FLORIDA ATLANTIC UNIVERSITY
OFFICE OF INSPECTOR GENERAL

M E M O R A N D U M

TO: FAU BOT Audit and Compliance Committee
Stacy Volnick, Interim President

FROM: Reuben Christian Iyamu, Inspector General

DATE: February 14, 2023

SUBJECT: **Audit of University Performance Based Funding Data Integrity FY2023**
Report No. FY23-A-01

We have completed our annual audit of the University Performance Based Funding Data Integrity. The primary objective of this audit was to determine whether the processes and internal controls established by the University ensure the completeness, accuracy, and timeliness of data submitted to the Board of Governors (BOG) which support the Performance Based Funding (PBF) metrics. This is the ninth consecutive year that the Office of Inspector General has conducted a data integrity audit for the University's PBF Model, at the mandate of Florida Statutes and request by BOG. The results of our audit provide an objective basis of support for the University President and Board of Trustees (BOT) Chair to sign the BOG Data Integrity Certification, which will be submitted to the BOT and filed with the BOG by March 1, 2023.

We submit this report which contains our conclusions and response from the applicable Vice President (VP).

We would like to thank the staffs of the Offices of the Registrar, Research, Student Financial Aid (SFA), and Institutional Effectiveness & Analysis (IEA) for their full cooperation and assistance during this audit.

Respectively Submitted,

cc: University Provost
Vice Presidents
Inspector General, Florida Board of Governors
Florida Auditor General
Jason Ball, Associate Provost & Chief Information Officer
Dr. Ying Liu, Assistant Provost for Institutional Effectiveness and Analysis (IEA)
Tracy Boulukos, Assistant Vice President for Financial Aid & New Student Services Initiatives
Heather Saunders, Executive Director for Research Accounting
Lynn Asseff, Assistant Vice President for Research Finance
Marie Claire DeMassi, Interim University Registrar

Executive Summary

We conducted this statutory required annual audit of the University Performance Based Funding Data Integrity to determine whether the controls and processes established by the University ensured the completeness, accuracy, and timeliness of data submissions to the BOG during the audit period December 1, 2021, to November 30, 2022.

Based on our audit, we can provide reasonable assurance that the controls and processes established and maintained by FAU (as outlined in detail within this report) are adequate to ensure the completeness, accuracy, and timeliness of data submitted to the BOG to support performance-based funding decisions. The results of our audit provide an objective basis of support for the University's President and BOT Chair to sign the BOG Data Integrity Certification. We noted no reportable issues that required management corrective actions.

Background

Florida Statute 1001.706(5)(e) requires each university to conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065 and 1001.92[1] complies with the data definitions established by the board and submit the audits to the Board of Governors Office of Inspector General as part of the annual certification process required by the Board of Governors. To ensure consistency, the statute provides that the Board of Governors shall define the data components and methodology used to implement ss. 1001.7065 and 1001.92. Beginning in fiscal year 2013-2014, the BOG instituted a performance-based funding program, which is predicated on 10 performance metrics used to evaluate the universities on a range of issues. One of the 10 performance metrics is a "choice metric" selected by each university's Board of Trustees. These metrics were chosen after reviewing over 40 metrics identified in the University's Work Plans.

The model has four guiding principles: 1) use metrics that align with SUS Strategic Plan goals, 2) reward Excellence or Improvement, 3) have a few clear, simple metrics, and 4) acknowledge the unique mission of the different institutions. The key components of the model are: 1) institutions will be evaluated on either Excellence or Improvement for each metric, 2) data is based on one-year data, 3) the benchmarks for Excellence were based on the Board of Governors 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement were determined after reviewing data trends for each metric, and 4) the Florida Legislature and Governor determine the amount of new state funding and an amount of institutional funding that would come from each university's recurring state base appropriation. The 10 metrics pertaining to Florida Atlantic University are depicted in the following table.

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

FAU's Performance Based Funding Metrics			
1.	Percent of Bachelor's Graduates Enrolled or Employed (Earning $30,000+) One Year After Graduation	6.	Bachelor's Degrees Awarded within Programs of Strategic Emphasis
2.	Median Wages of Bachelor's Graduates Employed Full-time One Year After Graduation	7.	University Access Rate (Percent of Undergraduates with a Pell-grant)
3.	Cost to the Student (Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours)	8a.	Graduate Degrees Awarded within Programs of Strategic Emphasis
4.	Four-Year FTIC (First-Time- In-College) Graduation Rate	9a.	Two-Year Graduation Rate for FCS (Florida College System) Associate in Arts Transfer Student
		9b.	Six-Year Graduation Rate for Students who are Awarded a Pell Grant in their First Year
5.	Academic Progress Rate (2nd Year Retention with GPA above 2.0)	10b.	FAU Board of Trustees' Choice – Total Research Expenditures

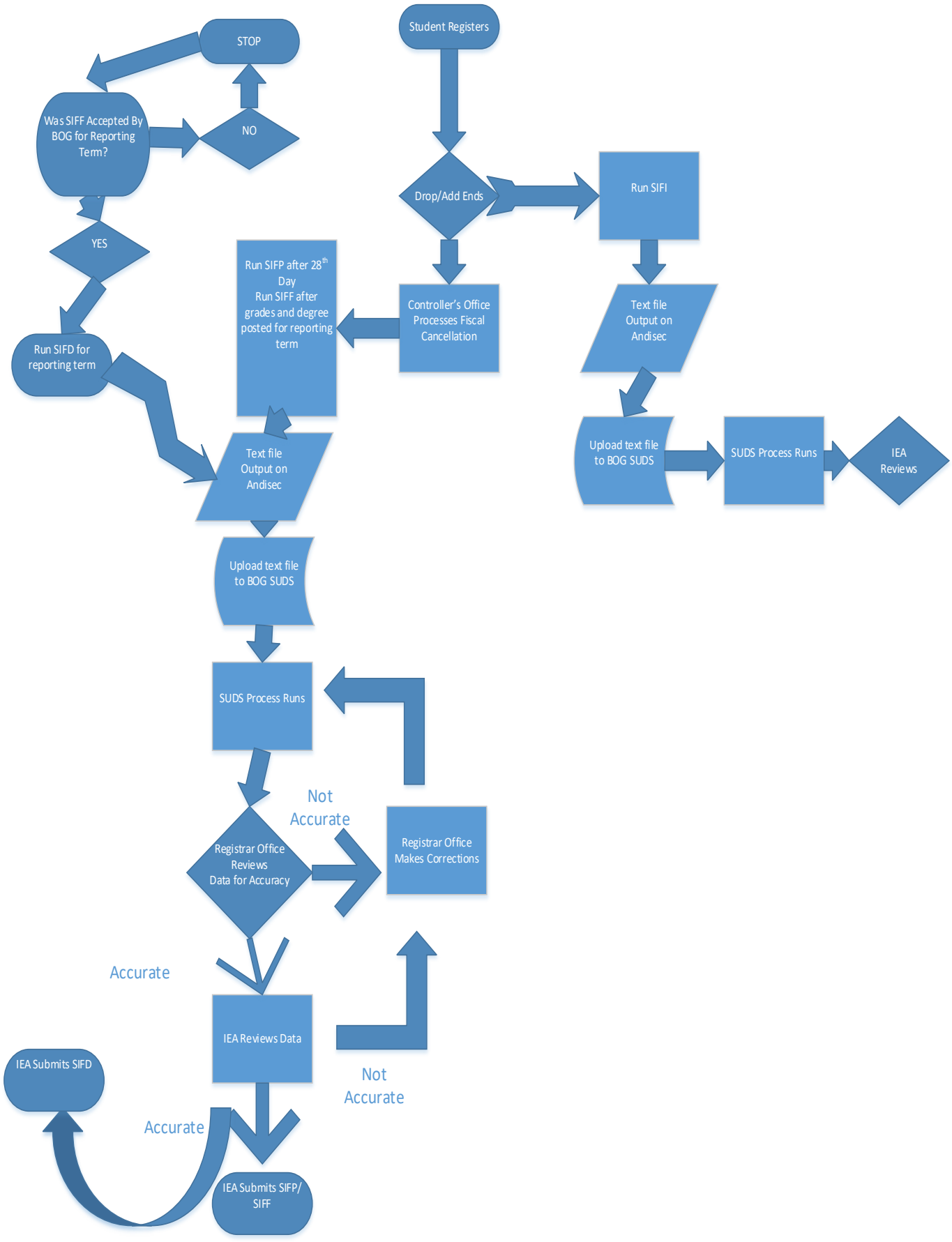
The following table summarizes the performance funds allocated for fiscal year 2022-2023 using the results of the performance metrics from fiscal year 2021-2022, wherein FAU earned 80 points and received $42.8 million.

Performance-Based Funding Model: 2022-2023 Allocations
June 2022, September 2022, March 2023

		June Allocation				September 2022	March 2023		
	Normalized Score	Institutional Investment Allocation	State Investment Allocation	Top 3 State Investment Allocation		State Investment Allocation Maximum*	State Investment Allocation*	Final State Investment Allocation	Final Total Allocation
FAMU	72	$14,012,282	$12,587,304					$12,587,304	$26,599,586
FAU	**80**	**$22,548,831**	**$20,255,729**					**$20,255,729**	**$42,804,560**
FGCU	71	$12,720,719				$5,713,544	$5,713,543	$11,427,087	$24,147,806
FIU	91	$35,168,400	$31,591,953	$1,301,661				$32,893,614	$68,062,014
FL Poly	66	$4,748,742				$1,066,455	$1,066,455	$2,132,910	$6,881,652
FSU	90	$46,481,148	$41,754,252					$41,754,252	$88,235,400
NCF	66	$4,040,914				$907,494	$907,493	$1,814,987	$5,855,901
UCF	88	$36,004,365	$32,342,904					$32,342,904	$68,347,269
UF	93	$57,004,493	$51,207,425	$1,330,269				$52,537,694	$109,542,187
UNF	78	$14,269,586	$12,818,442					$12,818,442	$27,088,028
USF	92	$37,993,870	$34,130,087	$1,315,965				$35,446,052	$73,439,922
UWF	81	$10,006,650	$8,989,025					$8,989,025	$18,995,675
Total		$295,000,000	$245,677,121	$3,947,895		$7,687,493	$7,687,491	$265,000,000	$560,000,000

The Office of Institutional Effectiveness & Analytics (IEA), led by the University Data Administrator, is responsible for ensuring the completeness, timeliness, and accuracy of SUDS submissions. The chart below illustrates how data is captured, analyzed, stored, and distributed to the BOG via SUDS and the information system controls in place.

SUDS Process Flowchart



Objectives, Scope, and Methodology

Our audit objectives were to:

- Determine whether the processes and internal controls established by the University ensure the completeness, accuracy, and timeliness of data submitted to the Board of Governors (BOG), which support the PBF metrics; and,
- Provide an objective basis of support for the University President and Board of Trustees (BOT) Chair to sign the PBF Data Integrity Certification form, which will be submitted to the BOT and filed with the BOG by March 1, 2023.

The scope of the audit included a review of: (1) The internal controls established by FAU as of November 30, 2022, to ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the PBF metrics; and (2) Data submissions to the BOG from December 1, 2021, to November 30, 2022, that support the University's performance-based funding metrics 3 and 10b. We initially planned to also perform data accuracy testing of metric 4 submissions; however, we elected to defer our testing of metric 4 submissions to the next annual audit.

To achieve our stated objectives, we:

- Reviewed audit reports pertaining to PBF Data Integrity completed by other SUS universities.
- Reviewed 2022 metric definitions and other key documents to identify any changes to the BOG PBF metrics and data definitions.
- Performed a risk assessment to reflect changes in the information systems, internal procedures for the extraction; review; and submission processes, and staff changes.
- Identified and evaluated the key processes used by the Data Administrator and data owners/custodians to ensure the completeness, accuracy, and timeliness of data submissions to the BOG.
- Reviewed all requests to modify data elements and/or file submission processes to ensure they followed the change management process and are consistent with BOG expectations.
- Interviewed key personnel regarding processes, data integrity, and responsibilities for data submitted to the BOG.
- Traced judgmental samples from the Student Instruction File (SIF), Student Financial Aid (SFA), and Hours to Degree (HTD) BOG files to the Banner Student system and/or original source documents. Our testing focused on the tables and data elements which were utilized by the BOG to compute the performance funding metric 3. For additional information on the tables/elements reviewed during this audit see Appendix A.
- Verified completeness, accuracy, and timeliness of the data submitted to the BOG for metric 10b via the NSF (National Science Foundation) Higher Education Research and Development (HERD) Survey FY2021.

We conducted this audit in accordance with the *International Standards for the Professional Practice of Internal Auditing* and with *Principles and Standards for Offices of Inspector General*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Audit Observations and Conclusions

We concluded that FAU's controls and processes are adequate to ensure the completeness, accuracy, and timeliness of data submitted to the BOG in support of performance-based funding metrics. Specifically, our testing revealed that: (1) The University Data Administrator had effectively carried out his responsibilities related to the oversight and management of the data file submission process and ensured that the files were submitted to the BOG in accordance with the specified schedule; (2) The University provided accurate data to the BOG, as evidenced by our testing of data files used to support metrics 3 and 10b; and (3) University initiatives were made to bring the University's operations and practices in line with SUS Strategic Plan goals and not for the purpose of artificially inflating performance-based funding metrics.

Some of the noteworthy controls that we found to be in place included:

- ✓ Data owners formally certify the completeness and accuracy of data to be submitted prior to IEA's review of the data.
- ✓ IEA maintains a repository of the data owner certifications, checklists, and detailed procedures performed by IEA in validating each submission file. A Data Quality Review Summary documents data issues noted for each submission and serves as a reference/knowledge base for future submissions.
- ✓ IEA uses analytical tools, including automated Statistical Analysis System (SAS) and Structured Query Language (SQL) reports, to identify missing values or issues based on other institutional reporting and comparisons to previous year values to identify shifts that would require researching.
- ✓ The Data Administrator (DA) has taken a proactive role in fostering a collaborative culture among core offices and enhancing accountability through bi-weekly meetings with the data owners which allows timely discussions regarding file submissions. The DA promotes data stewardship on campus by working with the different functional areas to resolve data issues, improve data quality, and assure that external reporting requirements are met.
- ✓ Access to SUDS must be formally approved by a supervisor and the DA. Quarterly, IEA reviews the list of active SUDS users to ensure that only authorized individuals have access to upload, submit, and view submissions data.
- ✓ An encrypted share drive is used by the data owners and FAU OIT staff to document their quality control and validation procedures for each file submission and includes narratives, supporting reports, and email communications. These procedures include reviewing SUDS edit reports and internal queries of source systems to identify errors or data inconsistencies.
- ✓ Data owners run reports throughout the year to monitor known issues that have caused corrections during a previous file build. Data owners work with FAU OIT to create additional monitoring reports or modify programming codes to detect or prevent these errors, as appropriate.
- ✓ Change management procedures include testing by data owners to ensure that the change is producing the desired results and must have documented approval from the data owner before implementing in production for all programming code changes. If the change impacts the file build or its data, they are logged. An updated SQL report for each change is attached to the log for future reference.

We commend University management for establishing and implementing appropriate controls and processes designed to ensure the integrity of data submitted to the FLBOG.

Provost/VP Response

Dr. Michele Hawkins, Interim Provost & Vice President for Academic Affairs

We appreciate the thoroughness and professionalism exhibited throughout this audit process. We are pleased that the Inspector General found FAU's controls and processes are adequate to ensure the completeness, accuracy, and timeliness of data submitted to the BOG in support of performance-based funding metrics. We would like to thank the Office of Inspector General for their time and effort on this audit.

Engagement Team

Audit Conducted by: Allaire Vroman, Internal Auditor/Investigator

Audit supervised and approved by: Reuben Iyamu, MBA, CIA, CFE, CIGA, CIG
FAU Inspector General

Please address inquiries regarding this report to: Reuben Iyamu, FAU Inspector General, by email at riyamu@fau.edu or by phone at 561-297-6493.

APPENDIX A: BOG FILES REVIEWED

No.	Metric	Definition	Submission/Table/Elements Information	Relevant Submissions
3	**Net Cost to Student**	This metric compares the average sticker price and the average gift aid amount. The sticker price includes: (1) tuition and fees for resident undergraduates; (2) books and supplies (we use a proxy as calculated by the College Board); and (3) the average number of credit hours attempted by students who were admitted as an FTIC student who graduated with a bachelor's degree from a program that requires only 120 credit hours. The gift aid amount includes: (1) financial aid (grants, scholarships, waivers, and third-party payments) provided to resident undergraduate students during the most recent academic year; (2) the total number of credit hours for those resident undergraduates. The average gift aid award per credit hour was multiplied by 120 and compared to the sticker price.	**Submission:** SIF **Table:** Enrollments **Elements**: 01060 – Student Classification Level 01106 – Fee Classification – Residency **Table:** Courses Taken **Elements**: 01097 – Student Section Credit 01103 – Student Section Funding Flag **Table:** Fee Waivers **Elements:** 01401 – Term Amount	Fall 2021 Spring 2022 Summer 2022
			Submission: HTD **Table:** Hours To Degree **Elements:** 01477 – Catalog – Hours to Degree 01413 – Type of Student at Time of Most Recent Admission 01412 – Term Degree Granted **Table:** Courses To Degree **Elements:** 01482 – Course Institution Code 01484 – Course System Code 01489 – Credit Hour Usage Indicator 01459 – Section Credit 01485 – Course Grouping Code 02065 – Excess Hours Exclusion	Annual 2021-22
			Submission: SFA **Table:** Financial Aid Awards **Elements:** 01253 – Financial Aid Award Program Identifier 02040 – Award Payment Term 02037 – Term Amount	Annual 2021-22
10b	**Total Research Expenditures**	Total expenditures (in millions of dollars) for all research activities (including non-science and engineering activities).	**Submission:** NSF HIGHER EDUCATION R&D SURVEY	NSF HIGHER EDUCATION R&D SURVEY (FY2021)

Data Integrity Certification
March 2023

In accordance with Board of Governors Regulation 5.001(8), university presidents and boards of trustees are to review, accept, and use the annual data integrity audit to verify the data submitted for implementing the Performance-based Funding model complies with the data definitions established by the Board of Governors.

Given the importance of submitting accurate and reliable data, boards of trustees for those universities designated as preeminent or emerging preeminent are also asked to review, accept, and use the annual data integrity audit of those metrics to verify the data submitted complies with the data definitions established by the Board of Governors.

Applicable Board of Governors Regulations and Florida Statutes: Regulations 1.001(3)(f), 3.007, and 5.001; Sections 1.001.706, 1001.7065, and 1001.92, Florida Statutes

Instructions: To complete this certification, university presidents and boards of trustees are to review each representation in the section below and confirm compliance by signing in the appropriate spaces provided at the bottom of the form. Should there be an exception to any of the representations, please describe the exception in the space provided.

Once completed and signed, convert the document to a PDF and ensure it is ADA compliant. Then submit it via the Chief Audit Executives Reports System (CAERS) by the close of business on March 1, 2023.

University Name: Florida Atlantic University

Data Integrity Certification Representations:

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. 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.
3. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.

4. 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. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office. A written explanation of any identified critical errors was included with the file submission.
5. 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.
6. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.
7. 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.
8. 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.
9. 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.

Exceptions to Note: None

Data Integrity Certification, March 2023

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: _____ Date: 2/16/2023

University 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: _____ Date: 2/16/2023

University Board of Trustees Chair