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Final

Internal Audit Report 2020.01

Performance Based Funding Data Integrity



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The Swoop

Executive Summary

The University of North Florida (UNF), established in 1972, has gained national recognition for its quality, service, and signature emphasis on *Transformational Learning Opportunities* for students. The student population has grown to approximately 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. This one file missed the BOG’s due date 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 IR’s review processes.
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	IR is collaborating with the Controller’s Office 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	Percent of Bachelor's 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	Median Wages of Bachelor's 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	Percentage of Bachelor's 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

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 Pellgrants, were excluded from this metric.

Source: State University Database System (SUDS).

**8a. Graduate Degrees
within Programs of
Strategic Emphasis**

This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double-majors are included).

Source: State University Database System (SUDS).

BOG Choice Metric

**9. Percent of Bachelor's
Degrees Without Excess
Hours**

This metric is based on the percentage of baccalaureate degrees awarded within 110% of the credit hours required for a degree based on the Board of Governors Academic Program Inventory. Note: It is important to note that the statutory provisions of the "Excess Hour Surcharge" (1009.286, FS) have been modified several times by the Florida Legislature, resulting in a phased-in approach that has created three different cohorts of students with different requirements. The performance funding metric data is based on the latest statutory requirements that mandates 110% of required hours as the threshold. In accordance with statute, this metric excludes the following types of student credits (ie, accelerated mechanisms, remedial coursework, non-native credit hours that are not used toward the degree, non-native credit hours from failed, incomplete, withdrawn, or repeated courses, credit hours from internship programs, credit hours up to 10 foreign language credit hours, and credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program).

Source: State University Database System (SUDS).

BOT Choice Metric

10g. Percent of Undergraduate FTE in Online Courses UNF

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

Source: Accountability Report (Table 3C), State University Database System (SUDS).



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

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 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			
	Yes	No	Comment / Reference
<p>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.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<p>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.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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: *David M. Appanah* Date 1/14/20
 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: *[Signature]* Date 1/14/20
 Board of Trustees Chair