



FLORIDA A&M UNIVERSITY  
**DIVISION OF AUDIT**

**Report No. 19-20-0006**  
**Audit Report**  
**FY 19-20 Performance-Based Funding Data Integrity**



**ACCOUNTABILITY • INTEGRITY • EFFICIENCY**

**February 20, 2020**



## FY 19-20 Performance-Based Funding Data Integrity Audit

### EXECUTIVE SUMMARY

#### WHAT WE DID

We performed an audit to verify the data submitted for the Fall 2018, Spring 2019, and Summer 2019 academic semesters that supports the University's 10 performance funding metrics; evaluate the university's processes for completeness, accuracy, and timeliness of performance funding data submissions; and review other University actions that impact the University's Data Integrity Certification required by the Florida Board of Governors (FLBOG).

#### WHAT WE FOUND

We believe that our audit can be relied upon by the university president and the Florida Agricultural & Mechanical University's (FAMU) Board of Trustees as a basis for certifying, without modification, the representations made to the FLBOG related to the integrity of data required for the FLBOG performance-based funding model.

Based on our audit, we have concluded that FAMU controls and processes are adequate to ensure the completeness of data submitted to the FLBOG in support of performance-based funding. Our audit did not reveal any material errors within the data files submitted by FAMU that would impact FAMU's overall ranking among State University System institutions. However, our audit did disclose an error within the logic used by the FLBOG to calculate Metric 10: *Number of Bachelor's Degrees Awarded to Transfers with AA Degrees from Florida College System (FCS)* which could materially impact FAMU's overall ranking among State University System institutions.

Specifically, the logic for Metric 10 calculations did not include an exclusion for transfers from FCS institutions who received their AA from FAMU after matriculation. As a result, the number of bachelor's degrees awarded to transfers with AA degrees from FCS institutions was overstated. During the course of our audit, FAMU worked with the FLBOG to update the logic to now exclude these FAMU AA graduates from the Metric 10 calculation. FLBOG staff provided FAMU revised Metric 10 outcomes, but did not adjust the original benchmark. Without revising the associated Metric 10 benchmark, there could be unintended scoring impacts.

#### OPPORTUNITIES FOR IMPROVEMENT

FAMU's Provost, Vice President for Strategic Planning, Analysis and Institutional Effectiveness, and University Data Administrator should work with the FLBOG staff to establish a fair and equitable benchmark for Metric 10 based upon the revised metric logic to ensure that this change does not negatively impact FAMU's PBF evaluation and scoring.



## TABLE OF CONTENTS

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EXECUTIVE SUMMARY .....	2
WHAT WE DID .....	2
WHAT WE FOUND .....	2
OPPORTUNITIES FOR IMPROVEMENT .....	2
BACKGROUND.....	4
Florida Statutes.....	4
Florida Board of Governors: Performance-Based Funding Overview .....	5
Florida Board of Governors Audit and Certification Directives for FY 2019-2020 .....	5
FAMU State File Process Overview .....	6
PERFORMANCE-BASED FUNDING DATA INTEGRITY REVIEW OUTCOMES .....	7
APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY .....	13
APPENDIX B: FLBOG JUNE 18, 2019 LETTER TO FAMU REGARDING DATA INTEGRITY AUDITS AND CERTIFICATIONS.....	14
APPENDIX C: DATA INTEGRITY CERTIFICATION .....	17
DISTRIBUTION.....	20
PROJECT TEAM.....	21
STATEMENT OF ACCORDANCE .....	21





## BACKGROUND

### Florida Statutes

Florida Statutes 1001.92<sup>1</sup> – State University System Performance-Based Incentive governs the funding model under which state universities obtain state funding. Specifically:

*A State University System Performance-Based Incentive shall be awarded to state universities using performance-based metrics adopted by the Board of Governors of the State University System...The board shall adopt benchmarks to evaluate each state university's performance on the metrics to measure the state university's achievement of institutional excellence or need for improvement and minimum requirements for eligibility to receive performance funding.*

Florida Statutes 1001.076<sup>2</sup> – Powers and duties of the Board of Governors requires Florida A&M University to conduct an annual audit of data submitted to the Florida Board of Governors. Specifically:

*The Board of Governors shall maintain an effective information system to provide accurate, timely, and cost-effective information about each university...To ensure consistency, the Board of Governors shall define the data components and methodology used to implement ss. 1001.7065 and 1001.92. Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.92 complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.*

<sup>1</sup> Source: <https://www.flsenate.gov/Laws/Statutes/2019/1001.92>

<sup>2</sup> Source: <https://www.flsenate.gov/Laws/Statutes/2019/1001.706>





## Florida Board of Governors: Performance-Based Funding Overview

The Performance-Based Funding Model includes 10 metrics that evaluate Florida universities on a range of issues.<sup>3</sup> Two of the 10 metrics are Choice metrics; one picked by the FLBOG and one by the university board of trustees. The 10 metrics upon which FAMU is evaluated are as follows:

Florida Agricultural & Mechanical University Performance-Based Funding Metrics			
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 First Time in College (FTIC))
5	Academic Progress Rate (2nd Year Retention with Grade Point Average Above 2.0)	6	Bachelor's Degrees Awarded in Areas of Strategic Emphasis <sup>4</sup>
7	University Access Rate (Percent of Undergraduates with a Pell-grant)	8	Graduate Degrees Awarded in Areas of Strategic Emphasis
9	Board of Governors Choice - Percent of Bachelor's Degrees without Excess Hours	10	FAMU Board of Trustees Choice - Number of Bachelor's Degrees Awarded to Transfers with AA Degrees from Florida College System

## Florida Board of Governors Audit and Certification Directives for FY 2019-2020

On June 18, 2019, Florida Board of Governors Chair, Ned Lautenbach, sent a letter (Appendix B) highlighting each university's responsibilities for performing a performance-based funding data integrity audit along with instructions to submit the audit and revised Data Integrity Certification (Appendix C) to the FLBOG Office of Inspector General and Director of Compliance no later than March 2, 2020. The letter required each University to perform an audit that includes the following:

- An audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions;
- Testing of data that supports performance funding metrics, as well as preeminence or emerging preeminence metrics if applicable, as testing is essential in determining that processes are in place and working as intended;
- A scope and objectives that are set jointly between the chair of the university board of trustees and the university chief audit executive;
- Develop corrective action plans, as needed; and
- Have the audit accepted by the University Board of Trustees.

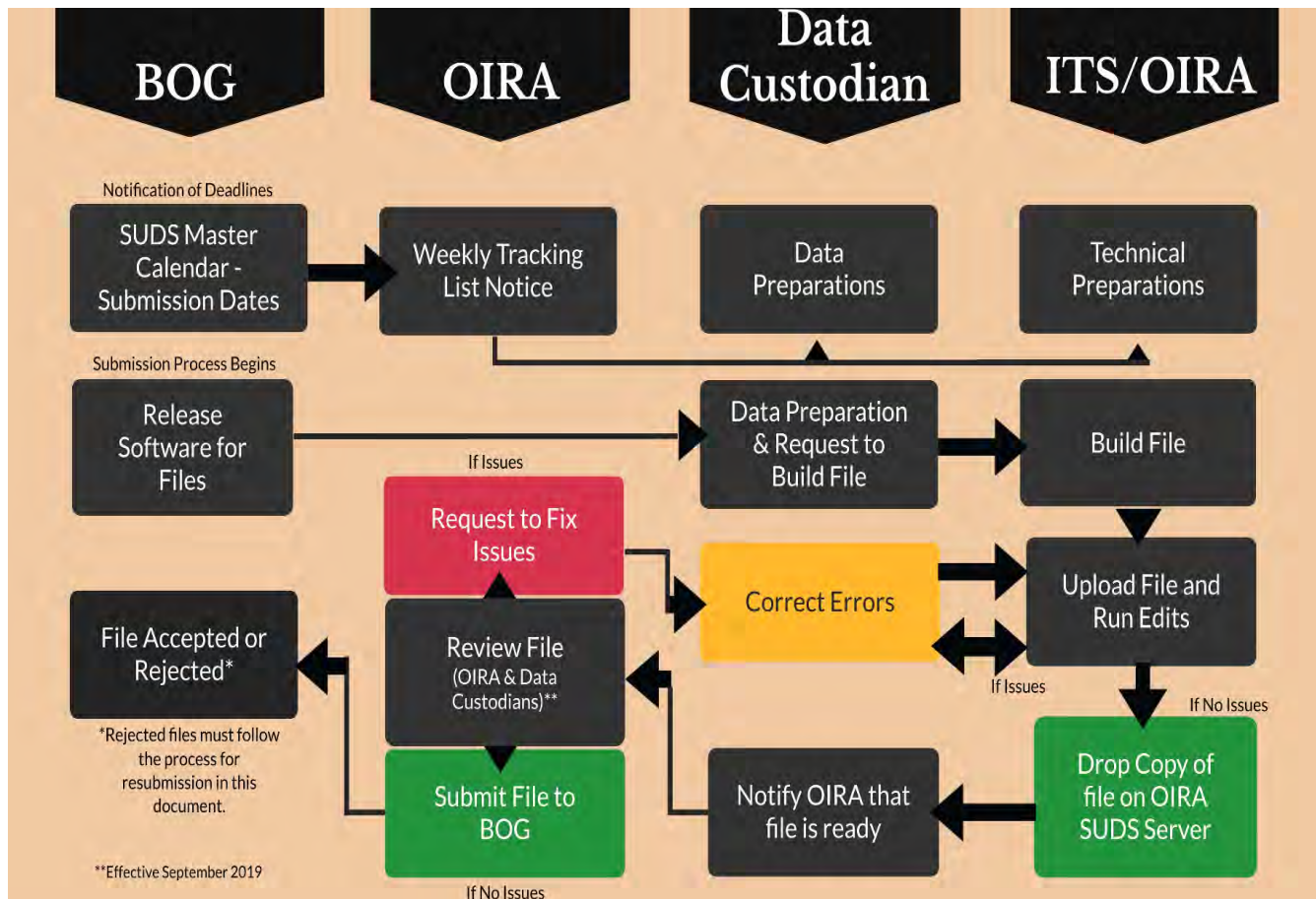
<sup>3</sup> Source: <https://www.flbog.edu/wp-content/uploads/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-Nov-2019.pdf>

<sup>4</sup> <https://www.flbog.edu/resources/academic/programs-of-strategic-emphasis/>



Upon conclusion of the audit, each University president was instructed to complete the Data Integrity Certification, evaluating the 13 prepared representations, and explain any modifications needed to reflect significant or material audit findings.

### FAMU State File Process Overview



The Office of Institutional Research & Analytics (OIRA), led by the University Data Administrator, is charged with ensuring the completeness, timeliness, and accuracy of State University Database System (SUDS) files submission. The chart below illustrates the general workflow of each data file submission<sup>5</sup>.

<sup>5</sup> Source: FAMU Office of Institutional Research & Analytics (September 2019)



## PERFORMANCE-BASED FUNDING DATA INTEGRITY REVIEW OUTCOMES

The Division of Audit performed this audit of the university's processes to ensure the completeness, accuracy, and timeliness of data submissions, as well as, testing of data that supports performance funding metrics determined that the processes in place are working as intended. The following table summarizes the outcomes of the work performed by the Division of Audit in the following areas:

- Timeliness, completeness, and accuracy performance-based funding files;
- Processes and data review objectives established for each performance funding metric in consultation with University management and approval of the President; and
- Analysis of key responsibilities of the data administrator function within the performance funding process.

SUDS File Summary		
SUDS Files	File Submitted Timely	Data Validation Issues
ADM – Fall 2018	Yes	None
ADM – Spring 2019	Yes	None
ADM – Summer 2019*	Yes	None
SIF – Fall 2018	Yes	None
SIF – Spring 2019	Yes	None
SIF – Summer 2019*	Yes	None
SIFD – Fall 2018	Yes	None
SIFD – Spring 2019	Yes	None
SIFD – Summer 2019*	Yes	None
SFA – 2018/2019	Yes	None
HTD/CTD – 2018/2019	6 Days Late	None

[SUDS File Summary Legend: ADM - Admissions, SIF - Student Instruction File, SIFD - Degrees Awarded, SFA - Student Financial Aid, HTD - Hours to Degree, CTD - Courses to Degree]

\* **Note:** Summer 2018 file data for ADM, SIF, and SIFD were tested as part of the FAMU Division of Audit 2018-2019 Performance-Based Funding Data Integrity Audit. Summer 2019 was tested as part of the current audit cycle, in order to obtain samples crossing three academic terms.





The following tables summarize the audit objectives and outcomes by metric.

**Review of Metric 1: Percent of Bachelor's Graduates Enrolled or Employed (\$25,000) One Year After Graduation and Metric 2: Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation**

Objective	Outcome
Confirm student data, specifically social security numbers, from a sample of students within the SIFD file.	Our review of a sample set of students determined that student information data submitted through SUDS accurately reflected iRattler, transcript, and admission application data for each student tested.

**Review of Metric 3: Avg. Cost to the Student Net Tuition & Fees for Resident Undergraduate Per 120 Credit Hours**

Objective	Outcome
Determine the accuracy and integrity of data related to Financial Aid provided by FAMU to students.	Our review of a sample set of students determined that information submitted to the FLBOG accurately reflected the information within iRattler regarding resident classifications, grants and scholarship awards, fee waivers, and credit hours taken by students.
Third-Party Payments: Verify the accuracy of financial aid coded as third-party payments and document the process the University uses for assessing third-party payments.	Our review of a sample set of third-party payments submitted to the FLBOG revealed that the financial aid data was complete, accurate, and reflected the information within iRattler.

**Review of Metric 4: 4 Year FTIC Graduation Rate**

Objective	Outcome
Determine if degrees were appropriately awarded for FTIC students who graduated within one year of enrollment.	FAMU did not award degrees to any FTIC students within one year of enrollment during the audit period.
Determine whether students who were excluded from the 4-year cohort were enrolled in eligible programs for exclusion: 5-Year MBA or 6-Year PharmD	FAMU excludes students enrolled in the 6-Year Pharm-D Program and the 5-Year MBA program from the 4-Year FTIC cohort. Our review of the transcripts and iRattler data for students who were excluded from the 4-Year cohort confirmed those students as being enrolled in either the 6-Year Pharm-D Program or the 5-Year MBA programs for the 2018-2019 reporting term thus were correctly excluded from the 4-Year graduation rate calculation.



### Review of Metric 5: Academic Progress Rate 2nd Year Retention with GPA Above 2.0

Objective	Outcome
Confirm that there were no changes made to the GPA system calculation process and that the supporting grade change process has appropriate controls to ensure grade integrity.	<p><b><u>GPA Calculations</u></b> FAMU's cumulative GPA calculations are computed using iRattler. The accuracy of these calculations was validated during audit work performed in previous performance-based funding audits. No changes were made to the GPA calculation process during the current audit period.</p> <p><b><u>Grade Change Process</u></b> FAMU has established a grade change process to ensure all grade changes are properly authorized, which subsequently would impact a student's GPA. A grade change is allowed only if it is determined that a grade was recorded in error, or when removing "Incomplete (I)" or "Passing but Not Proficient (PN)" grades; or as a result of a student's successful appeal of a grade. A "Grade Change and Academic Record Update Form" must be submitted to the Registrar's Office for processing. The form must contain the signature of the appropriate academic Dean in order to be processed.</p> <p><b><u>System Security</u></b> FAMU has implemented additional layers of security within iRattler to protect accounts with the ability to change grades.</p>

### Review of Metric 6 & 8: Degrees Awarded in Programs of Strategic Emphasis

Objective	Outcome
Review all requests made to the FLBOG's Academic and Student affairs unit to consider designating a program of strategic emphasis. Evaluate the rationale behind the requests and the number of students impacted if the requests are granted.	<p><b><u>Requests Review</u></b> The University did not submit any requests for Programs of Strategic Emphasis (PSE) during the audit period.</p> <p><b><u>Approved Programs</u></b> FAMU did not receive approval to add any new PSE during the audit period.</p>
Metric 6 (Undergraduate): Determine if degrees were appropriately awarded based on graduation requirements.	Our review of a sample set of students from undergraduate PSE, determined that all students satisfied the necessary curriculum requirements to be awarded their respective degree.



### Review of Metric 6 & 8: Degrees Awarded in Programs of Strategic Emphasis

Objective	Outcome
Metric 8 (Graduate): Determine if degrees were appropriately awarded based on graduation requirements.	Our review of a sample set of students from graduate PSE, determined that all students satisfied the necessary curriculum requirements to be awarded their respective degree.

### Review of Metric 7: University Access Rate Percent of Undergraduates with a Pell Grant

Objective	Outcome
Verify the receipt of funds by students coded as receiving a Pell Grant.	Our review of a sample set of students revealed that all students recorded as receiving Pell Grants had received the Pell Grants in the amounts indicated within the SFA file.
Review classification for students to ensure that those excluded from the metric (unclassified) met the appropriate criteria.	Our review of a sample set of students revealed that student classification levels were appropriately classified within the SFA file.

### Review of Metric 9: Percent of Bachelor's Degrees without Excess Hours

Objective	Outcome
The objective of this test is to determine if the Hours-To-Degree file contains accurate degree hours per student. Specifically, to validate use of Credit Hour Usage Indicator, Course Grouping Codes, and Excess Hours Exclusion within the HTD files.	Our review of a sample of students from the HTD file, and related CTD file, revealed that student degree hours reported were accurate.

### Review of Metric 10: Number of Bachelor's Degrees Awarded to Transfers with AA from FCS

Objective	Outcome
Validate whether students coded as transferring from a Florida College System (FCS) institution with an AA degree, obtained their AA degree from a FCS institution.	<p>Our review of a sample set of students revealed that all students who were coded as being awarded an AA degree from a FCS was correctly reflected within the SIFD file.</p> <p><b><u>Florida Board of Governors Metric 10 Logic</u></b> Our audit revealed an issue in the logic used to calculate Metric 10: Number of Bachelor's Degrees Awarded to Transfers with AA Degrees from FCS. Specifically, the logic did not exclude transfers from FCS institutions who received their AA at FAMU. As a result, the number of bachelor's degrees awarded to transfers with AA degrees from the FCS was overstated. During the course of our audit, the FLBOG updated the logic for calculating Metric 10 and submitted the</p>





	University with new metric outcomes. We recommend that FAMU continue to work with FLBOG staff to adjust the Metric 10 benchmark as well.
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Review of Data Administrator Processes	
Objective	Outcome
Determine whether 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.	During the 2018-2019 academic year, the previous University Data Administrator, Dr. Kwadwo Owusu, was replaced by Interim University Data Administrator, Dr. Katherine Scheuch, on May 10, 2019. Both University Data Administrators were appointed by the University President, had the responsibilities for University Data Administrator included within their position descriptions, and were fully aware of their responsibilities as it relates to Performance Funding files.
Evaluate the processes, controls, and procedures used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the FLBOG.	The University Data Administrator has developed a documented procedure guide, "State File Submission Process," that provides information regarding: <ul style="list-style-type: none"> <li>• weekly tracking of files for timeliness;</li> <li>• steps for identifying and resolving edits and errors within the files for accuracy and completeness, including resubmission; and</li> <li>• roles and responsibilities of OIRA staff, Information Technology Services staff, and data custodians to ensure the overall completeness, accuracy, and timeliness of each SUDS file.</li> </ul>
Review data submissions for consistency with data definitions and guidance provided by the FLBOG. Specifically, for any files that were resubmitted, determine the cause for resubmission and document any process adjustments needed or that were made to prevent further resubmissions for the same cause.	Our review revealed that 5 of 11 files submitted through the SUDS submission process during the audit period required resubmissions. The University has assessed the causes for all file resubmissions and established procedures to prevent resubmissions for the same issues in the future.
Verify that when critical errors have been identified, a written explanation of the critical errors was included with the file submission.	Our review revealed that 4 of 11 files submitted through the SUDS submission process during the audit period contained critical errors. The University has assessed the causes for all submissions containing critical errors and



	established procedures to prevent resubmissions for the same issues in the future.
Determine 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."	Based on our audit, we have concluded that FAMU's controls and processes are adequate to ensure the completeness of data submitted to the FLBOG in support of performance-based funding. Our audit did not reveal any material errors within the data files submitted by FAMU that would impact FAMU's overall ranking among State University System institutions. Therefore, we believe that the Data Administrator's certification that the files/data represents the position of FAMU is accurate.

Review of SUDS User Access	
Objective	Outcome
Assigned security within the SUDS application enforces appropriate separation of duties for staff responsible for data entry.	Our review revealed that 37 of 39 SUDS users had appropriate access to the SUDS system. The two users identified as having inappropriate access were assigned the "Validator" role (read-only), which did not impact the data integrity of the files submitted. Both inappropriate read-only accesses have been fully resolved.



## APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

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### **Purpose and Scope**

The purpose of this audit was to verify the data submitted for the Fall 2018, Spring 2019, and Summer 2019 academic semesters that supports the University's 10 performance funding metrics; evaluate the university's processes for completeness, accuracy, and timeliness of performance funding data submissions; and review other University actions that impact the University's Data Integrity Certification required by the FLBOG.

### **Methodology**

Data submitted to the FLBOG to support the University's performance-based funding metrics, methods and controls applied by management to ensure data integrity, and processes designed to ensure completeness, accuracy, and timeliness of data were subject to the following audit procedures:

- Detailed testing of each of file to ensure the data within the file matched the University system data. Additional testing was then conducted to test and evaluate veracity of the university system data, including reviews and testing of University processes, policies, and procedures.
- Walk-throughs of processes for data file submission, compiling data files, inputting data into the system, and University processes upon which the data is generated (i.e. graduation approval process).
- Interviews of key staff regarding processes, data integrity and responsibilities for data.





## APPENDIX B: FLBOG JUNE 18, 2019 LETTER TO FAMU REGARDING DATA INTEGRITY AUDITS AND CERTIFICATIONS



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

Office of the Chancellor  
325 West Gaines Street, Suite 1614  
Tallahassee, FL 32399  
Phone 850.245.0466  
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www.flbog.edu

### MEMORANDUM

**TO:** Chairs, University Boards of Trustees  
University Presidents

**FROM:** Ned Lautenbach, Chair *Ned Lautenbach*

**DATE:** June 18, 2019

**RE:** Data Integrity Audits and Certifications for Performance Based Funding  
and Preeminence Metrics

Since the Board of Governors' January 2014 approval of the Performance Based Funding Model, the model has incentivized universities and their boards of trustees to achieve excellence and performance improvements in key areas aligned to the State University System of Florida Strategic Plan goals. Over the past six years, the Performance Based Funding state investment has totaled \$1,250,000,000 in additional state funding, demonstrating continued support for the System. This is a testament to the value of the state university system to the educational and economic growth of our state. These investments have allowed the System to keep tuition stable for our students.

For the 2019-2020 fiscal year, the investment into performance based funding remains at the all-time high of \$560 million with \$265 million in state investment and \$295 million in institutional investment. With this investment, universities have demonstrated the ability to achieve excellence and improvements in the 10 key metrics, including graduation and retention rates. The U.S. News & World Report released May 14, 2019, ranked Florida as the best state for higher education for the third consecutive year. The state university system has had a 9.5% five-year increase in graduation rates, and a 31% year-over-year drop in the cost-to-student for a bachelor's degree.

In November 2018, the Board of Governors evaluated the model's metrics and approved changes to metric 10 as selected by university boards of trustees. Data is currently being collected for the new metrics, and benchmarks will be set based on the most recent data.

Florida Agricultural and Mechanical University | Florida Atlantic University | Florida Gulf Coast University | Florida International University  
Florida Polytechnic University | Florida State University | New College of Florida | University of Central Florida  
University of Florida | University of North Florida | University of South Florida | University of West Florida



BOT Chairs and Presidents  
June 18, 2019  
Page 2 of 3

Key to the model's success is the ability of the Board of Governors to rely on the information you provide for performance based funding decision-making. During the 2019 Legislative Session, lawmakers approved Senate Bill 190 that contains language amending section 1001.706, Florida Statutes. The new language states:

*Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065[1] and 1001.92[2] complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.*

As now required by Florida Statutes, 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. Additionally, I ask that these audits include testing of data that supports performance funding metrics, as well as preeminence or emerging preeminence metrics if applicable, as testing is essential in determining that processes are in place and working as intended.

In addition to the data integrity audit for the Performance Based Funding Model, universities designated as preeminent or emerging preeminent will need to conduct a similar audit for the data and metrics used for preeminent status consideration. This audit may be included with or separate from the Performance Based Funding Data Integrity Audit.

The scope and objectives of the audit(s) should be set jointly between the chair of the university board of trustees and the university chief audit executive. The audit(s) 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.

Using the results from the data integrity audit(s), each university president should complete the attached Data Integrity Certification. When completing this certification, evaluate each of the 13 prepared representations, which have been revised to include preeminence and emerging preeminence for those universities so designated. If you are able to affirm a representation as prepared, do so. If you are unable to affirm a

<sup>1</sup> S. 1001.7065, Florida Statutes, Preeminent State Research Universities Program

<sup>2</sup> S. 1001.92, Florida Statutes, State University System Performance-based Incentive





BOT Chairs and Presidents

June 18, 2019

Page 3 of 3

representation as prepared, explain the modification in the space provided. It is important that representations be modified to reflect significant or material audit findings. The certification document shall be signed by the university president and board of trustees chair after being approved by the board of trustees.

The audit results and corrective action plans as needed shall be provided to the Board of Governors after being accepted by the university's board of trustees. The audit results shall support the president's certification and include any noted audit findings. The completed Data Integrity Certification and audit report(s) shall be submitted to the Office of Inspector General and Director of Compliance no later than **March 2, 2020**.

I ask that you consider the March 2<sup>nd</sup> deadline when establishing dates for your 2020 board of trustees meetings as we will need these audits and certifications in sufficient time to be included in our March Board of Governors' meeting materials.

I commend you, your data administrators, and the many university staff responsible for ensuring reliable, accurate, and complete information is timely submitted to the Board of Governors. I would also like to thank your chief audit executives for focusing a significant portion of their office's resources to auditing your university's data-related controls, processes, and submissions. Collectively, these efforts allow you to confidently certify the accuracy of data submissions to the Board of Governors and enhance public trust and confidence in this process. We appreciate your cooperation and assistance in ensuring the integrity of the performance funding and preeminence processes.

If you have questions regarding these requirements, please do not hesitate to contact the Board of Governors Inspector General at [BOGInspectorGeneral@flbog.edu](mailto:BOGInspectorGeneral@flbog.edu) or 850-245-0466.

NCL/jml

Attachment: Data Integrity Certification Form





## APPENDIX C: DATA INTEGRITY CERTIFICATION



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
*Ensuring Tomorrow*

### Data Integrity Certification

March 2020

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 significant or material 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 type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	<input type="checkbox"/>	<input type="checkbox"/>	
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 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 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 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 type="checkbox"/>	<input type="checkbox"/>	
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 <b>Submit for Approval</b> represents electronic certification of this data per Board of Governors Regulation 3.007."	<input 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 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 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 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 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: _____ Date _____</p> <p style="text-align: center;">President</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: _____ Date _____</p> <p style="text-align: center;">Board of Trustees Chair</p>





## DISTRIBUTION

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- Larry Robinson, Ph.D., President

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  - Robert L. Woody
- Craig Reed, Audit Committee Chair
- Linda F. Barge-Miles, Chief of Staff
- Denise Wallace, Vice President, Legal Affairs and General Counsel
- Maurice Edington, Provost and Vice President, Academic Affairs
- Alan Robertson, Vice President, Finance and Administration/CFO
- William E. Hudson, Vice President, Student Affairs
- Shawnta Friday-Stroud, Vice President, University Advancement/ Executive Director, FAMU Foundation
- Charles Weatherford, Vice President, Research
- Beverly Barrington, Vice President, Strategic Planning, Analysis and Institutional Effectiveness
- Rica Calhoun, Chief External Compliance & Ethics Officer
- Kortne Gosha, Vice President/Director of Athletics
- Keith Miles, Interim Director, Communications, Marketing, and Media Relations

### External Distribution:

Julie Leftheris, Inspector General and Director of Compliance, Board of Governors





## PROJECT TEAM

---

### **Engagement was conducted by:**

#### *Project Lead*

- Deidre Melton, CFE, CIA, CISA, CISM, CRISC, Audit Director

#### *Project Staff*

- Jessica Hughes, CCA, CCEP, CICA, CFE Audit Services/Investigations Administrator
- Ruoxu Li, CIA, CISA Audit Services/Investigations Administrator
- Carl Threatt, CIA, CRMA, CIGA, CIGI, CFE, CCEP Audit Services/Investigations Administrator
- William Knight, CIGA, Internal Auditor/Investigator

### **Engagement was supervised, approved, and distributed by:**

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

## STATEMENT OF ACCORDANCE

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The Division of Audit's mission is to provide independent, objective assurance and consulting services designed to add value and improve the University's operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

We conducted this assurance service in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require we plan and perform the assurance service to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our engagement objectives. We believe the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

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

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



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

# Data Integrity Certification

March 2020

University Name: Florida Agricultural and Mechanical 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 **significant or material** 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"/>	
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"/>	
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	

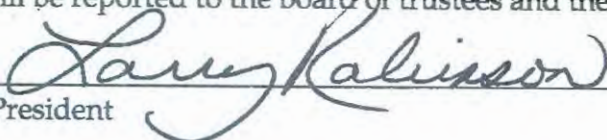
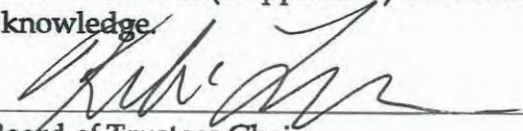


## Data Integrity Certification

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"/>	
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> Date <u>2/20/2020</u>  President</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> Date <u>2/20/2020</u>  Board of Trustees Chair</p>



**FLORIDA ATLANTIC**  
**UNIVERSITY™**

*Office of Inspector General*

Audit Report: Performance Based Funding Data Integrity

As of November 30, 2019

Use of Report

We are employed by Florida Atlantic University. This report is intended solely for the internal use of the State University System and is not intended to be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

# REPORT ON THE AUDIT OF PERFORMANCE BASED FUNDING DATA INTEGRITY

## TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
LETTER OF TRANSMITTAL . . . . .	iii
EXECUTIVE SUMMARY . . . . .	iv
SCOPE AND OBJECTIVES . . . . .	1
BACKGROUND . . . . .	2
COMMENTS AND RECOMMENDATIONS . . . . .	3
CONCLUSION . . . . .	4
LIST OF REPORT APPENDICES (A, B and C) . . . . .	5

2019 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	6	7	8	7	7	1	7	9	8	8	10
2	6	9	8	9	9	4	9	10	9	8	8
3	10	10	10	10	10	10	10	10	10	10	10
4	1	10	10	10	10	10	6	10	7	10	10
5	2	3	0	8	10	0	8	10	0	7	10
6	7	9	10	8	7	9	10	10	10	10	10
7	10	10	7	10	6	7	9	6	7	9	9
8.a	8	10	10	8	9		10	10	7	10	7
8.b						6					
9	10	8	8	7	10	10	9	10	10	10	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	70	86	81	87	88	67	88	95	78	92	94

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 - Freshmen in Top 10% of Graduating High School Class

Metric 9 - Board of Governors' Choice (Percentage of Bachelor's Degrees Awarded Without Excess Hours)

Metric 10 - Board of Trustees' Choice (see detailed sheets)

MEMORANDUM

TO: Dr. John Kelly  
President

FROM: Stacy Volnick  
Interim Chief Audit Executive 

DATE: January 16, 2020

SUBJ: PERFORMANCE BASED FUNDING DATA INTEGRITY AUDIT

In accordance with the University's Internal Audit Plan for fiscal year 2019-20, 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 November 30, 2019. 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

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## Executive Summary

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In accordance with the University's Internal Audit Plan for fiscal year 2019-20, 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 November 30, 2019.

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 that 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 *Student Instruction*, *Degrees Awarded*, *Hours to Degree* and *Student Financial Aid* data files which are used in computations for Metrics 3 and 4 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.



January 16, 2020

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 #3: *Cost to the Student*, and Metric #4: *Four-Year First-Time-In-College Graduation 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 that is required to be signed by the University president and Board of Trustees chair.

Our audit covered data submissions to the BOG through November 30, 2019. Detailed testing of data submitted to the BOG was limited to information found in the *Student Instruction (SIF)*, *Hours to Degree (HTD)* and *Student Financial Aid (SFA)* files used for calculation of Metric #3 and *Degrees Awarded (SIFD)* file used for calculation of Metric #4. Elements located in data tables of these four 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.

## BACKGROUND

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 2019/20 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 established by the BOG.

*Student Instruction, Hours-to-Degree, Student Financial Aid, and Degrees Awarded data submissions*

As part of the audit, we chose to focus on Metrics 3 and 4 since both metrics are deemed moderate high risk in light of recent updated PBF methodologies by the BOG. The methodology for Metric #3 was recently updated to account for new third-party payments (Financial Aid). A third-party payment contract is a category of financial assistance in which a sponsor pays all, or a portion of a student's invoice directly to the institution (not the student) via a special billing process. The majority of third-party payments are related to the military. Regarding Metric #4, recent changes included clarification of the cohort year definition, and an update to the 4-year graduation rate methodology regarding cohort adjustments.

COMMENTS AND RECOMMENDATIONS

**Current Findings and Recommendations**

No findings were noted as a result of this audit.

**Other Comments**

In response to the 2019 Florida Legislature action that amended section 1001.7065 of the Florida Statutes to require the BOG to define the data components and methodology used to implement the annual evaluation for Preeminent State Research Universities, as defined in section 1001.7065 of the Florida Statutes. Each university that has been approved by the Board as a Preeminent Research University, or an emerging Preeminent Research University, is required to conduct, and submit, an annual audit to the BOG Office of Inspector General to verify that relevant data complies with the definitions and methodology for 12 Preeminence metrics. Florida Atlantic University was not classified as one of these designations; therefore, a Preeminence or Emerging Preeminence Data Integrity audit is not required.

**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.



## CONCLUSION

Based on our audit, we have concluded that the controls and processes that 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.



Stacy Volnick  
Interim Chief Audit Executive

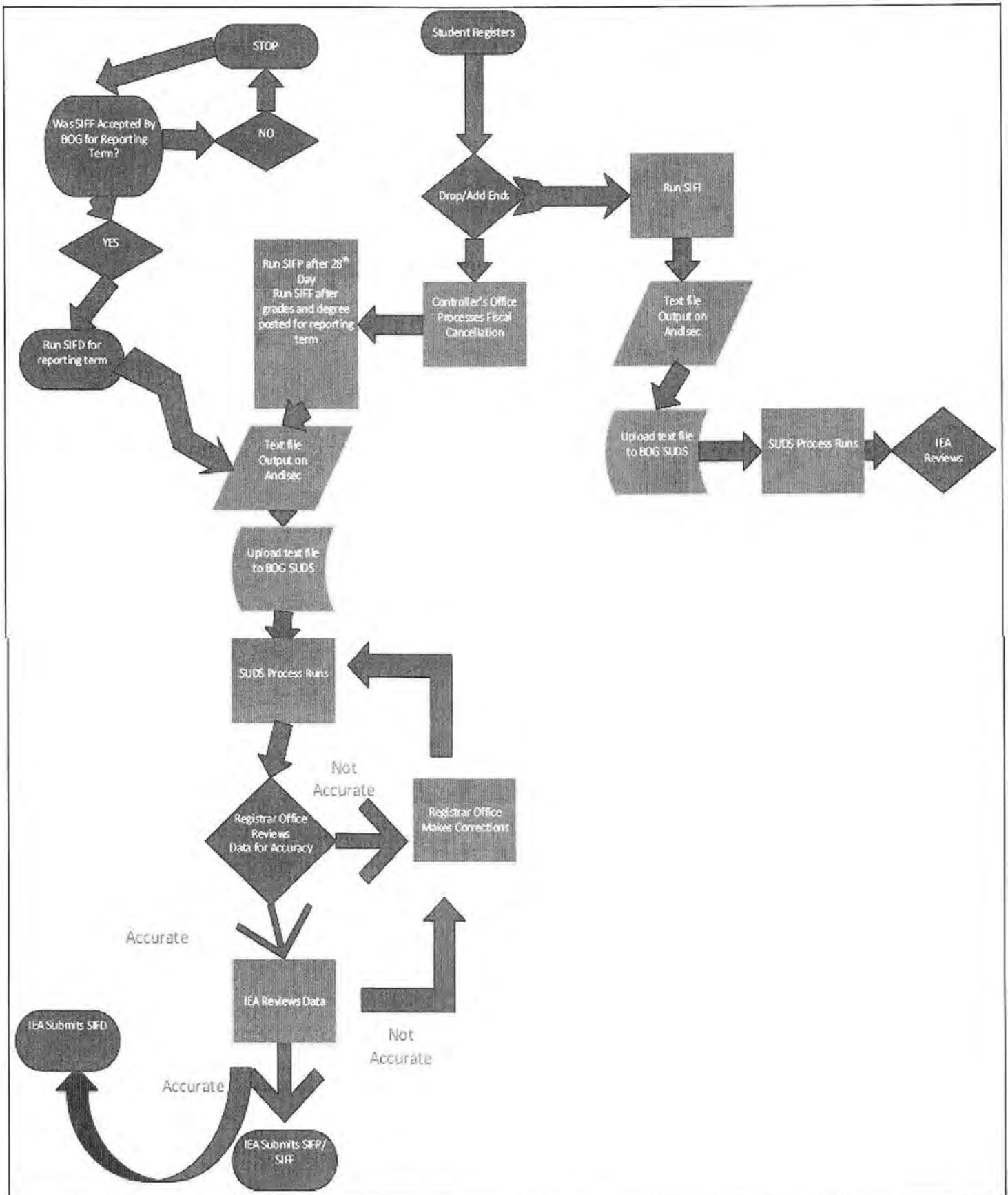
Audit performed by: Ben Robbins, CPA (N.C.)  
Allaire Vroman



Performance Based Funding Data Integrity Audit  
11/30/2019

\*\*\*LIST OF REPORT APPENDICES\*\*\*

	<u>Appendix</u>
• TYPICAL INTERNAL DATA PROCESS FLOW AND SUBMISSION TO BOG - <i>Office of the Registrar</i>	A
• METHODOLOGY FOR METRICS CALCULATIONS – <i>SIF, HTD, SFA &amp; SIFD</i> FILES - <i>Metric #3, Cost to the Student</i> - <i>Metric #4, Retention and Graduation Rates</i>	B
• DATA INTEGRITY CERTIFICATION STATEMENT REQUIRED BY BOG	C



# Performance Funding Metrics

Cost To The Student:

*Net Tuition & Fees Per 120 Credit Hours*

## OVERVIEW OF METHODOLOGY AND PROCEDURES

REVISED 08/25/2019



STATE UNIVERSITY SYSTEM *of* FLORIDA  
Board of Governors





### **Performance Funding Model Background**

The Performance Based Funding (PBF) model was approved at the January 2014 Board of Governors Meeting. The development of the model included university presidents, provosts, boards of trustees, and other stakeholders starting in the fall of 2012. The PBF model includes ten metrics that were chosen from the Board's 2025 System Strategic Plan.

The integrity of data provided to the Board of Governors is critical to the PBF model process. To provide assurance that the data submitted for this process is reliable, accurate, and complete, the Board of Governors developed a Data Integrity Certification process in June 2014. University presidents and boards of trustees were directed to task their chief audit executives to perform annual audits of the university's processes, which ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors.

### **Cost per Degree Metric Background**

The original Cost per Bachelor's Degree focused on the Cost to the Institution and was derived from university Expenditure Analysis reports. During the June 2015 Budget and Finance Committee meeting, Governor Kuntz indicated that the Board would take suggestions for a possible alternative methodology that would enhance how the Cost of a Bachelor's Degree was calculated. Board staff convened multiple conference calls with university representatives and included a face-to-face workshop meeting on March 29, 2016, which was attended by Board Chair Kuntz and Budget Chair Lautenbach to hear university proposals for alternative metrics. After reviewing all the proposals, the Board decided to use a Cost to the Student metric that was largely based on a 2013 report from the Cost-per-Degree Workgroup.<sup>1</sup>

This document provides details on the methodology and procedures used by Board of Governors staff to calculate the Cost to the Student: Net Tuition & Fees per 120 Credit Hours metric that was approved by the Board at its November 3, 2016 meeting.<sup>2</sup> The data for this metric is reported in the annual Accountability Report (Table 1D) and included within the PBF model as metric #3.

<sup>1</sup> The 2013 report, *Cost of a Degree to the Student, the State & the Institution*, is available at: [http://www.flbog.edu/about/budget/docs/cost\\_per\\_degree/Cost-Per-Degree-Report-FINAL-06-03-2013.pdf](http://www.flbog.edu/about/budget/docs/cost_per_degree/Cost-Per-Degree-Report-FINAL-06-03-2013.pdf).

<sup>2</sup> The November Board meeting includes an FAQ document that addresses many questions about the new metric and is available at: [http://www.flbog.edu/documents/meetings/0202\\_1033\\_7800\\_7.4.4%20BUD%2004c%20-%20Metric3\\_FAQ\\_JJ\\_2016-10-11.pdf](http://www.flbog.edu/documents/meetings/0202_1033_7800_7.4.4%20BUD%2004c%20-%20Metric3_FAQ_JJ_2016-10-11.pdf).



## 1. Data Sources and Procedures

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. It is important to note that SUDS does not include student tuition, fee, or book payments, so this 'Cost to the Student' metric is based on a model that serves as a reasonable estimate of the costs to the student.

The Board of Governors' Office of Data & Analytics (ODA) calculate this metric from the following SUDS files: Student Instruction File (SIF), Student Financial Aid File (SFA), and the Hours to Degree (HTD) file. Once ODA staff have finished their analysis, each university Data Administrator leads the university review of the data analysis to make sure it is accurate before the data is approved by each university board of trustees and the Board of Governors as part of the Accountability Report process.

## 2. Overview

The 'Sticker Price' is the published tuition and fee amount; however, it does not represent the actual amount of tuition paid by most students. Students actually pay the 'net tuition' amount, which is the amount of tuition and fees that remain *after* financial aid has been taken into account.



## 3. Sticker Price

The sticker price refers to the sum of the published tuition and required fees amount per credit hour and the national average cost for books and supplies. Because this metric represents the cost of a degree, each institution's sum of tuition, fees, books and supplies is multiplied by the average number of credit hours attempted by students for the most recent class of bachelor's recipients who started as first-time-in-college students (FTICs) and graduated from a program that requires only 120 credit hours. This method recognizes that a student who enrolls in more credit hours pays more for tuition, fees and books.

### a. Tuition and Required Fees:

The per credit hour tuition rate is established annually by the Florida Legislature in the General Appropriations Act (GAA). The Cost to the Student metric is based on the tuition rate for resident undergraduates and required fees (e.g., activity & service, transportation, health, technology, capital improvement, tuition differential, etc.) that have been approved by the Board of Governors at the request of the university boards of trustees. The tuition and fees used for this metric are available at: <http://www.flbog.edu/about/budget/current.php>.



### b. Books & Supplies:

Textbook affordability is a concern of the Florida Legislature, the Governor, the Board of Governors and students. Board staff chose to use a national cost for books and supplies, as reported annually by the College Board,<sup>3</sup> as a proxy due to the lack of comprehensive data regarding book costs across the multiple sources used by students to acquire their course materials.

- The calculation of book costs is based on the costs for a 120-hour degree. The College Board's national average book cost is based on annual costs, so the average annual cost is multiplied by 4 to produce the book costs for a four-year, 120-hour degree. This new cumulative four-year cost amount is then divided by 120 to produce a 'per credit hour' cost amount.
- Due to the annual volatility of the national estimated costs for books and supplies, Board staff have decided to use the same data for book costs for the two years that are evaluated within the PBF model. This serves to standardize the book costs for the year-over-year improvement assessment.

### c. Total Hours Attempted:

The average number of credit hours attempted by students who were admitted as FTIC and who graduated with a bachelor's degree from a program that requires 120 credit hours, as reported on the Hours to Degree (HTD) file.

- **Native Credits:** Includes all credit hours attempted at the state university from which the student received a baccalaureate degree, which is based on the sum of SECTION\_CREDIT [#1459] when CRS\_SYSTEM [#1484] = 'N--native'. Native credits include all failed, dropped, repeated, and withdrawals.
  - Board of Governors staff have clarified that graduate-level credit that is attempted for completion of a baccalaureate degree is included in the Cost to the Student metric. However, if graduate credit is attempted as part of a (3+2 or 4+1) dual bachelor's/master's degree, where the credit applies to both the undergraduate and graduate requirements, then it should be considered graduate degree coursework and is therefore excluded from the Cost to the Student metric. The exempted credits are based on the sum of SECTION\_CREDIT [#1459] when COURSE\_GROUP [#1485] = 'R'.
- **Non-Native Credits Used Toward the Degree:** Includes only the credit hours (sum of SECTION\_CREDIT [#1459]) that are accepted for transfer by the degree-awarding institution (CRS\_SYSTEM [#1484] <> 'N--native') and used toward the student's baccalaureate degree program (USAGE\_INDICATOR [#1489] = 'D'). Transfer credits that were not used toward the degree are excluded from the calculation of total hours.
- **Excluded credit hours:** It is important to note that the courses that are excluded for the calculation of total hours for the Cost to the Student metric are slightly different than the methodology used to calculate the Excess Hours PBF metric. This difference is due to the fact that students pay for some courses (e.g., internships, remedial, and foreign language (up to 12 credits that are used to satisfy the FTIC admission requirement) that are exempt from the excess hours calculation. See Table 1 for the comparison of which course credits are included for the two metrics.

<sup>3</sup> The College Board's *Trends in College Pricing* report (Average Estimated Full-Time Undergraduate Budgets, Figure 1), that is based on their Annual Survey of Colleges for public four-year institutions, is available at: <https://trends.collegeboard.org/college-pricing>.

**Table 1. Comparison of Excluded Course Categories**

EXCLUDED FROM EXCESS HOURS	EXCLUDED FROM COST TO THE STUDENT
ACTIVE DUTY MILITARY	ACTIVE DUTY MILITARY
DUAL ENROLLMENT	DUAL ENROLLMENT
EXAM CREDIT	EXAM CREDIT
FOREIGN LANGUAGE	
GRADUATE ROLLOVER	GRADUATE ROLLOVER
INTERNSHIP	
LIFE EXPERIENCE	LIFE EXPERIENCE
MILITARY COURSE	MILITARY COURSE
PERSONAL HARDSHIP	PERSONAL HARDSHIP
REMEDIAL	

#### 4. Financial Aid

Financial aid is an administrative tool for achieving federal, state and institutional goals. Financial aid is used by universities to offset the published tuition (or sticker) price as a way to recruit students based on merit and/or to change campus diversity. The “Cost to the Student” metric includes grants, scholarships, waivers and third-party payments awarded to resident undergraduates in a given academic year. The “Cost to the Student” metric does not include forms of self-help financial aid such as loans, work study programs, or Florida Prepaid College Plans. The total grants, scholarships, waivers and third-party payments are divided by the total credit hours earned by that same group of resident undergraduates during the same academic year. This methodology provides an average ‘gift aid’ per credit hour, which is then multiplied by 120 credit hours and compared to the sticker price. It is worth noting that federal ‘education tax credits’ are not collected within SUDS and not included in the data for the Cost to the Student metric. Therefore, this metric slightly over-estimates the total costs to students.

##### a. **Resident Undergraduates:**

The only financial aid data that is included in this “Cost to the Student” metric are funds that were awarded to resident undergraduate students (FEE CLASSIFICATION [#1106] = ‘F’, ‘R’, ‘T’ and STUDENT CLASS LEVEL [#1060] = ‘L’, ‘U’). This group of students is selected from the enrollments table by academic year and then matched to the financial aid awards table and the courses taken table using a “left join” merge procedure that includes the academic term. Including “term” in the match ensures that the resulting gift aid and credit hours do not include data for graduate students (as some undergraduates become graduate students within the same academic year).





**b. Grants & Scholarships:**

Grants and scholarships are often called “gift aid” because they are free money—financial aid that doesn’t have to be repaid. Grants are often need-based, while scholarships are *usually* merit-based. Grants and scholarships can come from the federal government, state government, university, or a private or nonprofit organization.

- All grants are included (Financial Aid Award Program Identifier [#1253] between ‘0 – 99’).
- All scholarships are included (Financial Aid Award Program Identifier [#1253] between ‘200 – 299’).

**c. Waivers:**

A waiver is a form of “gift aid” that allows for a portion of a student’s tuition and fees to be reduced, or discounted. Using the same methodology as grants and scholarships, the total waivers awarded to resident undergraduates during an academic year are calculated. BOG staff worked with university Data Administrators and Financial Aid Directors to resolve any questions about the waiver data calculated for any university.

- Note: BOG staff are working with university staff in an effort to improve how waivers are reported in SUDS.

**d. Third-Party Payments [NEW]**

A third-party payment contract is a category of financial assistance in which a sponsor pays all, or a portion, of a student’s invoice directly to the institution (not to the student) via a special billing process. These third-party sponsors are typically from government agencies, private companies, embassies, or service organizations. A majority of third-party payments are related to the military, including: the Department of Veterans Affairs (payments related to Chapters 31 and 33 of the GI Bill<sup>4</sup>); the Division of Vocational Rehabilitation (for veteran and civilian disabilities); Reserve Officers’ Training Corps (ROTC) and the National Guard; and, the Education Dollars for Duty (EDD) scholarship program administered by the Florida Department of Military Affairs – see Section 250.10, Florida Statute. Third-party payments cannot be contingent on academic performance or employee reimbursement policies. These funds do not include university foundation funds, Florida Pre-Paid, or any other 529 savings plans that parents/students previously paid.

Note: Third-party payments were first included in SUDS queries for reporting AY2017-18 data. Since the Board office evaluates one-year improvement as part of PBF, Board staff requested an official ad hoc data request for the third-party payments that were gifted to resident undergraduates during the 2016-17 academic year.

**e. Credit Hours:**

The total credit hours attempted by the group of resident undergraduates during the academic year are included as a denominator in order to calculate the total gift aid amount per credit hour. All credit hours, regardless of the course budget entity, are included. The only exception is for courses which are taught at the institution reporting the credit but are funded through another SUS institution (STU\_SECTN\_FUND\_CD= A-I, K). It should be noted that credit hours are based on student-level (not course-level), so any credit hours attempted at the graduate level by students coded as undergraduates are included in the count.

<sup>4</sup> This does not include Chapter 35 benefits that are paid directly to the student.

# Performance Funding Metrics Retention and Graduation Rates

## OVERVIEW OF METHODOLOGY AND PROCEDURES

REVISED 04/24/2019



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 for first-time in college (FTIC) students 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 Plan 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 Institutional Data Administrators. Once Retention has been built, each Institutional Data Administrator reviews the Retention data and works with ODA staff to make edits before Institutional Data Administrators approve and submit the final data to ODA. After universities have approved the Retention submission, the Board's ODA staff analyze 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 Institutional 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. Institutional 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 retention cohort year is defined as the summer, fall, and spring terms when DATE MOST RECENT ADMISSION [#1420] equals REPORTING TIME FRAME [#2001].

COHORTS	RECENT ADMIT DATE		
	SUMMER	FALL	SPRING
2016-2017	201605	201608	201701
2017-2018	201705	201708	201801
2018-2019	201805	201808	201801





### Cohort Types:

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

- 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.

### c. 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'.

### d. 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 and 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.

### e. 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 revisions and 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 by Institutional Data Administrators to indicate that a retention file record has been modified



based on a change in status of the student at the institution. Historically, this field was usually only populated for students for the six year cohort, but with the switch to the four year graduation rate, several institutions have started identifying cohort adjustments for multiple cohorts in a single retention submission.

- o Institutional 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.
- o Institutional Data Administrators also identify students who are officially admitted to an Advanced Graduate program (classified as 'P' or 'T') without earning a bachelor's degree. It is important to stress that this code cannot be used for students who are just seeking an Advanced Graduate degree – only students who have been formally admitted to the program and will not be earning a bachelor's degree can have this designation. Since these students will not earn a bachelor's degree, they can be removed from the FTIC cohort for the calculation of graduation rates.
  - When the 2018 Legislature changed the PBF graduation rate from six to four years effective immediately, the institutions did not have time to identify which students in their four-year cohorts had been officially accepted into advanced graduate programs, so the Board's Office of Data & Analytics made a temporary, one-year emergency methodological change to also exclude those students whose Degree Level Sought (#01053), during their fourth year, was identified as seeking a Pharmacy Degree ('W'). The graduation rates reported in the 2018 Accountability Plans used the temporary fix. The graduation rates reported in the 2019 Accountability Plans no longer used the temporary fix, which is why the historical rates for some institutions were revised in the 2019 Accountability Plans.
  - Finally, it is important to note that these Advanced Graduate students will not be removed from the Academic Progress Rate or Retention Rate calculations, as there is no reason why entry into an accelerated program would prohibit enrollment during the second fall term.
- o Information Adjusted by Correction (I) is used to revise the cohort type, SRK flag, or full/part-time indicator based on newly confirmed information (e.g., SSN change, new transcription info, etc...).

### COHORT ADJUSTMENTS USED IN PBF METRICS

CATEGORIES	APR/RETENTION	GRAD RATES
Death (A)	Used	Used
Registered but never attended (B)	Used	Used
Totally/Permanently Disabled (D)	Used	Used
Serve in Armed Forces (F)	Used	Used
Federal Foreign Aid Service (eg, Peace Corps) (G)	Used	Used
Natural Disaster (K)	Used	Used
Official Church Mission (M)	Used	Used
Multiple Cohorts/Illegally Enrolled (Q)	Used	Used
Information Adjusted by Correction (I)	Used	Used
Pharmacy doctoral program (P)	Not used	Used
Advanced Graduate Program (T)	Not used	Used
Transfers (1, 2, 4)	Not used	Not used



### 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 Plans 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 Plan is based on final enrollment data.
- **Retained or Graduated:** The numerator for the retention rate includes two components: (1) the number of students in the cohort who are still enrolled during the second fall term, and (2) those students who graduated in their first year - prior to the start of the second fall term.
- **Grade Point Average:** A GPA criterion was added to the standard retention rate metric to gain a sense of how well students who were retained were actually doing in their courses. 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 2.0 is a commonly referenced measure of satisfactory academic progress that is a common eligibility threshold for financial aid eligibility. It is also important to know that FTICs who return for their 2nd fall with a first-year 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.
  - The University GPA [#1801] element is included on the Enrollments table and provides a student's GPA for a given term as well as the cumulative GPA. Originally, the end of the first year cumulative GPA was based on data that was submitted prior to the second fall term. This process was complicated by timing issues due in large part to the fact that many grades were still incomplete during the summer term before the second fall term (usually due in mid-September). In order to create a smoother procedural flow, and fix timing issues caused by incomplete grades, the Board's Office of Data & Analytics worked with the Council of Data Administrators to revise the methodology to instead use the beginning of term data as reported in the second fall enrollment table (due late January). This new methodology was first implemented for the 2019 Accountability Plan, and was applied to the 2016-17 and 2017-18 cohorts to have a consistent year-over-year methodology for determining PBF 'Improvement points'. The revised GPA calculation is a simpler, more streamlined process that provides more accurate data. The detailed formulas used for calculating GPA are provided below:

#### ○ ORIGINAL END-OF-YEAR1 METHODOLOGY

$$\frac{(\text{GPA\_INST\_GRADE\_PTS} [\#1086] + \text{GPA\_TERM\_GRADE\_PTS} [\#1090])}{\text{divided by } (\text{GPA\_INST\_HRS} [\#1085] + \text{GPA\_TERM\_CREDIT\_HRS} [\#1088])}$$

#### ○ NEW BEGINNING-OF-YEAR2 METHODOLOGY

$$\frac{\text{GPA\_INST\_GRADE\_PTS} [\#1086]}{\text{divided by } \text{GPA\_INST\_HRS} [\#1085]}$$





**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, and Cohort Adjustments.
- **Graduated:** The number of students in the cohort who graduated within four years (by the fourth summer term after entry) from the same institution 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.
- **Note about historic rates that change.** The table below provides a visualization showing the difference in reporting degrees awarded for graduation rates and academic year degree counts. The '+' symbol indicates when degrees are reported by institutions to the Board office by degree term (rows) and rept\_time\_frame (columns). Deg\_Term indicates when the degree was awarded and rept\_time\_frame indicates when the institution reported that degree to the Board office. Degrees can be reported for previous terms, which is why each rept\_time\_frame reports degrees for multiple deg\_terms.
  - The red box provides the logic on which degrees are counted for degrees reported in academic year 2016-17. The logic for reporting degrees in an academic year includes three degree terms (summer, fall, and spring) that is based on a 'summer to summer' rept\_time\_frame rule that excludes degrees if they are reported too late based on rept\_time\_frame.
  - Alternatively, graduation rates do not exclude 'late late' degrees, so each year historical graduation rates can change as 'late late' degrees are reported. In the table below, the blue horizontal line is the only criteria restricting degrees awarded for purposes of calculating a graduation rate that ends by summer 2017 (or, deg\_term=201705).
  - The highlighted cells indicate which degrees were available for the 2016-17 Retention submission that were included in the 2013-17 graduation rate calculation – the yellow highlights would extend all the way back to the 201305 term if calculating the 2013-17 graduation rate. However, the 2017-18 Retention submission would also include any degrees awarded above the blue line that were not shaded yellow. These 'late late' degrees are not a large number but can change rates reported into the decimals.

DEG_TERM	REPT_TIME_FRAME						
	201605	201608	201701	201705	201708	201801	201805
201505	+	+	+	+	+	+	+
201508	+	+	+	+	+	+	+
201601	+	+	+	+	+	+	+
201605	+	+	+	+	+	+	+
201608	-	+	+	+	+	+	+
201701	-	-	+	+	+	+	+
201705	-	-	-	+	+	+	+
201708	-	-	-	-	+	+	+
201801	-	-	-	-	-	+	+
201805	-	-	-	-	-	-	+



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

# Data Integrity Certification

March 2020

University Name: Florida Atlantic 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 **significant or material** 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 type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	<input type="checkbox"/>	<input type="checkbox"/>	
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 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 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 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 type="checkbox"/>	<input type="checkbox"/>	
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 <b>Submit for Approval</b> represents electronic certification of this data per Board of Governors Regulation 3.007."	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	

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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 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 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: _____ Date _____</p> <p style="text-align: center;">President</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: _____ Date _____</p> <p style="text-align: center;">Board of Trustees Chair</p>





STATE  
UNIVERSITY  
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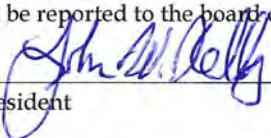
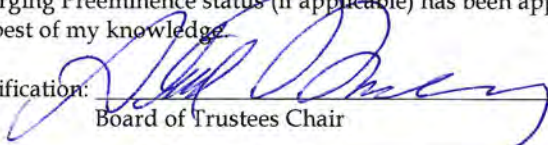
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## Data Integrity Certification

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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"/>	

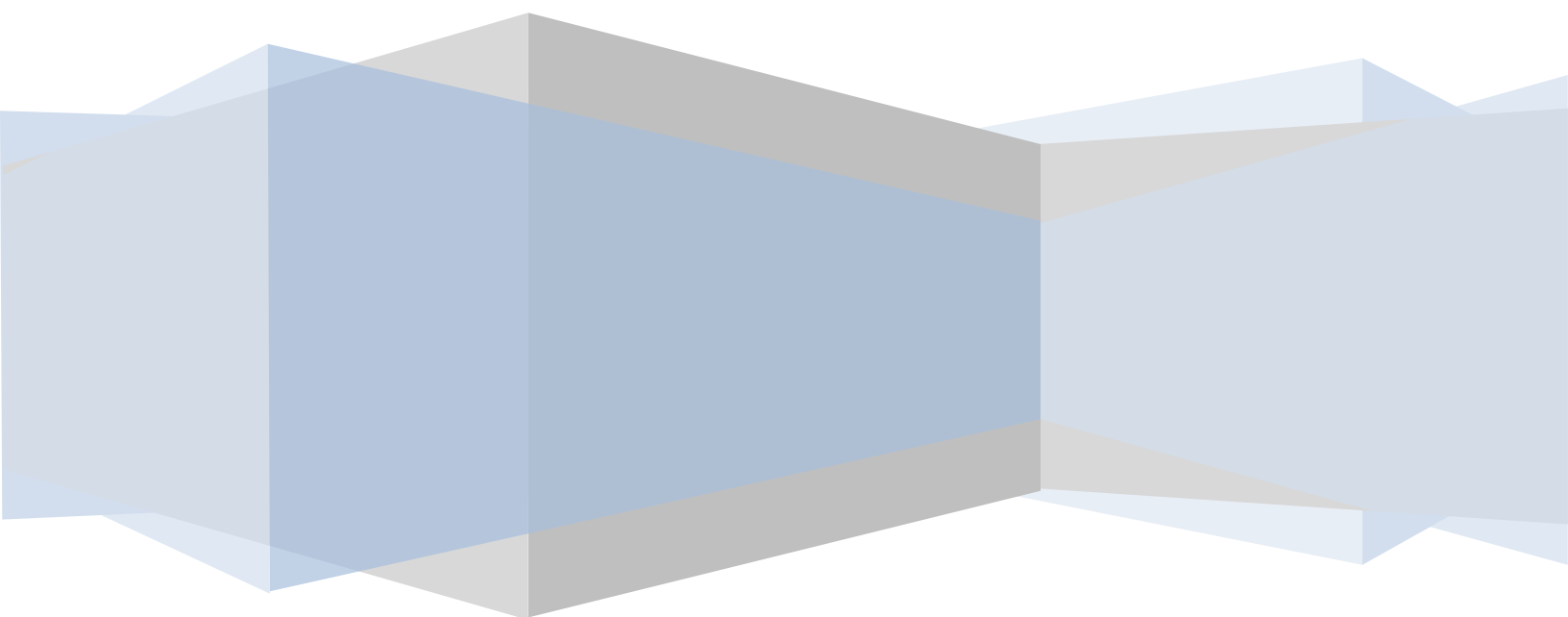
Data Integrity Certification Representations, Signatures	
<p>I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance Based Funding and Preeminence or Emerging Preeminence status (if applicable) is true and correct to the best of my knowledge; 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> Date <u>2/11/20</u>  President</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> Date <u>2/11/20</u>  Board of Trustees Chair</p>	

# Florida Gulf Coast University

Performance Based Funding Data Integrity

Internal Audit Report

Report Date: January 23, 2020





# PERFORMANCE BASED FUNDING DATA INTEGRITY 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 place to ensure the completeness, accuracy, and timeliness of the data submissions to the BOG which support the University's Performance Based Funding Metrics.

Audit procedures included, but were not limited to, the evaluation of internal controls, processes, and procedures established to ensure the completeness and accuracy of data submissions to the Board of Governors, which support performance measures funding, as well as limited testing of data elements comprising the Retention (RET), Admissions (ADM), Student Instruction File (SIF), Degree Awarded (SIFD), Student Financial Aid (SFA), Hours to Degree (HTD), data submissions which are used in computations for Metrics 5, 7, and 9 of the BOG performance based funding model.

Overall, our audit indicates that there are no significant deficiencies in the processes implemented by the University that relate to the integrity of data that supports the performance based funding model. The data testing provides reasonable assurance that the data submitted to the Board of Governors is complete, accurate and timely. However, we did find an opportunity to enhance Information Technology (IT) security procedures as indicated in the Recommendations section of this report.

We wish to express our appreciation to the Data Administrator and the Office of Institutional Research and Analysis (IR) staff for their cooperation and assistance. Their knowledge was instrumental in the successful completion of the audit. We would also like to thank Information Technology Services, Office of Records and Registration, Undergraduate Admissions, Academic and Curriculum Support, and Financial Aid for their assistance.

***This audit 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 our opinion and the following reportable observations and recommendations.***

## **OBJECTIVES**

- A. Determine whether there are effective internal controls, processes, and procedures to ensure the completeness and accuracy of data submissions to the Board of Governors, which support performance measures funding.
- B. Ensure the President and Board of Trustees receive the report in time to review, approve and sign the data integrity certification and send it and the report to Board of Governors by March 2, 2020.

**AUDIT SCOPE** – End of Fieldwork was January 8, 2020.

- Review of applicable policies, procedures and control processes related to data submissions associated with performance data metrics.
- Review samples of relevant data submissions from October 1, 2018 to September 30, 2019. See Appendix A for the list of required submissions that relate to performance metrics during the audited time period.
- Detailed sample testing of data elements in the submissions submitted to the BOG was limited to the submissions files that support metrics 5, 7, and 9. See Appendix B for metric definitions with supporting submissions and table elements for the tested metrics.

**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 the Performance Funding Model which is based on ten performance metrics used to evaluate the institutions on a range of issues.

The 2018-2019 metrics are as follows:

1. Percent of Bachelor's Graduates Enrolled or Employed (\$25,000+), 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 & Fees for Resident Undergraduates per 120 Credit Hours
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 within Programs of Strategic Emphasis
9. Percent of Bachelor's Degrees Without Excess Hours (BOG Choice Metric)
10. Bachelor’s Degrees Awarded to Minorities (BOT Choice Metric)

According to information published by the BOG in May 2019, 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 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 State University System (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 Performance Based Funding (PBF) metrics is the responsibility of the University's Data Administrator in IR, and is scheduled to be uploaded to SUDS based on the BOG's Due Date Master Calendar. Data uploaded to SUDS are subject to edit checks to help ensure consistency with BOG-defined data elements, and accuracy of the information submitted. Once IR is satisfied that any edit errors have been fully addressed, IR makes an official submission of data files to the BOG. This process is depicted further in Appendix C.

Each file submission by IR includes an electronic certification in which the University's Data Administrator certifies that the data represents the University for the term(s) being reported as required by Board of Governors Regulation 3.007.

### **AUDIT PROCEDURES**

Audit procedures were conducted to address the Data Integrity Certification Representations provided by the Board of Governors. These procedures included, but were not limited to:

- Identifying and evaluating key processes used by the Data Administrator and applicable University departments responsible for the data to ensure the completeness, accuracy, and timeliness of data submissions to the BOG.
- Interviewing key personnel responsible for the data being reported and submitted to the BOG. For those interviewed, we discussed key internal controls and processes in place over data input, Banner access, 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.
- Verifying accuracy and completeness of the data submitted to the BOG for Measure 5, Academic Progress Rate; Metric 7, University Access Rate; and Metric 9, Percent of Bachelor's Degree Without Excess Hours.
- Reviewing 2019 BOG SUDS workshop proceedings, metric definitions, and other key Performance Based Funding documents.
- Verifying submission files tested were submitted by the due date as identified on the SUDS website.
- Reviewing a current listing of all those individuals who have access to the SUDS system for appropriateness of access to the BOG's application portal.
- Reviewing Banner access and termination procedures and quarterly Banner security reviews to determine whether controls are in place regarding access to Banner.

## **OBSERVATIONS AND RECOMMENDATIONS**

### *1. SUDS User Access*

#### **Observation**

During access control testing of the SUDS, it was found that Institutional Research and Analysis (IR) does not have a formal, documented access process relating to the creation, deletion, or modification of SUDS user accounts. Additionally, we found three (3) SUDS user accounts whose passwords have expired over 365 days ago, two of which have been expired since 2014. Having a password expired means the user account in question has not been accessed at a minimum from the date on which it had expired.

#### **Recommendation**

Internal Audit recommends IR document an access request process that includes, at a minimum the following details:

- Define the different SUDS access Applications and Roles within SUDS
- Procedures and requirements for the creation, including requesting and granting access, modification and deletion of Users within the SUDS database
- Logging of user creation, modification and deletion requests
- Procedures for an annual internal review of all users within the SUDS database

Additionally, IR should work with the users who have been identified as having not accessed the SUDS database in more than 365 days to determine whether they still require access to SUDS and deactivate, as necessary.

#### **Management Response**

The Data Administrator and his staff in consultation with the BOG staff who administer SUDS along with existing FGCU staff with access to SUDS will define an appropriate SUDS access review meeting these criteria by the end of June 2020. The three users identified in the audit who have not logged into the system have had their access deleted.

### *2. Change Management*

#### **Observation**

IR, for state reporting purposes, maintains multiple programs that take institutional data and format it to meet SUDS guidelines for submission. We found that IR does not maintain any formal written change management procedures for implementing changes to code within these programs.

#### **Recommendation**

While the testing of data submitted to the Board of Governors did not yield any unexplained exceptions, we recommend IR develop formal change management procedures for making changes to their programs. The goal of change management is to increase awareness and



understanding of changes. Additionally, change management ensures all changes are made in a way that minimizes negative impact to the programs and ensures that the integrity of the data associated with the programs remains intact.

### Management Response

The Data Administrator and his staff, in consultation with SUS system colleagues, will develop change management procedures fulfilling these criteria that will not diminish effective and timely completion of work to fulfill critical BOG-deadlines by the end of June 2020.

### CONCLUSION

In our opinion, based upon the work performed, the internal controls, processes and procedures in place to ensure the completeness, accuracy, and overall timeliness of data submissions that affect performance-based funding metrics are operating effectively.

We believe our audit can be relied upon by the President and the Florida Gulf Coast University Board of Trustees as a basis for certifying representations to the Board of Governors related to the integrity of data required for its Performance Based Funding Model.

### MANAGEMENT RESPONSE

Thank you for the opportunity to provide a response to the Performance-Based Funding Data Integrity Audit for 2018-2019. We were pleased to note and concur with the audit report concluding:

“no significant deficiencies in the processes implemented by the University that relate to the integrity of data that supports the performance based funding model... In our opinion, based upon the work performed, the internal controls, processes and procedures in place to ensure the completeness, accuracy, and overall timeliness of data submissions that affect performance-based funding metrics are operating effectively.”

Given the magnitude of the data submission tasks and its importance to the University, it is gratifying that the Office of Institutional Research and Analysis, led by Dr. Robert Vines, continues successfully to fulfill this task since the inception of performance based funding some six years ago.

In the course of its work, the Office of Internal Audit provided two observations and associated recommendations intended to reduce potential risk, not necessarily directly related to the goal of this audit, but useful nonetheless.

*Management Response Provided By: Dr. Paul Snyder, Senior Associate Provost and Associate Vice President, Planning and Institutional Performance*

Audit Performed by: Jena Valerioti, MBA, Internal Auditor II and Ron Tortorello, MSIA, Internal Auditor II

Audit Supervised by: Carol Slade, Internal Auditor III

Audit Reviewed by: William Foster, Director, Internal Audit

APPENDIX A  
METRIC RELATED SUBMISSIONS

Due Date	Submission	Term or Year	Report Time Frame
10/4/2018	Degrees Awarded (SIFD)	Summer 2018	201805
10/4/2018	Student Financial Aid (SFA)	Annual 2017	20172018
10/10/2018	Admissions (ADM)	Fall 2018	201808
10/17/2018	Student Instruction File Preliminary (SIFP)	Fall 2018	201808
11/7/2018	Hours to Degree (HTD)	Annual 2017	20172018
1/23/2019	Student Instruction File (SIF)	Fall 2018	201808
1/30/2019	Retention (RET)	Annual 2017	20172018
2/1/2019	Degrees Awarded (SIFD)	Fall 2018	201808
3/1/2019	Admissions (ADM)	Spring 2019	201901
6/12/2019	Student Instruction File (SIF)	Spring 2019	201901
6/26/2019	Degrees Awarded (SIFD)	Spring 2019	201901
9/20/2019	Admissions (ADM)	Summer 2019	201905
9/27/2019	Student Instruction File (SIF)	Summer 2019	201905

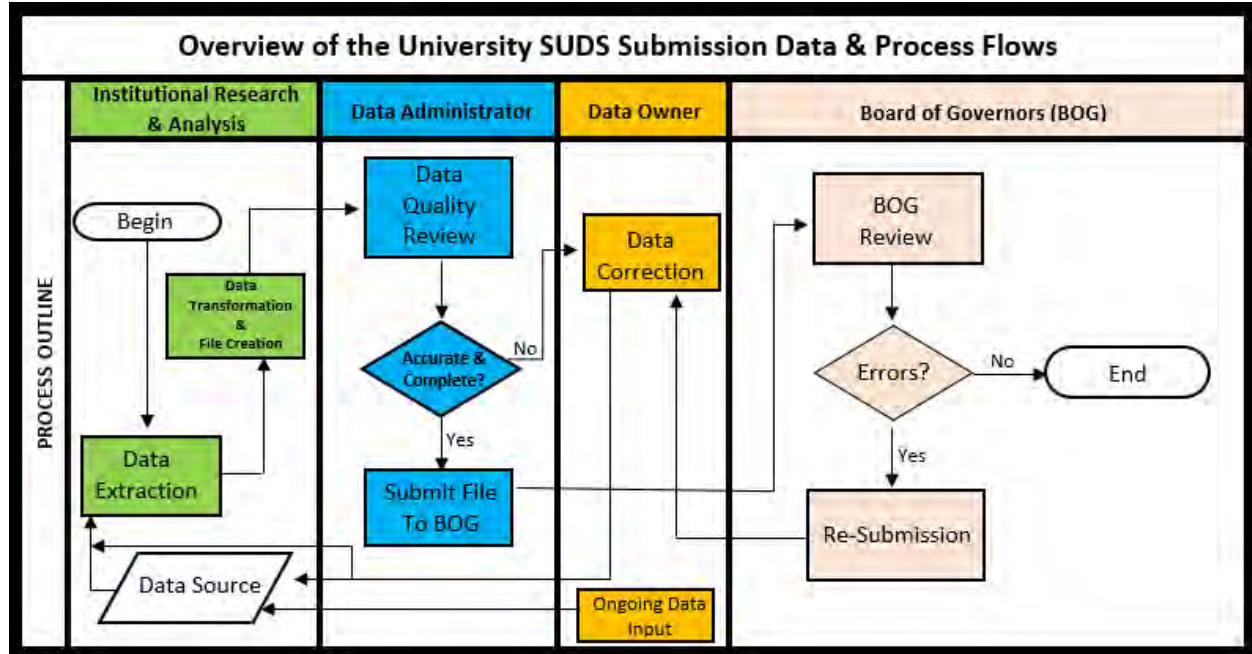
APPENDIX B  
METRIC DEFINITIONS WITH SUPPORTING SUBMISSIONS AND TABLE ELEMENTS

Metric	Definition	Submissions and Table Elements
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).	<p><b>Submission:</b> SIFD  <b>Table:</b> Degrees Awarded  <b>Elements:</b> 02001- Reporting Time Frame</p> <p><b>Submission:</b> ADM  <b>Table:</b> Exceptions  <b>Elements:</b> 01068- Type of Student at Date of Entry</p> <p><b>Submission:</b> SIF  <b>Table:</b> Enrollments  <b>Elements:</b> 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  01067- Last Institution Code  01411- Institution Granting Highest Degree  01063- Current Term Course Load  01801- University GPA (CUM &amp; TERM)  01085- Institutional Hours for GPA  01086- Total Institutional Grade Points</p> <p><b>Submission:</b> Retention  <b>Table:</b> Retention Cohort Changes  <b>Elements:</b> 01429- Cohort Type  01437- Student-Right-To-Know (SRK) Flag  01442- Cohort Adjustment Flag</p>
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).	<p><b>Submission:</b> SIF  <b>Table:</b> Enrollments  <b>Elements:</b> 02041- Demo Time Frame  01045- Reporting University  01413- Student at Most Recent Admission Type  01060- Student Classification Level  01053- Degree Level Sough  01107- Fee Classification Kind</p> <p><b>Submission:</b> SFA  <b>Table:</b> Financial Aid Awards  <b>Elements:</b> 02040- Award Payment Term  02037- Term Amount  01253- Financial Aid Award Program Identifier</p>

Metric	Definition	Submissions and Table Elements
9. Percent of Bachelor's Degrees Without Excess Hours	<p>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).</p>	<p><b>Submission:</b> HTD  <b>Table:</b> Courses to Degree  <b>Elements:</b> 01484- Course System Code  01485- Course Grouping Code  01489- Credit Hour Usage Indicator  01459- Section Credit (Credit Hours)  01488- Credit Hour Testing Method  01104- Course Section Type  02065- Excess Hours Exclusion  <b>Table:</b> Hours to Degree  <b>Elements:</b> 01477- Catalog - Hours to Degree</p>



## APPENDIX C





# Data Integrity Certification

March 2020

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 **significant or material** audit findings.

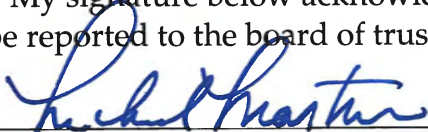
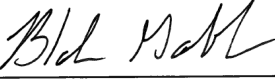
Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board 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"/>	
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"/>	
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	
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 <b>Submit for Approval</b> 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> Date <u>2-5-20</u></p> <p style="text-align: center;">President</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> Date <u>2/18/20</u></p> <p style="text-align: center;">Board of Trustees Chair</p>	





**Office of  
Internal Audit**

FLORIDA INTERNATIONAL UNIVERSITY

**Audit of the Performance Based Funding  
and Emerging Preeminence Metrics  
Data Integrity (Revised)**

**Report No. 19/20-06  
February 12, 2020**

We have reissued the *Audit of Performance Based Funding and Emerging Preeminence Metrics Data Integrity*, Report No. 19/20-06, dated February 7, 2020, to correct two dates on page 21 relating to the original submission and resubmission dates for the Instruction & Research file.



## Office of Internal Audit

FLORIDA INTERNATIONAL UNIVERSITY

**Date:** February 7, 2020

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

**From:** Trevor L. Williams, Chief Audit Executive

A blue ink signature of Trevor L. Williams, Chief Audit Executive, written over the "From:" line.

**Subject:** **Audit of the Performance Based Funding and Emerging Preeminence Metrics Data Integrity, Report No. 19/20-06**

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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 allocated by the BOG for fiscal year 2019-2020, FIU received \$64.4 million. Furthermore, in 2019, the University achieved sufficient preeminent metrics to receive the designation of an emerging preeminent state research university by the authority of Florida Statute 1001.7065.

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

- 1) 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 and Emerging Preeminence 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 2, 2020.

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. Nevertheless, we made five recommendations to reduce potential risks to data integrity which management agreed to implement.

I also 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, Vice President and Chief of Staff – Office of the President

Carlos Castillo, General Counsel

## TABLE OF CONTENTS

	<u>Page</u>
OBJECTIVES, SCOPE, AND METHODOLOGY .....	1
BACKGROUND .....	2
OBSERVATIONS AND RECOMMENDATIONS.....	6
1. Review of Process Flows of Data.....	7
2. System Controls Overview and Follow-up .....	9
a. SUDS On-boarding and Off-boarding.....	9
b. PantherSoft Access Control.....	10
c. PantherSoft Audit Logs .....	10
d. SUDS Metric Tables to BOG Reconciliation .....	10
e. Data Modification .....	11
f. Transfer Server Controls .....	11
3. Data Accuracy Testing - Performance Based Funding Metrics.....	14
Metrics 7 and 10.....	15
4. Data Accuracy Testing - Emerging Preeminence Metrics.....	18
No. 7 - Total Amount R&D Expenditures in Non-Health Sciences .....	18
No. 9 - Patents awarded (over a 3-year period) .....	19
No. 11 - Number of Post-Doctoral Appointees .....	19
5. PBF Data File Submissions and Resubmissions .....	20
Data File Submissions .....	20
Data File Resubmissions .....	21
6. Review of University Initiatives .....	25
APPENDIX A – In-Scope BOG Data Elements .....	26



## **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 (PBF or "Funding Metrics") and Emerging Preeminence 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 and Emerging Preeminence 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 *Data Integrity Certification*, which will be submitted to the Board of Trustees and filed with the BOG by March 2, 2020.

Our audit was conducted in conformance with *the International Standards for the Professional Practice of Internal Auditing* promulgated by the Institute of Internal Auditors 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 (2) of the 10 performance based funding metrics as well as three (3) of the eight (8) emerging preeminence metrics achieved and submitted to the BOG as of August 31, 2019. Sample sizes and transactions selected for testing were determined on a judgmental basis applying a non-statistical sampling methodology.

Audit fieldwork was conducted from September 2019 to January 2020. In fiscal year 2018-2019, we issued the report Audit of Performance Based Funding Metrics Data Integrity (Report No. 18/19-06), dated January 23, 2019. During the current audit, we reviewed the prior audit report and followed-up on the one recommendations, which are addressed within this report.

## **BACKGROUND**

The Florida Board of Governors 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 universities on a range of indicators, including graduation and retention rates, job placement, and access rate, among others. Two of the 10 performance 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*.

During the 2019 Legislative Session, lawmakers approved Senate Bill 190 that contains language, amending section 1001.706, Florida Statutes. The new language states:

*Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065<sup>[1]</sup> and 1001.92<sup>[2]</sup> complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors. [(1) Florida Statutes, Preeminent State Research Universities Program; (2) Florida Statutes, State University 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 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 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 Governors' Choice - Percent of Bachelor's Degrees without Excess Hours
5.	Academic Progress Rate (2nd Year Retention with GPA above 2.0)	10.	Board of Trustees' Choice - Bachelor's Degrees Awarded to Minorities

The following table provided by the BOG summarizes the performance funds allocated for the fiscal year 2019-2020 using the performance metrics results from fiscal year 2018-2019, wherein FIU earned 87 points.

Florida Board of Governors Performance Funding Allocation, 2019-2020 <sup>1</sup>				
	Points*	Allocation of State Investment	Allocation of Institutional Investment	Total Performance Funding Allocation
UF	95	\$ 47,282,102	\$ 52,634,792	\$ 99,916,894
UWF	94	10,442,148	11,624,278	22,066,426
USF	92	36,504,867	40,637,494	77,142,361
FSU	88	42,084,561	46,848,851	88,933,412
UCF	88	36,760,351	40,921,901	77,682,252
<b>FIU</b>	<b>87</b>	<b>30,459,667</b>	<b>33,907,930</b>	<b>64,367,597</b>
FAU	86	20,517,518	22,840,256	43,357,774
FGCU	81	10,895,127	12,128,538	23,023,665
UNF	78	12,358,238	13,757,283	26,115,521
FAMU	70	13,750,113	15,306,730	29,056,843
NCF	67	3,945,308	4,391,947	8,337,255
<b>Totals</b>		<b>\$265,000,000</b>	<b>\$295,000,000</b>	<b>\$560,000,000</b>

\*Institutions scoring 51 points or higher receive their full institutional funding restored.

<sup>1</sup> 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 addition to the data integrity audit for the Performance Based Funding Model, universities designated as preeminent or emerging preeminent will need to conduct a similar audit for the data and metrics used for preeminence status consideration. This audit may be included with or separate from the Performance Based Funding Data Integrity Audit.

In 2019, Florida International University achieved sufficient preeminent metrics to qualify for designation as an emerging preeminent state research university by the authority of Florida Statute 1001.7065. Emerging preeminence status is achieved upon meeting six (6) of the 12 metrics, while preeminence status requires meeting 11 of the 12 metrics. The University met eight (8) of the 12 metrics as noted in **bold** below:

FIU's Emerging Preeminent Metrics			
1.	<b>Average GPA and SAT Score for incoming freshman in Fall term</b>	7.	<b>Total Amount R&amp;D Expenditures in Non-Health Sciences</b>
2.	Public University National Ranking	8.	<b>National Ranking in Research Expenditures</b>
3.	<b>Freshman Retention Rate (Full-Time, First-Time-In-College)</b>	9.	<b>Patents Awarded (over a 3-year period)</b>
4.	4-Year Graduation Rate (Full-Time, First-Time-In-College)	10.	<b>Doctoral Degrees Awarded Annually</b>
5.	<b>National Academy Memberships</b>	11.	<b>Number of Post-Doctoral appointees</b>
6.	Total Annual Research Expenditures (Science & Engineering only) (\$M)	12.	Endowment Size (\$M)



## 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 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 three layers: (1) Production, (2) Upload, and (3) SUDS. 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 a Division of Information Technology (DoIT) team work collaboratively to translate the production data, which is sent to staging tables, where dedicated developers perform data element calculations that are based on BOG guidelines and definitions. Once the calculations are completed, the data is formatted into text files and moved to an Upload folder. Users then log into SUDS and depending on their roles, they either upload, validate, or submit the data to the BOG. The DoIT assists with the entire consolidation and upload process.

## **OBSERVATIONS 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 and the Emerging Preeminence 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's *Data Integrity Certification*, which the BOG requested be filed with them by March 2, 2020. Our evaluation of FIU's operational and system access controls that fall within the scope of our audit is summarized in the following table:

<b>INTERNAL CONTROLS RATING</b>			
<b>CRITERIA</b>	<b>SATISFACTORY</b>	<b>OPPORTUNITIES TO IMPROVE</b>	<b>INADEQUATE</b>
<b>Process Controls</b>	X		
<b>Policy &amp; Procedures Compliance</b>	X		
<b>Effect</b>	X		
<b>Information Risk</b>		X	
<b>External Risk</b>	X		
<b>INTERNAL CONTROLS LEGEND</b>			
<b>CRITERIA</b>	<b>SATISFACTORY</b>	<b>OPPORTUNITIES TO IMPROVE</b>	<b>INADEQUATE</b>
<b>Process Controls</b>	Effective	Opportunities exist to improve effectiveness	Do not exist or are not reliable
<b>Policy &amp; Procedures Compliance</b>	Non-compliance issues are minor	Non-compliance Issues may be systemic	Non-compliance issues are pervasive, significant, or have severe consequences
<b>Effect</b>	Not likely to impact operations or program outcomes	Impact on outcomes contained	Negative impact on outcomes
<b>Information Risk</b>	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
<b>External Risk</b>	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 upon 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 (5) of the 10 performance based metrics, the Office of Financial Aid, and the Graduation Office are 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 upon request. 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. The 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 *AIM-BOG Business Process Manual*. The Manual addresses the BOG SUDS Portal Security, BOG SUDS File Submission Process (see table on the following page), 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 is formatted according to the BOG data elements definitions and table layouts.
2.	The PS Team uploads data to the 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 through 6 above 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 the SUDS reports, spot-checks data, and contacts functional unit users if there are any pending questions.

**Conclusion**

Based upon the review performed, we concluded that 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 Controls Overview and Follow-up

To understand the process for ensuring complete and accurate submissions, we reviewed the SUDS Data Dictionary, BOG methodology, and procedures applicable to the PBF submissions. We obtained procedures from the Office of Analysis and Information Management (AIM) and interviewed key personnel involved in the submission process. For the two metrics selected for testing: Metric 7 – Percent of Undergraduates with a Pell-grant and Metric 10 – Bachelor's Degrees Awarded to Minorities (see report Subsection No. 3, page 14, we reviewed controls around the extraction, compilation, and review of their data to ensure completeness and accuracy of the submission.

We observed that IT system controls were in place for change management for both production scheduled jobs and the ad hoc generated reports, access, data quality, audit logging, and security. We noted that there were no significant changes since the prior audit. DoIT staff could make system and program changes while functional staff could make changes to data only through the applications, providing a separation of job functions.

AIM implemented an annual review process, which is performed in collaboration with the functional areas, to limit functional unit personnel access to critical data. The annual review included examination of user privileges within the SUDS application and examination of audit log files and production data. AIM works annually with the functional units and the PantherSoft Security team to:

- 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;
- Review and reduce access privileges to the production environment to appropriately mitigate least privileged and segregation of duties risks; and
- Review log reporting for all metric data files, where appropriate, to ensure the integrity of the data sent to the BOG.

The areas covered during our audit are as follows:

- a) SUDS On-boarding and Off-boarding
- b) PantherSoft Access Control
- c) PantherSoft Audit Logs
- d) SUDS Metric Tables to BOG Reconciliation
- e) Data Modification
- f) Transfer Server Controls

a) SUDS On-boarding and Off-boarding

It is the responsibility of the individual's supervisor or functional unit lead to notify the security manager when an employee no longer requires SUDS access. Contrary to established protocol, we observed that the AIM Data Analyst, initiates PAWS tickets to add, change, or remove users with access to SUDS. Furthermore, this process is done on an annual basis or

when AIM has knowledge of changing employment status. A delay in the updating of an employee's status could increase the risk of unauthorized access.

b) PantherSoft Access Control

We observed there is an effective analysis performed by AIM to determine that functional users, PantherSoft developers, and AIM users have the appropriate levels of access to PantherSoft. Additional testing performed indicated that controls are in place to enforce segregation of duties between PantherSoft and SUDS.

c) PantherSoft Audit Logs

Audit logs capabilities in the production environments, as appropriate, increases the effectiveness of detection control to help the data administrator mitigate least privileges and segregation of duties risks. The purpose of this test was to review management implementation of a prior audit recommendation. The remediation stated was to: "Continue to create a log reporting mechanism for all metric data files, where appropriate, to help ensure the integrity of the data sent to the BOG".

Our testing confirmed that PantherSoft Security has developed queries that allow functional unit leads and AIM to identify actions that have been taken on relevant fields. The auditing capability is typically limited to a small number of specified fields due to the performance and resource intensive nature of audit logging. Any field that has the audit flag enabled will be captured in a log. The audit logs are separate tables in PantherSoft that cannot be modified. Any actions taken by a user on an audited field (e.g., logging in to the system) is recorded. The actions taken by a user can be reviewed by either the functional unit or the AIM team. Thus, the functional units are responsible for the integrity of data entered in PantherSoft. Similarly, PantherSoft Security is responsible for ensuring the integrity of the audit logs.

The proprietary PeopleSoft table's audit logging configuration can be deactivated after receiving an Oracle patch. Based on the annual AIM review documentation provided, the audit flags were disabled during the review of the following fields: FIU\_AUD\_ACADPLN and STDNT\_ENRL\_STATUS. Having disabled audit logs prevents proper validation and monitoring of activities to maintain information and system integrity.

d) SUDS Metric Tables to BOG Reconciliation

The purpose of our testing was to verify the integrity of files uploaded to SUDS. The test was performed by comparing production data received from PantherSoft (data translated to tables based on BOG guidelines) with data submitted to the BOG. We obtained access to the SUDS Portal and matched the information submitted to the BOG to the Metric translated data tables. The tables tested were those used for Metrics 7 and 10 (see report

Subsection No. 3, page 14): a) SFA-Financial Aid Awards; b) SIF-Enrollment; c) SIFD-Degrees Awarded; d) SIF-Person Demographic. There were no exceptions noted.

e) Data Modification

When there is one or more errors in the submitted data, the functional units will attempt to correct those errors through PantherSoft. However, in the event that data cannot be corrected at the source, data modification is done through scripts. Before launching a script in production, it is tested in several deployment environments, including development, test, and staging, and is validated by developers and functional users at each level. For data modification samples selected during testing, we obtained evidence of an approval process through PAWS tickets. We were able to observe segregation of duties between AIM (requesting and approval) and the subsequent processing by the PantherSoft Team. However, we noted an absence of formally documented procedures describing internal controls in place to prevent and detect errors while processing scripts. Lack of standard operating procedures can increase ambiguity and decrease the clarity of the data modification process.

f) Transfer Server Controls

A UNIX share owned by the Enterprise group is used by the PantherSoft Team to store Performance Based Funding data prior to upload to SUDS. During our testing, we observed that there are several controls in place to ensure the integrity of data on the UNIX share: segregation of duties within the site, access to the share must be previously approved, and authorized users have “Read Only” access. In addition, notifications are used to communicate the success or failure of the jobs processed. SUDS edits can be used to indicate whether any errors were introduced between writing data and uploading to SUDS. However, we found a lack of formally documented procedures describing internal controls put in place to detect success or failure of data written to UNIX share that is subsequently transmitted to SUDS, as well as a lack of documentation for granting access to the UNIX share. Lack of standard operating procedures can increase ambiguity and decrease the clarity of controls ensuring the integrity of data on the UNIX share.

## **Recommendations**

The Office of Analysis and Information Management should:

1.1

Coordinate with PantherSoft Security and the functional units to timely update the status of employee’s roles in SUDS and PantherSoft.

The PantherSoft Division of Information Technology should:	
1.2	Perform regression testing, upon receiving Oracle patches, to ensure that updates have not adversely affected any existing features including audit logging and formally document the patch management process for PantherSoft and integrate it with the existing change management systems.
1.3	Formally document current practices used in the process of BOG submissions that support data modification outside of PantherSoft (via scripts) within the AIM BOG Process Manual.
1.4	Enhance jobs monitoring activities for the UNIX share by (a) Describing in the AIM-BOG Business Process Manual the procedures involved in detecting the success or failure of data written to UNIX share, which is subsequently transmitted to SUDS. This verification could be done via observation of job alerts and SUDS edits to conserve completeness and integrity of data transmitted; and (b) Describing in the AIM-BOG Business Process Manual the authorization process for users with access to UNIX share.

#### **Management Response/Action Plan:**

- 1.1 A query has been developed to include all SUDS users who have changed departments or separated from FIU. The results of the query will be analyzed monthly by AIM beginning at then of February 2020. Terminated employees will be removed from SUDS. For employees who have changed departments, AIM will contact the new department head to see if that employee still needs SUDS access. In order to address other cases where the employee is in the same department but the employee's responsibilities may have changed, AIM will send out an email every semester (starting at the end of the spring 2020 semester) to the respective functional unit directors and remind them of their responsibility to inform AIM if the access to SUDS and/or PantherSoft for their employee needs to be changed. If a change in access is needed, they will be asked to submit a change request using a PAWS ticket.

**Implementation date:** May 31, 2020

- 1.2 This item has been completed. Documentation has been updated for the Oracle patch management process that includes testing and validation of the audit logs table and fields already in production. The DoIT will complete the necessary regression testing and validation of audit table configuration review as recommended by the Office of Internal Audit upon application of scheduled and critical patches as provided by Oracle.

**Implementation date:** Immediately

- 1.3 This item has been completed. DoIT provided the update and AIM updated the BOG Process Manual to document accordingly.

**Implementation date:** Immediately

- 1.4 (a) This item has been completed. BOG Process Manual has already been updated by DoIT describing the procedures involved (including screenshots) in detecting the success or failure of data written to the UNIX share. (b) This item has been completed. The AIM-BOG Process Manual has been updated by DoIT with the process for authorizing and granting access to UNIX shares.

**Implementation date:** Immediately



### 3. Data Accuracy Testing – Performance Based Funding Metrics

This is our sixth audit of the Performance Based Funding 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, since internal controls have always been deemed satisfactory, we have limited our data accuracy testing to specific metrics and followed up on any prior year recommendations. Metrics to audit are chosen based on different factors: audit risk, changes to the metric, or how long it has been since the metric was last subject to audit. Depicted in the following table are the metrics audited by year.

AUDIT COVERAGE OF PBF METRICS			
Audit FY		Metrics Tested	Comment
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
6.	2019-20	7 & 10	

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. The four metrics identified at the SUAC with the highest risk, either “moderately high” or “moderate”, were audited during the two most recent audits, without exceptions. In developing this year’s audit scope, since there were no prior year audit findings stemming from our data accuracy testing and there have been no significant changes to the metrics affecting this year’s audit, we determined to test Metrics 7 and 10, last audited in 2015-16. In addition, these two metrics represented the only two metrics the University received the highest possible rating of “Excellence” awarding 10 points. Points are distributed based on a rating of either “Excellence” or “Improvement.”

#### PBF Metrics Testing

The two PBF metrics tested were as follows:

- Metric 7 – Percent of Undergraduates with a Pell-grant.
- Metric 10 – Bachelor’s Degrees Awarded to Minorities.

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;
- Student Financial Aid (SFA), Financial Aid Awards table; and
- Degrees Awarded file (SIFD), Degrees Awarded and Person Demographic tables.

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.

### Metrics 7 and 10

The data for Metrics 7 and 10 are generated by the BOG from the Student Instruction file (SIF), Student Financial Aid file (SFA), and the Degrees Awarded file (SIFD) submitted by the University.

***Metric 7, University Access Rate (Percent of Undergraduates with a Pell-grant), 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, are excluded from this metric.***

In order to verify that the data submitted in the SIF fall 2018 file to the BOG were accurate, we selected a sample of 25 students and verified that the data provided to the BOG were the same as the data contained in PantherSoft student records. We verified the data in the six elements relevant to the Enrollment table (containing 58,063 students) without exception. In addition, we selected a separate sample of 25 students from the Annual 2017 SFA file and likewise, verified that the data provided to the BOG were the same as the data contained in PantherSoft student records. We verified the data in the four elements relevant to the Financial Aid Awards table (containing 49,160 students) without exception.

***Metric 10, Bachelor's Degrees Awarded to Minorities, is based on 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.***

In order to verify the data submitted in the SIFD fall 2018 file to the BOG were accurate, we selected a sample of 30 students and verified that the data provided to the BOG were the same as the data contained in PantherSoft student records. We verified the data in the five elements relevant to the Degrees Awarded table without exception. In addition, we selected a separate sample of 30 students and verified that the ethnicity/race data provided to BOG were the same as the data contained in PantherSoft student records. We verified the data in the nine elements relevant to the Person Demographic table without exception.

In addition, as part of our testing of the SIFD file, we reconciled the number of students and degrees awarded reported to the BOG with the records maintained by the Office of the Registrar. The SIFD file contained 5,301 degrees awarded (4,662 **single degrees**, 536 **single degrees** with double major, 51 **double degrees**, and 1 **single degree** with a triple major) to 5,247 students (3 students had both a Bachelor's degree and a second Bachelor's degree with a double major). The BOG rule allows for the multiple degrees, not double majors, to be counted individually. Thus, double majors are counted as half and triple majors as thirds. Included in the 5,301 degrees awarded were 109 out-of-term degrees.

We examined the out-of-term degrees reported to the BOG to understand why they were posted late. We found 109 such late postings. Of the 109, we found that 30 pertained to students from the Nurse Anesthesia Program who had simultaneously earned both a Masters and a Doctorate degree prior to the fall 2018 term. These were identified by the School of Nursing management during the submittal process. It was subsequently determined that due to an algorithm error these nursing students' double degrees had been counted as single degrees when originally reported to the BOG.

As explained to us by DoIT, this was the result of the late degrees selection algorithm, which would normally pick up late degrees from three terms prior. Thus, any graduation approved and posted more than three terms after having been earned would not be reported to the BOG. As a result of the algorithm error found, in fall 2018, the University changed its late degrees selection algorithm from the standard look-back of three-terms prior, and examined all prior terms starting in 2015. This resulted in the additional out-of-term degrees that had not been previously reported to the BOG. As a result, the BOG was notified by the University and the students' degrees were reported during the fall 2018 term (submitted spring 2019). However, subsequently, the algorithm was changed back to the standard prior three terms.

To test the reasoning for the inclusion of the other out-of-term students included, we examined a sample 10 other non-nursing students' degrees posted out of term. We found six (6) additional cases similar to the nursing students in that they had simultaneously earned double degrees with only one being reported at the time of submittal to the BOG. As for the four (4) other cases, we found that the students' graduation approval was received late from the department and posted more than three terms after earning their degrees: one (1) degree had been earned in fall 2017 (posted early spring 2019); one (1) in spring 2016 (posted fall 2017); two (2) in summer 2015 (posted in fall 2016 and fall 2017). Since they were approved more than three terms after they were earned, the algorithm did not pick them up for reporting to the BOG.

Furthermore, we then compared the fall 2018, and spring and summer 2019 SIFD submittals, examining for duplicate students. We found eight (8) students that were reflected on two of the submittals. Upon review, we learned that three (3) had earned double degrees. The remaining five (5) students earned one degree with double majors, with one major awarded in fall 2018 and the other major awarded in spring 2019. As a result, AIM requested the original degrees submitted in fall 2018 be rescinded and were resubmitted in spring 2019 to pick up the primary and the secondary major.

As part of the reconciliation between the fall 2018 SIFD submittal to the BOG and the Office of the Registrar's records of graduates in fall 2018, we found 54 students not reported to the BOG; however, 43 students were subsequently reported to the BOG in spring 2019 as out-of-term degrees, and another eight (8) students were reported in summer 2019. Three (3) of the students remain to be reported. Since the algorithm goes back three terms, these three students should be picked up in the fall 2019 SIFD submittal as their degree dates are now posted in PantherSoft as of fall 2019.

Upon discussing the issue with management, they informed us that the reconciliation error has since been corrected. They stated that prior to submitting the Degrees Awarded file in SUDS, they always ran an internal query to obtain the headcounts. The internal headcount was then compared to the headcounts in the SUDS site. However, the internal query was pointing to the Degrees Awarded file itself. As a result, a new query was prepared which now compares the headcounts in the Degrees Awarded file to the degree headcounts in the reporting PantherSoft database.

### Conclusion

Our testing of the SIF, SFA, and SIFD data files found no differences between the information submitted to BOG and the data in FIU's system relating to the relevant elements for Metrics 7 and 10. However, based upon management's own finding of student degrees awarded not being reported to the BOG on a timely basis, we found that AIM's reconciliation of the Degrees Awarded file and the related records from the Office of the Registrar did not properly capture all out-of-term degrees. They have since corrected the deficiency in the reconciliation process.

#### 4. Data Accuracy Testing – Emerging Preeminence Metrics

In 2019, the University achieved eight (8) of the 12 Preeminence metrics, earning it the Emerging Preeminence designation. Three (3) of the eight (8) metrics are associated with data in the file submissions tested within the PBF Metrics: Average GPA and SAT Score, Freshman retention rate, and Doctoral degrees awarded annually. Therefore, we have determined to select three (3) of the five (5) other metrics not previously audited for testing during this audit, as follows:

##### Emerging Preeminence Metrics Testing

The three metrics tested were as follows:

- 7 – Total Amount R&D Expenditures in Non-Health Sciences
- 9 – Patents Awarded (over a 3-year period)
- 11 – Number of Post-Doctoral Appointees

In October 2019, the BOG issued the *Preeminent Metrics Methodology Document*, which we used in our testing.

Data accuracy for the three metrics was tested by obtaining the respective University files and reviewing them against the data provided to the respective organizations associated with each metric, e.g., the National Science Foundation (NSF) and the United States Patent and Trademark Office (USPTO). In addition, where applicable, we agreed the information to the data in PantherSoft.

##### No. 7 - Total Amount R&D Expenditures in Non-Health Sciences

**No. 7, Total Amount R&D Expenditures in Non-Health Sciences.** Total annual Science & Engineering research expenditures in diversified non-medical sciences of \$150 million or more, based on data reported annually by the NSF.

In order to test the accuracy of the data related to R&D expenditures in non-health sciences, we reconciled the research expenditures data received from the BOG's Office of Data & Analytics (ODA) to the data reported by the National Science Foundation (NSF), without exception. The NSF website reported research expenditures totaling \$153,113,000. We further grouped the data by cost center and tested all expenditures, totaling \$15,600,247, from 20 cost centers selected, to ensure the expenditure was: (1) related to research, (2) for non-health sciences, and (3) in agreement with the amount reported in PantherSoft Financials. The results of our testing found no exceptions.



#### No. 9 - Patents awarded (over a 3-year period)

**No. 9, Patents Awarded.** *One hundred or more total patents awarded by the United States Patent and Trademark Office (USPTO) for the most recent 3-year period.*

In order to test the accuracy of the data related to patents awarded, we compared the list of 126 utility patents provided by the ODA to the USPTO database listing for such patents from 2016-2018 without exception. We then selected and tested 10 patents, ensuring each qualified as a utility patent and had been awarded in the 2016-2018 period. We found no exceptions.

#### No. 11 - Number of Post-Doctoral Appointees

**No. 11, Number of Post-Doctoral Appointees.** *Two hundred or more postdoctoral appointees annually, as reported in the TARU annual report.*

The 2019 Florida Legislature allowed the 2019 evaluation of this metric to be based on ODA's review of the annual NSF/National Institute of Health annual *Survey of Graduate Students and Postdoctorates in Science and Engineering* ("GSS") reporting fall 2017 data.

In order to test the accuracy of the data related to post-doctoral appointees, we obtained the listing of post-doctoral appointees for fall 2017, totaling 222. From the listing, we selected 10 appointees to determine if the post-doctoral appointee worked in the science, engineering, or health fields, and to ensure the data agreed with the information obtained from the PantherSoft Human Resources database for fall 2017 and that the appointee qualified for such appointment. We found no exceptions.

#### Conclusion

Our testing of the data for the Emerging Preeminence metrics tested found that the data provided complies with the definitions and methodology for the Preeminence metrics as outlined in the BOG's *Preeminent Metrics Methodology Document*.

## 5. PBF 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, reflect the original due dates and original submission dates of all relevant Performance Based Funding Metrics files during the audit period:

File	File Submission	Period	Original Due Date Including Extensions	Original Submission Date
ADM	Admissions	Summer 2018	09/14/2018	09/14/2018
SIF	Student Instruction	Summer 2018	09/25/2018	09/25/2018
ADM	Admissions	Fall 2018	10/10/2018	10/10/2018
SFA	Student Financial Aid	Annual 2017	10/04/2018	10/04/2018
SIFD	Degrees Awarded	Summer 2018	10/04/2018	10/04/2018
SIFP	Student Instruction Preliminary	Fall 2018	10/17/2018	10/17/2018
IRD	Instruction & Research	Annual 2017	10/23/2018	10/23/2018
EA	Expenditure Analysis	Annual 2017	10/30/2018	10/30/2018
HTD	Hours to Degree	Annual 2017	11/07/2018	11/07/2018
SIF	Student Instruction	Fall 2018	01/23/2019	01/23/2019
RET	Retention	Annual 2017	01/30/2019	01/30/2019
SIFD	Degrees Awarded*	Fall 2018	02/01/2019	02/08/2019
ADM	Admissions	Spring 2019	03/01/2019	03/01/2019
SIF	Student Instruction	Spring 2019	06/12/2019	06/12/2019
SIFD	Degrees Awarded**	Spring 2019	06/26/2018	06/28/2019

\* Management informed us that the Fall 2018 Degrees Awarded file (SIFD) was submitted seven days late due to communication and technical issues. Guidance was requested from the BOG because of errors generated upon submission, but the response was not received by the due date. Furthermore, the University experienced technical issues, as the institutional edits would not run properly.

\*\*Management explained that the Spring 2019 Degrees Awarded file (SIFD) could not be submitted until the Student Instruction file (SIF) was officially approved by the BOG. Due to the required resubmission of the SIF file (see No. 6 in Data File Resubmissions, page 22), this caused the SIFD file to be submitted two days late.

## Data File Resubmissions

We obtained the list of resubmissions since the last audit from the BOG-IRM staff. The Data Administrator described the nature and frequency of the six required 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 an error before submission is that some inconsistencies only arise when the data are cross-validated among multiple files.

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, 2018, and August 31, 2019, the University submitted 15 files to the BOG with five (5) files requiring resubmissions (one file was resubmitted twice).

The following table describes the five files resubmitted and AIM's reason for the resubmission.

	<b>File Submission</b>	<b>Period</b>	<b>Original Due Date</b>	<b>Original Submission Date</b>	<b>Resubmission Date</b>
<b>No. 1</b>	<b>Admissions</b>	<b>Fall 2018</b>	<b>10/10/2018</b>	<b>10/10/2018</b>	<b>02/18/2019</b>
	<b>AIM Reason for Resubmission:</b> We received an email from BOG requesting for the file to be reviewed, particularly in reference to test scores. We ultimately discovered an error in the submission. There is a flag in the file that needed to be changed to report all test scores (from N to Y), not just those test scores used for admissions purposes.				
	<b>Instruction &amp; Research</b>	<b>Annual 2017</b>	<b>10/23/2018</b>	<b>10/23/2018</b>	<b>11/19/2018</b>
<b>No. 2</b>	<b>AIM Reason for Resubmission:</b> The BOG added a new element called BOG JOB to all files containing HR data. All employees had to be categorized under one of these 13 BOG JOB categories. There were 5,504 records for which the DoIT extract program did not assign a BOG JOB value in the 2017-18 IRD File. Unfortunately, this did not come up as an error in any of the edit reports and was not detected by our internal data verification procedures. When alerted of this omission by the BOG, AIM worked with DoIT to correct this error. AIM and DoIT have taken actions to ensure that verifying the correct mapping of this element is part of our routine data validation processes.				

	File Submission	Period	Original Due Date	Original Submission Date	Resubmission Date
<b>No. 3</b>	<b>Hours to Degree</b>	<b>Annual 2017</b>	<b>11/07/2018</b>	<b>11/07/2018</b>	<b>11/30/2018</b>
	<b>AIM Reason for Resubmission:</b> The BOG requested the resubmission due to students that were not included in the original file and listed in the HTDNOMATCH report. Upon review, students were awarded a second major, which allows removal from HTD. However, BOG required clean-up of the record at their database as well as resubmission of HTD. Also, the BOG handled the corrections differently for this submissions cycle than in previous years.				
	<b>Retention</b>	<b>Annual 2017</b>	<b>01/30/2019</b>	<b>01/30/2019</b>	<b>02/20/2019 03/08/2019</b>
<b>Nos. 4 and 5</b>	<b>AIM Reason for Resubmission:</b> (02/20/2019) There was an error is SUDS system database accepting original file. There was a student missing a PersonDemo at their end. This resulted in us having to resubmit the file with a PersonDemo record. (03/08/2019) The BOG requested for comparable exclusions be applied to non-affected cohorts. The cohort being evaluated was CH 2014 while the non-affected cohort was CH 2013.				
	<b>Student Instruction</b>	<b>Spring 2019</b>	<b>06/12/2019</b>	<b>06/12/2019</b>	<b>06/27/2019</b>
<b>No. 6</b>	<b>AIM Reason for Resubmission:</b> The BOG requested a more detailed review of Student Credit Hours reported as continuing education but not self-supporting. We worked with FIU's Office of Financial Planning and discovered that some of the data was incorrectly categorized. As a result, the student credit hours had to be updated and reported as self-supporting and the file was resubmitted on 06/27/2019.				

As a result of the increase in resubmissions from the prior two audits issued in fiscal years 2018/2019 and 2017/2018, we inquired of the Data Administrator as to the reasons for the increase, and she provided us the following statement:

While both AIM and DoIT continuously monitor our data validation processes and look for opportunities to improve data accuracy and avoid resubmissions, there have been several changes in personnel and business processes, both at FIU and at the BOG, that have led to an increase in resubmissions in the past year. Specific reasons for resubmissions included the BOG staff giving us the wrong instructions, inconsistency in the BOG internal review processes, and BOG staff not responding to our inquiries in a timely manner. These issues are compounded by the fact that some errors cannot be detected locally because the fields are derived by the BOG programs and the raw values are not available to us. Similarly, some file errors only surface once the BOG accepts the file and merges the FIU data with the SUS system data. In addition, the BOG changed their business processes. Items that could be explained previously [via email], now require resubmission. Further, the level of review the BOG places on a file changes from one semester to the other. This inconsistency has resulted in the BOG asking us new things they

did not ask before and for which there are no edits or reports in their system that can detect the errors. There have also been changes in personnel in FIU functional areas leading to slower turnaround time and inconsistent validation of data.

Furthermore, we inquired as to whether any steps had been taken to reduce/prevent the number of resubmissions in the future and the Data Administrator provided us the following list:

#### **Efforts Taken by AIM to Prevent Resubmission**

- Review and document email chains between BOG, AIM and DoIT to make sure documented issues from the past have been investigated to ensure they are not re-occurring.
- Review of current logic with DoIT to make any necessary adjustments to prevent future occurrences of the same issues that cause errors.
- Creation of new queries and reports to check for things we now know are an issue.
- Requesting from the BOG that they inform AIM of any additional checks or data validation done on their end that are not part of existing error reports.
- AIM hired a new employee whose duties will cover the manual processes and follow up with functional units, so other employees can focus more of their time on analytics and cross-validation.
- We are working with the BOG and DoIT to attempt to replicate internally the logic used to calculate the BOG derived elements and incorporate into the PantherSoft edit tools.
- FIU and other data administrators formed a committee to review data elements for particular files to ensure that we are providing information that is consistent with the other SUS universities and accurately reflect what the BOG wants. We are beginning with the HTD file.

#### **Efforts Taken by DoIT to Prevent Resubmission**

- Replication of queries and reports sent in prior years by the BOG to run for future submissions.
- Translate programming code technicalities into pseudo business language for better understanding by AIM and other functional users.
- Share program logic with AIM technical team for cross-validation. This was particularly helpful to develop the enhancement that lead to reporting old/missing late degrees that were delayed in being posted.
- PantherSoft Team hired a new resource to assist in the technical preparation of the BOG files.
- Replicate the logic used to calculate the BOG derived elements and insert into reserved/internal fields.
- Advise AIM on edits that do not currently exist that could be suggested to the BOG for implementation as Level 9 or Level 5 errors.
- Translate and recreate SUDS-platform-specific SQL (structured query language) sent by the BOG in our PantherSoft database in order to produce equivalent



## Conclusion

Our review disclosed, that even though the process used by the Data Administrator provides reasonable assurance that complete, accurate, and for the most part timely submissions occurred, the increased number of resubmissions this year was the result of changes in processes at FIU and the BOG, along with personnel turnover and other issues not considered systemic in nature. Furthermore, all the reasons for the resubmissions continue to be addressed as noted by the Data Administrator's list of efforts taken to reduce/prevent resubmittals above. Notwithstanding the increase in the number of resubmittals, we noted no reportable material weaknesses or significant control deficiencies related to data file submissions or resubmissions.

## **6. Review of University Initiatives**

We obtained the following list of the University initiatives that are meant to bring the University'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; and
- Established centralized retention, graduation, and student success outreach.

University senior management also states that they are in the process of establishing much greater central oversight and control of the scheduling and course offering practices and policies.

### Conclusion

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

## APPENDIX A

In-Scope BOG Data Elements				
No.	Metric	Definition	Submission/Table/Element Information	Relevant Submission
7	<b>University Access Rate</b>  <i>Percent of Undergraduates with a Pell-grant</i>	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.  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.	<b>Submission:</b> SIF <b>Table:</b> Enrollments <b>Elements:</b> 02041 – Demo Time Frame 01045 – Reporting University 01413 – Student at Most Recent Admission Type 01060 – Student Classification Level 01053 – Degree Level Sought 01107 – Fee Classification Kind	Summer 2018  Fall 2018  Spring 2019
			<b>Submission:</b> SFA <b>Table:</b> Financial Aid Awards <b>Elements:</b> 01045 – Reporting University 02040 – Award Payment Term 02037 – Term Amount 01253 – Financial Aid Award Program Identifier	Annual 2017
10	<b>Bachelor's Degrees Awarded to Minorities (BOT Metric)</b>	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.	<b>Submission:</b> SIFD <b>Table:</b> Degrees Awarded <b>Elements:</b> 01082 – Degree Program Category 01083 – Degree Program Fraction of Degree Granted (This field is a summed field) 01045 – Reporting Institution 01412 – Term Degree Granted 01081 – Degree Level Granted	Summer 2018  Fall 2018  Spring 2019
			<b>Submission:</b> SIF <b>Table:</b> Person Demographic <b>Elements:</b> 01044 – Racial/Ethnic Group 01491 – Hispanic or Latino 01492 – American Indian/Alaska Native 01493 – Asian 01494 – Black or African American 01495 – Native Hawaiian or Other Pacific Islander 01496 – White 02043 – Non – resident Alien Flag 01497 – No Race Reported	Summer 2018  Fall 2018  Spring 2019

Definition Source: State University Database System (SUDS).



# Data Integrity Certification

March 2020

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 **significant or material** 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"/>	
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"/>	
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	

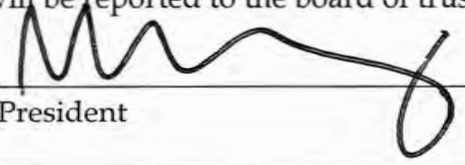

## Data Integrity Certification

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"/>	
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 <b>Submit for Approval</b> 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:  _____ President</p>	<p>Date: <u>2/26/2020</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:  _____ Board of Trustees Chair</p>	<p>Date: <u>02/26/2020</u></p>

# 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 2019-20*

**AR 20-04**

**January 24, 2020**

## *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 2, 2020.

## *Scope, Objectives, and Methodology*

In his June 18, 2019, memorandum to University Boards of Trustees' Chairs and University Presidents, the Chair of the State University System (SUS) of Florida Board of Governors (BOG) advised that, during the 2019 Legislative Session, lawmakers approved Senate Bill 190 that contains language amending section 1001.706, Florida Statutes, as follows:

*Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.92 complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.*

Thus, the BOG Chair instructed the University Board of Trustees of each University 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.*

Additionally, the BOG Chair asked that:

*...these audits include testing of data that supports performance funding metrics, as well as preeminence or emerging preeminence metrics if applicable, as testing is essential in determining that processes are in place and working as intended.*



*In addition to the data integrity audit for the Performance-Based Funding Model, universities designated as preeminent or emerging preeminent will need to conduct a similar audit for the data and metrics used for preeminent status consideration. This audit may be included with or separate from the Performance-Based Funding Data Integrity Audit.*

*The scope and objectives of the audit(s) should be set jointly between the chair of the university board of trustees and the university chief audit executive. The audit(s) 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.*

*Using the results from the data integrity audit(s), each university president should complete the attached Data Integrity Certification. When completing this certification, evaluate each of the 13 prepared representations, which have been revised to include preeminence and emerging preeminence for those universities so designated. If you are able to affirm a representation as prepared, do so. If you are unable to affirm a representation as prepared, explain the modification in the space provided. It is important that representations be modified to reflect significant or material audit findings. The certification document shall be signed by the university president and board of trustees chair after being approved by the board of trustees.*

*The audit results and corrective action plans as needed shall be provided to the Board of Governors after being accepted by the university's board of trustees. The audit results shall support the president's certification and include any noted audit findings. The completed Data Integrity Certification and audit report(s) shall be submitted to the Office of Inspector General and Director of Compliance<sup>1</sup> no later than **March 2, 2020**.*

*I ask that you consider the March 2nd deadline when establishing dates for your 2020 board of trustees meetings as we will need these audits and certifications in sufficient time to be included in our March Board of Governors' meeting materials.*

This is the sixth consecutive year the BOG has called for each university to conduct a data integrity audit for the Performance-Based Funding (PBF) Model. This is the first year the BOG has called for universities designated as preeminent or emerging preeminent, which includes Florida State University, to conduct a similar audit for the data and metrics used for preeminent status consideration. Our Office has decided to conduct this second required audit as separate from the Performance-Based Funding Model - Data Integrity Audit, and to issue a separate audit report for it.

Florida State University has decided upon the following scope and objectives for its Performance-Based Funding Model Data Integrity Audit that has been recurring now for six years.

**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 Metrics/Preeminent Research University Metrics - Data Integrity Certification, which will be submitted to the University's Board of Trustees and filed with the BOG

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<sup>1</sup> This is a reference to the BOG's Office of Inspector General and Director of Compliance.

by March 2, 2020. This audit includes 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 Metric Definitions in Florida State University's 2019 Accountability Plan, approved by the FSU Board of Trustees on March 26, 2019, and Revised by the Board of Governors in June 2019 (Final), as published on the BOG website include the following:

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 for Resident Undergraduates per 120 Credit Hours);
4. Four-Year First-Time-in-College (FTIC) Graduation Rate;
5. Academic Progress Rate (Second Year Retention with 2.0 Grade Point Average (GPA) or Above);
6. Bachelor's Degrees within Programs of Strategic Emphasis;
7. University Access Rate (Percent of Undergraduates with a Pell Grant);
8. Graduate Degrees within Programs of Strategic Emphasis;
9. Percent of Bachelor's Degrees without Excess Hours (Board of Governors Choice Metric for all SUS universities); and
10. Percent of Bachelor's Graduates Ever Enrolled in an Entrepreneurship Class (FSU's Board of Trustees Choice Metric)

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 2020 Accountability Plan. In the event certain of these data are not yet available when we conduct testing, we plan to use the most recent data for the pertinent metrics. 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 conclusions in the 2018-19 PBF audit 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 PBF data submissions to the BOG.

4. Determine the current status since our conclusion in the 2018-19 PBF audit concerning system access controls and user privileges.
5. Determine the current status since our conclusion in the 2018-19 PBF audit concerning audit testing of data accuracy.
6. Determine the current status since our conclusion in the 2018-19 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 2018-19 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.

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;
- State University Database System (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. On June 18, 2019, Chapter 2019-103, Laws of Florida, Committee Substitute for Senate Bill No. 190, relating to higher education, was signed by the Governor. The act amended s. 11.45, F.S., officially requiring in law that, among other things:

*(5) POWERS AND DUTIES RELATING TO ACCOUNTABILITY*

*(e) The Board of Governors shall maintain an effective information system to provide accurate, timely, and cost-effective information about each university. The board shall continue to collect and maintain, at a minimum, management information as such information existed on June 30, 2002. To ensure consistency, the Board of Governors shall define the data components and methodology used to implement ss. 1001.7065<sup>2</sup> and 1001.92.<sup>3</sup> Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.93 complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.*

According to information on the BOG's website as of November 5, 2019, the BOG's current Active Regulations include Chapter 5 Performance-Based Funding with one Section, BOG 5.001, which was amended January 31, 2019, and again on October 31, 2019. As stated in BOG 5.001(1):

- 1) The Performance-Based Funding (PBF) is based upon four guiding principles:*
  - a) Align with State University System's (SUS) Strategic Plan goals;*
  - b) Reward excellence and improvement;*
  - c) Have a few, clear, simple metrics; and*
  - d) Acknowledge the unique mission of the different SUS institutions.*

BOG 5.001(2) and (3) provide further description of the BOG's PBF initiative:

- 2) The PBF model measures institutional excellence and improvement of performance using metrics adopted by the Board of Governors. The metrics include graduation rates; retention rates; post-graduation education rates; degree production; affordability; post-graduation employment and salaries, including wage thresholds that reflect the added value of a baccalaureate degree; access; and other metrics that may be approved by the Board in a formally noticed meeting.*

*The performance of an institution is evaluated based on benchmarks adopted by the Board of Governors for each metric. For each fiscal year, the amount of funds available for allocation to SUS institutions shall consist of the state's investment, plus the institutional investment from each institution's base budget, as determined in the General Appropriations Act. The amount of institutional investment withheld from each SUS institution shall be a proportional amount based on each institution's recurring base state funds to the total SUS recurring base state funds (excluding special units). Florida Polytechnic University is not included in the model until such time as data is readily available.*

<sup>2</sup> Preeminent State Research Universities Program

<sup>3</sup> State University System Performance-Based Incentive

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. In line with the newly passed Chapter 2019-103, Laws of Florida, the BOG updated its Regulations, Chapter 5 Performance-Based Funding with one Section, BOG 5.001, to include the following:

- 8) *University chief audit executives shall conduct or cause to have conducted an annual data integrity audit to verify the data submitted for implementing the Performance-Based Funding Model complies with the data definitions established by the Board of Governors. The audit report shall be presented to the university's board of trustees for its review, acceptance, and use in completing the data integrity certification. The audit report and data integrity certification are due to the Board of Governors' Office of Inspector General by March 1 each year.*

As mentioned, this is the sixth 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 FSU 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 2, 2020.

***Objective #1: Determine if there were any changes since our 2018-19 PBF audit conclusions concerning the Data Administrator's appointment and the duties and responsibilities in his official position description.***

In our 2018-19 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 dated November 1, 2018, which listed among his responsibilities "Maintains the role of the University Data Administrator in accordance with Board of Governors Regulation 3.007, which 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 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 2018-19 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. 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.*

***Current Findings:***

As we observed in our 2018-19 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 for most files 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 third most recent submission.

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)
Student Instruction File (SIF)	Fall 2018 through Summer 2019
Hours to Degree (HTD)	2016-17 through 2018-19
Retention	2015-16 through 2017-18
Student Financial Aid (SFA)	2016-17 through 2018-19
Student Instruction File Degrees Awarded (SIFD)	Fall 2018 through Summer 2019

Since our previous audit report accepted by the Board of Trustees on February 22, 2019, six files were submitted to the BOG SUDS system. These six files were all submitted on time. Please note in the table the three most recent submissions of each of the five required files that relate to FSU's Performance-Based Funding metrics. Timeliness of the University's data submissions to the BOG is not a present concern.



Most Recent Submission				
File	Term	SUDS Due Dates	Submission to BOG	Days Late
Student Instruction File	Summer 2019	9/27/2019	9/27/2019	N/A – On Time
Hours to Degree	Annual 2018	11/15/2019	11/14/2019	N/A – Early
Retention File	Annual 2017	1/30/2019	1/30/2019	N/A – On Time
Student Financial Aid File	Annual 2018	10/11/2019	10/11/2019	N/A – On Time
Degrees Awarded File	Summer 2019	10/4/2019	10/4/2019	N/A – On Time
Second Most Recent Submission				
File	Term	SUDS Due Dates	Submission to BOG	Days Late
Student Instruction File	Spring 2019	6/12/2019	6/12/2019	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
Degrees Awarded File	Spring 2019	6/26/2019	6/26/2019	N/A – On Time
Third Most Recent Submission				
File	Term	SUDS Due Dates	Submission to BOG	Days Late
Student Instruction File	Fall 2018	1/23/2019	1/24/2019	1 day
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
Degrees Awarded File	Fall 2018	2/1/2019	1/30/2019	N/A – Early

### ***Conclusion for Objective #2:***

We concluded the processes used by the University Data Administrator and his staff in Institutional Research (IR) 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.

### ***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 2018-19 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, Enterprise Resource Planning (ERP), and the offices that act as primary custodians (and subject matter experts) for reported data have electronic records reflecting the policies and procedures necessary for producing the affected BOG files. IR has published a "BOG File Submission Policy" on its intranet wiki site and has 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 2018-19 PBF audit concerning system access controls and user privileges.***

In our 2018-19 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 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 2018-19 PBF audit concerning audit testing of data accuracy.***

*In our 2018-19 PBF audit we concluded that:*

*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.*

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 within Programs of Strategic Emphasis
7. University Access Rate (Percent of Undergraduates with Pell Grants)
8. Graduate Degrees within Programs of Strategic Emphasis (including STEM)
9. Percent of Bachelor's Degrees without Excess Hours

Institution-Specific Metric for Florida State University:

10. Percent of Bachelor's Graduates Ever Enrolled in an Entrepreneurship Class (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 employment 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 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 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 2020 Performance-Based Funding includes those who graduated in the Summer 2017, Fall 2017, and Spring 2018 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 Files for Summer 2017, Fall 2017 and Spring 2018, 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 for that audit. As reported in Audit Report AR19-05, 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 specific alternative is finalized), the average number of credit hours attempted by students who were admitted as First Time in College (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 Systems (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 2018-19 (Summer 2018, Fall 2018, Spring 2019).) 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 (7,138 records) to the EMPLID, CIP code, and completed term records in our query results of degrees awarded during the Summer 2018, Fall 2018, and Spring 2019 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 two students who each had one transfer course listed twice and one other student who had all of his/her courses duplicated. Upon further review, we noted that these students all had earned at least 120 credit hours and the duplication did not have an impact on 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 identified two students, each of whom had one course originally included as a placeholder for another course or courses, which was later removed. We determined this was a timing issue with the HTD File build process and did not have an impact on 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 7,138 students, and we determined that 6,450 of these (90 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 sourcedocumentation. 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 2018, Fall 2018, and Spring 2019), 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 2018-19 SFA File submission to the BOG), to the Campus Solutions source documentation. For our sample of 100 students, we did note a discrepancy in a Federal Supplemental Educational Opportunity Grant (SEOG) award for one student. We analyzed this issue further for the entire population of SEOG awards and concluded that this discrepancy found in our sample was immaterial to the total scholarships and grants awarded, and did not affect the calculation of Metric 3.

We performed an additional analysis of the Summer term awards in the 2018-19 SFA File and compared it to the Summer term awards in the 2017-18 SFA File, as Summer term reporting is split based on fiscal year. Any awards disbursed prior to July 1, 2017 are reported in the 2017-18 SFA File, and awards disbursed on July 1, 2017 and after are reported in the 2018-19 SFA File. We found Bright Futures awards, Institutional Grants, and Institutional Scholarships that were reported in both the 2017-18 SFA File and the 2018-19 SFA File. The total amount reported in both files was \$1,174,843. When this amount is factored into net tuition and fees for resident undergraduates, the effect is approximately \$160 of the degree cost and does not materially impact the calculation of Metric 3.

According to IR, the process of separating financial aid reporting into a fiscal year model instead of on a term basis creates a mismatch between appropriate reporting for BOG SUDS SFA File submissions and data acquired from those files to support Performance-Based Funding requirements for Metric 3 in this case. FSU has appropriately reported transactions that occurred in the part of the Summer Term before July 1 and has done the same for transactions that occurred after June 30<sup>th</sup>. The problem that model creates is that it produces some double-counting when both files are combined for Performance-Based Funding reporting. FSU's institutional data administrator has worked with his colleagues on the Council of Data Administrators (CODA) and with the BOG data administrator to identify inconsistencies in reporting protocols for the SFA File. Even though the BOG regulations state that reporting should be on a fiscal year basis, most institutions report on a term basis. To the contrary, FSU has complied with the regulation and has reported on a fiscal-year basis. The BOG data administrator has acknowledged this inconsistency and has authorized those institutions that have appropriately reported on a fiscal year basis to consider reporting on a term basis. That change will align transactional reporting with the data used for Performance-Based Funding metrics. In the current audit, it is clear that there was some double-counting of aid that appeared (without material consequence) in Metric 3. However, that double-counting was the product of a reporting model that did not account for the data being subsequently rolled into a Performance-Based Funding Metric that was developed decades later. At the recommendation of the OIGS and with the BOG's approval, FSU will move to term-based reporting that will eliminate this problem in the future.

Based on our testing, the University's data submitted to the BOG for Metric 3 Performance-Based Funding 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 Systems (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 for FTIC students, 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 Admissions 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 Person Identification Change and Adjustment Files, which it submits to the BOG. The Retention Person Identification Change File reports changes to the identification numbers for the cohort. We reviewed the most recent Retention Person Identification Change File, which was the 2017-18 file. This file reported identification changes to the 2013 and 2015 cohorts. The Retention Adjustment File identifies students in a 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. We reviewed the 2017-18 Retention Adjustment file, which was the most recent file. We noted that the process for identifying these identification changes and adjustments to the cohort is consistent with prior years.



**Verification of the 2015 FTIC Cohort.** We reviewed the 2015-16 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 2015 academic year, with degrees awarded for each included student through Fall 2018. The Summer 2015 and Fall 2015 SIF File data provide the information needed to identify the 2015 FTIC cohort population for this PBF measure.

To validate the 2015 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 6,036 records. We used a query we developed in Campus Solutions and additional manual reconciliations and determined that all of these records identified using BOG selection criteria for this measure agreed with corresponding University records. In addition, we had two 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 2015 SIF File. This difference is immaterial to the total number of students included in the filtered cohort, and does not affect the calculation of the metric.

Based on our analysis, we concluded that the 2015 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 2015 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 2018, we joined data from the Summer 2018, Fall 2018, Spring 2019, and Summer 2019 SIFD Files, for any students included in the filtered cohort. We identified 4,181 students in our cohort who earned degrees by Summer 2019.

We added degree information to our Campus Solutions query used to verify the 2015 FTIC cohort and identified 4,191 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 concluded the difference of 10 students who earned degrees, between the BOG cohort file and our Campus Solutions query results, is due to the timing of the awarding of the degrees.

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 and 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).*

The calculation of this Performance-Based Funding metric 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 2017 and Fall 2018. We filtered the University's Fall 2017 SIF File submitted to the BOG to identify the University's FTIC students who started in the Fall 2017 (or Summer continuing to Fall 2017) term and were enrolled full time. The filtered Fall 2017 SIF File contained 6,428 records of students who comprised the Fall 2017 FTIC cohort. To compare these data to the University's source data, we developed a query in the University's Campus Solutions system and were able to reconcile the query results to the Fall 2017 SIF File records.

We compared student records in the Fall 2017 SIF File FTIC cohort to the 2018 unfiltered SIF File to determine the number of SIF File FTIC cohort students who continued their enrollment into a second year. We identified 5,939 of the 6,428 students (92 percent) from the Fall 2017 SIF File FTIC cohort who continued their enrollment in Fall 2018. We also identified 5,878 students (91 percent) from the 2017 cohort who had GPAs of at least 2.0 at the beginning of the Fall 2018 term.

We compared all 5,939 students who were retained in 2018 to the results of a Campus Solutions query we developed that identified the 2017 Student Group, as well as the Summer 2018 term institutional hours and grade points, to determine whether the data in the Fall 2018 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 all but three 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 also reviewed student records for any calculated GPAs below the 2.0 threshold and found six additional students whose GPAs fell below this 2.0 threshold. All nine 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 academic progress rate (second year retention rate with GPA above 2.0) 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 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).*



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, 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 all undergraduate degrees awarded for the terms Summer 2018 (1,781 records), Fall 2018 (2,091 records), and Spring 2019 (5,816 records), for a total of 9,688 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 2018-19. We reconciled 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 9,688 undergraduate degrees awarded records submitted to the BOG for Summer 2018, Fall 2018, and Spring 2019, all of these records based on the student identification numbers were readily reconcilable to our query results using Campus Solutions source data. We noted two additional students from our query results who had received degrees, but were not reported on the SIFD Files. This difference is immaterial and does not affect the calculation of the metric.

### **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 any 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 2018, Fall 2018, and Spring 2019, 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 a Pell Grant).** 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 File and Pell Grant award data from the Student Financial Aid (SFA) File to determine all degree-seeking undergraduate students enrolled in the Fall term who 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 2018 Fall SIF File and the 2018-19 SFA File that were 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 2018 term. We filtered the University's Fall 2018 SIF File to identify undergraduates enrolled in the Fall 2018 term who were not unclassified, second-bachelor's degree, or non-resident alien students. There were 31,711 records that met these criteria.

We developed a query in Campus Solutions to identify undergraduate students enrolled during the Fall 2018 term and used the results to validate information reported in the SIF Fall enrollment file. We determined that information reported in the SIF 2018 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 2018-19 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 2018 term. There were 8,746 awards meeting this criterion.

We developed a query in Campus Solutions to identify all students who received Pell Grants during the Fall 2018 term and used the results to validate information reported in the 2018-19 SFA File. We determined that awards reported in the 2018-19 SFA File for this metric were 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 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).*

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, 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**

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 all graduate degrees awarded for the terms Summer 2018 (784 records), Fall 2018 (593 records), and Spring 2019 (1,358 records), for a total of 2,735 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 2018-19. We reconciled 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 2,735 graduate degrees awarded records submitted to the BOG for Summer 2018, Fall 2018, and Spring 2019, all 2,735 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 2018, Fall 2018, and Spring 2019, 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 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 mandate 110% of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits (i.e., 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).



### **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 (5,944 students), we took a random sample of 20 additional students from the remaining HTD Table population (1,194 students) that were not part of the Metric 3 population. Therefore, we tested a total of 120 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 20 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 120 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 20 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 20 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 20 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 20 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 identified one student who had transfer courses listed twice, in addition to the three students identified in our testing of Metric 3. However, we concluded these exceptions would not have an impact on Metric 9.

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 two courses identified in our testing of Metric 3. However, that exception would not have an impact on Metric 9. We made a similar comparison, for each of the 20 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 132).

**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 120 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 one minor exception noted above, we provided the details of our findings to the Data Administrator for his follow-up actions.

#### **Metric 10 – Percent of Bachelor’s Graduates Ever Enrolled in an Entrepreneurship Class.**

Originally, the University’s Metric 10 was Metric 10c -- National Rank Higher than Predicted by the Financial Resources Ranking Based on U.S. and World News. During the November 2018 Board of Governors meeting, the Board approved the new Board of Trustee Choice Metric for each University. Florida State University’s Board of Trustee Choice Metric was changed to Percent of Bachelor’s Graduates Ever Enrolled in an Entrepreneurship Class and was to be implemented in 2020.

This Metric 10 is based on the percentage of bachelor’s degree graduates from the most recent year who have taken at least one entrepreneurship course (as reported in the Student Instruction File) prior to graduation. Qualifying courses include all of those with the ENT prefix, those with Entrepreneurship or Innovation in the title, and those capstone projects that involve applied entrepreneurial projects as defined by the University. The list of courses may expand as the curriculum matures.

The purpose of our testing was to ensure the data in FSU’s SIF Courses Taken Files and SIFD Files submitted to the BOG for its calculations agree with source data in the University’s Campus Solutions system.

**Verification of the Fall 2018 Courses Taken File.** We ran a query in the University's Campus Solutions Student Central system of all students who took one (or more) entrepreneurship class through Spring 2019, and filtered these data for the Fall 2018 term. We compared this listing to the Fall 2018 SIF Courses Taken File to determine whether the entrepreneurship classes taken by students that were reported in this BOG file agreed with the University's Campus Solutions source data.

**Verification of Degree Earned.** The percentage of bachelor's degree graduates for the most recent year is based on information provided in the SIFD Degrees Awarded Files. In this audit, an audit step in validating data is determining whether SIFD Degrees Awarded data are complete and accurate. The SIFD Degrees Awarded Files for Summer 2018, Fall 2018, Spring 2019, and Summer 2019, which are the academic terms to be tested for this Metric 10 for FSU's 2020 Accountability Plan, were tested and validated as part of our Metric 6 testing. As reported in that section, the data were complete and accurate.

Based on our analysis, we concluded that the data used by the BOG to calculate Metric 10 are accurate and can be relied upon.

***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 2018-19 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 2018-19 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. We determined that, in general, resubmissions by the University have been rare, were made timely before the BOG's need for the data, and did not affect the University's performance towards achieving the Performance-Based Funding metrics.

#### ***Recommendations:***

We have no recommendations for this Objective #6.

#### ***Objective #7: Determine the current status since our conclusion in the 2018-19 PBF audit concerning the University Data Administrator's data resubmissions to the BOG.***

In our 2018-19 audit, 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.*



***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 November 18, 2018 and December 5, 2019, and found that the University submitted 23 files to the BOG and resubmitted only three of these files. The resubmitted files were the Annual 2017 Retention File, Summer 2019 SIF, and Fall 2019 Admissions File.

The first resubmission, involving the Retention File, was due to student personal identification number (ID) changes. With the BOG's change to the four-year FTIC graduation rate metric, IR had to audit the IDs of all the students in the effective cohort. This was a detailed audit that IR has historically performed only for the affected cohort year for the previous six-year FTIC graduation rate metric. When IR administrators were verifying the retention data for the 2020 Accountability Plan, they realized there were seven student ID changes that were not included in the BOG Retention File data. This resubmission was done to make sure the University reports a correct value for the four-year FTIC graduation rate metric. IR has always audited student ID changes for its annual IPEDS reporting for the six-year FTIC graduation rate metric, but did not have a protocol for doing so for the four-year rate. The current BOG file structure supports IR reporting student ID changes as they occur, which puts IR in the position of having to add this additional tracking and auditing step to the ongoing process. IR is working with BOG staff to allow its staff to submit student ID changes once for the affected cohort year, as opposed to having to submit them with every file. This would make the reporting much easier for the University, and logically more accurate. 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 SIF File, was due to a misinterpretation of the use of a new flag in this file, the FTIC Alternative Admit Flag. FSU and other institutions did not interpret the change as the BOG intended, as the guidance in the data dictionary did not explain how to use the new field. This resubmission was also made in a timely manner, prior to the BOG's need for the data for its PBF metrics calculations.

The third resubmission, involving the Admissions File, was due to IR not reporting old SAT scores in the file. The BOG staff recognized there were no old SAT scores on the file. The test was not used by the majority of the University's applicants, as they were too young to take it. Nonetheless, IR found some admitted students who had taken the test. Even though these scores were not used as the primary score for admission, the BOG asked IR to include the scores. This resubmission was made in a timely manner, prior to the BOG's need for the data for its PBF metrics calculations.

***Conclusion for Objective #7:***

We determined that, in general, resubmissions by the University have been rare, were made timely before the BOG's need for the data, and did not affect the University's performance towards achieving the Performance-Based Funding metrics.

***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 2, 2020.

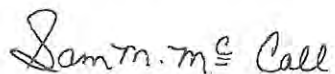
***Recommendations:***

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, 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 Heather Friend, CPA, CIA Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Assistance with audit review by:	Sam M. McCall
Audit supervised by:	Kitty Aggelis

### Acronyms Used in This Report

BOG	Board of Governors
CIP	Classification of Instructional Programs
DA	Data Administrator
DEO	Florida Department of Economic Opportunity
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
NSC	National Student Clearinghouse
PBF	Performance-Based Funding
SEOG	Federal Supplemental Educational Opportunity Grant
SFA	Student Financial Aid
SIF	Student Instruction File
SIFD	Student Instruction File Degrees Awarded
SUDS	State University Database System
SUS	State University System
WRIS2	Wage Record Interchange System



# Audit Report



THE  
FLORIDA STATE  
UNIVERSITY

Office of Inspector General Services

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

*Preeminent Research University Metrics  
Data Integrity Certification Audit  
Fiscal Year 2019-20*

**AR 20-05**

**January 24, 2020**

## Summary

Overall, we concluded the University has adequate processes for collecting and reporting Preeminent Research University 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 Preeminent Research University Metrics – Data Integrity Certification, which the BOG requested to be filed with it by March 2, 2020.

## Scope, Objectives, and Methodology

In his June 18, 2019, memorandum to University Boards of Trustees' Chairs and University Presidents, the Chair of the State University System (SUS) of Florida Board of Governors (BOG) advised that, during the 2019 Legislative Session, lawmakers approved Senate Bill 190 that contains language amending Section 1001.706, Florida Statutes, as follows:

*Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.92 complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.*

Thus, the BOG Chair instructed the University Board of Trustees of each University 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.*

Additionally, the BOG Chair asked that:

*...these audits include testing of data that supports performance funding metrics, as well as preeminence or emerging preeminence metrics if applicable, as testing is essential in determining that processes are in place and working as intended.*

*In addition to the data integrity audit for the Performance-Based Funding Model, universities designated as preeminent or emerging preeminent will need to conduct a similar audit for the data and metrics used for preeminent status consideration. This audit may be included with or separate from the Performance-Based Funding Data Integrity Audit.*

*The scope and objectives of the audit(s) should be set jointly between the chair of the university board of trustees and the university chief audit executive. The audit(s) 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.*

*Using the results from the data integrity audit(s), each university president should complete the attached Data Integrity Certification. When completing this certification, evaluate each of the 13 prepared representations, which have been revised to include preeminence and emerging preeminence for those universities so designated. If you are able to affirm a representation as prepared, do so. If you are unable to affirm a representation as prepared, explain the modification in the space provided. It is important that representations be modified to reflect significant or material audit findings. The certification document shall be signed by the university president and board of trustees chair after being approved by the board of trustees.*

*The audit results and corrective action plans as needed shall be provided to the Board of Governors after being accepted by the university's board of trustees. The audit results shall support the president's certification and include any noted audit findings. The completed Data Integrity Certification and audit report(s) shall be submitted to the Office of Inspector General and Director of Compliance<sup>1</sup> no later than March 2, 2020.*

*I ask that you consider the March 2nd deadline when establishing dates for your 2020 board of trustees meetings as we will need these audits and certifications in sufficient time to be included in our March Board of Governors' meeting materials.*

This is the sixth consecutive year the BOG has called for each university to conduct a data integrity audit for the Performance-Based Funding (PBF) Model. This is the first year the BOG has called for universities designated as preeminent or emerging preeminent, which includes Florida State University (FSU), to conduct a similar audit for the data and metrics used for preeminent status consideration. Our Office has decided to conduct this second required audit as separate from the Performance-Based Funding Model - Data Integrity Audit, and to issue this separate audit report for it.

Florida State University has decided upon the following scope and objectives for its Preeminent Research University Metrics Audit.

#### **Scope:**

This audit will include a validation, through testing, of the actual data upon which the University's Preeminent Research University Metrics are based. In addition, auditors will review timeliness of data submissions to the BOG and any resubmissions of the data, to establish causes. The overall purpose of the audit is 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 Metrics/Preeminent Research University Metrics - Data Integrity Certification, which will be submitted to the University's Board of Trustees and filed with the BOG by March 2, 2020.

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<sup>1</sup> This is a reference to the BOG's Office of Inspector General and Director of Compliance.

The Performance-Based Funding Metric Definitions in the BOG's Preeminent Metrics Methodology Document, released October 7, 2019, to the SUS universities include the following. The Academic and Research Excellence Standards for a preeminent state research universities program, as written in Florida Statutes Section 1001.7065(2), are also presented.

1. Average Grade Point Average (GPA) and Scholastic Aptitude Test (SAT) Score;
2. National Public University Rankings;
3. Freshman Retention Rate;
4. Four-Year Graduation Rate;
5. National Academy Memberships;
6. Total Annual Research Expenditures;
7. Total Annual Research and Development (R&D) Expenditures in Non-Health Sciences;
8. National Ranking in Research Expenditures;
9. Patents Awarded;
10. Doctoral Degrees Awarded Annually;
11. Number of Post-Doctoral Appointees; and
12. Endowment Size.

This audit solely addresses the integrity of the University's data submissions to the BOG that support the University's Preeminent Research University Metrics for the 2020 Accountability Plan. In the event certain of these data are not yet available when we conduct testing, we plan to use the most recent data for the pertinent metrics.

***Objectives:***

1. Determine whether the University has timely submitted Preeminent Research University Metrics data to the BOG.
2. Determine the accuracy of the University's Preeminent Research University Metrics data submitted to the BOG, through audit testing of the University's source data against what was reported to the BOG.
3. Determine whether for the period under audit there were any resubmissions of Preeminent Research University Metrics data to the BOG and the reasons for these resubmissions.
4. Provide an objective basis of support for the President and Board of Trustees chair to sign the representations made in the Performance-Based Funding Metrics/Preeminent Research University Metrics - Data Integrity Certification.

Our detailed methodology for each of our four 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:



- 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; and
- Latest data files submitted to the BOG that contained elements used in calculating Preeminent Research University Metrics Data, 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. On June 18, 2019, Chapter 2019-103, Laws of Florida, Committee Substitute for Senate Bill No. 190, relating to higher education, was signed by the Governor. The act amended s. 11.45, F.S., officially requiring in law that, among other things:

### (5) POWERS AND DUTIES RELATING TO ACCOUNTABILITY

*(e) The Board of Governors shall maintain an effective information system to provide accurate, timely, and cost-effective information about each university. The board shall continue to collect and maintain, at a minimum, management information as such information existed on June 30, 2002. To ensure consistency, the Board of Governors shall define the data components and methodology used to implement ss. 1001.7065<sup>2</sup> and 1001.92.<sup>3</sup> Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.92 complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.*

According to information on the BOG's website as of November 5, 2019, the BOG's current Active Regulations include Chapter 5 Performance-Based Funding with one Section, BOG 5.001, which was amended January 31, 2019, and again on October 31, 2019. As stated in BOG 5.001(1):

<sup>2</sup> Preeminent State Research Universities Program

<sup>3</sup> State University System Performance-Based Incentive



*(1) The Performance-Based Funding (PBF) model is based upon four guiding principles:*

- a) Align with State University System's (SUS) Strategic Plan goals;*
- b) Reward excellence and improvement;*
- c) Have a few, clear, simple metrics; and*
- d) Acknowledge the unique mission of the different SUS institutions.*

BOG 5.001(2) and (3) provide further description of the BOG's PBF initiative:

- (2) The PBF model measures institutional excellence and improvement of performance using metrics adopted by the Board of Governors. The metrics include graduation rates; retention rates; post-graduation education rates; degree production; affordability; post-graduation employment and salaries, including wage thresholds that reflect the added value of a baccalaureate degree; access; and other metrics that may be approved by the Board in a formally noticed meeting.*
- (3) The performance of an institution is evaluated based on benchmarks adopted by the Board of Governors for each metric. For each fiscal year, the amount of funds available for allocation to SUS institutions shall consist of the state's investment, plus the institutional investment from each institution's base budget, as determined in the General Appropriations Act. The amount of institutional investment withheld from each SUS institution shall be a proportional amount based on each institution's recurring base state funds to the total SUS recurring base state funds (excluding special units). Florida Polytechnic University is not included in the model until such time as data is readily available.*

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. In line with the newly passed Chapter 2019-103, Laws of Florida, the BOG updated its Regulations, Chapter 5 Performance-Based Funding with one Section, BOG 5.001, to include the following:

- (8) University chief audit executives shall conduct or cause to have conducted an annual data integrity audit to verify the data submitted for implementing the Performance-Based Funding Model complies with the data definitions established by the Board of Governors. The audit report shall be presented to the university's board of trustees for its review, acceptance, and use in completing the data integrity certification. The audit report and data integrity certification are due to the Board of Governors' Office of Inspector General by March 1 each year.*

As mentioned, while this is the sixth consecutive year Florida State University's Office of Inspector General Services has completed a PBF Metrics - Data Integrity Certification audit and certification for the University's President and Board of Trustees Chair to sign after being approved by the FSU Board of Trustees, this is the first year the BOG has called for universities designated as preeminent or emerging preeminent, which includes Florida State University, to conduct a similar audit for the data and metrics used for preeminent status consideration. These audits and signed certification are subsequently to be provided to the BOG.

## *Findings*

Overall, we concluded that the University has adequate processes for collecting and reporting Preeminent Research University 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 Metrics/Preeminent Research University Metrics – Data Integrity Certification, which the BOG requested to be filed with it upon approval by the Board of Trustees, by March 2, 2020.

***Objective #1: Determine whether the University has timely submitted Preeminent Research University Metrics data to the BOG.***

***Current Findings:***

To test the timeliness of submissions of required files to the BOG that relate to FSU's Preeminent Research University Metrics, we used Submission History information from the BOG State University Database System (SUDS) system. The following BOG-required files relate to the University's Preeminent Metrics. For each of these required files, we reviewed the University's current and historical submissions back to the third most recent submission.

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)
Student Instruction File (SIF)	Fall 2018 through Summer 2019
Retention	2015-16 through 2017-18
Student Instruction File Degrees Awarded (SIFD)	Fall 2018 through Summer 2019
Admissions File	Spring 2019 through Fall 2019

The two most recent submissions for each of these four files were submitted on time, and only one of the four files from the third most recent submission was late, by one day. Please note in the table the three most recent submissions of each of the four required files that relate to FSU's Preeminent Research University Metrics. The University has continuously submitted the data in a timely manner, and timeliness of the University's data submissions to the BOG is not a present concern.



Most Recent Submission				
File	Term	SUDS Due Dates	Submission to BOG	Days Late
Student Instruction File	Summer 2019	9/27/2019	9/27/2019	N/A – On Time
Retention File	Annual 2017	1/30/2019	1/30/2019	N/A – On Time
Degrees Awarded File	Summer 2019	10/4/2019	10/4/2019	N/A – On Time
Admissions File	Fall 2019	10/14/2019	10/14/2019	N/A – On Time
Second Most Recent Submission				
File	Term	SUDS Due Dates	Submission to BOG	Days Late
Student Instruction File	Spring 2019	6/12/2019	6/12/2019	N/A – On Time
Retention File	Annual 2016	1/23/2018	1/23/2018	N/A – On Time
Degrees Awarded File	Spring 2019	6/26/2019	6/26/2019	N/A – On Time
Admissions File	Summer 2019	9/20/2019	9/20/2019	N/A – On Time
Third Most Recent Submission				
File	Term	SUDS Due Dates	Submission to BOG	Days Late
Student Instruction File	Fall 2018	1/23/2019	1/24/2019	1 day
Retention File	Annual 2015	1/25/2017	1/25/2017	N/A – On Time
Degrees Awarded File	Fall 2018	2/1/2019	1/30/2019	N/A – Early
Admissions File	Spring 2019	3/1/2019	3/1/2019	N/A – On Time

### ***Conclusion for Objective #1:***

We concluded the processes used by the University Data Administrator and his staff in Institutional Research (IR) 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 #2 concerning audit testing of Preeminent Research University Metrics data accuracy, which immediately follows.

### ***Recommendations:***

We have no recommendations for this Objective #1.

***Objective #2: Determine the accuracy of the University's Preeminent Research University Metrics data submitted to the BOG, through audit testing of the University's source data against what was reported to the BOG.***

The University's 12 Preeminent Research University Metrics are as follows.

1. Average Grade Point Average (GPA) and Scholastic Aptitude Test (SAT) Score;
2. National Public University Rankings;
3. Freshman Retention Rate;
4. Four-Year Graduation Rate;
5. National Academy Memberships;
6. Total Annual Research Expenditures;

7. Total Annual Research and Development (R&D) Expenditures in Non-Health Sciences;
8. National Ranking in Research Expenditures;
9. Patents Awarded;
10. Doctoral Degrees Awarded Annually;
11. Number of Post-Doctoral Appointees; and
12. Endowment Size.

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 Preeminent Research University Metrics.

### ***Current Findings:***

#### **Metric 1a and 1b (Average Grade Point Average (GPA) and Scholastic Aptitude Test (SAT) Score)**

Metric 1a and 1b, Average GPA and SAT Score, are based on having an average weighted grade point average of 4.0 or higher on a 4.0 scale, and an average SAT score of 1800 or higher on a 2400-point scale or 1200 or higher on a 1600-point scale, for Fall semester incoming freshmen, as reported annually.

According to the October 2019 Preeminent Metrics Methodology Document, the data are calculated by the BOG based on the Admissions File submission that is uploaded to the State University Database System (SUDS) by the University. The results of the BOG's calculations are reviewed, and approved, by Institutional Data Administrators, before being included in the Accountability Plans.

#### **Metric 1a - Average GPA**

To calculate the average GPA, the BOG filters the Admissions Applicants File to include only first-time-in-college (FTIC) students who are newly admitted and registered. The BOG excludes student records with non-traditional GPAs (i.e., 9.8), or when a student's GPA was not available (i.e., 9.9).

We reviewed the Fall 2019 Admissions Applicants File that FSU submitted to the BOG and filtered the file based on the BOG's criteria. This filter resulted in 4,140 students. We ran a query in the University's Campus Solutions system of Fall 2019 admitted and enrolled FTIC students, and reconciled the two files. We then ran a query of Fall 2019 admitted and enrolled FTIC students in the University's Slate system, which houses most of the admissions data for the University, and reconciled these results to the BOG Admissions Applicants File and Campus Solutions query that we previously ran. We compared the high school GPAs reported in the Admissions Applicants File for FTIC FSU students who were newly admitted and registered, to the high school GPAs listed in the Slate query for the students and noted they agreed.



## **Metric 1b - Average SAT Score**

To calculate the average SAT score, the BOG filters the Admissions Applicants File to include only FTIC students who are admitted or provisionally admitted. The BOG uses the SAT and ACT subscores in its calculation for this metric. We combined the Test Requirements File of the Admissions Table with the Admission Applicants File of the Admissions Table based on the student identification number. We filtered the combined files based on the BOG criteria (i.e., Type of Student, Final Admission Action, and Test or Requirement Type Code). There were 15,830 students who met these criteria, with a total of 99,179 test scores reported. We ran a query in the University's Campus Solutions system of Fall 2019 applicants, based on the BOG criteria, and reconciled the query results with the previous BOG filtered file. We then ran a query in the University's Slate system of Fall 2019 applicants based on the BOG criteria, and compared the ACT and SAT test scores reported in the filtered BOG Test Requirements File to the results in the Slate system query, and determined they were materially correct.

It should be noted that the BOG converts the ACT and old SAT subscores to the redesigned SAT subscore scale based on the national concordance tables, and then compares the converted scores to the redesigned SAT scores to determine if the scores will be used in the calculation of this metric. We did not audit the additional conversion and comparison calculations that the BOG performed for this metric.

Based on our analyses, we concluded that FSU's data used to develop the Average GPA and Average SAT scores are materially correct and can be relied upon.

## **Metric 2 (National Public University Rankings)**

According to the Florida Statutes 1001.7065 Preeminent State Research Universities Program and the October 2019 Preeminent Metrics Methodology Document, Metric 2 is based on a top-50 ranking on at least two well-known and highly respected national public university rankings, including, but not limited to, the U.S. News and World Report rankings, reflecting national preeminence, using most recent rankings. The Board of Governors approved the list of publications shown below during the November 2014 Board meeting, as part of the revisions to the 2025 System Strategic Plan. The requirement for Preeminence is a top-50 ranking on at least two of the following national publications: Princeton Review, Fiske Guide, QS World University Ranking, Times Higher Education (THE) World University Ranking, Academic Ranking of World University, U.S. News and World Report National University, U.S. News and World Report National Public University, U.S. News and World Report Liberal Arts Colleges, Forbes, Kiplinger, Washington Monthly Liberal Arts Colleges, Washington Monthly National University, and Center for Measuring University Performance.

These rankings are based on various criteria, such as admission rate, graduation rate, retention rate, cost and financial aid, faculty/student ratio, academic and employer reputation, alumni salary, student satisfaction, total research expenditures, endowment assets, faculty awards, number of alumni, number of Nobel Prize winning staff, and number of published articles in professional journals.

The table below shows the eight publications where the University received a top-50 public university ranking in the most recent publication. While the metric only requires the University to be in the top-50 for two publication rankings, the University currently meets this requirement for eight publication rankings.

<b>Publication</b>	<b>Publication Year</b>	<b>National Public University Ranking</b>
2019 Academic Ranking of World Universities (ARWU)	2019	37
2017 Center for Measuring University Performance (TARU)	2018	27
2019 Forbes – America’s Top Colleges (Public Colleges)	2019	43
2019 Kiplinger Best Value in Public Colleges (In-State Students)	2019	42
2020 QS World University Ranking	2019	45
2020 Times Higher Education (THE) World University Rankings	2019	39
2020 US News and World Report – National Public Universities	2019	18
2019 Washington Monthly – National Universities	2019	48

In sum for Metric 2, we reviewed the national publications identified by the Board of Governors and identified Florida State University as receiving a top-50 ranking by the above eight publications. Based on the most recent data, the 2020 Metric 2 (National Public University Ranking) value is eight, which will be reported by the University and subsequently by the BOG in its 2020 System Accountability Plan.

### **Metric 3 (Freshman Retention Rate)**

Metric 3, Freshman Retention Rate, is based on having a retention rate of 90 percent or higher for full-time, FTIC freshmen, as reported annually to the Integrated Postsecondary Education Data System (IPEDS).

According to the October 2019 Preeminent Metrics Methodology Document, each institution has an IPEDS Keyholder who is responsible for submitting data to IPEDS. The data submitted for retention rates must not exceed the rates calculated by the Board’s Retention software, in SUDS, by more than one percentage point.

The calculation of this Preeminent Research University Metric uses two sets of enrollment data from sequential Fall Student Instruction File Preliminary (SIFP) Files. The first year’s Fall SIFP 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 SIFP File enrollment data are used to determine whether those individuals continued to be enrolled one year later.

We evaluated the most recent two years of Fall SIFP File enrollment data, which are used in calculating the aggregate amounts submitted to IPEDS. The most recent data submitted to IPEDS were from Fall 2017 and Fall 2018. We filtered the University’s Fall 2017 SIFP File submitted to IPEDS to identify the University’s FTIC students who started in the Fall 2017 (or Summer continuing to Fall 2017) term and were enrolled full time. The filtered Fall 2017 SIFP File contained 6,451 records of students who comprised the Fall 2017 FTIC cohort. To compare these data to the University’s source data, we developed a query in the University’s Campus Solutions system and were able to reconcile the query results to the Fall 2017 SIFP File records.

We compared student records in the Fall 2017 SIFP File FTIC cohort to the 2018 unfiltered SIFP File to determine the number of SIFP File FTIC cohort students who continued their enrollment into a second year. We identified 5,969 of the 6,451 students (93 percent) from the Fall 2017 SIFP File FTIC cohort who continued their enrollment in Fall 2018. We compared all 5,969 students who were retained in 2018 to the results of a Campus Solutions query of enrolled students for the Fall 2018 term, to determine whether the data in the Fall 2018 SIFP File that were used in the IPEDS retention rate calculation were in agreement with corresponding information in the University's Campus Solutions system. We noted these files were in agreement.

Based on our analyses, we concluded that the data used to identify the aggregate amounts submitted to IPEDS, which are used by the BOG to develop the University's freshman retention rate, are materially correct and can be relied upon.

#### **Metric 4 (Four-Year Graduation Rate)**

Metric 4, Four-Year Graduation Rate, requires a rate of 60 percent or higher for full-time, FTIC students, as reported annually to the IPEDS.

According to the October 2019 Preeminent Metrics Methodology Document, each institution has an IPEDS Keyholder who is responsible for submitting data to IPEDS. The data submitted for graduation rates must not exceed the rates calculated by the Board's Retention software, in SUDS, by more than one percentage point. We reviewed the most recent four-year graduation rate submitted to IPEDS, which was based on the 2012 cohort. The graduation rate was 66 percent, which is the rate reported in the 2019 System Accountability Plan.

The BOG creates annual Retention Files on student cohorts by year of entry to the University. The FTIC cohort population is defined as students who enroll in the Summer term and continue to the Fall term, or students who begin in the Fall term. After the cohort has been determined, the BOG uses the University submitted Student Instruction File (SIF File) to build the cumulative enrollment Retention File. IR reviews the BOG-developed Retention File and provides any needed edits. IR submits this information to IPEDS, which also includes four-year degree headcounts from cumulative University SIFD submissions.

IR also develops the Retention Person Identification Change and Adjustment Files, which it submits to the BOG. The Retention Person Identification Change File reports changes to the identification numbers for the cohort. We reviewed the 2016-17 Retention Person Identification Change File, as this file reported student identification changes to the 2012 and 2014 cohorts. The Retention Adjustment File identifies students in a 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. We reviewed the 2017-18 Retention Adjustment File, which included adjustments for the 2012-13 cohort. We noted that the process for identifying these identification changes and adjustments to the cohort is consistent with prior years.

**Verification of the 2012 FTIC Cohort.** We reviewed the 2012-13 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 2012 academic year, with degrees awarded for each included student through Fall 2018. The Summer 2012 and Fall 2012 SIF File data provide the information needed to identify the 2012 FTIC cohort population for this metric.



To validate the 2012 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 5,749 records. We used a query we developed in Campus Solutions and additional manual reconciliations and determined that the records identified using BOG selection criteria for this measure materially agreed with corresponding University records.

**Verification of Degree Earned.** The degrees awarded amounts submitted to IPEDS are based on information provided in the SIFD Degrees Awarded Files. In our PBF Metrics Data Integrity Certification Audit, an audit step in validating data is determining whether SIFD Degrees Awarded data are complete and accurate. The SIFD Degrees Awarded Files for Summer 2015, Fall 2015, Spring 2016, and Summer 2016, which are the terms to be tested for the 2012 cohort, were tested and validated as part of a prior PBF audit. As reported in Audit Report AR17-03, the data were accurate and complete.

Based on our analyses, we concluded that the data used to develop the Four-Year Graduation Rate for FTIC Students submitted to IPEDS are materially correct and can be relied upon.

#### **Metric 5 (National Academy Memberships)**

Metric 5, National Academy Memberships, is based on six or more faculty members at the state university who are members of a national academy, as reported by the Center for Measuring University Performance in the Top American Research Universities (TARU) annual report of the official membership directories maintained by each national academy.

According to the October 2019 Preeminent Metrics Methodology Document, once a year, in early February, the BOG Office of Data and Analytics (ODA) staff searches the online directories of the National Academies of Sciences, Engineering, and Medicine and provides member counts based on affiliation (including shared affiliation) and excludes deceased members. The results of ODA's research are reviewed, and approved, by Institutional Data Administrators, before being included in the Accountability Plans.

We reviewed the memberships as of February 2019, which was the most recent reporting period available. The total reported memberships for this period, which was reported in the 2019 Accountability Plan, were eight members. We reviewed the official membership directories of the National Academies of Science, Engineering, and Medicine, for any living members that were affiliated with the University. We found a total of eight living members, as of February 2019, from the three directories, which are detailed below. This is consistent with what was reported in the 2019 Accountability Plan.



<b>National Academy</b>	<b>Number of Living Members as of February 2019</b>
National Academy of Science	3
National Academy of Engineering	2
National Academy of Medicine	3

Based on our testing, we determined that the amount of National Academy Memberships reported in the 2019 Annual Accountability Plan is accurate.

#### **Metrics 6 and 7 (Total Annual Research Expenditures and Total Annual Research and Development (R&D) Expenditures in Non-Health Sciences)**

The preeminence standard for Metric 6, Total Annual Research Expenditures (Science and Engineering Research Expenditures), is based on total annual research expenditures, including federal research expenditures, of \$200 million or more, as reported annually by the National Science Foundation (NSF). The preeminence standard for Metric 7, Total Annual Research and Development (R&D) Expenditures in Non-Health Sciences (Non-Medical Science and Engineering Research Expenditures), is based on total annual research expenditures in diversified nonmedical sciences of \$150 million or more, based on data reported annually by the NSF.

According to the October 2019 Preeminent Metrics Methodology Document, once a year, the Office of Data and Analytics staff analyzes each institution's response to the National Science Foundation's annual Higher Education Research and Development (HERD) survey that is submitted to the Board office via the Data Request System. For Metric 6, ODA staff calculates the total expenditures for science and engineering disciplines by summing the total federal and non-federal expenditures and then subtracting all federal and non-federal expenditures for non-medical science and engineering disciplines. For Metric 7, ODA staff adds the total federal and non-federal medical science and research expenditures and then subtracts that sum from the science and engineering total that is calculated for Metric 6. The results of ODA's research are reviewed, and approved, by Institutional Data Administrators, before being included in the Accountability Plans.

Staff within FSU's Office of the Vice President for Research compiles the data from various sources within the University, which provides the aggregate amount of research expenditures listed in the survey. We reviewed the department's procedures used to compile the information, as well as the source data. We reviewed the 2018 HERD Survey, which was the most recent survey available at the time of our audit testing. This survey was originally submitted in the beginning of 2019. However, as a result of NSF's initial review, the University removed a land purchase line item from the total of the other science non-federal disciplines, and resubmitted the survey. The originally submitted total annual science and engineering research expenditures for fiscal year (FY) 2018 was \$267 million, and the total annual non-medical science and engineering research expenditures for FY 2018 was \$241 million. This is consistent with the amounts reported in the 2019 Accountability Plan. After the resubmission of the survey, the total annual science and engineering research expenditures was \$260 million, and the total annual non-medical science and engineering research expenditures was \$235 million. The resubmitted survey amounts were still above the requirement for both Metrics 6 and 7. We were able to reconcile the source data to the amounts provided on the 2018 HERD survey.

Based on our analysis, we concluded the data used by the BOG for Metrics 6 and 7 are materially correct and can be relied upon.

### **Metric 8 (University National Ranking in Research Expenditures)**

Metric 8, University National Ranking in Research Expenditures, is based on a top-100 university national ranking for research expenditures in five or more science, technology, engineering, or mathematics fields of study, as reported annually by the NSF.

According to the October 2019 Preeminent Metrics Methodology Document, once a year, the Office of Data and Analytics staff downloads research expenditure data from the National Science Foundation's annual Higher Education Research and Development (HERD) survey, using the National Science Foundation's National Center for Science and Engineering Statistics (NCSES) online data tool.

The NSF identifies eight broad disciplines within Science and Engineering: 1) Computer Science, 2) Engineering, 3) Environmental Science, 4) Life Science, 5) Mathematical Sciences, 6) Physical Sciences, 7) Psychology, and 8) Social Sciences. ODA staff analyzes total research expenditures, by fiscal year, for each public four-year institution in the country, by broad discipline, and determines the rankings for each State University System institution for each of the broad disciplines. The results of ODA's research are reviewed, and approved, by Institutional Data Administrators, before being included in the Accountability Plans.

The BOG's methodology states that only public institutions are used in the calculation of the rankings. We noted that Section 1001.7065(1)(h), Florida Statutes, makes no mention of the word "public," and the 2019 System Accountability Plan states that the ranking includes both public and private institutions. Upon FSU's inquiry of the BOG, we learned the BOG's methodology document and the ranking calculation should include both public and private institutions. Therefore, for our audit testing purposes, we calculated the rankings of research expenditures based on both public and private institutions.

The table below shows the eight disciplines and the University's ranking among all national universities for FY 2018, which were the most recent data available at the time of our audit testing. The University had a top-100 national ranking for seven of the eight broad disciplines.

<b>Discipline</b>	<b>National Public University Ranking</b>
Computer Science	52
Engineering	58
Environmental Science	39
Life Science	132
Mathematical Science	38
Physical Science	20
Psychology	20
Social Sciences	36

The research expenditure amounts used for NSF's rankings are based on data compiled by the Office of the Vice President for Research. As part of our audit testing for Metrics 6 and 7, we reviewed the source data that was used to determine the 2018 rankings. Based on our analysis, we concluded the data used by the BOG for Metric 8 are correct and can be relied upon.

#### **Metric 9 – (Patents Awarded)**

Metric 9, Utility Patents Awarded, is based on 100 or more total patents awarded by the United States Patent and Trademark Office (USPTO) for the most recent three-year period.

According to the October 2019 Preeminent Metrics Methodology Document, once a year, ODA staff searches the online database for the USPTO for all utility patents awarded during the most recent three-year period. The results of ODA's research are reviewed, and approved, by Institutional Data Administrators, before being included in the Accountability Plans.

We reviewed the number of utility patents awarded to the University during the period of January 1, 2016 through December 31, 2018, which was the most recent three-year reporting period available. The total reported utility patents for this period was 115 patents, which is consistent with the amount reported in the 2019 Accountability Plan.

#### **Metric 10 (Doctoral Degrees Awarded Annually)**

Metric 10, Doctoral Degrees Awarded Annually, involves having four hundred or more doctoral degrees awarded annually, including professional doctoral degrees awarded in medical and health care disciplines, as reported in the Board of Governors Annual Accountability Plan.

According to the October 2019 Preeminent Metrics Methodology Document, the data are calculated by the BOG based on the SIFD File submission. The reporting year for degrees includes the Summer, Fall, and Spring terms. This metric includes all doctoral research degrees, as well as health professional doctoral degrees with a Classification of Instructional Programs (CIP) code of 51.

#### **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. Our testing population consisted of SIFD File submissions data for degrees awarded for the terms Summer 2018, Fall 2018, and Spring 2019.

We determined there were 560 doctoral degrees awarded, as reported in the University's SIFD Files for this time frame, that met the BOG's criteria.

To determine the validity of the SIFD File submissions data, we developed queries in the University's Campus Solutions system, which is the University's system of record, to obtain degrees awarded data for academic year 2018-19. We reconciled the SIFD File data to the degrees awarded data from the University's Campus Solutions system, by the student identification number and CIP code, to determine if the data submitted to the BOG were complete and valid.

Of the 560 degrees awarded records submitted to the BOG for Summer 2018, Fall 2018, and Spring 2019, all of these records were readily reconcilable to our query results using Campus Solutions source data. Based on our analysis, we concluded the data used by the BOG for this metric are correct and can be relied upon.

### **Metric 11 (Number of Post-Doctoral Appointees)**

For Measure 11, Number of Post-Doctoral Appointees, the benchmark is two hundred or more postdoctoral appointees annually, as reported in the Top American Research Universities (TARU) annual report.

According to the BOG October 2019 Preeminent Metrics Methodology Document, the ODA staff reviews the Top American Research Universities (TARU) annual report that is produced by the Center for Measuring University Performance. The source of this data is each institution's response to the National Science Foundation/National Institutes of Health annual Survey of Graduate Students and Post-doctorates in Science and Engineering (GSS).

It is important to note there is a two-year lag in data for this metric between the data in the TARU report and the data that institutions provide in the GSS. The 2019 Florida Legislature allowed the 2019 evaluation of this metric to be based on ODA's review of the annual GSS reporting Fall 2017 data. IR expects that the 2020 evaluation of this metric will be based on the more recent Fall 2018 data. Since both the TARU report and the GSS data are derived from the same source, with only a difference in timing, we reviewed the more recent data submitted to the GSS, which were the Fall 2018 data.

A postdoctoral scholar, as defined by the University, is an appointee who was awarded a Ph.D. or equivalent doctorate (e.g., Sc.D, M.D.) in an appropriate field, generally within five years prior to appointment. The appointment generally lasts four years. The NSF Survey stipulates that the counting period for the survey is any post-doctoral appointee in the Fall term. The range for the Fall 2018 count was from August 7, 2018 through December 19, 2018. The NSF Survey has specific terms for who can be counted and what broad fields they must be from (i.e., Science, Engineering, and Health). Only the following disciplines are included: agriculture sciences; biological and biomedical sciences; computer and information sciences; geosciences, atmospheric sciences, and ocean sciences; mathematics and statistics; multidisciplinary and interdisciplinary studies; natural resources and conservation; physical sciences; psychology; social sciences; engineering; clinical medicine; and other health disciplines. The NSF has developed a crosswalk between the Classification of Instructional Programs (CIP) codes and the GSS codes, which is updated each year.



The Graduate School staff uses several methods to determine the number of post-doctoral appointees at the University. They begin by running two queries from the University's Online Management of Networked Information (OMNI) Oracle Human Resources database of employees in particular job codes. Afterwards, they communicate with certain centers on campus about the names of current post-doctoral appointees in job codes not reported in the two queries. They then perform a final review to confirm the post-doctoral appointee listing before submitting the NSF Survey, which is due near the end of February each year.

FSU's Fall 2018 submission to the NSF included a total of 242 post-doctoral appointees. To analyze the information for the 242 appointees, we first reviewed FSU OMNI Human Resources system initial query results used to identify post-doctoral appointees for the NSF submission. There were 181 appointees included in the two initial FSU queries. These two queries only included data from certain job codes as of the date each query was run. Post-doctoral appointees were also found with other job codes at FSU Research Centers and other Academic Units, which were not included in the initial OMNI Human Resources query results but were included in the total 242 post-doctoral appointees submitted to NSF. FSU's Graduate School communicated directly with these additional centers and units to determine if there were additional post-doctoral appointees who were not included in the OMNI query results. Of the 61 additional appointees submitted to the NSF that were not included in the initial OMNI Human Resources query results, we chose a sample of 15 of these appointees (25 percent) and reviewed their job data information in the OMNI Human Resources system. We determined that all 181 appointees from the initial queries and all 15 appointees from our sample had appointments during the Fall 2018 term in appropriate disciplines.

Based on our analysis, we concluded the data used by the BOG for this metric are correct and can be relied upon.

### **Metric 12 (Endowment Size)**

Metric 12, Endowment Size, is based on an endowment of \$500 million or more, as reported in the Board of Governors Annual Accountability Plan.

According to the October 2019 Preeminent Metrics Methodology Document, once a year, the BOG Office of Data and Analytics (ODA) staff reviews the National Association of College and University Business Officers (NACUBO) and Commonfund Institute's annual online report of Market Value of Endowment Assets. The results of ODA's research are reviewed, and approved, by Institutional Data Administrators before being included in the Accountability Plans.

We reviewed the FY 2018 Endowment Market Value reported by NACUBO, which was the most recent reporting period available. The University's endowment size for this period, which was reported in the 2019 Accountability Plan, was \$681 million. The University's FY 2018 endowment size is made up of funds from The Florida State University Foundation, The Florida State University Research Foundation, Seminole Boosters, and The John and Mable Ringling Museum of Art Foundation. The table below details the funds from each of these entities.

<b>University Direct Support Organization</b>	<b>Total Amount of Endowment as of June 30, 2018</b>
The Florida State University Foundation	\$500,910,447
The Florida State University Research Foundation	107,989,333
Seminole Boosters	70,373,037
The John and Mable Ringling Museum of Art Foundation	<u>2,096,936</u>
<b>Total University Endowment</b>	<b>\$681,369,753</b>

We reviewed documentation from each of these entities to confirm the total University endowment size. Based on our testing, we determined that the University's endowment size reported in the 2019 Annual Accountability Plan is accurate.

#### ***Conclusion for Objective #2:***

Based on our data accuracy testing for the Preeminent Research University 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 Objective #2.

***Objective #3: Determine whether for the period under audit there were any resubmissions of Preeminent Research University Metrics data to the BOG and the reasons for these resubmissions.***

#### ***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., Student Financial Aid 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 November 18, 2018 and December 5, 2019, and found that the University submitted 23 files to the BOG and resubmitted only three of these files. The resubmitted files were the Annual 2017 Retention File, Summer 2019 SIF File, and Fall 2019 Admissions File.

The first resubmission, involving the Retention File, was due to student personal identification number (ID) changes. With the BOG's change to the four-year FTIC graduation rate metric, IR had to audit the IDs of all the students in the effective cohort. This was a detailed audit that IR has historically performed only for the affected cohort year for the previous six-year FTIC graduation rate metric. When IR administrators were verifying the retention data for the 2019 Accountability Plan, they realized there were seven student ID changes that were not included in the BOG Retention File data. This resubmission was done to make sure the University reports a correct value for the four-year FTIC graduation rate metric. IR has always audited student ID changes for its annual IPEDS reporting for the six-year FTIC graduation rate metric, but did not have a protocol for doing so for the four-year rate. The current BOG file structure supports IR reporting student ID changes as they occur, which puts IR in the position of having to add this additional tracking and auditing step to the ongoing process. IR is working with BOG staff to allow them to submit student ID changes once for the affected cohort year, as opposed to having to submit them with every file. This would make the reporting much easier for the University, and logically more accurate. 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 SIF File, was due to a misinterpretation of the use of a new flag in this file, the FTIC Alternative Admit Flag. FSU and other institutions did not interpret the change as the BOG intended, as the guidance in the data dictionary did not explain how to use the new field. This resubmission was also made in a timely manner, prior to the BOG's need for the data for its PBF metrics calculations.

The third resubmission, involving the Admissions File, was due to IR not reporting old SAT scores in the file. The BOG staff recognized there were no old SAT scores on the file. The test was not used by the majority of the University's applicants, as they were too young to take it. Nonetheless, IR found some admitted students who had taken the test. Even though these scores were not used as the primary score for admission, the BOG asked IR to include the scores. This resubmission was made in a timely manner, prior to the BOG's need for the data for its PBF metrics calculations.

### ***Conclusion for Objective #3:***

We determined that, in general, resubmissions by the University have been rare, were made timely before the BOG's need for the data, and did not affect the University's performance towards achieving the Preeminent Research University metrics.

### ***Recommendations:***

We have no recommendations for Objective #3.

***Objective #4: 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 Metrics/Preeminent Research University Metrics - Data Integrity Certification.***

***Current Findings/Conclusion for Objective #4:***

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding Metrics/Preeminent Research University 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 Metrics/Preeminent Research University Metrics – Data Integrity Certification, which the BOG requested to be filed with it by March 2, 2020.

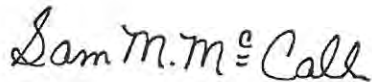
***Recommendations:***

We have no recommendations for this Objective #4.

***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,

A handwritten signature in black ink that reads "Sam M. McCall". The signature is written in a cursive, flowing style.

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 Heather Friend, CPA, CIA Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP, CIG
Audit reviewed by:	Sam M. McCall
Audit supervised by:	Kitty Aggelis

### Acronyms Used in This Report

ARWU	Academic Ranking of World Universities
BOG	Board of Governors
CIP	Classification of Instructional Programs
FSU	Florida State University
FTIC	First Time in College
GPA	Grade Point Average
GSS	Survey of Graduate Students and Post-doctorates in Science and Engineering
HERD	Higher Education Research and Development Survey
ID	Personal Identification Number
IPEDS	Integrated Postsecondary Education Data System
IR	Institutional Research
ODA	BOG Office of Data and Analytics
OMNI	Online Management of Networked Information
NACUBO	National Association of College and University Business Officers
NCSES	National Center for Science and Engineering Statistics
NSF	National Science Foundation
PBF	Performance-Based Funding
R&D	Research and Development
SAT	Scholastic Aptitude Test
SIF	Student Instruction File
SIFD	Student Instruction File Degrees Awarded
SIFP	Student Instruction File Preliminary
SUDS	State University Database System
SUS	State University System
TARU	Center for Measuring University Performance for Top American Research Universities
THE	Times Higher Education
USPTO	United States Patent and Trademark Office



# Data Integrity Certification

March 2020

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 **significant or material** 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"/>	
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"/>	
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	



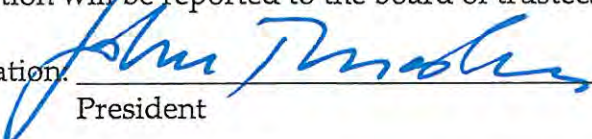

## Data Integrity Certification

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"/>	
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 <b>Submit for Approval</b> 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>2/12/2020</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>2/12/2020</u></p>

**NEW COLLEGE OF FLORIDA BOARD OF TRUSTEES**  
**Meeting Date: February 25, 2020**

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

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**PROPOSED BOARD ACTION**

Accept the Performance Based Funding Data Integrity Agreed-Upon Procedures Audit Report Memorandum dated February 17, 2020 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 June 18, 2019 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, 2020.

The Audit Committee approved Mauldin & Jenkins' Agreed-Upon Procedures engagement at its meeting on June 8, 2019. 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.

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**Supporting Documentation Included:**

Memorandum from CAE/CCO Stier dated February 17, 2020  
Performance Based Funding Data Integrity Agreed-Upon Procedures Audit dated January 24, 2020  
Performance Based Funding Data Integrity Certification Form  
Florida Board of Governors' Letter dated June 18, 2019

**Facilitators/Presenters:** CAE/CCO Stier

**Date:** February 17, 2020

**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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- 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, 2020.

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 findings identified from the agreed-upon procedures completed by Mauldin & Jenkins. However, there was an issue identified from 2019-20-01 Alternative Admissions and Career Seminar Internal Audit report that may impact Performance Funding. The reason the Mauldin & Jenkins agreed-upon procedures report did not identify this issue is because Metric 1 is calculated by the Board of Governors using the NCF graduate submission file. Mauldin & Jenkins tested the graduate submission file and found no issues.

### **Background Information –**

One of the pledges that President O'Shea made in January 2016 to meet Governor Scott's "Ready, Set, Work" Challenge to reach 100% fulltime employment (or graduate school enrollment) within one year for graduates in our two most popular majors of Psychology and General Studies (including Humanities, Natural Sciences, and Social Sciences) was to enroll graduates without jobs in these majors in the NCF career seminar on an opt-out basis. That is, the seminar would be advertised to all students graduating in these majors, they would be enrolled in the course, and encouraged to take it. If they did not want to take it, they could opt out. It was also assumed that they would be dropped automatically if they did not participate at all. 2019-20-01 Alternative Admissions and Career Seminar Internal Audit report has more detail concerning this process.

Enrolling students using an opt out method may impact Metric 1 of the Performance-Based Funding Model. Metric 1 measures the % of graduated students that are enrolled or employed. In order to get

Metric 1 scores, NCF uploads information concerning students that are graduating (SIFD – Degrees Awarded) to the BOG. The BOG is responsible for calculating the final score of Metric 1 using various resources. To verify enrollment, the BOG uses National Student Clearinghouse records to determine whether a student was enrolled again anywhere in the US within 14 months after graduation.

An analysis was performed to determine if NCF received Performance-Based funds with the help of a Metric 1 score. NCF has only received Performance-Based funds twice since the inception of the Performance-Based Funding Model. The first time was on June 2017 which was before the data from the career seminar would be used. The second time was June 2019. However, NCF had the lowest score of all the SUS and Metric 1 had a score of one. A score of one for Metric 1 means that NCF had at least 52.3% to 54.5% of graduates employed earning at least \$25k per year and/or continuing their education.

**Finding –**

NCF has not received performance based funding in the past resulting from opt-out enrolment in the career seminar. However, the practice of enrolling students in the career seminar in an opt-out basis may result in an inflated Metric 1 score unless students who did not to participate in the seminar were administratively dropped from the course. Hence, Performance-Based funds awarded in 2020 and 2021 could be impacted by this practice. Performance-Based funds awarded in 2020 will look at students that graduated in Spring 2018 and funds awarded in 2021 will look at Spring 2019 graduates.

Since the BOG is responsible for calculating this metric, the SUS Inspector General's office was notified on January 15, 2020 of this issue. Also, the Performance-Based Funding Internal Audit due to the BOG by March 1, 2020 and the certification signed by the BOT chair and President will reference this issue.

**Risk –**

NCF could receive Performance-Based funds that we should not receive.

**Recommendation –**

Management should ensure that information provided to the National Student Clearinghouse reflects the students that are withdrawn from the career seminar for lack of participation. This may provide a more accurate Metric 1 score for NCF.

**Management Response:**

**Agree/Disagree: Agree**

**Management Action Plan:**

**We will work with the Registrar's Office to ensure that the report to the National Student Clearinghouse will take into account the students that are withdrawn for lack of participation.**

**Responsible Party: Brad Thiessen, Chief of Staff**

**Target Date: May 1, 2020**

**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 with the exception of internal controls related to Metric 1.

Enclosure: Performance Based Funding Data Integrity Agreed-Upon Procedures Audit issued  
January 24, 2020  
Performance Based Funding Data Integrity Certification Form  
Florida Board of Governors' Letter dated June 18, 2019



**NEW COLLEGE OF FLORIDA  
INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING  
AGREED-UPON PROCEDURES  
SEPTEMBER 30, 2019**

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

**SEPTEMBER 30, 2019**

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**TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES .....	1
Report .....	2
Attachment I Metric Related Submissions Testing.....	10



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

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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, 2019. 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.

### **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.

### **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](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 2019 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 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 files (SIF) submitted. No differences were identified.
    2. All students who received Pell grants were compared to the Student Financial Aid (SFA) files submitted. Two (2) differences were 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. No findings were identified.

## 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, 2018 through September 30, 2019, 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**

2019-01      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 to meet their certification objectives.

New College of Florida

January 24, 2020

Page 9

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 24, 2020

**New College of Florida**  
**Metric Related Submissions**  
**October 1, 2018 through September 30, 2019**

**Attachment I**

<b>Submissions Tested</b>				
<b>Due Date</b>	<b>Submission</b>	<b>Term or Year</b>	<b>Rept Time Frame</b>	<b>Sample Tested</b>
10/10/2018	ADM - Admissions File	Fall 2018	201808	30
10/4/2018	SFA - Student Financial Aid File <sup>(1)</sup>	Annual 2017	20172018	60
1/30/2019	RET - Retention File <sup>(2)</sup>	Annual 2017	20172018	1
1/29/2019	SIF - Student Instruction File <sup>(4)</sup>	Fall 2018	201808	90
3/1/2019	ADM - Admissions File	Spring 2019	201901	30
6/21/2019	SIF - Student Instruction File <sup>(4)</sup>	Spring 2019	201901	90
7/5/2019	SIFD - Degrees Awarded <sup>(3)</sup>	Spring 2019	201901	30
<b>Additional Data Submissions tested for New College specific metrics</b>				
<b>Metric</b>	<b>Submitted Data</b>	<b>Term or Year</b>	<b>Rept Time Frame</b>	<b>Sample Tested</b>
Metric #3 & 9c	HTD Data	Annual 2017	20172018	30
Metric #8b	ADM - Admissions File	Fall 2018	201808	30

<sup>(1)</sup> 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).

<sup>(2)</sup> One (1) change to prior BOG data files was reported and submitted to the BOG during the period.

<sup>(3)</sup> The sample tested was also used to test Metric 10(d) specific to New College of Florida.

<sup>(4)</sup> The Enrollments table was tested for Metric #3, Metric #4, and Metric #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).





## MEMORANDUM

**TO:** Chairs, University Boards of Trustees  
University Presidents

**FROM:** Ned Lautenbach, Chair *Ned C. Lautenbach*

**DATE:** June 18, 2019

**RE:** Data Integrity Audits and Certifications for Performance Based Funding  
and Preeminence Metrics

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Since the Board of Governors' January 2014 approval of the Performance Based Funding Model, the model has incentivized universities and their boards of trustees to achieve excellence and performance improvements in key areas aligned to the State University System of Florida Strategic Plan goals. Over the past six years, the Performance Based Funding state investment has totaled \$1,250,000,000 in additional state funding, demonstrating continued support for the System. This is a testament to the value of the state university system to the educational and economic growth of our state. These investments have allowed the System to keep tuition stable for our students.

For the 2019-2020 fiscal year, the investment into performance based funding remains at the all-time high of \$560 million with \$265 million in state investment and \$295 million in institutional investment. With this investment, universities have demonstrated the ability to achieve excellence and improvements in the 10 key metrics, including graduation and retention rates. The U.S. News & World Report released May 14, 2019, ranked Florida as the best state for higher education for the third consecutive year. The state university system has had a 9.5% five-year increase in graduation rates, and a 31% year-over-year drop in the cost-to-student for a bachelor's degree.

In November 2018, the Board of Governors evaluated the model's metrics and approved changes to metric 10 as selected by university boards of trustees. Data is currently being collected for the new metrics, and benchmarks will be set based on the most recent data.

Key to the model's success is the ability of the Board of Governors to rely on the information you provide for performance based funding decision-making. During the 2019 Legislative Session, lawmakers approved Senate Bill 190 that contains language amending section 1001.706, Florida Statutes. The new language states:

*Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065<sup>[1]</sup> and 1001.92<sup>[2]</sup> complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.*

As now required by Florida Statutes, 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. Additionally, I ask that these audits include testing of data that supports performance funding metrics, as well as preeminence or emerging preeminence metrics if applicable, as testing is essential in determining that processes are in place and working as intended.

In addition to the data integrity audit for the Performance Based Funding Model, universities designated as preeminent or emerging preeminent will need to conduct a similar audit for the data and metrics used for preeminent status consideration. This audit may be included with or separate from the Performance Based Funding Data Integrity Audit.

The scope and objectives of the audit(s) should be set jointly between the chair of the university board of trustees and the university chief audit executive. The audit(s) 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.

Using the results from the data integrity audit(s), each university president should complete the attached Data Integrity Certification. When completing this certification, evaluate each of the 13 prepared representations, which have been revised to include preeminence and emerging preeminence for those universities so designated. If you are able to affirm a representation as prepared, do so. If you are unable to affirm a

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<sup>1</sup> S. 1001.7065, Florida Statutes, Preeminent State Research Universities Program

<sup>2</sup> S. 1001.92, Florida Statutes, State University System Performance-based Incentive

BOT Chairs and Presidents

June 18, 2019

Page 3 of 3

representation as prepared, explain the modification in the space provided. It is important that representations be modified to reflect significant or material audit findings. The certification document shall be signed by the university president and board of trustees chair after being approved by the board of trustees.

The audit results and corrective action plans as needed shall be provided to the Board of Governors after being accepted by the university's board of trustees. The audit results shall support the president's certification and include any noted audit findings. The completed Data Integrity Certification and audit report(s) shall be submitted to the Office of Inspector General and Director of Compliance no later than **March 2, 2020**.

I ask that you consider the March 2<sup>nd</sup> deadline when establishing dates for your 2020 board of trustees meetings as we will need these audits and certifications in sufficient time to be included in our March Board of Governors' meeting materials.

I commend you, your data administrators, and the many university staff responsible for ensuring reliable, accurate, and complete information is timely submitted to the Board of Governors. I would also like to thank your chief audit executives for focusing a significant portion of their office's resources to auditing your university's data-related controls, processes, and submissions. Collectively, these efforts allow you to confidently certify the accuracy of data submissions to the Board of Governors and enhance public trust and confidence in this process. We appreciate your cooperation and assistance in ensuring the integrity of the performance funding and preeminence processes.

If you have questions regarding these requirements, please do not hesitate to contact the Board of Governors Inspector General at [BOGInspectorGeneral@flbog.edu](mailto:BOGInspectorGeneral@flbog.edu) or 850-245-0466.

NCL/jml

Attachment: Data Integrity Certification Form



# Data Integrity Certification

March 2020

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 **significant or material** 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"/>	Controls were effective except for the Metric 1 issue noted in the 2019-20-02 Performance Funding Internal Audit.
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"/>	Controls were effective except for the Metric 1 issue noted in the 2019-20-02 Performance Funding Internal Audit.
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Data used were accurate except for the Metric 1 issue noted in the 2019-20-02 Performance Funding Internal Audit.
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"/>	
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 <b>Submit for Approval</b> 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"/>	For Metric 1 issue, please see the 2019-20-02 Performance Funding Internal Audit.

## 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>2/25/2020</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>2/25/2020</u></p>

# UNIVERSITY AUDIT

AUDIT 354

JANUARY 17, 2020

## PERFORMANCE-BASED FUNDING DATA INTEGRITY

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AUDIT OF INTERNAL CONTROLS AND COMPLIANCE  
AS OF SEPTEMBER 30, 2019



UNIVERSITY OF CENTRAL FLORIDA

This work product was prepared in accordance with the International Standards for the Professional Practice of Internal Auditing, as published by the Institute of Internal Auditors, Inc.





# University Audit

UNIVERSITY OF CENTRAL FLORIDA

## ***MEMORANDUM***

---

TO: Thad Seymour  
Interim President

FROM: Robert J. Taft  
Chief Audit Executive

DATE: January 17, 2020

SUBJECT: Audit of Performance-based Funding Data Integrity

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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  
Jana Jasinski  
Board of Trustees  
State University System of Florida Inspector General



## Background and Performance Objectives

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 2019-20 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 BOG developed a Performance-based Funding Data Integrity Certification form to provide assurances that the data provided by universities is reliable, accurate, and complete. In a letter dated June 18, 2019, to University Board of Trustee Chairs, Ned Lautenback, Board of Governor's Chair, asked that the data integrity audits include preeminence and emerging preeminence metrics. Accordingly, we incorporated the preeminence metrics into our audit plan.

This certification form is to be signed by the university president, affirmatively certifying each of the 13 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, during the 2019 Legislative Session, lawmakers approved Senate Bill 190 that contains language amending section 1001.706, Florida Statutes. The new language states:

“Each university shall conduct an annual audit to verify that the data submitted pursuant to ss. 1001.706<sup>[1]</sup> and 1001.92<sup>[2]</sup> complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.”

### 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 and preeminence 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 a minimum of four of the 10 measures each year so that all measures are tested at least twice within a five-year cycle but this year we tested five since we repeated testing of the percent of bachelor's degrees without excess hours. This year's testing including data files submitted as of September 30, 2019, related to:

- Metric 1: percent of graduates employed full-time in Florida or continuing their education in the U.S. on year after graduation
- Metric 5: academic progress rate (second year retention rate with GPA above 2.0)
- Metric 8: graduate degrees awarded within programs of strategic emphasis
- Metric 9: percent of bachelor's degrees without excess hours
- Metric 10: number of bachelor's degrees awarded annually for 2017-18

The achieved Preeminent Metrics selected for testing include:

- Metric E: National Academy memberships
- Metric H: National ranking in STEM research expenditures
- Metric I: Patents awarded (over 3-year period)
- Metric J: Doctoral degrees awarded annually

No testing was performed for Preeminent Metrics that were not achieved.

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<sup>1</sup> S. 1001.7065, Florida Statute, Preeminent State Research University Program

<sup>2</sup> S. 1001.92, Florida Statute, State University System Performance-based Incentive

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 and continued to review any changes to these controls and processes on an annual basis.

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 independently 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, with the exception of HTD. Because of methodology and source system complexities, a query could not be developed; therefore, we tested a sample of students to ensure accuracy.

### Overview of Results

Based on our audit, we have concluded that UCF's controls and processes are adequate to ensure the completeness and accuracy of data submitted to the BOG in support of performance-based funding. However, we found a minor error that resulted in inaccurate information being submitted to the BOG for a student. Specifically, for metric 9 (percent of bachelor's degrees without excess hours), we identified one student who should not have had excess hours because too many of his transfer credits were marked toward the degree in error. This error was **immaterial** (less than one percent of courses tested) and had **no impact** on UCF's overall ranking among SUS institutions.

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: July 3, 2019

End of fieldwork: December 18, 2019

### Audit Team Members:

Vicky Sharp, senior auditor, auditor in charge

Vallery Morton, audit manager, level I reviewer

Robert Taft, chief audit executive, level II reviewer



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

Attachment A  
**Data Integrity Certification**  
March 2020

**University Name:** University of Central 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 **significant or material** 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"/>	
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"/>	
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	

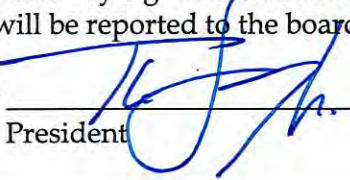


## Data Integrity Certification

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"/>	The 2017 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 <b>Submit for Approval</b> 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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

## Data Integrity Certification

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.			
<b>Data Integrity Certification Representations</b>			
<b>Representations</b>	<b>Yes</b>	<b>No</b>	<b>Comment / Reference</b>
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"/>	

<b>Data Integrity Certification Representations, Signatures</b>
<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> Date <u>2/26/2020</u></p> <p style="margin-left: 150px;">President</p>

## Data Integrity Certification

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.

Certification: Beverly Seay Date 2/26/2020  
Board of Trustees Chair

# **UNIVERSITY OF FLORIDA**

## **OFFICE OF INTERNAL AUDIT**

<b>Audit of:</b>	University of Florida Performance Based Funding and Preeminence – Data Integrity
<b>Period of Audit:</b>	As of September 30, 2019
<b>Report Issue Date:</b>	November 21, 2019
<b>Report Number:</b>	UF-19-737-22






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>

November 21, 2019

## MEMORANDUM

**TO:** UF Board of Trustees Audit and Compliance Committee

**FROM:** Joe Cannella III   
Interim Chief Audit Executive

**SUBJECT:** Performance Based Funding and Preeminence – Data Integrity audit

We audited the University of Florida's data submission process related to data metrics used for the Board of Governors' performance based funding initiative and preeminent designation status, as of September 30, 2019. 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 AND PREEMINENCE – DATA INTEGRITY**

As of September 30, 2019

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	1
AUDIT REPORT.....	2
Scope and Objectives.....	2
Background.....	2
Overall Conclusion.....	5
Attachment A: Preeminent Research University Funding Metrics	
Attachment B: Board of Governors Performance Based Funding 2019 Metric Definitions	
Attachment C: Performance Based Funding Metric Scores for 2016-2017, 2017-2018, 2018-2019 and 2019-2020.	
Attachment D: Performance Based Funding March 2020 Data Integrity Certification	
Attachment E: Overview of the University SUDS Submission Data and Process Flows	
MANAGEMENT RESPONSE.....	14

## **PERFORMANCE BASED FUNDING AND PREEMINENCE – 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 BOG also implemented the Preeminent State Research Universities Program in 2013 to award universities demonstrating high performance. The program was designed to promulgate a set of academic and research excellence standards where universities must meet or exceed 11 of the 12 benchmarks to earn the preeminent designation.

The integrity of the data provided by the universities is critical to the BOG decision-making process. Therefore, the BOG developed a Data Integrity Certification Form to provide assurances that the data submitted to the BOG for PBF and preeminence status 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 June 18, 2019, the chairman of the BOG instructed each university's 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, as of September 30, 2019, of the university's data submission process related to metrics used for the BOG's performance based funding initiative and preeminence status. 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 for PBF and preeminence metrics. Our conclusion of "adequate" indicates that controls were in place and functioning as designed.

# PERFORMANCE BASED FUNDING AND PREEMINENCE - DATA INTEGRITY

## AUDIT REPORT

### Scope and Objectives

On June 18, 2019, the chairman of the 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.

We have completed an audit, as of September 30, 2019, of the university’s data submission process related to data metrics used for the BOG’s performance based funding initiative and preeminence status. 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 July 11, 2019 through October 22, 2019 in accordance with the 2019 audit work plan, and pursuant to the BOG directive to the University of Florida BOT.

### Background

During the 2019 Legislative Session, lawmakers approved Senate Bill 190 to amend Florida Statutes section 1001.706, which states that each university shall conduct an annual audit to verify that the data submitted for Preeminent State Research Universities Program and State University System Performance-Based Incentive complies with the data definitions established by the board and shall submit the audit to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors.

The Preeminent State Research Universities Program was established in 2013 to award universities demonstrating high performance. It promulgated a set of academic and research excellence standards such as graduation rates, student retention rates, research expenditures, the number of patents awarded, and the size of the endowment. Universities must meet or exceed 11 of the 12 benchmarks to earn the preeminence designation. Attachment A identifies the preeminence metrics and University of Florida’s performance, as reported in the 2019 Accountability Plan.



The PBF model was established in 2014 to align the State University System Strategic Plan goals and 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 four was changed from a six-year graduation rate to a four-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 be 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 performance score for 2019 was based on the national ranking for number of licenses/options executed annually. In 2020, the university has elected to change this metric to the six-year Graduation Rate.

*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 three allocation years and the 2019-2020 benchmarks.*

The BOG Regulation 3.007, State University System (SUS) Management Information System, states the 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.

Upon upload of all required files to SUDS, the system will generate a series of edits and standard reports to identify errors or anomalies which may cause the files to be rejected. There is an iterative process to validate that the submissions are free from BOG identified errors. These items are corrected or explained on the source file and uploaded to the system to be checked again. 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.

The BOG developed a Data Integrity Certification process to obtain assurances that the data submitted to the BOG for PBF and preeminence status 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 D).

## **Organizational Responsibilities**

The Office of Institutional Planning and Research (IPR) is responsible for providing university leadership with information that supports institutional planning, policy formation and decision making; serving as a comprehensive source for information about the institution; and administering the reporting of institutional data to state and federal entities.

The IPR consisted of a data administrator, appointed to certify and manage the submission of data, and eight other staff responsible for completing BOG requests as well as requests from other internal or external entities. The IPR estimated they annually receive more than 1,200 data requests, of which at least 40 percent originate from the BOG.

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, key 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 and were included within the scope of this audit:

- **Office of Admissions (Admissions):** Responsible for the admission records related to freshman, transfer, graduate, online and international students. This data was used for the calculation of average high school GPA (Preeminence Metric 1a) and average SAT score (Preeminence Metric 1b). The admission data also served as the underlying source to derive the key PBF elements for the Enrollments table.
- **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 the PBF and preeminence 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 for determining the cost to the student (PBF Metric 3) and excess hours (PBF Metric 9).
- **Bursar:** Responsible for processing waivers in the Student Financial System. This data was used in PBF 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 Cost to Student (PBF Metric 3) and University Access Rate (PBF Metric 7).
- **Cost Analysis:** Responsible for compiling the cost of research expenditures reported in the National Science Foundation (NSF) Higher Education Research and Development Survey (HERD). This information is used for determining the amount of research expenditures in multiple preeminence metrics.
- **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 BOT 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 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 E 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, 2018, with audit report UF-19-723-08 issued October 30, 2018. 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 and preeminence metrics, we conducted employee interviews, performed analytical reviews, evaluated risks related to each metric, reviewed program extraction 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 for PBF and preeminence metrics. 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 certify and manage the submission of data to the SUS management information system. We verified the president had formally appointed the IPR director as the DA for the university and her job description clearly defined her role as the DA. We noted that the IPR director has the overall responsibility to serve as the official point of contact with the BOG for submission 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 council can improve communication or find solutions that institutions consistently address related to SUDS such as standardizing codes or edits between data elements.

## **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. The Office of Data Analytics is responsible to collect and manage the SUDS submissions for the BOG. Pursuant to the schedule set forth in the submission section of the specification of each file, IPR utilized a Data Request System to communicate and monitor the required deadlines with data owners.

Extensive procedures were performed by the data owners during their data extraction and review, and by the IPR during their review and submissions. We noted IPR worked with the data owners and the BOG to resolve errors or inconsistencies within data elements. Each data owner was required to submit a certification statement summarizing the work performed to verify the accuracy of the data, the supporting documents were maintained, and to acknowledge that the file was ready to submit.

We noted that IPR had comprehensive written procedures and checklists to document the work initiation and quality-checking procedures to validate the accuracy of the data being submitted. For example, IPR staff reviewed and compared historical data for validity. We reviewed the support and verified their review was adequately documented in the Data Quality Review summary where it provided a reference and steps that were needed to resolve the data issues from recurring in subsequent submissions

With the implementation of the new student system as described in the IT section below, we verified IPR performed an extensive review in checking the accuracy and consistency of data for all elements amongst the tables within the submission for SIF and SIFD. We reviewed the Data Quality Review Summary and email correspondence to address data issues and discrepancies such as student demographics, courses taken, student group, fundable credit hours, and residency.

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 store and retrieve documentation and correspondence concerning the submissions for the metrics.

We tested all twelve SUDS submissions for PBF and preeminence from October 1, 2018 (the date of our last audit) through September 30, 2019 to verify timeliness and certification by the data owners. We noted that all submissions were submitted by data owners with certification for accuracy and explanations of any errors, approved by the DA, and accepted by the BOG. However, we noted that four submissions were not submitted according to the scheduled date due to technical difficulties of resolving errors in the new student system. Specifically, the delay of the Fall 2018 SIF submission impacted the timely submission of SIFD and Retention as these files verified the referential integrity from SIF. While there were no formal extension procedures, we verified that the DA had notified the BOG chief data officer of the planned delay prior to the submission date to ensure the revised submission date would meet their reporting requirements.

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

## **Information Technology**

The university completed a large-scale three-year project in December 2018 to implement a new student information system, Oracle/PeopleSoft Campus Solutions, to replace the decades old mainframe-based student systems. Key offices, dedicated staff, and an implementation consultant were involved in the project and Campus Solutions was implemented on August 20, 2018 with a stabilization period through the end of the year.



For this audit period, we noted that the reporting conversions had been completed for SIF and SIFD submissions. Conversely, the development, testing, and review was underway for Admissions, SFA and HTD. Due to the timing of new systems, data conversion and new data input, the submission for SIF and SIFD were sourced from Campus Solutions while others used the mainframe as the authoritative source and system of record. The legacy mainframe system was still used for some processing until the system was officially decommissioned and shut down on October 2, 2019.

To gain an understanding of the new information systems and data, we interviewed staff, reviewed project documentation and meeting notes, and engaged with a federation of student data users. The Campus Solutions information system was designed to store and update transactional student data in real time. UFIT utilized DataStage, a specialized set of extraction, translation, and loading (ETL) processes, as part of the SUDS reporting. The ETL processing began with making “snapshots” of the transactional data. A daily snapshot was created for preparing the BOG data tables and getting the submission files ready for data owners to review. As each BOG SUDS submission was nearing its due date, a special “frozen snapshot” was created on the freeze date. The frozen snapshot was then used to build the submission tables. After the submission, the “build” tables were copied into an “archive” table. In this manner, permanent secure records of the data were kept as that data existed in the transactional system precisely at the time the snapshot was taken, to ensure reproducibility, auditability, and accountability.

We reviewed the ETL processes and program code for SIF and SIFD to ensure that the BOG reporting requirements were adequately addressed. Our review focused on the program logic, data flow, and data mappings. We evaluated the key elements pertaining to PBF and preeminence metrics for alignment with the SUDS Data Dictionary definitions. Based on our review of the system documentation, we concluded that the programming logic steps were reasonable for accurate and complete data extraction and transformation. We identified one category of student type, post-baccalaureate, that was not coded accurately. Although this student type did not have any impact on the relevant metrics, we reported the error to management and staff confirmed with IT that it was corrected. Overall, we concluded that the reported data elements were derived appropriately from the Campus Solutions system of record data sources.

Program change management controls were in place for Campus Solutions applications, production scheduled jobs and the DataStage ETLs, as well as generated reports in the Cognos Analytics environment. SUDS submission data was stored in staging tables in an Oracle database in Campus Solutions. A custom application allows OUR and Admissions staff to make corrections to the data prior to generating the submission file for uploading to SUDS. IT staff were tasked with the system and program changes. Functional staff could make changes to data only through the applications, providing a separation of job functions. We reviewed system and data security to ensure direct data access to files and relational database tables had been controlled. Appropriate role-based security for DataStage was assigned to staff based on their job duties, as well as appropriate Oracle database access restrictions. In addition, IT had adequate process in place to document requests to update the submission file including the SQL code used and the records affected.

Based on our review, we determined that there were adequate IT system controls in place for change management, access restrictions, data quality, audit logging, and overall security of student data in Campus Solutions.

## **DATA OWNERS**

Using the established BOG methodology for PBF and preeminence, we performed a risk analysis to determine the level of review, including the amount of testing we would perform with data owners. Our risk analysis took into consideration changes in the information systems and internal procedures for extraction, review, and submission processes. We also considered staffing changes, changes in reporting requirements between years, variances in the data reported, and score received. Based on the results of our risk analysis, our review primarily focused on university data submissions. We did not include in the scope of our review the three preeminence metrics in which the BOG utilized third party information directly.

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 and preeminence metrics. 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 codes. An example of a change noted in the SUS data workshop was that a new value for Benacquisto Scholars was added to the waiver type for SIF, which related to Metric 3.

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

### **Office of Admissions**

Admissions was responsible for application servicing for all levels of student entry into the university including beginning freshmen, transfers, graduate students, online students, students applying to professional school programs, and international recruitment strategies.

Historically, Admissions used the legacy mainframe-based systems for all information processing. As part of the COMPASS project, Admissions implemented a new admission processing system, known as Slate, in September 2018, for future applications. The submissions for Fall 2018 and Spring 2019 were continually sourced from the mainframe while admission applications processing transitioned to Slate.

We performed a walk-through of controls at Admissions including edit processes, error correction, and data extraction and upload processes. Written procedures and a processing checklist were in place to verify the accuracy of data for submissions generated using the mainframe. Admissions staff reviewed internal reports and SUDS system error reports for inconsistencies and invalid data. Example of errors reported included invalid last institution code, mismatch for degree highest held, and missing high school GPA/test scores.

We randomly selected 100 records from the Fall 2018 and Spring 2019 submissions to verify the accuracy of key elements identified for the preeminence metrics. Our testing noted that the high school GPA and college GPA were accurately reported for admitted students. However, we identified six instances where the best sub-score for ACT was not reported. We discussed these exceptions with IPR and concluded there was no impact to any PBF or preeminence metrics, and management has confirmed that this issue was corrected in the new system.

Based on the results of our review, we concluded that the Admissions' processes were reasonable for extraction, review and upload of student data to the SUDS in the mainframe environment.

The Summer 2019 data was submitted on September 20, 2019 and was the first file sourced from Slate. Due to the timing of the audit, our review was limited to the review of the general processing controls and testing of the mainframe process, as new procedures were being developed for Slate. For example, staff stated they compared the submission data to admission type reports from Slate to identify the correct population of students.

### **Office of University Registrar (OUR)**

In Campus Solutions an academic structure consisted of a student's career, program, and plans. These records are linked to the terms, classes, grades and graduation in the Student Information System, which is the authoritative system of records for the SIF, SIFP, SIFD, and HTD submissions. Metrics generated from these records involved graduation, retention, academic progress, and information regarding the programs of strategic emphasis (STEM programs).

The OUR utilized continuous monitoring procedures to help assure the student data was accurate. The OUR quality control checks looked for internal inconsistencies in the data such as a student with invalid degree level sought, undergraduate students with an invalid degree highest held, invalid race or gender code, and student class level inconsistent with other data. Additionally, written procedures specifically addressed processing and review of ad hoc reports, production jobs, and uploads. We noted that the quality control procedures were performed by experienced staff prior to the final review by the DA. With the conversion of more than 19 million student enrollment records from legacy mainframe data, the OUR worked closely with IT to identify and resolve data issues such as programming logic or data mapping for elements in the SIF submissions for both Fall 2018 and Spring 2019.

To ascertain the accuracy of the data submitted for SIF and SIFD, we analyzed the submitted data for Spring 2019 as compared to the system data represented by a frozen snapshot generated in the ETL process. Our analysis noted that very minimal changes (less than 0.2 percent) were made to correct SUDS reported diagnostic errors. We evaluated all these adjustments and determined they were reasonable based on the correlation with other variables from the file.

We utilized various testing methods to verify the reported information agreed to the data in Campus Solutions. For some elements we verified 100 percent of the data and others we selected a random sample of student records from the SIF and SIFD submissions covering all the key elements identified in the BOG Methodology. We found several instances where the total institutional grade points and hours in the Fall 2018 SIF submission did not match. Upon discussions with IPR, we concluded that the errors did not have an impact on PBF metrics, and the root cause was identified and corrected.

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.

## **Bursar's Office**

Waivers are a non-cash method of satisfying all or a portion of tuition and fee costs, which include state-authorized waivers, graduate assistantship/fellowship, employee education program, and UF department awarded waivers. We noted that the Bursar's Office had an adequate process in place for ensuring that waivers were applied to the correct students' accounts in the myUFL Student Financial System.

Additionally, IPR had coordinated with the Bursar's Office for validation of the waivers, which were reported as part of the SIF submission and used for PBF Metric 3. We compared the submission file with the frozen snapshot and confirmed the minor differences were appropriate as it pertained to university's regulations on state funding. We also ran an enterprise report for Spring 2019 and determined that the total dollar amount of all waivers reported was accurately reflected in myUFL. Based on our audit results, we concluded that the procedures used to report waivers were generally adequate.

## **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 contains a listing of courses for each student that indicates whether the course was used to satisfy their degree.

The annual submission for 2017-2018 HTD was generated from the legacy mainframe student records system prior to decommissioning. The key OUA staff confirmed that there were no procedural changes relating to the HTD submission, which utilized the Student Academic Support System (SASS) to evaluate the student's academic records in reference to the completion of program requirements for each degree. To build the HTD file, the IT staff had developed an automated process to pull all the data together from the OUR core files in the Student Records System and combine that with the degree audits to create the submission file.

Through the review of correspondence, we observed that there were shared efforts amongst OUA and OUR in checking the count of students and courses data for accuracy. We randomly selected 30 students and verified that the students' course information in CTD matched the data in the student record system. We found no differences for the key elements tested. 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. Universities generally use financial aid to offset the published tuition price to recruit students based on merit and/or to impact campus diversity. The BOG utilized the amount of grants and scholarships students received to calculate cost to the student for PBF Metric 3 and to evaluate the percentage rate of university access for students from low-income families (PBF 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 variances in financial aid award programs such as the Florida Public Student Assistance Grant.

We randomly selected 100 financial aid awards and verified the amount reported to the BOG agreed with the SFA financial records in the system without exception.

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

## **Office of Technology Licensing (OTL)**

The 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.

We reviewed the process OTL utilized to reporting licenses. As noted in the 2019 Accountability Plan, there were a total of 226 licenses reported to the AUTM for the 2018 fiscal year. We verified that the number of licenses reported agreed with the information tracked in the internal database. Based on our review, the processes to compile and report the licensing information were generally adequate to promote that the licenses were accurately reported.

## **Cost Analysis**

Total research expenditures reported to the NSF were used in the preeminence metrics. Cost Analysis was responsible for responding to the NSF HERD survey and had developed queries using myUFL general ledger data to identify all university research-related expenses. Adequate written procedures were established to ascertain the specific accounting chart fields used to identify research expenditures. In addition, the information was reviewed and approved by the university controller and director for the Division of Sponsored Programs prior to submission.

We compared the total research expenditures reported in the 2018 HERD survey with the university's audited financial statement ended on June 30, 2018. We determined that the amounts reported were comparable and far exceeded the minimum threshold established for the preeminence metrics.

Based on our audit results, we concluded that the procedures used to report amounts in the HERD survey used by the BOG were adequate.

## **OTHER COMMENTS**

### **Retention**

The BOG built an annual retention file using data submitted from ADM, SIF, and SIFD. It established the number of students in a cohort and the number of those same students who are retained or graduated by a specified year. Such information is used in the calculation of retention and graduation rates for both the PBF and preeminence metrics.

We noted that IPR had procedures and processes in place for reviewing and analyzing the retention data generated by the BOG. Specifically, staff compared the generated data with internal data to establish the correct cohort population for first-time in college and transfer students. In addition, IPR had processes in place for submitting the appropriate cohort adjustments as permitted by the BOG. We noted that IPR staff obtained data from OUR for deceased students so they could be removed from the cohort. IPR analyzed the degree information in the retention file for the identification of students who were admitted to an Advanced Graduate program, such as Pharmacy or Accounting, without first earning a bachelor's degree.

We randomly selected 15 students in the 2017-2018 Retention file and verified the enrollment records in Campus Solutions. Our review confirmed that the adjustments to the cohort were appropriate as the students were enrolled in a graduate degree program for Pharmacy or Accounting and were not awarded a bachelor's degree. Based on the audit results, we determined there were adequate controls in place over the verification of accuracy on the retention submission.

### **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 on errors 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 and preeminence metrics. Below is a summary of the resubmissions that occurred during the audit period:

- Retention for 2017-2018 was resubmitted to align the graduation rate with federal reporting (IPEDS) based on the BOG's clarification of cohort adjustments.
- The summer 2018 Admission file was resubmitted due to incomplete reporting of all test scores for applicants. Management explained that the IT staff did not correctly change the programming logic to reflect new the BOG requirement.
- The fall 2018 Admission file was resubmitted to correct a specific student group (PaCE students). Management explained that the data was erroneously generated in the legacy mainframe student system.

Based on management's assertions and our detailed review of these submissions, we determined that the resubmissions were completed for data changes that would have no impact on the university's PBF and preeminence metrics and did not represent potential issues for future submissions as Admissions was migrating to Campus Solutions.

### **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 2019, there were 48 employees with access to SUDS. The DA and three IPR staff were the only individuals authorized to finalize submissions. In addition, the DA and IPR associate director of Analytic Services 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 generated 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.

### **General Comment**

We wish to express our appreciation to the management and staff of the Office of Institutional Planning and Research, UFIT Enterprise Systems, the Office of the University Registrar, the Office of Admissions, Cost Analysis 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  
Lily Ly  
Choi Choi

## Preeminent Research University Funding Metrics

Metric #	Measure	2019	% over Required
1a	<b>Average GPA</b> <i>An average weighted grade point average of <u>4.0 higher</u> on a 4.0 scale for fall semester incoming freshmen</i>	4.4	10%
1b	<b>Average SAT Score</b> <i>An average SAT score <u>1200 or higher</u> on a 1600-point scale for fall semester incoming freshmen</i>	1355	13%
2	<b>Public University National Ranking</b> <i>A top-50 ranking on <u>at least two</u> well-known and highly respected national public university rankings</i>	10	400%
3	<b>Freshman Retention Rate</b> <i><u>90 percent or higher</u> for full-time, first-time-in-college students</i>	96	7%
4	<b>Four-year Graduation Rate</b> <i><u>60 percent or higher</u> for full-time, first-time-in-college students</i>	67.1	12%
5	<b>National Academic Memberships</b> <i><u>Six or more</u> faculty members at the state university who are members of a national academy</i>	29	383%
6	<b>Science &amp; Engineering Research Expenditures (\$M)</b> <i>Total annual research expenditures, including federal research expenditures, of \$ <u>200 million or more</u></i>	\$831	316%
7	<b>Non-Medical Science &amp; Engineering Research Expenditures (\$M)</b> <i>Total annual research expenditures in diversified nonmedical sciences of \$ <u>150 million or more</u></i>	\$506	237%
8	<b>Number of Broad Disciplines Ranked in Top 100 for Research Expenditures</b> <i>A top-100 university national ranking for research expenditures in <u>five or more</u> science, technology, engineering, or mathematics fields of study</i>	7 of 8	40%
9	<b>Utility Patents Awarded</b> <i><u>One hundred or more</u> total patents awarded by the United States Patent and Trademark Office for the most recent 3-year period</i>	319	219%
10	<b>Doctoral Degrees Awarded Annually</b> <i><u>Four hundred or more</u> doctoral degrees awarded annually</i>	1,627	307%
11	<b>Number of Post-Doctoral Appointees</b> <i><u>Two hundred or more</u> postdoctoral appointees annually</i>	661	231%
12	<b>Endowment Size (\$Millions)</b> <i>An endowment of \$<u>500 million or more</u></i>	\$1,735	247%



# PERFORMANCE BASED FUNDING 2019 METRIC DEFINITIONS

Attachment B

## 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).

# PERFORMANCE BASED FUNDING 2019 METRIC DEFINITIONS

Attachment B

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## 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.

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## BOG Choice Metric

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## 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).

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# PERFORMANCE BASED FUNDING 2019 METRIC DEFINITIONS

Attachment B

## BOT Choice Metrics

<b>10a. Percent of R&amp;D Expenditures Funded from External Sources</b> 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).
<b>10b. Bachelor's Degrees Awarded to Minorities</b> 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).
<b>10c. National Rank Higher than Predicted by the Financial Resources Ranking Based on U.S. and World News</b> 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.
<b>10d. Percent of Undergraduate Seniors Participating in a Research Course</b> 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.
<b>10e. Number of Bachelor Degrees Awarded Annually</b> 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).
<b>10f. Number of Licenses/Options Executed Annually</b> 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.
<b>10g. Percent of Undergraduate FTE in Online Courses</b> 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).
<b>10h. Number of Postdoctoral Appointees</b> 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).
<b>10i. Percentage of Adult Undergraduates Enrolled</b> 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	2016-2017	2017-2018	2018-2019	2019-2020
#						
1	Percent of Bachelor's Graduates Enrolled or Employed (earning at least \$25,000) - <i>in the U.S. One Year After Graduation</i> <i>Metric benchmark scale was changed in 2017-2018</i>	Points Received	6	8	9	9
		Maximum Points	10	10	10	10
		Percent of Maximum	60%	80%	90%	90%
2	Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation <i>Metric calculation and benchmark scale were changed in 2017-2018</i>	Points Received	8	10	10	10
		Maximum Points	10	10	10	10
		Percent of Maximum	80%	100%	100%	100%
3	Cost to the Student - <i>Net Tuition and Fees per 120 credit hours</i>	Points Received	6	8	8	10
		Maximum Points	10	10	10	10
		Percent of Maximum	60%	80%	80%	100%
4	Four Year FTIC Graduation Rate - <i>Percent of first-time-In-college students who graduate within four years</i> <i>Metric change in 2018-2019 from Six Year FTIC Graduation Rate</i>	Points Received	10	10	10	10
		Maximum Points	10	10	10	10
		Percent of Maximum	100%	100%	100%	100%
5	Academic Progress Rate - <i>2nd Year Retention with GPA Above 2.0</i>	Points Received	10	10	10	10
		Maximum Points	10	10	10	10
		Percent of Maximum	100%	100%	100%	100%
6	Bachelor's Degrees Awarded within Programs of Strategic Emphasis - <i>as designated by the Board of Governors</i>	Points Received	10	10	10	10
		Maximum Points	10	10	10	10
		Percent of Maximum	100%	100%	100%	100%
7	University Access Rate - <i>Percent of Undergraduates with a Pell-grant</i> <i>Access rate benchmark was changed in 2018-2019 due to Senate Bill 4</i>	Points Received	10	9	6	6
		Maximum Points	10	10	10	10
		Percent of Maximum	100%	90%	60%	60%
8a	Graduate Degrees Awarded within Programs of Strategic Emphasis - <i>as designated by the Board of Governors</i>	Points Received	10	10	10	10
		Maximum Points	10	10	10	10
		Percent of Maximum	100%	100%	100%	100%
9	Percent of Bachelor's Degrees without Excess Hours <i>Metric change in 2018-2019 from Number of Faculty Awards: applies to UF and FSU only</i>	Points Received	5	10	10	10
		Maximum Points	10	10	10	10
		Percent of Maximum	50%	100%	100%	100%
10f	Number of Licenses/Options Executed Annually: <i>applies to UF only</i> <i>Metric was changed in 2017-2018</i>	Points Received	7	10	10	10
		Maximum Points	10	10	10	10
		Percent of Maximum	70%	100%	100%	100%
Note:	<i>Points in red are based on improvement scoring</i>	Total Points Received	82	95	93	95
		Maximum Points	100	100	100	100
		Percent of Maximum	82%	95%	93%	95%



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

# Data Integrity Certification

March 2020

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 **significant or material** 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 type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	<input type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	



## Data Integrity Certification

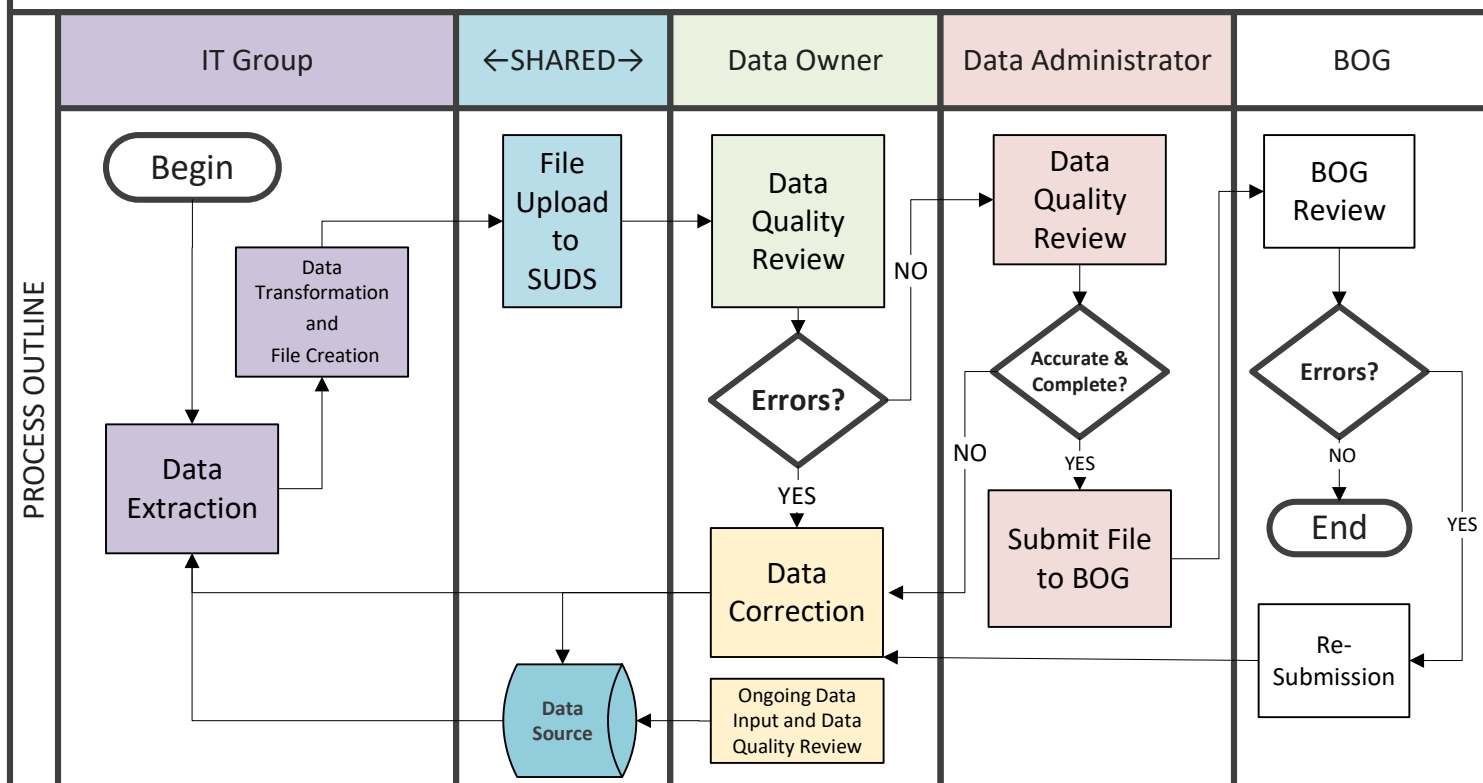
Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office.	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	
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 <b>Submit for Approval</b> represents electronic certification of this data per Board of Governors Regulation 3.007."	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	

## Data Integrity Certification

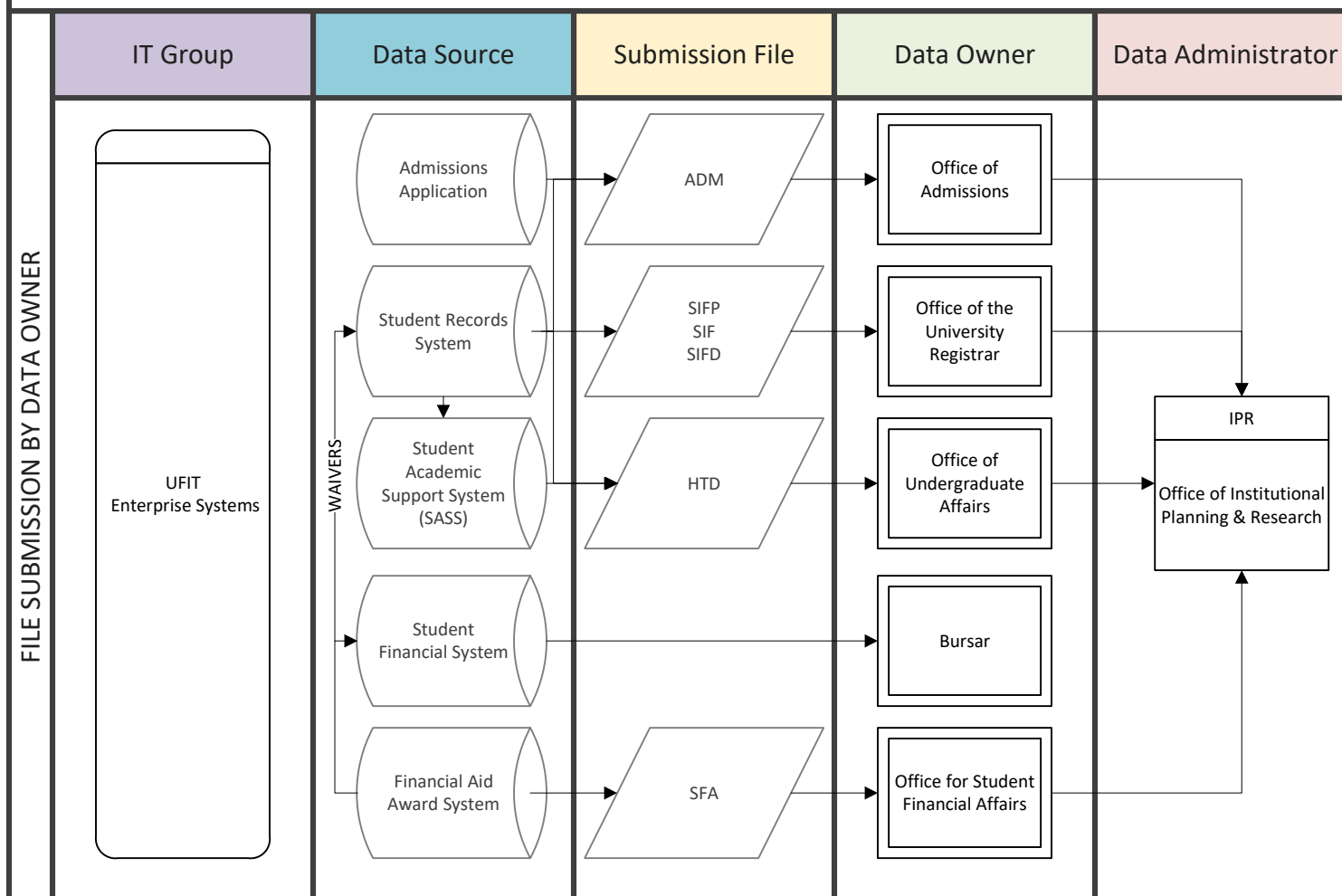
Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit and the Preeminence or Emerging Preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.	<input 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 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: _____ Date _____</p> <p style="text-align: center;">President</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: _____ Date _____</p> <p style="text-align: center;">Board of Trustees Chair</p>

## Overview of the University SUDS Submission Data & Process Flows



## Data Flow by Owner





Office of the Provost and Senior Vice President

235 Tigert Hall  
PO Box 113175  
Gainesville, FL 32611-3175  
352-392-2404 Tel  
352-392-8735 Fax

November 19, 2019

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, 2019. I have reviewed the substance of that report in a meeting with Joe Canella and the audit staff in an exit meeting on November 7, 2019.

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,

A handwritten signature in black ink that reads "Joseph Glover". The signature is written in a cursive, flowing style.

Joseph Glover  
Provost and Senior Vice President for Academic Affairs



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

# Data Integrity Certification

March 2020

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

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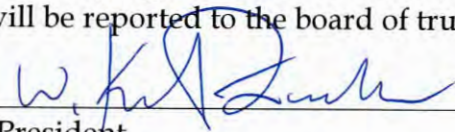
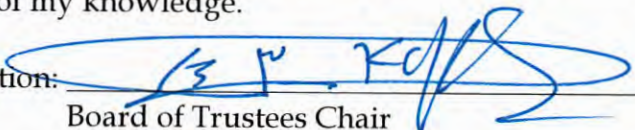


## Data Integrity Certification

Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
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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"/>	
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## Data Integrity Certification

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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>	
Certification: <u></u> <div style="text-align: center;">President</div>	Date <u>12-4-2019</u>
<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>	
Certification: <u></u> <div style="text-align: center;">Board of Trustees Chair</div>	Date <u>12-6-2019</u>



January 8, 2020

Final

# Internal Audit Report 2020.01

## Performance Based Funding Data Integrity



Issued to:  
Audit and Compliance Committee:  
Paul McElroy, Doug Burnett, Tom Bryan,  
Sharon Wamble-King, Jill Davis, Nik Patel,  
Kevin Hyde (ex-officio)

President: David Szymanski

Vice Presidents: Jay Coleman, Simon  
Rhodes, Shari Shuman

Associate Vice President: Terry Curran

Director: Abby Willcox

Issued by:  
Julia Hann,  
Chief Audit Executive

Auditors:  
Brandon Bergman,  
Audit Manager

[Table of Contents](#)

The Swoop .....	2
Executive Summary .....	2
Summary of Recommendations .....	3
Background.....	4
Audit Objective.....	5
Scope and Methodology.....	6
Observations .....	7
Accomplishments.....	7
Appendix I .....	8
Report and Item Ranking Scale.....	8
Appendix II .....	9
Data Files.....	9
Appendix III .....	10
2019 Metric Definitions.....	10

# The Swoop

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## 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 17,000, and the University has six colleges: College of Education and Human Services; Coggin College of Business; Brooks College of Health; College of Arts & Sciences; Hicks Honors College; and College of Computing, Engineering, and Construction.

The integrity of data provided to the State University System Board of Governors (BOG) is critical to the Performance Based Funding (PBF) decision-making process. Therefore, in 2014 the BOG developed a *Performance Based Funding Data Integrity Certification Form* to provide assurances that the data submitted by universities are reliable, accurate, and complete. The certification form is approved by each university's board of trustees and executed by the university president and their board chairman, affirmatively certifying each representation.

On June 18, 2019, the chairman of the BOG instructed each university's board and president 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."**

The UNF Office of Internal Auditing (OIA) completed our sixth iteration of the Performance Based Funding audit to support the data certification representation. The primary objective of this audit was to determine the adequacy of University controls in place to ensure the completeness, accuracy, and timeliness of these data submissions to the BOG. While we reviewed internal controls applicable to all ten metrics; emphasis for detail testing was placed in the following:

- Cost to Student (Metric 3)
- FTIC Four-Year Graduation Rate (Metric 4)
- Academic Progress (Metric 5)
- University Access Rate (Metric 7)

The audit was conducted in accordance with professional auditing standards and is to be submitted to the BOG prior to their annual meeting in March 2020. The audit results provide the basis for the UNF president's and chairman's certification.

Overall, based on the results of our audit procedures, we concluded controls over the University data submission processes are adequate to ensure the completeness, accuracy, and timeliness **of submitted data relative to the BOG's PBF initiative.**

We categorized the overall residual risk ranking to be low. Internal Audit would like to note the staff who took part in the audit were knowledgeable of their area, responded quickly to questions, and showed patience throughout the review. Their cooperation was greatly appreciated.



### 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 did not identify any reportable observations or recommendations as defined in Appendix I.

During our review, we noted five (5) processing exceptions as a result of manual data entry. However, these exceptions were corrected during the audit and were determined to be immaterial to the overall integrity of submitted submission files.

Additionally, as part of this audit we conducted follow-up on the one (1) outstanding corrective action plan from the prior audits and confirmed implementation.

## Background

The Performance Based Funding Data Integrity Audit is required annually by the BOG and is included in our fiscal year 2019-2020 risk-based audit plan approved by the University President and Board of Trustees (BOT).

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 PBF Model includes ten metrics to evaluate an institution's performance in a variety of different strategic areas:

- Nine 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, university access rates, and students graduating without excess hours.
- The final metric is chosen by each university board of trustees. Metric 10 must be applicable to the mission of the university and have not been previously chosen for the model. UNF BOT selected the percent of undergraduate full-time equivalent students enrolled in online courses.

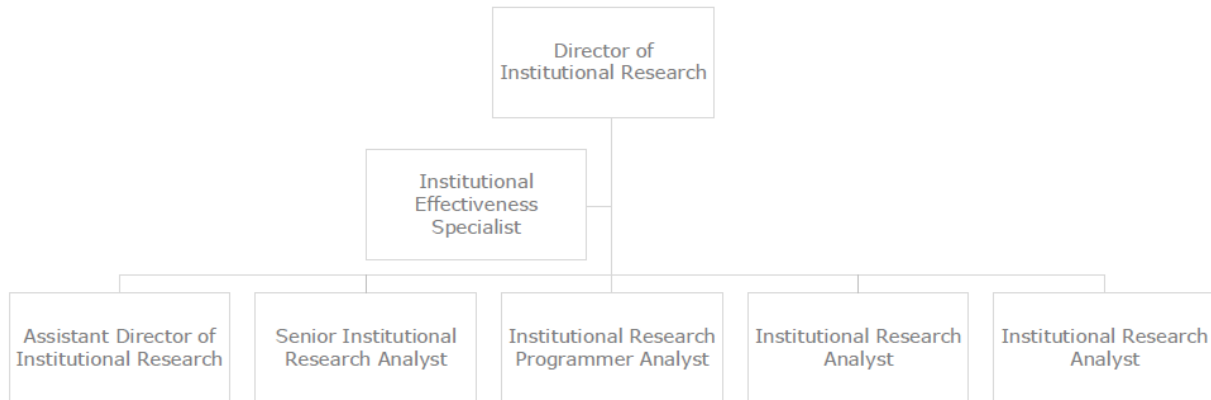
For each metric, institutions are evaluated on either Excellence (a raw score) or Improvement (the percentage change or difference in percentage points from the prior year depending on the metric). BOG staff uses raw data submitted by the Office of Institutional Research to calculate performance on the individual metrics. [Appendix II](#) defines the ten metrics and their corresponding data elements, and [Appendix III](#) states each metric and the data files used by the BOG for calculations.

BOG Regulation 3.007, SUS Management Information System, states 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 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 are to be corrected or explained on the source file and uploaded to the system to be checked again. This process is repeated until the submission is free of all significant errors and/or the errors are explained. Once accomplished, the **University will '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 results and the submission will either be accepted or rejected. If rejected, the reason will be posted to the user and a resubmission request will be completed. If accepted, the submitted data will be promoted to the production database.

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 the following organizational structure:



Additionally, IR is actively involved in the following committees:

- Data Management Council: Provides key leadership to the institutional data governance initiative by providing oversight and strategic decision making within the following data areas:
  - policies and standards,
  - security and privacy,
  - access,
  - quality and consistency,
  - retention, archiving and disposition, and
  - adherence to federal and state compliance laws.
- Data Governance Committee: An advisory committee to the Data Management Council.

## Audit Objective

The objectives of the audit were to:

- 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;
- 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, 2020;
- Follow-up on the implementation of corrective action plans reported in the prior audit.

## Scope and Methodology

The scope of this audit included the data submitted to the BOG for 2020 Performance Based Funding metrics calculations. To satisfy our objectives, we performed the following:

- Determined if the university president has appointed an institutional data administrator.
- Performed detailed testing on the following data submission files:
  - Student Instruction File (SIF)
  - Student Financial Aid (SFA)
  - Hours to Degree (HTD)
  - Retention (RET)
- Determined if the University has adequate internal controls in place to gather, test, and ensure the validity of data submitted and resubmitted (if necessary) to the BOG.
- Ensured the timely submission of data submission files as outlined by the BOG.

We conducted employee interviews, performed process walkthroughs, analytical reviews, and evaluated risks in the processes and its impact on each of the focused metrics.

Audit fieldwork began August 21, 2019 and concluded on December 17, 2019. 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). We relied on UNF Policies and Regulations, State of Florida Board of Governors Regulations and best business practices to support strong internal controls.

# Observations

## Accomplishments

The President appointed the Director of IR as the Institutional Data Administrator to certify and manage the submission of data to the BOG Office.

**Data integrity controls exist throughout many of the University's data collecting, processing, and reporting processes.** It is noted management has made several improvements, outlined below, to the internal controls over data integrity.

Topics	Accomplishments
Data Submission Process Documentation	IR has data submission building instructions along with a copy of all individual Structured Query Language (SQL) used. These building instruction files have a step-by-step listing of the pull, formatting, and review process.
Timeliness of file submissions	All but one (1) PBF data submission files were provided to the BOG by the requested due date. <b>This one file missed the BOG's due date</b> by two (2) business days.
Data Owner Reviews	Data owners review data submission files prior to final submission to the BOG. Data owners have their own review process in addition to <b>IR's review processes.</b>
Student ID Changes	IR has revised and enhanced their student ID capture and change process to better identify changes made. The identification of these changes enhances the reliability of submission files, including cohort adjustments.
Third-Party Billing	<b>IR is collaborating with the Controller's Office</b> to better identify and include third-party billing.



# 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 needs to 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	SUDS Data File Used	Additional Data Used in Calculation	Functional Data Owner
1	<b>Percent of Bachelor's</b> Graduates Enrolled or Employed (\$25,000+)	SIFD	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	<b>Median Wages of Bachelor's</b> Graduates Employed Full-time	SIFD	FETPIP, WRIS2, FEDES, and NSC	Registrar
3	Average Cost to the Student [Net Tuition & Fees per 120 Credit Hours for Resident Undergraduates]	HTD, SFA, SIF	None	Registrar, Financial Aid
4	FTIC Four-Year Graduation Rate	SIF, SIFD, RET	None	Registrar
5	Academic Progress Rate [Second Year Retention Rate with At Least a 2.0 GPA]	SIF, RET	None	Registrar
6	<b>Percentage of Bachelor's</b> Degrees Awarded within Programs of Strategic Emphasis	SIFD	None	Registrar
7	University Access Rate [Percent of Undergraduates with a Pell grant]	SFA, SIF	None	Financial Aid, Registrar
8	Percentage of Graduate Degrees Awarded within Programs of Strategic Emphasis	SIFD	None	Registrar, Graduate School
9	Percent of Baccalaureate Degrees Awarded Without Excess Hours	HTD	None	Registrar
10	BOT Choice: Percent of Undergraduate FTE in Online Courses	SIF	None	Registrar

RET = Retention File  
SIF = Student Instruction File  
SIFD = Student Instruction File – Degrees Awarded

SFA = Student Financial Aid  
HTD = Hours to Degree

# Appendix III

## 2019 Metric Definitions

1. Percent of Bachelor's Graduates Enrolled or Employed (\$25,000+) One Year After Graduation	<p><b>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.</b></p> <p>Sources: State University Database System (SUDS), Florida Education &amp; 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)</p>
2. Median Wages of <b>Bachelor's</b> Graduates Employed Full-time One Year After Graduation	<p><b>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.</b></p> <p>Sources: State University Database System (SUDS), Florida Education &amp; 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).</p>
3. Cost to the Student Net Tuition & Fees for Resident Undergraduates per 120 Credit Hours	<p><b>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).</b></p> <p><b>Source: State University Database System (SUDS), the Legislature's annual General Appropriations Act, and university required fees.</b></p>
4. Four Year FTIC Graduation Rate	<p><b>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.</b></p> <p>Source: State University Database System (SUDS).</p>

<p>5. Academic Progress Rate 2nd Year Retention with GPA Above 2.0</p>	<p>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).</p> <p>Source: State University Database System (SUDS).</p>
<p>6. Bachelor's Degrees within Programs of Strategic Emphasis</p>	<p>This metric is based on the number of baccalaureate degrees awarded within <b>the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'.</b> 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).</p> <p>Source: State University Database System (SUDS).</p>
<p>7. University Access Rate Percent of Undergraduates with a Pell-grant</p>	<p>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 Pellgrants, were excluded from this metric.</p> <p>Source: State University Database System (SUDS).</p>
<p>8a. Graduate Degrees within Programs of Strategic Emphasis</p>	<p>This metric is based on the number of graduate degrees awarded within the <b>programs designated by the Board of Governors as 'Programs of Strategic Emphasis'.</b> 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).</p> <p>Source: State University Database System (SUDS).</p>
<p>BOG Choice Metric</p>	
<p>9. Percent of Bachelor's Degrees Without Excess Hours</p>	<p>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 <b>the statutory provisions of the "Excess Hour Surcharge" (1009.286, FS) have</b> 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).</p> <p>Source: State University Database System (SUDS).</p>

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).





# Data Integrity Certification

March 2020

University Name: The 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 **significant or material** 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"/>	
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"/>	
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	
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 <b>Submit for Approval</b> 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> Date <u>1/16/20</u>  President</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> Date <u>1/16/20</u>  Board of Trustees Chair</p>



## MEMORANDUM

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

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

DATE: February 13, 2020

SUBJECT: 20-010 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 (PBF) 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 Data Integrity Certification to be filed with the BOG by March 2, 2020. This project is part of the approved 2019-2020 Work Plan.

The PBF measures are based on data submitted through the State University Database System (SUDS) utilizing a state-wide data submission process for BOG files. For additional information on data files included in this audit, see [Appendix A](#).

Audit'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 one medium-priority risk communicated separately in our management letter related to Metric Nine-percent of bachelor's degrees awarded without excess hours. **No impact to the performance measures was identified.**

<b>OVERALL CONCLUSION</b>	
<input type="checkbox"/> 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.
<input checked="" type="checkbox"/> Adequate System of Internal Control – with reservations	Medium-priority risks are present requiring urgent management attention within 60 days.
<input type="checkbox"/> 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 (813) 974-2705 if you have any questions.

cc: President Steven C. Currall, USF System  
Chair Jordan Zimmerman, USF Board of Trustees  
David Lechner, Senior Vice President, Business and Financial Strategy  
Dr. Charles Lockwood, Senior Vice President, USF Health  
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 of Undergraduate Studies and Sr. Associate Vice President, Student Affairs and Student Success  
Billie Jo Hamilton, Associate Vice President, Enrollment Planning & Management  
Masha Galchenko Director, University Budgets, Analytics and Data Administration Dr.  
Dr. Glen Besterfield, Dean of Admissions and Associate Vice President, Student Affairs and Student Success



## **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 calculations are based on data submitted through the State University Database System (SUDS) utilizing a state-wide data submission process for BOG files. 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.

## SCOPE AND OBJECTIVES

Our audit focused on the internal controls established by the USF System as of September 30, 2019 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 2, 2020.

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.

For term-based submissions, testing of the control processes was performed on the files covering the period Summer 2018 through Spring 2019. For files submitted annually, the current year file was selected for testing if available by November 15, 2019. 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. Although not required, these key objectives have been incorporated into the 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 includes 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 2019 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 requests 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. Reviewing the Data Administrator's data resubmissions to the BOG from January 1, 2019 to December 31, 2019 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 Retention (RET), Student Instructional File (SIF), SIF – Degrees Awarded (SIFD), and Student Financial Aid (SFA) BOG files to OASIS (Online Access Student Information System), the system of record. The integrity of these files collectively impact metrics one through ten.
7. 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 Hours to Degree (HTD) file.

## **PRIOR AUDIT PROJECTS**

In FY 2018-2019, 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 19-010, issued February 4, 2019) was performed. As of February 4, 2019, one of 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.

## CONCLUSION

Audit'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 one medium-priority risk communicated separately in our management letter related to Metric Nine-percent of bachelor's degrees awarded without excess hours. **No impact to the performance measures was 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, HTD	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 <sup>1</sup>	Six-year FTIC graduation rate	SIFP, SIF, SIFD, Retention Cohort Change File	BOG created Cohort and Retention File

<sup>1</sup>Metric replaces number of post-doctoral appointees for 2020 cycle.

### BOG FILES REVIEWED

Submission	System of Record	Table	Submission Reviewed
Hours to Degree (HTD)	OASIS, DegreeWorks	Hours to Degree Courses to Degree	2018-2019
Student Financial Aid (SFA)	OASIS	Financial Aid Awards	2018-2019
Student Instructional File - Degree (SIFD)	OASIS	Degrees Awarded	Summer 2018, Fall 2018, Spring 2019
Student Instructional File (SIF)	OASIS, GEMS	Person Demographics Enrollments	Summer 2018, Fall 2018, Spring 2019
Retention File (RET)	BOG	Retention Cohort Change	2017-2018



## 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

A handwritten signature in blue ink that reads 'Virginia Kalil'.

DATE: February 13, 2020

SUBJECT: 20-010 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 13, 2020, which defined the scope and results of our audit.

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

As audit reports are focused only on high-priority risks, this medium-priority risk was not addressed in our audit report. Urgent management attention is required within 60 days. The medium-priority risk identified for management attention related to Measure Nine, percent of bachelor's degrees awarded without excess hours.

The risks identified had no impact on the performance metrics.

Within 10 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 (813) 974-2705 if you have any questions.

cc: President Steven C. Currall, USF System  
Chair Jordan Zimmerman, USF Board of Trustees  
David Lechner, Senior Vice President, Business and Financial Strategy  
Dr. Charles Lockwood, Senior Vice President, USF Health  
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 of Undergraduate Studies, and Sr. Associate Vice President of Student Affairs and Student Success.  
Billie Jo Hamilton, Associate Vice President, Enrollment Planning & Management  
Masha Galchenko Director, University Budgets, Analytics and Data Administration  
Dr. Glen Besterfield, Dean of Admissions and Associate Vice President, Student Affairs and Student Success

MEDIUM PRIORITY RISKS	STATUS
<p><b>1. Additional emphasis is needed to ensure repeated course work is properly identified in Banner and Degree work.</b></p> <p>Hours to Degree (HTD) Courses to Degree (CTD) logic relies on a course attribute which is placed on the course in Banner (“REPT”). Audit identified an issue where repeated course work, ineligible for use toward degree, was reflected as used toward degree in the CTD file.</p> <p>The CTD Credit Hour Usage Indicator (<a href="#">BOG Element 01489</a>) (usage indicator) is a code used to indicate whether a course was used toward a student’s degree requirements or to meet the foreign language requirement. The usage indicator is set to “D” if the hours were used toward degree.</p> <p>Repeated course work for which a passing grade is received cannot be flagged as used toward degree unless the course has been approved as a repeatable course or an exception has been approved. If the course is not a repeatable course the course instance with the lowest grade is assigned a course attribute (“REPT”) in OASIS to prevent DegreeWorks and the HTD CTD Logic from using the repeated course toward a degree requirement.</p> <p>Of the 455,673 records in the CTD file, contained within the HTD submission, only 4,706 had the “REPT” course attribute applied. Since the “REPT” course attribute can be manually or systematically applied, Audit performed a reasonableness review of students who had two or more courses with the same prefix and suffix which had a usage indicator of “D”(used toward degree) in order to verify that the CTD logic was correctly handling duplicate course work.</p> <p>During the review, Audit identified 18 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 the course in OASIS. In five of the 18 instances the repeat course work was not properly identified in DegreeWorks and the CTD logic accurately reflected the system of record which contained the error. For the remaining thirteen instances, the CTD usage indicator did not match the system of record. The root cause of the difference was as follows:</p> <ul style="list-style-type: none"> <li>• For six students, the HTD CTD logic intentional coded the non-repeatable courses as “used for degree” to meet the minimum hours required for the degree.</li> <li>• For seven students, the HTD CTD logic selected the course as used toward degree in error since the course had not been flagged as a repeated course in OASIS. A new report designed to identify duplicate course errors was implemented in June 2019 but these students were not included on the report since they had already graduated. This report should identify these exceptions in the future.</li> </ul> <p>Audit verified that the errors identified had no impact on the student’s excess hours computation. Failure to properly identify and code repeated course work in Banner</p>	In Progress

MEDIUM PRIORITY RISKS	STATUS
<p>and/or DegreeWorks increased the probability that repeated coursework will be improperly coded by the HTD CTD Logic.</p> <p><b>Recommendation: The Office of the Registrar, in coordination with Information Technology and Undergraduate Studies, should:</b></p> <ol style="list-style-type: none"> <li><b>1. Reinforce appropriate best practices related to the utilization of repeated coursework toward degree in DegreeWorks including ensuring that DegreeWorks is properly applying non-repeatable course work toward degree and that documentation of any approvals to use previously excluded coursework toward degree is maintained within DegreeWorks.</b></li> <li><b>2. Continue the recently implemented anomaly report process to identify repeated coursework which has not been properly identified to ensure that the “REPT” attribute is applied to the course which cannot be utilized toward degree without an exception. This will ensure that the CTD logic works properly.</b></li> </ol> <p><b>Management Attention Required:</b>      <input type="checkbox"/> Immediate      <input checked="" type="checkbox"/> Urgent      <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>              <input type="checkbox"/> Significant      <input checked="" type="checkbox"/> Moderate      <input type="checkbox"/> Minimal</p> <p><b>Management’s Response:</b></p> <p>Undergraduate Studies has already coordinated with the Office of the Registrar to identify process improvements and/or approaches to ensuring best practices to ensure the REPT course attribute is accurately applied. These improvements will be implemented no later than May 30, 2020.</p> <p>The Office of the Registrar will continue our collaboration with Information Technology to ensure REPT error checking report logic remains sound, ensuring the efficacy of the tool.</p> <p>Estimated Completion Date: May 30, 2020</p>	





STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

## Data Integrity Certification

March 2020

University Name: University of South 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 significant or material audit findings.

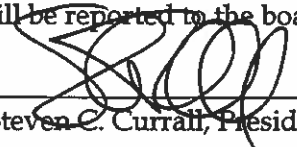
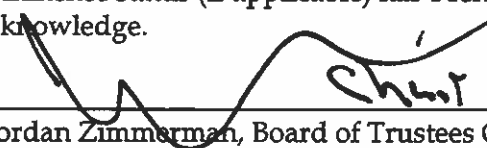
Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board 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"/>	
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"/>	
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	
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 <del>Preeminence or Emerging Preeminence</del> 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 <del>and the Preeminence or Emerging Preeminence Data Integrity Audit (if applicable)</del> 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 <del>1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively]</del> , 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 <del>and Preeminence or Emerging Preeminence status (if applicable)</del> 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> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 45%;"> <p>Certification:  _____</p> <p style="text-align: center;">Steven C. Currall, President</p> </div> <div style="width: 45%;"> <p>Date: <u>21 February 2020</u></p> </div> </div>
<p>I certify that this Board of Governors Data Integrity Certification for Performance Based Funding <del>and Preeminence or Emerging Preeminence status (if applicable)</del> has been approved by the university board of trustees and is true and correct to the best of my knowledge.</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 45%;"> <p>Certification:  _____</p> <p style="text-align: center;">Jordan Zimmerman, Board of Trustees Chair</p> </div> <div style="width: 45%;"> <p>Date: <u>February 24, 2020</u></p> </div> </div>



## MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs  
Dr. Paul R. Sanberg, Senior Vice President for Research & Innovation

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

DATE: March 20, 2020

SUBJECT: 20-020 Preeminence 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 that support the calculation of the 12 preeminence metrics. These data submissions are relied upon by the Board of Governors (BOG) in assessing USF's eligibility under [Florida Statute 1001.7065 Preeminent state research universities program](#). 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 Data Integrity Certification to be filed with the BOG. This project was added to the 2019-2020 Audit Work Plan, as a result of a legislative change to [Florida Statute 1001.706\(5\)\(e\) Powers and duties of the Board of Governors](#) which now requires all universities to perform an audit of the data used in the preeminence metrics.

The data supporting preeminence metrics comes from a variety of sources including data reported to external entities, data submitted to the BOG via routine and ad hoc requests, financial data submitted by the USF Foundation regarding endowments, and data that is created and reported by an independent, external entity outside of USF's control. USF may assist the BOG's Office of Data Analytics (BOG-ODA) by gathering the data or confirming the data. For additional information on metrics and data sources included in this review see [Appendix A](#).

Audit's 2018-2019 Work Plan included a consulting project (19-020 Institutional Data Reporting Review) to assess internal controls that ensure the completeness, accuracy, and timeliness of data submissions that support the calculation of the 12 preeminence metrics as reported in the 2019 Accountability Plan. Fieldwork for 19-020 was in progress when the legislative bill was passed mandating an audit be conducted. Although not originally planned to meet the audit requirements established by Senate Bill 190, the work performed in 19-020 was relied upon during the performance of the current audit, 20-020 Preeminence Data Integrity Audit. For additional information on the scope, objectives, and results of Audit's consulting project 19-020 see [Attachment A](#).

As approved by the BOT Chair, the BOT Audit & Compliance Committee Chair, and the President, the scope of the current audit 20-020 focused on the BOG Methodology document provided on October 7, 2019 to ensure USF interpretations were consistent with the BOG's expectations; sample testing for metrics F, G, H and K not performed during the consulting project; and follow-up on control deficiencies identified in consulting project 19-020.

Audit's overall conclusion was that there was an adequate system of internal controls in place over nine of the 12 metrics (Metrics A-E and I-L) assuming corrective action is taken timely to address the one remaining unresolved medium-priority risk communicated in 19-020. This medium-priority risk related to enhancing oversight of survey data used in the preeminence metrics.

Controls over the remaining three metrics (F-H) relied on data from the same source, the National Science Foundation (NSF) Higher Education Research & Development (HERD) survey. Our overall conclusion for this data source was that there was not an adequate system of internal controls in place. While progress has been made to resolve the high-priority risks reported in 19-020, no significant changes have been implemented to the overall control environment. Also, as a result of testing performed in the current audit, additional recommendations were identified related to the high-priority risk concerning the data governance structure over the HERD survey. These additional recommendations are included within this report.

**Although the issues identified were considered high risk due to their potential reputational risk, there was no impact to the overall status of each metric (pass or fail). USF Tampa met the preeminence measures despite the issues identified. For additional information on the impact to metrics F-H see [Appendix B](#).**

OVERALL CONCLUSION	
<input type="checkbox"/> 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.
<input type="checkbox"/> Adequate System of Internal Control – with reservations	Medium-priority risks are present requiring urgent management attention within 60 days.
<input checked="" type="checkbox"/> Inadequate System of Internal Control	High-priority risks are present requiring immediate management attention within 30 days.

We appreciated the outstanding cooperation received throughout this review. Please contact us at (813) 974-2705 if you have any questions.

cc: David Lechner, Senior Vice President, Business and Financial Strategy  
 Dr. Charles J Lockwood, Senior Vice President, USF Health  
 Nick Trivunovich, Vice President, Business and Finance and Chief Financial Officer  
 Robert Fischman, Vice President and Chief Financial Officer  
 Sidney Fernandes, Vice President, Information Technology and Chief Information Officer  
 Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability  
 Dr. Paul Dosal, Vice President for Student Affairs and Student Success  
 Keith Anderson, Assistant Vice President, Research & Innovation  
 Masha Galchenko, Director, University Budgets, Analytics and Data Administration



## BACKGROUND

### Regulatory Requirements

In 2013, the Legislature and Governor approved Senate Bill 10761, (see [Florida Statute 1001.7065](#)), creating the Preeminent State Research Universities Program, specifying 12 benchmarks and providing added resources and benefits to those eligible universities meeting six out of those 12 benchmarks for emerging preeminence and 11 out of 12 for preeminence. Florida Statute 1001.7065 established the academic and research excellence standards and data sources for the preeminent state research universities program. The university's performance results related to the preeminence metrics are reported to the BOG via the Accountability Plan, after review and approval by the USF BOT. The 2019 Accountability Plan was approved by the USF BOT, via consent agenda, on [April 8, 2019](#). The BOG Strategic Planning Committee reviewed and approved the Accountability Plan on [June 11, 2019](#).

[BOG regulation 2.002 University Accountability Plans](#) requires each university BOT to “prepare an accountability plan and submit updates on an annual basis for consideration by the Board of Governors.” The accountability plan outlines the university's top priorities, strategic directions, and specific actions for achieving those priorities, as well as progress towards previously approved institutional and System-wide goals.

On June 18, 2019 [Senate Bill 190](#) was approved by the Legislature and Governor which required the BOG to define the data components and methodology used to implement Florida Statute 1001.7065 and required each university to conduct an annual audit to verify that the data submitted pursuant to Florida Statute 1001.7065 complies with the data definitions established by the board.

The data supporting preeminence metrics comes from a variety of sources including:

- Data reported to external entities, which is managed in accordance with [USF Policy 11-007](#).
- Data submitted to the BOG via routine and ad hoc requests, which is managed by Resource Management & Analysis' (RMA) Office of Data Administration & State Reporting (RMA-ODA).
- Financial data submitted by the USF Foundation (USFF) regarding endowments to the National Association of College and University Business Officers (NACUBO).
- Data that is created and reported by an independent external entity outside of USF's control. USF may assist the BOG's Office of Data Analytics (BOG-ODA) by gathering the data or confirming the data, but has no ability to impact the data.

### USF Roles and Responsibility for External Data Requests

In order to ensure the integrity of the data submitted to external agencies outside of the BOG process, USF promulgated [USF Policy 11-007 Data Submission to External Entities, effective August 24, 2018](#), which communicates “to the USF System, the roles and responsibilities for responding to requests from external entities that involve provision of institutional data.” The policy applies to all units/offices across the USF System and provides guidelines for processing data requests by external entities. External data requests not exempted from this policy, “must go

through the USF System's Office of Decision Support (ODS) which has established procedures for processing those requests details of which may be accessed on the [ODS Data Request site](#)."

According to USF Policy 11-007, institutional data is defined as "all data elements created, maintained, received, or transmitted as a result of business, educational or research activities of a USF System unit or office." External data requests include, but are not limited to, "publications by external entities (NSF, CUPA, ACT, etc.), ranking publications – international and domestic (U.S. News and World Report, Times Higher Education, etc.), surveys administered by or on behalf of external entities (NSSE, THE-WSJ, Princeton Review, etc.), other external reports available to the general public, and mandated reports (IPEDS, etc.)".

### **ODS Validation Process**

There are four surveys used as data sources for the preeminence metrics: the Integrated Postsecondary Education Data System (IPEDS) Survey, the NSF HERD Survey, the NSF/National Institutes of Health (NIH) Graduate Students and Postdoctorates in Science and Engineering (GSS) Survey, and the NACUBO Endowment Survey. Only the IPEDS survey is prepared and validated by ODS.

According to Florida Statute 1001.7065, the IPEDS survey data must be used for Metric C (Retention) and Metric D (4-year Graduation Rate). This is inconsistent with the BOG's intent to calculate the metrics using BOG file submissions. Prior to 2017-2018, the IPEDS survey, was prepared and submitted by the BOG using data submitted by the University. These data files were subject to the BOG submission validation process below. Beginning in 2017-2018, ODS began preparing and submitting the IPEDS survey for each campus separately using USF copies of the BOG file submissions. The IPEDS survey data is compiled using an AppWorx job written and maintained by Information Technology (IT). Once submitted to the BOG and IPEDS, a copy of the submission is placed on the [ODS website](#).

Each year, the BOG-ODA utilizes the BOG submissions to recalculate Metrics C and D and provides the source data and results to each university. ODS validates the results provided by BOG-ODA and works with BOG-ODA to reconcile any differences. Since ODS prepares the data for IPEDS, the quality standards mandated by USF Policy 11-007 are complied with, but the standard process for requesting ODS approval is not necessary.

### **BOG Submission Validation Process**

Specifically excluded from [USF Policy 11-007 Data Submission to External Entities](#) are requests from the BOG including official information requests, routine annual requests, and ad hoc special requests, which are managed by RMA-ODA. The Institutional Data Administrator manages the RMA process.

RMA-ODA is responsible for certifying and managing the submission of data to the BOG on behalf of the USF System pursuant to [BOG Regulation 3.007](#). RMA-ODA serves as a liaison between the BOG-ODA and the USF System regarding requests for information and coordinates the efforts of

academic and administrative resources to ensure timely and accurate reporting. The RMA-ODA has established [roles and responsibilities](#) for those involved in maintaining institutional data, preparing required files for submission to the BOG, and validating the files are accurate and consistent with BOG data definitions. Each data submission is assigned to a primary executive reviewer who is responsible for the review and approval of the institutional data submission prior to the official submission to the BOG. As an additional data integrity control the RMA-ODA collaborates with ODS, who services as a member of the executive review team, before submission to the BOG.

The process used to create standard BOG submissions, submitted via the State University Data System (SUDS), is audited each year by USF System Audit (Audit). For more information on the control process, see USF Audit 20-010 Performance Based Funding (PBF) Data Integrity Audit.

The following BOG SUDS file submissions are utilized by the BOG to calculate or validate preeminence metrics:

- Admission file used to compute Average Grade Point Average (GPA) and Average Scholastic Aptitude Test (SAT) Score (Metric A).
- Student Instruction file used to generate the First Time in College (FTIC) cohort used in Metrics A, C (Retention Rate), and D (4-yr Graduation Rate) and calculate metrics.
- Degrees Awarded file used to compute Number of Doctoral Degrees Awarded Annually (Metric J) and Metric D.

The BOG also makes numerous requests for ad hoc data including data submitted to the NSF via the HERD survey and the NSF/NIH via the GSS Survey. The ad hoc data requests are used in four metrics: Research Expenditures in Science & Engineering (Metric F), Research Expenditures in Non-Medical Science & Engineering (Metric G), Top 100 Rank in Research Funding (Metric H), and Post-doctoral appointees (Metric K). The number of post-doctoral appointees was also used in the institution-selected PBF metric until 2019-2020. As a result, the NSF GSS survey was included in the annual PBF audit and follows a formal executive review process used for BOG SUDS submissions.

All BOG ad hoc reports are assigned to a sub-certifier who has been given the responsibility to oversee the definition, management, control, integrity, and maintenance of institutional data. A formal executive review meeting may be held or an executive review is performed via email in which institutional data is reviewed and approved prior to submission to the BOG. Upon approval by the executive review team, the data is submitted to the BOG.

## **USFF Process**

The USFF is responsible for calculating and reporting the data for the NACUBO – TIAA Study of Endowments (NTSE) which is used for Metric L (Endowments  $\geq$  \$500 Million). USFF utilizes the NACUBO definition of endowments to complete the survey. Once compiled, the endowment team reviews the data and the survey is approved by the Vice President for University Advancement. The endowment team includes the Vice President and three additional USFF team members (Assistant Vice President, Director of Investments, and USFF Accounting manager). Once the survey is submitted the endowment number is provided to ODS for inclusion in the Accountability

Plan. On October 3, 2019, the USFF initiated an executive review process for the NTSE survey through RMA-ODA.

### **Process Used to Validate Metrics Using External Sources**

The results of three of the metrics are based on data maintained by external sources including: Public University National Ranking (Metric B), National Academy Memberships (Metric E), and Utility Patents Awarded (Metric I).

University ranking (Metric B) is tracked on an on-going basis by ODS. Annually, ODS submits their list to the BOG who validates the rank on the external entities' websites. USF does not submit the data to the BOG for Metric E or I, the BOG obtains the number of faculty members whom are members of a National Academy by reviewing public data without the assistance of USF and obtains the number of patents directly from [uspto.gov](https://www.uspto.gov). ODS (metric E) and the Office of Research & Innovation (Metric I) validate the BOG data.

## **SCOPE AND OBJECTIVES**

Our audit focused on the internal controls established by the USF System as of September 30, 2019 to ensure the completeness, accuracy, and timeliness of data submissions, which support the preeminence 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 which support the preeminence measures.
- Provide an objective basis of support for the President and BOT Chair to sign the representations included in the Data Integrity Certification, which will be submitted to the BOT and filed with the BOG.

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.

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.

## PRIOR AUDIT WORK RELIED UPON

Audit's 2018-2019 Work Plan included a consulting project (19-020 Institutional Data Reporting Review) to assess the completeness, accuracy, and timeliness of data submissions that support the calculation of the 12 preeminence metrics as reported in the 2019 Accountability Plan. Fieldwork for 19-020 was in progress when the legislative bill was passed mandating an audit be conducted. Although not originally planned to meet the audit requirements established by Senate Bill 190, the work performed in 19-020 was relied upon during the performance of the current audit, 20-020 Preeminence Data Integrity. For additional information on the scope, objectives, and results of Audit's consulting project 19-020, see [Attachment A](#).

## PROCEDURES PERFORMED

In order to meet the BOG's Data Integrity Audit and Certification for Preeminence Metrics requirements, and build on the work performed in our consulting review, Audit performed the following additional procedures:

1. Reviewed the BOG's definition of the data components and methodology used to implement Florida Statute 1001.7065 (Preeminent state research universities program) to ensure USF's interpretations were consistent with the BOG's expectations.
2. Traced samples from the NSF/NIH GSS survey and the NSF HERD survey to the system of record or supporting documentation.
3. Followed up on control deficiencies identified in the consulting review.

## CONCLUSION

Audit's overall conclusion was that there was an adequate system of internal controls in place over nine of the 12 metrics (Metrics A-E and I-L) assuming corrective action is taken timely to address the one remaining unresolved medium-priority risk communicated in 19-020. This medium-priority risk related to enhancing oversight of survey data used in the preeminence metrics.

Controls over the remaining three metrics (F-H) relied on data from the same source, the NSF HERD survey. Our overall conclusion for this data source was that there was not an adequate system of internal controls in place. While progress has been made to resolve the high-priority risks reported in 19-020, no significant changes have been implemented to the overall control environment. Also, as a result of testing performed in the current audit, additional recommendations were identified related to the high-priority risk concerning the data governance structure over the HERD survey. These additional recommendations are included within this report.

**Although the issues identified were considered high risk due to their potential reputational risk, there was no impact to the overall status of each metric (pass or fail). USF Tampa met the preeminence measures despite the issues identified. For additional information on the impact to metrics F-H see [Appendix B](#).**



HIGH PRIORITY RISK	STATUS
<p><b>1. As noted in 19-020, the data governance structure over the HERD survey is not adequate to ensure accurate and consistent reporting of research and development (R&amp;D) expenditures.</b></p> <p>High-priority risk #2 in Audit's consulting review, 19-020 Institutional Data Reporting, identified deficiencies in the controls over the data compilation, validation, and submission related to the HERD survey. As a result of the review, Audit recommended management review the following R&amp;D expenditures included in the 2018 HERD survey to determine whether inclusion was appropriate. For additional information regarding the HERD survey definitions, see <a href="#">Attachment B</a>.</p> <ul style="list-style-type: none"> <li>• Research project coded as training or instructional</li> <li>• Convenience accounts</li> </ul> <p>As part of the current review, Audit followed up on management's corrective actions taken in response to Audit's 19-020 recommendations, as well as evaluated supporting documentation for expenditures reported in the 2018 HERD survey.</p> <p><b>Research Projects</b></p> <p>The 2018 HERD survey included \$29.8 million in expenditures coded as related to training or instructional grants. The Office of Research &amp; Innovation (ORI) completed a review of the projects associated with these expenditures and identified \$12.2 million that should not have been reported in the HERD survey. Subsequently, Audit reviewed a judgmental sample of projects the ORI determined to be allowable and identified an additional \$1.2 million for which the research-related purpose was not sufficiently supported. Therefore, Audit concluded this expenditure category to be over-reported in the HERD survey by up to an estimated \$13.4 million. In addition, Audit's review determined the associated contract or grant's purpose was not being coded consistently within the Financial Accounting System (FAST's) grant module because there was no guidance provided to those selecting the purpose and no independent oversight.</p> <p><b>Convenience Accounts</b></p> <p>The 2018 HERD survey also included \$70.9 million in expenditures from convenience accounts included by ORI because they believed they contained research related expenditures. Convenience accounts are used to account for expenditures to be reimbursement by a direct support organization or other affiliated organization. The ORI, with support from USF Health (USFH) Graduate Medical Education (GME), completed a review of convenience account activity based on available information regarding the intended purpose of the account and identified \$.1 million that should not have been reported in the HERD survey. Subsequently, Audit reviewed a judgmental sample of convenience accounts accounting for 93% of the HERD survey R&amp;D expenditures in this</p>	In Progress

HIGH PRIORITY RISK	STATUS
<p>category. Audit identified an additional \$64.5 million which did not have sufficient support to conclude the expenditure related to research activities or activities were commingled within the same fund which did not permit adequate tracking of fund activity. Therefore, Audit concluded this expenditure category to be over-reported in the HERD survey by up to an estimated \$64.6 million.</p> <p>In both categories of expenditures, Audit determined the data governance structure was not effective in identifying R&amp;D expenditures in the systems of record to adequately support accurate and consistent reporting for the HERD survey.</p> <p>When a robust data management framework is not in place the probability that data submitted to external entities is inaccurate, incomplete, or inconsistent with the established methodology of the data request is significantly increased. Whether intentional or unintentional, material errors in reporting data used to measure institutional performance creates a significant reputational risk.</p> <p>Based on the results of the additional work performed, Audit recommends the following actions also be taken as management works to improve the control structure over reporting R&amp;D expenditures in the HERD survey.</p> <p><b>Recommendation: Office of Research &amp; Innovation, in coordination with Information Technology and the University Controller's Office should:</b></p> <ol style="list-style-type: none"> <li><b>1. Capture additional information within the financial accounting systems to allow for efficient and accurate reporting of a research projects purpose consistent with NSF definitions (research, research related training and instructions, non-research training, public services etc.).</b></li> <li><b>2. Obtain and retain adequate documentation of the purpose of convenience accounts which will permit research related activities to be identified and develop and implement a methodology for tracking R&amp;D related expenditures contained within these funds.</b></li> </ol> <p><b>Management Attention Required:</b>      <input checked="" type="checkbox"/> Immediate      <input type="checkbox"/> Urgent      <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>      <input checked="" type="checkbox"/> Significant      <input type="checkbox"/> Moderate      <input type="checkbox"/> Minimal</p>	

## APPENDIX A

### PREEMINENCE DATA SOURCES

Metric	Description	Responsible Unit	Source	Data Used/Created by the BOG
A	Average GPA and SAT score for incoming freshman in Fall semester.	BOG-ODA	Admission File (ADM)	BOG-ODA performs concordance of SAT scores and calculates averages based on the ADM tables provided by USF.
B	Top 50 in national public university rankings	ODS	External rankings	List of acceptable organizations maintained by BOG-ODA. USF's performance for listed organizations is prepared by ODS. BOG validates using external websites.
C	Freshman retention rate (Full-time, FTIC)	ODS	IPEDS survey	Data based on BOG Files (SIF, SIFP) used to calculate the FTIC Cohort and the retention rate. IPEDS Survey is prepared by ODS and validated by BOG.
D	Four year FTIC graduation rate	ODS	IPEDS survey & BOG submission files	Data based on BOG files (SIF, SIFP) used to calculate the FTIC cohort and SIFD. IPEDS survey is prepared by ODS and validated by BOG. BOG also computes graduation rates based on BOG files (SIF, SIFP, and SIFD).
E	National Academy memberships	BOG-ODA	Official membership directories	Calculated by BOG but validated by ORI using external websites. List of acceptable organizations maintained by BOG.
F	Total annual research expenditures: science & engineering only	ORI	NSF HERD survey	Survey utilizes FAST, FAIR, and BANNER financial data, and R&D activities reported by and external affiliates and DSO via manual survey tools.
G	Total annual research expenditures in diversified non-medical sciences	ORI	NSF HERD survey	Same as Metric F
H	Top 100 national ranking in research expenditures in at least five STEM disciplines	ORI	NSF HERD survey	Same as Metric F, except ORI utilizes department ID number to associate R&D activities with a discipline.
I	Patents awarded over three year period	BOG-ODA	USPTO	As reported by USPTO for the most recent three years.
J	Doctoral degrees awarded annually	BOG-ODA	Degrees Awarded File (SIFD)	BOG computes and ODS validates based on SIFD.
K	Number of post-doctoral appointees	OPA	NSF GSS survey	USF OPA
L	Endowment size	USFF	NACUBO survey	USFF financial records in BANNER and external investment statements.

**KEY TERMS**

Term	Description
<b>BANNER</b>	Financial accounting system used by USF Foundation and USF Research Foundation
<b>BOG-ODA</b>	Florida Board of Governors' Office of Data Analytics
<b>FAIR</b>	Faculty Academic Information Reporting System used to obtain departmental funded research efforts
<b>FAST</b>	Financial Accounting System used by USF to manage contracts and grant activities
<b>FTIC</b>	First-time in College as defined by IPEDS and BOG
<b>IPEDS</b>	Integrated Postsecondary Education Data System at the National Center for Education Statistics
<b>NACUBO</b>	National Association of College and University Business Officers
<b>NSF GSS</b>	NSF/National Institutes of Health (NIH) Survey of Graduate Students and Post-doctorates in Science and Engineering
<b>NSF HERD</b>	National Science Foundation Higher Education Research & Development Survey
<b>ODS</b>	Office of Decision Support in the Office of the Provost
<b>OPA</b>	Office of Post-Doctoral Affairs in the Office of Graduate Studies
<b>ORI</b>	Office of Research & Innovation
<b>PBF</b>	Performance Based Funding
<b>USFF</b>	USF Foundation, direct support organizations of USF
<b>USFRF</b>	USF Research Foundation, direct support organization of USF
<b>USPTO</b>	United States Patent & Trademark Office
<b>R&amp;D</b>	Research & Development expenditures as defined by the HERD survey

**APPENDIX B****IMPACT OF CONTROL DEFICIENCIES ON METRICS**

Metrics F&amp;G (in Millions)

	Originally reported to HERD	Affiliates not reported in Financial Statements	Non-research training & instruction	Convenience Account Activities not directly related	Other errors	Total Adjustments	Adjusted Balance
All R&D Expenditures	\$581.6	\$(123.1)	\$(13.4)	\$(64.6)	\$(.3) <sup>1</sup>	\$(201.4)	\$380.2
Total R&D expenditures for Science & Engineering (S&E) Disciplines (Metric F Benchmark \$200)	\$524.7	\$(123.1)	\$(6.8)	\$(60.9)	\$(.4)	\$(191.2)	\$333.5
Total R&D for Non-health S&E Disciplines (Metric G Benchmark \$150)	\$295.6	\$(31.3)	\$(6.3)	\$(6.3)	\$(.3)	\$(44.2)	\$251.4

<sup>1</sup>Total is less than R&D S&E due to under reporting of Non-S&E USF Foundation expenditures.



## Metric H: By Discipline (S&amp;E Only)

Discipline	Originally Reported	Adjusted	Adjusted Number	Impact on Rank
Computer & Information Sciences	\$8.9	\$(.4)	\$8.5	Remains in top 100
Geosciences, Atmospheric, & Ocean Sciences	\$25.3		\$25.3	Remains in top 100
Life Sciences	\$374.9	\$(177.4)	\$197.5	Remains in top ten
Mathematics & Statistics	\$2.3		\$2.3	Remains in top 100
Physical Sciences	\$12.5	\$(.2)	\$12.3	Remains below top 100
Psychology	\$12.5	\$(6.9)	\$5.6	Remains in top 100
Social Sciences	\$38.4	\$(5.3)	\$33.1	Remains in top 100
Engineering	\$48.3	\$(1.0)	\$47.3	Remains in top 100
Other Sciences	\$ 1.6		\$1.6	Not Applicable
Total S&E	\$524.7	\$(191.2)	\$333.5	

## ATTACHMENT A

### INSTITUTIONAL DATA REPORTING CONSULTING PROJECT (19-020)

#### SCOPE & OBJECTIVES

Our review focused on the internal controls established by the USF System as of April 1, 2019 to ensure the completeness, accuracy, and timeliness of data submissions, which support the preeminence measures.

The primary objectives of our review was to:

- Gain an understanding of data elements, data sources, and methodologies used to compute the metric.
- Identify and evaluate key processes and controls used by the data owners to ensure the completeness, accuracy, and timeliness of data submission.
- Validate all populations utilized and recalculate metrics using internal and external data sets, when available.
- Verify data accuracy through sample testing of key files and data elements.
- Review the processes used by the data administrators in the Office of Decision Support (ODS) and Resource Management & Analysis Office of Data Administration & State Reporting (RMA-ODA) to ensure the completeness, accuracy, and timely submission of data supporting the metrics.
- Determine overall risk of a data submission being inaccurate or incomplete.
- Recommend corrective actions where weaknesses were identified.

Our audit scope excluded controls in place to produce the data files supporting the Performance Based Funding metrics, which were reviewed in a separate audit (Audit 19-010 dated February 4, 2019).

Our review was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The COSO (Committee of Sponsoring Organizations of the Treadway Commission) Control Frameworks were used to assess control structure effectiveness.

**BOARD OF GOVERNORS (BOG) FILES REVIEWED**

<b>Submission</b>	<b>System of Record</b>	<b>Table(s)</b>	<b>Submission Reviewed</b>
Admission File (ADM)	OASIS <sup>1</sup>	Applicants Admits Tests Reqs	Fall 2018
Retention File (RET), based on Student Instruction File (SIF) and Student Instructional File - Degree (SIFD)	BOG	Retention File Retention Cohort Change	2017-2018 (cohort 2014)
Student Instructional File - Degree (SIFD)	OASIS <sup>1</sup>	Degrees Awarded	Summer 2017 Fall 2017 Spring 2018

<sup>1</sup> OASIS is the student information system used by the USF System.

**CONCLUSION (19-020)**

Audit's overall conclusion was that there was an adequate system of internal controls in place over nine of the 12 metrics (Metrics A-E and I-L) assuming corrective actions are taken timely to address the two medium-priority risks related to enhancing oversight of surveys and maintenance of historical data to support data submitted to the Board of Governors.

Controls over the remaining three metrics (F-H) relied on data from the same source, the National Science Foundation Higher Education Research & Development (HERD) survey. Our overall conclusion for this data source was that there was not an adequate system of internal controls in place due to the presence of two high-priority risks related to affiliate research and development expenditures and the control structure to ensure accurate and consistent reporting of research and development expenditures.

**Although, the issues identified were considered high risk due to their potential reputational risk, there was no impact to the overall status of each metric (pass or fail). USF Tampa met the preeminence measures despite the issues identified.**

## ATTACHMENT B

### NATIONAL SCIENCE FOUNDATION (NSF) HIGHER EDUCATION RESEARCH & DEVELOPMENT (HERD) SURVEY DEFINITIONS

NSF provides guidance to institutions completing the HERD survey via survey instructions, annual webinars, and written question & answer documents, and via direct response to institutions.

#### Reporting Units

The following guidance was provided in the [2018 survey](#):

Reporting units include:	Reporting units do not include:
All units of your institution included in or with your financial statements, such as: <ul style="list-style-type: none"> <li>• Agricultural experiment stations</li> <li>• Branch campuses</li> <li>• Medical schools</li> <li>• Hospitals or clinics</li> <li>• Research centers and facilities</li> <li>• A university 501(c)(3) foundation</li> </ul>	Other organizations or institutions, such as teaching hospitals or research institutes, with which your institution has an affiliation or relationship, but which are not components of your institution.
	<a href="#">Federally funded R&amp;D Centers</a>
	Other campuses headed by their own president, chancellor, or equivalent within your university system. Each campus is asked to respond separately

#### Definition of R&D

The NSF provides guidance to institutions on how to define research activities as R&D. This guidance is contained in a document titled “[Definitions of Research and Development: An Annotated Compilation of Official Sources](#)”.

This document includes the HERD Survey definition of R&D:

“R&D is creative and systematic work undertaken in order to increase the stock of knowledge—including knowledge of humankind, culture, and society—and to devise new applications of available knowledge. R&D covers three activities defined below—basic research, applied research, and experimental development.

- Basic research is experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view.
- Applied research is original investigation undertaken in order to acquire new knowledge. It is directed primarily towards a specific, practical aim or objective.
- Experimental development is systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.”

The [2018 Survey instructions](#) provided the following additional guidance:

R&D Expenditures include all expenditures for R&D activities from your institution's current operating funds that are separately accounted for. For purposes of this survey, R&D includes expenditures for organized research as defined by 2 CFR Part 200 Appendix III and expenditures from funds designated for research.

R&D includes:	R&D does not include:
Sponsored research (federal and nonfederal)	Public service grants or outreach programs
University research (institutional funds that are separately budgeted for individual R&D projects)	Curriculum development (unless included as part of an overall research project)
Startup, bridge, or seed funding provided to researchers within your institution	R&D conducted by university faculty or staff at outside institutions that is not accounted for in your financial records
Other departmental funds designated for research	Estimates of the proportion of time budgeted for instruction that is spent on research
Recovered and unrecovered indirect costs	Capital projects (i.e., construction or renovation of research facilities)
Equipment purchased from R&D project account	Non-research training grants
R&D funds passed through to a sub recipient organization, educational or other	Unrecovered indirect costs that exceed your institution's federally negotiated Facilities and Administrative (F&A) rate
Clinical trials, Phases I, II, or III	
Research training grants funding work on organized research projects	
Tuition remission provided to students working on research	






**MEMORANDUM**

**TO:** Virginia L. Kalil, Executive Director/Chief Internal Audit  
USF System Audit

**FROM:** Paul R. Sanberg, Senior Vice President for Research, Innovation &  
Knowledge Enterprise



**DATE:** February 13, 2020

**RE:** Management Overall Response to High Priority Risk 20-020

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Management Overall Response to High Priority Risk 20-020:

Recommendation #1—

The University agrees that a robust data management framework must be in place which adheres to data integrity standards. Additionally, the process used to gather, validate, and compile data from multiple sources must be documented and a methodology for identifying expenditures for funds designated for research must be developed.

Action Plan—

Commencing with FY 2020's HERD Survey, the Internal Form will be amended to reflect four categories—research, research instruction, non-research instruction and public service—so as to facilitate accurate reporting. The justification for including expenditures involving a new project will be based on R&D effort as indicated based on the definitions provided by NSF in the HERD Survey instructions. Furthermore, formal classification or designation of a project as basic research, applied research and/or experimental development will occur commencing with fiscal year 2020.

Date of Implementation—

Completion of an overall framework and plan – March 13, 2020  
Completion of all of the remaining steps - January 31, 2021.

Memo re Management Overall Response to High Priority Risk 20-020  
February 13, 2020  
Page Two

Technical Owner/ Functional Manager

Keith Anderson, Assistant Vice President

Recommendation #2—

To facilitate tracking R&D expenditures to be reported to the HERD Survey, the University concurs that a methodology must be devised and adequate documentation relating to the purpose of each convenience account must be maintained.

Action Plan—

Commencing with FY 2019's HERD Survey, Sponsored Research will review the account set up documentation establishing new convenience funds to determine the purpose of the account. If the fund is research-related, Sponsored Research will retain adequate supporting documentation on file.

Date of Implementation—

Completion of an overall framework and plan – March 13, 2020  
Completion of all of the remaining steps - January 31, 2021.

Technical Owner/ Functional Manager

Keith Anderson, Assistant Vice President



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

## Data Integrity Certification

March 2020

University Name: University of South 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 significant or material 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 <del>Performance Based Funding decision-making</del> and Preeminence or Emerging Preeminence Status.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See attached notes.
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 type="checkbox"/>	<input checked="" type="checkbox"/>	See attached notes.
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	

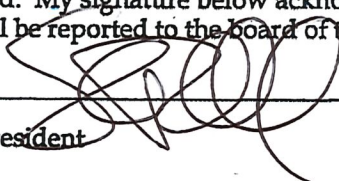

## Data Integrity Certification

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"/>	
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 <b>Submit for Approval</b> 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 <del>the Performance Based Funding initiative</del> 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 <del>Performance Based Funding Data Integrity Audit</del> 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 [ <del>regarding Preeminence and Performance-based Funding, respectively</del> ], 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 <del>Performance Based Funding and</del> 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: _____ Date <u>30 March 2020</u> _____</p> <p style="text-align: center;">President </p>
<p>I certify that this Board of Governors Data Integrity Certification for <del>Performance Based Funding and</del> 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: _____ Date <u>30 March 2020</u> _____</p> <p style="text-align: center;">Board of Trustees Chair </p>



**University of South Florida**  
**Supplement to The Data Integrity Certification**  
**March, 2020**

**Statement Regarding Representations 1 and 2.**

USF management is responsible for establishing and maintaining an effective internal control framework and monitoring process. For nine metrics, the system of internal control was deemed adequate.

For metrics F, G, and H, USF internal auditors made observations reflecting on research expenditures data, reporting, and the internal control structure. Those observations resulted in restatements that are explained in the footnotes below.

Most importantly, after restatements, USF still exceeded all statutory requirements for preeminence.

**Additional Information Regarding Restatements.**

***Reporting of Affiliates.*** During this examination, it was observed that certain affiliates of the University had historically been included in the totals reported in the Higher Education and Research Development (HERD) Survey. The definitions in the HERD survey uses a strict financial accounting definition of what is to be included. Conversely, the activities of modern research universities use a variety of partnerships, sharing of faculty, and cooperating on facilities.

Examples of such expenditures formerly included were:

- Faculty holding dual appointments at Moffitt Cancer Center housed in the Department of Oncological Sciences at USF Health. Note that the Moffitt relationship stems from when it was a Direct Support Organization (DSO). An MOU between the parties acknowledges USF was reporting such information in the HERD survey.
- Faculty holding dual appointments at Veteran's Administration (VA)-Bay Pines, VA- Haley, All Children's Hospital, Jaeb Center for Health Research, Florida Institute of Orthopedics, and Research Park tenants
- Comparative Medicine staff operating the vivarium located in the Moffitt Cancer Center building.
- Faculty operating under inter-agency personnel agreements (IPA).
- Costs associated with conducting regulatory reviews and providing oversight to Moffitt (e.g., IRB, IACUC, biosafety, radiation safety, etc.)

The following detail recaps affiliate amounts (in millions) previously reported in the June 30, 2018 HERD report and were removed in the restated balances.

Entity	Amount
Moffitt	\$ 84
Jaeb	26
VA Haley	9
Others	4
Total Affiliates	<u>\$ 123</u>

USF will work with BOG staff to ascertain what reporting best fits BOG's needs as the definitions of the HERD survey may no longer capture of all activity that involves USF, its faculty, and facilities.

**Other Expenditures.** The auditors also questioned costs relating to expenditures for USF Health house staff and costs related to training and instructional grants. The audit disallowed \$78 million because of excluding these questioned items.


**Summary.** The net effect of the changes and comparison of the restated amounts per audit to benchmarks are shown below.

Category	Amounts (millions)		
	Previously Reported	Per Audit	Preeminence Benchmark
Total Science and Engineering Expenditures	\$ 525	\$334	> \$200
Non-medical Science and Engineering	\$295	\$251	> \$150
Total Research Expenditures	\$581	\$380	N/A



## MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs  
Dr. Paul R. Sanberg, Senior Vice President for Research & Innovation

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

DATE: March 20, 2020

SUBJECT: 19-020 Institutional Data Reporting Review

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At the request of management, USF System Audit (Audit) performed a review of the internal controls, as of April 1, 2019, that ensure the completeness, accuracy, and timeliness of data submissions that support the calculation of the 12 preeminence metrics as reported in the 2019 Accountability Plan. This review was included on the 2018-2019 Audit Work Plan. Fieldwork was performed during the period of April 10, 2019 to July 31, 2019.

The data supporting preeminence metrics comes from a variety of sources including:

- Data reported to external entities, which is managed in accordance with [USF Policy 11-007](#).
- Data submitted to the Board of Governors (BOG) via routine and ad hoc requests, which is managed by Resource Management & Analysis' Office of Data Administration & State Reporting (RMA-ODA).
- Financial data submitted by the USF Foundation (USFF) regarding endowments to the National Association of College and University Business Officers (NACUBO).
- Data that is created and reported by an independent external entity outside of USF's control. USF may assist the BOG's Office of Data Analytics (BOG-ODA) by gathering the data or confirming the data, but has no ability to impact the data.

For additional information on metrics and data sources included in this review see [Appendix A](#).

During the performance of fieldwork, [Senate Bill 190](#), effective July 1, 2019, was approved by the Legislature and Governor. SB 190 requires the BOG to define the data components and methodology used to implement Florida Statute [1001.7065](#) (Preeminent state research universities program) and requires each university to conduct an annual audit to verify that the data submitted pursuant to Florida Statute 1001.7065 complies with the data definitions established by the board. The BOG data definitions and/or methodology was not received until October 7, 2019 following

fieldwork. Although not originally planned to meet the audit requirements established by Senate Bill 190, the work performed was relied upon during the performance of the required audit in Fall 2019, as appropriate.

Audit's overall conclusion was that there was an adequate system of internal controls in place over nine of the 12 metrics (Metrics A-E and I-L) assuming corrective actions are taken timely to address the two medium-priority risks communicated in [Appendix C](#). These medium-priority risks, which require timely action within 90 days, are related to enhancing oversight of surveys and maintenance of historical data supporting data submitted to the BOG. As of the date of this report, the risk associated with the oversight of surveys is partially resolved, and the risk to maintenance of historical data is fully resolved.

Controls over the remaining three metrics (F-H) relied on data from the same source, the National Science Foundation's (NSF) Higher Education Research & Development (HERD) survey. Our overall conclusion for this data source was that there was not an adequate system of internal controls in place due to the presence of two high-priority risks communicated in [Appendix B](#). These high-priority risks related to affiliate research and development expenditures and the control structure to ensure accurate and consistent reporting of research and development expenditures. **Although, the issues identified were considered high risk due to their potential reputational risk, there was no impact to the overall status of each metric (pass or fail). USF Tampa met the preeminence measures despite the issues identified.** Management's action plan to resolve the high-priority risk recommendations is attached to this report. Urgent action is needed to resolve these issues since the next HERD survey submission must be completed in March 2020. As of the date of this report, the risk associated with affiliate expenditures is fully resolved, and the risk of accurate and consistent reporting of expenditures is partially resolved.

We appreciated the outstanding cooperation received throughout this review. Please contact us at (813) 974-2705 if you have any questions.

cc: David Lechner, Senior Vice President, Business and Financial Strategy  
 Dr. Charles J Lockwood, Senior Vice President, USF Health  
 Nick Trivunovich, Vice President, Business and Finance and Chief Financial Officer  
 Robert Fischman, Vice President and Chief Financial Officer  
 Sidney Fernandes, Vice President, Information Technology and Chief Information Officer  
 Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability  
 Dr. Paul Dosal, Vice President for Student Affairs and Student Success  
 Keith Anderson, Assistant Vice President, Research & Innovation  
 Masha Galchenko, Director, University Budgets, Analytics and Data Administration

## BACKGROUND

### Regulatory Requirements

In 2013, the Legislature and Governor approved Senate Bill 10761, (see [Florida Statute 1001.7065](#)), creating the Preeminent State Research Universities Program, specifying 12 benchmarks and providing added resources and benefits to those eligible universities meeting six out of those 12 benchmarks for emerging preeminence and 11 out of 12 for preeminence. Florida Statute 1001.7065 established the academic and research excellence standards and data sources for the preeminent state research universities program. The university's performance results related to the preeminence metrics are reported to the BOG via the Accountability Plan, after review and approval by the USF Board of Trustees (BOT). The 2019 Accountability Plan was approved by the USF BOT, via consent agenda, on [April 8, 2019](#). The BOG Strategic Planning Committee reviewed and approved the Accountability Plan on [June 11, 2019](#).

[BOG regulation 2.002 University Accountability Plans](#) requires each university BOT to “prepare an accountability plan and submit updates on an annual basis for consideration by the Board of Governors.” The accountability plan outlines the university's top priorities, strategic directions, and specific actions for achieving those priorities, as well as progress towards previously approved institutional and System-wide goals.

The data supporting preeminence metrics comes from a variety of sources including:

- Data reported to external entities, which is managed in accordance with [USF Policy 11-007](#).
- Data submitted to the BOG via routine and ad hoc requests, which is managed by RMA-ODA.
- Financial data submitted by the USFF regarding endowments to the NACUBO.
- Data that is created and reported by an independent external entity outside of USF's control. USF may assist the BOG's Office of Data Analytics (BOG-ODA) by gathering the data or confirming the data, but has no ability to impact the data.

On June 18, 2019, [Senate Bill 190](#) was approved by the Legislature and Governor which required the BOG to define the data components and methodology used to implement Florida Statute 1001.7065 and required each university to conduct an annual audit to verify that the data submitted pursuant to Florida Statute 1001.7065 complies with the data definitions established by the board. The BOG provided the data definitions and/or methodology on October 7, 2019, after our fieldwork was completed.

### USF Roles and Responsibilities for External Data Requests

In order to ensure the integrity of the data submitted to external agencies outside of the BOG process, USF promulgated [USF Policy 11-007 Data Submission to External Entities, effective August 24, 2018](#), which communicates “to the USF System, the roles and responsibilities for responding to requests from external entities that involve provision of institutional data.” The policy applies to all units/offices across the USF System and provides guidelines for processing data requests by external entities. External Data Requests not exempted from this policy, “must go



through the USF System's Office of Decision Support (ODS) which has established procedures for processing those requests details of which may be accessed on the [ODS Data Request site](#)."

According to USF Policy 11-007, institutional data is defined as "all data elements created, maintained, received, or transmitted as a result of business, educational or research activities of a USF System unit or office." External data requests include, but are not limited to, "publications by external entities (NSF, CUPA, ACT, etc.), ranking publications – international and domestic (U.S. News and World Report, Times Higher Education, etc.), surveys administered by or on behalf of external entities (NSSE, THE-WSJ, Princeton Review, etc.), other external reports available to the general public, and mandated reports (IPEDS, etc.)."

### **ODS Validation Process**

There are four surveys used as data sources for the preeminence metrics: the IPEDS Survey, NSF HERD Survey, the NSF/National Institutes of Health (NIH) Graduate Students and Postdoctorates in Science and Engineering (GSS) Survey, and the NACUBO Endowment Survey. Only the IPEDS survey is prepared and validated by ODS.

Prior to 2017-2018, the IPEDS survey, was prepared and submitted by the BOG using data submitted by the University. These data files are subject to the BOG submission validation process below. Beginning in 2017-2018, ODS began preparing and submitting the IPEDS survey for each campus separately using USF copies of the BOG file submissions. The IPEDS survey data is compiled using an AppWorx job written and maintained by Information Technology (IT). Once submitted to the BOG and IPEDS, a copy of the submission is placed on the [ODS website](#).

Each year, the BOG-ODA utilizes the BOG submissions to recalculate Metrics C and D and provides the source data and results to each university. ODS validates the results provided by the BOG-ODA and works with the BOG-ODA to reconcile any differences. Since ODS prepares the data for IPEDS, the quality standards mandated by USF Policy 11-007 are complied with, but the standard process for requesting ODS approval is not necessary.

Regarding Metric D, [Florida Statute Chapter 1001.7065\(2\) Academic and Research Excellence Standard](#) requires "a 4-year graduation rate of 60 percent or higher for full-time, first-time-in-college students, as reported annually to the IPEDS". (Emphasis added)

The [USF Accountability Plan](#) includes data for the 2014 cohort at the instruction of the BOG. The BOG calculated the 4-year graduation rate from BOG files submitted by USF. Since the Integrated Postsecondary Education Data System (IPEDS) focuses on a 6-year cohort, the 2014 Cohort will not be reported by IPEDS until 2019-2020. In order to meet the statutory requirement that the rate be reported to IPEDS, the BOG-ODA instructed ODS to send an email with the current 4-year graduation rate to IPEDS. IPEDS does not review the data until it is included in a formal submission.

To alleviate the timing problems [House Bill 7071](#) section 35 was passed ([Rule 2019-119 \(35\)](#)), which states, "The Board of Governors shall use its 2019 Accountability Plan in determining a state university's preeminence designation and in distributing awards for the 2019-2020 fiscal year appropriation." This one-year exemption does not address the problem in the long term.

## BOG Submission Validation Process

Specifically excluded from [USF Policy 11-007 Data Submission to External Entities](#) are requests from the BOG including official information requests, routine annual requests, and ad hoc special requests, which are managed by RMA-ODA. The Institutional Data Administrator manages the RMA process.

RMA-ODA is responsible for certifying and managing the submission of data to the BOG on behalf of the USF System pursuant to [BOG Regulation 3.007](#). RMA-ODA serves as a liaison between the BOG-ODA and the USF System regarding requests for information and coordinates the efforts of academic and administrative resources to ensure timely and accurate reporting. The RMA-ODA has established [roles and responsibilities](#) for those involved in maintaining institutional data, preparing required files for submission to the BOG, and validating the files are accurate and consistent with BOG data definitions. Each data submission is assigned to a primary executive reviewer who is responsible for the review and approval of the institutional data submission prior to the official submission to the BOG. As an additional data integrity control the RMA-ODA collaborates with ODS, who serves as a member of the executive review team, before submission to the BOG.

The process used to create standard BOG submissions, submitted via the State University Data System (SUDS), is audited each year by USF System Audit (Audit). For more information on the control process, see USF Audit 19-010 Performance Based Funding (PBF) Data Integrity.

The following BOG SUDS file submissions are utilized by the BOG to calculate or validate preeminence metrics:

- Admission file used to compute Average Grade Point Average (GPA) and Average Scholastic Aptitude Test (SAT) Score (Metric A).
- Student Instruction file used to generate the first time in college (FTIC) cohort used in Metrics A, C (Retention Rate) , and D (4-yr Graduation Rate) and calculate the metrics.
- Degrees Awarded file used to compute Number of Doctoral Degrees Awarded Annually (Metric J) and Metric D.

The BOG also makes numerous requests for ad hoc data including data submitted to the NSF via the HERD survey and the NSF/NIH via the GSS Survey. The ad hoc data requests are used in four metrics: Research Expenditures in Science & Engineering (Metric F), Research Expenditures in Non-Medical Science & Engineering (Metric G), Top 100 Rank in Research Funding (Metric H), and Post-doctoral appointees (Metric K). The number of post-doctoral appointees was also used in the institution-selected PBF metric until 2019-2020. As a result, the NSF GSS survey was included in the annual PBF audit and follows a formal executive review process used for BOG SUDS submissions.

All BOG ad hoc reports are assigned to a sub-certifier who has been given the responsibility to oversee the definition, management, control, integrity, and maintenance of institutional data. A formal executive review meeting may be held or an executive review is performed via email in which institutional data is reviewed and approved prior to submission to the BOG. Upon approval by the executive review team, the data is submitted to the BOG.

## USFF Process

The USFF is responsible for calculating and reporting the data for the NACUBO – TIAA Study of Endowments (NTSE) which is used for Metric L (Endowments  $\geq$  \$500 Million). USFF utilizes the NACUBO definition of endowments to complete the survey. Once compiled, the endowment team reviews the data and the survey is approved by the Vice President for University Advancement. The endowment team includes the Vice President and three additional USFF team members (Assistant Vice President, Director of Investments, and USFF Accounting manager). Once the survey is submitted the endowment number is provided to ODS for inclusion in the Accountability Plan.

## Process Used to Validate Metrics Using External Sources

The results of three of the metrics are based on data maintained by external sources including: Public University National Ranking (Metric B), National Academy Memberships (Metric E), and Utility Patents Awarded (Metric I).

University ranking (Metric B) is tracked on an on-going basis by ODS. Annually, ODS submits their list to the BOG who validates the rank on the external entities' websites. USF does not submit the data to the BOG for Metric E or I, the BOG obtains the number of faculty members whom are members of a National Academy by reviewing public data without the assistance of USF and obtains the number of patents directly from [uspto.gov](https://www.uspto.gov). ODS (metric E) and the Office of Research & Innovation (ORI) (Metric I) validate the BOG data.

## SCOPE AND OBJECTIVES

Our review focused on the internal controls established by the USF System as of April 1, 2019 to ensure the completeness, accuracy, and timeliness of data submissions, which support the preeminence measures.

The primary objectives of our review were to:

- Gain an understanding of data elements, data sources, and methodologies used to compute the metric.
- Identify and evaluate key processes and controls used by the data owners to ensure the completeness, accuracy, and timeliness of data submissions.
- Validate all populations utilized and recalculate metrics using internal and external data sets, when available.
- Verify data accuracy through sample testing of key files and data elements.
- Review the processes used by the data administrators in ODS and RMA-ODA to ensure the completeness, accuracy, and timely submission of data supporting the metrics.
- Determine overall risk of a data submission being inaccurate or incomplete.
- Recommend corrective actions where weaknesses were identified.

Our audit scope excluded controls in place to produce the data files supporting the Performance Based Funding metrics, which were reviewed in a separate audit (Audit 19-010 dated February 4, 2019).

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.

## CONCLUSION

Audit's overall conclusion was that there was an adequate system of internal controls in place over nine of the 12 metrics (Metrics A-E and I-L) assuming corrective actions are taken timely to address the two medium-priority risks communicated in [Appendix C](#). These medium-priority risks related to enhancing oversight of surveys and maintenance of historical data to support data submitted to the BOG.

Controls over the remaining three metrics (F-H) relied on data from the same source, the NSF HERD survey. Our overall conclusion for this data source was that there was not an adequate system of internal controls in place due to the presence of two high-priority risks communicated in [Appendix B](#) related to affiliate research and development expenditures and the control structure to ensure accurate and consistent reporting of research and development expenditures. **Although, the issues identified were considered high risk due to their potential reputational risk, there was no impact to the overall status of each metric (pass or fail). USF Tampa met the preeminence measures despite the issues identified.**

## APPENDIX A

### PREEMINENCE DATA SOURCES

Metric	Description	Responsible Unit	Source	Data Used/Created by the BOG	Testing Methodology
A	Average GPA and SAT score for incoming freshman in Fall semester	BOG-ODA	Admission File (ADM)	BOG-ODA performs concordance of SAT scores and calculates averages based on the ADM tables provided by USF.	Recomputed average GPA and SAT using ADM files. Selected a sample and traced to system of record.
B	Top 50 in national public university rankings	ODS	External rankings	List of acceptable organizations maintained by BOG-ODA. USF's performance for listed organizations is prepared by ODS. BOG validates using external websites.	Validated ODS listing to external sites.
C	Freshman retention rate (Full-time, FTIC)	ODS	IPEDS survey	Data based on BOG files (SIF, SIFP) used to calculate the FTIC Cohort and the retention rate. IPEDS Survey is prepared by ODS and validated by BOG.	Recomputed retention rate using retention files produced by BOG from SIF and SIFP. Selected a sample and traced to system of record.
D	Four year FTIC graduation rate	ODS	IPEDS survey & BOG submission files	Data based on BOG files (SIF, SIFP) used to calculate the FTIC cohort and SIFD. IPEDS survey is prepared by ODS and validated by BOG. BOG also computes graduation rates based on BOG files (SIF, SIFP, and SIFD).	Recomputed graduation rate using SIF, SIFD, and FTIC cohort. Sample tested during PBF Audit.
E	National Academy memberships	BOG-ODA	Official membership directories	Calculated by BOG but validated by ORI using external websites. List of acceptable organizations maintained by BOG.	Validated BOG-ODA listing to external sites.
F	Total annual research expenditures: science & engineering only	ORI	NSF HERD survey	Survey utilizes FAST, FAIR, and BANNER financial data, and R&D activities reported by external affiliates and DSOs via manual survey tools.	Recalculated metric using FAST data and data obtained from ODS (FAIR), USFF, USFRF, and affiliates.



Metric	Description	Responsible Unit	Source	Data Used/Created by the BOG	Testing Methodology
G	Total annual research expenditures in diversified non-medical sciences	ORI	NSF HERD survey	Same as Metric F	Same as Metric F
H	Top 100 national ranking in research expenditures in at least five STEM disciplines	ORI	NSF HERD survey	Same as Metric F, except ORI utilizes department ID number to associate R&D activities with a discipline.	Recalculated rank using HERD survey published data.
I	Patents awarded over three year period.	BOG-ODA	USPTO	As reported by USPTO for the most recent three years.	Verified using USPTO website.
J	Doctoral degrees awarded annually	BOG-ODA	Degrees Awarded File (SIFD)	BOG computes and ODS validates based on SIFD.	Recalculated using the SIFD file. Sample tested during PBF Audit.
K	Number of post-doctoral appointees	OPA	NSF GSS survey	USF OPA	No testing performed since testing was done during the PBF Audit.
L	Endowment size	USFF	NACUBO survey	USFF financial records in BANNER and external investment statements.	Reviewed calculation and traced to supporting documents.

### KEY TERMS

Term	Description
<b>BANNER</b>	Financial accounting system used by USF Foundation and USF Research Foundation.
<b>BOG-ODA</b>	Florida Board of Governors' Office of Data Analytics
<b>FAIR</b>	Faculty Academic Information Reporting System used to obtain departmental funded research efforts
<b>FAST</b>	Financial Accounting SysTEm used by USF to manage contracts and grant activities.
<b>FTIC</b>	First -time in College as defined by IPEDS and BOG
<b>IPEDS</b>	Integrated Postsecondary Education Data System at the National Center for Education Statistics
<b>NACUBO</b>	National Association of College and University Business Officers
<b>NSF GSS</b>	NSF/National Institutes of Health (NIH) Survey of Graduate Students and Post-doctorates in Science and Engineering
<b>NSF HERD</b>	National Science Foundation Higher Education Research & Development Survey
<b>ODS</b>	Office of Decision Support in the Office of the Provost
<b>OPA</b>	Office of Post-Doctoral Affairs in the Office of Graduate Studies
<b>ORI</b>	Office of Research & Innovation
<b>PBF</b>	Performance Based Funding
<b>USFF</b>	USF Foundation, direct support organizations of USF.

<b>USFRF</b>	USF Research Foundation, direct support organization of USF
<b>USPTO</b>	United States Patent & Trademark Office
<b>R&amp;D</b>	Research & Development expenditures as defined by the HERD survey.

### FILES REVIEWED

Submission	System of Record	Table(s)	Submission Reviewed
Admission File (ADM)	OASIS <sup>1</sup>	Applicants Admits Tests Reqs	Fall 2018
Retention File (RET), based on Student Instruction File (SIF) and Student Instructional File - Degree (SIFD)	BOG	Retention File Retention Cohort Change	2017-2018 (cohort 2014)
Student Instructional File - Degree (SIFD)	OASIS	Degrees Awarded	Summer 2017 Fall 2017 Spring 2018

<sup>1</sup> OASIS is the student information system used by the USF System.

## APPENDIX B

HIGH PRIORITY RISKS	STATUS
<p><b>1. Research and development (R&amp;D) expenditures of affiliates were included in the Higher Education R&amp;D (HERD) survey.</b></p> <p>The HERD survey states that R&amp;D “conducted by university faculty or staff at outside institutions that is <b>not accounted for in your financial records cannot be included.</b>” (Emphasis added) The HERD survey also defines allowable reporting units. Responding institutions are advised not to include “Other organizations or institutions, such as teaching hospitals or research institutes, with which your institution has an affiliation or relationship, but which are not components of your institution.”</p> <p>Each year the Office of Research &amp; Innovation (ORI) sends affiliates a paper HERD survey to complete with the instructions to include “research activity of those employees who hold dual appointments both with USF and the USF affiliate partners that is not reflected in FAST”, the university’s Financial Accounting SysTem. These affiliates are not accounted for in the USF financial statements as direct support organizations or component units.</p> <p>According to the ORI, affiliates have been included in the HERD survey since at least 2003-2004. The organizations included as affiliates in the 2017-2018 survey included: Moffitt, Veteran’s Administration (VA)-Bay Pines, VA- Haley, All Children’s Hospital, Jaeb Center for Health Research, Florida Institute of Orthopedics, and Research Park tenants.</p> <p>The 2017-2018 surveys completed by the affiliates reported <b>\$123.1</b> million in science and engineering R&amp;D expenditures, which was included in the HERD survey.</p> <p>Inclusion of the affiliates overstated the amount of research expenditures on the HERD survey incurred directly by the USF System, as reported in their financial records. Reporting affiliate R&amp;D expenditures, inconsistent with the HERD survey definitions and instructions, could result in significant reputational risk.</p> <p><b>Recommendation:</b></p> <p><b>The ORI should discontinue the process of including affiliates in the HERD survey.</b></p> <p><b>Management Attention Required:</b>    <input checked="" type="checkbox"/> Immediate    <input type="checkbox"/> Urgent    <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>            <input type="checkbox"/> Significant    <input type="checkbox"/> Moderate    <input checked="" type="checkbox"/> Minimal</p>	Resolved

HIGH PRIORITY RISKS	STATUS
<p><b>2. The data governance structure over the HERD survey is not adequate to ensure accurate and consistent reporting of R&amp;D expenditures.</b></p> <p>In order to ensure that the R&amp;D expenditures are reported accurately and consistently there must be a robust data management framework, which ensures that data custodians adhere to data integrity standards, maintain proper documentation, ensure completeness of the data, and maintain accurate records to support the submission. This includes ensuring an independent data quality assurance process is in place.</p> <p>The HERD survey was not following <a href="#">USF Policy 11-007 Data Submission to External Entities</a> standard for external data submissions because the survey was provided an exemption as a Board of Governors (BOG) ad hoc report. Responsibility for maintaining an adequate data management structure for the HERD survey is assigned to the data stewards, sub-certifiers, and primary executive reviewers in the ORI.</p> <p>There were no work instructions, flowcharts, or other comprehensive documentation of the process used to gather, validate, and compile data from the multiple sources. A Senior Enterprise Resource Planning (ERP) Analyst, in the ORI who serves as the data steward relied on guidance provided by the ORI leadership and the prior data steward to determine what R&amp;D expenditure to report.</p> <p>Audit's review of the methodology utilized to complete the survey identified the following issues:</p> <ul style="list-style-type: none"> <li>• The HERD survey allowed “expenditures from funds designated for research”. USF establishes convenience account funds within FAST to record payroll costs and other expenditures to be reimbursed by Direct Support Organizations (DSOs) and external affiliates. The activity reflected in these funds may be directly related to research, unrelated to research, or a combination of both research and non-research activities. The ORI's data steward was excluding those account funds unrelated to research, but had no methodology in place to allocate dual-purpose account funds which contained research and non-research activities. Expenditures, totaling \$70.9 million were included in the HERD survey. USF Health House staff account funds represent 82% of these costs (<b>\$57.8 million</b>) and are a multi-purpose account fund.</li> <li>• The HERD R&amp;D survey covers three activities: basic research, applied research and experimental development.” HERD excludes “public service grants or outreach programs” and “non-research training grants”. USF establishes a FAST project for each sponsored research activity managed by the ORI. USF includes all research activity associated with a FAST project in the HERD survey. While each ORI FAST project is associated with a purpose (research, instructional, or other), there is no</li> </ul>	In Progress

HIGH PRIORITY RISKS	STATUS
<p>way to identify externally funded non-research training grants or public service grants since the purpose of these projects are coded as either instructional, training, or other. There was \$25.5 million in expenditures coded in FAST as instructional and \$4.3 million coded as training which could be research or non-research training. In addition, public service grants would be coded as “other”.</p> <ul style="list-style-type: none"> <li>• USF Foundation (USFF) funded R&amp;D activities were recorded based on revenues received not expenditures incurred, which resulted in an under reporting of \$738,256.</li> <li>• Capital project costs were miscoded in FAST resulting in an overstatement of R&amp;D Expenditures of \$815,889.</li> </ul> <p>Additionally, Audit identified the following deficiencies with the data compilation process:</p> <ul style="list-style-type: none"> <li>• The HERD survey utilizes a FAST query written by the data steward. As a result, the query is not subject to the established IT change management controls.</li> <li>• Departmentally funded research is not tracked in FAST; as a result, the Office of Decision Support (ODS) must provide a report of Education and General (E&amp;G) funds used for research from the Faculty Academic Information Reporting (FAIR) system. The report provides a summary of the E&amp;G dollars by department with no detail by employee. As a result, there is no ability for the ORI to validate the accuracy of the data.</li> <li>• The FAST and FAIR data is downloaded into an Access database where the data is combined and a manually maintained crosswalk is used to assign the R&amp;D discipline based on department ID number. No one besides the data steward validates the crosswalk.</li> <li>• Data is then transferred to an Excel spreadsheet where data from the USFF, USF Research Foundation (USFRF), and external affiliates is manually added. USFRF and affiliates provide no detail of activities and report activities via a manually completed HERD survey. As a result, there is no ability for the ORI to validate the accuracy of the data. No one besides the data steward validates the consolidation is accurate.</li> </ul> <p>Once the data compilation process is complete, the data steward prepares the HERD survey for each campus along with a data quality report. The data quality report includes summary reports, which compare total R&amp;D expenditures by entity for the current reporting period to the last two previously reported periods, and the preeminence metric results for the current period to the last five reporting periods. These reports are presented to the ORI Associate Vice President (sub-certifier) and to the Senior Vice President for approval. Once approved, the data is submitted to the NSF. Subsequent to this submission, an executive review process is performed which is overseen by the Resource Management &amp; Analysis’ Office of Data Administration &amp; State</p>	



HIGH PRIORITY RISKS	STATUS
<p>Reporting. The primary executive reviewer is the Vice President, Business and Finance and Chief Financial Officer which is inconsistent with the roles and responsibility document on the RMA-ODA website.</p> <p>When a robust data management framework is not in place the probability that data submitted to external entities is inaccurate, incomplete, or inconsistent with the established methodology of the data request is significantly increased. Whether intentional or unintentional, material errors in reporting data used to measure institutional performance creates a significant reputational risk.</p> <p><b>Recommendation:</b></p> <ol style="list-style-type: none"> <li>1. The ORI should review all convenience account funds included in the HERD survey for allowability. A justification for including these expenditures should be maintained for each convenience account fund included in the HERD Survey. Only those costs directly related to an R&amp;D effort, as defined by HERD, should be included.</li> <li>2. The ORI should ensure all contract and grants, recorded in a FAST project, can be identified based on the grant's purpose (research, research instruction, non-research instruction, or public service) so that accurate reporting can occur.</li> <li>3. The ORI should ensure USFF R&amp;D expenditures are properly reported.</li> <li>4. The ORI should establish adequate controls over the HERD survey data production to ensure complete, accurate, and timely submission of the HERD data in accordance with the survey data definitions. At a minimum:             <ol style="list-style-type: none"> <li>i) Develop work instructions, flowcharts, or other comprehensive documentation of the process used to gather, validate, and compile data for the HERD survey. This should include data definitions and how ORI is assuring data produced is consistent with the definitions.</li> <li>ii) Request that the HERD survey be brought into the AppWorx process used to produce the IPEDS survey data and other BOG data submissions.</li> <li>iii) Develop anomaly reports to identify research activity inconsistent with the HERD data definitions.</li> </ol> </li> </ol> <p>Management Attention Required:    <input checked="" type="checkbox"/> Immediate    <input type="checkbox"/> Urgent    <input type="checkbox"/> Timely</p> <p>Resources/Effort Required:            <input checked="" type="checkbox"/> Significant    <input type="checkbox"/> Moderate    <input type="checkbox"/> Minimal</p>	

## APPENDIX C

MEDIUM PRIORITY RISKS	STATUS
<p><b>1. Oversight over surveys used to support preeminence metrics needs to be enhanced.</b></p> <p><a href="#">USF Policy 11-007 Data Submission to External Entities</a> communicates “to the USF System, the roles and responsibilities for responding to requests from External Entities that involve provision of institutional data.”</p> <p>USF Policy 11-007 states “Institutional data requested by external entities will be considered and furnished pursuant to University policies and protocols to ensure legitimacy of the request and accuracy of any data submitted. Upon approval by the Accountable Officer, the Unit Data Coordinator will engage with the USF System Office of Decision Support for review and processing of the request adhering to the highest standards of data integrity. Prior to external submission and in compliance with the relevant University Policies, ODS will approve data sources and definitions and ensure rigorous documentation and verification standards are upheld.”</p> <p>External data requests include publications to external entities including ranking publications, surveys administered by or on behalf of external entities, and mandated reports such as IPEDS. External data requests are exempt from USF Policy 11-007 if they are requested from the BOG since these requests are managed by RMA-ODA or if they are financial information managed by USF Business and Finance.</p> <p>Three survey results are used in the preeminence metrics and all three were considered exempt from ODS-ODA review for the following reasons:</p> <ul style="list-style-type: none"> <li>• Higher Education Research &amp; Development (HERD) survey (metrics F, G, H) and National Science Foundation (NSF)/National Institutes of Health (NIH) Graduate Students and Postdoctorates in Science and Engineering (GSS) (metric K) were considered a BOG ad hoc report even though the data was submitted directly to survey administrator.</li> <li>• National Association of College and University Business Officers (NACUBO) – TIAA Study of Endowments (NTSE) (metric L) was considered financial information.</li> </ul> <p>While the HERD and GSS surveys had an executive review process which included leadership outside the vice presidential area responsible for data collection and reporting, the NTSE survey did not. Only USFF leadership was involved in reviewing the survey prior to submission.</p> <p>In addition, the robust control process used with the BOG State University Database System (SUDS) file submissions, designed to ensure data was complete and accurate, were not in place for ad hoc reporting. Since both the</p>	In Progress

MEDIUM PRIORITY RISKS	STATUS
<p>HERD and NSF-GSS surveys are submitted directly to the external survey administrator on behalf of NSF, these surveys did not appear to meet the exemptions for BOG ad hoc reporting.</p> <p>When a robust data management framework is not in place the probability that data submitted to external entities is inaccurate, incomplete, or inconsistent with the established methodology of the data request is significantly increased. Whether intentional or unintentional, material errors in reporting data used to measure institutional performance create a significant reputational risk.</p> <p><b>Recommendation:</b></p> <ol style="list-style-type: none"> <li>1) The ORI should submit the HERD survey to the ODS for review rather than follow the BOG ad hoc process.</li> <li>2) The Office of Post-Doctoral Affairs should submit the NSF GSS survey to ODS for review rather than follow the BOG ad hoc process.</li> <li>3) The USF Foundation should implement an executive review process over the NTSE survey to ensure independent oversight over the survey's completion.</li> </ol> <p>Management Attention Required: <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> Urgent <input type="checkbox"/> Timely</p> <p>Resources/Effort Required: <input type="checkbox"/> Significant <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Minimal</p> <p><b>Management's Response:</b></p> <ol style="list-style-type: none"> <li>1) By January 31, 2021, USF Research &amp; Innovation commits to working with financial management and technology resources to foster more efficient and consistent reporting as the current system is labor intensive. HERD survey data results will be provided to the USF System Office of Decision Support for review and processing to ensure data integrity prior to submission to NSF.</li> <li>2) Implemented as of February 27, 2020</li> <li>3) Implemented as of October 3, 2019.</li> </ol>	
<p><b>2. The integrity of historical records related to the submission of degrees awarded was not being maintained.</b></p> <p>The Student Instructional File-Degree (SIFD) preparation is the responsibility of the Office of the Registrar, a Division of Student Affairs and Student Success. A copy of the degrees awarded (SIFD) table submitted to the BOG each semester is maintained in the data warehouse HubMart. This table is</p>	Resolved

MEDIUM PRIORITY RISKS	STATUS
<p>used during the validation process of the SIFD table to allow late-awarded degrees to be submitted in future SIFD submissions.</p> <p>Beginning in Summer 2014, when a degree awarded was rescinded, the degree was removed from the historic SIFD table and a request to delete the degree from the BOG-ODA was submitted. A request for the deletion was sent to the data administrator in RMA-ODA who ensured that both the SIFD sub-certifier and primary executive reviewer had approved the deletion. Once approved, a request to delete the record was sent to Information Technology. The ODS was also notified to delete the record in their database which was used to track progress toward the performance and preeminence metrics. The ODS maintained an Excel spreadsheet of the degrees removed. Neither the RMA-ODA nor the Office of the Registrar were maintaining a cumulative record of degrees rescinded, but they were maintaining the email records supporting the deletion.</p> <p>Based on the list provided by the ODS, there were 6 rescinded degrees during the period under review (Summer 2017 to Spring 2018). By deleting rescinded degrees from the SIFD file, rather than identifying them as rescinded, results in a loss of integrity of the file.</p> <p><b>Recommendation:</b></p> <p><b>The Office of Student Affairs &amp; Student Success should discontinue the practice of deleting rescinded degrees from the university's copy of the historical SIFD file in order to maintain an appropriate audit trail.</b></p> <p><b>Management Attention Required:</b>      <input type="checkbox"/> Immediate      <input checked="" type="checkbox"/> Urgent      <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>      <input type="checkbox"/> Significant      <input checked="" type="checkbox"/> Moderate      <input type="checkbox"/> Minimal</p> <p><b>Management's Response:</b> Implemented as of January 16, 2020.</p>	



**MEMORANDUM**

**TO:** Virginia L. Kalil, Executive Director/Chief Internal Audit  
USF System Audit

**FROM:** Paul R. Sanberg, Senior Vice President for Research, Innovation &  
Knowledge Enterprise

A handwritten signature in blue ink that reads "Paul R. Sanberg".

**DATE:** February 13, 2020

**RE:** Management Overall Response to High Priority Risk 19-020

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**Management Overall Response to High Priority Risk #1:**

USF Research & Innovation (USFR&I) agrees that the National Science Foundation (NSF) directs Higher Education Research and Development (HERD) survey respondents to exclude data for entities that are not discretely presented component units of the institution.

While the University concedes that the inclusion of data for affiliated entities is contrary to HERD directives, the report was compiled with the goal of capturing all research in which the University plays an integral role. This allows the report to capture activity not included in the University's financial statements, the absence of which would fail to recognize the University's unique relationship with its affiliates and would, therefore not otherwise be captured and reported to the Board of Governors as part of the HERD Survey.

Such expenditures included:

- Faculty holding dual appointments at Moffitt Cancer Center housed in the Department of Oncological Sciences at USF Health. Note that the Moffitt relationship stems from when it was a Direct Support Organization (DSO).
- Faculty holding dual appointments at Veteran's Administration (VA)-Bay Pines, VA- Haley, All Children's Hospital, Jaeb Center for Health Research, Florida Institute of Orthopedics, and Research Park tenants
- Comparative Medicine staff operating the vivarium located in the Moffitt Cancer Center building.
- Faculty operating under inter-agency personnel agreements (IPA).
- Costs associated with conducting regulatory reviews and providing oversight to Moffitt (*e.g.*, IRB, IACUC, biosafety, radiation safety, etc.)



**Action Plan—**

Commencing with FY2019, R&D conducted by University faculty or staff at outside institutions that are not accounted for in the University's financial records will no longer be reported in the HERD Survey. Unless otherwise directed by NSF, the University does not intend to restate data submitted previously.

The University believes it is important for the Board of Governors to have a report that captures all research data from the University and affiliates. USF will work with the Chancellor and his staff to determine a reporting methodology (e.g., HERD plus selected entities) that best meets the needs of the Board and the State of Florida in measuring all research activity.

**Date of Implementation—**

March 13, 2020

**Technical Owner/Functional Manager —**

Keith Anderson, Assistant Vice President

**Management Overall Response to High Priority Risk #2:**

**Recommendation #1—**

To ensure that R&D expenditures are reported accurately and consistently, management agrees that a robust data management framework must be in place which adheres to data integrity standards. Additionally, the process used to gather, validate, and compile data from multiple sources must be documented and a methodology for identifying expenditures for funds designated for research must be developed. Finally, dual purpose account funds containing research and non-research activities must be segregated based upon the grants purpose to facilitate accurate reporting.

**Action Plan—**

Sponsored Research reviewed each convenience account manually to discern if the activity reflected in these funds were related to research and/or scholarly activity directly or indirectly.

Where the intent for creating the fund was ambiguous, additional documentation was solicited from the administrative unit to determine if an “element of research activity” was being conducted. Further, telephone interviews were conducted with fund recipients or designated unit-level personnel to aid Sponsored Research in its decision-making efforts.

For FY 2019’s HERD Survey, Sponsored Research will compare the data reported for FY 2018 with the information generated for FY 2019. Any convenience fund not vetted previously will be reviewed for appropriateness utilizing the method employed above.

Because the University realizes that this method is labor-intensive, commencing with reporting for FY 2020, Sponsored Research will coordinate with Research Technologies to design tools to automate processes and reduce the administrative burden of categorizing convenience accounts.

**Date of Implementation—**

Completion of an overall framework and plan – March 13, 2020  
Completion of all of the remaining steps - January 31, 2021.

**Technical Owner/ Functional Manager—**

Keith Anderson, Assistant Vice President

**Management Overall Response to High Priority Risk #2:**

**Recommendation #2—**

Sponsored Research concurs that the classification assigned to each project must be based on the purpose and the deliverables required. Where the purpose of the project is unclear, additional documentation was requested from the administrative unit—including, the scope of work to be performed as well as progress and/or technical reports.

**Action Plan—**

Commencing with FY 2020’s HERD Survey, the Internal Form will be amended to reflect four categories—research, research instruction, non-research instruction and public service—so as to facilitate accurate reporting. The justification for including expenditures involving a

new project will be based on R&D effort as indicated based on the definitions provided by NSF in the HERD Survey instructions. Furthermore, formal classification or designation of a project as basic research, applied research and/or experimental development will occur commencing with fiscal year 2020.

**Date of Implementation—**

Revisions to the Internal Form will commence in February 2020. The timeline for recoding existing projects will be dependent on the feasibility of designing tools to automate processes and reduce the administrative burden, as well as, the availability of Research Technologies' staff.

Completion of an overall framework and plan – March 13, 2020  
Completion of all of the remaining steps – January 31, 2021

**Technical Owner/ Functional Manager—**

Keith Anderson, Assistant Vice President

**Management Overall Response to High Priority Risk #2:**

**Recommendation #3—**

The University concurs with this finding. To ensure that R&D expenditures are reported accurately and consistently, the USF Research and Innovation will work in collaboration with financial management and technology resources to develop ancillary tools to create a robust data management framework.

**Action Plan—**

To facilitate reporting of the USF Foundation's R&D expenditures, the USF Research and Innovation is working in conjunction with the USF Foundation to implement a crosswalk. The crosswalk is under review by the USF Foundation.

**Date of Implementation—**

Completion of an overall framework and plan – March 13, 2020

**Technical Owner/ Functional Manager—**

Keith Anderson, Assistant Vice President

**Management Overall Response to High Priority Risk #2:**

**Recommendation #4—**

The University acknowledges that additional control measures governing data integrity are warranted as the current method does not yield repeatable outcomes consistently.

**Action Plan—**

To prevent material errors in data reporting, Sponsored Research will develop work instructions, flowcharts, or other comprehensive documentation of the process used to gather, validate, and compile data for the HERD survey will be developed.

**Date of Implementation—**

Completion of an overall framework and plan – March 13, 2020  
Completion of all of the remaining steps - January 31, 2021.

**Technical Owner/ Functional Manager—**

Keith Anderson, Assistant Vice President

**General Response**

The methodology used by USF to capture and report R&D expenditures to the HERD Survey is complex and utilizes multiple financial and information systems. Despite this, opportunities exist that are not measured or estimated via the University's current approach. The University hired Huron Consulting Group to assess the feasibility of capturing additional unreported or under reported research expenditures. In their draft report, they cite a number of items they believe the University should include. These opportunities are being explored at present.



## **EXECUTIVE SUMMARY**

We audited Performance Based Funding Data Integrity as of September 30, 2019. This audit was included as part of our 2019/20 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 2, 2020.

Audit fieldwork began on November 7, 2019, and ended on January 17, 2020. 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. Since inception, the University has elected to use the metric "Percentage of Adult Undergraduates Enrolled," defined as the percentage of undergraduates enrolled during the fall term who are at least 25 years old at the time of enrollment. Next year this metric will be replaced with a newly designed metric, "Percent of Baccalaureate Graduates Completing 2+ High Impact Practices."

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





**Internal Auditing & Management Consulting**  
**Audit: Performance Based Funding Data Integrity - 2019**  
**Report # UWF19-20\_003**  
**Date: January 27, 2020**

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, 2017, and 2018.

**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. We evaluated internal controls that were in place and used the results to design audit tests. Extensive 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,

A handwritten signature in black ink, reading 'Cynthia Talbert', is positioned below the 'Respectfully submitted,' text.

**Cindy Talbert, CFE, CIA, CPA, CRMA**  
**Interim Internal Audit Director**

**REPORT PROVIDED TO THE FOLLOWING:**

Dr. Martha Saunders, President  
David E. Cleveland, 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. Kimberly McCorkle, Vice Provost  
Dr. Kim LeDuff, Vice President  
Betsy Bowers, Vice President  
Melanie Haveard, ITS Executive Director and CTO  
Keith King, Institutional Research Director  
Jeffrey Djerlek, Associate Vice President  
Shelly Blake, Associate Vice President  
Adam Burgess, Interim Registrar  
Katie Condon, Admissions Director  
Shana Gore, Enrollment Executive 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



# Data Integrity Certification

March 2020

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 **significant or material** 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"/>	
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"/>	
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 shall provide accurate data to the Board of Governors Office.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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"/>	


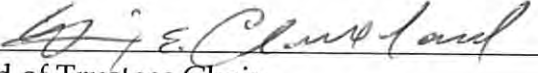


## Data Integrity Certification

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"/>	
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 <b>Submit for Approval</b> 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>2.13.2020</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>2/13/2020</u></p>