

**Report No: FPU 2025-06 – January 2025**  
**Performance Based Funding Data Integrity Audit**  
**For the Period Ending September 30, 2024**

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**University Audit & Compliance**  
**Performance-Based Funding Data Integrity Audit**  
**For the Audit Period Ending September 30, 2024**

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## Executive Summary:

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Pursuant to the Audit Work Plan approved by the Audit & Compliance Committee and the requirement set forth by State law and Board of Governors (BOG) Regulations, University Audit and Compliance (UAC) conducted an audit of Performance-Based Funding (PBF) Data Integrity as of September 30, 2024, and certain actions thereafter.

The objectives of this audit were to:

- Determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which relate to the PBF metrics of the University.
- Provide assurance that the various data files which relate to the PBF metrics have been subjected to audit and evaluated for accuracy and completeness.
- Provide reasonable assurance to the President and the Chair of the Board of Trustees that certain representations included in the PBF – Data Integrity Certification form are fairly presented and therefore can be affirmed in the required certification.

Audit fieldwork was conducted from October 2024 through January 2025. This audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (Standards). Accordingly, these audit procedures provide a reasonable basis for the conclusions drawn from this audit.

Based on the results of this audit, UAC concludes that the University has established appropriate controls and processes to (1) ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF metrics and (2) affirm the various representations in the PBF – Data Integrity Certification form, except as noted below:

No reportable matters noted.

## Background, Objectives, Scope, and Methodology:

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### Background:

The Performance-Based Funding (PBF) Model currently includes ten metrics that evaluate all State University System (SUS) institutions. The Florida Board of Governors (BOG) designed the model to (1) promote the BOG's strategic plan goals for the SUS (2) reward excellence or improvement (3) have a few clear, simple metrics, and (4) acknowledge the unique mission of the various SUS institutions. Accordingly, the PBF model has several metrics common to all SUS institutions; one selected by the BOG; and one selected by the Florida Poly Board of Trustees (BOT). See **Exhibit C** for a description of the various PBF metrics applicable to Florida Poly.

SUS institutions are evaluated on either excellence or improvement for each PBF metric. The BOG uses data from various data submissions from the most current year to evaluate PBF performance and to make PBF funding decisions for each institution. Therefore, the integrity of data submitted to the BOG is crucial to determining achievement towards strategic goals and funding decisions within the PBF model. Accordingly, State law provides that each university shall conduct an annual audit to verify that the data submitted complies with the data definitions established by the BOG and submit the audit to the BOG's Office of Inspector General as part of the annual certification process required by the BOG. These data submissions and related controls are the focus of this audit. Although this audit provides assurance over the data submitted to the BOG, the ultimate responsibility for the accuracy and completeness of PBF data submissions and the related data resides with university management.

### Objectives:

The objectives of this audit were approved prior to audit completion and were as follows:

- Determine whether the University has established appropriate controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which relate to the PBF metrics of the University.
- Provide assurance that the various data files which relate to the PBF metrics have been subjected to audit and evaluated for accuracy and completeness.
- Provide reasonable assurance to the President and the Chair of the BOT that representations included in the PBF – Data Integrity Certification form are fairly presented and therefore can be affirmed in the required certification.

## Scope and Methodology:

The scope of this audit was approved prior to audit completion and included the following:

- An evaluation of the validity of representations outlined in the Performance Based Funding – Data Integrity Certification form.
- An evaluation of controls established to ensure the completeness, accuracy, and timeliness of data files that were submitted to the BOG.
- An evaluation of access controls.
- Testing of certain PBF data submissions for accuracy, completeness, and consistency with data definitions and guidance provided by the BOG.
- A review of data resubmissions and data reclassifications to ensure that they were appropriate and conform to BOG guidance.

UAC assessed the risk of material noncompliance with BOG data reporting requirements and obtained an understanding of data integrity controls to adequately design audit procedures necessary to accomplish the audit objectives. Audit procedures included, but were not limited to, the evaluation of internal controls, reviewing written policies and procedures, interviewing key personnel, and performing tests and analysis to evaluate whether control procedures were adequately designed and operating effectively to ensure the completeness, accuracy, and timeliness of data files submitted to the BOG for PBF funding decisions.

UAC would like to acknowledge that University staff who took part in the audit were knowledgeable of their respective areas, responded quickly to questions, and showed patience throughout the audit engagement. Their cooperation was greatly appreciated.

UAC conducted this audit in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (IIA Standards).

## Audit Observations and Recommendations:

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Overall, based on the results of audit procedures performed, UAC concludes that PBF-related controls over data submissions during the audit period were adequate to ensure reliable processes and procedures designed to ensure that data required in reports filed with the BOG are recorded, processed, summarized, and reported in a manner which ensures accuracy and completeness.

No reportable matters were noted for the current audit.

## **Exhibit A: Audit Observation Risk Ranking Matrix**

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**NOTE: Not applicable for the current year – no reportable matters noted.**

### **Risk Rating: High**

This is a high priority observation; immediate attention from University personnel is required. This is a serious internal control or risk management issue that if not corrected or mitigated could lead to serious consequences.

The criteria that define this rating are as follows: Substantial risk of loss; serious risk of violation of University strategies, policy, or values; serious risk of reputational damage and/or significant risk of adverse impact.

Examples of deficiencies for this rating include, but are not limited to, no existing policy, controls do not exist or not placed into operation, significant fraud detected, considerable number of questioned transactions, and/or significant noncompliance observed.

### **Risk Rating: Moderate**

This is a medium priority observation; timely attention from University personnel is warranted.

The criteria that define this rating are as follows: Moderate risk of financial losses, moderate risk of loss of controls within the program or area audited, and/or adverse impact resulting in moderate sanctions or penalties.

Examples of deficiencies for this rating include, but are not limited to, inconsistent application of policy, only mitigating controls exist, and/or requires additional evaluation or review.

### **Risk Rating: Low**

This is a low priority observation; routine attention from University personnel may be warranted. Recommendation may lead to improvement in the quality and/or efficiency of the process or area audited. Risks are limited.

The criteria that define this rating are as follows: Remote risk of inappropriate activity, insignificant adverse impact, and/or immaterial amounts involved.

Examples of deficiencies for this rating include, but are not limited to, controls exist but only nominal exceptions noted, compensating controls exist but internal controls could be enhanced.

## **Exhibit B: Action Plan for Audit Observations**

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Not applicable – no reportable matters noted for the current audit.

## **Exhibit C: 2025 PBF Metrics and Corresponding Data Submission Files**

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Metric 1: Percent of Bachelor's Graduates Enrolled or Employed - Earning \$40,000+ (SIFD)

Metric 2: Median Wages of Bachelor's Graduates Employed Full-time (SIFD)

Metric 3: Average Cost to the Student - Net Tuition per 120 Credit Hours (HTD, SFA, SIF)

Metric 4: FTIC Four Year Graduation Rate (SIF, SIFD, RET)

Metric 5: Academic Progress Rate - APR (SIF)

Metric 6: Bachelor's Degrees Awarded in Areas of Strategic Emphasis (SIFD)

Metric 7: University Access Rate - Percent of Undergraduates with a Pell-grant (SFA, SIF)

Metric 8: (a) Graduate Degrees Awarded in Areas of Strategic Emphasis (SIFD)

Metric 9: (a) 3-year graduation rate for FCS AA transfers (SIF, SIFD, RET)

(b)(1) APR, 2nd Year Retention for FTIC with a Pell Grant (SIF, SFA)

Metric 10: Graduates with 2+ Workforce Experiences (SIFD, Separate Metric 10 data submission file)

HTD - Hours to Degree File

RET - Retention File

SIF – Student Instruction File

SIFD – Student Instruction File – Degrees Awarded

SFA – Student Financial Aid File