Awarded in Areas of Strategic Emphasis (includes STEM)
Metric 8b - Freshman in Top 10% of Graduating High School Class
Metric 9 - Board of Governors' Choice (see detailed sheets)
Metric 10 - Board of Trustees' Choice (see detailed sheets)

FAU
FLORIDA ATLANTIC UNIVERSITY

MEMORANDUM

TO: Dr. John Kelly
        President

FROM: Morley Barnett
        Inspector General

DATE: December 12, 2018

SUBJ: PERFORMANCE BASED FUNDING DATA INTEGRITY AUDIT

In accordance with the University's Internal Audit Plan for fiscal year 2018-19, and at the request of the Florida Board of Governors (BOG), we have conducted an audit of the processes and controls that Florida Atlantic University has in place related to data submissions in support of the BOG performance based funding metrics as of October 31, 2018. The report contained herein presents our scope and objectives and provides comments and conclusions resulting from procedures performed.

Please call me if you have any questions.

cc: University Provost
        Vice Presidents
        University Chief Information Officer
        University Data Administrator
        FAU Board of Trustees
        Inspector General, Florida Board of Governors
        Florida Auditor General

Executive Summary

In accordance with the University's Internal Audit Plan for fiscal year 2018-19, and at the request of the Florida Board of Governors (BOG), we have conducted an audit of the University's processes and controls which support data submitted to the BOG for its performance based funding (PBF) metrics. This audit was part of a system-wide examination of data integrity based on data due to be submitted to the BOG as of October 31, 2018.

The primary objectives of this audit were to:

- Evaluate controls and processes established by the Office of Institutional Effectiveness and Analysis and primary data custodians to ensure completeness, accuracy, and timeliness of data submitted to the BOG; and,

- Provide a reasonable basis of support for the Performance Based Funding Data Integrity Certification statement which is required to be signed by the University president and Board of Trustees chair.

Audit procedures included, but were not limited to, the evaluation of internal controls as those controls relate to the accomplishment of the foregoing audit objectives, as well as limited compliance testing of data elements comprising the *Degrees Awarded* and *Student Financial Aid* data files which are used in computations for Metrics 4 and 7 of the BOG performance based funding model.

Based on our observations and tests performed, we are of the opinion that the University's processes and internal controls for data compilation and reporting to the BOG are adequate. There were no findings or recommendations as a result of this audit.

December 12, 2018

Dr. John Kelly
President
Florida Atlantic University
Boca Raton, Florida

Dear President Kelly:

SCOPE AND OBJECTIVES

At the request of the Florida Board of Governors, we have conducted an audit of the processes used by the University to ensure the completeness, accuracy, and timeliness of data submissions to the BOG. As part of this system-wide audit, we chose to focus on data elements supporting Metric #4 – *Four-Year Graduation Rate,* and Metric #7 – *University Access Rate*.

The primary objectives of this audit were to:

- Evaluate controls and processes established by the Office of Institutional Effectiveness and Analysis and primary data custodians to ensure completeness, accuracy and timeliness of data submitted to the BOG; and,

- Provide a reasonable basis of support for the Performance Based Funding Data Integrity Certification statement which is required to be signed by the University president and Board of Trustees chair.

Our audit covered data submissions to the BOG through October 31, 2018. Detailed testing of data submitted to the BOG was limited to information found in the *Degrees Awarded (SIFD)* and *Student Financial Aid (SFA)* files, used for calculation of Metrics #4 and #7 respectively. Elements located in data tables of these two files were tested on a sample basis for validation with information primarily recorded in the Banner Student System and other records such as scanned documents maintained in the University's virtual imaging system - VIP. Other relevant information reviewed for the audit included BOG narratives on PBF metric derivations, BOG data definitions, minutes of the University's data integrity committee, and documentation related to controls over centralized and decentralized data validation, compilation and submission protocols.

Our audit was conducted in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

The Florida Board of Governors has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. In January 2014, the BOG approved a performance funding model for the State University System of Florida (SUS) based on ten metrics, the first eight of which are common to all institutions and the last two reflecting the choices of the BOG and each university's board of trustees respectively. Listed below are the 10 performance based funding metrics which are applicable to Florida Atlantic University for the 2018/19 scoring cycle:

1. **Percent of Bachelor's Graduates Employed (Earning $25,000 +) or Continuing their Education**
2. **Median Wages of Bachelor's Graduates Employed Full-time**
3. **Average Cost to the Student** (Net Tuition per 120 Credit Hours)
4. **Four Year Graduation Rate** (Full-time FTIC)
5. **Academic Progress Rate** (Second Year Retention Rate with GPA Above 2.0)
6. **Bachelor's Degrees Awarded in Areas of Strategic Emphasis**
7. **University Access Rate** (Percent of Undergraduates with a Pell grant)
8. **Graduate Degrees Awarded in Areas of Strategic Emphasis**
9. **Percent of Baccalaureate Degrees Awarded Without Excess Hours**
10. **Percent of Baccalaureate Degrees Awarded to Minorities**

The BOG performance funding model has four guiding principles: 1) use metrics that align with SUS Strategic Plan goals, 2) reward Excellence or Improvement, 3) have a few clear, simple metrics, and 4) acknowledge the unique mission of the different SUS institutions.

Controls over Data Validation, Compilation, and Submission

The Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. SUDS is part of a web-based portal developed by the BOG for the SUS to report data, and has centralized security protocols for access, data encryption, and password controls. Initial input of data files supporting PBF metrics is the responsibility of primary data custodians, such as the Admissions Office, Office of the Registrar, and Student Financial Aid, and is scheduled to be uploaded to SUDS based on the BOG's *Due Date Master Calendar*. Data uploaded to SUDS by various departments are subject to edit checks to help ensure propriety, consistency with BOG-defined data elements, and accuracy of information submitted. Once satisfied that any edit errors have been fully addressed, official submission of data files to the BOG is managed by the Office of Institutional Effectiveness and Analysis (IEA), a unit within the Office of Information Technology.

Each file submission by IEA is subject to an affirmation statement in SUDS which declares that data submitted for approval "represents electronic certification of this data per Board of Governors Regulation 3.007". The University also requires an internal certification by departments when they upload data to SUDS. The internal certification is an email notification to IEA from the departmental data custodian manager which states "I certify that the approved business process for submission of the data file(s) has been followed and that the data submission is free from any major errors and accurate to the best of my knowledge."

Board of Governors acceptance of data submissions is a formal process which is documented in SUDS, and if a submission is rejected it will be subject to resubmission protocols set by the BOG.

<u>Degrees Awarded and Student Financial Aid data submissions</u>

As part of the audit, we chose to focus on Metrics 4 and 7 based on significant changes in the computations and implications for the 2018/19 performance based metrics scoring cycle. Since implementation of the performance metrics model for the State University System in 2014, Metric #4 had been established to evaluate the 6-Year graduation rate for first-time-in-college (FTIC) students from the same university. Evaluation for this metric was recently changed to a 4-Year rate benchmark, with the most current information based on FTIC students graduating in the 2018 summer semester. Universities that meet or exceed the 50% mark under the new standard will be granted maximum points, while those with a 4-Year graduation rate below 38.8% will receive no points. Similarly, Metric #7, which measures the level of undergraduates receiving Pell grants, had an unchanged benchmark scoring rate since 2014. Recent changes to this metric make it more restrictive by allowing universities to only score maximum points if the percent of undergraduates receiving Pell grants comprise 42% or more of enrollment. The most current information filed with the BOG for this metric reflect undergraduate students enrolled during the 2017 fall semester.

<div align="center">COMMENTS AND RECOMMENDATIONS</div>

Current Findings and Recommendations

No findings were noted as a result of this audit.

Prior Audit Recommendations

Our examination generally includes a follow-up on findings and recommendations of prior internal audits, where the subjects of such findings are applicable to the scope of the current audit being performed.

Within the past three years, our office has conducted data integrity audits related to the BOG performance based funding model. There were no reportable findings in the prior year's audit and any audit recommendations reported in similar audits completed during the last three fiscal years were satisfactorily addressed with appropriate corrective action.

<div align="center">CONCLUSION</div>

Based on our audit, we have concluded that the controls and processes which Florida Atlantic University has in place to ensure the accuracy and completeness of data submitted to the Board of Governors in support of performance based funding are adequate.

We believe our audit can be relied upon by the University Board of Trustees and president as a basis for certifying representations to the Board of Governors related to the integrity of data required for its performance based funding model.

We wish to thank the staffs of the Office of Institutional Effectiveness and Analysis, Office of the Registrar, and other primary data custodians for their cooperation and assistance which contributed to the successful completion of this audit.

Morley Barnett, CPA, CPE
Inspector General
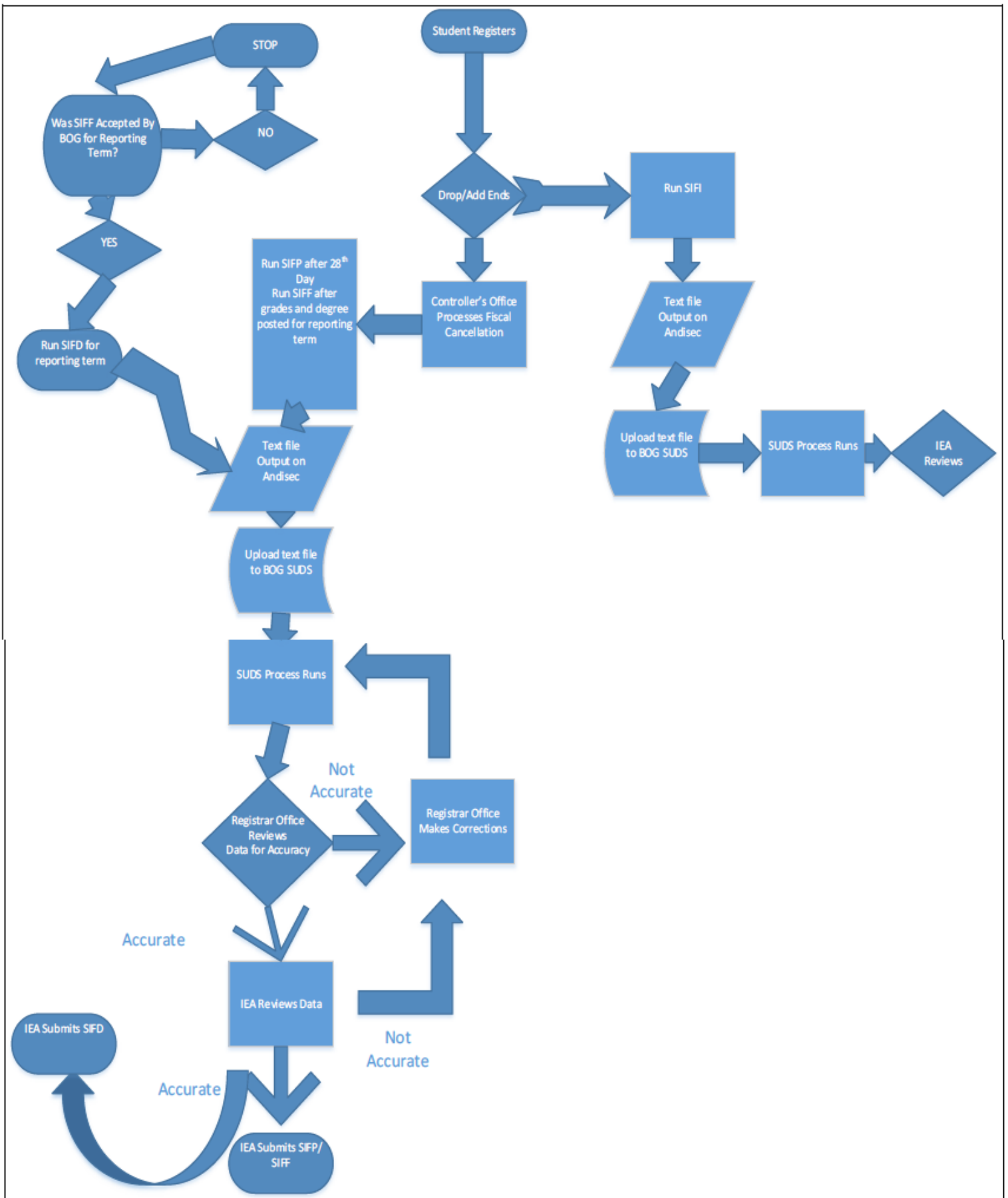
Audit performed by: Morley Barnett, CPA, CFE
                      Allaire Vroman

Performance Based Funding Data Integrity Audit
10/31/2018

LIST OF REPORT APPENDICES

Student Registers

STOP

Was SIFF Accepted By BOG for Reporting Term?

NO

YES

Drop/Add Ends

Run SIFI

Run SIFP after 28th Day
Run SIFF after grades and degree posted for reporting term

Controller's Office Processes Fiscal Cancellation

Text file Output on Andisec

Run SIFD for reporting term

Text file Output on Andisec

Upload text file to BOG SUDS

SUDS Process Runs

IEA Reviews

Upload text file to BOG SUDS

SUDS Process Runs

Not Accurate

Registrar Office Reviews Data for Accuracy

Registrar Office Makes Corrections

Accurate

IEA Reviews Data

IEA Submits SIFD

Not Accurate

Accurate

IEA Submits SIFP/ SIFF

Performance Funding Metrics
Retention and Graduation Rates

OVERVIEW
OF METHODOLOGY
AND PROCEDURES

REVISED 07/13/2018

STATE UNIVERSITY SYSTEM *of* FLORIDA
Board of Governors

Background

The national standard graduation rate was created by the Student Right to Know Act of 1990, which required institutions of higher education receiving federal financial assistance to report graduation rates to current and prospective students via the US Department of Education's Integrated Postsecondary Education Data System (IPEDS). This act established the graduation rate based on 150% of the normal time for completion from the program - which is six years for a four-year program.

In 2011, the Board of Governors included retention and graduation rate metrics in its 2012-2025 System Strategic Plan. In 2014, the importance of the retention and graduation rate data was further elevated by their inclusion in a new Performance-Based Funding (PBF) Model. In 2018, the Florida Legislature changed the graduation rate metric included in PBF from a six-year to a four-year measure. This document provides details on the methodology and procedures used by Board of Governors staff during the analysis of the retention and graduation rate data as reported in the annual Accountability Report and used in the Performance Based Funding model.

1. Overview of Data Sources & Procedure

The State University System of Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. Retention and graduation rate data are finalized using the Retention submission. The Board's Office of Data & Analytics (ODA) unit builds the Retention file annually using data from the Admission (ADM), Student Instruction File (SIF) and the Degrees Awarded (SIFD) submissions that have been previously submitted by university Data Administrators. Once Retention has been built, each university Data Administrator reviews the Retention data and works with ODA staff to make edits before university Data Administrators approve and submit the final data to ODA. After universities have approved the Retention submission, the Board's ODA staff calculate the number of students in a cohort (which serves as the denominator) and the number of those same students who are retained or graduated by a specified year (which serves as the numerator). ODA staff then provide the results of the retention and graduation rate data analysis to each university Data Administrator for their review and approval prior to the data being shared with, and approved by, each university Board of Trustee and the Board of Governors as part of the Accountability Plan process.

2. Defining the Cohort

A cohort is a group of people used in a study who have something in common. In this case, a cohort is composed of students who were all admitted to the university during the same year. The number of students who are assigned to a cohort serves as the denominator in the calculation of retention and graduation rates. University Data Administrators classify students based on the following components which Board staff use to determine student cohorts:

a. **Student Level:**

Only the students who meet the following criteria are included in the cohort.

- STUDENT CLASS LEVEL [#1060] is either L (lower division undergraduate) or U (upper division undergraduate).
- DEGREE HIGHEST HELD [#1112] must be less than a Bachelor's.
- FEE CLASSIFICATION KIND [#1107] must equal 'G' (general instruction).

b. **Cohort Year:**

A year is measured differently in retention and graduation data than the standard academic year (of summer, fall, spring). A retention cohort year is defined as the fall, spring, and summer terms. Students selected for inclusion within each Cohort Year are based on the following rule:

- DATE MOST RECENT ADMISSION [#1420] equals REPORTING TIME FRAME [#2001].

c. **Cohort Types:**

The COHORT TYPE [#1429] is a derived element that is built by ODA and is based on the TYPE OF STUDENT AT TIME OF MOST RECENT ADMISSION [#1413] as assigned by the university.

- First-Time in College Students include two types of students:
  - Students who are admitted into a university for the first time and who have earned less than 12 credit hours after high school graduation [#1413= 'B'].
  - Students who are considered 'Early Admits' because they have been officially admitted and are seeking a degree at the university prior to their high school graduation [#1413= 'E'].

- AA Transfer Students who have transferred from the Florida College System with an Associate in Arts Degree. This value is based on the three following elements:
  - TYPE OF STUDENT AT DATE OF ENTRY [#1068] or TYPE OF STUDENT AT TIME OF MOST RECENT ADMISSION [#1413] equals 'J'.
  - DEGREE HIGHEST HELD [#1112] equals 'A' (Associates).
  - LAST INSTITUTIONAL CODE [#1067] or INSTITUTION GRANTING HIGHEST DEGREE [#1411] must equal a Florida Public Community College.

- Other Transfer Students include all other undergraduate transfer students.

d. **Student Right to Know Flag:**

The STUDENT RIGHT TO KNOW (SRK) FLAG [#1437] is an entry status indicator that is a 'Yes/No' flag based on the term (Summer, Fall, or Spring) that a student is first admitted.

- YES: If a student enters the institution in the fall term the SRK flag will be set to 'Yes'. If a student enters the institution in the summer term and progresses to fall term, the SRK flag will be set to 'Yes'.

- NO: If a student enters in the summer term and does not progress to the fall term; or, if a student enters in the spring term the SRK flag will be set to 'No'.

e. **Full-Time / Part-Time Indicator:**

The FULL-TIME / PART-TIME INDICATOR [#1433] is an indicator based on the number of credit hours attempted (not earned) during their first fall term. A student entering in the fall and taking 12 or more credit hours will remain in the full-time category regardless of the number of credits taken in subsequent terms.

- This indicator is based on the CURRENT TERM COURSE LOAD [#1063] which is the number of hours enrolled/attempted during a term. This excludes courses that are audited, all credits awarded during the term through 'Credit by Examination'. Students completing prior term incompletes are not included unless they have registered and paid fees for the credits they are completing.

- This indicator is used in reporting retention and graduation data to the federal government - to IPEDS.

f. **Cohort Revisions and Adjustments:**

The US Congress and the US Dept. of Education allow institutions to make revisions and adjustments to their student cohorts. There is a difference between revising and adjusting a cohort. Revising a cohort means modifying the cohort data to reflect better information that has become available since the cohort was first reported. Adjusting a cohort means subtracting any allowable exclusions from the revised cohort to establish a denominator for graduation rate calculation. These cohort adjustments are typically the cause of the differences between historical and updated retention and graduation rates.

- Cohort Adjustment Flag [#1442] is a data element on the Retention Cohort Changes (RETC) table that is used to indicate that a retention file record has been modified based on a change in status of the student at the institution.
  - University Data Administrators identify the students who have died, suffered a permanent disability, left to serve in the Armed Services, left to serve in with Foreign Aid Service of the federal government (such as the Peace Corps), or left to serve on an Official Church Mission. These students are removed from the cohort and are not included in the retention and graduation rates.
  - University Data Administrators also can identify students who enter an Advanced Graduate program (e.g., PharmD) without earning a bachelor's degree. Since these students do not earn a bachelor's degree, they can be removed from the standard FTIC cohort. This is technically an adjustment, not an exclusion because students are moved from one cohort to another.

3. Calculating the Number Retained or Graduated

a. Second Year Retention Rates

- Cohorts: The number of students in the cohort serves as the denominator for the retention rate, and is based on the following rules: Cohort Type= 'FTIC'; Student Right to Know (SRK)= 'Yes'; FT/PT Indicator= 'Full-time'.
  - The methodology used for the Retention Rate in the annual Accountability Report is different from what is reported to the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS). The primary difference is due to timing – the retention rate that is reported to IPEDS is based on preliminary enrollment data; whereas the retention rate in the annual Accountability Report is based on final enrollment data.
- Retained: The number of students in the cohort who are enrolled during the second fall term serves as the numerator for the retention rate.
- As part of the Performance Based Funding model, the Board of Governors decided to add a Grade Point Average (GPA) component to the standard retention rate metric to gain a sense of how well students who are retained are doing in their courses. This new metric is called the Academic Progress Rate. Board staff decided to use a cumulative GPA (at the end of the first year - before the second fall term) of at least 2.0 as a threshold because it is a commonly referenced measure of satisfactory academic progress. In fact, FTICs who returned for their 2nd fall with a GPA above 2.0 are *8 times more likely* to graduate within six years than students who begin their second Fall with a GPA of less than 2.0.

b. Four Year FTIC Graduation Rates

- Cohorts: The number of students in the cohort serves as the denominator for the graduation rate. The denominator used in the calculation of the four-year FTIC graduation rate is based on the following: Cohort Type= 'FTIC' ('B' and 'E'); SRK= 'Yes'; FT/PT Indicator= 'Full-time' only; when Cohort Adjust Indicator is not equal to 'A','B', 'F', 'K','P', 'T' and when Degree Level Sought (#01053) in the fourth year is not equal to a Pharmacy Degree ('W').
- Graduated: The number of students in the cohort who graduated within four years (by the fourth summer term after entry) from the same university serves as the numerator for the graduation rate. It is important to note that a small number of degrees are reported to SUDS after the degree was awarded – these are called 'late degrees'. The methodology for four-year graduation rates include these 'late degrees'; however, late degrees that haven't already been submitted on the SIFD must be submitted on the Retention submission to be included in the graduation rates.

Performance Funding Metrics
University Access Rate
(Percent of Undergraduates with a Pell Grant)

OVERVIEW
OF METHODOLOGY
AND PROCEDURES

REVISED 06/08/2016

STATE UNIVERSITY SYSTEM *of* FLORIDA
Board of Governors

The State University System of Florida included the University Access Rate in the Performance-Based Funding model to help preserve access for students from low-income families. This document provides details on the methodology and procedures used by Board of Governors staff to calculate the percentage of undergraduates with a Pell-Grant as reported in the annual Accountability Report and used in the Performance Based Funding model.

BOG Analysis of State University Database System (SUDS) Data

The State University System of Florida Board of Governors maintains a student unit record database titled the State University Database System (SUDS). This database contains over 400 data elements about students, faculty and programs at SUS institutions. The University Access Rate is based on data from the enrollment table on the Student Instruction File (SIF), and the Awards table on the Student Financial Aid (SFA) file.

a. **Numerator**: Board staff query the Financial Aid Awards table within SUDS to identify the students who received a Pell Grant (award_prog_id='001') during the Fall term (award_payment_term= 'yyyy08').

- In addition to demonstrating financial need, the US Dept. of Education considers other factors when determining eligibility for a federal Pell grant. For example, students must be a US citizen or an eligible noncitizen[1]. The US Dept. of Education does provide a few exceptions whereby non-resident aliens can receive a Pell grant. SUDS does not collect information to allow Board staff to determine the Pell-eligibility for non-resident aliens; therefore, Board staff exclude non-resident aliens (#2043 = 'Y') from both the numerator and denominator for this metric.

b. **Denominator**: Board IR staff identify all degree-seeking undergraduate (both lower and upper divisions) students enrolled in the Fall term. In addition, Board staff exclude unclassified students (student_class_level='N') and post-baccalaureate students (stu_recent_adm_typ= 'P') from the denominator because these students are not eligible for a Pell grant.

Note on US Dept. of Education Pell Data

The US Dept. of Education reports data for the 'Percent of Undergraduate Students Receiving Pell Grants' online at the Integrated Postsecondary Education Data System (IPEDS) website. However, Board staff decided not to use the IPEDS data for this metric for the following reasons:

- Since there is funding attached to the data, Board staff felt it was preferable to calculate the percentage of undergraduates receiving Pell grants using the student level data that is available in SUDS rather than simply using the data that universities report to IPEDS.

- Board staff also felt that the methodology that is used by IPEDS to generate their percentage of under-graduates who received a Pell grant is flawed. In IPEDS, the numerator is based on the number of students who received a Pell grant anytime during a particular academic year. Alternatively, the denominator is only based on the students enrolled during the Fall term – including unclassified students who are not seeking a degree and therefore not eligible for financial aid. Furthermore, the IPEDS Financial Aid survey imports the total headcount denominator from their Fall Enrollment survey. Due to the IPEDS schedule for data submissions, the State University System of Florida institutions use the *preliminary* Student Instruction File (SIFP) data when reporting the total Fall enrollment counts on the Fall Enrollment survey, so the denominator that IPEDS uses to calculate the percentage of undergraduates who received a Pell grant is based on preliminary data.

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[1] For more information about eligibility requirements for the federal Pell grant, see: https://studentaid.ed.gov/sa/eligibility/basic-criteria.

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding
March 2019 Data Integrity Certification

University Name: _____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☑	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☑	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☑	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☑	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☑	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☑	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☑	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☑	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☑	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☑	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☑	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☑	☐	

Performance Based Funding
Data Integrity Certification

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date 1/15/19
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date 1/15/19
Board of Trustees Chair

Performance Based Funding
Data Integrity Audit

Florida Gulf Coast University

January 17, 2019
William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA
Director, Internal Audit

Executive Summary

At the direction of the Florida Board of Governors (BOG), audit procedures were performed to determine whether Florida Gulf Coast University (University) has effective internal controls, processes and procedures in operation to ensure the completeness, accuracy, and timeliness of the data submissions to the BOG which support the University's Performance Funding Metrics. Certain procedures were applied to the data submitted during the period October 1, 2017 through September 30, 2018. The procedures were originally established jointly by the State University Internal Audit leaders to ensure that the audit guidelines provided by the BOG were fully addressed.

Specifically, responsible management and other personnel were interviewed, detailed narratives related to data compilation and submission were reviewed, and various samples of data reported to the BOG were verified. These procedures were performed by Mauldin & Jenkins, an independent audit firm, as an Agreed Upon Procedures Engagement performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The Mauldin & Jenkins report, which appears as Appendix A to this report, is intended solely for the information and use of Florida Gulf Coast University.

It is the University's responsibility to conclude on the completeness, accuracy, and timeliness of the data submissions based upon the procedures applied. The University was involved in the development of the appropriate audit procedures to be applied, in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors, and in the implementation of the agreed upon procedures. Internal Audit personnel acted as liaison between Mauldin & Jenkins auditors and University management and staff. Our responsibilities included ensuring that accurate information was provided by University personnel to Mauldin & Jenkins and that any initial anomalies during testing were appropriately resolved.

Our audit, which incorporates the Mauldin & Jenkins Agreed Upon Procedures Report, was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, issued by the Institute of Internal Auditors. The audit procedures provided a reasonable basis for my opinion and the following reportable observation.

Background

The Florida Board of Governors (BOG) has broad governance responsibilities that affect administrative and budgetary matters for Florida's public universities. Beginning in fiscal year 2013 – 2014, the BOG instituted a performance funding program which is based on 10 performance metrics used to evaluate the institutions on a range of issues.

The 2017-2018 metrics are listed below:

No.	Performance Based Funding 2017-2018 Metrics
1	Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) in U.S.
2	Median Average Wages of Bachelor's Graduates Employed 1 Year After Graduation in U.S.
3	Cost of Bachelor's to Student, net tuition and fees per 120 credit hours
4	Four Year FTIC Graduation Rate
5	Academic Progress Rate, FTIC 2nd year retention, GPA above 2.0
6	Bachelor's Degrees within Programs of Strategic Emphasis
7	University Access Rate, percentage of undergraduates with Pell grants
8	Graduate Degrees within Programs of Strategic Emphasis
9	Percent of Bachelor's Degrees Without Excess Hours (Board of Governors' Choice)
10	Bachelor's Degrees Awarded to Minorities (Board of Trustees' Choice)

According to information published by the BOG in March 2016, the following are key components of the funding model:

- Institutions are evaluated on either Excellence or Improvement for each metric.
- Data is based on one-year data.
- The benchmarks for Excellence are based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were determined after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and an amount of institutional funding that will come from each university's recurring state base appropriation.

The amount of the state investment appropriated by the Legislature and Governor for performance funding will be matched by an amount reallocated from the university system base budget. These "institutional base" funds are the cumulative recurring state appropriations the Legislature has appropriated to each institution.

The highest point value for each metric is 10 points. All 10 of the metrics have equal weight. From a total possible 100 points, a university is required to earn at least 51 points in order to be eligible for new funding.

The Agreed Upon Procedures report included as part of this report discloses one observation regarding one data late submission.

Observation

Hours to Degree Submission (HTD): Academic Administration directed Institutional Research and Analysis (IRA) to hold the Hours to Degree submission for additional reviews of the data to ensure that the University received every possible credit for its performance. The submission is critical to FGCU's Performance Metrics score, and compiling the data is time intensive. Management wanted a final review at the highest level to ensure accurate data.

Submission	Term or Year	Due Date	Date Submitted	Business Days Late
Hours to Degree (HTD)	Annual 2016 – 20162017	11/08/2017	11/17/2017	6

In my opinion, this observation did not affect the overall integrity of the data submissions. This observation does not require Management to create a new corrective action plan to address the observation. Overall, FGCU staff provide accurate and timely information to the Board of Governors.

Conclusion

In my opinion, based upon the work performed, the internal controls, processes and procedures Florida Gulf Coast University has in place to ensure the completeness, accuracy, and overall timeliness of data submissions to the BOG that affect performance based funding metrics are operating effectively.

Audit Report Prepared by: William Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA, Director, Internal Audit.

APPENDIX A

FLORIDA GULF COAST UNIVERSITY
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES

January 14, 2019

FLORIDA GULF COAST UNIVERSITY
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES

January 14, 2019

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MAULDIN & JENKINS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES

Joseph G. Fogg III, Chair Audit and Compliance Committee
Florida Gulf Coast University
Fort Myers, Florida 33965-6565

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of Florida Gulf Coast University (the "University"), solely to assist the University in determining whether the University has processes established to ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors (BOG) which support the Performance Funding Metrics of the University as of September 30, 2018. The University's management is responsible for all processes and procedures for the complete, accurate, and timely submission of data to the BOG. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

We reviewed all of the BOG submissions relating to the Performance Funding Metrics identified and published by the State University System of Florida specific to the certification. See Attachment I for a listing of the submissions tested as provided by the University to us.

   a) *Verify the appointment of the Data Administrator by the University President and that duties related to these responsibilities are incorporated into the Data Administrator's official position description*.

   1. Review the Data Administrator's position description; note details of the description, paying special attention to responsibilities related to coordinating the gathering of data from departmental sources, quality assurance procedures applied and other data integrity checks prior to submission to the BOG.
   2. Determine if the Data Administrator was appointed by the President.
   3. Conclude on whether the Institutional Data Administrator's responsibilities include the requirements identified in BOG Regulation 3.007, SUS Management Information System. (For example, verify the Data Administrator's data submission statements indicated, "I certify that this file/data represents the position of this University for the term being reported.").

Procedures Performed

- Reviewed the Position Description for the Director of Institutional Research and Analysis dated October 2, 2018. Verified the description included the requirements identified in the BOG Regulation 3.007.
- Reviewed the original appointment for the Director of Institutional Research and Analysis by the Provost dated April 23, 2004. Also, reviewed the re-affirmation appointment by the President dated September 8, 2014.
- Observed the SUDS submission screen and the "Submit for Approval" button that represents the University's certification of complying with BOG regulation 3.007.
- Reviewed the current FGCU Summary of Organization chart dated September 17, 2018, and the Institutional Performance Organizational Chart dated January 30, 2018.

Findings

No exceptions were identified as a result of applying these procedures.

b) *Review the processes used by the Data Administrator to ensure the completeness, accuracy and timely submission of data to the Board of Governors*.

1. Interview the Data Administrator and other key data managers to understand the internal processes in place to gather, test, and ensure that only valid data, as defined by the BOG, is timely submitted to the BOG.
2. Identify and evaluate key processes over data input and submission. Consider evaluating the processes from the point of incoming information to the submission of the data file to the BOG.
3. Review internal records such as time management schedules and relevant correspondence which purport to demonstrate that complete and accurate data is timely submitted to the BOG. (See due dates addressed in the SUS data workshop). https://www.flbog.edu/board/office/oda/_doc/2018_Workshop_Proceedings_with_notes.pdf
4. According to BOG Regulation 3.007, prior to submitting the file, the universities shall ensure the file is consistent with the criteria established in the specifications document by performing tests on the file using applications/processes provided by the BOG Information Resource Management (IRM) office. Review process for timely and accurately addressing data file error reports.
5. Evaluate the results and document your conclusion on the Data Administrator's processes.

Procedures Performed

- Interviewed the following people who are key in the data being reported and submitted to the BOG:

  ▪ Director of Institutional Research and Analysis
  ▪ Assistant Director, Management Information Resources

- Programmer Analyst, Institutional Research
- Director, Business Applications, ITS
- Associate Vice President, ITS & CIO
- University Registrar
- Associate Vice President, Academic & Curriculum Support
- Assistant Director, Academic and Curriculum Support
- Associate Director, Admissions Operations
- Director, Financial Aid

- For those interviewed, we discussed key internal controls and processes in place over data input, Banner access, State University Database System (SUDS) access, validation tables, data submission procedures, error resolution, staff training, and other controls specific to the department and submission of accurate and timely data. Detailed review and evaluation of these processes is performed by the internal audit department during their normal internal audit reviews.
- Reviewed the metrics specific to each department to ensure controls are in place and a clear understanding exists to ensure only valid data is being submitted based on the data definitions.
- Reviewed weekly email communications (the "HitList") from the Institutional Research and Analysis (IRA) department to department heads. These emails detail the upcoming submissions due in the next two (2) months to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Reviewed submission schedule maintained by the IRA department.
- Verified submission files tested were submitted by the due date as published by the State University System of Florida (SUS) and identified on the SUDS website.
- Tested the submission file criteria definitions used by the University to ensure they meet the data definitions published by the SUDS.
- Obtained the data definition tables from the SUDS website and verified tables documented in the University processes agreed to the SUDS tables.
- Reviewed processes over testing and validating data submissions and procedures for the resolution of errors prior to the final submission.

Findings

We identified the following file that was not submitted by the required due date:

Submission	Term or Year	Reporting Time Frame	Due Date	Date Submitted	Submitted in a timely manner?
Hours to Degree	Annual 2016	20162017	11/8/2017	11/17/2017	No

3

c) *Evaluate any available documentation including policies, procedures, and desk manuals of appropriate staff; and assess their adequacy for ensuring data integrity for University data submissions to the Board of Governors*.

    1. Request the Data Administrator provide its policies, procedures, minutes of meetings, and any other written documentation used as resources to ensure data integrity; note whether these documents are sufficiently detailed, up-to-date, and distributed to appropriate staff.

    2. Evaluate the results and document your conclusion. If necessary, consider benchmarking with peer universities.

Procedures Performed

- Discussed key processes with those interviewed to ensure procedures are in place to ensure data accuracy for their department.
- Ensured each department, that is key to the submission process, had written policy and procedures regarding data they are responsible for.
- Reviewed the monthly project meeting agenda and minutes and verified data integrity was a significant objective.
- We do not perform benchmarking as this is a process the University would perform.

Findings

No exceptions were identified as a result of applying these procedures.

d) *Review system access controls and user privileges to evaluate if they are properly assigned and periodically reviewed to ensure only those authorized to make data changes do so*.

    1. Obtain a list of individuals that have access to the State University Database System (SUDS).

    6. Obtain the definitions for the roles in the SUDS system. https://www.flbog.edu/resources/ditr/suds/_doc/userguide.pdf

    2. Review the procedures to grant system access and/or initiate, monitor and cancel user privileges.

    3. Perform a test of system access controls and/or user privileges to determine if only appropriate employees have access or need the privilege.

    4. Consider other IT systems and related system access controls or user privileges that may impact the data elements used for each measure reviewed.

    5. Evaluate the results and conclude on the reasonableness of procedures and practices in place for the setup and maintenance of system access, specifically addressing employees with SUDS access.

Procedures Performed

- Obtained a current listing of all those individuals who have access to the SUDS system from the BOG's application portal manager.
- Obtained the role definitions in the SUDS system for each type of user.
- Discussed procedures with the Director of Institutional Research and Analysis for granting access to the SUDS system and monitoring to ensure user privileges are cancelled in a timely manner. Reviewed current listing of SUDS users and obtained reason for any new additions.
- Reviewed user listing and discussed with the Director of Institutional Research and Analysis to ensure only personnel that need access have access to the SUDS system, and only a limited amount have the ability to submit data.
- Reviewed Banner access/termination procedures with each department listed in section *b* of this report and ensured procedures are in place for authorization of adding a new user and timeliness of terminating personnel access.
- Reviewed email sent to department heads informing them the Banner Security Class Reports were created and stored on the common drive for them to review. Reports are created on a quarterly basis and we reviewed a sample of reports that were on the drive.
- Selected a sample of users who are significant to the submissions being tested and verified authorization was obtained for the new user, proper workorder was initiated by an authorized person, and determined the class approved agreed to their current Banner access privileges.
- Discussed procedures for terminating a Banner user with the Associate Vice President, ITS & CIO.

Findings

No exceptions were identified as a result of applying these procedures.

e) *Testing of data accuracy*.

1. Identify and evaluate data validity controls to ensure that data extracted from the primary systems of record are accurate and complete. This may include review of controls over code used to create the data submission. Review each measure's definition and calculation for the consistency of data submissions with the data definitions and guidance provided by the BOG.
2. As appropriate, select samples from data the University has submitted to the BOG for its Performance Funding Model. Vouch selected data to original source documents.
3. Evaluate the results of the testing and conclude on the completeness and accuracy of the submissions examined.

Procedures Performed

For each submission file listed in Attachment I we performed the following procedures for the specific metrics identified in the Performance Funding Metrics published by the SUS:

- Obtained complete submission file for time period being tested.
- Selected a sample size of thirty (30) data items to test for each file submission and each metric specific to the performance funding testing.
- Verified data reported in the submission files specific to the metrics identified by the SUS agreed to the source system Banner.
- Verified the data reported for each metric agreed with the SUDS data dictionary.

To ensure completeness of the files being submitted we performed the following procedures:

- For each term and reported time frame we obtained, from the Information Technology Services department, a file which was extracted from Banner and compared to submission files extracted by the Institutional Research and Analysis department. For each comparison, we identified any person that was on the Banner report that was not in the file submission. We then selected a sample size based on the size of the file and errors returned and verified the student was properly omitted for the specific submission based on the current data definitions. Selected files and corresponding sample sizes are as follows:

    1. All students enrolled were compared to the Student Instruction (SIF) files submitted. Two (2) differences were identified and reconciled.
    2. All students who received Pell grants were compared to the Student Financial Aid (SFA) files submitted. Five (5) differences were identified and reconciled.
    3. All students who had a degree awarded were compared to the Degrees Awarded (SIFD) files submitted. We selected ten (10) variances and all were reconciled.
    4. All students admitted were compared to the Admissions (ADM) files submitted. We selected ten (10) variances and all were reconciled.

Findings

No exceptions were identified as a result of applying these procedures.

f) *Evaluate the veracity of the University Data Administrator's data submission statements that indicate, "I certify that this file/data represents the position of this University for the term being reported."*

    1. Interview the University Data Administrator to consider the reasonableness of the various coordination efforts with the Data Administrator's staff, the other data custodians' staff, BOG IRM, and other knowledgeable individuals which form the

basis for personal and professional satisfaction that data submitted to the BOG is complete, accurate and submitted timely.

2. Inquire how the Data Administrator knows the key controls are in place and operating effectively. If not already done, consider verifying these key controls are in place and adequate to support the Data Administrator's assertions.

Procedures Performed

- Interviewed personnel listed in section *b.* of this report and verified communication with the Institutional Research and Analysis is on-going and clear to ensure accurate and timely data submission. Also verified controls are in place specific to the metrics being tested.
- Verified with the Director of Institutional Research and Analysis communication with the BOG and IRM to ensure data being submitted meets the data definitions.

Findings

No exceptions were identified as a result of applying these procedures.

g) *Review the consistency of data submissions with the data definitions and guidance provided by the Board of Governors through the Data Committee and communications from data workshops*.

1. Evaluate the University's procedures for periodically obtaining and communicating definitions and due dates as provided by the BOG through the Data Committee and communications from data workshops.
2. Verify with the University Data Administrator that the most current data file definitions are used as a basis for preparation of data to be submitted to the BOG.
3. Review SUDS most recent cumulative release notes and workshop agendas. https://www.flbog.edu/resources/ditr/suds/
4. Request evidence of the most recent formal staff training/workshops, internal discussions or communications with other responsible employees and the BOG Data Committee necessary to ensure the overall integrity of data to be submitted to the BOG.
5. Conclude as to the consistency of the submissions.

Procedures Performed

- Reviewed email communications (the "HitList") from the Institutional Research and Analysis (IRA) department to department heads. These emails detail the upcoming submissions due in the next two (2) months to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Obtained the most recent data definition tables on the SUDS website and verified data definitions outlined in the file processes agreed to the SUDS data tables.

- Verified process with the Institutional Research and Analysis department of their communication to department heads of the data definitions and communication of any new or changed metric.
- Obtained the SUDS release notes and workshop agendas during the testing period and verified any changes were properly incorporated into the data file submissions.
- Reviewed staff training with each personnel interviewed as listed in section *b.* in relation to both Banner and SUDS security and knowledge training.
- Our testing was performed on all file submissions from October 1, 2017 through September 30, 2018, for the specific metrics tested to review for consistency among data submissions.

Findings

No exceptions were identified as a result of applying these procedures.

h) *Review the University Data Administrator's data resubmissions to the Board of Governors with a view toward ensuring these resubmissions are both necessary and authorized. This review should also evaluate how to minimize the need for data resubmissions.*

1. Interview the University Data Administrator about the types and quantity of recent data resubmissions and the level(s) of approvals necessary for corrective action.
2. Request and examine any correspondence between the University and the BOG IRM office related to data resubmissions that pertain to the performance metrics. Determine if these resubmission problems tend to be reoccurring and what, if any, actions management has taken or plans to take in order to reduce them.
3. Conclude as to the frequency, need and authorization of the resubmission process.

Procedures Performed

- Interviewed the Director of Institutional Research and Analysis about the resubmission process followed by the department.
- There were no resubmissions during our testing period.

Findings

No exceptions were identified as a result of applying these procedures.

i) *Provide an objective basis of support for the president and board of trustees chair to sign the representations made in the Performance Based Funding−Data Integrity Certification.*

1. Review the Performance Based Funding Data Integrity Certification statement to identify additional procedures that should be designed to support the representations.

Procedures Performed

- We reviewed the Data Integrity Certification and performed procedures agreed upon by Florida Gulf Coast University's Board of Trustees to meet the objectives of the certification.

Findings

Mauldin & Jenkins was engaged to perform procedures that were provided by you and were outlined in our engagement letter. Management has identified these procedures to meet the objectives of the certification. The Board of Trustees must conclude as to the adequacy of these procedures and findings in meeting their certification objectives.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the processes and procedures for the complete, accurate and timely submission of data to the BOG. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Florida Gulf Coast University's Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
January 14, 2019

Attachment I

Submissions Tested			
Due Date	**Submission**	**Term or Year**	**Rept Time Frame**
10/11/2017	Degrees Awarded (SIFD)	Summer 2017	201705
10/6/2017	Admissions (ADM)	Fall 2017	201708
10/10/2017	Student Financial Aid (SFA)	Annual 2016	20162017
10/17/2017	Student Instruction File Preliminary (SIFP)	Fall 2017	201708
11/8/2017	Hours to Degree (HTD)	Annual 2016	20162017
1/19/2018	Student Instruction File (SIF)	Fall 2017	201708
1/23/2018	Retention (RET)	Annual 2016	20162017
2/2/2018	Degrees Awarded (SIFD)	Fall 2017	201708
3/2/2018	Admissions (ADM)	Spring 2018	201801
6/14/2018	Student Instruction File (SIF)	Spring 2018	201801
6/28/2018	Degrees Awarded (SIFD)	Spring 2018	201801
9/7/2018	Admissions (ADM)	Summer 2018	201805

Performance Based Funding
March 2019 Data Integrity Certification

State University System of Florida — Board of Governors

University Name: __Florida Gulf Coast University_____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

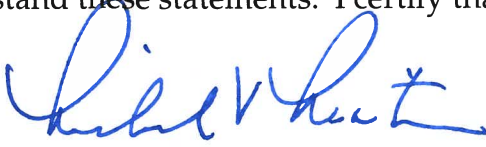| Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding

Data Integrity Certification

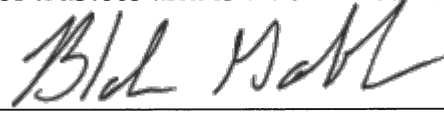| Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	There was 1 late submission
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date 2-19-19 _____

President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date 2/19/19 _____

Board of Trustees Chair

FIU | FLORIDA INTERNATIONAL UNIVERSITY

Office of Internal Audit

**Audit of the Performance Based Funding
Metrics Data Integrity**

Report No. 18/19-06

January 23, 2019

FIU | FLORIDA INTERNATIONAL UNIVERSITY

Date: January 23, 2019

To: Kenneth G. Furton, Provost and Executive Vice President
Hiselgis Perez, Acting Vice Provost of Office of Analysis and Information Management

From: Trevor L. Williams, Chief Audit Executive

**Subject: Audit of the Performance Based Funding Metrics Data Integrity
Report No. 18/19-06**

Beginning in fiscal year 2013-14, the State University System of Florida Board of Governors (BOG) instituted a performance-funding program based on 10 performance metrics used to evaluate Florida's public universities. Of the $560 million dollars in performance-based awards made by the BOG for fiscal year 2018-2019 FIU received $73.7 million.

Pursuant to a request by the (BOG), we have completed an audit relating to the University's performance based funding metrics. The primary objectives of our audit were to:

1) Determine whether the processes established by the University ensures the reliability, accuracy, and timeliness of data submissions to the BOG, which support the Performance Based Funding Metrics; and

2) Provide an objective basis of support for the University Board of Trustees Chair and President to sign the representations made in the *Performance Based Funding - Data Integrity Certification* that will be submitted to the Board of Trustees and filed with the BOG by March 1, 2019.

Our annual audit confirmed the results of past audits that FIU continues to have good process controls for maintaining and reporting performance metrics data. In our opinion, the system in all material respects continues to function in a reliable manner. We made two recommendations to further reduce that risk which management agreed to implement.

I would like to take this opportunity to express our appreciation for the cooperation and courtesies extended to us during this audit.

Attachment

C: FIU Board of Trustees
  Mark B. Rosenberg, University President
  Kenneth A. Jessell, Chief Financial Officer and Senior Vice President
  Javier I. Marques, Chief of Staff – Office of the President
  Carlos Castillo, General Counsel

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OBJECTIVES, SCOPE, AND METHODOLOGY

As directed by the State University System of Florida (SUS) Board of Governors (BOG), we have completed an audit of the data integrity and processes utilized in the University's Performance Based Funding Metrics ("PBF" or "Funding Metrics"). The primary objectives of our audit were to:

    (a) Determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the Performance Based Funding Metrics; and

    (b) Provide an objective basis of support for the University Board of Trustees Chair and President to sign the representations made in the *Performance Based Funding - Data Integrity Certification,* which will be submitted to the Board of Trustees and filed with the BOG by March 1, 2019.

Our audit was conducted in conformance with *the International Standards for the Professional Practice of Internal Auditing* and ISACA *IS Audit and Assurance Standards*, and included tests of the supporting records and such other auditing procedures, as we considered necessary under the circumstances.

During the audit, we:

1. Updated our understanding of the process flows of data for all of the relevant data files from the transactional level to their submission to the BOG;

2. Reviewed BOG data definitions, SUS Data workshop documentation, and meeting notes to identify changes to the BOG Funding Metrics;

3. Interviewed key personnel, including the University's Data Administrator, functional unit leads, and those responsible for developing and maintaining the information systems;

4. Observed current practices and processing techniques;

5. Tested the system access controls and user privileges within the State University Database System (SUDS) application, upload folders, and production data; and

6. Tested the latest data files for two of the 10 performance based funding metrics submitted to the BOG as of August 31, 2018. Sample sizes and transactions selected for testing were determined on a judgmental basis applying a non-statistical sampling methodology.

Audit fieldwork was conducted from August to December 2018. In fiscal year 2017-2018, we issued the report <u>Audit of Performance Based Funding Metrics Data Integrity</u> (Report No. 17/18-07), dated January 29, 2018. During the current audit, we reviewed the prior audit report and found that no recommendations were issued, which otherwise would have required follow-up.

BACKGROUND

The Florida Board of Governors (BOG) has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. Beginning in fiscal year 2013-2014, the BOG instituted a performance based funding program, which is based on 10 performance metrics used to evaluate the institutions on a range of indicators, including graduation and retention rates, job placement, and access rate, among others. Two of the 10 metrics are "choice metrics" – one picked by the BOG and one by each University's Boards of Trustees. These metrics were chosen after reviewing over 40 metrics identified in the Universities' Work Plans but are subject to change yearly.

The BOG model has four guiding principles:

1. Use metrics that align with SUS Strategic Plan goals;
2. Reward Excellence or Improvement;
3. Have a few clear, simple metrics; and
4. Acknowledge the unique mission of the different institutions.

The Performance Funding Program also has four key components:

1. Institutions are evaluated and receive a numeric score for either Excellence or Improvement relating to each metric;
2. Data is based on one year data;
3. The benchmarks for Excellence were based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were decided after reviewing data trends for each metric; and
4. The Florida Legislature and Governor determine the amount of new state funding and the proportional amount of institutional funding that would come from each university's recurring state base appropriation.

In 2016, the Florida Legislature passed and the Governor signed into law the Board of Governors' Performance-Based Funding Model, now codified into the Florida Statutes under Section 1001.66, *Florida College System Performance-Based Incentive*.

FIU's Performance Based Funding Metrics		
1.	Percent of Bachelor's Graduates Employed (Earning $25,000) or Continuing their Education One Year After Graduation	6. Bachelor's Degrees Awarded in Areas of Strategic Emphasis
2.	Median Average Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation	7. University Access Rate (Percent of Undergraduates with a Pell-grant)
3.	Average Cost to the Student (Net Tuition and Fees per 120 Credit Hours)	8. Graduate Degrees Awarded in Areas of Strategic Emphasis
4.	Four Year Graduation Rate (Full-Time, First-Time-In-College)	9. Board of Governor's Choice - Percent of Bachelor's Degrees Without Excess Hours
5.	Academic Progress Rate (2nd Year Retention with GPA above 2.0)	10. Board of Trustee's Choice - Bachelor's Degrees Awarded to Minorities

The following table provided by the BOG summarizes the performance funds allocated for the fiscal year 2018-2019 using the performance metrics results from fiscal year 2017-2018, wherein FIU earned 90 points.

Florida Board of Governors Performance Funding Allocation, 2018-2019[1]				
	Points*	Allocation of State Investment	Allocation of Institutional Investment	Total Performance Funding Allocation
UF	93	$ 57,631,857	$ 53,002,618	$110,634,475
FIU	**90**	**39,996,601**	**33,730,710**	**73,727,311**
FSU	86	51,607,104	47,135,335	98,742,439
USF	86	37,650,670	41,913,010	79,563,680
UWF	86	10,772,844	11,992,412	22,765,256
FAU	84	20,553,876	22,880,729	43,434,605
UCF	77	37,522,699	41,770,552	79,293,251
FGCU	75	9,264,349	10,313,143	19,577,492
NCF	75	-	3,921,395	3,921,395
FAMU	72	-	14,765,439	14,765,439
UNF	68	-	13,574,657	13,574,657
Totals		**$265,000,000**	**$295,000,000**	**$560,000,000**

*Institutions scoring 50 points or less or the three lowest scoring universities will not receive any State Investment. Any ties in scores are broken using the tiebreaker policy in BOG Regulation 5.001.

[1] The amount of state investment is appropriated by the Legislature and Governor. A prorated amount is deducted from each university's base recurring state appropriation (Institutional Investment) and is reallocated to each institution based on the results of the performance based funding metrics (State Investment).

In 2018, the Florida Legislature changed the graduation rate metric (Metric 4) included in the PBF from a six-year to a four-year measure and changed from accounting for all First-Time-In-College (FTIC) students to only Full-Time, FTIC. The new metric was used in calculating the performance metrics results on the previous page.

Organization

FIU's Office of Analysis and Information Management (AIM) consists of Institutional Research (IR) and the Office of Retention & Graduation Success. One of the goals of AIM is to provide the University community with convenient and timely access to information needed for planning and data driven decision-making and to respond to data requests from external parties. IR is currently responsible for:

- Faculty Perception of Administrators (FPOA) formerly Faculty Assessment of Administrator System; Assisting with the online system used to credential faculty;
- Academic Program Inventory; and
- Assignment of CIP (Classification of Instructional Program) codes to courses and certificate programs.

IR has been the official source of FIU's statistics, providing statistical information to support decision-making processes within all academic and administrative units at FIU, and preparing reports and files for submission to the BOG and other agencies. It is also responsible for data administration, enrollment planning, and strategic planning.

The Office of Retention & Graduation Success identifies barriers to student success and works to eliminate those barriers. This Office helps to carry out the Graduation Success Initiative (GSI), primarily by providing "Major Maps" and alerts for students and academic advisors, and information and analyses to departments and decision-makers.

The Acting Vice Provost for AIM who is also the University's Data Administrator reports directly to the Provost and is responsible for gathering data from all applicable units, preparing the data to meet BOG data definitions and requirements, and submitting the data.

At FIU, the Performance Funding Metrics reporting process flows consist of four layers: (1) Production, (2) Staging, (3) Upload, and (4) the State University Database System (SUDS) application. The Production data (extracted from the PantherSoft databases) are originated from the following functional units—the Admissions Office, Registrar's Office, Academic Advising, and Financial Aid. AIM and the BOG team from the University's Division of IT (DoIT) work collaboratively to translate the production data, which are then sent to Staging (either to tables or directly to Upload folders) where dedicated developers perform data element calculations that are based on BOG guidelines and are used to develop the Internal Portal. Once the calculations are completed, the data are formatted into text files and moved to an Upload folder. Users then log into the SUDS and depending on their roles, they upload, validate, or submit the data to the BOG. The DoIT assists with the entire consolidation and upload process.

The diagram below illustrates the operational controls and the information system access controls currently implemented in the overall data element process flows.
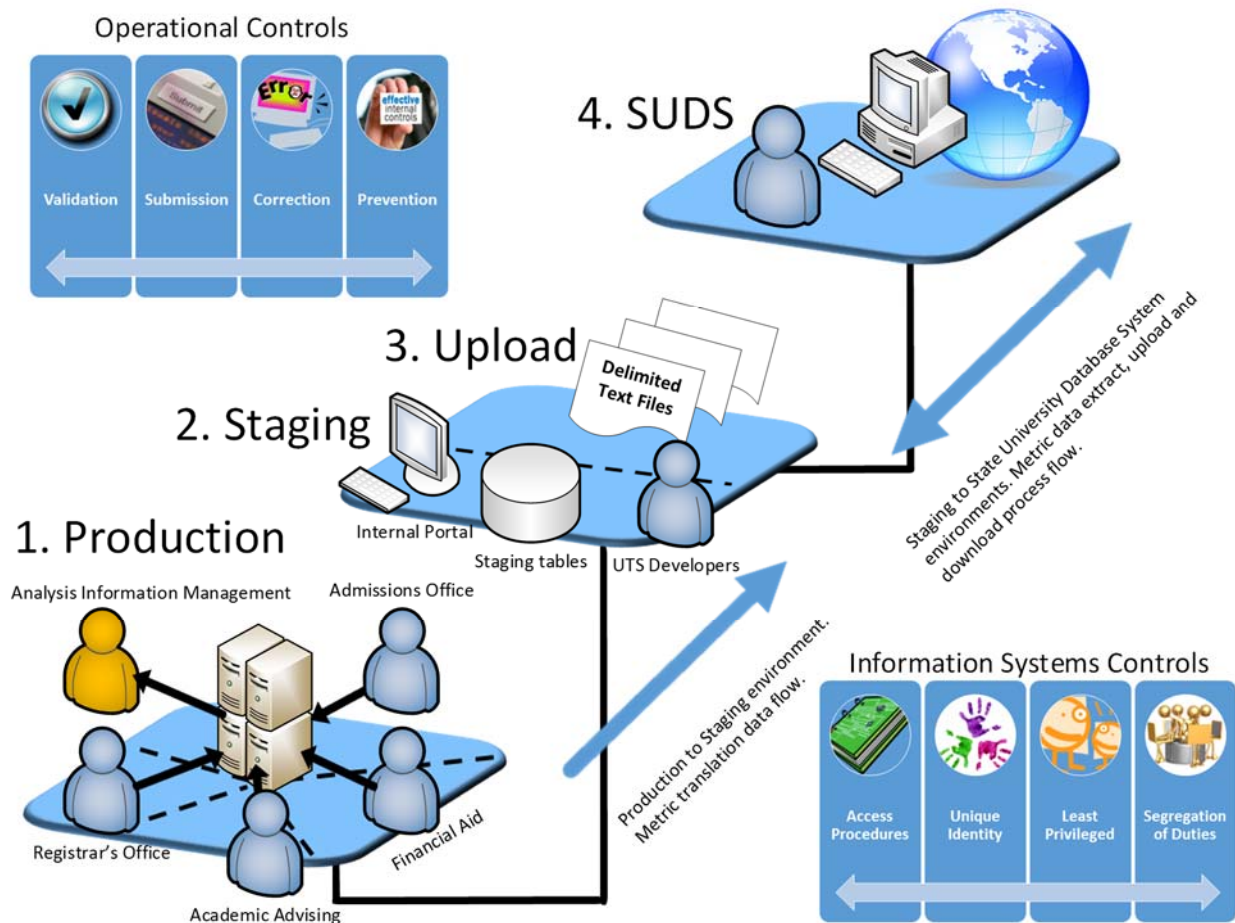
FINDINGS AND RECOMMENDATIONS

Based on our audit, we concluded that there are no material weaknesses or significant deficiencies in the processes established by the University to report required data to the Board of Governors in support of their Performance Based Funding Metrics. While there is always room for improvement as outlined in the detailed findings and recommendations that follow, the system is functioning in a manner that can be relied upon to provide complete, accurate, and timely submission of data to the BOG.

Accordingly, in our opinion, this report provides an objective basis of support for the Board of Trustees Chair and the University President to sign the representations made in the BOG *Performance Based Funding Data Integrity Certification*, which the BOG requested be filed with them by March 1, 2019. Our evaluation of FIU's operational and system access controls that fall within the scope of our audit is summarized in the following table:

INTERNAL CONTROLS RATING			
CRITERIA	**SATISFACTORY**	**FAIR**	**INADEQUATE**
Process Controls	X		
Policy & Procedures Compliance	X		
Effect	X		
Information Risk	X		
External Risk	X		
INTERNAL CONTROLS LEGEND			
CRITERIA	**SATISFACTORY**	**FAIR**	**INADEQUATE**
Process Controls	Effective	Opportunities exist to improve effectiveness	Do not exist or are not reliable
Policy & Procedures Compliance	Non-compliance issues are minor	Non-compliance Issues may be systemic	Non-compliance issues are pervasive, significant, or have severe consequences
Effect	Not likely to impact operations or program outcomes	Impact on outcomes contained	Negative impact on outcomes
Information Risk	Information systems are reliable	Data systems are mostly accurate but can be improved	Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions
External Risk	None or low	Potential for damage	Severe risk of damage

The results of our audit are as follows:

1. Review of Process Flows of Data

During prior years' audits, we obtained an understanding of the processes the University implemented to ensure the complete, accurate, and timely submission of data to the BOG. During this audit, we met with the Data Administrator and other key personnel to update our understanding of the processes in place to gather, test, and ensure that only valid data, as defined by the BOG, are timely submitted to the BOG. Based on our updated understanding, we determined that no significant changes have occurred in the process flows of data.

At FIU, the PantherSoft Security Team and AIM collaborated and developed a tool that generates edit reports similar to the ones found in the State University Database System (SUDS). This tool allows users at functional units more time to work on their file(s) since the BOG edits are released closer to the submission deadline. The purpose of the review is for users at functional units to correct any problems concerning transactional errors before submitting the files. We found the Registrar's Office, which generates data for five of the 10 performance based metrics, along with the Office of Financial Aid and the Graduation Office using the tool. The Data Administrator's team routinely reviews error and summary reports to identify and correct any data inconsistencies. As explained, the Data Administrator's team is responsible for the day-to-day reporting and understands the functional process flows, while the functional units are responsible for their data and understand the technical process flows. According to AIM, they plan to continue to extend the use of the tool to all appropriate users. Furthermore, for certain files, there are additional PantherSoft queries in place that users run to identify errors or bad data combinations.

In addition to the internal FIU reports, the BOG has built into the SUDS a data validation process, which through many diagnostic edits flags errors by critical level. SUDS also provides summary reports and frequency counts that allow for trend analysis. The AIM team reviews the SUDS reports and spot-checks records to verify the accuracy of the data. Once satisfied as to the validity of the data, the file is approved for submission.

As a result of a prior audit recommendation, AIM developed the *OPIR-BOG Business Process Manual*. The Manual addresses BOG SUDS Portal Security, BOG SUDS File Submission Process (see table on the following page and description and diagram of the process on page 5 of this report), and details of the process for each file submitted to the BOG. It is also evident that the Manual has been continually updated since its implementation.

Steps	BOG Files Submission Cycle
1.	The PantherSoft (PS) team extracts data from the PantherSoft database. Data are formatted according to the BOG data elements definitions and table layouts.
2.	The PantherSoft team uploads data to SUDS and runs edits.
3.	SUDS edits the data for possible errors and generates dynamic reports.
4.	Functional unit users are notified that edits are ready to be reviewed.
5.	Functional unit users review the edits and make any required transactional corrections in the PantherSoft database.
6.	AIM Lead/PS Team/Functional Unit users communicate by email, phone, or in person about any questions/issues related to the file.
7.	Steps 1-6 are repeated until the freeze date.
8.	On the freeze date, a final snapshot of the production data is taken.
9.	The file is finalized, making sure all Level-9 (critical) errors were corrected or can be explained.
10.	AIM Lead reviews SUDS reports, spot-checks data, and contacts functional unit users if there are any pending questions.

Conclusion

Based on the review performed, the data submitted to the BOG is properly validated prior to submission and approval and no material weaknesses were found in the University's current process flows of data.

2. System Access Controls and User Privileges Follow-up

Access controls testing included examination of user privileges within the SUDS application and examination of audit log files and production data. Annually, AIM works with the functional units and the PantherSoft Security Team to:

   a) Review user accounts to ensure on-boarded and off-boarded SUDS users have an associated PAWS ticket and the existing users' access match their current job description;

   b) Review and reduce access privileges to production and stage environments to appropriately mitigate least privileged and segregation of duties risks; and

   c) Review log reporting for all metric data files, where appropriate, to ensure the integrity of the data sent to the BOG.

On September 27, 2018, AIM completed their data integrity review. The following were the results of our follow-up into these areas:

a. Review and Deactivate State University Database System User Accounts

In our prior audits, we noted that AIM relied on expired passwords as a mitigating access control. However, a BOG Database Administrator stated that this is not a good control, as the system will prompt the user to create a new password. She also said that user accounts would need to be deactivated in order to revoke their access. With this understanding of SUDS user accounts, AIM identified 21 questionable user accounts. These are accounts where the access rights granted to the users might not be needed in order for them to perform their job duties, based on the least-privilege principle of "need-to-have and need-to-know." After communicating with the functional units, they deactivated two of the 21 user accounts and one terminated employee's account.

Job duties may change as the user account sits dormant and can increase the risk of inappropriate access should the user reactivate their account. AIM has adequately identified and deactivated user accounts from the SUDS, deemed warranted as indicated above.

b. Limit Access to Production Data

On the following page, Figure 1 – *Production Data Elements Process Flows*, illustrates the four departments: Admissions Office, Registrar's Office, Academic Advising, and Financial Aid that feed data into the production system available to AIM.
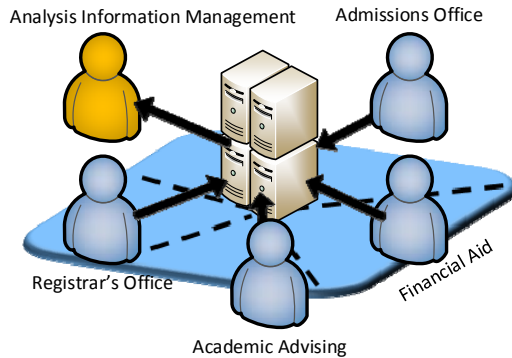
1. Production

Figure 1 – Production Data Elements Process Flows

According to documentation provided by AIM, they reviewed write-access for all metrics. In their write-access reviews for Metrics 4 and 5, they identified four questionable user accounts. The users had the ability to modify data, which appeared to be in conflict with their job titles and duties. User access was changed to view-only for one of the four users after obtaining approval from the functional units.

By continually reviewing and limiting user access, as appropriate, AIM adequately reduces the integrity risk[2] to the data uploaded to the BOG.

c. Review Log Reports

Documentation provided by AIM showed that they reviewed log files and identified four users that made changes to the BOG data as questionable. After communicating with the functional units, the PantherSoft Security Team changed access to read-only on one user's account.

Figure 1 - Upload Process Flows

However, we noted that none of the fields in the Staging environment had its logging capabilities activated. This is where AIM uploads data to the SUDS. In addition, we identified one production field requiring a change in a user's access but did not have its logging capabilities activated. Ultimately, the University Data Administrator is accountable for the data provided to the BOG. Activating audit log capabilities in the Staging and Production environments, as appropriate, increases the effectiveness of detection control to help the Data Administrator mitigate least privileged and segregation of duties risks.

Conclusion

The actions taken to deactivate dormant accounts, continuously review log reports, and limit access reduce the integrity risks to the data uploaded to the BOG. However, activating audit log capabilities to all fields in the Staging environment and as needed in Production, further reduces the likelihood that an unauthorized data change can be made and go undetected.

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[2] COBIT 5.0 correlates Integrity to the information quality goals of completeness and accuracy.

Recommendation

	The Office of Analysis and Information Management should:
1.1	Work with the PantherSoft Department to activate auditing log capabilities to the Staging and Production environment fields, as appropriate, for inclusion into their annual analysis report.

Management Response/Action Plan:

1.1   The Office of Analysis and Information Management will work with IT to add more audit logs to capture updates to other high-risk fields. Both teams (AIM/IT) will begin work during the spring term. As with current audits, they will have a date search parameter. Therefore, although expected availability will be for summer, the date parameter will be able to capture any updates regardless of when it was completed.

Implementation date: May 2019

3. Data Accuracy Testing

This is our fifth audit of the performance based funding (PBF) metrics since it became effective in 2014. During our first-year audit, we performed data accuracy testing on all 10 metrics as requested by the BOG. In subsequent years' audits, we limited our data accuracy testing to specific metrics and followed up on any prior year recommendations as depicted in the following table.

	Audit FY	Metrics Tested	Comment
	AUDIT COVERAGE OF PBF METRICS		
1.	2014-15	1-10	First year; test of all metrics required by BOG
2.	2015-16	6, 7, 8, & 10	
3.	2016-17	1, 2, 4, & 5	
4.	2017-18	3 & 9	First year of the revised Metric 3
5.	2018-19	4 & 5	First year of the revised Metric 4

At the May 2018 meeting of the *State University Audit Council* (SUAC), the BOG Chief Data Officer presented a risk rating, ranging from low to high, for each PBF metric. In developing this year's audit scope, since there were no prior year audit findings stemming from our data accuracy testing, we determined to test Metrics 4 and 5, two of the four metrics identified during the said meeting to be of moderately high and moderate audit risk, respectively. The remaining two metrics were audited in the prior year. Furthermore, this is the first year of the revised Metric 4. In addition, the University received the highest possible points (10) for both metrics. Points are distributed based on a rating of either "Excellence" or "Improvement." Both Metrics 4 and 5 saw improvements of greater than 5 percent. Based on the PBF benchmarks, improvements of 5 percent or greater are given the maximum of 10 points.

Metrics Testing

The two PBF metrics tested were as follows:

- Metric 4 – Four Year Graduation Rate (Full-time, First-Time-In-College).
- Metric 5 – Academic Progress Rate (Second Year Retention with GPA Above 2.0).

We identified the main data files and tables related to the calculations of the two metrics under review, as follows:

- Student Instruction file (SIF), Enrollment table;
- Degrees Awarded file (SIFD), Degrees Awarded table; and
- Retention file (RET), Retention Cohort Changes table.

The BOG provided us with the in-scope data elements for each of the metrics under review (see Appendix A – In-scope BOG Data Elements), which we used in our testing.

Data accuracy for the two metrics was tested by reviewing the corresponding data files, tables, and elements, and by tracing them to the source document data in PantherSoft. Testing was limited to the PantherSoft data itself as the objective of our testing was to corroborate that the data submitted were in fact unabridged and identical to the data contained in the University's PantherSoft system.

<u>Metrics 4 and 5</u>

As a result of the *Florida Excellence in Higher Education Act of 2018*, signed into law by the Governor on March 11, 2018, Metric 4 was changed from a six-year graduation standard to a four-year measure and from all first-time-in-college students to full-time, first-time-in-college students. Universities achieving or exceeding the 50 percent mark under the new standard will secure the maximum points in the formula, while universities with a four-year graduation rate below 38.8 percent will receive no points.

> ***Metric 4, Four Year Graduation Rate (Full-time, First-Time-In-College)****, is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution during the Summer term of their fourth year. FTIC includes 'early admits' students who were admitted as a degree-seeking student prior to high school graduation.*

> ***Metric 5, Academic Progress Rate (2nd Year Retention with GPA above 2.0)****, is based on the percentage of FTIC students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).*

The data for Metrics 4 and 5 are generated by the BOG from the Student Instruction file (SIF), Degrees Awarded file (SIFD), and Retention file (RET) submitted by the University.

In order to verify that the data submitted in the SIF file to the BOG were accurate, we selected a sample of 25 students from the Fall 2017 SIF and verified that the data provided to the BOG were the same as the data contained in PantherSoft student records. We verified the 14 elements relevant to Metrics 4 and 5 and found no exceptions.

In addition, to verify the data submitted in the SIFD file, we judgmentally selected a sample of 25 students for testing. We verified without exception the one element related to Metrics 4 and 5. As evidenced by the supporting documentation, all students had graduated in Fall 2017 as reported in the Fall 2017 SIFD file.

The BOG builds the Retention file annually using the SIF and SIFD files. The BOG then annually provides the retention data to the University. FIU's Office of Institutional Research (IR) reconciles the data with the files (SIF and SIFD) originally submitted to the BOG and investigates and resolves any differences. They work with the BOG Information

Resource Management (IRM) staff to make edits, if necessary, before the Data Administrator approves and submits the data to the BOG IRM.

We reviewed IR's reconciliation process of retention data and concluded that FIU's IR staff adequately performed the reconciliation of data provided by the BOG against FIU's data. We reviewed the retention data for cohort year 2013-2014 and determined that the cohort count of 1,652 students matched the data found in the Fall 2016, Spring 2017, and Summer 2017 SIF files, with the difference of one student, which we determined was properly accounted for in PantherSoft.

To validate further that the data submitted to the BOG in the Retention file were accurate, we selected a sample of 15 students from the Annual 2016 RET file. We reviewed the supporting documentation related to three relevant elements and verified that the data provided to the BOG were the same as the data contained in the PantherSoft student records. No exceptions were found.

However, during our review of the reconciliation process, we found that there were no written guidelines in place detailing the process. Moreover, only one employee who is the sole employee that is fully knowledgeable of the system's reconciliation process performs the reconciliations. In addition, management stated they relied heavily on the internal programs to pick up any discrepancies.

Conclusion

Our testing of the SIF, SIFD, and RET files data found no differences between the information submitted to BOG and the data in FIU's system relating to the relevant elements for Metrics 4 and 5. However, we found that there were no written guidelines in place detailing the RET reconciliation procedures performed and the employee performing these reconciliations had no backup.

Recommendation

The Office of Analysis and Information Management should:	
1.2	Develop written guidelines detailing the reconciliation procedures for the Retention file received from the BOG and ensure that more than one employee is able to perform the procedures.

Management Response/Action Plan:

1.2 The Office of Analysis and Information Management will enhance the current BOG documentation with a manual of written procedures that document the steps taken in the verification and validation of the annual Retention file. Furthermore, another technical employee at AIM will be trained and delegated with additional

responsibilities to handle the BOG files with an emphasis on mastering the reconciliation procedures for the Retention file.

Implementation date: June 2019

4. Data File Submissions and Resubmissions

Data File Submissions

To ensure the timely submission of data, AIM used the due date schedule provided by the BOG as part of the SUS data workshop to keep track of the files due for submission and their due dates. AIM also maintains a schedule for each of the files to be submitted, which includes meeting dates with the functional unit leads, file freeze date, file due date, and actions (deliverables) for each date on the schedule. We used data received directly from the BOG-IRM Office in addition to data provided by AIM to review the timeliness of actual submittals.

The following table and related notes, where applicable, reflects the original due dates and original submission dates of all relevant Performance Based Funding Metrics files during our audit period:

File	File Submission	Period	Original Due Date	Original Submission Date
SFA	Student Financial Aid	Annual 2016	10/09/2017	10/09/2017
ADM	Admissions	Fall 2017	10/06/2017	10/06/2017
SIFD	Degrees Awarded	Summer 2017	10/11/2017	10/11/2017
IRD	Instruction & Research	Annual 2016	10/23/2017	10/23/2017
SIFP	Student Instruction Preliminary	Fall 2017	10/17/2017	10/17/2017
HTD	Hours to Degree	Annual 2016	11/08/2017	11/08/2017
EA	Expenditure Analysis	Annual 2016	10/30/2017	10/30/2017
SIF	Student Instruction	Fall 2017	01/19/2018	01/19/2018
RET	Retention	Annual 2016	01/23/2018	01/23/2018
SIFD	Degrees Awarded	Fall 2017	02/02/2018	02/02/2018
ADM	Admissions	Spring 2018	03/02/2018	03/02/2018
SIF	Student Instruction	Spring 2018	06/14/2018	06/14/2018
SIFD	Degrees Awarded	Spring 2018	06/28/2018	07/02/2018[*]

*Management informed us that the Spring 2018 Degrees Awarded file (SIFD) was submitted four days late due to a delay in the SIF file being accepted by the BOG. According to management and BOG, the SIFD file cannot be submitted until the SIF file is accepted by the BOG. Based on the records provided, the SIF file was submitted by the due date, June 14, but was not accepted by the BOG until July 2. Once the SIF was accepted, the SIFD was submitted on the same day, July 2.

Data File Resubmissions

The list of resubmissions since the last audit was obtained from the BOG-IRM staff. The Data Administrator described the nature and frequency of these resubmissions and provided correspondence between the BOG and the University related to the data resubmissions. AIM examined the correspondence to identify lessons learned and to determine whether any future actions can be taken that would reduce the need for resubmissions.

The Data Administrator has acknowledged that although their goal is to prevent any resubmissions, they are needed in cases where inconsistencies in data are detected by either University or BOG staff after the file has been submitted. According to her, a common reason for not detecting the error before submission is that some inconsistencies only arise when the data are cross-validated among multiple files. "When logic changes are implemented or added, it is an additional edit in our internal tool," said the Data Administrator.

In regards to the frequency of the resubmissions, a list was provided by the BOG-IRM staff for all files submitted pertaining to the 10 PBF metrics. For files with due dates between October 1, 2017, and August 31, 2018, the University submitted 13 files to the BOG.

The following table describes the two files resubmitted and AIM's reasons for each resubmission.

No.	File Submission	Period	Original Due Date	Original Submission Date	Resubmission Date
1	Hours to Degree	Annual 2016	11/08/2017	11/08/2017	11/20/2017
	AIM Reason for Resubmission: In preparing the annual HTD file, we discovered a student's record as it related to elements 01413 and 01468 had been reported incorrectly. The error resulted from our institution's transition to reporting the data from a legacy system to the current student information system as well as a bug in the logic. Our institution requested feedback from the BOG office to determine the best course of action in correcting the errors. We did not know if the BOG would require resubmission of all the files where the error was listed or simply request the corrections via an email from our University's data administrator to the BOG office. Unfortunately, we were unable to receive a response in time for the original submission due date. Subsequently, the BOG informed our institution to resubmit the file in order for their office to make the necessary data corrections.				
2	Retention	Annual 2016	01/23/2018	01/23/2018	03/12/2018
	AIM Reason for Resubmission: At the request of the BOG, the cohort adjustment table for the Retention file was resubmitted in order to include adjustments (72 exclusions) to the 2012 cohort. This allowed the same methodology to be used when comparing the cohorts and scoring the performance metric.				

In both instances observed, the BOG staff authorized the resubmission by reopening the SUDS system for resubmission. Furthermore, continuing improvements have been noted from prior years' where two files were resubmitted in FY 2017-18, four in FY 2016-17, and nine in FY 2015-16.

<u>Conclusion</u>

Our review disclosed that the process used by the Data Administrator provides reasonable assurance that complete, accurate, and for the most part timely submissions occurred. The one late filing was the result of a system issue, not considered systemic, while the two resubmissions were necessary and authorized. In addition, we noted no reportable material weaknesses or significant control deficiencies related to data file submissions or resubmissions.

5. Review of University Initiatives

We obtained the following list of the University initiatives that are meant to bring the FIU's operations and practices in line with SUS Strategic Plan goals:

- Implemented E&G revenue reallocation model
- Implemented faculty reallocation model for academic units
- Provided greater access to on-demand analytics relevant to the metrics
- Implemented student level graduation benchmarking
- Implemented student attendance and midterm progress monitoring and outreach
- Integration of career and academic advising
- Strategic enrollment planning and course scheduling optimization via Noel Levitz and Platinum Analytics
- Created an Office of Scholarships and Academic Program Partners to support all colleges in their efforts to apply foundation scholarship funds to student success and enrollment goals
- Expanded merit scholarship opportunities and initiated two new scholarships – "Jumpstart FIU" and "Panther Achievement Award"
- Implemented centralized coordination and local deployment for student recruitment efforts
- Established centralized retention, graduation, and student success outreach

Conclusion

None of the initiatives provided appears to have been made for the purposes of artificially inflating performance goals.

In-Scope BOG Data Elements				
No.	**Metric**	**Definition**	**Submission/Table/Element Information**	**Relevant Submission**
4	Four Year FTIC Graduation Rate	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes "early admits" students who were admitted as degree-seeking student prior to high school graduation.	**Submission:** SIFD **Table:** Degrees Awarded **Elements:** 02001 – Reporting Time Frame	October 11, 2017 February 2, 2018 July 2, 2018
			Submission: SIF **Table:** Enrollments **Elements:** 01063 – Current Term Course Load 01067 – Last Institution Code 01068 – Type of Student at Date of Entry 01085 – Institutional Hours for GPA 01086 – Total Institutional Grade Points 01088 – Term Credit Hours for GPA 01089 – Term Credit Hours Earned 01090 – Term Grade Points Earned 01060 – Student Classification Level 01112 – Degree Highest Held 01107 – Fee Classification Kind 01420 – Date of Most Recent Admission 01413 – Type of Student at Time of Most Recent Admission 01411 – Institution Granting Highest Degree	January 19, 2018 June 14,2018
			Submission: RET **Table:** Retention Cohort Changes **Elements:** 01429 – Cohort Type 01437 – Student – Right-to-Know (SRK) Flag 01442 – Cohort Adjustment Flag	January 23, 2018
5	Academic Progress Rate *2nd Year Retention with GPA Above 2.0*	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full- time in their first semester and were still enrolled in the same institution during the Fall term following their first year with had a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).	Same as No. 4 above.	

Definition Source: State University Database System (SUDS).

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

Performance Based Funding
March 2019 Data Integrity Certification

University Name: _____Florida International University_____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

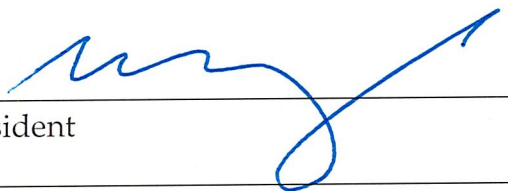| Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date 3/4/2019

President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date 3/4/19

Board of Trustees Chair

Audit Report

THE FLORIDA STATE UNIVERSITY

Office of Inspector General Services

Sam McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Chief Audit Officer

Performance-Based Funding Metrics
Data Integrity Certification Audit
Fiscal Year 2018-19

AR 19-05   **January 29, 2019**

Summary

Overall, we concluded the University has adequate processes for collecting and reporting Performance-Based Funding (PBF) metrics data to the Board of Governors (BOG). In addition, we can provide an objective basis of support for the University's President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it by March 1, 2019.

Scope, Objectives, and Methodology

In his July 12, 2018, memorandum to University Boards of Trustees' Chairs, the Chair of the State University System (SUS) of Florida Board of Governors (BOG) directed the President of each University to complete a Performance-Based Funding - Data Integrity Certification.

> *When completing this certification, you should evaluate each of the prepared representations. If you are able to affirm the representation, do so. If you are not able to make the representation as prepared, provide an explanation or modification in the space provided. It is important that representations be modified to reflect audit findings. The certification document shall be signed by the President and board of trustees Chair after being approved by the board of trustees. The completed Data Integrity Certification shall be submitted to the Office of Inspector General and Director of Compliance.[1]*

> *To make such certifications meaningful, university boards of trustees shall direct the university Chief Audit Executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions. It is our intent that such audits include testing of data that supports performance funding metrics. Such testing is essential to determining if processes are in place and working as intended.*

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[1] This is a reference to the BOG's Office of Inspector General and Director of Compliance.

The scope and objectives of the audit should be set jointly between the Chair of the university board of trustees and the university Chief Audit Executive. The audit shall be performed in accordance with the current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc.

The results of this audit shall be provided to the Board of Governors after being accepted by the university's board of trustees. The audit report shall include the university's corrective action plan designed to correct any audit findings. The audit results shall support the President's certification which shall include any noted audit findings. The completed Data Integrity Certification and audit report shall be submitted to the Office of Inspector General and Director of Compliance no later than March 1, 2019.

This is the fifth consecutive year the BOG has called for such an audit. Florida State University has decided upon the following scope and objectives for the audit.

Scope:

The overall purpose of the audit is to report on the controls and processes established by the University to ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support the University's PBF Metrics, and to provide an objective basis of support for the University's President and Board of Trustees Chair to sign the representations included in the Performance-Based Funding – Data Integrity Certification, which will be submitted to the University's Board of Trustees and filed with the BOG by March 1, 2019. This audit will include an evaluation of the key controls that support these processes, as well as testing of the actual data upon which the University's PBF Metrics are based.

The Performance-Based Funding 2018 Metrics (along with their definitions), as of April 3, 2018, were published on the BOG website. The complete current listing of these PBF Metrics that relate to FSU are as follows:

1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) in the U.S. One Year After Graduation;

2. Median Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation;

3. Cost to the Student (Net Tuition and Fees per 120 Credit Hours);

4. Four-Year Graduation Rate for First-Time-in-College Students;

5. Academic Progress Rate (Second Year Retention Rate with Grade Point Average (GPA) Above 2.0);

6. Bachelor's Degrees Awarded within Programs of Strategic Emphasis (including Science, Technology, Engineering, and Mathematics (STEM));

7. University Access Rate (Percent of Undergraduates with Pell Grants);

8. Graduate Degrees Awarded within Programs of Strategic Emphasis (including STEM);

9. Percent of Bachelor's Degrees without Excess Hours (Board of Governors' Choice Metric for all SUS universities); and

10. National Rank Higher than Predicted by the Financial Resources Ranking, Based on *U.S. News & World Report* (FSU's Board of Trustees' Choice Metric).[1]

This audit solely addresses the integrity of the University's data submissions to the BOG that support the University's Performance-Based Funding Metrics for the 2017-18 Annual Accountability Report. The BOG extracts data from the files provided it by the University and performs additional calculations to derive the final PBF Metrics data published by the BOG. The University is not involved in these extractions or additional calculations by the BOG.

Objectives:

1. Determine if there were any changes since our 2017-18 PBF audit conclusion concerning the Data Administrator's appointment and the duties and responsibilities in his official position description.

2. Determine the current status of processes used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the BOG.

3. Determine the current status of available documentation including policies, procedures, and desk manuals of appropriate staff and assess their adequacy for ensuring data integrity for University data submissions to the BOG.

4. Determine the current status since our conclusion in the 2017-18 PBF audit concerning system access controls and user privileges.

5. Determine the current status since our conclusion in the 2017-18 PBF audit concerning audit testing of data accuracy.

6. Determine the current status since our conclusion in the 2017-18 PBF audit concerning the consistency of data submissions with the data definitions and guidance provided by the BOG through the Data Committee and communications from data workshops.

7. Determine the current status since our conclusion in the 2017-18 PBF audit concerning the University Data Administrator's data resubmissions to the BOG.

8. Provide an objective basis of support for the President and Board of Trustees chair to sign the representations made in the Performance-Based Funding - Data Integrity Certification.

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[1] In its November 28, 2018 Draft Template 2019 Accountability Plan for each university in the State University System, the BOG indicated that FSU's current BOT Choice Metric #10, National Rank Higher than Predicted by Financial Resources Ranking Based on *US News and World Report*, and our future BOT Choice Metric #10, Percent of Bachelor's Graduates Who Took An Entrepreneurship Class, will both be reported for 2018-19. However, it is the University's understanding that only the current metric will be counted that year towards the University's performance.

Our detailed methodology for each of our eight objectives is included in the report section for each. In general, to complete the stated audit objectives, we conducted interviews and otherwise communicated with the Data Administrator and other key data managers, and analyzed supporting documentation related to the objectives. Such supporting documentation included available data and information related to:

- The Data Administrator's appointment and position duties and responsibilities;
- Processes, policies, procedures, and desk manuals concerning data input, error identification and correction, compliance with the BOG guidance, etc., to determine whether these are adequate to provide reasonably sufficient internal control over data;
- Data file submissions by the University to the BOG, to determine whether they were made in a timely manner and included any resubmissions and the reasons for these;
- SUDS and University systems access by individuals associated with the University, to determine if that access is appropriate;
- Written guidance from the BOG and the University's related training and communications, to demonstrate the University's efforts to attain agreement of its efforts with BOG expectations; and
- Latest data files submitted to the BOG that contained elements used in calculating Performance-Based Funding metrics, and the University's related source data, to ensure that data submitted to the BOG were consistent with University transactional data and the BOG requirements.

This audit was performed in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Florida Board of Governors, created in 2002, is authorized in Article IX, Section 7(d), Florida Constitution to "operate, regulate, control, and be fully responsible for the management of the whole university system," which consists of the state's 12 public universities.

Beginning in fiscal year 2013-14, the BOG instituted a Performance-Based Funding Program based on 10 performance metrics used to evaluate the universities on a range of issues, including graduation rates, job placement, academic progress rate, etc. According to information published by the BOG in April 2018, the BOG funding model has four guiding principles:

1. Use metrics that align with State University System (SUS) Strategic Plan goals;
2. Reward excellence or improvement;
3. Have a few, clear, simple metrics; and
4. Acknowledge the unique mission of the different SUS institutions.

The Performance-Based Funding Program also has four key components:

1. Institutions will be evaluated on either Excellence or Improvement for each metric;
2. Data are based on one year;
3. The benchmarks for Excellence were based on the BOG's 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were determined after reviewing data trends for each metric; and
4. The Florida Legislature and Governor determine the amount of new state funding and an amount of institutional funding that would come from each university's recurring state base appropriation.

To provide assurance that data submitted by the 12 state public universities to the BOG in support of their Performance-Based Funding metrics are reliable, accurate, and complete, the BOG developed a Data Integrity Certification process. This is the fifth consecutive year Florida State University's Office of Inspector General Services has completed a PBF Data Integrity Certification audit and certification for the University's President and Board of Trustees Chair to sign after being approved by the Board of Trustees. The audit and signed certification are both subsequently provided to the BOG.

Findings

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding metrics data to the BOG. In addition, we can provide an objective basis of support for the University's President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it upon approval by the Board of Trustees, by March 1, 2019.

Objective #1: Determine if there were any changes since our 2017-18 PBF audit conclusion concerning the Data Administrator's appointment and the duties and responsibilities in his official position description.

In our 2017-18 PBF audit we concluded that:

> *Dr. Burnette has been officially appointed by the University President as the Data Administrator and his Position Description reflects this appointment and the related responsibility of preparing and submitting files as required by the BOG.*

Current Findings:

The University's current Data Administrator continues to be Richard R. (Rick) Burnette III, Ph.D. Dr. Burnette, Associate Vice President for Academic Affairs, assumed the University Data Administrator responsibilities effective May 13, 2013. Dr. Burnette's appointment as University Data Administrator by the President was further and more officially documented on November 25,

2014, when President John Thrasher sent a letter to the BOG's Chancellor Marshall Criser listing Dr. Burnette as the University's Data Administrator in a list of University appointments.

We reviewed Dr. Burnette's current Position Description, last updated July 1, 2016, and effective December 14, 2017, which listed among his responsibilities "Maintains the role of the University Data Administrator in accordance with Board of Governors Regulation 3.007, and states that the Data Administrator will ensure that the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee."

Conclusion for Objective #1:

Dr. Burnette has been officially appointed by the University President as the Data Administrator and his current Position Description reflects this appointment and the related responsibility of preparing and submitting files as required by the BOG.

Recommendations:

We have no recommendations for Objective #1.

Objective #2: Determine the current status of processes used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the BOG.

In our 2017-18 PBF audit we concluded that:

> *...the processes used by the University Data Administrator and his staff in Institutional Research reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data.*

Current Findings:

As we observed in our 2017-18 Performance-Based Funding Metrics Data Integrity Certification Audit, we continue to conclude the processes used by the University Data Administrator and his staff in IR reasonably ensure the completeness, accuracy, and timeliness of data submitted to the BOG, including compliance with BOG criteria for the data.

To better understand the organization of the current reporting process, the present chain of custody continues to be as follows:

- Student information necessary for reporting is captured in the University's Campus Solutions/PeopleSoft transactional Student Information System.
- Data are captured in the data warehouse on a nightly basis. These data cannot be edited by individual users and as such are "read only." These transactional views are supplemented with an extract view that was created from external sources and parked in the data warehouse so it can be compared against warehoused transactional data.

- Over a month before the due date for a file, the reporting team consisting of IR, the functional office for the data, and the Campus Solutions reporting team begin extracting data and creating a draft file via Oracle Business Intelligence Enterprise Edition (OBIEE).
- OBIEE has data transformation logic in place to represent transactional data using BOG defined codes and to match BOG field names.
- In cases where external data must be merged with the file, the data are moved to Excel for the purpose of comparison.
- Once a file is sufficiently complete and formatted for submission, it is loaded to the BOG SUDS environment, for testing.
- After all files are added, the edits are run to generate the dynamic reports and frequency distributions.
- IR and functional users review the errors to determine whether there are simply translation errors or if data in the Student Information System are incorrect.
- Any necessary corrections are made to the transactional system so that the changes are permanent.
- The Data Administrator emails the BOG if there are any questions about interpretation that are not addressed in the BOG's online SUDS Data Dictionary and SUS Master File Documentation, or the Annual Data Administrators' Conference Proceedings.
- Corrected files are reloaded and the review process continues until all the errors have been cleaned up or explained.
- For each file, the final check is to compare data frequencies with those from the prior year using the Submission Summary feature on the SUDS submission page. Large differences are explained even if they do not generate any errors. Just prior to submission to the BOG, the Submission Summary is downloaded to Excel so that the FSU team can enter and retain their comments on errors that the BOG has defined as Level 9 (critical) errors, and for datapoints where there were meaningful changes from one year to the next. The comments are recorded in the Excel spreadsheet and saved on IR's shared drive.
- Each file is then submitted to the BOG after all of the frequency explanations have been added by IR staff.

To test the timeliness of submissions of required files to the BOG that relate to FSU's Performance-Based Funding metrics, we used Submission History information from the BOG SUDS system. The following BOG-required files relate to the University's Performance-Based Funding metrics. For each of these required files, we reviewed the University's current and historical submissions back to the fifth most recent submission. The listing below shows the time span of each file's submissions that we reviewed.

1. Student Instruction File (SIF) (Spring 2017 through Summer 2018 Terms);
2. Expenditure Analysis (EA) File (2013-14 through 2014-15) [3];
3. Hours to Degree (HTD) File (2015-16 through 2017-18);
4. Retention File (2012-13 through 2016-17);
5. Student Financial Aid (SFA) File (2013-14 through 2017-18); and
6. Student Instruction File Degrees Awarded (SIFD) (Spring 2017 through Summer 2018.

The table below shows each file we reviewed to test timeliness of submissions, and the reporting period covered for each file.

File	Campus Solutions—Reporting Period(s)
SIF	Spring 2017 through Summer 2018
EA[4]	2013-14 through 2014-15
HTD	2015-16 through 2017-18
Retention	2013-14 through 2016-17
SFA	2013-14 through 2017-18
SIFD	Spring 2017 through Summer 2018

Since our previous audit report accepted by the Board of Trustees on February 7, 2018, six files were submitted to the BOG SUDS system. These six files are highlighted in the following table and all were submitted on time. Please note in the table the five most recent submissions of each of the five required files that relate to FSU's Performance-Based Funding metrics. There has been steady improvement in the timeliness of the University's data submissions from the previous audits, and timeliness of the University's data submissions to the BOG is not a present concern.

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[3] The EA File was used in the analysis of Metric 3 for the prior three allocations. The HTD, SFA, and SIF Files are now used in the analysis of a new Metric 3, beginning with the data from the 2015-16 academic year.

[4] This file is derived by the BOG based on the University's Operating Budget and Instruction and Research Data File submissions.

Most Recent Submission				
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File (SIF)	Summer 2018	9/25/2018	9/25/2018	N/A – On Time
Hours to Degree	Annual 2017	11/7/2018	11/7/2018	N/A – On Time
Retention File	Annual 2016	1/23/2018	1/23/2018	N/A – On Time
Student Financial Aid File	Annual 2017	10/4/2018	10/4/2018	N/A – On Time
SIF Degrees Awarded File	Summer 2018	10/4/2018	10/3/2018	N/A – Early

Second Most Recent Submission				
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File (SIF)	Spring 2018	6/14/2018	6/14/2018	N/A - On Time
Hours to Degree	Annual 2016	11/8/2017	11/8/2017	N/A - On Time
Retention File	Annual 2015	1/25/2017	1/25/2017	N/A - On Time
Student Financial Aid File	Annual 2016	10/9/2017	10/9/2017	N/A - On Time
SIF Degrees Awarded File	Spring 2018	6/28/2018	6/27/2018	N/A - Early

Third Most Recent Submission				
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File	Fall 2017	1/19/2018	1/19/2018	N/A - On Time
Hours to Degree	Annual 2015	10/18/2016	10/20/2016	2 days
Retention File	Annual 2014	1/29/2016	1/29/2016	N/A – On Time
Student Financial Aid File	Annual 2015	10/14/2016	10/14/2016	N/A – On Time
SIF Degrees Awarded File	Fall 2017	2/2/2018	2/2/2018	N/A – On Time

Fourth Most Recent Submission				
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File	Summer 2017	09/29/2017	09/29/2017	N/A - On Time
Expenditure Analysis	Annual 2014	10/20/2015	10/23/2015	3 days
Retention File	Annual 2013	1/21/2015	1/21/2015	N/A - On time
Student Financial Aid File	Annual 2014	10/5/2015	10/14/2015	9 days
SIF Degrees Awarded File	Summer 2017	10/11/2017	10/5/2017	N/A – Early

Fifth Most Recent Submission				
File	**Term**	**SUDS Due Dates**	**Submission to BOG**	**Days Late**
Student Instruction File	Spring 2017	6/19/2017	6/19/2017	N/A - On Time
Expenditure Analysis	Annual 2013	10/28/2014	11/18/2014	21 days
Retention File	Annual 2012	1/22/2014	1/22/2014	N/A – On Time
Student Financial Aid File	Annual 2013	10/6/2014	11/3/2014	28 days
SIF Degrees Awarded File	Spring 2017	6/29/2017	6/28/2017	N/A – Early

Conclusion for Objective #2:

We concluded the processes used by the University Data Administrator and his staff in Institutional Research reasonably ensure the completeness, accuracy, and timely submission of data submitted to the BOG, including compliance with BOG criteria for the data. The most definitive evidence of the effectiveness of IR's processes to ensure the completeness and accuracy of the University's data submitted to the BOG, including criteria for the data, is presented in our positive conclusions pertaining to our Objective #5 concerning audit testing of PBF data accuracy. We also tested the accuracy of data submissions to the BOG, as presented above.

Recommendations:

We have no recommendations for Objective #2.

Objective #3: Determine the current status of available documentation including policies, procedures, and desk manuals of appropriate staff and assess its adequacy for ensuring data integrity for University PBF data submissions to the BOG.

In our 2017-18 PBF audit we concluded that:

> *Institutional Research's available documentation including policies, procedures, and desk manuals of appropriate staff were adequate for ensuring data integrity for University PBF data submissions to the BOG.*

Current Findings:

The Office of Institutional Research, the Office of Financial Aid (OFA), and Enterprise Resource Planning (ERP) have produced intranet-based policies and procedures manuals for the affected BOG files. IR has published a "BOG File Submission Policy" on its Wiki web application and shared the document with other offices in the University that help in the production of SUDS files. The documentation of the file build processes (i.e., desk manuals) is sufficient to allow an individual with appropriate context and knowledge of FSU systems to produce the SUDS files submitted to the BOG pertaining to the University's PBF metrics. The documentation generally includes data mapping and references to historical file submissions and edits.

Conclusion for Objective #3:

We concluded that Institutional Research's available documentation including policies, procedures, and desk manuals of appropriate staff were adequate for ensuring data integrity for University PBF data submissions to the BOG.

Recommendations:

We have no recommendations for Objective #3.

Objective #4: Determine the current status since our conclusion in the 2017-18 PBF audit concerning system access controls and user privileges.

In our 2017-18 PBF audit we concluded that:

> *System access controls and user privileges for the University's Campus Solutions and BOG SUDS systems are properly assigned and periodically reviewed to ensure only those authorized to make data changes can do so.*

Current Findings:

There are system access controls throughout the BOG data submission process. Florida State University has role-based and application-based security in its Oracle/PeopleSoft Campus Solutions student information system. The PeopleSoft role management process is an integrated online workflow that, at a minimum, depending on the sensitivity of the role, requires an employee's direct supervisor and the functional owner of the application or module to approve each request. Additionally, there are sufficient automated safeguards to remove access when employees are terminated, and supervisors and subject-area owners are responsible for auditing access logs on at least a quarterly basis. This same role-based and reporting-subject-area-based protocol is used for the OBIEE access to the data in the data warehouse. Based on our review of IR staff's security access to FSU systems, we concluded that IR employees do not have security to change transactional data in Campus Solutions or the data warehouse (which is read only), therefore adding an additional layer of control.

The address for the State University Database System (SUDS) is a secure site and all communications are encrypted. This system was designed with redundant fail-over protections to assure against inappropriate access. FSU's Data Administrator, Dr. Burnette, and its Director of Institutional Research, Dr. James Hunt, are the University's designated security managers for the SUDS database access. Institutional Data Administrators receive their passwords from a BOG System Administrator. The **Data Administrator** (DA) role is the highest level assignable at the institution level and is assigned to only one individual at each institution. DAs, in turn, log into the system and have the authority to create users to process information for their universities. The DA role is authorized to process all data submissions to the BOG and includes the Submitter, Uploader, Validator, and Research roles.

Each user is assigned to a role and a set of authorized submissions, which defines the scope of that user's authority in the SUDS system. The **Submitter** role allows the user to "officially" submit university files to the BOG; this role includes the Uploader, Validator, and Research roles. The **Uploader** role allows the user to upload files for editing/review. The user can initiate and review all edits and reports of the files for a submission. The Uploader role includes the Validator and Researcher roles. The **Validator** role allows the user to review edit reports for submissions that have already been uploaded and edited. This user is able to enter explanations and comments. The Validator role includes the Researcher role. The **Researcher** role is designed to be given to university researchers who want to do studies with system data and need access to the reporting view. The reporting view allows the researcher to identify students from within his/her own institution, follow them across the system, and do other kinds of system/school comparison research, without having to expose personally identifiable information regarding the students. Every time a

user's access or password is modified, the security manager receives an email indicating the change and the person who submitted it. SUDS passwords also must be changed every three months.

From our review of SUDS access, we found no inappropriate access. Finally, the access does not allow for the manipulation of previously submitted data. To change data, the University Data Administrator would have to submit a request with justification to the BOG to reopen the file for resubmission. Only at that time could someone submit a new table. However, the SUDS system captures his/her identity, a timestamp, and the name of the source file in a way that is visible to any user. The Institutional Data Administrator also receives an email every time a file is submitted, so he would be aware of any unauthorized access.

Conclusion for Objective #4:

System access controls and user privileges for the University's Campus Solutions and BOG SUDS systems are properly assigned and periodically reviewed to ensure only those authorized to make data changes can do so.

Recommendations:

We have no recommendations for this Objective #4.

Objective #5: Determine the current status since our conclusion in the 2017-18 PBF audit concerning audit testing of data accuracy.

In our 2017-18 PBF audit we concluded that:

> *Based on our data accuracy testing for the University's 10 Performance-Based Funding metrics, we determined the University's data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.*

The University's 10 Performance-Based Funding metrics are as follows.

Key Metrics Common to all Universities, with the exception of Metric 8 for which New College has its own unique metric:

1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) in the U.S. One Year After Graduation
2. Median Wages of Bachelor's Graduates Employed Full-Time in Florida One Year After Graduation
3. Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours
4. Four-Year Graduation Rate for First-Time-in-College Students
5. Academic Progress Rate (Second-Year Retention Rate with GPA Above 2.0)
6. Bachelor's Degrees Awarded within Programs of Strategic Emphasis (including STEM)
7. University Access Rate (Percent of Undergraduates with Pell Grants)
8. Graduate Degrees Awarded within Programs of Strategic Emphasis (including STEM)
9. Percent of Bachelor's Degrees without Excess Hours

Institution-Specific Metric for Florida State University:

> 10. National Rank Higher than Predicted by the Financial Resources Ranking, Based on *U.S. News & World Report* (FSU's Board of Trustees Choice Metric)

The State University System of Florida Board of Governors maintains a student unit record database titled the SUDS. The database contains over 400 data elements about students, faculty, and programs at State University System institutions. The metrics are based on the data that universities submit to the BOG as part of various data tables and file submissions. We interviewed the Data Administrator, IR staff, and key departmental Data Managers to determine the primary sources of data used for the calculations of the metrics.

Current Findings:

Metric 1 - Percent of Bachelor's Graduates Enrolled or Employed ($25,000 or More) in the U.S. One Year after Graduation. The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on the percentage of a graduating class of bachelor's degree recipients who are enrolled or employed (earning at least $25,000) somewhere in the United States. Students who do not have valid social security numbers and are not found enrolled are excluded. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico.*
> *Sources: State University Database System (SUDS), Florida Education and Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).*

Metric 2 - Median Wages of Bachelor's Graduates Employed Full-Time One Year after Graduation. The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on annualized Unemployment Insurance (UI) wage data from the fourth fiscal quarter after graduation for bachelor's recipients. This data does not include individuals who are self-employed, employed by the military, those without valid social security numbers, or those making less than minimum wage. This data now includes non- Florida data from 41 states and districts, including the District of Columbia and Puerto Rico.*
> *Sources: State University Database System (SUDS), Florida Education and Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).*

FSU provides the SIFD Degrees Awarded Table in the SIFD File submission. This file identifies those students who have been awarded degrees and, for each, when the degree was awarded. The BOG uses information provided in the SIFD Degrees Awarded Table and included in the SUDS database to identify the students who were awarded degrees during the prior year. The cohort to be reported on for 2018 Performance Based Funding includes those who graduated in the Summer 2016, Fall 2016, and Spring 2017 semesters. The BOG then uses demographic information from SUDS, along with external reporting sources, to determine these students' outcomes one year later.

Social security numbers are provided as part of the SIFD Degrees Awarded Table and are used to match employment data. First, middle, and last names and date of birth are the demographic information fields used to identify graduates who are continuing their education. These fields are not a part of the SIFD Degrees Awarded Table but are provided during different submissions to SUDS, primarily as part of original admissions records.

SIFD File Testing

An audit step in validating data for PBF Metrics 6 and 8 is determining whether SIFD Degrees Awarded data are complete and accurate. The SIFD Degrees Awarded Tables for Summer 2016, Fall 2016, and Spring 2017, which define the cohort for this year's Measures 1 and 2, were tested and validated as part of our prior year PBF audit in our testing of Metrics 6 and 8. As reported in Audit Report AR18-06, the data were accurate and complete.

Metric 3 - Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours. According to BOG definitions:

> *This metric is based on resident undergraduate student tuition and fees, books and supplies as calculated by the College Board (which serves as a proxy until a university work group makes an alternative recommendation), the average number of credit hours attempted by students who were admitted as first-time-in-college (FTIC) and graduated with bachelor's degrees for programs that require 120 credit hours, and financial aid (grants, scholarships and waivers) provided to resident undergraduate students (does not include unclassified students).*
> *Source: State University Database System (SUDS), the Legislature's annual General Appropriations Act, and university required fees.*

Data for this metric are based on the Florida Board of Governors' (BOG's) analysis of three different files: Hours to Degree (HTD) File, Student Instruction File (SIF), and Student Financial Aid (SFA) File. The HTD File provides the BOG with the number of credit hours each student completed towards his/her first baccalaureate degree for a 120-hour program. The SIF File provides the BOG with information on the student's residency (i.e., must be a Florida resident) for tuition purposes, and any waivers the student received towards his/her tuition. The SFA File provides the BOG with information on any grants and/or scholarships that the student received.

Establishment of a Population of Students Who Were Awarded First Baccalaureate Degrees (Single Majors Only) During the Time Period under Review

The Hours to Degree (HTD) File contains information about students who are awarded first baccalaureate degrees with a single major within the academic year. For each student, this information is reported during the term his/her degree was awarded (Summer, Fall, or Spring). The course information for students reported on the file includes all post-secondary course work and their course work taken in high school and accepted as post-secondary credit after high school. To build the HTD File, IR sends a listing of students who were awarded their first baccalaureate degrees (single major only) during the reporting period (HTD population file) to staff within the University's Enterprise Resource Planning (ERP). (For purposes of this audit, the time period is Academic Year 2017-18 (Summer 2017, Fall 2017, Spring 2018).) ERP staff uses this listing to build the HTD Table and the Courses Taken Table for the HTD File submission to the BOG. From an IR business analyst, we obtained the HTD Table that was submitted to the BOG, for our time period.

Comparison of IR HTD Population File to the University's Campus Solutions System Records (Source Records) Based on Employee Identification (EMPLID). We compared the EMPLID, Classification of Instructional Programs (CIP) code, and completed term records in the HTD Table submitted to the BOG (7,148 records) to the EMPLID, CIP code, and completed term records in our query results of degrees awarded during the Summer 2017, Fall 2017, and Spring 2018 terms from the University's source Campus Solutions system. We determined that the HTD Table reconciled to the University's Campus Solutions records, within an immaterial amount, in terms of validation of the students included in the HTD Table. Based on this analysis, we have assurance that the HTD Table submitted to the BOG is complete and correctly includes the population of students who were awarded first baccalaureate degrees (single majors only) during the time period under review.

Testing of Students Included in the HTD Table Submitted to the BOG to Determine the Accuracy of Data Elements Used for Metric 3

Having established that our population in the HTD Table submitted to the BOG was materially correct, we then tested the accuracy of the following data elements used for Metric 3: 1) term in which the student completed his/her degree, 2) course identification, 3) credit hours each student completed towards his/her first baccalaureate degree for a 120-hour program, 4) residency status (should be resident, for tuition purposes), 5) fee waivers, and 6) scholarships and/or grants awarded. For all of these six data elements, we took a random sample of 100 students from the HTD Table population.

Term in Which the Student Completed His/Her Degree. We confirmed that each of the 100 students in our sample received his/her baccalaureate degree in the term identified on the HTD Table (part of the HTD File submission to the BOG), and that this was the student's first baccalaureate degree (single major), based on our review of his/her Campus Solutions source documentation. We noted no exceptions.

Course Identification. According to the BOG Overview of Methodology and Procedures for this metric, certain courses are excluded from the cost to the student calculation. These courses include courses taken by active duty military, dual enrollment courses, exam credit courses, graduate rollover courses, life experience courses, military courses, and courses where the student withdrew due to a personal hardship. We determined that these excluded courses were correctly identified in the Courses to Degree Table, based on our review of Campus Solutions source documentation.

Credit Hours Each Student Completed Towards His/Her First Baccalaureate Degree for a 120-Hour Program. We reviewed information on the Courses to Degree Table (part of the HTD File submission to the BOG) and noted that the column titled "Credit Hour Usage Indicator" identified whether or not a course was used towards the student's degree. There are various reasons why a course may not be used towards a degree. Some examples are if the student fails or withdraws from the class, if he/she repeats the class, or if the class is a remedial class. We reviewed our sample of 100 students and determined that none of the courses that were marked "D," meaning the course counted towards the student's degree, had non-passing grades, were remedial courses, or had an "R" listed under the Repeated Indicator column. Thus, for all of the 100 students in our sample, we determined their courses classified as "D" were in accordance with instructions provided in the BOG's SUDS Data Dictionary. No exceptions were noted.

We also performed an analysis for any course numbers in our sample that were marked "D" more than once per student. In some cases, this is permissible. Generally, according to undergraduate academic regulations and procedures, students are not allowed additional credit for courses repeated in which the students originally made grades of a "C-" or better, except for courses specifically designated as repeatable to allow for additional credit. Repeatable courses may be taken to a maximum number of times or hours, as spelled out in the course descriptions. We identified one student who had two courses listed twice. However, we determined that this was a timing issue with the HTD file build process and it did not affect the calculation of this metric.

We also compared the total amount of native credit hours and non-native credit hours to source documentation in Campus Solutions. Native credit hours are all credit hours attempted at Florida State University. Non-native credit hours are hours transferred from other universities and colleges. We did identify one student who had one course originally included as a placeholder for a transfer credit, but then was later removed. We determined this was a timing issue with the HTD file build process and did not affect the calculation of this metric. We made a similar comparison, for all 100 students in our sample, of the total amount of credit hours, both native and non-native, that were marked "D" in the Credit Hour Usage Indicator column, and found agreement in the data FSU submitted to the BOG and FSU source data. We concluded that the sum of these hours met the minimum number of hours for each student's degree for this Metric 3 (i.e., 120 hours).

Residency Status. The HTD Table submitted to the BOG included 7,148 students, and we determined that 6,475 of these (91 percent) were considered resident students, for tuition purposes. For our sample of 100 students, we concluded that all had the correct residency classification (i.e., resident for tuition purposes), which information we obtained from the SIF Enrollment Table (part of the SIF File submission), based on our review of Campus Solutions source documentation. We noted no exceptions.

Fee Waivers. For the 100 students in our sample, we compared the amount of fee waivers awarded to them and reported on the Fee Waivers Table submitted to the BOG (part of the SIF File submission for the period of Summer 2017, Fall 2017, and Spring 2018), to their Campus Solutions source documentation. We noted no exceptions.

Scholarships and/or Grants Awarded. Finally, for the students in our sample of 100, we compared the amounts of scholarships and grants awarded to them and reported on the Financial Aid Awards Table (part of the 2017-18 SFA File submission to the BOG), to the Campus Solutions source documentation. For our sample of 100 students, we did note a discrepancy in Pell awards for three students. We analyzed these issues further for the entire population and concluded that these discrepancies in Pell awards that we found in our sample were immaterial to the total scholarships and grants awarded, and did not affect the calculation of Metric 3.

Based on our testing, the University's data submitted to the BOG for the Metric 3 Performance-Based Funding metric were materially complete and accurate, and in accordance with BOG guidance. For those minor exceptions noted above, we provided the details of such findings to the Data Administrator for his follow-up actions.

Metric 4 – Four-Year Graduation Rate for First-Time-in-College (FTIC) Students. According to the BOG definition for Metric 4, the calculation of this measure is performed as follows:

> *This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the Summer term of their fourth year. FTIC includes "early admits" students who were admitted as degree-seeking students prior to high school graduation.* Source: State University Database System (SUDS).

The BOG's Overview of Methodology and Procedures: Performance Funding Metrics – Retention and Graduation Rates indicates that this measure was originally based on the national standard graduation rate, which was created by the Student Right to Know Act of 1990. This Act established the graduation rate based on 150 percent of the normal time for completion of the program, which is six years for a four-year program. In 2018, the Florida Legislature changed the graduation rate metric included in the Performance-Based Funding model from a six-year to a four-year measure.

The BOG creates annual Retention Files on student cohorts by year of entry to the University (from the Summer semester through the Spring semester). These cohorts are identified from cumulative University SIF and Admission (ADM) File submissions, and include data needed for the four-year graduation rate metric, including degree information from cumulative University SIFD submissions. IR reviews the BOG-developed Retention File and provides any needed edits. To validate the data to be used for this metric, IR filters the cohort Retention File to identify FTIC students who were enrolled full time in their first semester and who are included in Student Right to Know Act reporting. The filtered data are reconciled to an independently developed IR database to identify any errors in the BOG's FTIC cohort population and graduation data, and any needed corrections are submitted. The final approved file is submitted to the BOG by IR when its validations have been completed.

IR also develops the Retention Adjustment File, which it submits to the BOG. This file identifies students in the cohort who have since died, entered military service, had total and permanent disabilities, or left to serve with a Foreign Aid Service of the federal government (e.g., Peace Corps) or on religious missions. These adjustments are used by the BOG to exclude these individuals from the cohort. The adjustments to the Retention File for the 2013-14 cohort will not be due until after this audit has been finalized. Therefore, we reviewed the 2012-13 adjustment file and noted that the process for identifying these adjustments is consistent with prior years.

Verification of the 2014 FTIC Cohort. We reviewed the 2014-15 cohort detail records file, which was compiled by the BOG and downloaded from SUDS by IR staff, for validation. This file has records for each student enrolled during the 2014 academic year, with degrees awarded for each included student through Fall 2017. The Summer 2014 and Fall 2014 SIF File data provide the information needed to identify the 2014 FTIC cohort population for this PBF measure.

To validate the 2014 FTIC cohort used by the BOG for this measure, we first filtered the cohort detail records file to include only those students who: (1) started in the Fall (or Summer continuing to Fall) term, (2) were initially enrolled at the University immediately after their high school graduation or enrolled in a first-time-in-college, degree-seeking status having earned less than 12 hours of transferable college credit after their high school graduation, (3) were identified as being included in Student Right to Know reporting. This analysis returned 6,129 records. We used a query

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we developed in Campus Solutions and additional manual reconciliations and determined that the 6,129 records identified using BOG selection criteria for this measure agreed with corresponding University records. In addition, we had eight additional students identified through the Campus Solutions query who were not included in the filtered cohort, but should have been. These students were all included in the Fall 2014 SIF file. According to IR staff, these students will be added to the cohort when they reconcile it to their internal database and submit their adjustments to the Retention File. However, the Retention File is not due until after our audit has been finalized.

Based on our analysis, we concluded that the 2014 FTIC cohort data used by the BOG from University SIF data relevant to this metric are correct.

Verification of Degree Earned. We further filtered the BOG 2014 FTIC cohort data to identify only those individuals in the cohort who earned degrees. Since the cohort detail records only provided degrees awarded through Fall 2017, we joined data from the Summer 2017, Fall 2017, Spring 2018, and Summer 2018 SIFD Files, for any students included in the filtered cohort. We identified 4,359 students in our cohort who earned degrees by Summer 2018.

We added degree information to our Campus Solutions query used to verify the 2014 FTIC cohort and identified 4,363 students who were reported to have earned degrees. To validate the degree data used by the BOG for this measure, we reconciled the individual records in the BOG cohort file to our Campus Solutions query results. We determined that four of the 4,363 students in our Campus Solutions query earned late degrees and, therefore, had not been included in the SIFD File. This is a timing issue and these four students will be included when IR submits its adjustments for the Retention File.

Based on our analyses, we concluded that the data used by the BOG to develop the Four-Year Graduation Rate for First-Time-in-College (FTIC) Students are materially correct and can be relied upon.

Metric 5 – Academic Progress Rate (Second Year Retention Rate with GPA Above 2.0). According to the BOG definition for Metric 5, the calculation of this measure is performed as follows:

> *This metric is based on the percentage of first-time-in-college (FTIC students) who started in the Fall (or Summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).*
> *Source: State University Database System (SUDS).*

The calculation of this Performance-Based Funding metric in the 2018 Performance-Based Funding Model uses two sets of enrollment data from sequential Fall SIF Files. The first year's Fall SIF enrollment data are used to identify the first-year cohort of full-time Fall (or Summer semester continuing to Fall) FTIC students. The second year's Fall SIF File enrollment data are used to determine whether those individuals continued to be enrolled one year later and had cumulative GPAs of at least 2.0.

We evaluated the most recent two years of Fall SIF File enrollment data submitted to the BOG, which were for Fall 2016 and Fall 2017. We filtered the University's Fall 2016 SIF File submitted to the BOG to identify the University's FTIC students who started in the Fall 2016 (or Summer continuing to Fall 2016) term and were enrolled full time. The filtered Fall 2016 SIF File contained 6,217 records of students who comprised the Fall 2016 FTIC cohort. To compare these data to the University's source data, we developed a query in the University's Campus Solutions system following the BOG's criteria for this metric, which returned 6,284 unique student identification numbers. We reconciled the filtered Fall 2016 SIF File records to those in our Campus Solutions query results and determined that 6,210 SIF records had corresponding records in Campus Solutions, and the remaining seven records were correctly included in the Fall 2016 SIF file according to our review of the students' records in Campus Solutions. There were 74 students in the Campus Solutions query results who did not appear in the SIF File FTIC cohort; 70 of these were not enrolled full-time in Fall 2016, and four withdrew for medical reasons. These records were correctly excluded from the filtered SIF File FTIC cohort.

We compared student records in the Fall 2016 SIF File FTIC cohort to the 2017 unfiltered SIF File to determine the number of SIF File FTIC cohort students who continued their enrollment into a second year. We identified 5,795 of the 6,217 students (93 percent) from the Fall 2016 SIF File FTIC cohort who continued their enrollment in Fall 2017.

We compared all 5,795 students who were retained in 2017 to the results of a Campus Solutions query we developed that identified the 2016 Student Group, as well as the Summer 2017 term institutional hours and grade points, to determine whether the data in the Fall 2017 SIF File that were used in the BOG's GPA calculation were in agreement with corresponding information in the University's Campus Solutions system. There were 48 students whose hours and/or grade points in the SIF File FTIC Cohort differed from the information in Campus Solutions. In each of these cases, the calculated GPAs from the hours and grade points submitted to the BOG in the SIF file were less than the calculated GPAs in Campus Solutions. We reviewed student records for any calculated GPAs below the 2.0 threshold. All eight of these variances were timing issues due to subsequent grade changes or the students withdrawing.

Based on our analyses, we concluded that the data used by the BOG to develop the University's one-year retention rate are materially correct and can be relied upon.

Metric 6 - Bachelor's Degrees within Programs of Strategic Emphasis (includes STEM). The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on the number of baccalaureate degrees awarded within the programs designated by the BOG as 'Programs of Strategic Emphasis.' A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).*
> *Source: State University Database System (SUDS).*

According to the BOG in its Overview of Methodology and Procedures: Performance Funding Metrics Methodology and Procedures - Percentage of Degrees Awarded in Programs of Strategic Emphasis document, last revised April 28, 2016, the purpose of Metric 6 is to promote the alignment of the SUS degree program offerings with the economic development and workforce needs of the state. The list was originally created by an advisory group in 2001, and has been updated several times—most recently by the BOG in November 2013.

University SIFD data are used to identify the graduating cohort. The graduation year for this measure begins with the Summer semester and continues with Fall and Spring terms.

SIFD File Testing

The SIFD File is used to identify the cohort of students who received degrees during a given semester and is submitted at the end of each semester. This file is used by the BOG in calculating both the post-graduation outcome and degrees awarded in programs of strategic emphasis measures. In the metrics related to degrees awarded in areas of strategic emphasis, final degree program information is also used.

For our testing, the data used for the SIFD File submissions to the BOG resided in the University's data warehouse, with reporting produced using OBIEE. Our testing population consisted of SIFD File submissions data for the terms Summer 2017 (2,630 records), Fall 2017 (2,849 records), and Spring 2018 (7,347 records), for a total of 12,826 records.

To determine the validity of the SIFD File submissions data, we developed queries in the University's Campus Solutions system, which is now the system of record, to obtain degrees awarded data for academic year 2017-18. We then used Microsoft Excel and TeamMate Analytics to reconcile the SIFD File data from OBIEE, which is sent to the BOG, to the degrees awarded data from the University's Campus Solutions system, to determine if the data submitted to the BOG were complete and valid.

Of the 12,826 degrees awarded records submitted to the BOG for Summer 2017, Fall 2017, and Spring 2018, all 12,826 degrees awarded records based on the student identification numbers were readily reconcilable to our query results using Campus Solutions source data.

Classification of Instructional Programs (CIP) Testing

The Board of Governors maintains an inventory of State University System Academic Degree Programs, which identifies approved degree programs for each university within the SUS. The programs are listed based on the Classification of Instructional Programs (CIP) taxonomy.

We added CIP code data to the degrees awarded query in the University's Campus Solutions System and used this data as source data to validate individual degrees awarded in submissions to the BOG. We did not identify differences between the two files and concluded that records in the SIFD File were consistent with codes in effect at the time of submission. As we validated individually awarded degrees in the SIFD data, we can conclude that the CIP codes in programs of strategic emphasis included in the SIFD data were accurate.

Undergraduate Degrees Awarded Testing

To validate the level of degree reported to the BOG, we disaggregated undergraduate degrees from graduate degrees included in the SIFD Files and our Campus Solutions system query, and compared the two listings. We determined that all degrees at the undergraduate award level in the SIFD File submissions were accurately reported and that all degrees at the undergraduate award level in Campus Solutions had been included in the SIFD File submission.

Based on the results of our analysis of the University's SIFD File submissions for Summer 2017, Fall 2017, and Spring 2018, we determined the data elements provided by the University for use in calculating Metric 6 to be complete and accurate and in accordance with BOG guidance. We found no significant differences between degrees awarded data submitted by the University to the BOG and source data in the University's system of record. We concluded that the data provided to the BOG to be used in calculating the percentage of undergraduate degrees in programs of strategic emphasis are materially correct and can be relied upon.

Metric 7 - University Access Rate (Percent of Undergraduates with Pell Grants). The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on the number of undergraduates, enrolled during the Fall term, who received a Pell-Grant during the Fall term. Unclassified students, who are not eligible for Pell-grants, were excluded from this metric.*
> *Source: State University Database System (SUDS).*

The calculation of this Performance-Based Funding metric uses enrollment data from the Fall SIF Files and Pell Grant award data from the Student Financial Aid (SFA) file to determine all degree-seeking undergraduate students enrolled in the Fall term that received Pell Grant awards in the Fall term. Unclassified students and post-baccalaureate students are removed from the calculation because they are not eligible for Pell Grants. In addition, non-resident aliens are excluded from this metric because only a limited number of these students are eligible to receive Pell Grants and SUDS does not collect information that would allow Board staff to determine the Pell eligibility for non-resident aliens.

To validate the University's processes for submitting the data that underlie this measure, we reviewed the 2017 Fall SIF File and the 2017-18 SFA File that was submitted to the BOG.

SIF File Testing

We evaluated the most recent Fall SIF File enrollment data submitted to the BOG, which was for the Fall 2017 term. We filtered the University's Fall 2017 SIF File to identify undergraduates enrolled in the Fall 2017 term who were **_not_** unclassified, second-bachelor's degree, or non-resident alien students. There were 32,117 records that met these criteria.

We developed a query in Campus Solutions to identify undergraduate students enrolled during the Fall 2017 term and used the results to validate information reported in the SIF Fall enrollment file. We determined that information reported in the SIF 2017 Fall enrollment file for this metric was accurate and complete.

SFA File Testing

The SFA File submitted to the BOG is generated by Office of Financial Aid (OFA) staff, in partnership with IR and Information Technology Services.

We evaluated the 2017-18 SFA File that was submitted to the BOG, which includes a line for each type of financial aid award—by student and by term—for all terms during the academic year. We

filtered this data to identify Pell Grants awarded in the Fall 2017 term. There were 8,988 awards meeting this criterion.

We developed a query in Campus Solutions to identify all students who received Pell Grants during the Fall 2017 term and used the results to validate information reported in the 2017-18 SFA File. We determined that awards reported in the 2017-18 SFA File for this metric were materially correct.

We concluded that, based on our testing, the University's data submitted to the BOG for Performance-Based Funding Metric 7 were accurate, complete, and can be relied upon.

Metric 8 - Graduate Degrees within Programs of Strategic Emphasis (includes STEM). The calculation of this measure is to be done as follows, according to BOG definitions:

> *This metric is based on the number of graduate degrees awarded within the programs designated by the BOG as 'Programs of Strategic Emphasis.' A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double majors are included).*
> *Source: State University Database System (SUDS).*

According to the BOG in its Overview of Methodology and Procedures: Performance Funding Metrics Methodology and Procedures - Percentage of Degrees Awarded in Programs of Strategic Emphasis document, last revised April 28, 2016, the purpose of Metric 8 is to promote the alignment of the SUS degree program offerings with the economic development and workforce needs of the state. The list was originally created by an advisory group in 2001, and has been updated several times—most recently by the BOG in November 2013.

University SIFD data are used to identify the graduating cohort. The graduation year for this measure begins with the Summer semester and continues with Fall and Spring terms.

SIFD File Testing

The SIFD File is used to identify the cohort of students who received degrees during a given semester and is submitted at the end of each semester. This is used by the BOG in calculating both the post-graduation outcome and degrees awarded in programs of strategic emphasis measures. In the metrics related to degrees awarded in areas of strategic emphasis, final degree program information is also used.

For our testing, the data used for the SIFD File submissions to the BOG resided in the University's data warehouse, with reporting produced using OBIEE. Our testing population consisted of SIFD File submissions data for the terms Summer 2017 (2,630 records), Fall 2017 (2,849 records), and Spring 2018 (7,347 records), for a total of 12,826 records.

To determine the validity of the SIFD File submissions data, we developed queries in the University's Campus Solutions system, which is now the system of record, to produce degrees awarded data for academic year 2017-18. We then used Microsoft Excel and TeamMate Analytics to reconcile the SIFD File data from OBIEE, which is sent to the BOG, to the degrees awarded data from the Campus Solutions system, to determine if the data submitted to the BOG were complete and valid.

Of the 12,826 degrees awarded records submitted to the BOG for Summer 2017, Fall 2017, and Spring 2018, all 12,826 degrees awarded records based on the student identification numbers were readily reconcilable to our query results using Campus Solutions source data.

Classification of Instructional Programs (CIP) Testing

The Board of Governors maintains an inventory of State University System Academic Degree Programs, which identifies approved degree programs for each university within the State University System. The programs are listed based on the Classification of Instructional Programs (CIP) taxonomy.

We added CIP code data to the degrees awarded query in Campus Solutions and used this data as source data to validate individual degrees awarded in the submissions to the BOG. We did not identify differences between the two files and concluded that records in the SIFD data were consistent with codes in effect at the time of the submission of the file. As we validated individually awarded degrees in the SIFD data, we can conclude that the CIP codes in programs of strategic emphasis included in the SIFD data were accurate.

Graduate Degrees Awarded Testing

To validate the level of degree reported to the BOG we disaggregated graduate degrees from undergraduate degrees included in the SIFD Files and our Campus Solutions system's query results, and compared the two listings. We determined that all degrees at the graduate award level in the SIFD submissions were accurately reported and that all degrees at the graduate award level in Campus Solutions had been included in the SIFD File submission.

Based on the results of our analysis of the University's SIFD File submissions for Summer 2017, Fall 2017, and Spring 2018, we determined the data elements provided by the University for use in calculating Metric 8 to be complete and accurate, and in accordance with BOG guidance. We found no significant differences between data submitted by the University to the BOG and source data in the University's system of record. We concluded that the data provided to the BOG to be used in calculating the percentage of graduate degrees in programs of strategic emphasis are materially correct and can be relied upon.

Metric 9 – Percent of Bachelor's Degrees without Excess Hours.

This Metric 9 is based on the percentage of baccalaureate degrees awarded within 110 percent of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Metric 9 data are based on the latest statutory requirements that mandate 110 percent of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits: accelerated mechanisms; remedial coursework; non-native credit hours that are not used toward the degree; non-native credit hours from failed, incomplete, withdrawn, or repeated courses; credit hours from internship programs; credit hours up to 10 foreign language credit hours; and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program. Data for this metric come from each SUS member's Hours to Degree (HTD) File submitted to the Florida Board of Governors, which file is also used for Metric 3. The BOG calculates excess hours for each student based on the data submitted by the SUS entities. The purpose of our testing was to ensure the data in FSU's HTD File submitted to the BOG for its calculations agreed with source data in the University's Campus Solutions system.

Testing of Students Included in the HTD Table Submitted to the BOG to Determine the Accuracy of Data Elements Used for Metric 9

Having established that our population in the HTD Table submitted to the BOG was correct in our testing of Metric 3, we then tested the accuracy of the following data elements used for Metric 9: 1) term in which the student completed his/her degree, 2) course identification, 3) credit hours each student completed towards his/her first baccalaureate degree, and 4) total catalog hours for the student's degree program category. Since some of the data elements we tested for Metric 9 overlapped with our testing for Metric 3, we used our initial sample of 100 students for that metric to test additional data elements for Metric 9. Because the Metric 3 population of students only consisted of students who were resident undergraduates in degree programs of 120 hours (6,004 students), we took a random sample of 19 additional students from the remaining HTD Table population (1,144 students) that were not part of the Metric 3 population. Therefore, we tested a total of 119 students for Metric 9.

Term in Which the Student Completed His/Her Degree. Having concluded that the 100 students in our Metric 3 testing each had the correct reporting of the degree awarded, we then confirmed that each of the additional 19 students in our sample received his/her baccalaureate degree in the term identified on the HTD Table (part of the HTD File submission to the BOG). We also confirmed that this was the student's first baccalaureate degree (single major), based on our review of his/her Campus Solutions source documentation. We noted no exceptions.

Course Identification. According to the BOG Overview of Methodology and Procedures for this Metric 9, certain courses are excluded from the excess hours calculation. These courses include courses taken by active duty military, dual enrollment courses, exam credit courses, foreign language courses, graduate rollover courses, internships, life experience courses, military courses, courses where the student withdrew due to a personal hardship, and remedial courses. We determined that these excluded courses were correctly identified in the Courses to Degree Table for all 119 students in both our Metric 3 and Metric 9 samples, based on our review of Campus Solutions source documentation.

Credit Hours Each Student Completed Towards His/Her First Baccalaureate Degree. Since we established that the 100 students in our Metric 3 testing had the correct reporting of the credit hours completed towards their first baccalaureate degrees, we then confirmed that each of the additional 19 students in our sample were also correctly reported in the Courses to Degree Table (part of the HTD File submission to the BOG). We determined that, similarly for each of these 19 students, none of the courses that were marked "D," (i.e., counted towards the student's degree), had non-passing grades, were remedial courses, or had an "R" listed under the Repeated Indicator column. Thus, for all of the 19 additional students, we determined their courses classified as "D" were in accordance with instructions provided in the BOG's SUDS Data Dictionary. We noted no exceptions.

We also performed an analysis to identify, for our sample of 19 additional students, any course numbers that were marked "D" more than once per student. Generally, according to undergraduate academic regulations and procedures, students are not allowed additional credit for courses repeated in which the students originally made grades of a "C-" or better, except for courses specifically designated as repeatable to allow for additional credit. Repeatable courses may be taken to a maximum number of times or hours, as spelled out in the course descriptions. We noted no courses

marked "D" more than once that did not meet the criteria for exceptions, other than the duplicate courses for one student identified in our testing of Metric 3. However, that exception would not affect the calculation of Metric 9, as the student did not have excess hours, with or without the duplicate courses.

Additionally, we compared the total amount of native credit hours and non-native credit hours to source documentation in Campus Solutions, for agreement. Native credit hours are all credit hours attempted at Florida State University. Non-native credit hours are hours transferred from other universities and colleges. All courses were classified correctly, with the exception of the one course identified in our testing of Metric 3. However, that exception would not have affected the calculation of Metric 9, as the student did not have excess hours, with or without the additional course identified. We made a similar comparison, for each of the 19 additional students, of the total amount of credit hours, both native and non-native, that were marked "D" in the Credit Hour Usage Indicator column of the Courses to Degree Table, and found agreement in the data FSU submitted to the BOG and FSU source data. We concluded that the sum of these hours met the minimum number of hours for each student's degree (ranging from 120 to 131).

Total Catalog Hours for Each Student's Degree Program Category. The BOG maintains the official State University System Academic Degree Program Inventory, which identifies all approved degree programs for each university within the SUS. The programs are listed based on the Classification of Instructional Programs (CIP) taxonomy that the U.S. Department of Education maintains. Universities may have multiple "majors" at the same degree level under one CIP code and they may have degree programs at different levels within the same CIP. For our sample of 119 students, we reviewed the total program hours for each CIP code listed in the HTD File and compared it to the BOG's program inventory. We noted none of the CIP codes had total program hours that exceeded the BOG's approved maximum hours for the CIP codes.

Based on our testing, the University's data submitted to the BOG for the Performance-Based Funding Metric 9 were materially complete and accurate, and in accordance with BOG guidance. For the minor exceptions noted above, we provided the details of our findings to the Data Administrator for his follow-up actions.

Metric 10c - National Rank Higher than Predicted by the Financial Resources Ranking Based on *U.S. News & World Report*. Metric 10c is based on rankings reported by the *U.S. News & World Report* (*U.S. News*), a multi-platform publisher of news and information, which includes www.usnews.com and www.rankingsandreviews.com. *U.S. News* publishes annual print and e-book versions of its authoritative rankings of Best Colleges and Best Graduate Schools.

Metric 10c is now the University's sole institution-specific choice measure and this metric is the FSU Board of Trustees' Choice Metric. According to the BOG 2018 definitions, Metric 10c is defined as "the difference between the Financial Resources rank and the overall University rank. *U.S. News* measures financial resources by using a two-year average spending per student on instruction, research, student services, and related educational expenditures – spending on sports, dorms and hospitals doesn't count."

The table below shows, from *U.S. News* Best Colleges Ranking Reports, data on Financial Resources Rankings versus National Universities Rankings for Florida State University, and the differences between these rankings (i.e., values for this Metric 10c), for the last six years.

Magazine Edition	Survey Year	Fall Statistics for:	Financial Resources Rank	National Universities Rank	Metric 10 Value
2014	2013	2012	211	91	120
2015	2014	2013	214	95	119
2016	2015	2014	210	96	114
2017	2016	2015	212	92	120
2018	2017	2016	211	81	130
2019	2018	2017	215	70	145

The *U.S. News* 2019 edition (publication year) shows the University's Financial Resources Rank as 215. When the National Universities Rank of 70 is subtracted from that number, the difference of 145 is significant. This difference, which is the Metric 10c value, measures the University in terms of its resources received as compared to its national ranking. A large difference represents an efficient university.

To help place this metric in perspective, the University's Data Administrator provided additional tables and graphs that show that the 145-point difference between the University's Financial Resources Rank of 215 and the National Universities Rank of 70 for 2019 places the University at the 99th percentile. This is 87 points above the 90th percentile and 116 points above the 75th percentile. The Metric 10c values shown above for the last six years show stability, which should remain as long as efficiency data continue to be reported.

U.S. *News* has published additional data on the top-ranked colleges, according to its Best Colleges Rankings, that operate most efficiently. It defines operating efficiency as a college's fiscal year financial resources per student divided by its overall scale score, which is made up of several categorical rankings.

The following table shows *U.S. News* Efficiency Rankings for Florida State University for the last five years.

U.S. News Reporting Year	Fiscal Year Fall Statistics for:	U.S. News National Universities Rank	U.S. News Overall Scale Score	U.S. News Financial Resources Rank	U.S. News Expenditures per Student	Spending per Student for Each Point in the U.S. News Overall Scale Score	National Rank for Efficiency
2015	2013	95	47	214	$18,113	$392.77	2nd
2016	2014	96	45	210	$19,429	$431.76	2nd
2017	2015	92	50	212	$20,575	$411.50	2nd
2018	2016	81	54	211	$21,019	$389.24	2nd
2019	2017	70	57	215	$21,677	$380.30	1st

U.S. News reported that its national ranking for efficiency indicates a school's ability to produce the highest education quality while also spending relatively less on education programs to achieve that quality. Also, to be ranked schools had to be numerically ranked in the top half of the *U.S. News* ranking category in the Best Colleges annual rankings. Based on this calculation, the University received a ranking for efficiency of 2nd, 2nd, 2nd, 2nd, and 1st nationally for 2015, 2016, 2017, 2018, and 2019, respectively.

The purpose of the above table is to show that, as currently calculated, *U.S. News* views the University as very efficient. *U.S. News* has not published spending per student for each point in the overall scale score for the last four years. Spending shown above for 2018-19 was provided by the University Data Administrator via screen capture from the *U.S. News* database. There is evidence, based upon the above two tables, that the University continues to be among the most efficient in the nation.

In summary for Metric 10c, we reviewed copies of the *U.S. News & World Report* Best Colleges Rankings Reports and *U.S. News* Historical Rankings for Florida State University, provided by the FSU Institutional Research Office. Using these sources for the most recent data, the 2019 Metric 10c (National Rank Higher than Predicted by the Financial Resources Ranking Based on *U.S. News and World Report*) value is 145, which will be reported by the University and subsequently by the BOG in its 2017-18 System Accountability Report.

As mentioned previously, in its November 28, 2018 Draft Template 2019 Accountability Plan for each university in the State University System, the BOG indicated that FSU's current BOT Choice Metric #10, National Rank Higher than Predicted by Financial Resources Ranking Based on *US News and World Report*, and our future BOT Choice Metric #10, Percent of Bachelor's Graduates Who Took An Entrepreneurship Class, will both be reported for 2018-19. However, it is the University's understanding that only the current metric will be counted that year towards the University's performance.

Conclusion for Objective #5:

Based on our continued review of the University's internal controls as a whole over data pertaining to the University's PBF metrics and our data accuracy testing for the metrics, we determined the University's data submitted to the BOG were complete and accurate, and in accordance with BOG guidance.

Recommendations:

We have no recommendations for this Objective #5, which addresses the completeness and accuracy of data file submissions to the BOG for Performance-Based Funding Metrics.

Objective #6: Determine the current status since our conclusion in the 2017-18 PBF audit concerning the consistency of data submissions with the data definitions and guidance provided by the BOG through the Data Committee and communications from data workshops.

In the 2017-18 audit, we concluded that:

> *We found no evidence that the University's data submissions to the BOG, specifically those pertaining to data elements germane to this audit, were inconsistent with BOG reporting requirements for these data elements, and no files were resubmitted to correct or change data in these fields.*

Current Findings:

The University Data Administrator certifies each data submission into the BOG SUDS data system through a mechanism deployed by BOG staff on January 15, 2015. The BOG Information Resource Management staff updated the SUDS interface to include a statement that submitting the file "represents electronic certification of this data per Board of Governors Regulation 3.007."

We determined there is ample evidence that University data are being mapped to the current BOG data elements as defined in the BOG's SUDS Data Dictionary. The University Data Administrator demonstrated that sufficient personnel have been consistently attending the Annual Data Administrators' Workshops. Additionally, FSU's data administrator was instrumental in forming the Council of Data Administrators (CODA) to review and standardize reporting among SUS institutions. This group works with BOG staff when any institution forwards questions about interpretation of BOG policies. The FSU Office of Institutional Research has completed an institutional review of all the data elements from Campus Solutions that are required by the BOG for its reports. The scoping and mapping exercises usually involved more than one person from each of the key constituencies: IR, the data warehouse and reporting team, and the Campus Solutions technical and functional teams. These discussions frequently involved validating output data from sample cases with live transactional data. At all times, there was someone available in the room or via electronic media who was able to define the context and constraints of the data for each data element. Questions about BOG interpretations were discussed with the BOG staff, via the CODA listserv or with IR directors at other SUS institutions.

The University Data Administrator has previously provided evidence of requests sent to the BOG for clarification of BOG SUDS data elements and of requests sent to FSU subject-matter experts to reinforce BOG interpretations. He has indicated that process still continues and that he has been instrumental in coordinating the Council of Data Administrators (CODA) to meet this need. FSU's University Data Administrator has also demonstrated a largely automated online (SharePoint) tracking tool for data submissions and resubmissions. Using that information source, concerning data elements that are germane to this audit there was no evidence of inconsistency with BOG requirements in the reporting of these and no files were resubmitted to correct or change data materially in these fields due to FSU, as discussed in Objective #7, to follow. Finally, our testing of data accuracy for Objective #5 included certain tests of the University's adherence to BOG guidance for the data, and we noted no inconsistencies.

Conclusion for Objective #6:

We found no evidence that the University's data submissions to the BOG, specifically those pertaining to data elements germane to this audit, were inconsistent with BOG reporting requirements for these data elements, and no files were resubmitted to correct or change data in these fields, other than a resubmission of the 2016-17 Student Financial Aid File, which was due to a late change in reporting requested by the BOG to add third-party payments to the file, which had not been done before. The resubmission was made in a timely manner, prior to the BOG's need for the data for its PBF metrics calculations.

Recommendations:

We have no recommendations for this Objective #6.

Objective #7: Determine the current status since our conclusion in the 2017-18 PBF audit concerning the University Data Administrator's data resubmissions to the BOG.

In our 2017-18 audit, we determined that:

> …resubmissions by the University have been very rare, are both necessary and authorized, and have had no FSU-generated effect on the University's Performance-Based Funding metrics (i.e., the BOG called for a change in reporting).

Current Findings:

According to the University Data Administrator, there are three triggers for resubmissions: 1) the BOG staff determines that the way the institution is interpreting or reporting data is either incorrect or inconsistent with the way most of the other institutions are interpreting the requirements; 2) University staff determines there are inconsistencies with data in a current file that have to be cross-validated with data on an earlier submission of a different file (e.g., SFA File cohort must match SIF File cohort for the same term), requiring resubmission of the earlier file; 3) University staff finds new ways to improve upon the granularity of data being submitted and they choose to apply the new understanding or method to a previously submitted file. Near the end of 2015, the BOG began requiring that a SUDS Data Resubmission Form be completed and submitted to the BOG for every resubmission, unless the resubmission was required for changes initiated because of agreed-upon system-wide criteria changes, or BOG programmatic changes. This form details the reason for the resubmission, indicates whether the resubmission impacts Performance-Based Funding metrics, and is signed by the University Data Administrator.

From the BOG's SUDS system, we searched for files with due dates between July 1, 2017 and June 30, 2018, and found that the University submitted 24 files to the BOG and resubmitted only two of these files. The resubmitted files were the Annual 2016 Student Financial Aid File and the Annual 2016 Retention File. The resubmission of the Student Financial Aid File was due to a late change in reporting requested by the BOG to add third-party payments to the file, which had not been required previously. This resubmission was made in a timely manner, prior to the BOG's need for the data for its PBF metrics calculations. The second resubmission, involving the Retention File, was due to the BOG requesting the University's IR Office to resubmit changes in unique student identifier numbers on the Retention File, even though IR had previously submitted these same identification changes on earlier files sent to the BOG. The BOG itself was not reconciling these changes throughout the various file submissions to it. The effect upon the University's Four-Year Graduation Rate PBF metric was insignificant and did not affect the University's performance on the metric. In a University Data Administrators Workshop with the BOG, it was recommended the BOG improve its process so that Universities' submitted changes perpetuate across all subsequent files submitted to it. For a more in-depth analysis of more current file resubmissions and reasons for these, also using the SUDS system, we noted the University submitted 12 files from July 1, 2018 through November 17, 2018, and only one of these files resulted in a resubmission. This resubmitted file was the Annual 2017 Instruction and Research File. The resubmission was necessary to correct a typo on one record, and occurred timely—two days after the initial submission. The resubmission did not pertain to the University's Performance-Based Funding metrics.

Conclusion for Objective #7:

We determined that, in general, resubmissions by the University have been very rare, are not attributable to the University, and did not affect the University's performance towards achieving the Performance-Based Funding metrics. In the one instance where the University resubmitted a file due to a typo, the correction was timely—within two days.

Recommendations:

We have no recommendations for this Objective #7.

Objective #8: Provide an objective basis of support for the University's President and Board of Trustees Chair to sign the representations made in the Performance-Based Funding - Data Integrity Certification.

Current Findings/Conclusion for Objective #8:

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding metrics data to the Board of Governors. In addition, we can provide an objective basis of support for the University's President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it by March 1, 2019.

Recommendations:

We have no recommendations for this Objective #8.

Acknowledgements

We would like to acknowledge the full and complete cooperation and support of all involved University faculty and staff, and especially the assistance of Dr. Richard R. Burnette III, the Florida State University Data Administrator, and Dr. James M. Hunt, Director of Institutional Research.

Respectfully submitted,

Sam M. McCall

Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Chief Audit Officer

President's Response

I would like to thank the staff of the Office of Inspector General Services for their hard work on this audit. I am very pleased that no issues requiring corrective action were identified in this audit, and I am comfortable that Chairman Burr and I can rely on these results and sign the Data Integrity Certification without reservation.

John Thrasher, President

Audit conducted by:	Kitty Aggelis, CIA, CGAP, CRMA, CIG
	Jeffrey Caines, CIA, CGAP, CFE
	Heather Harrell, CPA
	Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Audit reviewed by:	Kitty Aggelis
	Janice Foley
With assistance from:	Madison Meehan (OIGS Intern)

Acronyms Used in This Report

BOG	Board of Governors
CIP	Classification of Instructional Programs
EA	Expenditure Analysis
EMPLID	Employee Identification
ERP	Enterprise Resource Planning
FEDES	Federal Unemployment Data Exchange
FETPIP	Florida Education and Training Placement Information Program
FSU	Florida State University
FTIC	First Time in College
GPA	Grade Point Average
HTD	Hours to Degree
IR	Institutional Research
OBIEE	Oracle Business Intelligence Enterprise Edition
OFA	Office of Financial Aid
PBF	Performance-Based Funding
SFA	Student Financial Aid
SIF	Student Instruction File
SIFD	Student Instruction File Degrees Awarded
STEM	Science, Technology, Engineering, and Mathematics
SUDS	State University Database System
SUS	State University System
WRIS2	Wage Record Interchange System

Performance Based Funding
March 2019 Data Integrity Certification

University Name: Florida State University

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _[signature]_   Date 2-22-2019
    President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _[signature]_   Date 2-22-2019
    Board of Trustees Chair

NEW COLLEGE OF FLORIDA BOARD OF TRUSTEES
Meeting Date: February 26, 2019

SUBJECT: Performance Based Funding Data Integrity Agreed-Upon
Procedures Audit and Certification Representations

PROPOSED BOARD ACTION

Accept the Performance Based Funding Data Integrity Agreed-Upon Procedures Audit Report dated February 11, 2019 and authorize Chairman Schulaner and President O'Shea to execute the Data Integrity Certification Representations document.

BACKGROUND INFORMATION

The integrity of data provided to the Board of Governors by each SUS institution is critical to the performance based funding decision-making process. In accordance with July 12, 2018 correspondence received from Board of Governors' Chairman Ned Lautenbach, President O'Shea and BOT Audit Committee Chairman Schulaner directed that a Data Integrity Audit be conducted by the College's independent audit firm, Mauldin & Jenkins, to:

1) Determine whether the processes established by the College ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors that support performance funding metrics; and,

2) Provide an objective basis of support for the College's President and Board of Trustees' Chairman to sign the representations made in the *Performance Based Funding – Data Integrity Certification* to be submitted to the Board of Governors by March 1, 2019.

The Audit Committee approved Mauldin & Jenkins' Agreed-Upon Procedures engagement at its meeting on June 9, 2018. The engagement was performed in accordance with attestation standards established by the American Institute of Certified Public. The planning, fieldwork, and reporting were consistent with the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors.

Supporting Documentation Included:
Memorandum from CAE/CCO Stier dated February 11, 2019
Performance Based Funding Data Integrity Agreed-Upon Procedures Audit dated January 23, 2019
Performance Based Funding Data Integrity Certification Form
Florida Board of Governors' Letter dated July 12, 2018

Facilitators/Presenters: CAE/CCO Stier

Other Supporting Documentation Available:
Mauldin & Jenkins Engagement Letter Executed on June 9, 2018

Date: February 11, 2019

To: New College of Florida Board of Trustees
President O'Shea

From: Barbara Stier, CAE/CCO

Subject: Summary of new College of Florida's Performance Based Funding Data Integrity Agreed-Upon Procedures Audit

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The Integrity of data provided to the Board of Governors by each SUS institution is critical to the performance based funding decision-making process. In accordance with July 12, 2018 correspondence received from Board of Governors' Chairman Ned Lautenbach, President O'Shea and Chairman Schulaner directed that a Data Integrity Audit be conducted to:

1) Determine whether the processes established by the College ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors that support performance funding metrics; and,

2) Provide an objective basis of support for the College's President and Board of Trustees' Chairman to sign the representations made in the Performance Based Funding – Data Integrity Certification to be submitted to the Board of Governors by March 1, 2019.

Chairman Lautenbach's correspondence directed the Chair of the Board of Trustee and the Chief Audit Executive to set the scope and objectives. It was decided to retain the scope and objectives established in the previous year.

Audit Findings

There were no audit findings.

Conclusion

In our opinion, based upon the work performed, the internal controls, processes and procedures in all material respects are functioning in a reliable manner to ensure completeness, accuracy, and timeliness of data submissions and meet Board of Governors' certification objectives.

Enclosure: Performance Based Funding Data Integrity Agreed-Upon Procedures Audit issued January 23, 2019
Performance Based Funding Data Integrity Certification Form
Florida Board of Governors' Letter dated July 12, 2018

NEW COLLEGE OF FLORIDA
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES

SEPTEMBER 30, 2018

NEW COLLEGE OF FLORIDA
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES

SEPTEMBER 30, 2018

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MAULDIN & JENKINS

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

Board of Trustees
New College of Florida
Sarasota, Florida 34243

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of New College of Florida (the "College"), solely to assist the College in determining whether the College has processes established to ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors (the "BOG") which support the Performance Funding Metrics of the College as of September 30, 2018. The College is responsible for all processes and procedures related to the complete, accurate and timely submission of data to the BOG. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings were as follows:

We reviewed all of the BOG submissions relating to the Performance Funding Metrics identified and published by the State University System of Florida (the "SUS") specific to the certification. See Attachment I for a listing of the submissions tested as provided by the College to us.

a) *Verify the appointment of the Data Administrator by the College President and that duties related to these responsibilities are incorporated into the Data Administrator's official position description*.

1. Review the Data Administrator's position description; note details of the description, paying special attention to responsibilities related to coordinating the gathering of data from departmental sources, quality assurance procedures applied and other data integrity checks prior to submission to the BOG.
2. Determine if the Data Administrator was appointed by the President.
3. Conclude on whether the Institutional Data Administrator's responsibilities include the requirements identified in BOG Regulation 3.007, SUS Management Information System. (For example, verify the Data Administrator's data submission statements indicated, "I certify that this file/data represents the position of this College for the term being reported.").

Procedures Performed

- Reviewed the Position Description for the Director of Institutional Research and Assessment effective February 14, 2007. Verified description included the requirements identified in the BOG Regulation 3.007.
- Reviewed the original appointment for the Director of Institutional Research by the President dated July 11, 2003.
- Observed the State University Database System (the "SUDS") submission screen and the "Submit for Approval" button that represents the College's certification of complying with BOG regulation 3.007.
- Reviewed current organizational chart available via the President's office, and discussed the Institutional Research and Assessment structure with the Director.

Findings

No exceptions were identified as a result of applying these procedures.

b) *Review the processes used by the Data Administrator to ensure the completeness, accuracy and timely submission of data to the Board of Governors.*

1. Interview the Data Administrator and other key data managers to understand the internal processes in place to gather, test and ensure that only valid data, as defined by the BOG, is timely submitted to the BOG.
2. Identify and evaluate key processes over data input and submission. Consider evaluating the processes from the point of incoming information to the submission of the data file to the BOG.
3. Review internal records such as time management schedules and relevant correspondence which purport to demonstrate that complete and accurate data is timely submitted to the BOG. (See due dates addressed in the SUS data workshop).
4. According to BOG Regulation 3.007, prior to submitting the file, the universities shall ensure the file is consistent with the criteria established in the specifications document by performing tests on the file using applications/processes provided by the BOG Information Resource Management (IRM) office. Review process for timely and accurately addressing data file error reports.
5. Evaluate the results and document your conclusion on the Data Administrator's processes.

Procedures Performed

- Interviewed the following people who have significant responsibility for the data being reported and submitted to the BOG:

  - Director of Institutional Research and Assessment, Office of Institutional Research and Assessment;
  - Director of Administrative Computing, Office of Information Technology;
  - Controller, Business Office;

- Registrar, Office of the Registrar;
- Associate Dean of Enrollment Services and Director of Admissions, Office of Admissions and Financial Aid;
- Director of Financial Aid, Office of Admissions and Financial Aid.

- For those interviewed, we discussed key internal controls and processes in place over data input, Banner access, SLATE (the Admission Department's recruitment software) access (when applicable), State University Database System (SUDS) access, validation tables, data submission procedures, error resolution, staff training, and other controls specific to the department and submission of accurate and timely data. Reviewed the metrics specific to each department to ensure controls are in place and a clear understanding exists to ensure only valid data is being submitted based on the data definitions.
- Reviewed the Recurring Reporting Calendar created by the Office of Information Technology and maintained by the Institutional Research and Assessment Department (IRA) which is sent to department heads annually when the BOG submission schedule is produced. These calendar events detail the upcoming submissions due during the year to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Reviewed submission schedule maintained by the IRA department.
- Verified submission files tested were submitted by the due date as published by the State University System of Florida (SUS) and identified on the SUDS website.
- Tested the submission file criteria definitions used by the College to ensure they meet the data definitions published by the SUS.
- Obtained the data definition tables from the SUDS website and verified tables documented in the College processes agreed to the SUDS tables.
- Reviewed processes over testing and validating data submissions and procedures for the resolution of errors prior to the final submission.

Findings

No exceptions were identified as a result of applying these procedures.

c) *Evaluate any available documentation including policies, procedures and desk manuals of appropriate staff; and assess their adequacy for ensuring data integrity for College data submissions to the Board of Governors*.

1. Request the Data Administrator provide its policies, procedures, minutes of meetings, and any other written documentation used as resources to ensure data integrity; note whether these documents are sufficiently detailed, up-to-date and distributed to appropriate staff.
2. Evaluate the results and document your conclusion. If necessary, consider benchmarking with peer universities.

Procedures Performed

- Discussed key processes with those interviewed to ensure procedures are in place to ensure data accuracy for their department.
- Ensured each department, that is key to the submission process, had written policy and procedures regarding data they are responsible for.

Findings

No exceptions were identified as a result of applying these procedures.

d) *Review system access controls and user privileges to evaluate if they are properly assigned and periodically reviewed to ensure only those authorized to make data changes do so*.

1. Obtain a list of individuals that have access to SUDS.
2. Obtain the definitions for the roles in the SUDS system. http://www.flbog.edu/ resources/ditr/suds/_doc/userguide.pdf
3. Review the procedures to grant system access and/or initiate, monitor and cancel user privileges.
4. Perform a test of system access controls and/or user privileges to determine if only appropriate employees have access or need the privilege.
5. Consider other IT systems and related system access controls or user privileges that may impact the data elements used for each measure reviewed.
6. Evaluate the results and conclude on the reasonableness of procedures and practices in place for the setup and maintenance of system access, specifically addressing employees with SUDS access.

Procedures Performed

- Obtained a current listing of all those individuals who have access to the SUDS system from the BOG's application portal manager.
- Obtained the role definitions in the SUDS system for each type of user.
- Discussed procedures with the Director of Institutional Research and Assessment for granting access to the SUDS system and monitoring to ensure user privileges are terminated in a timely manner. Verified only she has administrative authority to change users in the system.
- Reviewed user listing and discussed with the Director of Institutional Research and Assessment to ensure only personnel that need access have access to the SUDS system and only a limited number have the ability to submit data.
- Reviewed Banner access/termination procedures with each department listed in section *b.* and ensured procedures are in place for authorization of adding a new user and timeliness of terminating personnel access.
- Verified email is sent to Data Custodians on a semi-annual basis requesting them to review Banner users for their department to ensure access is proper and needed.

- Selected a sample of four (4) users to verify proper authorization was obtained for the user to be added to Banner and verified employee requires access for their job duties.
- Reviewed SLATE access/termination procedures with the Associate Dean of Enrollment Services and Director of Admissions in the Office of Admissions and Financial Aid and ensured procedures are in place for authorization of adding a new user and timeliness of terminating personnel access.
- Reviewed the October 2018 SLATE user listing.
- Verified that only the Acting Director of Operations has access to add new users.
- Selected a sample of four (4) users to verify proper authorization was obtained for the user to be added to SLATE and verified employee requires access for their job duties.

Findings

No exceptions were identified as a result of applying these procedures.

e) *Testing of data accuracy*.

1. Identify and evaluate data validity controls to ensure that data extracted from the primary systems of record are accurate and complete. This may include review of controls over code used to create the data submission. Review each measure's definition and calculation for the consistency of data submissions with the data definitions and guidance provided by the BOG.
2. As appropriate, select samples from data the College has submitted to the BOG for its Performance Funding Model. Vouch selected data to original source documents (this will most likely include the College's student and financial systems used to capture relevant information).
3. Evaluate the results of the testing and conclude on the completeness and accuracy of the submissions examined.

Procedures Performed

- For each submission file listed in Attachment I, we performed the following procedures for the specific metrics identified in the Performance Funding Metrics published by the SUS:

  - Obtained complete submission file for time period being tested.
  - Selected a sample size of thirty (30) data items to test for each file submission and each metric specific to the performance funding testing.
  - Verified data reported in the submission files specific to the metrics identified by the SUS agreed to the source system Banner.
  - Verified the data reported for each metric agreed with the SUDS data dictionary.

- To determine the completeness of the files being submitted, we performed the following procedures:

    - For each term and reported time frame, we obtained which was extracted from Banner and compared to submission files extracted by the Institutional Research and Analysis department. For each comparison we identified any person that was on the Banner report that was not in the file submission. We then selected a sample size based on the size of the file and errors returned and verified the student was properly omitted for the specific submission based on the current data definitions. Selected files and corresponding sample sizes are as follows:

        1. All students enrolled were compared to the Student Instruction (SIF) files submitted. No differences were identified.
        2. All students who received Pell grants were compared to the Student Financial Aid (SFA) files submitted. One difference was identified and reconciled.
        3. All students who had a degree awarded were compared to the Degrees Awarded (SIFD) files submitted. No differences were identified.
        4. All students admitted were compared to the Admissions (ADM) files submitted. We selected nine differences and all were reconciled.

Findings

No exceptions were identified as a result of applying these procedures.

f) *Evaluate the veracity of the College Data Administrator's data submission statements that indicate, "I certify that this file/data represents the position of this College for the term being reported."*

1. Interview the College Data Administrator to consider the reasonableness of the various coordination efforts with the Data Administrator's staff, the other Data Custodians' staff, BOG IRM, and other knowledgeable individuals which form the basis for personal and professional satisfaction that data submitted to the BOG is complete, accurate and submitted timely.
2. Inquire how the Data Administrator knows the key controls are in place and operating effectively. If not already done, consider verifying these key controls are in place and adequate to support the Data Administrator's assertions.

Procedures Performed

- Interviewed personnel listed in section *b.* and verified communication with the Institutional Research and Assessment department is on-going and clear to ensure accurate and timely data submission. Also, verified the Data Administrator understands the key controls specific to the metrics being tested and that they are functioning.
- Verified with the Director of Institutional Research and Assessment her communication with the BOG and IRM to ensure data being submitted meets the data definitions.

Findings

No exceptions were identified as a result of applying these procedures.

g) *Review the consistency of data submissions with the data definitions and guidance provided by the Board of Governors through the Data Committee and communications from data workshops*.

1. Evaluate the College's procedures for periodically obtaining and communicating definitions and due dates as provided by the BOG through the Data Committee and communications from data workshops.
2. Verify with the College Data Administrator that the most current data file definitions are used as a basis for preparation of data to be submitted to the BOG.
3. Review SUDS most recent cumulative release notes and workshop agendas. http://www.flbog.edu/resources/ditr/suds/
4. Request evidence of the most recent formal staff training/workshops, internal discussions or communications with other responsible employees and the BOG Data Committee necessary to ensure the overall integrity of data to be submitted to the BOG.
5. Conclude as to the consistency of the submissions.

Procedures Performed

- Reviewed the Recurring Reporting Calendar created by the Office of Information Technology and maintained by the IRA department sent to department heads. These calendar events detail the upcoming submissions due in the next year to the BOG and who is responsible for the data being submitted. Department heads review the data requests and are responsible to ensure the data is accurate and ready for timely submission.
- Obtained the most recent data definition tables on the SUDS website and verified data definitions outlined in the file processes agreed to the SUDS data tables.
- Verified the Institutional Research and Assessment Department's process of communication to department heads of the data definitions and any new or changed metric.

- Obtained the SUDS release notes and workshop agenda's during the testing period and verified any changes were properly incorporated into the data file submissions.
- Reviewed staff training with each personnel interviewed as listed in section *b.* in relation to both Banner and SUDS security and knowledge training.
- Our testing was performed on all file submissions with due dates from October 1, 2017 through September 30, 2018, for the specific metrics tested to review for consistency among data submissions.

Findings

No exceptions were identified as a result of applying these procedures.

h) *Review the College Data Administrator's data resubmissions to the Board of Governors with a view toward ensuring these resubmissions are both necessary and authorized. This review should also evaluate how to minimize the need for data resubmissions*.

1. Interview the College Data Administrator about the types and quantity of recent data resubmissions and the level(s) of approvals necessary for corrective action.
2. Request and examine any correspondence between the College and the BOG IRM office related to data resubmissions that pertain to the performance metrics. Determine if these resubmissions problems tend to be reoccurring and what, if any, actions management has taken or plans to take in order to reduce them.
3. Conclude as to the frequency, need and authorization of the resubmission process.

Procedures Performed

- Interviewed the Director of Institutional Research and Assessment about the resubmission procedures.
- Reviewed data resubmission correspondence from the BOG and verified files were properly resubmitted with no outstanding errors.
- Reviewed resubmissions to identify if there are reoccurring submission problems.

Findings

No exceptions were identified as a result of applying these procedures.

i) *Provide an objective basis of support for the president and board of trustees chair to sign the representations made in the Performance Based Funding–Data Integrity Certification*.

1. Review The Performance Based Funding (the "PBF") Data Integrity Certification statement to identify additional procedures that should be designed to support the representations. (For example, #11 requests a certification that College policy changes and decisions impacting the PBF initiative were not made for the purposes of artificially inflating performance measures).

Procedures Performed

- We reviewed the Data Integrity Certification and performed procedures agreed upon by the College to meet the objectives of the certification.

Findings

2018-01   Mauldin & Jenkins was engaged to perform procedures that were provided by you and were outlined in our engagement letter that management has identified to meet the objectives of the certification. The College must conclude as to the adequacy of these procedures and findings in meeting their certification objectives.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the processes and procedures for the complete, accurate and timely submission of data to the BOG. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to management.

This report is intended solely for the information and use of New College of Florida's Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
January 23, 2019

New College of Florida
Metric Related Submissions
October 1, 2017 through September 30, 2018

Submissions Tested				
Due Date	**Submission**	**Term or Year**	**Rept Time Frame**	**Sample Tested**
10/6/2017	ADM - Admissions File	Fall 2017	201708	30
10/9/2017	SFA - Student Financial Aid File [1]	Annual 2016	20162017	60
10/17/2017	SIFP - Student Instruction File Preliminary	Fall 2017	201708	30
10/23/2018	RET - Retention File [2]	Annual 2016	20162017	0
1/26/2018	SIF - Student Instruction File [4]	Fall 2017	201708	90
3/2/2018	ADM - Admissions File	Spring 2018	201801	30
6/21/2018	SIF - Student Instruction File [4]	Spring 2018	201801	90
7/5/2018	SIFD - Degrees Awarded [3]	Spring 2018	201801	30

Additional Data Submissions tested for New College specific metrics				
Metric	**Submitted Data**	**Term or Year**	**Rept Time Frame**	**Sample Tested**
Metric #3	HTD Data	Annual 2016	20162017	30
Metric #6	STEM Data	Annual 2017	20172018	30
Metric #8b	ADM - Admissions File	Fall 2017	201708	30
Metric #9c	Common Data Set	Annual 2016	20162017	30

[1] The Financial Aid Awards table was tested for both Metric #3 and Metric #7. The metrics have different methodologies and require two (2) samples to be tested, therefore sample tested is sixty (60).

[2] There were no changes to report and submit to the BOG during the period.

[3] The sample tested was also used to test Metric 10(d) specific to New College of Florida.

[4] The Enrollments table was tested for Metric #3 and for Metric #4/7. Metric #3 required its own sample to be selected while Metrics #4 and #7 shared a sample, generating a sample size of sixty (60) per submission. In addition, the Fee Waivers table was tested for Metric #3, increasing the sample size per submission to ninety (90).

Performance Based Funding
March 2019 Data Integrity Certification

University Name: New College of Florida

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _~signature~_ Date 2/26/19 Donal O'Shea, President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _~signature~_ Date 2/26/19 Felice Schulaner, Board of Trustees Chair

UNIVERSITY AUDIT

AUDIT 353
DECEMBER 14, 2018

PERFORMANCE-BASED FUNDING
DATA INTEGRITY

AUDIT OF INTERNAL CONTROLS AND COMPLIANCE
AS OF SEPTEMBER 30, 2018

UNIVERSITY OF CENTRAL FLORIDA

UNIVERSITY OF CENTRAL FLORIDA

University Audit
Phone: 407-823-2889
P.O. Box 160080
Orlando, FL 32816-0080

MEMORANDUM

TO:	A. Dale Whittaker President
FROM:	Robert J. Taft Chief Audit Executive
DATE:	December 14, 2018
SUBJECT:	Audit of Performance-based Funding Data Integrity

The enclosed report represents the results of our Performance-based Funding Data Integrity audit.

We appreciate the cooperation and assistance of the staff in Institutional Knowledge Management and UCF IT.

cc: M. Paige Bordon
      Linda Sullivan
      Elizabeth Dooley
      Ronnie Korosec
      Board of Trustees
      Grant Heston

<u>Background and Performance Objectives</u>

Beginning in 2013-14, the Florida Board of Governors (BOG) implemented a performance-based funding (PBF) model which utilizes 10 performance metrics to evaluate universities on a range of issues, including graduation rates, job placement, cost per degree, and retention rates. According to information published by the BOG in May 2014, the following are key components of the funding model.

- For each metric, institutions are evaluated on either Excellence (a raw score) or Improvement (the percentage change from the prior year).
- Performance is based on data from one academic year.
- The benchmarks for Excellence are based on the BOG 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement are determined by the BOG after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and a proportional amount of institutional funding that would come from each university's recurring state base appropriation.

For 2018-19 funding, each university was evaluated on seven metrics common to all universities, except Florida Polytechnic University, which is not yet eligible to participate in the funding process. The eighth metric applied to all institutions except New College, which had an alternate metric more appropriate to its mission. The ninth metric was chosen by the BOG, focusing on areas of improvement and the distinct missions of each university. The tenth metric was chosen by each university's Board of Trustees (BOT) from the remaining metrics in the University Work Plan.

UCF's metrics were:
1. percent of bachelor's graduates continuing their education or employed (with a salary greater than $25,000) within the U.S. one year after graduation
2. median wages of bachelor's graduates employed full-time one year after graduation
3. average cost to the student (net tuition per 120 credit hours) for a bachelor's degree
4. four-year graduation rate (includes full-time, first time in college students)
5. academic progress rate (second year retention with a GPA greater than 2.0)
6. bachelor's degrees awarded within programs of strategic emphasis
7. university access rate (percent of fall undergraduates with a Pell-grant)
8. graduate degrees awarded within programs of strategic emphasis
9. percent of bachelor's degrees without excess hours
10. number of bachelor's degrees awarded annually

The Florida Excellence in Higher Education Act of 2018, which was signed into law on March 12, 2018, amending Section 1001.92 F.S., requires the Performance Funding Model to include:
- a four-year graduation rate metric
- the access rate benchmarks to be differentiated and scored to reflect the varying access rate levels among the universities.

The BOG developed a Performance-based Funding Data Integrity Certification form to provide assurances that the data provided by universities is reliable, accurate, and complete. This certification form is to be signed by the university president, affirmatively certifying each of the 12 stated representations or providing an explanation as to why the representation cannot be made as written. The certification form is also to be approved by the university BOT and signed by the BOT chair.

To make such certifications meaningful, the BOG again instructed each university BOT to "direct the university Chief Audit Executive to perform or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions."

Audit Objectives and Scope

The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of data submissions to the BOG, particularly as they relate to PBF metrics. This audit will also provide an objective basis of support for the president and BOT chair to certify the required representations on the data integrity certification form.

Our approach is to audit files related to four of the 10 measures each year so that all measures are tested twice within a five-year cycle. This year's testing including data files submitted as of September 30, 2018, related to:
- Metric 3: cost of bachelor's degrees to the student, net tuition and fees per 120 credit hours
- Metric 4: four-year graduation rate for full-time, first time in college students
- Metric 7: university access rate (percentage of undergraduates with a Pell grant)
- Metric 9: percent of bachelor's degrees without excess hours

We performed a comprehensive review of the controls and processes established by the university to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which supported the PBF metrics during our audit in 2015-16. During our 2016-17 and 2017-18 audit and the current 2018-19 audit, we reviewed any changes to controls and processes.

In addition, we verified the completeness and accuracy of the Hours to Degree (HTD), Courses to Degree (CTD), Student Instruction File (SIF), and Student Financial Aid (SFA) files

submitted to the BOG in support of the measures listed above. By developing our own queries in PeopleSoft and comparing those results to the files submitted to BOG, we were able to test 100 percent of the students submitted for each file.

Overview of Results

Based on our audit, we have concluded that UCF's controls and processes are adequate to ensure the completeness of data submitted to the BOG in support of performance-based funding. Although we found minor errors that resulted in inaccurate or incomplete information being submitted to the BOG for a small number of students, these errors were **immaterial** and had **no impact** on UCF's overall ranking among SUS institutions. Additional details are contained in Table 1.

We believe that our audit can be relied upon by the university president and the UCF Board of Trustees as a basis for certifying the representations made to the BOG related to the integrity of data required for the BOG performance-based funding model.

Audit Performance Metrics

Beginning of audit: March 28, 2018

End of fieldwork: October 26, 2018

Audit Team Members:

Vicky Sharp, senior auditor, auditor in charge

Robert Taft, chief audit executive, level I reviewer

Table 1 –Issues identified during the audit

Issue #	Description	Impact on UCF's Raw Score	Impact on UCF's Excellence Score	Impact on UCF's Ranking Among SUS Schools	Status of Remediation
1	Seventeen students' entry type information was in accurate; therefore, these students should not have been included in the Fall 2013 cohort. IKM has made changes to the logic that pulls the application history starting with academic year 2015-2016, which is after the 2013 cohort used in this metric.	By removing these students from the cohort, UCF's four-year graduation rate percentage falls from 43.8% to 43.7%	UCF would have earned only 4 excellence points rather than 5 excellence points.	None	**In Progress** as of the date of this report IKM will be submitting adjustments for 2012-13, 2014-15, and 2015-16 cohorts in the January 2019 SUDS cohort adjustments file.
2	The logic in the program used to pull transfer courses used to satisfy students' degree requirements from the "myKnight Audit" academic advising software (implemented in Spring 2016) continues to be adjusted affecting certain students' excess hours on the CTD files used for metric 9, percent of bachelor's degrees without excess hours. We found two students should not have had excess hours, 1 student should have had less excess hours, and two students should have had more excess hours.	None	None	None	**Fully remediated** as of the date of this report

STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Attachment A
Performance Based Funding
March 2019 Data Integrity Certification

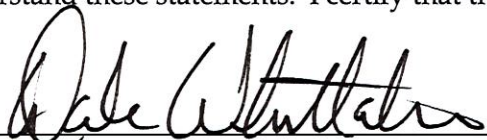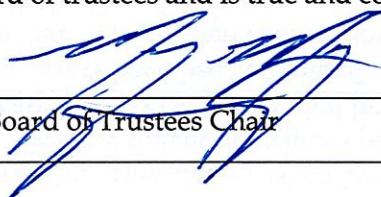**University Name: <u>University of Central Florida</u>**

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

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Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	The 2016 HTD file was delayed due to continuing programming logic challenges with the new degree audit system. We kept the BOG informed of our delays and the submission delay did not have any adverse impact on any of the data processing for the Accountability Plan.
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the	☒	☐	

Performance Based Funding

Data Integrity Certification

university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.		
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date 1-24-19

President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date 1/24/19

Board of Trustees Chair

UNIVERSITY OF FLORIDA

OFFICE OF INTERNAL AUDIT

Audit of:	University of Florida Performance Based Funding – Data Integrity
Period of Audit:	As of September 30, 2018
Report Issue Date:	October 30, 2018
Report Number:	UF-19-723-08

UF UNIVERSITY *of* FLORIDA

Office of the President
Office of Internal Audit

903 W. University Avenue
PO Box 113025
Gainesville, FL 32611-3025
352-392-1391
352-392-3149 Fax
http://oia.ufl.edu

October 30, 2018

MEMORANDUM

TO: UF Board of Trustees Audit and Compliance Committee

FROM: Joe Cannella III
             Interim Chief Audit Executive

SUBJECT: Performance Based Funding – Data Integrity audit

We audited the University of Florida's data submission process related to data metrics used for the BOG's performance based funding initiative, as of September 30, 2018. The attached report defines the scope of our audit and contains analysis and comments.

Please call me if you have any questions regarding the contents of the audit report.

JC:dh

cc: President Fuchs
      Provost and Sr. Vice President
      Sr. Vice President and COO
      Assistant Provost and Director, Institutional Planning and Research
      Auditor General

UNIVERSITY OF FLORIDA

PERFORMANCE BASED FUNDING – DATA INTEGRITY

As of September 30, 2018

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PERFORMANCE BASED FUNDING – DATA INTEGRITY

───────── **EXECUTIVE SUMMARY** ─────────

Pursuant to Section 1001.92, Florida Statutes, the Board of Governors (BOG) implemented a performance based funding (PBF) model, which is intended to build upon the BOG's strategic plans and goals and annual accountability reports. This model seeks to further elevate the SUS while acknowledging each university's distinct mission.

The integrity of the data provided to the BOG by the universities is critical to the PBF decision-making process. Therefore, the BOG developed a Performance Based Funding Data Integrity Certification Form to provide assurances that the data submitted by the university is reliable, accurate, and complete. This certification form is to be executed by the university president, affirmatively certifying each representation and/or providing an explanation as to why the representation cannot be made as written. The certification is also to be approved by the university Board of Trustees (BOT) and executed by the BOT chair.

On July 12, 2018, the chairman of the BOG instructed each university BOT to "direct the university chief audit executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy and timeliness of data submissions" to the BOG. This audit will provide an objective basis of support for the president and BOT chair to certify the required representations.

The Office of Internal Audit conducted an audit of the university's data submission process, related to data metrics used for the BOG's performance based funding initiative, as of September 30, 2018. The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of these data submissions to the BOG.

Based on the results of our audit procedures, we concluded that controls over the university's data submission process were adequate to promote the completeness, accuracy, and timeliness of submitted data relative to the BOG's PBF initiative. Our conclusion of "adequate" indicates that controls were in place and functioning as designed.

—————————— **AUDIT REPORT** ——————————

Scope and Objectives

On July 12, 2018, the chairman of the Board of Governors (BOG), instructed each university board of trustees to "direct the university chief audit executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy and timeliness of data submissions" to the BOG with an emphasis on the data that supports performance funding metrics.

We have completed an audit, as of September 30, 2018, of the university's data submission process related to data metrics used for the BOG's performance based funding initiative. The primary objective of this audit was to determine the adequacy of university controls in place to promote the completeness, accuracy, and timeliness of these data submissions to the BOG.

Because of the inherent limitation in the application of such controls, errors or irregularities may, nevertheless, occur and not be detected. Also, assurances regarding the adequacy of internal controls cannot be projected to future periods due to the risk that procedures may become inadequate because of changes in conditions or compliance with procedures may deteriorate.

We conducted the audit in accordance with the International Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors. The audit fieldwork was conducted from August 1, 2018 through October 18, 2018 in accordance with the 2018-2019 audit work plan, and pursuant to the BOG directive to the University of Florida Board of Trustees (BOT).

Background

The Florida Legislature has called upon the State University System (SUS) of Florida to reach new levels of efficiency, academic quality and accountability. Pursuant to Section 1001.92, Florida Statutes, the BOG implemented a performance-based funding (PBF) model, which is intended to build upon the BOG's strategic plans and goals and annual accountability reports. This model seeks to further elevate the SUS while acknowledging each university's distinct mission.

The integrity of the data provided to the BOG by the universities is considered critical to the performance based funding decision-making process. Therefore, the BOG developed a Performance Based Funding Data Integrity Certification to provide assurances that the data submitted to the BOG for PBF decision-making is reliable, accurate, and complete. This certification form is to be executed by the university president, affirmatively certifying each representation and/or providing an explanation as to why the representation cannot be made as written. The certification form is also to be approved and certified by the

BOT chair. This audit is intended to provide an objective basis of support for the president and BOT chair to certify the required representations (See Attachment A).

According to BOG Regulation 5.001(1), the PBF model is based upon four guiding principles:
- Align with SUS Strategic Plan goals
- Reward excellence or improvement
- Have a few clear, simple metrics
- Acknowledge the unique mission of the different institutions

The PBF Model includes ten metrics that evaluate the institutions' performance in a variety of different strategic areas:
- Eight of the ten metrics are common to all institutions. These include metrics on employment after graduation, cost to the student, graduation rates, academic progress, programs of strategic emphasis, and access to the university. In March 2018, metric 4 was changed from 6-year graduation rate to 4-year graduation rate.
- The ninth metric, chosen by the BOG, focuses on areas of improvement and distinct missions of each university. For the University of Florida, this metric was changed in November 2017 to the Percent of Bachelor's Degrees without Excess Hours.
- The final metric is chosen by each university BOT from the remaining metrics in the University Work Plans that are applicable to their mission. The University of Florida BOT selected the number of licenses/options executed annually.

Attachment B provides a list of the BOG Performance Based Funding Metric Definitions

Attachment C identifies the University of Florida's final scores for the past four allocation years and the 2018-2019 benchmarks.

The BOG Regulation 3.007, SUS Management Information System, states that SUS universities shall provide accurate data to a management information system established and maintained by the BOG Office. The BOG has created a web-based State University Database System (SUDS) Master File Submission Subsystem for the SUS to report their data.

The BOG Regulation 1.001, University Board of Trustees Powers and Duties, authorizes BOG regulations over local Boards of Trustees and sets expectations for University Administration and Oversight, requiring each board of trustees to maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and requires that all data and reporting requirements of the BOG are met.

The number of files to be uploaded is dependent on the submission type. Once all required files and any desired optional files for the submission are uploaded, the university checks the submission based on edits and standard reports generated by SUDS. The SUDS system will identify errors or anomalies which may cause the file to be rejected. These items should be corrected or explained on the source file and uploaded to the system to be checked again. This process is iterated until the submission is free of all significant errors and/or the errors are explained. Once that is accomplished, the university is ready to 'officially'

submit the data to the BOG for approval. The electronic submission certifies that the file/data represents the position of the university for the term reported.

Once submitted, BOG staff review the edit results, error explanations, and standard reports. The submission will either be accepted or rejected. If rejected, the reason will be posted to the user and a resubmission requested. If accepted, the submitted data will be promoted to the production database.

Organizational Responsibilities

The Office of Institutional Planning and Research (IPR) provides university management with information that supports institutional planning, policy formation and decision making; coordinates responses to inquiries for university-related information; serves as a comprehensive source for information about the institution; and administers data collection and reporting of institutional data to state and federal entities.

The IPR was comprised of a director and ten other staff responsible for completing the BOG requests, as well as requests from other internal or external parties. The IPR estimates they annually receive 850 data requests of which 34% originate from the BOG.

The data owners at the university consist of the core offices responsible for the extraction and compilation of the institutional data that support the BOG submissions and other data requests. Upon creating the submission file from the authoritative system of records, their staff are responsible for reviewing and correcting data in the information systems prior to the submission through SUDS. The following offices/units were responsible for compiling the data files for the PBF metrics and were included within the scope of this audit:

- **Office of University Registrar (OUR)**: Responsible for student records and degree information used to create the Student Instruction File (SIF) and Degrees Awarded (SIFD). This data was used in multiple metrics involving graduation, retention, academic progress, cost to student, and strategic emphasis.
- **Office of Undergraduate Affairs (OUA)**: Responsible for degree audit monitoring and generation of the Hours to Degree (HTD) file. This data was used in Metric 3 (Cost to the Student) and Metric 9 (Excess Hours).
- **Bursar**: Responsible for processing waivers in the Student Financial System and verifying the fee waiver table for SIF submissions. This data was used in metric 3 for determining the cost to the student
- **Student Financial Affairs (SFA)**: Responsible for the financial aid award data used to create the SFA file. This data was used in Metrics 3 (Cost to the Student) and 7 (University Access Rate).
- **Office of Technology Licensing (OTL)**: Responsible for compiling a list of all licenses/options and reporting to the Association of University Technology Managers through their annual Licensing Survey. The information is used for the Board of Trustees Choice Metric 10f.
- **Enterprise Systems (ES)**: This unit provided information technology (IT) support to the various other units and was directly responsible for maintaining certain systems as well as compiling data and generating reports from those systems for the other core offices.

The data owners work collaboratively with IPR to review and explain errors noted in the SUDS edit summaries. The IPR then performs a final review to evaluate data accuracy prior to the data administrator or designee certifying the submission to the BOG for their approval. At any point, the BOG may ask the university to address additional exceptions requiring further review, explanation, or resubmission of the file.

Attachment D is a flowchart summarizing the data and process flows from extraction through the BOG approval.

Prior Audit Comments

An internal control audit of Performance Based Funding – Data Integrity was performed as of September 30, 2017, with audit report UF-18-703-06 issued November 21, 2017. The audit results included no comments in regards to the university's data submission process.

Overall Conclusion

To identify and evaluate the controls in place relative to the university's data submissions in support of the PBF metrics, we conducted employee interviews, performed analytical reviews, evaluated risks related to each metric, reviewed program codes, performed process walkthroughs, and tested reported values to source data.

Based on the results of our audit procedures, we concluded that controls over the university's data submission process were adequate to promote the completeness, accuracy, and timeliness of submitted data relative to the BOG's PBF initiative. Conclusions relative to specific data owners and other comments on the data submission process, including audit procedures employed, are described below.

DATA ADMINISTRATOR (DA)

BOG Regulation 3.007(2) states that each university president shall appoint an institutional DA to be responsible for managing university responses to the Board's official information requests. The president has formally appointed the IPR Director as the DA for the university, and the director's job description clearly defined her role as the DA. We noted that IPR Director has the overall responsibility to serve as the official point of contact with the BOG for transmission of data and reports. These responsibilities included the integrity of data reported to the BOG and promoting data stewardship on campus by working with different functional areas to resolve data issues, improve data quality and to assure that external reporting standards are met.

The DA also participated in the Council of Data Administrators (CODA) with other Florida university data administrators. The council's vision statement asserts that the CODA exists to promote and ensure that reliable and consistent data are used and reported by SUS institutions for current and future information-based decisions. Collectively, the DAs work to improve communication or find solutions that institutions consistently must address related to SUDS, such as incorrectly flagged records on submission error reports or mismatched file comparisons.

IPR Review and Edit Procedures

BOG Regulation 3.007(2)(b) states that the DA is responsible for providing complete responses to information requests within the time frame specified by the Board Office. Pursuant to the schedule set forth in the submission section of each file, IPR developed a Data Request System to communicate and monitor the required deadlines with data owners. The IPR works directly with the BOG Office of Data Analytics regarding edits and data definitions to enhance the accuracy and quality of the data being submitted.

Extensive procedures were performed by the data owners during their data extraction and review, and by the IPR during their review and submissions. Consistent and timely communication between the IPR and the data owners was critical to coordinate these procedures to meet the required deadlines. We reviewed evidence noting that IPR worked with the data owners and the BOG to resolve errors or inconsistencies within data elements. In addition, each data owner was required to submit a certification statement summarizing the work performed, verifying the supporting documents were maintained, and acknowledging the file was ready to submit.

We noted that IPR had comprehensive written procedures to document the work initiation and quality checking procedures to validate the accuracy of the data being submitted. We verified, through walkthroughs, that the IPR was following the written procedures by reviewing and comparing historical data for validity. For SIF and SIFD, we also noted a comparison was performed on areas such as enrollment, majors, student credit hours, and degree level awarded.

The IPR also had an internal review checklist and Data Quality Review summary in place to document procedures performed and issues noted for each BOG submission. IPR utilized the information documented in the summary to take proactive steps to resolve those issues from recurring in subsequent submissions. We reviewed all PBF-related submissions and observed that the quality checking procedures for the BOG submissions were performed by two IPR staff, with a final review by the IPR director.

The IPR director also submitted an annual letter to the president attesting to her due diligence to promote assurance that the submissions were timely, accurate and complete. The IPR created a file sharing site called the "President's Portal" to facilitate the review and access to documentation as well as correspondence concerning the submissions for the PBF metrics.
We evaluated the controls and systems that promote accountability and timely reporting. We tested all nine submissions related to PBF from October 1, 2017 through September 30, 2018 and noted all submissions were timely, submitted by the appropriate staff with certification and explanations of any errors, approved by the DA, and accepted by the BOG.

Based on the results of our review, we concluded that the IPR employed adequate review and edit processes, including appropriate documentation of their procedures.

DATA OWNERS

To understand the requirements for complete and accurate submissions, we reviewed the SUDS Data Dictionary, documentation from SUS data workshops, and BOG methodology and procedures applicable

to the PBF submissions. The BOG issued annual notices communicating updates for reporting of institutional data based on the results of SUS data workshops. Depending on the required changes, the university may need to modify procedures or program code. Example of changes noted in the 2017 SUS data workshop was the new element of waiver/exemption type for the SIF submission, which related to Metric 3.

After gaining an understanding of the submission requirements, we reviewed key procedures for each data owner related to the extraction, compilation, and review of their data to ensure completeness and accuracy of the submission. We performed a risk analysis of the applicable metrics, taking into consideration changes in internal procedures for extraction, review, and submission processes. We also considered staffing changes, the significant changes in reporting requirements between years, variances in the data reported, and historical scores received.

The following is a summary of our review and conclusions for each data owner.

Office of University Registrar (OUR)

The mainframe-based Student Records System was the authoritative system of record (master data) for the SIF, SIFP, SIFD, and HTD. Metric submissions generated from these records involved graduation, retention, academic progress, and information regarding the programs of strategic emphasis (STEM programs).

The OUR had developed automated quality control checks that determined whether the data was within the BOG-expected parameters and allowed them to review the student data on a daily basis and make corrections, as necessary, prior to the SUDS submission. Because the mainframe-based system did not have input data validation checks, the OUR quality control checks looked for internal inconsistencies in the data, such as a student with their major not matching between internal files, invalid degree sought, incorrect matriculation status, blank data, invalid birth date, and student class level blank or inconsistent with other data.

We reviewed the OURs documented procedures for data extraction, review and upload, noting no significant changes since the prior audit in staffing, procedures, or BOG reporting requirements. The written procedures specifically addressed change management controls, processing and review of ad hoc reports, production jobs, and uploads. The OUR employed automated continuous monitoring procedures as well as separate layering of reviews to help assure the student data was accurate. We noted that the quality control procedures were performed by experienced staff prior to the final review by the DA.

The documented procedures indicated that IT system controls were in place for change management, access, data quality, audit logging, and security. Program change management controls were in place for both production scheduled jobs and the ad hoc generated reports. Access to production libraries were limited to personnel who were authorized to make changes. IT staff were tasked with the system and program changes while functional staff could make changes to data only through the applications, providing a separation of job functions.

SUDS submission data was stored in staging tables in a relational database on the mainframe. A custom application limited editing of the data to core office staff prior to a local download by the analyst and then upload to SUDS. We reviewed system and data security to ensure direct data access to files and relational database tables had been controlled. The records on the table kept track of the last user who made a change to the data and the date of change. At time of download, a control total report was generated by email to the OUR staff providing a summary of total number of records. We verified that both control total reports matched the spring SIF and SIFD submission record counts. Based on our review, we determined that access to make changes was limited to only authorized users.

We tested a random sample of 100 student records for SIF and SIFD submissions by comparing the data to the system of record to verify the accuracy of key elements identified in the BOG Methodology and Procedures. We found no exceptions for the sampled data elements.

OUR also coordinated with the Bursar Office for validation of the waivers, which were reported as part of the SIF submission for metric 3. We confirmed that the Bursar Office had established a process to verify the accuracy and completeness of the data by comparing the SUDS summary report with the Tuition Waiver Report from myUFL Enterprise Reporting. We reviewed the reports for Spring 2018 and determined the amount of waivers reported was accurately reflected in myUFL.

Based on the results of our review, we concluded that the OUR's processes were adequate for extraction, review and upload of student data to the SUDS.

Office of Undergraduate Affairs (OUA)

The "Hours to Degree" (HTD) file consists of students who graduated with their first baccalaureate degree but not more than one degree or a combined degree (BS/MS). Additionally, the submission contains a Courses to Degree (CTD) table which contain a listing of courses for each student that were used and not used to satisfy their degree.

OUA staff used the Student Academic Support System (SASS) to produce the data to build the HTD file. To build the HTD file, the IT staff developed a batch job that runs and pulls all the data together from the OUR core files in the Student Records System and combines that with the degree audits to create the submission file. The HTD file creation process was similar to the OUR process and used the same IT controls over submission data using the database staging tables, SUDS edit screens, and file download process.

We also noted the OUR staff coordinate with OUA and assist with checking the count of students on the HTD file as compared with the SIFD submission to provide a reasonable point of comparison for expected number of records.

We randomly selected 50 students and verified that the students' course information in CTD matched the data in the student record system. We did not have any differences for the key elements tested. We also performed our own data analytics review for data consistency and integrity testing between the HTD and

SIFD files. We found no significant errors with the HTD file and, based on our audit procedures, concluded that the HTD file submission appeared complete and accurate.

Based on the results of our review, we concluded that the OUA's processes were adequate for extraction, review and upload of student data to the SUDS.

Student Financial Affairs (SFA)

The primary role of SFA is to provide financial resources to students who would otherwise be unable to receive post-secondary education. Grants and scholarships are often called "gift aid" that does not have to be repaid. The BOG utilizes the amount of grants and scholarships students received to calculate Cost to the Student for Metric 3 and to evaluate access for students from low-income families (Metric 7).

We reviewed SFA's documented procedures for data extraction, review and upload, noting no significant changes since the prior audit in staffing, procedures, or BOG reporting requirements. Management also documented their review procedures for historical data comparison and verification of the amount of Pell Grants disbursed for Fall 2016 ($21,854,977).

We randomly selected eight financial aid awards and verified that the amount reported to the BOG, totaling $128,176,719, for the period 2016 and 2017 agreed with the SFA Funds Management system. All amounts reported were in agreement with the SFA Funds Management system of record.

Based on the results of our review, we concluded that SFA employed adequate processes to ensure data accuracy, completeness, and timely creation of the load file.

Office of Technology Licensing

The Office of Technology Licensing (OTL) connects researchers with investors and industry to lead them through the commercialization process. The OTL was responsible for reporting licenses (patents, copyrights, and trademarks) to the Association of University Technology Managers (AUTM) in their annual Licensing Survey. The data in this survey was used by the BOG to identify the university's ranking within Association of American Universities for Metric 10f.

OTL maintained a spreadsheet to track license agreements for the university. As noted in the 2018 Accountability Plan, there were a total of 293 licenses reported to the AUTM for the 2016 fiscal year. We verified the number of licenses reported agreed with the information tracked in the spreadsheet. Based on our review, the processes to compile and report the licensing information were generally adequate to promote that the licenses were accurately reported.

OTHER COMMENTS

Resubmissions

Resubmissions are typically an iterative process between the BOG, the DA and the data owners to correct data errors or anomalies identified by the SUDS edit process. Resubmissions may also be necessary in the event the university finds errors in its reporting system or the BOG does not agree with the comments identified in the SUDS review process. When errors are identified with a data submission that has already been accepted, BOG Regulation 3.007(2)(c) requires the DA shall email a resubmission request to the Office of Data Analytics.

We reviewed the DA's data resubmissions to the BOG to ensure these resubmissions were necessary, authorized, and were not indicative of any inherent problems in the submission process for PBF metrics. The resubmissions were related to the annual Retention file for 2016 and SIFD for Summer 2017.

The retention file was resubmitted due to the BOG procedural change for submitting Person ID changes. The resubmission was needed to correct nine student records, which resulted in a slightly higher academic progress rate by 0.17%. The Summer SIFD was resubmitted due to late degree processing where two students should have been reported as double major or double degree.

Based on the results of our review, resubmissions were performed within a reasonable time after the request. The need for the resubmissions at the university did not appear to be a systematic problem and generally consisted of individual data changes that would have no impact on the PBF metrics.

SUDS System Access Control

Data upload and submissions to the BOG were performed through a secure website. The DA was assigned the role of Data Administrator for the SUDS System by the BOG System Administrator. The DA's role was the highest level assignable at the institution and was assigned to only one individual at each SUS institution.

As of September 2018, there were 46 employees with access to SUDS. The DA and four IPR staff were the only individuals authorized to process submissions. In addition, the DA and two IPR staff were the only individuals with the Security Manager role that provided the ability to create users and assign roles to the authorized submissions that the user is responsible to process.

Procedures required a written approval by the supervisor and the DA to grant access to SUDS. We verified that the required approvals were obtained for all new users during the audit period. IPR also generates a monthly monitoring report to identify any changes in university personnel records for users with access. Based on our review of monitoring reports, we concluded that adequate controls were in place over authorization and monitoring of SUDS access.

Student Information System Modernization

The university initiated a large-scale three-year project in January 2016 to implement a new student information system by August 2018 to replace the decades old mainframe based Student Records System. Key offices, dedicated staff, and an implementation consultant were involved in the project and the new Campus Solutions information system was implemented on August 20, 2018. Although the submission files for the 2019 PBF metrics were sourced from the mainframe, for next year's audit the new system will be the authoritative source and system of record. We interviewed staff, reviewed project documentation and meeting notes, and participated with IPR on a committee to ensure that the BOG reporting requirements were adequately addressed. We noted that development, testing, and review was underway for producing the SIFP submission for Fall 2018, but that the reporting development effort had not been completed by the October 2018 deadline and a two-week extension was requested.

General Comment

We wish to express our appreciation to the management and staff of the Office of Institutional Planning and Research, Enterprise Systems, the Office of the University Registrar, the Office for Student Financial Affairs and Office of Technology and Licensing for the courtesy and cooperation extended to us during this review.

Audit Supervised by: Joe Cannella

Audit Conducted by: Jeff Capehart   Choi Choi
                         Lily Ly   Parvaneh Fazeli

Performance Based Funding

March 2019 Data Integrity Certification

STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

University Name: _____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

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8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☐	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☐	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☐	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☐	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☐	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _____ Date_____   President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _____ Date_____   Board of Trustees Chair

PERFORMANCE BASED FUNDING
2018 METRIC DEFINITIONS

1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) One Year After Graduation	This metric is based on the percentage of a graduating class of bachelor's degree recipients who are enrolled or employed (earning at least $25,000) somewhere in the United States. Students who do not have valid social security numbers and are not found enrolled are excluded. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico. Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).
2. Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation	This metric is based on annualized Unemployment Insurance (UI) wage data from the fourth fiscal quarter after graduation for bachelor's recipients. This data does not include individuals who are self-employed, employed by the military, those without a valid social security number, or making less than minimum wage. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico. Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).
3. Cost to the Student Net Tuition & Fees for Resident Undergraduates per 120 Credit Hours	This metric is based on resident undergraduate student tuition and fees, books and supplies as calculated by the College Board (which serves as a proxy until a university work group makes an alternative recommendation), the average number of credit hours attempted by students who were admitted as FTIC and graduated with a bachelor's degree for programs that requires 120 credit hours, and financial aid (grants, scholarships and waivers) provided to resident undergraduate students (does not include unclassified students). Source: State University Database System (SUDS), the Legislature's annual General Appropriations Act, and university required fees.
4. Four Year FTIC Graduation Rate	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes 'early admits' students who were admitted as a degree-seeking student prior to high school graduation. Source: State University Database System (SUDS).
5. Academic Progress Rate 2nd Year Retention with GPA Above 2.0	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with had a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer). Source: State University Database System (SUDS).
6. Bachelor's Degrees within Programs of Strategic Emphasis	This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).
7. University Access Rate *Percent of Undergraduates with a Pell-grant*	This metric is based the number of undergraduates, enrolled during the fall term, who received a Pell-grant during the fall term. Unclassified students, who are not eligible for Pell-grants, were excluded from this metric. Source: State University Database System (SUDS).
8a. Graduate Degrees within Programs of Strategic Emphasis	This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).

8b. Freshmen in Top 10% of High School Class Applies only to: NCF	Percent of all degree-seeking, first-time, first-year (freshman) students who had high school class rank within the top 10% of their graduating high school class. Source: New College of Florida as reported to the Common Data Set.

BOG Choice Metric

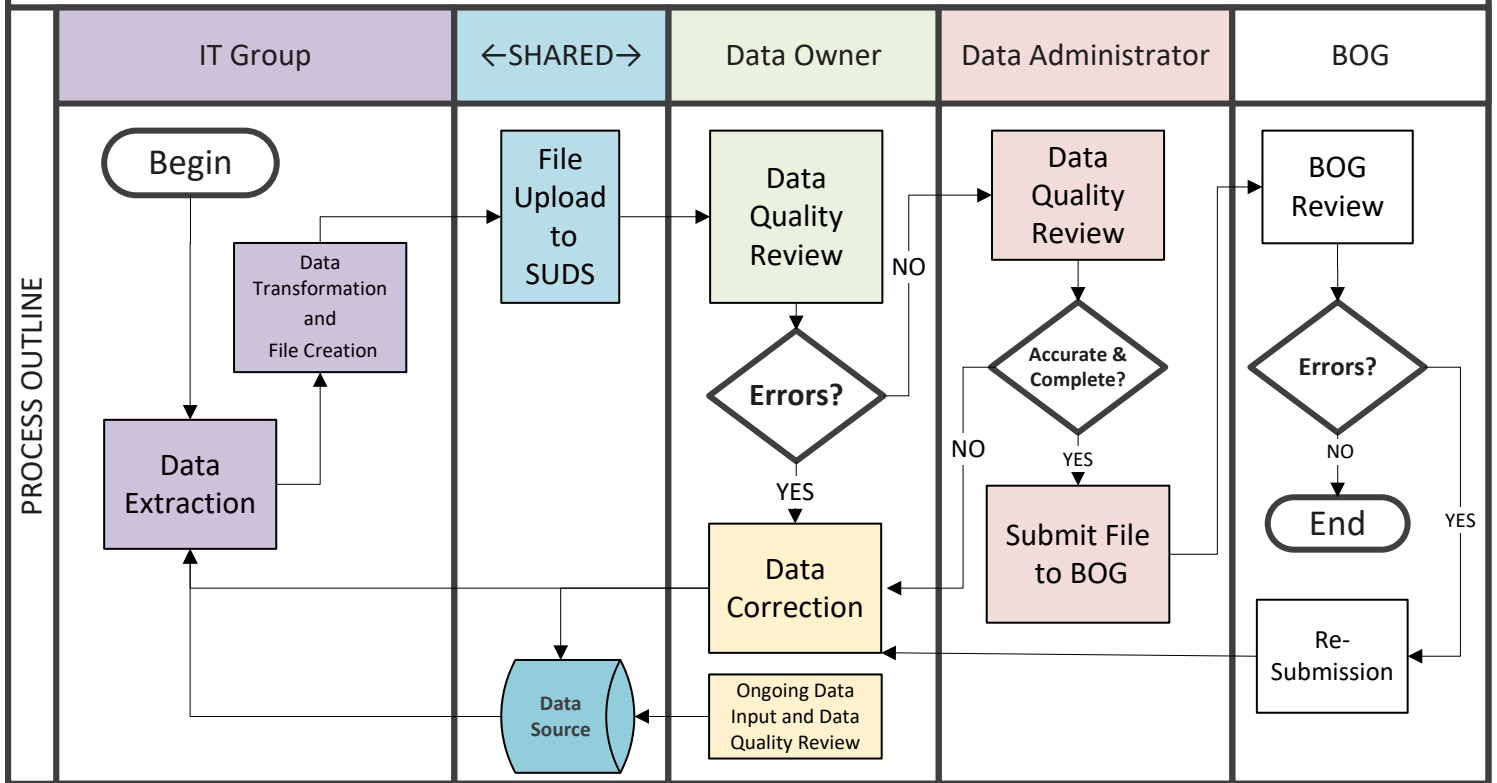|	
9. Percent of Bachelor's Degrees Without Excess Hours	This metric is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Note: It is important to note that the statutory provisions of the "Excess Hour Surcharge" (1009.286, FS) have been modified several times by the Florida Legislature, resulting in a phased-in approach that has created three different cohorts of students with different requirements. The performance funding metric data is based on the latest statutory requirements that mandates 110% of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits (ie, accelerated mechanisms, remedial coursework, non-native credit hours that are not used toward the degree, non-native credit hours from failed, incomplete, withdrawn, or repeated courses, credit hours from internship programs, credit hours up to 10 foreign language credit hours, and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program). Source: State University Database System (SUDS).

PERFORMANCE BASED FUNDING
2018 METRIC DEFINITIONS

BOT Choice Metrics

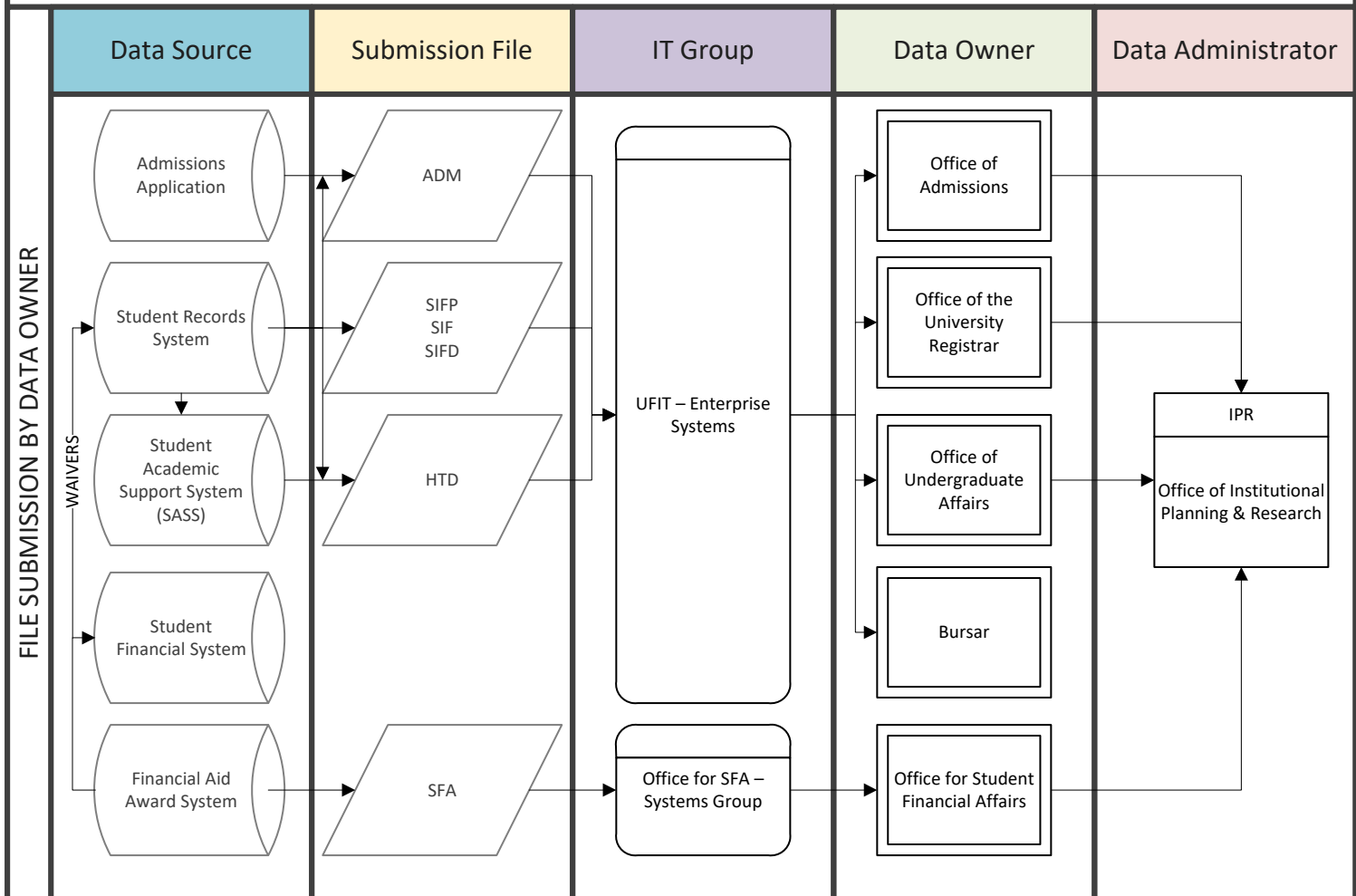|	
10a. Percent of R&D Expenditures Funded from External Sources FAMU	This metric reports the amount of research expenditures that was funded from federal, private industry and other (non-state and non-institutional) sources. Source: Accountability Report (Table 6A), National Science Foundation annual survey of Higher Education Research and Development (HERD).
10b. Bachelor's Degrees Awarded to Minorities FAU, FGCU, FIU	This metric is the number, or percentage, of baccalaureate degrees granted in an academic year to Non-Hispanic Black and Hispanic students. This metric does not include students classified as Non-Resident Alien or students with a missing race code. Source: Accountability Report (Table 4I), State University Database System (SUDS).
10c. National Rank Higher than Predicted by the Financial Resources Ranking Based on U.S. and World News FSU	This metric is based on the difference between the Financial Resources rank and the overall University rank. U.S. News measures financial resources by using a two-year average spending per student on instruction, research, student services and related educational expenditures - spending on sports, dorms and hospitals doesn't count. Source: US News and World Report's annual National University rankings.
10d. Percent of Undergraduate Seniors Participating in a Research Course NCF	This metric is based on the percentage of undergraduate seniors who participate in a research course during their senior year. Source: New College of Florida.
10e. Number of Bachelor Degrees Awarded Annually UCF	This metric is the number of baccalaureate degrees granted in an academic year. Students who earned two distinct degrees in the same academic year were counted twice; students who completed multiple majors or tracks were only counted once. Source: Accountability Report (Table 4G), State University Database System (SUDS).
10f. Number of Licenses/Options Executed Annually UF	This metric is the total number of licenses and options executed annually as reported to Association of Technology Managers (AUTM). The benchmarks are based on UF's rank within AAU institutions. Source: Accountability Report (Table 6A), University of Florida.
10g. Percent of Undergraduate FTE in Online Courses UNF	This metric is based on the percentage of undergraduate full-time equivalent (FTE) students enrolled in online courses. The FTE student is a measure of instructional activity that is based on the number of credit hours that students enroll by course level. Distance Learning is a course in which at least 80 percent of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time or space, or both (per 1009.24(17), F.S.). Source: Accountability Report (Table 3C), State University Database System (SUDS).
10h. Number of Postdoctoral Appointees USF	This metric is based on the number of post-doctoral appointees at the beginning of the academic year. A postdoctoral researcher has recently earned a doctoral (or foreign equivalent) degree and has a temporary paid appointment to focus on specialized research/scholarship under the supervision of a senior scholar. Source: National Science Foundation/National Institutes of Health annual Survey of Graduate Students and Postdoctorates in Science and Engineering (GSS).
10i. Percentage of Adult Undergraduates Enrolled UWF	This metric is based on the percentage of undergraduates (enrolled during the fall term) who are at least 25 years old at the time of enrollment. This includes undergraduates who are unclassified (not degree-seeking) students. Source: State University Database System (SUDS).

Performance Based Funding Metric Scores

Metric #	Metric Description	Points	Funding Model Year			
			2015-2016	2016-2017	2017-2018	2018-2019
1	**Percent of Bachelor's Graduates Enrolled or Employed (earning at least $25,000)** - *in the U.S. One Year After Graduation*	*Points Received*	**5**	**6**	**8**	**9**
		Maximum Points	**5**	**10**	**10**	**10**
		Percent of Maximum	100%	60%	80%	90%
2	**Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation**	*Points Received*	**5**	8	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	100%	80%	100%	100%
3	**Cost to the Student** - *Net Tuition and Fees per 120 credit hours*	*Points Received*	**3**	**6**	**8**	**8**
		Maximum Points	**5**	**10**	**10**	**10**
		Percent of Maximum	60%	60%	80%	80%
4	**Four Year FTIC Graduation Rate** - *Percent of first-time-In-college students who graduate within four years*	Points Received	5	10	10	10
		Maximum Points	5	10	10	10
	Metric change in 2018-2019 from Six Year FTIC Graduation Rate	Percent of Maximum	100%	100%	100%	100%
5	**Academic Progress Rate** - *2nd Year Retention with GPA Above 2.0*	*Points Received*	**5**	**10**	**10**	**10**
		Maximum Points	**5**	**10**	**10**	**10**
		Percent of Maximum	100%	100%	100%	100%
6	**Bachelor's Degrees Awarded within Programs of Strategic Emphasis** - *as designated by the Board of Governors*	Points Received	5	10	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	100%	100%	100%	100%
7	**University Access Rate** - *Percent of Undergraduates with a Pell-grant*	*Points Received*	**5**	**10**	**9**	**6**
	Access rate scale was changed in 2018-2019 due to Senate Bill 4	*Maximum Points*	**5**	**10**	**10**	**10**
		Percent of Maximum	100%	100%	90%	60%
8a	**Graduate Degrees Awarded within Programs of Strategic Emphasis** - *as designated by the Board of Governors*	Points Received	5	10	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	100%	100%	100%	100%
9b	**Percent of Bachelor's Degrees without Excess Hours**	*Points Received*	**3**	**5**	**10**	**10**
	Metric change in 2018-2019 from Number of Faculty Awards: applies to UF and FSU only	*Maximum Points*	**5**	**10**	**10**	**10**
		Percent of Maximum	60%	50%	100%	100%
10f	**Number of Licenses/Options Executued Annually: *applies to UF only***	*Points Received*	3	7	10	10
		Maximum Points	5	10	10	10
		Percent of Maximum	60%	70%	100%	100%
Note:	*Points in red are based on improvement scoring*	**Total Points Received**	**44**	**82**	**95**	**93**
	Scale change from a maximum of 50 points to 100 points occurred in 2016-2017	**Maximum Points**	**50**	**100**	**100**	**100**
		Percent of Maximum	88%	82%	95%	93%

Overview of the University SUDS Submission Data & Process Flows

IT Group	←SHARED→	Data Owner	Data Administrator	BOG

PROCESS OUTLINE

Begin

Data Transformation and File Creation

Data Extraction

File Upload to SUDS

Data Quality Review

Errors?

NO

YES

Data Quality Review

Accurate & Complete?

NO

YES

Submit File to BOG

BOG Review

Errors?

NO

End

YES

Re-Submission

Data Correction

Ongoing Data Input and Data Quality Review

Data Source

Data Flow by Owner

Data Source	Submission File	IT Group	Data Owner	Data Administrator

FILE SUBMISSION BY DATA OWNER

Admissions Application → ADM

Student Records System → SIFP SIF SIFD

Student Academic Support System (SASS) → HTD

Student Financial System

Financial Aid Award System → SFA

WAIVERS

UFIT – Enterprise Systems

Office for SFA – Systems Group

Office of Admissions

Office of the University Registrar

Office of Undergraduate Affairs

Bursar

Office for Student Financial Affairs

IPR
Office of Institutional Planning & Research

Office of the Provost and Senior Vice President

235 Tigert Hall
PO Box 113175
Gainesville, Fl. 32611-3175

October 26, 2018

Audit and Compliance Committee
University of Florida Board of Trustees
903 W. University Avenue, Room 217
CAMPUS

Dear BOT Audit and Compliance Committee Members:

I am writing to indicate my concurrence with the *Performance Based Funding-Data Integrity* audit report as of September 30, 2018. I have reviewed the substance of that report in a meeting with Joe Canella and the audit staff in an exit meeting on October 25, 2018.

I would like to thank Joe and his staff for the substantial amount of work they put into this audit review in support of the university's Performance Funding effort.

Sincerely yours,

Joseph Glover
Provost and Senior Vice President for Academic Affairs

Performance Based Funding

March 2019 Data Integrity Certification

STATE UNIVERSITY SYSTEM *of* **FLORIDA**
Board of Governors

University Name: <u>Universty of Florida</u>

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

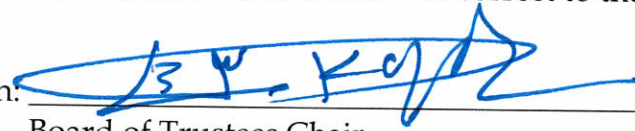| Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
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9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date ___10/26/18___
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date ___12/7/18___
Board of Trustees Chair

Final Internal Audit Report 2019.01

FY19 Performance Based Funding Data Integrity

Issued to:
Audit and Compliance Committee:
Paul McElroy, Doug Burnett, Tom Bryan, Oscar Munoz, Hans Tanzler, Sharon Wamble-King, Kevin Hyde (ex-officio)

President: David Szymanski

Vice Presidents: Jay Coleman, Pam Chally, Shari Shuman

Abby Willcox, Director Institutional Research
Jeff Durfee, Director IT Networking
Shawn Brayton, Director of Academic Programs

Issued by:
Julia Hann, Chief Audit Executive

Lead Auditor:
Khareem Gordon, IT Internal Auditor

Table of Contents

The Swoop

Executive Summary

The University of North Florida (UNF), established in 1972, has gained national recognition for its quality, service, and signature emphasis on *Transformational Learning Opportunities* for students. The student population has grown to approximately 16,000, and the University has six colleges: Education and Human Services; Business; Health; Arts & Sciences; Honors; and Computing, Engineering, and Construction.

The integrity of data provided to the Florida Board of Governors (BOG) is critical to the performance-based funding (PBF) decision-making process. To provide assurance that the data submitted for this process is reliable, accurate, and complete, in 2014 the BOG developed a Data Integrity Certification process. University presidents and boards of trustees are required to execute a Data Integrity Certification affirmatively certifying each representation. The audit is to be conducted in accordance with professional auditing standards and is to be submitted to the Board of Governors for their annual meeting in March. The audit results provide the basis for the president's and the chair's certification.

This is the fifth iteration of the Performance Based Funding audit to support the data certification representations. Data integrity controls are embedded within key university processes. This year we focused on improving data integrity controls and ensuring controls are commensurate to risks inherent to maintaining data integrity. We categorize the overall residual risk ranking as **_low_** (Appendix I) because corrective action to address these observations are opportunities to further control the integrity of the data.

Summary of Recommendations

The Office of Internal Auditing's (OIA) mission is to provide an independent objective assurance and consulting activity which adds value and helps improve operations. Ensuring the integrity of data submitted to the BOG requires a holistic approach that involves many areas and technological controls. We identified two (2) "*Osprey Opportunities*" to address _minor_ risk and will add best practices to further strengthen internal controls for ensuring data integrity. The rating scale is described in detail in **Appendix I** – Report and Item Ranking Scale. We used guidance from the Department of Education, best practices from the National Institute of Standards and Technology, and from ISACA. The recommendations below will make incremental improvements to the university's internal controls for ensuring data integrity. These items are discussed in detail in the **Observations and Recommendations** section of the report.

The Office of Internal Auditing recommends:

1. Consider additional controls to ensure the integrity and confidentiality of data submitted to the BOG.
2. Continue to clarify the approval status of programs exceeding 120 credit hours or reduce credit hours, where warranted.

Background, Objectives, and Scope

The Performance Based Funding Data Integrity Audit is required annually by the Board of Governors (BOG) and was part of the fiscal year 2019 risk-based audit plan approved by the University president and the board of trustees.

The Performance Based Funding Model was approved by the BOG in January 2014 and has incentivized universities and their boards of trustees to achieve excellence and performance improvements in key areas aligned to the State University System (SUS) Strategic Plan goals. Over the years, there have been several changes to the model. Most recently, in March 2018, Senate Bill 4 was signed into law requiring the inclusion of a 4-year, rather than a 6-year, graduation rate in the Performance Funding Model.

The Performance Funding Model includes 10 metrics used to evaluate the institutions on a range of issues. Two of the 10 metrics are choice metrics; one picked by the Board and another by the university's board of trustees. Appendix II defines the data submission files while Appendix III defines the metrics.

The Office of Institutional Research (IR) performs the University's data administration function by producing or coordinating all official data reports and electronic files submitted to federal, state, regional, and local agencies. IR has a director, an assistant director, a senior analyst, two analysts, a programmer analyst, and an office manager. IR is involved actively in the following committees: Data Governance, Student Records, and Advising Steering Committees. The president appointed the director of IR as the institutional data administrator to certify and to manage the submission of data to the BOG.

Data integrity controls exist throughout many of the University's data collecting, processing, and reporting processes. This year's audit is the fifth iteration of the Performance Based Funding audit. It is noted management has made several improvements, outlined below, to the internal controls over data integrity.

Accomplishments:	Description:
1. Data Governance Committee	The Data Governance Committee is actively involved in emerging data governance issues.
2. Data Cookbook implementation	A business dictionary that contains the definitions of key data terms.
3. Process Documentation	The reporting process is being documented.
4. Timeliness of file submissions	Most files were submitted on time.
5. Data Owner Reviews	Data owners review file submissions.
6. Access Reviews	Data owners review, periodically, who has access to their data, ensuring a need-to-know standard.
7. Audit Logs	ITS implemented access logs to track activity on PBF files.
8. Automated reports	Automated reports to identify potential problems records.
9. Automated student records cleanup	Automated jobs which perform limited cleanup of student records to ensure accuracy.
10. Encryption	The hard drives of computers used by IR employees are being encrypted.

The objectives of the audit were to:

1. Determine whether the University has adequate controls in place to ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the Performance Based Funding metrics;
2. Provide an objective basis of support for the president and board of trustees chair to sign the required representations in the Performance Based Funding - Data Integrity Certification which will be filed with the BOG on or before March 1, 2019;
3. Identify improvements in critical data collection processes supporting high risk metrics;
4. Follow up on the implementation of corrective action plans reported in the prior audit.

The scope of the audit included policies, procedures, and processes that support maintaining the integrity of data submitted to the Board of Governors for the Performance Based Metrics. We performed detailed testing on the Student Instruction File (SIF) and the Student Financial Aid (SFA). We selected the SIF and the SFA files because of the impact on the metrics. We tested other files during previous audit periods.

We compiled a list of data elements for the selected data files and identified business processes which are critical in the data lifecycle. We reviewed five business processes related to the metrics listed as having higher audit risk and lower scoring metrics:

1. Admissions,
2. Registration,
3. Grade Submissions,
4. Excess Hours,
5. Undergraduate Advising.

We conducted employee interviews, performed process walkthroughs, analytical reviews, and evaluated risks in the processes and its impact on each metric. Our observations and recommended process improvements for the business process reviews will be issued in a separate consulting memo.

The audit fieldwork started on September 24, 2018 and ended in December 13, 2018. We used several control frameworks to identify and to evaluate the data integrity controls at various points in the data lifecycle. We evaluated controls by using the National Institute of Standards and Technology (NIST) Cybersecurity Framework and the Control Objectives for Information and Related Technologies (COBIT) 5 Framework. The use of these frameworks is important to providing objective assurance as required in representations 1, 2, 3, and 4 of the Data Integrity Certification.

We conducted the audit in accordance with the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors (IIA), the Professional Practices Framework for IS Audit/Assurance and the IS Standards, Guidelines, and Procedures for Auditing Professionals issued by the Information Systems Audit and Control Association (ISACA), and the professional code of the International Information System Security Certification Consortium (ISC^2).

Observations and Recommendations

Observation #1 Information Technology Controls
Osprey Opportunity
Minor Risk

UNF collects, stores, uses, and shares Family Educational Rights and Privacy Act (FERPA) protected data which includes personally identifiable information. The data submitted to the BOG is FERPA protected data and is uploaded via an encrypted connection to ensure integrity of the submission process.

The University's data classification policy states that restricted data, such as FERPA protected data, should be protected according to best practices. Best practices, such as NIST Cybersecurity Framework, list several controls that can be used to ensure data integrity.

Criteria
BOG Regulation 3.0075, Security of Data and Related Information Technology Resources, recommends policies and procedures regarding access control and transmission of sensitive/confidential data.

UNF policy 6.0220P, Data Classification Policy for restricted data, states restricted data is information protected by statutes, regulations, University policies or contractual language e.g. FERPA protected data.

Risk
Data integrity risks may increase without additional controls.

Cause
ITS is currently researching feasibility of additional controls in IR's IT environment.

Recommendation
Consider additional controls for FERPA protected student data in the IR environment.

Management Response
Institutional Research (IR) will submit a request to Information Technology Services (ITS) to have additional controls on department desktop and laptop computers subject to the feasibility of those controls. Please note all newer workstations at UNF are being deployed with additional controls. We anticipate that this will be completed prior to the end of January 2019.

UNF currently utilizes the following controls on networks and databases:

- Access controls at the workstation, database and network levels
- Network security (e.g. firewall, IPS, segmentation)
- Workstation security (e.g. antivirus, access controls)

Observation #2 Excess Hours
Osprey Opportunity
Minor Risk

During the audit, we learned the BOG has a process to approve bachelor's degree programs exceeding 120 credit hours by a university. As of Fall 2018, UNF had approval from the BOG for nine disciplines to require more than 120 credit hours. However, there are three additional programs at UNF exceeding 120 credit hours which the SUS BOG has not approved excess hours. We learned these programs are currently being vetted at the college level and through the University's Academic Program Committee (APC) approval process to reduce program requirements to 120 credit hours. The purpose of APC is to review curricular proposals for the creation, deletion, or modification of academic programs and courses.

Lastly, a third program within Sign Language Interpretation and Translation was added to the degree program inventory file by the BOG in fall 2007. In July 2007 notification included the new program design that allowed students at five Florida Community Colleges with interpreter training programs to bridge into a 4-year bachelor's program requiring 135 credit hours. UNF understood the program to be approved at 135 credit hours. However, in fall 2018, it was learned evidence of approval could not be located even though it is listed in the degree program inventory file.

Criteria
BOG Methodology and Procedures for *Percent of Bachelor's Degrees Awarded Without Excess Hours*, states in part "in accordance with the requirements of Section 1007.25(8), F.S., and Board regulation 8.014, the Board of Governors may approve a request by a university board of trustees for a bachelor's degree program to exceed 120 credit hours to degree."

Risk
Programs exceeding 120 credit hours without documented approval from the BOG may impact metrics calculations.

Cause
Through leadership transitions the college has worked to reduce program offerings to 120 credit hours. The Sign Language Interpretation and Translation discipline was unaware BOG documented approval was not on file.

Recommendation
We recommend the University continue to clarify the approval status of programs exceeding 120 credit hours or reduce credit hours, where warranted.

Management Response
The three Science Teacher Education programs (CIP 13.1205)—Biology, Chemistry, and Physics—have been revised, vetted, and approved via faculty governance curriculum procedures. Effective fall 2019, all Science Teacher Education programs will have an approved program length of 120 semester hours. The English Teacher Education program (CIP 13.1205) is currently undergoing the vetting and approval processes via faculty governance curriculum procedures. Academic Affairs anticipates approval of the program length reduction in early 2019.

The Mathematics Teacher Education (CIP 13.1311) program faculty were first advised to seek changes to the statewide common prerequisites. The request was denied at the state level and the Board of Governors recommended seeking approval to exceed 120 semester hours. The faculty prepared the necessary paperwork to request an exception to 120 semester hour program length, however, a decision was made by the dean and Provost to revise the curriculum to a program length of 120 semester hours. The reduction in program length is in the process of being vetted via faculty governance curriculum procedures and is expected to be approved by Faculty Association at its January 2019 meeting.

Academic Affairs will continue to monitor the faculty governance of curriculum processes for reducing the program length for the English Teacher Education and Mathematics Teacher Education programs.

With respect to ASL/English Interpreting (CIP 16.1603), the Associate of Science (AS) to Bachelor of Science (BS) program was approved by UNF's Board of Trustees in 2007 as a 135 semester hour degree program developed between UNF and FSCJ. After searching archives neither the Board of Governors nor UNF's President's Office have evidence stipulating Board of Governors' acceptance of UNF's program at 135 semester hours. In 2012 and 2014, the Board of Governors conducted an evaluation to ensure alignment of catalog hours to degree hours reported in the HTD file. The program was not listed on the 2012 audit however, it was listed on the 2014 audit. UNF provided a response to the 2014 audit to clarify the status of the program and that its program length was 135 semester hours. Board of Governors staff accepted UNF's response and did not request any further information. To this end, UNF thought the program length issue had been resolved and that no further action was required.

For CIP Codes where UNF is approved to offer a bachelor's degree in the discipline over 120 hours, college and department leadership will explore the feasibility of revising curriculum requirements to require less hours where appropriate with continued compliance with discipline specific accrediting bodies and industry best practices. For example, the Elementary Education (CIP 13.1202) is seeking to reduce the program length from the BOG approved 126 semester hours to 120 semester hours. The request is currently being vetted via faculty governance of curriculum procedures and is expected to be approved by Faculty Association at its January 2019 meeting.

Appendix I
Report and Item Ranking Scale

Overall Report Residual Risk Ranking
- **Low**
  - The internal control system scoped within the audit is functioning satisfactorily and remaining operating risks are low.
  - The collective audit issues are considered minor deficiencies.
  - Related corrective action need only be addressed to improve current operations.

- **Moderate**
  - The internal control system scoped within the audit is functioning in a manner that provides reasonable assurance that most major risks will be mitigated.
  - Corrective action to address the audit issues may not be critical to the university's business operations as a whole but should be addressed to minimize financial, reputational, operational and strategic risks.
- **High**
  - The internal control system scoped within the audit needs major improvement.
  - The deficiencies identified could significantly impair operations.
  - If corrective action is not implemented timely, issues may escalate to cause critical financial, reputational, operational or strategic risks.
  - Corrective action plans should be given a priority.

Reportable Item Ranking Scale
- **Minor Risk [*Osprey Opportunity*]**
  - Observation reportable to address a nominal risk.
  - Recommendations provide opportunities for improvement.
  - Minor violations of procedures, rules, or regulations.
  - Routine administration attention requested.
  - Corrective action strongly recommended to improve quality or processes of area being audited.

- **Notable Risk**
  - Significant observation reportable to address an increased risk.
  - Multiple violations of policies and procedures, and/or weak internal controls.
  - Important opportunity to improve effectiveness and efficiency.
  - Corrective action required.

- **Critical Risk**
  - Major observation reportable due to a critical risk to the university.
  - Material violation of policies/procedures/laws, and/or unacceptable internal controls, and/or high risk for fraud/waste/abuse, and/or major opportunity to improve effectiveness and efficiency.
  - Material risk identified. Immediate corrective action required.

Appendix II

Data Files

Metric	Description	Submitted Data File Name	Data Used/Created by BOG	Functional Data User
1	Percent of Bachelor's Graduates Employed Full-Time in Florida or Continuing Education in U.S. one year after Graduation	SIFP, SIF, SIFD	Accountability Report (table 4O), National Student Clearinghouse (NSC), Florida Education and Training Placement Information Program (FETPIP) analysis of Wage Record Interchange System (WRIS2), and Federal Employment Data Exchange (FEDES)	Registrar
2	Median Wages of Bachelor's Graduates Employed Full-Time in Florida one year after Graduation	SIFP, SIF, SIFD	Accountability Report (table 4O), FETPIP, WRIS2, FEDES, and NSC	Registrar
3	Cost to the Student: Net Tuition & Fees per 120 Credit Hours	HTD, SFA, SIF	Accountability Report (Table 1D)	Registrar
4	Six Year Graduation Rate FTIC (first time in college) Students	SIF, SIFP, SIFD, RET	Accountability Report (Table 4D)	Registrar
5	Academic Progress Rate	SIF, RET	Accountability Report (Table 4B)	Registrar
6	Bachelor's Degrees Awarded in Areas of Strategic Emphasis (includes STEM)	SIFD	Accountability Report (Table 4H)	Registrar
7	University Access Rate	SFA, SIF	Accountability Report (Table 3E)	Financial Aid, Registrar
8	Graduate Degrees Awarded in Areas of Strategic Emphasis (includes Stem)	SIFD	Accountability Report (Table 5C)	Registrar
9	BOG Choice: Percent of Bachelor's Degrees Without Excess Hours	HTD	Accountability Report (Table 4J)	Registrar
10	BOT Choice: Undergraduate FTE Enrollments in Online Courses	SIF	Accountability Report (Table 3C)	Registrar

SIFP = Student Instruction File – Preliminary
SIF = Student Instruction File
SIFD = Student Instruction File – Degrees Awarded
HTD = Hours to Degree

RET = Retention File
SFA = Student Financial Aid

Appendix III
Metric Definitions

1. Percent of Bachelor's Graduates Enrolled or Employed ($25,000+) One Year After Graduation	This metric is based on the percentage of a graduating class of bachelor's degree recipients who are enrolled or employed (earning at least $25,000) somewhere in the United States. Students who do not have valid social security numbers and are not found enrolled are excluded. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico. Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).
2. Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation	This metric is based on annualized Unemployment Insurance (UI) wage data from the fourth fiscal quarter after graduation for bachelor's recipients. This data does not include individuals who are self-employed, employed by the military, those without a valid social security number, or making less than minimum wage. This data now includes non-Florida data from 41 states and districts, including the District of Columbia and Puerto Rico. Sources: State University Database System (SUDS), Florida Education & Training Placement Information Program (FETPIP) and Florida Department of Economic Opportunity (DEO) analysis of Wage Record Interchange System (WRIS2) and Federal Employment Data Exchange (FEDES), and National Student Clearinghouse (NSC).
3. Cost to the Student Net Tuition & Fees for Resident Undergraduates per 120 Credit Hours	This metric is based on resident undergraduate student tuition and fees, books and supplies as calculated by the College Board (which serves as a proxy until a university work group makes an alternative recommendation), the average number of credit hours attempted by students who were admitted as FTIC and graduated with a bachelor's degree for programs that require 120 credit hours, and financial aid (grants, scholarships and waivers) provided to resident undergraduate students (does not include unclassified students). Source: State University Database System (SUDS), the Legislature's annual General Appropriations Act, and university required fees.
4. Four Year FTIC Graduation Rate	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and had graduated from the same institution by the summer term of their fourth year. FTIC includes 'early admits' students who were admitted as a degree-seeking student prior to high school graduation. Source: State University Database System (SUDS).

5. Academic Progress Rate 2nd Year Retention with GPA Above 2.0	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the Fall term following their first year with had a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer). Source: State University Database System (SUDS).
6. Bachelor's Degrees within Programs of Strategic Emphasis	This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).
7. University Access Rate *Percent of Undergraduates with a Pell-grant*	This metric is based the number of undergraduates, enrolled during the fall term, who received a Pell-grant during the fall term. Unclassified students, who are not eligible for Pell- grants, were excluded from this metric. Source: State University Database System (SUDS).
8a. Graduate Degrees within Programs of Strategic Emphasis	This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included). Source: State University Database System (SUDS).

BOG Choice Metric

9. Percent of Bachelor's Degrees Without Excess Hours	This metric is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Note: It is important to note that the statutory provisions of the "Excess Hour Surcharge" (1009.286, FS) have been modified several times by the Florida Legislature, resulting in a phased-in approach that has created three different cohorts of students with different requirements. The performance funding metric data is based on the latest statutory requirements that mandates 110% of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits (ie, accelerated mechanisms, remedial coursework, non-native credit hours that are not used toward the degree, non-native credit hours from failed, incomplete, withdrawn, or repeated courses, credit hours from internship programs, credit hours up to 10 foreign language credit hours, and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program). Source: State University Database System (SUDS).

BOT Choice Metric

10g. Percent of Undergraduate FTE in Online Courses UNF

This metric is based on the percentage of undergraduate full-time equivalent (FTE) students enrolled in online courses. The FTE student is a measure of instructional activity that is based on the number of credit hours that students enroll by course level. Distance Learning is a course in which at least 80 percent of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time or space, or both (per 1009.24(17), F.S.). Source: Accountability Report (Table 3C), State University Database System (SUDS).

Performance Based Funding

March 2019 Data Integrity Certification

University Name: University of North Florida

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

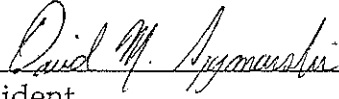| Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures
I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors. Certification: _David M. Szymanski_   Date _1/4/19_ President
I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge. Certification: _____   Date _1/17/19_ Board of Trustees Chair

MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs
Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability

FROM: Virginia Kalil, CIA, CISA, CFE, CRISC
Executive Director/Chief Internal Auditor

DATE: February 4, 2019

SUBJECT: 19-010 Performance-Based Funding Data Integrity Audit

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USF System Audit (Audit) performed an audit of the internal controls that ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG). These data submissions are relied upon by the board in preparing the measures used in the performance-based funding process. This audit also provides an objective basis of support for the President and Board of Trustees (BOT) Chair to sign the representations included in the Performance-Based Funding Data Integrity Certification to be filed with the BOG by March 1, 2019. This project is part of the approved 2018-2019 Work Plan.

Measures One through Nine were based on data submitted through the State University Database System (SUDS) utilizing a state-wide data submission process for BOG files. Measure Ten was based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering (GSS). This data is published annually by The National Center for Science and Engineering Statistics. For additional information on data files included in this audit, see Appendix A.

Audit's overall conclusion was that there was an <u>adequate system of internal controls</u> in place to meet our audit objectives, assuming corrective actions are taken timely to address the two medium-priority risks communicated separately in our management letter. **No impact to the performance measures was identified.**

OVERALL CONCLUSION	
☐ Adequate System of Internal Control	Findings indicate that, as a whole, controls are adequate. Identified risks, if any, were low-priority requiring timely management attention within 90 days.
☒ Adequate System of Internal Control – with reservations	Medium-priority risks are present requiring urgent management attention within 60 days.
☐ Inadequate System of Internal Control	High-priority risks are present requiring immediate management attention within 30 days.

We received outstanding cooperation throughout this audit. Please contact us at 974-2705 if you have any questions.

cc: President Judy Genshaft, USF System
      Chair Brian D. Lamb, USF Board of Trustees
      David Lechner, Senior Vice President, Business and Financial Strategy
      John Long, Senior Vice President, Business and Finance and Chief Operating Officer
      Dr. Charles Lockwood, Senior Vice President, USF Health
      Dr. Paul Sanberg, Senior Vice President, Research, Innovation & Knowledge Enterprise
      Dr. Karen Holbrook, Regional Chancellor, USF Sarasota-Manatee
      Dr. Martin Tadlock, Regional Chancellor, USF St. Petersburg
      Dr. Paul Dosal, Vice President for Student Affairs and Student Success
      Nick Trivunovich, Vice President, Business and Finance and Chief Financial Officer
      Sidney Fernandes, Vice President, Information Technology and Chief Information Officer
      Dr. Paul Atchley, Dean, Undergraduate Studies
      Billie Jo Hamilton, Associate Vice President, Enrollment Planning & Management

BACKGROUND

In 2014, the Board of Governors (BOG) implemented the Performance-Based Funding (PBF) Model which includes 10 metrics intended to evaluate Florida institutions on a range of issues (e.g., graduation and retention rates, average student costs). Eight of the metrics are common to all institutions, while the remaining two vary by institution and focus on areas of improvement or the specific mission of the university.

The metric calculation for Measures One through Nine are based on data submitted through the State University Database System (SUDS) utilizing a state-wide data submission process for BOG files. Measure Ten is based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering.

In order to ensure the integrity of the data being submitted to the BOG to support the calculation of the metrics, USF has established specific file generation, review, certification, and submission processes.

File Generation Process

USF utilizes an automated process, Application Manager, to extract data files from the original systems of record and reformat and redefine data to meet the BOG data definition standards. The only data file that can be impacted outside the Application Manager process is the Hours to Degree submission. (See Hours to Degree File Generation Process below.)

This Application Manager process includes the following key controls:

- ✓ The Application Manager jobs can only be launched by authorized Data Stewards. In addition, individuals responsible for the collection and validation of the data have no ability to modify the Application Manager jobs.
- ✓ The Retention File generated by the BOG is downloaded from the BOG SUDS portal to HubMart by Resource Management & Analysis (RMA). The Data Stewards and Sub-certifiers cannot change the files.
- ✓ Corrections are made to the original systems of record and the Application Manager job is re-run until the file is free of material errors.
- ✓ Any changes to the data derivations, data elements, or table layouts in the Application Manager jobs are tightly controlled by RMA and Information Technology (IT) utilizing a formal change management process.
- ✓ There are IT controls designed to ensure that changes to the Application Manager jobs are approved via the standard USF change management process and that access to BOG submission-related data at rest or in transit is appropriately controlled.

Hours to Degree File Generation Process

The Hours to Degree file submission has two primary tables: 1) Hours to Degree (HTD) that contains information regarding the students and the degrees issued and 2) Courses to Degree (CTD) that includes information regarding the courses taken and utilization of the courses to degree. The

HTD file is derived based on data in HubMart (Degrees_Submitted_Vw) and data from the student records system, OASIS (Online Access Student Information System)-a Banner product. The CTD file is generated from a combination of OASIS data and data obtained from the degree certification and advising system (DegreeWorks).

While an Application Manager process is used to create the HTD file, the process utilizes a series of complex scripts to select the population, normalize the data fields to meet BOG data definition standards, and populate course attributes used by the BOG to identify excess hours exemptions. This includes deriving whether courses are "used to degree" or "not used to degree" from DegreeWorks.

The systematically-identified HTD population and CTD file are loaded into two custom Banner reporting tables for validation. Any necessary corrections are made manually by the Data Steward utilizing custom Banner forms.

BOG File Review and Certification Process

USF utilizes a formal review process managed by RMA for all BOG file submissions. The review and certification process includes the following key controls:

- ✓ Data Stewards, Sub-certifiers and Executive Reviewers who had operational and/or administrative responsibility for the institutional data are assigned key roles and responsibilities. The RMA website defines each of these roles.
- ✓ A central repository (DocMart) contains detailed information regarding data elements for each BOG SUDS file.
- ✓ A secured file storage location (HubMart) provides read-only access and functionality to the data collected and extracted into the Data Warehouse from transactional source systems in order to allow Data Stewards and Sub-certifiers to review and validate data.
- ✓ A formal sub-certification and executive review process is in place to ensure that institutional data submitted to the BOG accurately reflects the data contained in the primary systems of record. No BOG file is submitted to the BOG by the Data Administrator until the Executive Reviewer(s) approves the file.
- ✓ A formal process for requesting and approving resubmissions includes a second executive review process.

BOG File Submission Process

Once all data integrity steps are performed and the file is ready for upload to the SUDS portal, a secure transmission process is used by RMA to ensure data cannot be changed prior to submission.

Key controls within this process include:

- ✓ A dedicated transfer server is used to transmit the BOG SUDS files. Only RMA and IT server administrators have access to the transfer server.
- ✓ Only RMA staff can upload a file from the transfer server to SUDS, edit submissions, generate available reports, or generate reports with re-editing.
- ✓ Only the Data Administrator and Back-up administrator can submit the final BOG file.

Measure Ten - Number of Postdoctoral Appointees

Measure Ten is based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering (GSS). This data is published annually by The National Center for Science and Engineering Statistics. Aggregated data is collected via a web survey for each SEH (Science, Engineering, and selected Health fields) unit within an institution.

The individual responders from each SEH unit are responsible for the completeness and accuracy of the data they submitted in the survey. The SEH units submit rosters of reported postdocs to the primary Data Steward for verification. The primary Data Steward in the Office of Postdoctoral Affairs verifies the accuracy and completeness of the SEH-prepared rosters.

Prior to final submission of the GSS survey, the data goes through a Sub-certifier review process. The Data Steward will provide a master roster of reported postdocs, along with a report of the aggregated data contained in the GSS system. The Sub-certifier will verify that the roster data conforms to the criteria for postdoctoral appointees listed in the Guidelines for Reporting Postdocs and Non-Faculty Researchers. Measure Ten utilizes the same Executive Review process as the other nine measures.

SCOPE AND OBJECTIVES

Our audit focused on the internal controls established by the USF System as of September 30, 2018 to ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the PBF measures.

The primary objectives of our audit were to:

- Determine whether the processes and internal controls established by the university ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF measures.

- Provide an objective basis of support for the President and BOT Chair to sign the representations included in the Performance-Based Funding Data Integrity Certification, which will be submitted to the BOT and filed with the BOG by March 1, 2019.

The scope and objectives of the audit were set jointly and agreed to by the President, BOT Chair, the BOT Audit & Compliance Committee Chair, and the university's Chief Audit Executive. USF System Audit (Audit) followed its standard risk assessment, audit program, and reporting protocols.

PROCEDURES PERFORMED

We followed a disciplined, systematic approach using the *International Standards for the Professional Practice of Internal Auditing.* The information system components of the audit were performed in accordance with the *ISACA (Information Systems Audit and Control Association) Standards and Guidelines.* The COSO (Committee of Sponsoring Organizations of the Treadway Commission) and COBIT

(Control Objectives for Information and Related Technologies) Control Frameworks were used to assess control structure effectiveness.

Testing of the control processes was performed on the most recent data file submissions as of September 30, 2018, for term-based submissions. For files submitted annually, the current year file was selected for testing if available by November 15, 2018. Our testing focused on the tables and data elements in the files which were utilized by the BOG to compute the performance measure. For additional information on the files included in this review see Appendix A.

Minimum audit guidelines were established by the BOG in year one which outlined eight key objectives. These key audit objectives have been incorporated into our audit each subsequent year:

1. Verify the Data Administrator has been appointed by the university president and PBF responsibilities incorporated into their job duties.
2. Validate that processes and internal controls in place are designed to ensure completeness, accuracy, and timeliness of data submissions.
3. Determine whether policies, procedures, and desk manuals are adequate to ensure integrity of submissions.
4. Evaluate the adequacy of system access controls.
5. Verify data accuracy through sample testing of key files and data elements.
6. Assess the consistency of Data Administrator's certification of data submissions.
7. Confirm the consistency of data submissions with the BOG data definitions (files and data elements).
8. Evaluate the necessity and authorization of data resubmissions.

In year one, a comprehensive review (Audit 15-010) of processes and controls was conducted followed by a risk assessment. In each subsequent year, system process documentation was updated to reflect any material changes that took place; a new risk assessment was performed based on the updated system documentation and processes; and a new work plan was developed based on the updated risk assessment. Fraud-related risks, including the availability and appetite to manipulate data to produce more favorable results, was included as part of the risk assessment.

This year's audit included:

1. Identifying and evaluating any changes to key processes used by the Data Administrator and data owners/custodians to ensure the completeness, accuracy, and timeliness of data submissions to the BOG. This included verifying new controls put in place to resolve deficiencies identified in the prior year's audit and identifying changes in key personnel performing these processes.
2. Reviewing 2018 BOG SUDS workshop proceedings, metric definitions, benchmarks, and other key documents to identify any changes to the BOG PBF metrics and data definitions used for the BOG PBF metrics.
3. Reviewing all User Service Requests (USRs) to modify data elements and/or file submission processes to ensure they followed the standard change management process and were consistent with BOG expectations.
4. Reviewing the Data Administrator's data resubmissions to the BOG from January 1, 2018 to December 31, 2018 to ensure these resubmissions were both necessary and authorized, as

well as evaluating that controls were in place to minimize the need for data resubmissions and were functioning as designed.

5. Updating the prior year risk assessment and fraud risk assessment to reflect changes identified.
6. Tracing samples from the Student Instructional File (SIF), Student Instructional File - Degree (SIFD), and Student Financial Aid (SFA) BOG files to OASIS, the system of record. The integrity of these files collectively impact metrics one through eight.
7. Verifying reasonableness of the retention cohort change file (impacting measures four and five) and assessing the impact of moving to a 4-year retention period from a 6-year retention period.
8. Verifying accuracy, completeness, and consistency with BOG expectations of the data submitted to the BOG for Measure Nine - Percent of Bachelor's Degrees without Excess Hours, via the HTD file. This includes verifying procedures in place to resolve the prior year's audit issue are effectively mitigating risks.
9. Reviewing the textbook cost adhoc data request for Measure Three - Cost to Student to verify controls over the data submission are ensuring the accuracy, completeness, and integrity of the data. Note: The BOG delayed implementation of actual textbook cost.
10. Reviewing the data submitted for Measure Ten – Number of Postdoctoral Appointments in Science and Engineering to verify proper supporting documentation is being retained.

PRIOR AUDIT PROJECTS

In FY 2017-2018, an audit of the controls established by the university to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which supported the PBF metrics (Audit 18-010, issued February 1, 2018) was performed. As of February 1, 2018, the two medium-priority risk recommendations were reported as in progress. As of the date of this report, all recommendations have been reported by management as implemented.

Audit verified the new controls in place were effectively mitigating the risks identified.

APPENDIX A
PERFORMANCE MEASURES DATA SOURCES

Measure	Description	BOG File	Data Used/Created by the BOG
One	Percent of bachelor's graduates employed full-time in or continuing their education in the U.S. one year after graduation	SIFD	National Student Clearing house, Florida Education and Training Placement Information Program
Two	Median wages of bachelor's graduates employed full-time one year after graduation	SIFD	Unemployment Insurance wage data
Three	Net Cost to Student	SIF, SFA	College Board national average book cost
Four	Four year FTIC graduation rate	SIFP, SIF, SIFD, Retention Cohort Change File	BOG created Cohort and Retention File
Five	Academic progress rate	SIF	BOG created Cohort
Six	Bachelor's degrees awarded within programs of strategic emphasis	SIFD	
Seven	University access rate	SFA, SIF	
Eight	Graduate degrees awarded within programs of strategic emphasis	SIFD	
Nine	Percent of bachelor's degrees without excess hours	HTD	
Ten	Number of postdoctoral appointments in science and engineering	None[1]	National Science Foundation (NSF)/National Institutes of Health (NIH) Survey of Graduate Students and Postdoctorates in Science and Engineering

[1]Data is submitted by USF directly to the NSF/NIH via the NSF Graduate Students and Postdoctorates in Science and Engineering (GSS) Survey.

BOG FILES REVIEWED

Submission	System of Record	Table	Submission Reviewed
Hours to Degree (HTD)	OASIS, DegreeWorks	Hours to Degree Courses to Degree	2017-2018
Student Financial Aid (SFA)	OASIS	Financial Aid Awards	2017-2018
Student Instructional File - Degree (SIFD)	OASIS	Degrees Awarded	Spring 2018
Student Instructional File (SIF)	OASIS, GEMS	Person Demographics Enrollments	Spring 2018
Student Instructional File - Preliminary (SIFP)	OASIS, GEMS	Person Demographics Enrollments	Fall 2018
Retention File (RET)	BOG	Retention Cohort Change	2016-2017

MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs
Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance &
Accountability

FROM: Virginia Kalil, CIA, CISA, CFE, CRISC   *Virginia Kalil*
Executive Director/Chief Internal Auditor

DATE: February 4, 2019

SUBJECT: 19-010 Management Letter – Performance-Based Funding Data Integrity Audit

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USF System Audit (Audit) performed an audit of the university's processes and internal controls that ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG). These data submissions are relied upon by the board in preparing the measures used in the performance-based funding process. An audit report was issued on February 4, 2019, which defined the scope and results of our audit.

Based on the review, Audit concluded that there was an adequate system of internal controls in place to meet the audit objectives, assuming timely corrective actions are taken for the two medium-priority risks included in this Management Letter.

As audit reports are focused only on high-priority risks, these medium-priority risks were not addressed in our audit report. Urgent management attention is required within 60 days. The two medium-priority risks identified for management attention are related to Measure Three Net Cost to Student and Measure Nine Percent of Bachelor's Degrees without excess hours.

The risks identified had no impact on the performance metrics.

Within ten business days, please provide your actions planned and expected implementation dates within the Team Central Follow-Up System for those recommendations not marked as resolved.

Please contact us at 974-2705 if you have any questions.

cc: President Judy Genshaft, USF System
         Chair Brian D. Lamb, USF Board of Trustees
         David Lechner, Senior Vice President, Business and Financial Strategy
         John Long, Senior Vice President, Business and Finance and Chief Operating Officer
         Dr. Charles Lockwood, Senior Vice President, USF Health
         Dr. Paul Sanberg, Senior Vice President, Research, Innovation & Knowledge Enterprise
         Dr. Karen Holbrook, Regional Chancellor, USF Sarasota-Manatee
         Dr. Martin Tadlock, Regional Chancellor, USF St. Petersburg
         Dr. Paul Dosal, Vice President for Student Affairs and Student Success
         Nick Trivunovich, Vice President, Business and Finance and Chief Financial Officer
         Sidney Fernandes, Vice President and Chief Information Officer, Information Technology
         Dr. Paul Atchley, Dean, Undergraduate Studies
         Billie Jo Hamilton, Associate Vice President, Enrollment Planning & Management

MEDIUM PRIORITY RISKS	STATUS
1. The Student Financial Aid (SFA) file had to be resubmitted due to errors not identified in the review process. The Board of Governors (BOG) made a change to the SFA file on June 8, 2017 to include third-party billings to more accurately calculate Measure Three: Net Cost to Student. While the change went into effect in Summer 2017, the use of the new data for purposes of computing the performance metric was not effective until this year's 2017-2018 annual file. Third-party payments were defined by the BOG as, "Funds provided to the university by a third-party sponsor that pays all, or a portion, of a student's invoice directly to the university via a special billing process. The payments cannot be contingent on academic performance or employee reimbursement policies. These funds do not include Florida Pre-Paid, university foundation funds, or any other 529 saving plans that parents/students previously paid." Audit selected 25 undergraduate students included in the SFA file and verified that the students' financial aid amounts agreed to Banner's (student information system) financial aid and/or student receivable module. This included students with third-party payments. In addition, Audit reconciled the third-party payments included in the student receivable module to the SFA file in total to ensure all eligible third-party payments were properly included. Our review identified two issues which were not identified during the original SFA file preparation and validation file, including the executive review process: • Payments made to veterans and active military by Veterans Affairs (VA) were incorrectly coded in Banner as 529 plan payments. As a result, $655,644 in eligible third-party payments were excluded from the SFA file. This was a data entry error. The Application Manager job used to pull data into the SFA file appropriately pulled all third-party contracts not coded as 529 plans. • When the SFA file changes were made in October 2017, to include third-party payments, a programing error occurred. The programming error only impacted students with VA payments processed via electronic fund transfer (not a third-party payment). The VA amount paid was duplicated for all aid types the student had, overriding the amount actually paid. The impact of the error was to overstate the amount paid to students by $1,658,306. • The net impact of the two errors was to overstate financial aid, including third-party payments, by $1,000,662. Audit reviewed the change management process used to validate the code change to the SFA file generation process in October 2017 and determined USF's standard change management process was followed. The user acceptance testing was focused on validating the accuracy of the third-party payments added to the file and did not validate that unintentional changes to other financial aid types did not occur. The coding error was not detected since a full reconciliation by fund type was not being performed.	Resolved

MEDIUM PRIORITY RISKS	STATUS
USF resubmitted the SFA file to the BOG on November 9, 2018. The resubmission corrected the error in reporting. **Recommendations:** 1. University Controller's Office (UCO) should perform a review of the coding of accounts receivable contracts as 529 plans to ensure the accuracy of coding prior to submitting the SFA file. 2. Financial Aid should perform a full reconciliation of the SFA file to Banner by financial aid type before submitting the SFA file for executive review. **Management Attention Required:** ☐ Immediate ☒ Urgent ☐ Timely **Resources/Effort Required:** ☐ Significant ☒ Moderate ☐ Minimal **Management's Response:** UCO has put a process in place to ensure the 529 plans are properly coded. Financial Aid performed a full reconciliation of the SFA file to Banner by financial aid type prior to resubmitting the SFA file. This process has been added to the file preparation process by Financial Aid.	
2. Repeated coursework was not properly flagged in Banner and the Courses to Degree (CTD) file. Banner ruleset (SHARPTR) is used to evaluate coursework for potential repeated courses based on the course prefix, number, level, and title. Currently, this functionality is only being used for USF coursework and is utilized to prevent students from registering in a non-repeatable course for which the student has already earned a passing grade of C or better. In addition, the ruleset is used for an end of term process which is used to identify potential repeated courses for review. In order to identify repeated coursework which has occurred at USF or earned at another institution, an Application Manager repeat interface was developed which relies on course information in Banner. The Application Manager repeat interface places a course attribute ("REPT") on a student's course record which is then used by the Banner to DegreeWorks interface to transfer course information, including the repeated course information, to DegreeWorks. The process was designed to place the "REPT" course attribute on the instance(s) of the course which should not be used towards a degree. The "REPT" course indicator is systematically placed on the course but can be manually added by the Office of the Registrar when instances are identified which were not identified by the logic. Of the 448,471 records in the CTD file, contained within the Hours to Degree (HTD) submission, only 4,149 had the "REPT" course attribute applied. Audit performed a reasonableness review of the CTD file to determine if repeated coursework had been used toward a degree (Usage Indicator = "D"). Audit's testing did not rely on the "REPT" course attribute but focused on students who had the	In Progress

MEDIUM PRIORITY RISKS	STATUS
same course prefix and course suffix applied toward a degree more than once and the course was a non-repeatable course per the current course catalog. During the review, Audit identified 22 instances where a non-repeatable course was used toward a degree. None of these repeated courses identified by Audit had the "REPT" course attribute assigned to them in Banner indicating the Application Manager job failed to identify the course as a repeated course. In one instance, the repeated course was a result of an advisor error. Audit reviewed the Application Manager job logic and identified the following issues: • To allow for a manual override, the logic ignores courses for which the repeat indicator was populated (not null/blank). Audit noted, the repeat indicator flag had been systematically set to "include" in Banner for at least one of the two repeated courses in all but one instance. The native Banner logic was not originally set up to flag the usage indicator so the flag should not have been set by the system. It is believed that the anomalies were introduced when a temporary change was made to the Banner rule in Summer 2017. • In the remaining instance, the identified repeated course included one USF course and one course assigned to institution "MILTCR". The logic ignores courses coded to institution "MILTCR", a generic institution code for military coursework. Audit verified that the errors identified had no impact on the student's excess hours computation. A second data integrity issue was identified by Audit while searching for a cause for the repeated coursework. The CTD field Repeat Indicator (BOG Element 01487) was not being properly set for native coursework not used for degree. The problem was limited to grade forgiveness coursework. The CTD Repeat Indicator is "a code to indicate if this course was not counted toward the degree, because of repeat. If a student later repeated this course for any reason, this code should indicate this. A repeat should be indicated even if the repeat produced no credit, regardless of any forgiveness policy." A repeat indicator ("R" - repeated) is placed in the CTD Repeat Indicator field for any repeated course which was not used for a degree unless the course grade is failed, unsatisfactory, or withdrawn. Audit's review identified 307 USF courses in the CTD file which were not used toward a degree and had a passing grade; however, the CTD Repeat Indicator was set to "N" (not repeated). Audit reviewed the Application Manager job logic used to set the CTD Repeat indicator. The Application Manager logic used to create the CTD Repeat Indicator field relies on the course attribute "REPT" found in the SHRATTR_ATTR_CODE to identify repeated coursework and relies on the course grade to identify repeats resulting from grade forgiveness. The repeat indicator is set at "R" for any course with a course attribute code of "REPT" and Usage Indicator of "N" (Not Used Toward Degree). In addition, for	

MEDIUM PRIORITY RISKS	STATUS
grade forgiveness courses, the repeat indicator is set at "R" for all courses with a Banner grade of "R", hours attempted >0, credits earned = 0, and a Usage Indicator of "N". All other courses are set with a Repeat Indicator of "N" (Not repeated). Audit determined that the Application Manager logic was not properly identifying grade forgiveness repeats. The logic, however, was not functioning as designed. The logic was ignoring the Banner grade indicator ("R") and was actually ignoring any courses with credits earned equal to zero. The grade forgiveness courses do not result in earned hours; therefore, they were not identified as a repeat by the CTD Application Manager job logic. Since all USF course work is used in the excess hours computation, even if a repeated course, there was no impact to the performance metric. **Recommendation: Office of Registrar, in coordination with Information Technology and Undergraduate Studies, should:** 1. **Review the Banner repeat rule functionality and ensure the rule is set appropriately.** 2. **Identify any student course records with a repeat indicator of "I" which were not set appropriately and correct the student record.** 3. **Make any necessary changes to the Application Manager repeat identification logic to ensure that all repeated coursework is being properly identified and the course attribute "REPT" is being appropriately applied.** 4. **Update the Application Manager logic used to populate the CTD repeat indicator to properly code grade forgiveness courses as repeats.** **Management Attention Required:** ☐ Immediate ☒ Urgent ☐ Timely **Resources/Effort Required:** ☒ Significant ☐ Moderate ☐ Minimal **Management's Response:** A User Service Request has been submitted by the Office of the Registrar in order to identify and resolve the problems related to repeat checking in Banner and DegreeWorks. All advisors have been notified of the problem so that a manual check for repeated courses can be performed for all degree certifications until the corrections are made. The Application Manager logic used to process the CTD file is in the process of being corrected. Estimated Completion Date: April 15, 2019	

Performance Based Funding
March 2019 Data Integrity Certification

University Name: <u>University of South Florida</u>

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

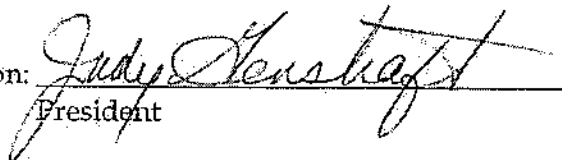| Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing Submit for Approval represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	☒	☐	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _Judy Genshaft_   Date _2/15/19_
/President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____   Date _2/16/19_
Board of Trustees Chair

EXECUTIVE SUMMARY

We audited Performance Based Funding Data Integrity as of September 30, 2018. This audit was included as part of our 2018/19 audit work plan, conducted in accordance with a Board of Governors (BOG) directive to state universities. Our specific objectives were to:

- Evaluate internal controls designed to ensure the accuracy, completeness, and timeliness of data submissions to the Board of Governors, and
- Provide an objective basis of support for the President and Chair of the Board of Trustees to sign the representations included in the *Performance Based Funding – Data Integrity Certification*, to be filed with the Board of Governors by March 1, 2019.

Audit fieldwork began on September 7, 2018, and ended on December 18, 2018. Our audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* and generally accepted auditing standards.

BACKGROUND

The BOG has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. Beginning in fiscal year 2013/14, they instituted a performance funding program that is based on 10 metrics. These metrics are used to evaluate the institutions on a range of issues including cost per degree, retention rates, graduation rates, and job placement, among other things.

Each university is offered a "Board of Trustees Choice Metric," enabling the institution to select a metric that improves their scoring with respect to

performance funding, based on their unique strengths.

Much of the information that is used by the BOG in their calculation of the metrics is through 6 data files that are submitted periodically by the universities. This includes the:

- Admissions File
- Degrees Awarded File
- Hours to Degree File
- Retention File
- Student Financial Aid File
- Student Instruction File

Data that is ultimately submitted to the BOG through these electronic submissions is initially entered through the Admissions, Registrar, Financial Aid, and Controller's departments into the Banner Student system. The Office of Institutional Research (IR) has been delegated responsibility for compiling the data into tables according to BOG specifications, conducting a quality review of the data prior to submission to the BOG, and timely submission of the files.

In accordance with BOG Regulation 3.007 "State University System (SUS) Management Information Systems," the President has formally appointed an Institutional Data Administrator, who is the Director of Institutional Research. The Director has frequent contact with the BOG Institutional Research staff, strengthening his understanding of their complex requirements for the data in the files.

Audits similar to this one were conducted in 2014, 2015, 2016, and 2017.

NOTABLE STRENGTH

The submission of accurate and complete data underlying the metrics is dependent upon having technical staff with the proper experience. The learning curve for these activities is long. The IR Director has been providing training in these matters to the IR Associate Director for over a year, considerably mitigating the risk to UWF of having a single knowledge holder for this critical process.

OBSERVATIONS

We interviewed key personnel involved in the processes that end with submission of data to the BOG that are used in the computation of metrics. We examined written policies and procedures and other related documents. Audit testing was conducted on data submitted to the BOG in order to evaluate accuracy and completeness. We found that internal controls over all processes were strong. We therefore make no recommendations.

We appreciate the cooperation, professionalism, and responsiveness of the employees who were involved in the audit.

Respectfully submitted,

Cindy Talbert, CFE, CIA, CICA, CPA, CRMA
Interim Internal Audit Director

REPORT PROVIDED TO THE FOLLOWING:
Dr. Martha Saunders, President
Mort O'Sullivan, Chair BOT
Bob Jones, Chair Audit & Compliance Committee
Dick Baker, Audit & Compliance Committee
Robert Sires, Audit & Compliance Committee
Dr. George Ellenberg, Provost/Sr. Vice President
Dr. Joffery Gaymon, Vice President
Dr. Kim LeDuff, Vice President
Betsy Bowers, Vice President
Dr. Kimberly McCorkle, Vice Provost
Pamela Langham, General Counsel
Melanie Haveard, ITS Executive Director and CTO
Keith King, Institutional Research Director
Colleen Asmus, Associate Vice President
Kelley Brundage, Registrar
Katie Condon, Admissions Director
Shana Gore, Financial Aid Director
Jaime Hoelscher, Manager, FL Auditor General
Ken Danley, Supervisor, FL Auditor General
Julie Leftheris, BOG Chief Inspector General
Lori Clark, BOG Compliance and Audit Specialist
Rebecca Luntsford, BOT Liaison

University Name: __University of West Florida_____

INSTRUCTIONS: Please respond "Yes" or "No" for each representation below. Explain any "No" responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	**Yes**	**No**	**Comment / Reference**
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	☑	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☑	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☑	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☑	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☑	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
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12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	☒	☐	

Performance Based Funding
Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _Martha Saunders_   Date _2-15-19_
      President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _J. Mort O'Sullivan III_   Date _2/14/19_
      Board of Trustees Chair