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

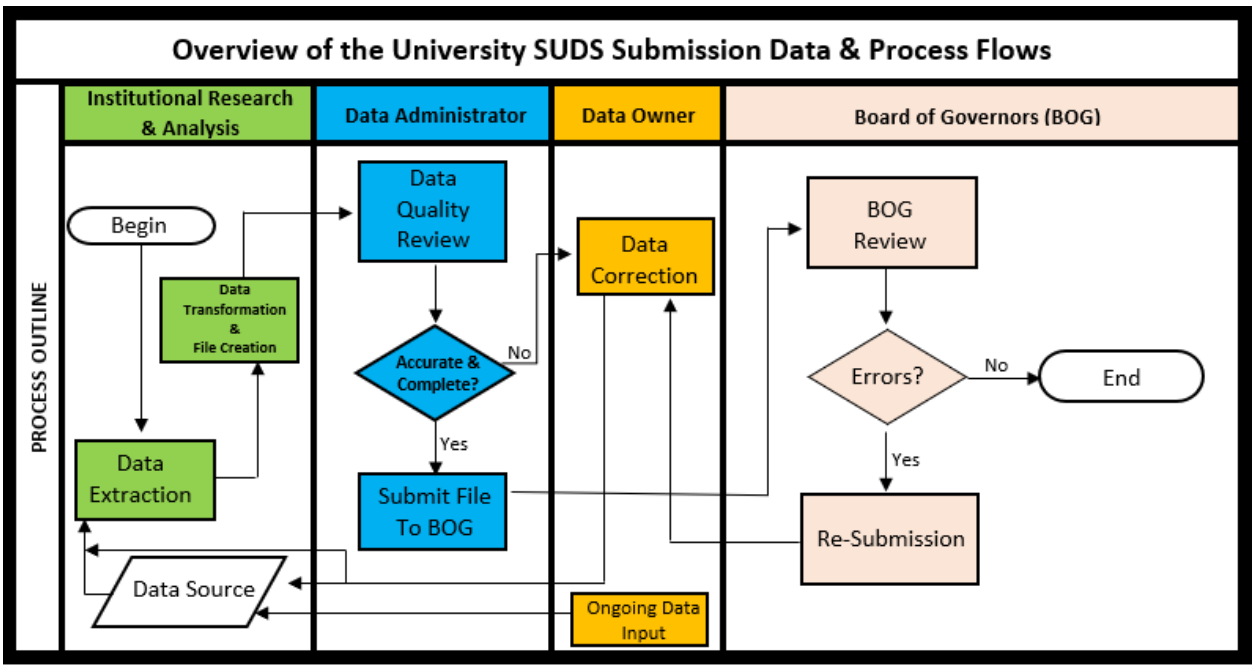
Due Date	Submission	Term or Year	Report Time Frame
10/4/2018	Degrees Awarded (SIFD)	Summer 2018	201805
10/4/2018	Student Financial Aid (SFA)	Annual 2017	20172018
10/10/2018	Admissions (ADM)	Fall 2018	201808
10/17/2018	Student Instruction File Preliminary (SIFP)	Fall 2018	201808
11/7/2018	Hours to Degree (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).	**Submission:** SIFD **Table:** Degrees Awarded **Elements:** 02001- Reporting Time Frame **Submission:** ADM **Table:** Exceptions **Elements:** 01068- Type of Student at Date of Entry **Submission:** SIF **Table:** Enrollments **Elements:** 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 & TERM) 01085- Institutional Hours for GPA 01086- Total Institutional Grade Points **Submission:** Retention **Table:** Retention Cohort Changes **Elements:** 01429- Cohort Type 01437- Student-Right-To-Know (SRK) Flag 01442- Cohort Adjustment Flag
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).	**Submission:** SIF **Table:** Enrollments **Elements:** 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 **Submission:** SFA **Table:** Financial Aid Awards **Elements:** 02040- Award Payment Term 02037- Term Amount 01253- Financial Aid Award Program Identifier

Metric	Definition	Submissions and Table Elements
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).	**Submission:** HTD **Table:** Courses to Degree **Elements:** 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 **Table:** Hours to Degree **Elements:** 01477- Catalog - Hours to Degree

APPENDIX C


Overview of the University SUDS Submission Data & Process Flows
PROCESS OUTLINE
Institutional Research & Analysis
Data Administrator
Data Owner
Board of Governors (BOG)
Begin
Data Transformation & File Creation
Data Extraction
Data Source
Data Quality Review
Accurate & Complete?
No
Yes
Submit File To BOG
Data Correction
Ongoing Data Input
BOG Review
Errors?
No
End
Yes
Re-Submission

STATE UNIVERSITY SYSTEM of FLORIDA
Board of Governors

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.	☒	☐	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	☒	☐	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	☒	☐	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	☒	☐	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	☒	☐	

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.	☒	☐	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	☒	☐	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	☒	☐	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing **Submit for Approval** represents electronic certification of this data per Board of Governors Regulation 3.007."	☒	☐	
10. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.	☒	☐	
11. I recognize that 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.	☒	☐	

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.	☒	☐	
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.	☒	☐	

Data Integrity Certification Representations, Signatures

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.

Certification: Richard Martin Date 2-5-20
President

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: Bill Hall Date 2/18/20
Board of Trustees Chair