



EXCELLENCE WITH CARING

FLORIDA A&M UNIVERSITY

DIVISION OF AUDIT & COMPLIANCE

MEMORANDUM

To: Dr. Elmira Mangum
President

From: Richard E. Givens, CPA *REG*
Vice President Audit and Compliance

Date: February 20, 2015

RE: Performance Based Funding Data Integrity Audit

In accordance with the University's Internal Audit Plan for fiscal year 2014-15, and at the request of the Florida Board of Governors, we have conducted an audit of the processes and controls that Florida A & M University has in place related to data submissions in support of the BOG performance based funding metrics as of November 30, 2014. 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
FAMU Board of Trustees
Inspector General, Florida Board of Governors
State Auditor General

FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY



Excellence with Caring

PERFORMANCE BASED FUNDING DATA INTEGRITY AUDIT

February 20, 2015

**Division of Audit and Compliance
Richard Givens, Vice-President**

**FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY
PERFORMANCE BASED FUNDING DATA INTEGRITY AUDIT**

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EXECUTIVE SUMMARY

In accordance with the University's Internal Audit Plan for fiscal year 2014-15, 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 metrics. This audit was based on data submitted as of November 30, 2014.

The primary objectives of this audit were to:

- Evaluate controls and processes 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.

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 compliance testing for a sample of data elements included in files submitted for various BOG performance based funding metrics.

Observations noted are as follows:

- Although our testing showed that students who were awarded degrees had successfully completed all requirements for graduation, the approvals for the awarding of degrees within iRattler were not fully documented for each student.
- Some inappropriate or unnecessary information technology (IT) access privileges existed within iRattler and State University Database System (SUDS), indicating a need for an improved review of access privileges.
- Data submissions were not submitted by the required due date.

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. We consider the improvements identified in the Observation and Comments section of this report to be significant in helping to ensure the completeness and accuracy of data submitted for performance based metrics in future periods.

SCOPE AND OBJECTIVES

At the request of the Florida Board of Governors, we have conducted an audit of the University's processes in place to ensure the completeness, accuracy, and timeliness of data submissions to the BOG. The primary objectives of this audit were to:

- Evaluate controls and processes established by the Office of Institutional Research 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, which is required to be signed by the University President and Board of Trustees Chair.

METHODOLOGY

Data submitted to the BOG, upon which performance funding is based, and the methods and controls applied by management to ensure data integrity were subject to several key audit procedures. Specifically, detailed management narratives, as well as BOG publications related to data compilation were reviewed, and various samples of data reported to the BOG were verified to University source documents. Specific information describing the work conducted to address the audit objectives is included in Appendix A to this report.

Our audit was conducted in accordance with current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors.

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 2013-14, the BOG instituted a performance funding program based on 10 performance metrics used to evaluate the institutions on a range of issues including graduation rates, job placement, cost per degree and retention rates, among other outcomes. According to information published by the BOG in May 2014, the following are key components of the funding model:

- *Institutions will be evaluated on either Excellence or Improvement for each metric.*
- *Data is based on one-year data.*
- *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 determined after reviewing data trends for each metric.*
- *The Florida Legislature has approved \$100 million in new funding for performance funding and a proportional amount to total \$65 million would come from each university's recurring state base appropriation and another \$35 million from other system initiatives.*

OBSERVATIONS AND COMMENTS

Written Policies and Procedures

Each function within the Registrar's Office needs complete, well-documented policies and procedures to describe the scope of the function and its activities. Sound policies and procedures provide benchmarks against which compliance can be measured and contribute to an effective control environment. Although our testing showed that students who were awarded degrees had successfully completed all requirements for graduation, the approvals for the awarding of degrees within iRattler were not fully documented for each student. The absence of degree approval documentation within iRattler indicated the need for documentation procedures to be consistently enforced within all University schools/colleges and Registrar Office staff.

We recommend that the electronic approval process in iRattler be fully utilized to better document the approval of degrees awarded.

Management Corrective Action Plan: The electronic approval process in iRattler has been updated to capture the user ID of authorized users who review student's record for purposes of approving degrees. The system will enforce three approval levels - Academic Coordinator, Department Chair,

and Dean, except for colleges or schools with no Coordinator or Department Chair. Such colleges or schools must have at least two levels of approval in iRattler – Program Coordinator or Department Chair, and Dean. The Registrar’s Office will continue to collaborate with the Department of Enterprise Information Technology to ensure the approval process is recorded in iRattler at all approval levels.

Responsible Employee: Dr. Agatha Onwunli, University Registrar

Expected Implementation Date: Spring 2015 semester.

System Access Controls and User’s Privileges

Some inappropriate or unnecessary information technology (IT) access privileges existed within iRattler and SUDS, indicating a need for an improved review of access privileges. The existence of the inappropriate or unnecessary access privileges increased the risk of unauthorized disclosure, modification, or destruction of University data and IT resources.

We recommend that management improve its review of IT access privileges to include a review of all user access privileges and remove inappropriate or unnecessary access detected to ensure that access privileges are compatible with assigned job duties. In addition, Management should improve the process for notifying the Department of Enterprise Information Technology (EIT) and the Office of Institutional Research (OIR) of personnel transferring to new positions or terminating employment.

Management Corrective Action Plan: OIR will develop procedures to determine on a regular basis whether the access privileges to SUDS are compatible with users’ assigned job duties. Beginning in April 2015, OIR will implement a quarterly review of SUDS access. Data custodians will complete a form that will re-authorize SUDS access on a quarterly basis in addition to notifying the DA of an employee’s separation from the University or change job role or duties. Proper actions, such as removal or change of access will be taken according to the review results. EIT will work with management in the Registrar’s Office, Admission’s Office, Budget Office, and Financial Aid Office to improve the user access review process within iRattler by developing functional level reviews of access privileges for critical and sensitive transactions on a regular basis. The OIR and EIT will work with the Chief Human Resources Officer to develop a process to be notified of employee transfers and terminations in a timely manner.

Responsible Employee: Dr. Kwadwo Owusu-Aduemiri, Assistant Vice President of Office of Institutional Research & Reporting; Michael James, Interim Associate Vice President of Enterprise Information Technology & Chief Information Officer.

Expected Implementation Date: SUDS User Access - April 2015; iRattler User Access - June 2015

Data Submissions

Data submissions were not submitted by the required due date.

Submission	Due Date	Date Submitted	Business Days Late	Reason Days Late
Student Financial Aid (SFA)	10/6/14	10/10/14	4	The original student financial aid file submitted to OIR for approval contained issues whereby some students had

Submission	Due Date	Date Submitted	Business Days Late	Reason Days Late
				incomplete data. The issue was found during the OIR review process and corrected prior to submission to the BOG.
Degrees Awarded File (SIFD)	10/7/14	10/15/14	6	Issues were disclosed in the review of the Degrees Awarded File during the OIR review process and corrected prior to submission. SIFD cannot be submitted until SIF is accepted by BOG.
Student Instructional File Preliminary (SIFP)	10/10/14	10/23/14	9	The SIF, SIFD, SIFP are files that must be submitted to, accepted by, and reviewed by the BOG in sequential order. A delay in the submission or acceptance in one of the above files will cause a subsequent delay in the remaining files.
Hours to Degree File (HTD)	10/21/14	11/14/14	18	The BOG issued new edit software on 10/14/14 as well as updated some new requirements on 10/9/2014. Due to the new file requirements, the Hours to Degree File was found to have issues requiring extensive editing of student records as well as issues requiring review, input, and actions by academic areas. The issues were resolved prior to submission.
Expenditure Analysis File (EA)	10/28/14	11/4/14	5	The Expenditure analysis File was delayed as a result of an inadvertent omission of information required by BOG in the Operating Budget File. This required EIT to assist in resubmitting file. The issues were resolved prior to submission.

We recommend that OIR continue its efforts to identify issues as early as possible and enlist the assistance of all departments which need to be involved in the resolution of the issues.

Management Corrective Action Plan: The Data Administrator will work closely with the data owners and EIT to ensure all files are submitted 2 weeks before the BOG deadline to allow time for any corrections to be made based on BOG edits and OIR integrity checks. In addition, OIR will work with the data owners and EIT to automate as many processes as possible in the building of the files.

Responsible Employee: Dr. Kwadwo Owusu-Aduemiri, Assistant Vice President of Office of Institutional Research & Reporting, Michael James, Interim Associate Vice President of Enterprise Information Technology & Chief Information Officer, and applicable data custodians.

Expected Implementation Date: June 2015

None of the observations and comments affected the integrity of the data submissions.

CONCLUSION

Based on our audit, we have concluded that the controls and processes which Florida A & M University has in place to ensure the accuracy and completeness of data submitted to the Board of Governors in support of performance based funding is adequate. In our opinion, we consider management's approach and suggestions to improve the integrity of the data, as cited in this report, to be reasonable and cost effective to implement. Further, we believe our audit can be relied upon by the University Board of Trustees and president as a basis for certifying the representations made to the Board of Governors related to integrity of data required for its performance based funding model.

AUTHORITY

Pursuant to the Division's Audit Charter, I have directed that this report be prepared to present the results of our audit.



Richard E. Givens, CPA
Vice President of Audit and Compliance
February 20, 2015

APPENDIX A

OVERVIEW OF AUDIT PROCEDURES PERFORMED BY OBJECTIVE

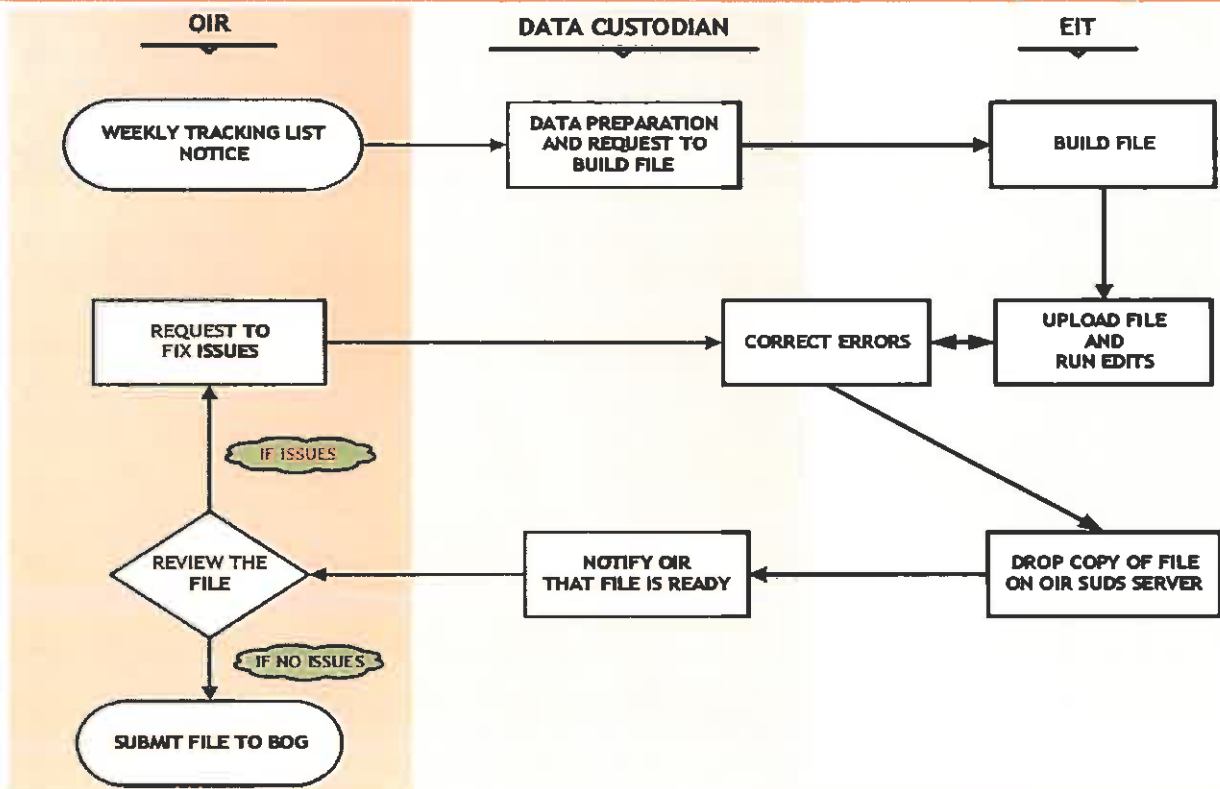
- A. Determine accuracy/reliability of the data reported for the University's Performance Funding Metrics report for the 2014-15.
- **Performed** tests to determine if the data files submitted in SUDS was accurately extracted and converted from i-rattler.
 - **Performed** tests to determine the accuracy of data in selected files submitted to the BOG.
 - **Performed** tests regarding the degree certification process and degree approval process to ensure reliability for the Degrees Awarded file which is used in several metrics.
 - **Reviewed** the University's overall process for building SUDS files, testing and reviewing SUDS files prior to submission, and the submission process for SUDS files.
- B. Determine whether the appointment of the Data Administrator by the university president and duties related to these responsibilities are incorporated into the Data Administrator's official position description.
- **Reviewed** the Data Administrator appointment letter sent to the Florida Department of Education by President Fred Gainous.
 - **Reviewed** the Data Administrator appointment letter sent to the Board of Governors by President Mangum.
 - **Reviewed** the position description for the Assistant Vice President of Academic Affairs for Institutional Reporting and Research.
 - **Interviewed** the Data Administrator regarding his appointment.
- C. Evaluate the processes used by the Data Administrator to ensure the completeness, accuracy and timely submission of data to the Board of Governors.
- **Reviewed** Doc B3-The State File Reporting Process documents for the steps taken to ensure the completeness of submissions to the Board of Governors.
 - **Interviewed** Dr. Owusu regarding the performance funding submission process.
 - **Reviewed** the Performance Funding Data Files document for Data Custodians (Listed under Office Responsible).
 - **Reviewed** The Data Administrator Response Document D1, D2 regarding the data custodians accuracy check and the OIR integrity checks.
 - **Reviewed** The File Checking Sample Email for an example of additional steps OIR takes to ensure accuracy of data.
 - **Reviewed** The Data Administrator Response Document, Letters I and J regarding submission timeliness.
 - **Reviewed** the Memo from Dr. Mangum addressing timely submission of files.
 - **Reviewed** the Board of Governors Data Requests Weekly Tracking/Monitoring List.
- D. Evaluate any available documentation including policies, procedures, and desk manuals of appropriate staff and to assess their adequacy for ensuring data integrity for university data submissions to the Board of Governors.

- **Reviewed** the data file matrix, submission flowcharts, and business process for submitting the SIF, SIFD, HTD, IRD, RET, SFA, EA, and Research Development Expenditure Files.
 - **Reviewed** the policies and procedures data submission process performed by the Data Administrator for the overall performance funding file submission process.
 - **Reviewed** the data entry procedures within i-rattler for the data used to build the SIF, SIFD, HTD, IRD, RET, SFA, EA, and Research Expenditure Report.
 - **Interviewed** data owners within OIR, Registrar's Office, Financial Aid, Admissions, Sponsored Programs and EIT personnel regarding the policies and procedures for data file development and submission and data entry.
- E. 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.
- **Performed** test of user access privileges for all accounts on SUDS.
 - **Performed** test of user access privileges for 15 selected functions in PeopleSoft that relate directly to the data used to calculate the performance funding metrics.
 - **Interviewed** the data owners within OIR, Registrar's Office, Financial Aid, Academic Affairs, and EIT personnel regarding their user access review process.
- F. Testing of data accuracy through tracing sampled items to source documents.
- **Performed** tests of data accuracy for the SIFD, HTD, SIF, and SFA files.
 - **Performed** tests of Personal Demo information included in the above files for data accuracy.
 - **Performed** tests to ensure the process used to calculate the data entered into the NSF Survey for Metric 10 is reliable, repeatable, and generate accurate data.
- G. 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."
- **Interviewed** Dr. Owusu regarding the performance funding submission process and the validation statement.
 - **Reviewed** an email from Joseph Maleszewski, BOG Audit Committee Member, confirming that there is not an electronic process to replace the old manual certification process and that the BOG will be developing one in the near future.
 - **Reviewed** the email from Joseph Maleszewski, BOG Inspector General, confirming that there is not an electronic process and that Data Administrators had been expected to use the old manual certification process as stated in the regulations.
 - **Reviewed** the email from Joseph Maleszewski, BOG Inspector General, confirming that the Board of Governors had implemented an electronic certification process.
- H. Evaluate 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.
- **Reviewed** the Submission Matrix submitted by Dr. Owusu.
 - **Interviewed** Dr. Owusu regarding the performance funding submission process and the validation statement.
- I. 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 will also evaluate how to minimize the need for data resubmissions.
- **Reviewed** the Submission Matrix submitted by Dr. Owusu.
 - **Interviewed** Dr. Owusu regarding the performance funding submission process and the validation statement.
 - **Performed** a test of SUDS user access which confirmed that Dr. Li and Dr. Owusu are the only two people with the ability to submit files to the BOG.

APPENDIX B

STATE FILE SBMISSION PROCESS

STATE FILE SUBMISSION PROCESS



FAAU Office of Institutional Research

Revised June 20, 2014

The OIR is responsible for coordinating the submission of files to the Florida Board of Governors (FLBOG). The chart above illustrates the general workflow process involved in state data file submissions.

The OIR serves as the primary coordinator of file submissions to the FLBOG. Tracking of all state file submissions is done using the Florida Board of Governors Weekly Tracking List.

The State File Submission Process

The timely submission of any file to the FLBOG requires coordination and cooperation among a number of university stakeholders. To ensure the timeliness and accuracy of data, each responsible department must do its part.

As is noted in the immediately preceding subsection, state files and routine reports appear on the Weekly Tracking List a minimum of three months before they are required to be submitted to the OIR. While the initiation dates for the various submissions may vary, the process for constructing and submitting files to the FLBOG and other stakeholders is carried out as follows:

1. Based on submission deadlines, the data custodian will request that a file be constructed. This may include data preparation and organization by the requesting department. Once this is complete, the data custodian will send a request to Enterprise Information Technology (EIT) staff to build the file.
2. The EIT will build the file based on the parameters outlined by BOG.
3. Once the file is built, the EIT will upload the file to the State University Data System (SUDS) server and run appropriate edits.
4. If errors are detected, the assigned EIT staff and data custodian(s) will work collaboratively to correct all errors identified.
5. Once the identified errors are corrected EIT staff uploads the file and rerun the edits again to ensure that the file is free of errors (repeat 2, 3 and 4 until the file is free of errors).
6. When the file is free of errors, the EIT staff EIT sends a copy of the actual file to the shared OIR server.
7. The data custodian will then notify the OIR that the file is ready for review and submission.
8. Upon notification that the file is ready for review, the OIR will review the file and run its own edits to ensure data integrity and accuracy.
9. If the OIR determines that there are no errors, the file will be submitted to the Board of Governors. If, however, the OIR identifies errors or other potential problems with a file it will request that data custodian and the EIT make any necessary corrections (repeat steps 4, 5, 6 and 7 above until the file is clean and free of errors and deemed by the OIR to be ready for submission).



Performance Based Funding

Data Integrity Certification

Name of University: Florida Agricultural and Mechanical University

Period Ending: March 1, 2015


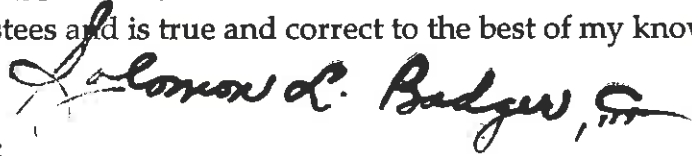
INSTRUCTIONS: Please respond "Yes," "No" or "N/A" in the blocks below for each representation. Explain any "No" or "N/A" responses to ensure clarity of the representation and include copies of supporting documentation as attachment(s).

Performance Based Funding Data Integrity Certification Representations				
Representations	Yes	No	N/A	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.	<input checked="" type="checkbox"/>	<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. In accordance with Board of Governors Regulation 1.001(3), 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"/>	<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"/>	<input type="checkbox"/>	

Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations				
Representations	Yes	No	N/A	Comment / Reference
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"/>	<input type="checkbox"/>	
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 provided by the Board of Governors Information Resource Management (IRM) office.	<input checked="" type="checkbox"/>	<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 checked="" type="checkbox"/>	<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, except as reported.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. In accordance with Board of Governors Regulation 3.007, for each data file submission, my Data Administrator provided a certification indicating, "I certify that this file/data represents the position of this University for the term being reported."	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A process to ensure the veracity of each file prior to submission was in place and was followed. The IRM Office at the BOG instructed that a manual certification was not necessary as certification was implied by submission of the file.
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"/>	<input type="checkbox"/>	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations - from admissions through graduation. I certify that university policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations				
Representations	Yes	No	N/A	Comment / Reference
changes and decisions impacting this initiative 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 performance metrics.				
<p>I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification 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>3/9/15</u> President</p>				
<p>I certify that this Board of Governors Performance Based Funding Data Integrity Certification 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>3/10/15</u> Board of Trustees Chair</p>				