



FLORIDA POLYTECHNIC
UNIVERSITY

Report No: FPU 2022-06

January 2022

**University Audit & Compliance
Performance-Based Funding
Data Integrity Audit
For the Period Ending September 30, 2021**

David A. Blanton, CPA, CCEP
Chief Audit Executive and Chief Compliance Officer

If you experience any accessibility barriers or questions contact, David Blanton at
863-874-8441 or dblanton@floridapoly.edu

University Audit & Compliance Performance-Based Funding Data Integrity Audit For the Audit Period Ending September 30, 2021

Index

Executive Summary	3
Background, Objectives, Scope and Methodology	4
Audit Observations and Recommendations.....	5
Observation 1: SUDS Data Request Management.....	6
Observation 2: Data Integrity Controls and Governance.....	8
Exhibit A: Audit Observation Risk Ranking Matrix.....	10
Exhibit B: Action Plan for Audit Observations.....	11
Exhibit C: 2021 PBF Metrics and Corresponding Data Submission Files.....	12

University Audit and Compliance (UAC) is employed by the University. UAC's mission is to serve the University by recommending actions to assist in achieving its strategic and operational objectives. This assistance includes evaluating and providing assurance of activities designed and implemented by management to strengthen internal controls, reduce risk to and waste of resources, and improve operations to enhance the performance and reputation of the University. Accordingly, this report is intended solely for the use of University management and its various oversight authorities and is not intended for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Executive Summary:

Pursuant to the Audit Work Plan¹ approved by the Audit & Compliance Committee and the requirement set forth by State law² and Board of Governors (BOG) Regulations³, University Audit and Compliance (UAC) conducted an audit of Performance-Based Funding (PBF) Data Integrity as of September 30, 2021.

The objectives of this audit were to:

- Determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF metrics of the University as of September 30, 2021.
- Provide assurance that the various data files which support the PBF metrics, as of September 30, 2021, have been subjected to audit and tested for accuracy and completeness.
- Provide reasonable assurance to the President and the Chair of the Board of Trustees that certain representations included in the PBF – Data Integrity Certification form are fairly presented and therefore can be affirmed in the required certification.
- Determine whether appropriate corrective action was taken by University management to correct the Audit Observations from the prior PBF audit.

Audit fieldwork was conducted from October 2021 through January 2022. This audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (IIA Standards). Accordingly, these audit procedures provide a reasonable basis for the conclusions drawn from this audit.

Based on the results of this audit, UAC concludes that the University has established appropriate controls and processes to (1) ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF metrics and (2) affirm the various representations in the PBF – Data Integrity Certification form, except as noted below:

The following is a summary of observations and recommendations for this audit. These observations are discussed in greater detail in the **Audit Observations and Recommendations** section of this report.

Observation 1: State University Data System (SUDS) Data Request Management. Controls should be enhanced to ensure that data files are timely submitted to the BOG in accordance with the specified schedule.

Observation 2: Data Integrity Controls and Governance. Controls should be enhanced to provide for data integrity checks and verifications through an established governance structure prior to submission of data to reduce reporting errors.

¹ UAC Risk Assessment and Audit Plan for the Fiscal Year Ended June 30, 2022.

² Section 1001.92, Florida Statutes, SUS Performance-based Incentive.

³ Board of Governors Regulation 5.001(8), Performance-Based Funding.

Background, Objectives, Scope and Methodology:

Background:

The Performance-Based Funding (PBF) Model currently includes 10 metrics that evaluate all State University System (SUS) institutions⁴. The Florida Board of Governors (BOG) designed the model to (1) promote the BOG's strategic plan goals for the SUS (2) reward excellence or improvement (3) have a few clear, simple metrics, and (4) acknowledge the unique mission of the various SUS institutions. Accordingly, the PBF model has several metrics common to all SUS institutions; one selected by the BOG; and one selected by the Florida Poly Board of Trustees (BOT). See **Exhibit C** for a description of the various PBF metrics applicable to Florida Poly during the audit period.

SUS institutions are evaluated on either excellence or improvement for each PBF metric. The BOG uses data from various data submissions from the most current year to evaluate PBF performance and to make PBF funding decisions for each institution. Therefore, the integrity of data submitted to the BOG is crucial to determining achievement towards strategic goals and funding decisions within the PBF model. Accordingly, State law⁵ provides that each university shall conduct an annual audit to verify that the data submitted complies with the data definitions established by the BOG and submit the audit to the BOG's Office of Inspector General as part of the annual certification process required by the BOG. These data submissions and related controls are the focus of this audit. Although this audit provides assurance over the data submitted to the BOG, the ultimate responsibility for the accuracy and completeness of PBF data submissions resides with university management.

Objectives:

The objectives of this audit were approved⁶ prior to audit completion and were as follows:

- Determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF metrics of the University as of September 30, 2021.
- Provide assurance that the various data files which support the PBF metrics, as of September 30, 2021, have been subjected to audit and tested for accuracy and completeness.
- Provide reasonable assurance to the President and the Chair of the BOT that certain representations included in the PBF – Data Integrity Certification form are fairly presented and therefore can be affirmed in the required certification.
- Determine whether appropriate corrective action was taken by University management to correct the Audit Observations from the prior PBF data integrity audit.

⁴ Prior to the 2021-22 funding year, Florida Poly did not participate in the PBF funding model since it was a newly established institution without sufficient cohort history to measure performance against the established metrics.

⁵ Section 1001.92, Florida Statutes, SUS Performance-based Incentive.

⁶ Approved by the Florida Poly Audit and Compliance Committee on September 8, 2021, and approved by the Florida Poly BOT on September 15, 2021.

Scope and Methodology:

The scope of this audit was approved⁶ prior to audit completion and included the following:

- An evaluation of the validity of representations outlined in the Performance Based Funding – Data Integrity Certification form.
- An evaluation of controls established to ensure the completeness, accuracy, and timeliness of data files that were submitted to the BOG.
- An evaluation of access controls.
- Testing of PBF data submissions for accuracy, completeness, and consistency with data definitions and guidance provided by the BOG.
- A review of data resubmissions and data reclassifications to ensure that they were appropriate and conform to BOG guidance.

UAC assessed the risk of material noncompliance with BOG data reporting requirements and obtained an understanding of data integrity controls in order to adequately design audit procedures necessary to accomplish the audit objectives. Audit procedures included, but were not limited to, the evaluation of internal controls, reviewing written policies and procedures, interviewing key personnel, and performing tests and analysis to evaluate whether control procedures were adequately designed and operating effectively to ensure the completeness, accuracy, and timeliness of data files submitted to the BOG for PBF funding decisions.

UAC would like to acknowledge that University staff who took part in the audit were knowledgeable of their respective areas, responded quickly to questions, and showed patience throughout the audit engagement. Their cooperation is greatly appreciated.

UAC conducted this audit in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (IIA Standards).

Audit Observations and Recommendations:

During the course of the audit, all audit observations were rated as **High**, **Moderate**, or **Low** risk based on an analysis of the impact over the probability of a control process failure and/or the impact to the University if the observation is not corrected, as further described in **Exhibit A**. Audit results and risk ratings are detailed further below for each audit observation.

Overall, based on the results of audit procedures performed, UAC concludes that PBF-related controls over data submissions during the audit period were adequate to ensure reliable processes and procedures designed to ensure that data required in reports filed with the BOG are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness. However, as noted below, the results of this audit did disclose certain observations that are deemed necessary to strengthen such controls.

Observation 1: SUDS Data Request Management

The BOG’s Office of Data and Analytics (ODA) manages the State University Database System (SUDS) and works with SUS Institutional Research staff to ensure that data adheres to the system’s established business rules. The SUDS system serves as the repository for all required PBF data submissions. (See applicable submission files listed in **Exhibit C**). These data submissions are utilized by ODA for PBF metric analysis and reporting which in turn serves as the basis for PBF funding decisions. BOG Regulations⁷ provide that institutional data administrators are responsible for providing complete and accurate responses to information requests within the times specified by ODA. Additionally, the President and Board Chair are required to annually certify⁸ that PBF-related SUDS data files were submitted to ODA in accordance with the specified schedule.

To facilitate timely reporting of SUDS data requests, ODA publishes a Due Date Master Calendar which identifies upcoming data submissions and their respective due dates. To facilitate accurate data submissions, ODA has established validation controls that subjects data submissions to various data integrity checks as files are submitted. These ODA-established controls identify certain errors or anomalies which may result in the rejection of the data submission; however, such controls do not substitute for the University’s responsibility to ensure the accurate reporting of data. Once rejected, subsequent submissions are required until the data submission is accepted by ODA staff. The SUDS system maintains a log of all data submissions, rejections (if applicable), and the ODA acceptance date for each required data file. During the audit period, the University was required to submit 12 various PBF-related data requests through the SUDS system.

The table below, summarizes PBF-related data submissions during the audit period that were not made timely (late 7 or more days):

Table 1				
Untimely SUDS Data Submissions				
Period: 10/1/20 – 09/30/21				
	BOG Reference		Submission File Name	Days Late
1	HTD	20192020	Hours to Degree	21
2	SIF	202001	Student Instruction File	39
3	SIF	202101	Student Instruction File	12
4	SIFD	202101	Degrees Awarded File	7

⁷ Board of Governors Regulation 3.007(2)(b), State University System (SUS) Management Information Systems.

⁸ Data Integrity Certification, Representation 8.

The table below summarizes data submissions that were rejected by ODA during the audit period and identifies total days past the initial submission due date until accepted by ODA:

Table 2				
Rejected SUDS Data Submissions				
Period: 10/1/20 – 09/30/21				
	BOG Reference		Rejected Submission File Name	Days Late Until Accepted by ODA
1	SFA	20192020	Student Financial Aid File	111

As noted in **Table 1** above, 4 of the 12 required data submissions (33.3%) during the audit period were not made timely and ranged from 7 to 39 days past the due date. Additionally, as noted in **Table 2** above, 1 of the 12 required data submissions was rejected (8.3%) and not accepted by ODA staff until 111 days after the due date. ODA submission records reflect that University staff were responsive to requests to correct the rejected submission, and the delay in the acceptance of the submission was due, in part, to a late request for resubmission by ODA⁹. A similar observation was made in the prior audit. University staff advised that these untimely submissions and file errors were the result of several factors as follows:

- Files are sequential where the SIF must be completed validated by IR, then go through policy review (validation) by the ODA staff before the next file can be submitted. Therefore, some delay on the SIFD and HTD occurred while waiting for these validations.
- Submissions were delayed because of Institutional Research’s (IR) identification of reporting deficiencies and efforts at submitting accurate and complete data.
- Employee turnover in the Registrar’s Office.
- Further enhancing the control structure to provide for greater delineation of responsibility and data ownership between the various data stewards (Admissions, Financial Aid, and the Registrar). The implementation of the University System Coordinating Group (UCoord) did not occur until December 2021.

The inability to meet established timeframes for required data submissions and ensure that such submissions are free of errors could jeopardize PBF funding decisions and potentially result in the loss of PBF funding available to the University.

Risk Rating: Moderate

Recommendation: The University should continue its efforts at enhancing controls to ensure the timeliness of all required SUDS submissions as well as any resubmissions, if applicable.

Management Response: IR: The SUDS data submissions for this cycle of reporting continued to shift from IR solely pulling and reporting the data to having the data stewards be responsible for data ownership and reporting, allowing enhanced control of validation by IR. Now that the University Systems

⁹ ODA requested resubmission 3 months after initial submission and the University submitted the corrected file within a week of ODA’s request.

Coordinating Group is in place, this will help with process improvement and data stewardship responsibility, therefore diminishing time delays while improving accuracy and process control.

Responsible Person: Kevin Calkins, Director of IR.

Observation 2: Data Integrity Controls and Governance

BOG Regulations¹⁰ provide that each university president shall appoint an Institutional Data Administrator to be responsible for managing university responses to the BOG's information requests. The Regulation further provides that Institutional Data Administrators shall take the necessary actions to ensure that the information provided is accurate and adheres to the criteria and definition standards included in the information request. Such requirements are also incorporated into the required annual PBF data integrity certification.

Florida Poly has appointed the Director of Institutional Research (IR) to serve as the official Institutional Data Administrator for the university. University IR is dependent on the systems used and data captured by both Admissions and the Registrar in fulfilling the various PBF data requests by the BOG. Nevertheless, University IR has developed and implemented certain controls over data collected and reported by other university departments to ensure the validity of data reported. Such controls include, but are not limited to, reviewing the files for completeness and accuracy, and performing other control measures to validate data prior to submission.

In accordance with the approved scope of this audit¹¹, UAC performed testing on each of the various PBF-data submissions (as outlined in **Exhibit C**) to determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of PBF data submissions to the BOG as of September 30, 2021. Accordingly, the audit methodology included the selection and testing of certain data elements from each of the various submissions reported to the BOG during the audit period. Although such testing did not disclose any significant reporting errors, the following was noted suggesting that controls over data submissions could be further enhanced:

- In response to the previous PBF audit¹², in February 2021, the university developed the University Systems Coordinating Group ("UCoord") to serve as a forum where managers responsible for the operation of the University's IT systems come together to resolve common issues to enhance internal operations, decision-making, and external reporting. Although established with the intention of addressing the governance of data, UCoord failed to meet during the audit period.
- As noted in **Observation 1**, 4 data submissions were not made timely and one additional data submission was rejected by ODA. The rejected submission was not detected by the university's internal controls and was only discovered as a result of ODA's validation controls.

A similar observation was made in the prior audit. The inability to establish appropriate controls to ensure that PBF data submissions are timely and free of reporting errors could jeopardize PBF funding decisions and potentially result in the loss of PBF funding available to the University.

¹⁰ Board of Governors Regulation 3.007, State University System (SUS) Management Information Systems.

¹¹ As approved by the Audit & Compliance Committee on September 8, 2021.

¹² UAC Report FPU 2021-06; Finding 3 – Data Integrity Controls.

Risk Rating: Moderate

Recommendation: University IR should continue working with UCoord to enhance validation controls over data collected and reported to ensure the timeliness, completeness, and accuracy of data reported to the BOG. As outlined in the PBF data integrity certification, such due diligence should include performing tests on the files using applications, processes, and data definitions provided by the BOG.

Management Response: IR: Collaboration with Admissions, Financial Aid, and the Registrar Office will continue on a regular basis to ensure timeliness, completeness, and accuracy of data reported to the BOG. Because many of these data files impact subsequent reports, this collaboration is essential for understanding the full reporting process that leads to PBF scoring and funding.

Responsible Person: Kevin Calkins, Director of Institutional Research.

Exhibit A: UAC Audit Observation Risk Ranking Matrix

High: This is a high priority observation; immediate attention from University personnel is required. This is a serious internal control or risk management issue that if not corrected or mitigated could lead to serious consequences.

Criteria

- Substantial risk of loss
- Serious risk of violation of University strategies, policy, or values
- Serious risk of reputational damage
- Significant risk of adverse impact

Examples

- No policy exists
- Controls do not exist or not placed into operation
- Significant fraud detected
- Significant amount of questioned transactions
- Significant noncompliance observed

Moderate: This is a medium priority observation; timely attention from University personnel is warranted.

Criteria

- Moderate risk of financial losses
- Moderate risk of loss of controls within the program or area audited
- Adverse impact resulting in moderate sanctions or penalties

Examples

- Inconsistent application of policy
- Only mitigating controls exist
- Requires additional evaluation or review

Low: This is a low priority observation; routine attention from University personnel may be warranted. Recommendation may lead to improvement in the quality and/or efficiency of the process or area audited. Risks are limited.

Criteria

- remote risk of inappropriate activity
- Insignificant adverse impact
- Immaterial amounts involved

Examples

- Control exists but only nominal exceptions noted
- Compensating controls exist but internal controls could be enhanced

Exhibit B: Action Plan for Audit Observations

Observation Number	Action	Responsible Person	Implementation Deadline
1	Enhance controls to ensure the timeliness of all required SUDS submissions as well as any resubmissions, if applicable.	Kevin Calkins, Director of Institutional Research	February 2022
2	University IR will continue working with Admissions and the Registrar's office to further enhance validation controls over data collected and reported to ensure the timeliness, completeness, and accuracy of data reported to the BOG.	Kevin Calkins, Director of Institutional Research	February 2022

Exhibit C: 2021 PBF Metrics and Corresponding Data Submission Files

Metric	Description	SUDS Data Submission Files	Other Data Relative to Metric
Metrics Common to All Institutions			
1	Percent of Bachelor's Graduates Enrolled or Employed (Earning \$25,000+)	SIFD	FETPIP*, WRIS2*, FEDES*, NSC*
2	Median Wages of Bachelor's Graduates Employed Full-time	SIFD	FETPIP*, WRIS2*, FEDES*, NSC*
3	Average Cost to the Student (Net Tuition per 120 Credit Hours)	HTD, SFA, SIF	None
4	FTIC Four Year Graduation Rate	SIF, SIFD, RET	None
5	2-Year AA Graduation Rate APR for Pell	SIF, RET, ADM, SFA	None
6	Bachelor's Degrees Awarded in Areas of Strategic Emphasis	SIFD	None
7	University Access Rate (Percent of Undergraduates with a Pell-grant)	SFA, SIF	None
8b ¹³	Freshman in Top 10% of Graduating High School Class	ADM	None
Board of Governors Choice Metric			
9	Percent of Bachelor's Degrees without Excess Hours	HTD	None
Board of Trustees Choice Metric			
10	Graduates with 2+ Workforce Experiences	SIFD	Qualtrics Survey Data, Workday, Capstone Database, other documents

ADM – Admissions File

HTD - Hours to Degree File

RET - Retention File

SIF – Student Instruction File

SIFD – Student Instruction File – Degrees Awarded

SFA – Student Financial Aid File

FEDES – Federal Employment Data Exchange

FETPIP – Florida Education and Training Placement Information Program

NSC – National Student Clearinghouse

WRIS2 – Wage Record Interchange System

*Denotes external data source not included within the scope of this audit.

NOTE: Prior to 2021, PBF Metric 5 consisted solely of Academic Progress Rate (APR) which was weighted at 10 points. In 2021, Metric 5 was replaced with the following two metrics that is weighted at 5 points each to maintain a total of 100 points: 2-year AA Graduation Rate and APR for Pell Recipients.

¹³ Metric 8b was applicable to New College of Florida and Florida Poly in 2021. All other SUS institutions utilized Metric 8a (Graduate Degrees Awarded in Areas of Strategic Emphasis).



Data Integrity Certification

March 2022

University Name: Florida Polytechnic 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 **material or significant** audit findings.

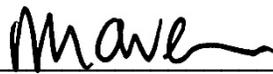
Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university’s collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance-based Funding decision-making and Preeminence or Emerging-preeminence Status.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As noted in the PBF Data Integrity audit (Report No. FPU 2022-06), controls and processes over this representation could be enhanced.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As noted in the PBF Data Integrity audit (Report No. FPU 2022-06), controls and processes over this representation could be enhanced.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As noted in the PBF Data Integrity audit (Report No. FPU 2022-06), controls and processes over this representation could be enhanced.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Data Integrity Certification

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, and data definitions provided by the Board Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	As noted in the PBF Data Integrity audit (Report No. FPU 2022-06), controls and processes over this representation could be enhanced.
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."	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
11. I recognize that Board of Governors' and statutory requirements for the use of data related to the Performance-based Funding initiative and Preeminence or Emerging-preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes 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 the related metrics.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Data Integrity Certification

Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
12. I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
13. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Data Integrity Certification Representations, Signatures	
<p>I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) 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.</p>	
<p>Certification: <u></u> President</p>	<p>Date <u>February 16, 2022</u></p>
<p>I certify that this Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge.</p>	
<p>Certification: <u></u> Board of Trustees Chair</p>	<p>Date <u>February 16, 2022</u></p>