

**AUDIT AND COMPLIANCE COMMITTEE**  
**Tuesday, February 14, 2023**

**SUBJECT:   AUDIT REPORT: FY23-A-01, PERFORMANCE BASED FUNDING DATA  
INTEGRITY FY2023**

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**PROPOSED COMMITTEE ACTION**

Acceptance of this completed audit of the University Performance Based Funding Data Integrity as a basis of support for certification representations requested of the University President and BOT Chair by the Florida Board of Governors (BOG) and fulfillment of the BOG’s request for an audit of the university’s processes that ensure the completeness, accuracy, and timeliness of data submissions.

**BACKGROUND INFORMATION**

The integrity of data provided by the universities is critical to the BOG performance-based funding decision-making process. This is the ninth consecutive year the BOG has requested each university conduct a data integrity audit for the Performance-Based Funding (PBF) Model. Along with the audit, the BOG also requests that an annual Data Integrity Certification document be signed by the University President and BOT Chair and submitted to the Office of Inspector General and Director of Compliance no later than March 1.

The FAU Office of Inspector General is pleased to present the result of its audit of the University Performance Based Funding Data Integrity for FY2023. Based on our audit procedures, we concluded that controls over the University’s data submission process during the period reviewed were adequate and ensured completeness, accuracy, and timely data submission. Accordingly, we believe that the result of our audit provides an objective basis of support for the University’s President and Board of Trustees Chair to sign for the representations included in the Data Integrity Certification document.

**IMPLEMENTATION PLAN/DATE**

Not Applicable.

**FISCAL IMPLICATIONS**

University data integrity is foundational to fiscal accountability and critical to future BOG performance-based funding of Florida’s public universities.

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**Supporting Documentation:**           Audit Report FY23-A-01, Performance Based Funding Data Integrity  
FY2023


**Presented by –** Mr. Reuben Iyamu, Inspector General

**Phone:** 561-297-6493



**MEMORANDUM**

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**

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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<sup>1</sup> 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.

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<sup>1</sup> 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 (2 <sup>nd</sup> 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

	Normalized Score	June Allocation			September 2022	March 2023	Final State Investment Allocation	Final Total Allocation
		Institutional Investment Allocation	State Investment Allocation	Top 3 State Investment Allocation	State Investment Allocation Maximum*	State Investment Allocation*		
FAMU	72	\$14,012,282	\$12,587,304				\$12,587,304	\$26,599,586
<b>FAU</b>	<b>80</b>	<b>\$22,548,831</b>	<b>\$20,255,729</b>				<b>\$20,255,729</b>	<b>\$42,804,560</b>
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
<b>Total</b>		<b>\$295,000,000</b>	<b>\$245,677,121</b>	<b>\$3,947,895</b>	<b>\$7,687,493</b>	<b>\$7,687,491</b>	<b>\$265,000,000</b>	<b>\$560,000,000</b>

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.



# 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](mailto: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.	<p><b>Submission:</b> SIF  <b>Table:</b> Enrollments  <b>Elements:</b>            01060 – Student Classification Level            01106 – Fee Classification – Residency</p> <p><b>Table:</b> Courses Taken  <b>Elements:</b>            01097 – Student Section Credit            01103 – Student Section Funding Flag</p> <p><b>Table:</b> Fee Waivers  <b>Elements:</b>            01401 – Term Amount</p>	Fall 2021 Spring 2022 Summer 2022
			<p><b>Submission:</b> HTD  <b>Table:</b> Hours To Degree  <b>Elements:</b>            01477 – Catalog – Hours to Degree            01413 – Type of Student at Time of Most Recent Admission            01412 – Term Degree Granted</p> <p><b>Table:</b> Courses To Degree  <b>Elements:</b>            01482 – Course Institution Code            01484 – Course System Code            01489 – Credit Hour Usage Indicator            01459 – Section Credit            01485 – Course Grouping Code            02065 – Excess Hours Exclusion</p>	Annual 2021-22
			<p><b>Submission:</b> SFA  <b>Table:</b> Financial Aid Awards  <b>Elements:</b>            01253 – Financial Aid Award Program Identifier            02040 – Award Payment Term            02037 – Term Amount</p>	Annual 2021-22
10b	Total Research Expenditures	Total expenditures (in millions of dollars) for all research activities (including non-science and engineering activities).	<b>Submission:</b> NSF HIGHER EDUCATION R&D SURVEY	NSF HIGHER EDUCATION R&D SURVEY (FY2021)