MEMORANDUM

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

FROM: Debra S. Gula, CPA
Executive Director

DATE: February 29, 2016

SUBJECT: 16-010 Performance Based Funding Data Integrity Audit

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University Audit and Compliance 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. This audit will also provide an objective basis of support for the President and Board of Trustees Chair to sign the representations included in the Performance-Based Funding Data Integrity Certification to be filed with the BOG by March 1, 2016. This project is part of the approved UAC 2015-16 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.

UAC's overall conclusion was that there was an adequate system of internal controls in place to meet our audit objectives, assuming corrective actions are taken timely to address the one medium-priority risk communicated separately in our management letter. As of the date of this report, the issue has been resolved.

The issue identified for management attention was not found to have increased or decreased the achievement score of the USF System within the Board of Governors performance based funding model.

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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 Hal Mullis, USF Board of Trustees
John Long, Sr. VP, Business and Finance and Chief Operating Officer
Dr. Charles Lockwood, Sr. VP, USF Health
Dr. Paul Sanberg, Sr. VP, Research, Innovation & Economic Development
Dr. Sophia Wisniewska, Regional Chancellor, USF St. Petersburg
Dr. Sandra Stone, Regional Chancellor, USF Sarasota-Manatee
Nick Trivunovich, Vice President, Business and Finance and CFO
Sidney Fernandes, Vice President & CIO, Information Technology

SCOPE AND OBJECTIVES

Our audit focused on the processes and internal controls established by the University of South Florida System as of September 30, 2015, to ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG) which support the Performance-Based Funding (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 Board of Trustees Chair to sign the representations included 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, 2016.

The scope and objectives of the audit were set jointly by the Chair of the University of South Florida Board of Trustees, the Finance & Audit Workgroup via its Audit Liaison, and the university's Chief Audit Executive. UAC 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 and COBIT 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, 2015, unless a more recent submission was more representative of the control structure in place on September 30, 2015. Our testing focused on the tables and data elements in the files which are utilized by the BOG to compute the performance measure. The BOG provided specific mapping of data submissions to the PBF measures. (See Appendix A.)

UAC 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 Board of Governors (BOG) which support the Performance-Based Funding (PBF) metrics during our audit in FY 2014-2015. As a result, the scope of the PBF audit this year will be to identify and evaluate any material changes to the controls and processes which were in place during the prior audit period.

The following procedures were performed:

1. Identified and evaluated any changes to key processes used by the data administrator and data owners/custodians to ensure the completeness, accuracy, and timely submission of data to the BOG. This included verification of the new controls put into place to resolve deficiencies identified in the prior year and review of the appointment of a new Data Administrator by the President.
2. Reviewed 2015 BOG SUDS workshop proceedings to identify any changes to data definitions used for the BOG PBF metrics.
3. Reviewed all user service requests (USRs) to modify data elements and or file submission processes to ensure they followed the standard change management process and are consistent with BOG expectations.
4. Reviewed the Data Administrator's data resubmissions to the BOG since January 1, 2015, to ensure these resubmissions were both necessary and authorized and evaluated that controls were in place to minimize the need for data resubmissions and were functioning as designed.
5. Updated the prior year Risk Assessment and Fraud Risk Assessment to reflect changes identified.
6. Ensured changes to the Retention file were consistent with OASIS system records and the validity of the file is retained during the process of validating the cohort. Verified that the retention cohort change file was effectively migrated to the validation process used by all other BOG files for the January 2016 file submission.
7. Verified that data submitted to the BOG for Measure Ten is adequately supported and consistent with the university's definition of a postdoctoral scholar, as defined for the NSF-GSS survey. Obtained confirmation from Moffitt Cancer Center and Research Park tenants for the externally compensated postdoctoral appointments included in the survey.

PRIOR UAC PROJECTS

UAC performed an audit during FY 2014-2015 of the controls and processes established by the university to ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG) which support the Performance-Based Funding (PBF) metrics in (UAC 15-010 issued February 27, 2015).

All five recommendations were reported as implemented by management as of February 27, 2015. During this year's audit, UAC verified that all five recommendations had been implemented and that the recommendations made in UAC 15-010 were effectively mitigating the risks identified.

BACKGROUND

USF SUB-CERTIFICATION/EXECUTIVE REVIEW PROCESS

- ✓ **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. Data Stewards, Sub-certifiers and Executive Reviewers who had operational and/or administrative responsibility for the institutional data are assigned key roles and responsibilities.**

KEY ROLES AND RESPONSIBILITIES

Key Role	Performed By	Appointed By	Responsibilities
Institutional Data Administrator (DA)	Interim Director of Business System Reengineering (BSR)	President	Responsible for certifying and managing the submission of data to the Board of Governors (BOG). Appointed by the President.
Back-Up Data Administrator	Associate Director of BSR	President	Responsible for managing and supporting BOG state reporting activities. The activities include, but are not limited to, file generation, certification, and executive review meeting oversight, submission, and resubmission for mandatory reports of the BOG.
Executive Reviewer	Executive level administrator	Data Administrator with approval of Provost and Chief Operating Officer	Responsible for reviewing and approving the file submission prior to requesting that the Data Administrator submit the file to the BOG. Role is assigned based on the area of responsibility in relationship to the data source.
Sub-certifier	A senior-level employee, responsible for the institutional data contained in a submission.	Executive Reviewer	Oversees the definition, management, control, integrity, and maintenance of institutional data. Responsible for coordinating the data collection process, monitoring the data to ensure current processing procedures are effective, and certifying the data represents facts based on accurate data from programs and offices.
Data Steward[1]	An employee, who has administrative and/or operational responsibility over institutional data.	Sub-certifier	Responsible for ensuring that the data has been collected systematically, entered accurately, and reviewed by Sub-certifier, controlling data definitions to ensure consistent definitions over the life of the data and resolving discrepancies in information. Collaborates with other offices and programs responsible for producing data and information impacting the submission.

[1]An enterprise application may have teams of data stewards, each responsible for varying functions.

In 2008, USF put a formal review process in place for all BOG file submissions which is managed by Business Systems Reengineering (BSR). This process ensures that each submission has been assigned to at least one Sub-certifier who is responsible for the data contained in the submission and who must certify the data accurately reflects the data contained in the related primary system(s) of record. If a file has multiple systems of record, then multiple Sub-certifiers may be assigned to the file. Sub-certifiers are assisted by Data Stewards who have administrative and/or operational responsibility for the institutional data used in the submission. Data Stewards are responsible for ensuring that the data has been collected systematically, entered accurately, and monitored for referential integrity within the primary systems of record.

✓ **USF has developed several tools to assist the Sub-certifiers and Data Stewards in fulfilling these obligations:**

- DocMart. The USF Documentation Mart (DocMart) portal is maintained as a central repository to manage and maintain detailed information regarding data elements for each BOG SUDS file called data derivations. In addition, data steward groups are set up in the DocMart to facilitate communication among the Data Stewards assigned to a BOG submission. Changes to data derivations are managed and approved through DocMart.
- State Reporting Portal. The USF BOG State Reporting Portal houses important information and resource links for Data Stewards and Sub-certifiers and others involved with state reporting. User guides, policies and procedures, work activities documentation, and executive review documentation are located in the reporting portal.
- HubMart. The BOG schema contains a series of tables and database views that are designed to exactly mirror the BOG's desired reporting formats. The HubMart is a view-only tool, created by Information Technology, to allow Data Stewards and Sub-certifiers read-only access to the BOG submission table content to assist with data validation. A BOG data request schedule for USF is also maintained in HubMart.

✓ **There are controls integrated within our operational processes to ensure the integrity of the data.**

Ensuring the validity of the data in the BOG submissions begins with ensuring the validity of data in the primary systems of record. Data Stewards are responsible for ensuring that the data has been collected systematically, entered accurately, and monitored for referential integrity within the various modules contained in the student information system (OASIS), human resources system (GEMS), and financial system (FAST). Data quality reports are generated throughout the year to identify data inconsistencies and correct errors as they are identified. As data from these systems are fed into the Faculty Academic Information Reporting system (FAIR), data completeness reconciliations are performed. Since these systems are paramount to the operation of the USF System, there are numerous individuals who review the data daily and would be in a position to identify and report discrepancies.

BOG SUBMISSIONS AND USF FILE GENERATION PROCESSES

Submission	System of Record	File Generation Process	Table	Measures Impacted	Term Reviewed
Operating Budget (OB)	FAST	Application Manager	Operating Budget	3	2014-2015
Hours to Degree (HTD)	OASIS, Degree Works	Application Manager	Hours to Degree Courses to Degree	9 9	2014-2015[1] 2014-2015[1]
Student Financial Aid (SFA)	OASIS	Application Manager	Financial Aid Awards	7	2014-2015[1]
Student Instructional File - Degree (SIFD)	OASIS	Application Manager	Degrees Awarded	1, 2, 4, 6, 8	Spring 2015
Student Instructional File (SIF)	OASIS, GEMS	Application Manager	Person Demographics Enrollments	1, 2 4, 5, 7	Spring 2015 Spring 2015
Student Instructional File - Preliminary (SIFP)	OASIS, GEMS	Application Manager	Person Demographics Enrollments	1, 2 4	Fall 2015 Fall 2015
Expenditure Analysis (EA)	BOG[2]	Application Manager	Expenditure Analysis Extract	3	2014-2015
Retention File (RET)	BOG[3]	SQL Script	Retention Cohort Change	4	2013-2014
Instructional & Research Database (IRD)	FAIR	Application Manager	Workload Activities	3	2014-2015[1]

[1]Since these files were produced annually, UAC chose to use the October 2015 submissions, which were more representative of the control structure in place as of September 30, 2015.
[2]The Budget Extract file is generated by the BOG annually based on data in the OB and IRD files. USF generates the Expenditure Analysis file based on the BOG Budget Extract file.
[3]The Retention file is generated by the BOG annually from the SIF, SIFP, and SIFD. USF generates the Retention Cohort Change file based on the BOG Retention file. The 2013-2014 file generated in January 2015 was the latest available file.

FILE GENERATION PROCESSES

Application Manager Process

USF utilizes an automated process, Application Manager, to extract data files from the original system of record and to reformat and redefine data to meet the BOG data definition standards. This process was initiated in 2008 in order to provide a consistent and secure method for generating the BOG submission files.

The only data derivation used by PBF module not generated by the Application Manager process is "person years" used by the IRD file. The FAIR system computes "person-years" from the data input by faculty and instructional personnel. The IRD files are then generated based on views of

data extracted from the FAIR workload activity module. All other processing occurs within the Application Manger process.

- ✓ **The Application Manager jobs can be launched by authorized Data Stewards; however, individuals responsible for the collection and validation of the data have no ability to modify the Application Manager jobs or data files created by the Application Manager processes.**

BOG File Creation

Each BOG file submission has two Application Manager jobs associated with it:

- Hub Load Job. The Hub Load job is used to extract data from the original system of record based on the BOG file submission table requirements. A historic file of all data extracted is maintained in Hub tables stored in the Data Warehouse under the Doc schema. Access to these tables is restricted and is read-only. Data quality reports are generated by the Application Manager jobs which are automatically emailed to the data steward groups defined in the DocMart. These reports mimic many of the SUDS BOG edit checks and are used to clean data prior to the data being loaded into SUDS. **All corrections are made to the original system(s) of record and the Hub Load job is rerun until the file is free of material errors.**
- BOG-OUT Job. The BOG_OUT job populates BOG target tables in the Data Warehouse under the BOG schema from the Hub tables. Access to these tables is restricted. The BOG_OUT job also produces statistical reports used to verify that the record counts for the Hub table and BOG table match. This report also provides Run IDs needed during the SUDS file upload process. The BOG_OUT job also extracts the data from the BOG schema and saves the data in a read-only flat file on a server maintained by IT. The file is then transferred by the Application Manager job to the transfer server for upload by BSR via the SUDS portal. **Individuals with access to these files cannot modify them**.

There are two areas where Application Manager jobs can impact data integrity:

- Required data derivations occur within the Application Manager jobs. These data derivations include (1) general reformatting of the original source data to meet BOG data consistency standards among state institutions, (2) populating static fields, which include data such as reporting institution, reporting term, and data source, and (3) creating a limited number of calculated fields. Data derivations are only changed at the request of the BOG Information Resource Management (IRM). There has been only one derivation change directly impacting the performance measures since 2010. At the request of the BOG, there were new values added to Type of Student to distinguish between post-bachelors and non-degree seeking students in the SIF and SIFP files (Elements 01068-Type of Student at Date of Entry and 01413-Type of Student at Time of Most Recent Admission).
- Application Manager jobs are also used to filter out any excluded populations per the BOG reporting requirements. For example, individuals receiving their second bachelor's degree are excluded from the Hours to Degree (HTD) file.

- ✓ **Any changes to the data derivations, data elements, or table layouts in the Application Manager jobs are tightly controlled by BSR and Information Technology utilizing a formal change management process.**

This process includes the development of business system requirement documentation which includes documentation to demonstrate that the change is consistent with the BOG data definitions, approval of the User Service Request (USR) by Sub-certifiers, and user acceptance testing by Data Stewards. Sub-certifiers must approve the Application Manager job changes prior to implementation.

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.

BOG File Upload and Verification Process

Once all data integrity steps are performed and the file has been loaded into the SUDS portal, additional edit reports are run to ensure the file will pass the BOG IRM data validity checks.

- ✓ **Only BSR and IT server administrators have access to the transfer server. Only BSR staff can upload a file from the transfer server to SUDS, edit submissions, generate available reports, or generate reports with re-editing.**

BSR logs onto the transfer server using Windows Remote Desktop and opens an internet browser which is locked down to only access the SUDS portal. BSR uploads BOG_OUT job files into SUDS through the SUDS portal, then notifies the Data Steward and Sub-certifier that the file has been uploaded and that edits have been requested.

Any underlying errors identified during that process which cannot be explained must also be corrected at the primary system of record, and the same Application Manager process is used to regenerate the file for upload to SUDS. No changes can be made to SUDS file loads via the SUDS portal. Once all errors are corrected or explained and the Data Steward and Sub-certifier are ready to request approval to submit the file to the BOG, the Executive Review process is initiated.

Prior to holding an Executive Review meeting, the Data Steward and Sub-certifier must prepare and approve an Executive Review form. The Executive Review form is designed to provide information regarding the file's purpose, explainable errors, historical trends, recent submission issues, as well as assurance that the data has validity. Data Stewards and Sub-certifiers are expected to provide a summary of the key data elements, including a comparison of data for at least three to five previous reporting periods. The Sub-certifier(s) and Data Steward(s) present the results to the Executive Reviewer and the Data Administrator or Backup Data Administrator at an Executive Review Committee meeting. **The file will not be submitted to BOG by the Data Administrator until the meeting is held and the Executive Reviewer(s) approve the file.**

ODS File Creation and Upload Process

Most of the BOG submission files for Measures One through Nine are generated by the Application Manager process. However, the Office of Decision Support (ODS) was generating one BOG submission file utilizing a different process: the Retention Cohort Change File (RET).

Retention Cohort Change File

The retention file is generated by the BOG IRM and is downloaded by BSR to a secure folder in the BOG reporting portal. The Data Steward uploads the retention files into the data warehouse (BOG schema) using the "file upload feature" in the HubMart application. An Application Manager job is used to convert social security numbers to U-Numbers. The data is then extracted (without SSN) by the Data Steward and placed on an ODS server maintained by USF IT.

ODS maintains a student information database on its own server which has historically been used to validate the retention file provided by the BOG. This was needed since the data warehouse (BOG schema) only contains data from Fall 2008 forward. The 2014-2015 retention file was based on a 2008 cohort generated from the Student Instructional File (SIF) in Summer 2008 and the Student Instructional Preliminary File (SIFP) submitted in Fall 2008. The 2008 files were maintained within the BOG schema and by ODS. The ODS files were verified for completeness prior to running the SQL scripts to identify students who were reflected in the original cohort, but who needed to be removed based on the BOG criteria. The Application Manager is used (BOG_OUT) to convert U-Number back to social security number and submit the Retention Cohort Change File.

The Retention Cohort Change file process was reviewed in detail and validated for consistency against OASIS data. On November 10, 2015, the Retention file generation was moved to the Application Manager process and was used to generate the 2015-2016 Retention file submitted in January 2016.

Measure Ten – Number of Postdoctoral Appointees

The BOG developed a ten-metric Performance Funding Model of which one metric is chosen by the university Board of Trustees. The list of metrics from which the Board of Trustees can select is associated with the Accountability Reports submitted annually by each SUS institution. At the October 23, 2013, Board meeting, the Number of Postdoctoral Appointees was selected as the chosen metric. This metric was held to be representative of resources focused on the university's research mission and is generally representative of the maturity of that mission. The source of the data is the annual NSF/NIH GSS Survey.

Survey Background

The Graduate Students and Postdoctorates in Science and Engineering (GSS) survey is an annual census of all U.S. academic institutions granting research-based master's degrees or doctorates in science, engineering, and selected health (SEH) fields as of Fall of the survey year. The survey, sponsored by the National Science Foundation and the National Institutes of Health, collects the total number of graduate students, postdoctoral appointees, and doctorate-level non-faculty researchers by demographic and other characteristics, such as source of financial support.

Data is collected separately for each SEH unit (academic departments, programs, research centers, or health care facilities) within an institution. In addition, Morsani College of Medicine's SEH units are reported in a separate survey than other SEH disciplines. A web survey is the primary mode of data submission. Respondents report aggregate counts on graduate students, postdocs, and doctorate-holding non-faculty researchers in each eligible unit, as of the Fall term of the academic year.

Our audit was based on the most recent survey results published in April, 2015. The survey is completed in the spring of each year based on data from the previous Fall term. Survey results are not published until the following spring. As a result, the results published in April, 2015 were from Fall 2013 data.

Definition of a Postdoctoral Appointment

The GSS survey instructs respondents to utilize their institutional definition when reporting postdoctoral appointments.

The Office of Postdoctoral Affairs (OPA) publishes an annual Postdoctoral Scholar Handbook which contains a uniform definition of a postdoctoral scholar. The 2013-2014 handbook in place at the time the Fall 2013 data was compiled states:

> "A postdoctoral scholar is an individual holding a doctoral degree who is engaged in a temporary period of mentored research and/or scholarly training for the purpose of acquiring the professional skills needed to pursue a career path of his or her choosing. Postdoctoral appointees can pursue basic clinical or translational projects so long as their primary effort is devoted toward their own scholarship. Postdocs are essential to the scholarly mission of the mentor and host institution, and thus are expected to have the freedom to publish the results of their scholarship."

In Fall 2013, USF utilized three postdoctoral job codes (9180, 9194, and 9195) in GEMS with a benefit-earning salary plan (08) and an uncompensated salary plan (98) to permit tracking of visiting scholars and other externally funded postdoctoral appointments. Postdoctoral research appointments are limited to three to five years.

USF Reporting Structure

USF has two separate reporting units, one for the Morsani College of Medicine and one for all other Tampa campus units. The Office of Postdoctoral Affairs serves as the institutional coordinator for the USF System. SEH units are given the choice to either complete the survey using the web application or to submit a written copy of the survey to the Office of Postdoctoral Affairs who enters the data on their behalf. The individual responders from each SEH unit were responsible for the completeness and accuracy of the data they submitted in the survey.

The Division of Research, Innovation, and Economic Development provides the Office of Postdoctoral Affairs with data on externally funded postdoctoral scholars affiliated with USF Research who are employed by tenants of the USF Research Park.

USF Morsani College of Medicine has an affiliation with the Moffitt Cancer Center in which Moffitt ranked faculty are concurrently appointed in non-compensated positions at USF. The postdoctoral scholars appointed by Moffitt are often mentored by these dual appointed faculty. As a result, Moffitt assisted with the reporting of postdoctorates appointed by Moffitt but affiliated with the USF Morsani College of Medicine.

Data Verification

OPA generated GEMS reports of all employees paid from postdoctoral job codes (9180, 9194, and 9195) to determine if the respondents failed to report individuals appointed to these codes. Omissions are reported by OPA as survey coordinator. OPA also follows up with respondents to ensure they accurately reflect all postdoctoral appointees in non-postdoctoral job codes when they are aware of these appointments.

Beginning in FY 2014-2015, new procedures were implemented to enhance monitoring and oversight over the GSS survey responses and ensure consistent reporting among departments and comparability of results year over year. These procedures were in effect for the Fall 2014 reporting period, which will be reported by NSF in Spring 2016.

APPENDIX A

PERFORMANCE MEASURES DATA SOURCES

Measure	Description	University Provided Data Source	Data Used/Created by the BOG
One	Percent of bachelor's graduates employed full-time in Florida or continuing their education in the U.S. one year after graduation	BOG submission: SIFP, SIF, SIFD	National Student Clearing house, Florida Education and Training Placement Information Program
Two	Median wages of bachelor's graduates employed full-time in Florida one year after graduation	BOG submission: SIFP, SIF, SIFD	Unemployment Insurance wage data
Three	Average cost per bachelor's degree	BOG submission: OB, IRD, EA	BOG created Budget Extract file
Four	Six year FTIC graduation rate	BOG submission: SIF, SIFP, SIFD, Retention Cohort Change File	BOG created Retention file
Five	Academic progress rate	BOG submission: SIF	
Six	Bachelor's degrees awarded within programs of strategic emphasis (includes STEM)	BOG submission: SIFD	
Seven	University access rate	BOG submission: SFA, SIF	
Eight	Graduate degrees awarded within programs of strategic emphasis	BOG submission: SIFD	
Nine	Percent of bachelor's degrees without excess hours	BOG submission: HTD	
Ten	Number of postdoctoral appointments in science and engineering	NSF/NIH survey data completion	NSF/NIH Survey of Graduate Students and Postdoctorates in Science and Engineering

MEMORANDUM

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

FROM: Debra S. Gula, CPA
Executive Director

DATE: February 29, 2016

SUBJECT: 16-010 Management Letter – Performance Based Funding Data Integrity Audit

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University Audit and Compliance 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.

UAC's overall conclusion was that there was an adequate system of internal controls in place to meet our audit objectives, assuming corrective actions are taken timely to address the one medium-priority risk appearing in this Management Letter. As UAC audit reports are focused only on high-priority risks, the medium-priority risk was not addressed in our audit report. None of the issues identified for management attention were found to have increased or decreased the achievement score of the USF System within the Board of Governors performance based funding model.

As of the date of this report, the issue has been resolved.

Within ten business days, please provide your actions taken and actual implementation dates within the Team Central Follow-Up System.

Please contact us at 974-2705 if you have any questions.

cc: President Judy Genshaft, USF System
Chair Hal Mullis, USF Board of Trustees
John Long, Sr. VP, Business and Finance and Chief Operating Officer
Dr. Charles Lockwood, Sr. VP, USF Health
Dr. Paul Sanberg, Sr. VP, Research, Innovation & Economic Development
Dr. Sophia Wisniewska, Regional Chancellor, USF St. Petersburg
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Nick Trivunovich, Vice President, Business and Finance and CFO
Sidney Fernandes, Vice President & CIO, Information Technology

MEDIUM PRIORITY RISKS	RESOLVED
1. Monitoring and oversight procedures over the GSS survey responses for affiliates need to be enhanced to ensure consistent reporting and comparability of results year over year. There are two types of postdoctoral scholars reported in the NSF GSF Survey used in Measure Ten that are not compensated by the university directly: those working for Moffitt Cancer Center and those in the Tampa Bay Technology Incubator (Research Park tenants). Moffitt Human Resources provides a listing of postdoctoral scholars affiliated with the USF Health Department of Oncologic Sciences to USF Office of Postdoctoral Affairs for inclusion in the GSS Survey. This listing is not reviewed and approved for accuracy by either the Dean of Oncologic Sciences, HSC Office of Faculty Affairs, or USF Health Graduate & Postdoctoral Affairs. Moffitt postdoctoral scholars are not reflected as courtesy faculty in GEMS even though Oncological Services is their academic home due to problems with verifying their international academic degrees. The Moffitt Research Services Administrator did, however, confirm via email to UAC all 79 scholars reported had active post-doctorate appointments during Fall 2013. The USF Research Foundation is responsible for coordinating the collection of postdoctoral appointees working for Tampa Bay Technology Incubator companies on research activities affiliated with USF. There was no documentation maintained to support the affiliation relationship, such as a memorandum of understanding, nor was there any review to insure that these individuals met the NSF and USF definitions of a postdoctoral scholar by the Office of Research and Innovation. UAC sent out independent, written confirmations for the 20 postdoctoral scholars reported in Fall 2013 to Research Park tenants. All confirmations were returned; however, only 4 scholars were reported as meeting the definition of a postdoctoral scholar. During our testing, UAC was able to confirm 93% of the reported postdoctoral scholars. Differences were attributed to data retention issues, a lack of detailed guidance, and a lack of independent verification of affiliates' survey responses.	**Yes**

MEDIUM PRIORITY RISKS	RESOLVED
Recommendation: **Develop and distribute a written procedure that will enhance oversight and monitoring of the GSS survey responses from affiliates, including, but not limited to, the following:** **1) USF Health validating the list of Moffitt postdoctoral scholars prior to submission to the USF Office of Postdoctoral Affairs.** **2) USF Office of Postdoctoral Affairs working with the Office of Research and Innovation to ensure adequate documentation of the research affiliations between externally-funded postdoctoral scholars and USF is maintained.** **3) Tracking externally-funded postdoctoral scholars affiliated with USF via courtesy appointments in GEMS.** **Management Attention Required:** ☐ Immediate ☒ Urgent ☐ Timely **Resources/Effort Required:** ☐ Significant ☐ Moderate ☒ Minimal **Management's Response:** **The procedure dated February 22, 2016, has been approved and distributed.**	