

# Performance Based Funding

## Data Integrity Audit

**Florida Gulf Coast University**

January 23, 2017

William Foster, Interim Director, Internal 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 operation to ensure the completeness, accuracy, and timeliness of the data submissions to the BOG which support the University's Performance Funding Metrics. Certain procedures were applied to the data submitted during the period October 1, 2015 through September 30, 2016. The procedures were originally established jointly by the State University Internal Audit leaders to ensure that the audit guidelines provided by the BOG were fully addressed.

Specifically, responsible management and other personnel were interviewed, detailed narratives related to data compilation and submission were reviewed, and various samples of data reported to the BOG were verified. These procedures were performed by Mauldin & Jenkins, an independent audit firm, as an Agreed Upon Procedures Engagement performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The Mauldin & Jenkins report, which appears as Appendix A to this report, is intended solely for the information and use of Florida Gulf Coast University.

It is the University's responsibility to conclude on the completeness, accuracy, and timeliness of the data submissions based upon the procedures applied. The University was involved in the development of the appropriate audit procedures to be applied, in accordance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing, and in the implementation of the agreed upon procedures. Internal Audit personnel acted as liaison between the Mauldin & Jenkins auditors and University management and staff. Our responsibilities included ensuring that accurate information was provided by University personnel to Mauldin & Jenkins and that any initial anomalies during testing were appropriately resolved.

*Our audit, which incorporates the Mauldin & Jenkins Agreed Upon Procedures Report, 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 (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 a performance funding program which is based on 10 performance metrics used to evaluate the institutions on a range of issues including percentage of bachelor's graduates employed and/or continuing their education further one year after graduation, average cost per undergraduate degree, six year graduation rate (full-time and part-time FTIC), academic progress rate (2<sup>nd</sup> year retention with GPA above 2.0) and bachelor degrees in strategic emphasis (including STEM), among other metrics.

According to information published by the BOG in March 2016, 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. From a total possible 100 points, a university is required to earn more than 50 points in order to be eligible to receive any of the state investment funds.

A university must also have more than 50 points to have the university’s institutional investment funding restored. A university scoring 50 points or less will have to submit an improvement plan to the BOG and show improvement according to that approved plan in order to have its institutional investment funding restored.

The Agreed Upon Procedures report included as part of this report discloses one observation regarding resubmissions as described below.

**Observation**

Although all files were originally submitted on or before their due dates, four file resubmissions were made to correct some information reported in the original files. Three of the file resubmissions were initiated by the Institutional Research and Analysis (IRA) department and the other resubmission was requested by the BOG after its review.

<b>Submission</b>	<b>Term or Year</b>	<b>Due Date</b>	<b>Date Resubmitted</b>	<b>Business Days Late</b>
1. Student Instruction Preliminary (SIFP)	Fall 2015 - 201508	10/9/2015	10/14/2015	3
2. Hours to Degree (HTD)	Annual 2015 - 20142015	11/13/2015	12/18/2015	27
3. Degrees Awarded (SIFD)	Spring 2016 - 201601	6/30/2016	10/18/2016	78*
4. Operating Budget (OB)	Annual 2016 - 20162017	8/15/2016	9/28/2016	34

*\*BOG resubmission request*

In my opinion, this observation did not affect the overall integrity of the data submissions. Management has created and applied the following corrective action plan to address the observation.

### **Corrective Management Action Plan**

1. *Student Instruction Preliminary (SIFP)* New departmental software was implemented just prior to the due date for the data submission. Changes to the Banner data tables did not allow sufficient time to change the BOG data submission script timely.

To ensure that future data submissions to the BOG are timely, University data stakeholders affected by new software are now participating in a project implementation committee in order to disclose their data needs and to take timely action to implement successfully. Action by management is strengthening data submission process documentation to ease future implementations.

2. *Hours to Degree (HTD)* This data submission has been generated from a manual process. The results of the degrees awarded review process were reevaluated by the Colleges and Academic Affairs to ensure the submitted information reflected the BOG required calculation for this and future submissions.

University management is completing the implementation of Degree Works software which will provide accurate and timely reporting data.

3. *Degrees Awarded (SIFD)* The Degrees Awarded (SIFD) submission includes Classification of Instructional Programs (CIP) codes in addition to the degree name. Some of the CIP codes had not been updated to reflect BOG code changes during the academic year. There can be timing differences between the dates degrees are awarded and the BOG submission date. The Data Administrator added an additional step to the data review before submission to prevent future occurrences of this type.
4. *Operating Budget (OB)* The submission was created without the breakout of the excess hour surcharge fee data. The revenue was recorded as part of a miscellaneous revenue category. The Budget Director corrected the crosswalk between Banner data and the State's SAMAS/FLAIR financial statement line.

*Corrective actions have been implemented by University management. As required by the FGCU Board of Trustees and by the BOG, compliance with the corrective action plans will be reviewed as part of Internal Audit's work plan.*

## **Conclusion**

*In my opinion, based upon the work performed, the internal controls, processes and procedures Florida Gulf Coast University has in place to ensure the completeness, accuracy, and overall timeliness of data submissions to the BOG that affect performance based funding metrics are operating effectively.*

Audit Report Prepared by William D. Foster, MBA, CPA, CIA, CGAP, CFE, CRMA, CCSA,  
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# **APPENDIX A**

**FLORIDA GULF COAST UNIVERSITY  
INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING  
AGREED-UPON PROCEDURES**

**December 19, 2016**

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

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We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of Florida Gulf Coast University (the "University"), solely to assist the University in determining whether the University has processes established to ensure the completeness, accuracy and timeliness of data submissions to the Board of Governors (BOG) which support the Performance Funding Metrics of the University as of September 30, 2016. The University's management is responsible for all processes and procedures for 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 are 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 specific to the certification. See Attachment I for a listing of the submissions tested as provided by the University to us.

- a) Verify 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.
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. (For example, verify the Data Administrator's data submission statements indicated, "I certify that this file/data represents the position of this University for the term being reported.").



### **Procedures Performed**

- Reviewed the Position Description for the Director of Institutional Research and Analysis dated February 18, 2016. Verified description included the requirements identified in the BOG Regulation 3.007.
- Reviewed the original appointment for the Director of Institutional Research by the Provost dated April 23, 2004. Also, reviewed the re-affirmation appointment by the President dated September 8, 2014.
- Observed the SUDS submission screen and the “Submit for Approval” button that represents the University’s certification of complying with BOG regulation 3.007.
- Reviewed current organizational chart as of January 2016, and the Institutional Performance Organizational Chart dated September 15, 2016.

### **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). [http://www.flbog.edu/resources/\\_doc/FHES-14/2014\\_Workshop\\_Proceedings.pdf](http://www.flbog.edu/resources/_doc/FHES-14/2014_Workshop_Proceedings.pdf)
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 are key in the data being reported and submitted to the BOG:
  - Director of Institutional Research and Analysis
  - Assistant Vice President, Business Technology Services
  - Asst. Director, Management Information Resources

- Director, University Budgets
  - University Registrar
  - Associate Vice President, Academic and Curriculum Support
  - Associate Director, Undergraduate Admissions
  - Director, Student Financial Services
- 
- For those interviewed, we discussed key internal controls and processes in place over data input, Banner access, 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. Detailed review and evaluation of these processes is performed by the internal audit department during their normal internal audit reviews.
  - 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 weekly email communications (the HitList) from the Institutional Research and Analysis (IRA) department to department heads. These emails detail the upcoming submissions due in the next two months 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 University to ensure they meet the data definitions published by the SUDS.
  - Obtained the data definition tables from the SUDS website and verified tables documented in the University 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 University 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. If necessary, consider benchmarking with peer universities.

### **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.
- Reviewed the project meeting minutes for each meeting that was held in regards to the Performance Funding project and verified data integrity was a significant objective.
- We do not perform benchmarking as this is a process the University would perform.

### **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 the State University Database System (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 Analysis for granting access to the SUDS system and monitoring to ensure user privileges are cancelled in a timely manner. Reviewed currently listing of SUDS users and obtained reason for any new additions.
- Reviewed user listing and discussed with the Director of Institutional Research and Analysis to ensure only personnel that need access have access to the SUDS system and only a limited amount 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.
- Reviewed email sent to department heads informing them the Banner Security Class Reports have been created and stored on the common drive for them to review. Reports are created on a quarterly basis and we reviewed a sample of reports that were on drive for their review.
- Selected a sample of users who are significant to the submissions being tested and verified authorization was obtained for the new user, proper workorder was initiated by an authorized person and determined the class approved, agreed to their current Banner access privileges.
- Discussed procedures for terminating a Banner user with the Assistant Vice President, Business Technology Services.

### **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 University has submitted to the BOG for its Performance Funding Model. Vouch selected data to original source documents (this will most likely include the University'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 ensure completeness of the files being submitted we performed the following procedures:

- For each term and reported time frame, we obtained from the Business Technology Services department 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 (SIF) files submitted. One difference was identified and reconciled.
  2. All students who received Pell grants were compared to the Student Financial Aid (SFA) files submitted. No differences were identified.
  3. All students who had a degree awarded were compared to the Degrees Awarded (SIFD) files submitted. We selected ten variances and all were reconciled.
  4. All students admitted were compared to the Admissions (ADM) files submitted. We selected ten variances and all were reconciled.

### **Findings**

No exceptions were identified as a result of applying these procedures.

- f) *Evaluate 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."*

1. Interview the University data administrator to consider the reasonableness of the various coordination efforts with the data administrators 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 Analysis is on-going and clear to ensure accurate and timely data submission. Also verified controls are in place specific to the metrics being tested.
- Verified with the Director of Institutional Research and Analysis his 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 University'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 University 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 weekly email communications (the HitList) from the Institutional Research and Analysis (IRA) department to department heads. These emails detail the upcoming submissions due in the next two months 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 process with the Institutional Research and Analysis department of their communication to department heads of the data definitions and communication of any new or changed metric.
- Obtained the SUDS release notes and workshop agendas 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 from October 1, 2015 through September 30, 2016, 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 University 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 University 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 University and the BOG IRM office related to data resubmissions that pertain to the performance metrics. Determine if these resubmission 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 Analysis about the resubmission process followed by his department.
- 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

During the testing period there were four file resubmissions made to correct information that was reported in the original file. Three of the files resubmitted were initiated by the IRA department and one request was made by the BOG. Procedures need to be reviewed and updated to ensure accurate data is submitted in the original file. All files were originally submitted in the proper reporting timeframe.

Due Date	Submission	Term or Year	Reporting Time Frame	Original Due Date	Date of Resubmission	Reason for Resubmission
10/9/2015	Student Instruction Preliminary (SIFP)	Fall 2015	201508	10/9/2015	10/14/2015	Undergraduate Admissions implemented the new Recruiter system just prior to the due date for this file. FGCU identified errors in the original IR scripts that were run and that Recruiter mandated changes for the data to be correctly mapped to the SUDS reporting system. Changes were made and file resubmitted.
11/13/2015	Hours to Degree (HTD)	Annual 2015	20142015	11/13/2015	12/18/2015	This submission is generated from a manual process. The results and the process were reevaluated to ensure the generated information appropriately reflected the correct process. Errors were identified in the accuracy of the information and therefore corrected and resubmitted.
6/30/2016	Degrees Awarded (SIFD)	Spring 2016	201601	6/30/2016	10/18/2016	SIFD file was submitted without updating one student's CIP code properly due to new CIP codes that had just gone into effect. The BOG requested FGCU to resubmit this file.
8/15/2016	Operating Budget (OB)	Annual 2016	20162017	8/15/2016	9/28/2016	The excess hour acorn code in the Banner Crosswalk table was not matched properly to its counterpart in the list of SAMAS/FLAIR object codes. This was corrected and the file resubmitted to reflect the revenues correctly.

- 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 Data Integrity Certification statement to identify additional procedures that should be designed to support the representations. (For example, #11 requests a certification that University 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 Florida Gulf Coast University’s Board of Trustees to meet the objectives of the certification.

### **Findings**

Mauldin & Jenkins was engaged to perform procedures that were provided by you and were outlined in our engagement letter. Management has identified these procedures to meet the objectives of the certification. The Board of Trustees must conclude as to the adequacy of these procedures and findings in meeting their certification objectives.

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 you.

This report is intended solely for the information and use of Florida Gulf Coast University’s Board of Trustee’s 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  
December 19, 2016



Florida Gulf Coast University  
Metric Related Submissions  
10/1/2015-9/30/2016

**Attachment I**

<b>Submissions Tested</b>			
<b>Due Date</b>	<b>Submission</b>	<b>Term or Year</b>	<b>Rept Time Frame</b>
10/5/2015	Student Financial Aid (SFA)	Annual 2014	20142015
10/6/2015	Degrees Awarded (SIFD)	Summer 2015	201505
10/6/2015	Instruction & Research (IRD)	Annual 2014	20142015
10/9/2015	Student Instruction Preliminary (SIFP)	Fall 2015	201508
11/13/2015	Hours to Degree (HTD)	Annual 2014	20142015
1/15/2016	Student Instruction (SIF)	Fall 2015	201508
1/29/2016	Retention	Annual 2014	20142015
2/5/2016	Degrees Awarded (SIFD)	Fall 2015	201508
2/26/2016	Admissions (ADM)	Spring 2016	201601
3/4/2016	Student Instrucion Preliminary (SIFP)	Spring 2016	201601
6/17/2016	Student Instruction (SIF)	Spring 2016	201601
6/30/2016	Degrees Awarded (SIFD)	Spring 2016	201601
8/15/2016	Operating Budget (OB)	Annual 2016	20162017
9/9/2016	Admissions (ADM)	Summer 2016	201605
9/23/2016	Admissions (ADM)	Fall 2016	201608
9/26/2016	Student Instruction (SIF)	Summer 2016	201605