



**USF Board of Trustees**

Tuesday, February 12, 2019

USF Marshall Student Center Room 3707

12:15 – 12:25 PM

**A G E N D A**

**I. Call to Order and Comments** Chair Brian Lamb

**II. New Business – Action Items (Consent)**

**a. Consent Agenda (FL 101)** Chair Lamb

*(BOT committee representatives may address approved items listed below. UFF representative may address any item that relates to terms and conditions of in-unit faculty employment.)*

*Board members should notify the Assistant Corporate Secretary of any items they wish to be pulled from the Consent Agenda 48 hours prior to the meeting. Items pulled will be discussed and voted on separately after the remainder of the consent agenda is approved.*

*Audit & Compliance Committee Approved Item*

**FL 101 – [Approval of Acceptance of Performance-Based Funding Data Integrity Audit & Approval of Data Integrity Certification](#)**

**III. Adjournment** Chair Lamb

**Agenda Item: FL 101**

**USF Board of Trustees**  
February 12, 2019

**Issue:** Board of Governors Performance-Based Funding Data Integrity Audit and Certification

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**Proposed action:** Acceptance of Performance-Based Funding Data Integrity Audit and Approval of Data Integrity Certification.

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**Executive Summary:** Pursuant to Board of Governors Chair Lautenbach's letter to President Genshaft and Board of Trustees Chair Lamb dated July 12, 2018, USF System Audit (Audit) has conducted an internal audit of Performance-Based Funding (PBF) Data Integrity. Our primary audit objectives were to:

- Determine whether the processes and internal controls established by the university ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF measures.
- Provide an objective basis of support for the President and Board of Trustees Chair to sign the representations included in the Performance-Based Funding Data Integrity Certification.

The Board of Governors requires the acceptance of the Performance-Based Funding Data Integrity Audit results and the approval of the Data Integrity Certification by the Board of Trustees, with submittal to the Board of Governors by March 1, 2019.

The scope and objectives of the audit were set jointly and agreed to by the president, the University of South Florida Board of Trustees Chair, the Board of Trustees Audit and Compliance Committee Chair, and the university's Chief Audit Executive. Audit followed its standard risk assessment, audit program, and reporting protocols.

**Conclusion:**

Audit's overall conclusion was that there was an adequate system of internal controls in place to meet our audit objectives, assuming corrective actions are taken timely to address the two medium-priority risks communicated in the Management Letter.

In response to the issues identified, management has developed implementation plans for their corrective actions which are included in the Management Letter. As of the date of this report, one issue has been resolved and corrective actions related to the second issue have begun.

**Financial Impact:** The USF System received \$79.6 million in PBF allocations in 2018-2019, including a return of the institutional investment of \$41.9 million.

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**Strategic Goal(s) Item Supports:** Goal 4: Sound financial management to establish a strong and sustainable economic base in support of USF's continued academic advancement.

**BOT Committee Review Date:** Audit & Compliance, 02/12/2019

**Supporting Documentation Online (please circle):**  Yes  No


[19-010 Audit Report – Performance-Based Funding Data Integrity Audit](#)  
[19-010 Management Letter – Performance-Based Funding Data Integrity Audit](#)  
[Data Integrity Certification Form](#)  
[Presentation Slides](#)

**USF System or Institution specific:** USF System  
**Prepared by:** Virginia Kalil, Executive Director/Chief Internal Auditor



## MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs  
Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability

FROM: Virginia Kalil, CIA, CISA, CFE, CRISC  
Executive Director/Chief Internal Auditor 

DATE: February 4, 2019

SUBJECT: 19-010 Performance-Based Funding Data Integrity Audit

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USF System Audit (Audit) performed an audit of the internal controls that ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG). These data submissions are relied upon by the board in preparing the measures used in the performance-based funding process. This audit also provides an objective basis of support for the President and Board of Trustees (BOT) Chair to sign the representations included in the Performance-Based Funding Data Integrity Certification to be filed with the BOG by March 1, 2019. This project is part of the approved 2018-2019 Work Plan.

Measures One through Nine were based on data submitted through the State University Database System (SUDS) utilizing a state-wide data submission process for BOG files. Measure Ten was based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering (GSS). This data is published annually by The National Center for Science and Engineering Statistics. For additional information on data files included in this audit, see [Appendix A](#).

Audit's overall conclusion was that there was an adequate system of internal controls in place to meet our audit objectives, assuming corrective actions are taken timely to address the two medium-priority risks communicated separately in our management letter. **No impact to the performance measures was identified.**

<b>OVERALL CONCLUSION</b>	
<input type="checkbox"/> Adequate System of Internal Control	Findings indicate that, as a whole, controls are adequate. Identified risks, if any, were low-priority requiring timely management attention within 90 days.
<input checked="" type="checkbox"/> Adequate System of Internal Control – with reservations	Medium-priority risks are present requiring urgent management attention within 60 days.
<input type="checkbox"/> Inadequate System of Internal Control	High-priority risks are present requiring immediate management attention within 30 days.

We received outstanding cooperation throughout this audit. Please contact us at 974-2705 if you have any questions.

- cc: President Judy Genshaft, USF System  
 Chair Brian D. Lamb, USF Board of Trustees  
 David Lechner, Senior Vice President, Business and Financial Strategy  
 John Long, Senior Vice President, Business and Finance and Chief Operating Officer  
 Dr. Charles Lockwood, Senior Vice President, USF Health  
 Dr. Paul Sanberg, Senior Vice President, Research, Innovation & Knowledge Enterprise  
 Dr. Karen Holbrook, Regional Chancellor, USF Sarasota-Manatee  
 Dr. Martin Tadlock, Regional Chancellor, USF St. Petersburg  
 Dr. Paul Dosal, Vice President for Student Affairs and Student Success  
 Nick Trivunovich, Vice President, Business and Finance and Chief Financial Officer  
 Sidney Fernandes, Vice President, Information Technology and Chief Information Officer  
 Dr. Paul Atchley, Dean, Undergraduate Studies  
 Billie Jo Hamilton, Associate Vice President, Enrollment Planning & Management

## **BACKGROUND**

In 2014, the Board of Governors (BOG) implemented the Performance-Based Funding (PBF) Model which includes 10 metrics intended to evaluate Florida institutions on a range of issues (e.g., graduation and retention rates, average student costs). Eight of the metrics are common to all institutions, while the remaining two vary by institution and focus on areas of improvement or the specific mission of the university.

The metric calculation for Measures One through Nine are based on data submitted through the State University Database System (SUDS) utilizing a state-wide data submission process for BOG files. Measure Ten is based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering.

In order to ensure the integrity of the data being submitted to the BOG to support the calculation of the metrics, USF has established specific file generation, review, certification, and submission processes.

### **File Generation Process**

USF utilizes an automated process, Application Manager, to extract data files from the original systems of record and reformat and redefine data to meet the BOG data definition standards. The only data file that can be impacted outside the Application Manager process is the Hours to Degree submission. (See Hours to Degree File Generation Process below.)

This Application Manager process includes the following key controls:

- ✓ The Application Manager jobs can only be launched by authorized Data Stewards. In addition, individuals responsible for the collection and validation of the data have no ability to modify the Application Manager jobs.
- ✓ The Retention File generated by the BOG is downloaded from the BOG SUDS portal to HubMart by Resource Management & Analysis (RMA). The Data Stewards and Sub-certifiers cannot change the files.
- ✓ Corrections are made to the original systems of record and the Application Manager job is re-run until the file is free of material errors.
- ✓ Any changes to the data derivations, data elements, or table layouts in the Application Manager jobs are tightly controlled by RMA and Information Technology (IT) utilizing a formal change management process.
- ✓ There are IT controls designed to ensure that changes to the Application Manager jobs are approved via the standard USF change management process and that access to BOG submission-related data at rest or in transit is appropriately controlled.

### **Hours to Degree File Generation Process**

The Hours to Degree file submission has two primary tables: 1) Hours to Degree (HTD) that contains information regarding the students and the degrees issued and 2) Courses to Degree (CTD) that includes information regarding the courses taken and utilization of the courses to degree. The

HTD file is derived based on data in HubMart (Degrees\_Submitted\_Vw) and data from the student records system, OASIS (Online Access Student Information System)-a Banner product. The CTD file is generated from a combination of OASIS data and data obtained from the degree certification and advising system (DegreeWorks).

While an Application Manager process is used to create the HTD file, the process utilizes a series of complex scripts to select the population, normalize the data fields to meet BOG data definition standards, and populate course attributes used by the BOG to identify excess hours exemptions. This includes deriving whether courses are “used to degree” or “not used to degree” from DegreeWorks.

The systematically-identified HTD population and CTD file are loaded into two custom Banner reporting tables for validation. Any necessary corrections are made manually by the Data Steward utilizing custom Banner forms.

### **BOG File Review and Certification Process**

USF utilizes a formal review process managed by RMA for all BOG file submissions. The review and certification process includes the following key controls:

- ✓ Data Stewards, Sub-certifiers and Executive Reviewers who had operational and/or administrative responsibility for the institutional data are assigned key roles and responsibilities. The [RMA website](#) defines each of these roles.
- ✓ A central repository (DocMart) contains detailed information regarding data elements for each BOG SUDS file.
- ✓ A secured file storage location (HubMart) provides read-only access and functionality to the data collected and extracted into the Data Warehouse from transactional source systems in order to allow Data Stewards and Sub-certifiers to review and validate data.
- ✓ A formal sub-certification and executive review process is in place to ensure that institutional data submitted to the BOG accurately reflects the data contained in the primary systems of record. No BOG file is submitted to the BOG by the Data Administrator until the Executive Reviewer(s) approves the file.
- ✓ A formal process for requesting and approving resubmissions includes a second executive review process.

### **BOG File Submission Process**

Once all data integrity steps are performed and the file is ready for upload to the SUDS portal, a secure transmission process is used by RMA to ensure data cannot be changed prior to submission.

Key controls within this process include:

- ✓ A dedicated transfer server is used to transmit the BOG SUDS files. Only RMA and IT server administrators have access to the transfer server.
- ✓ Only RMA staff can upload a file from the transfer server to SUDS, edit submissions, generate available reports, or generate reports with re-editing.
- ✓ Only the Data Administrator and Back-up administrator can submit the final BOG file.

### **Measure Ten - Number of Postdoctoral Appointees**

Measure Ten is based on data submitted to the National Science Foundation/National Institutes of Health through their annual survey of Graduate Students and Postdoctorates in Science and Engineering (GSS). This data is published annually by The National Center for Science and Engineering Statistics. Aggregated data is collected via a web survey for each SEH (Science, Engineering, and selected Health fields) unit within an institution.

The individual responders from each SEH unit are responsible for the completeness and accuracy of the data they submitted in the survey. The SEH units submit rosters of reported postdocs to the primary Data Steward for verification. The primary Data Steward in the Office of Postdoctoral Affairs verifies the accuracy and completeness of the SEH-prepared rosters.

Prior to final submission of the GSS survey, the data goes through a Sub-certifier review process. The Data Steward will provide a master roster of reported postdocs, along with a report of the aggregated data contained in the GSS system. The Sub-certifier will verify that the roster data conforms to the criteria for postdoctoral appointees listed in the Guidelines for Reporting Postdocs and Non-Faculty Researchers. Measure Ten utilizes the same Executive Review process as the other nine measures.

### **SCOPE AND OBJECTIVES**

Our audit focused on the internal controls established by the USF System as of September 30, 2018 to ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the PBF measures.

The primary objectives of our audit were to:

- Determine whether the processes and internal controls established by the university ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF measures.
- Provide an objective basis of support for the President and BOT Chair to sign the representations included in the Performance-Based Funding Data Integrity Certification, which will be submitted to the BOT and filed with the BOG by March 1, 2019.

The scope and objectives of the audit were set jointly and agreed to by the President, BOT Chair, the BOT Audit & Compliance Committee Chair, and the university's Chief Audit Executive. USF System Audit (Audit) followed its standard risk assessment, audit program, and reporting protocols.

### **PROCEDURES PERFORMED**

We followed a disciplined, systematic approach using the *International Standards for the Professional Practice of Internal Auditing*. The information system components of the audit were performed in accordance with the *ISACA (Information Systems Audit and Control Association) Standards and Guidelines*. The COSO (Committee of Sponsoring Organizations of the Treadway Commission) and COBIT



(Control Objectives for Information and Related Technologies) Control Frameworks were used to assess control structure effectiveness.

Testing of the control processes was performed on the most recent data file submissions as of September 30, 2018, for term-based submissions. For files submitted annually, the current year file was selected for testing if available by November 15, 2018. Our testing focused on the tables and data elements in the files which were utilized by the BOG to compute the performance measure. For additional information on the files included in this review see [Appendix A](#).

Minimum audit guidelines were established by the BOG in year one which outlined eight key objectives. These key audit objectives have been incorporated into our audit each subsequent year:

1. Verify the Data Administrator has been appointed by the university president and PBF responsibilities incorporated into their job duties.
2. Validate that processes and internal controls in place are designed to ensure completeness, accuracy, and timeliness of data submissions.
3. Determine whether policies, procedures, and desk manuals are adequate to ensure integrity of submissions.
4. Evaluate the adequacy of system access controls.
5. Verify data accuracy through sample testing of key files and data elements.
6. Assess the consistency of Data Administrator's certification of data submissions.
7. Confirm the consistency of data submissions with the BOG data definitions (files and data elements).
8. Evaluate the necessity and authorization of data resubmissions.

In year one, a comprehensive review (Audit 15-010) of processes and controls was conducted followed by a risk assessment. In each subsequent year, system process documentation was updated to reflect any material changes that took place; a new risk assessment was performed based on the updated system documentation and processes; and a new work plan was developed based on the updated risk assessment. Fraud-related risks, including the availability and appetite to manipulate data to produce more favorable results, was included as part of the risk assessment.

This year's audit included:

1. Identifying and evaluating any changes to key processes used by the Data Administrator and data owners/custodians to ensure the completeness, accuracy, and timeliness of data submissions to the BOG. This included verifying new controls put in place to resolve deficiencies identified in the prior year's audit and identifying changes in key personnel performing these processes.
2. Reviewing 2018 BOG SUDS workshop proceedings, metric definitions, benchmarks, and other key documents to identify any changes to the BOG PBF metrics and data definitions used for the BOG PBF metrics.
3. Reviewing all User Service Requests (USRs) to modify data elements and/or file submission processes to ensure they followed the standard change management process and were consistent with BOG expectations.
4. Reviewing the Data Administrator's data resubmissions to the BOG from January 1, 2018 to December 31, 2018 to ensure these resubmissions were both necessary and authorized, as

well as evaluating that controls were in place to minimize the need for data resubmissions and were functioning as designed.

5. Updating the prior year risk assessment and fraud risk assessment to reflect changes identified.
6. Tracing samples from the Student Instructional File (SIF), Student Instructional File - Degree (SIFD), and Student Financial Aid (SFA) BOG files to OASIS, the system of record. The integrity of these files collectively impact metrics one through eight.
7. Verifying reasonableness of the retention cohort change file (impacting measures four and five) and assessing the impact of moving to a 4-year retention period from a 6-year retention period.
8. Verifying accuracy, completeness, and consistency with BOG expectations of the data submitted to the BOG for Measure Nine - Percent of Bachelor's Degrees without Excess Hours, via the HTD file. This includes verifying procedures in place to resolve the prior year's audit issue are effectively mitigating risks.
9. Reviewing the textbook cost adhoc data request for Measure Three - Cost to Student to verify controls over the data submission are ensuring the accuracy, completeness, and integrity of the data. Note: The BOG delayed implementation of actual textbook cost.
10. Reviewing the data submitted for Measure Ten – Number of Postdoctoral Appointments in Science and Engineering to verify proper supporting documentation is being retained.

### **PRIOR AUDIT PROJECTS**

In FY 2017-2018, an audit of the controls established by the university to ensure the completeness, accuracy, and timeliness of data submissions to the BOG which supported the PBF metrics (Audit 18-010, issued February 1, 2018) was performed. As of February 1, 2018, the two medium-priority risk recommendations were reported as in progress. As of the date of this report, all recommendations have been reported by management as implemented.

Audit verified the new controls in place were effectively mitigating the risks identified.

**APPENDIX A**  
**PERFORMANCE MEASURES DATA SOURCES**

Measure	Description	BOG File	Data Used/Created by the BOG
One	Percent of bachelor's graduates employed full-time in or continuing their education in the U.S. one year after graduation	SIFD	National Student Clearing house, Florida Education and Training Placement Information Program
Two	Median wages of bachelor's graduates employed full-time one year after graduation	SIFD	Unemployment Insurance wage data
Three	Net Cost to Student	SIF, SFA	College Board national average book cost
Four	Four year FTIC graduation rate	SIFP, SIF, SIFD, Retention Cohort Change File	BOG created Cohort and Retention File
Five	Academic progress rate	SIF	BOG created Cohort
Six	Bachelor's degrees awarded within programs of strategic emphasis	SIFD	
Seven	University access rate	SFA, SIF	
Eight	Graduate degrees awarded within programs of strategic emphasis	SIFD	
Nine	Percent of bachelor's degrees without excess hours	HTD	
Ten	Number of postdoctoral appointments in science and engineering	None <sup>1</sup>	National Science Foundation (NSF)/National Institutes of Health (NIH) Survey of Graduate Students and Postdoctorates in Science and Engineering

<sup>1</sup>Data is submitted by USF directly to the NSF/NIH via the NSF Graduate Students and Postdoctorates in Science and Engineering (GSS) Survey.


**BOG FILES REVIEWED**

Submission	System of Record	Table	Submission Reviewed
Hours to Degree (HTD)	OASIS, DegreeWorks	Hours to Degree Courses to Degree	2017-2018
Student Financial Aid (SFA)	OASIS	Financial Aid Awards	2017-2018
Student Instructional File - Degree (SIFD)	OASIS	Degrees Awarded	Spring 2018
Student Instructional File (SIF)	OASIS, GEMS	Person Demographics Enrollments	Spring 2018
Student Instructional File - Preliminary (SIFP)	OASIS, GEMS	Person Demographics Enrollments	Fall 2018
Retention File (RET)	BOG	Retention Cohort Change	2016-2017



## MEMORANDUM

TO: Dr. Ralph Wilcox, Provost & Executive Vice President of Academic Affairs  
Dr. Terry Chisolm, Vice Provost for Strategic Planning, Performance & Accountability

FROM: Virginia Kalil, CIA, CISA, CFE, CRISC  
Executive Director/Chief Internal Auditor 

DATE: February 4, 2019

SUBJECT: 19-010 Management Letter – Performance-Based Funding Data Integrity Audit

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USF System Audit (Audit) performed an audit of the university's processes and internal controls that ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG). These data submissions are relied upon by the board in preparing the measures used in the performance-based funding process. An audit report was issued on February 4, 2019, which defined the scope and results of our audit.

Based on the review, Audit concluded that there was an adequate system of internal controls in place to meet the audit objectives, assuming timely corrective actions are taken for the two medium-priority risks included in this Management Letter.

As audit reports are focused only on high-priority risks, these medium-priority risks were not addressed in our audit report. Urgent management attention is required within 60 days. The two medium-priority risks identified for management attention are related to Measure Three Net Cost to Student and Measure Nine Percent of Bachelor's Degrees without excess hours.

The risks identified had no impact on the performance metrics.

Within ten business days, please provide your actions planned and expected implementation dates within the Team Central Follow-Up System for those recommendations not marked as resolved.

Please contact us at 974-2705 if you have any questions.

USF SYSTEM AUDIT  
4019 E. Fowler Ave., Suite 200 • Tampa, FL 33617  
(813) 974-2705 • [www.usf.edu/audit](http://www.usf.edu/audit)

cc: President Judy Genshaft, USF System  
Chair Brian D. Lamb, USF Board of Trustees  
David Lechner, Senior Vice President, Business and Financial Strategy  
John Long, Senior Vice President, Business and Finance and Chief Operating Officer  
Dr. Charles Lockwood, Senior Vice President, USF Health  
Dr. Paul Sanberg, Senior Vice President, Research, Innovation & Knowledge Enterprise  
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Dr. Paul Atchley, Dean, Undergraduate Studies  
Billie Jo Hamilton, Associate Vice President, Enrollment Planning & Management

<b>MEDIUM PRIORITY RISKS</b>	<b>STATUS</b>
<p><b>1. The Student Financial Aid (SFA) file had to be resubmitted due to errors not identified in the review process.</b></p> <p>The Board of Governors (BOG) made a change to the SFA file on June 8, 2017 to include third-party billings to more accurately calculate Measure Three: Net Cost to Student. While the change went into effect in Summer 2017, the use of the new data for purposes of computing the performance metric was not effective until this year’s 2017-2018 annual file. Third-party payments were defined by the BOG as, “Funds provided to the university by a third-party sponsor that pays all, or a portion, of a student’s invoice directly to the university via a special billing process. The payments cannot be contingent on academic performance or employee reimbursement policies. These funds do not include Florida Pre-Paid, university foundation funds, or any other 529 saving plans that parents/students previously paid.”</p> <p>Audit selected 25 undergraduate students included in the SFA file and verified that the students’ financial aid amounts agreed to Banner’s (student information system) financial aid and/or student receivable module. This included students with third-party payments. In addition, Audit reconciled the third-party payments included in the student receivable module to the SFA file in total to ensure all eligible third-party payments were properly included.</p> <p>Our review identified two issues which were not identified during the original SFA file preparation and validation file, including the executive review process:</p> <ul style="list-style-type: none"> <li>• Payments made to veterans and active military by Veterans Affairs (VA) were incorrectly coded in Banner as 529 plan payments. As a result, \$655,644 in eligible third-party payments were excluded from the SFA file. This was a data entry error. The Application Manager job used to pull data into the SFA file appropriately pulled all third-party contracts not coded as 529 plans.</li> <li>• When the SFA file changes were made in October 2017, to include third-party payments, a programming error occurred. The programming error only impacted students with VA payments processed via electronic fund transfer (not a third-party payment). The VA amount paid was duplicated for all aid types the student had, overriding the amount actually paid. The impact of the error was to overstate the amount paid to students by \$1,658,306.</li> <li>• The net impact of the two errors was to overstate financial aid, including third-party payments, by \$1,000,662.</li> </ul> <p>Audit reviewed the change management process used to validate the code change to the SFA file generation process in October 2017 and determined USF’s standard change management process was followed. The user acceptance testing was focused on validating the accuracy of the third-party payments added to the file and did not validate that unintentional changes to other financial aid types did not occur. The coding error was not detected since a full reconciliation by fund type was not being performed.</p>	<p>Resolved</p>

MEDIUM PRIORITY RISKS	STATUS
<p>USF resubmitted the SFA file to the BOG on November 9, 2018. The resubmission corrected the error in reporting.</p> <p><b>Recommendations:</b></p> <ol style="list-style-type: none"> <li>1. University Controller’s Office (UCO) should perform a review of the coding of accounts receivable contracts as 529 plans to ensure the accuracy of coding prior to submitting the SFA file.</li> <li>2. Financial Aid should perform a full reconciliation of the SFA file to Banner by financial aid type before submitting the SFA file for executive review.</li> </ol> <p><b>Management Attention Required:</b>      <input type="checkbox"/> Immediate    <input checked="" type="checkbox"/> Urgent      <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>            <input type="checkbox"/> Significant    <input checked="" type="checkbox"/> Moderate    <input type="checkbox"/> Minimal</p> <p><b>Management’s Response:</b> UCO has put a process in place to ensure the 529 plans are properly coded. Financial Aid performed a full reconciliation of the SFA file to Banner by financial aid type prior to resubmitting the SFA file. This process has been added to the file preparation process by Financial Aid.</p>	
<p><b>2. Repeated coursework was not properly flagged in Banner and the Courses to Degree (CTD) file.</b></p> <p>Banner ruleset (SHARPTR) is used to evaluate coursework for potential repeated courses based on the course prefix, number, level, and title. Currently, this functionality is only being used for USF coursework and is utilized to prevent students from registering in a non-repeatable course for which the student has already earned a passing grade of C or better. In addition, the ruleset is used for an end of term process which is used to identify potential repeated courses for review.</p> <p>In order to identify repeated coursework which has occurred at USF or earned at another institution, an Application Manager repeat interface was developed which relies on course information in Banner. The Application Manager repeat interface places a course attribute (“REPT”) on a student’s course record which is then used by the Banner to DegreeWorks interface to transfer course information, including the repeated course information, to DegreeWorks. The process was designed to place the “REPT” course attribute on the instance(s) of the course which should not be used towards a degree. The “REPT” course indicator is systematically placed on the course but can be manually added by the Office of the Registrar when instances are identified which were not identified by the logic. Of the 448,471 records in the CTD file, contained within the Hours to Degree (HTD) submission, only 4,149 had the “REPT” course attribute applied.</p> <p>Audit performed a reasonableness review of the CTD file to determine if repeated coursework had been used toward a degree (Usage Indicator = “D”). Audit’s testing did not rely on the “REPT” course attribute but focused on students who had the</p>	In Progress

<b>MEDIUM PRIORITY RISKS</b>	<b>STATUS</b>
<p>same course prefix and course suffix applied toward a degree more than once and the course was a non-repeatable course per the current course catalog.</p> <p>During the review, Audit identified 22 instances where a non-repeatable course was used toward a degree. None of these repeated courses identified by Audit had the “REPT” course attribute assigned to them in Banner indicating the Application Manager job failed to identify the course as a repeated course. In one instance, the repeated course was a result of an advisor error. Audit reviewed the Application Manager job logic and identified the following issues:</p> <ul style="list-style-type: none"> <li>• To allow for a manual override, the logic ignores courses for which the repeat indicator was populated (not null/blank). Audit noted, the repeat indicator flag had been systematically set to “include” in Banner for at least one of the two repeated courses in all but one instance. The native Banner logic was not originally set up to flag the usage indicator so the flag should not have been set by the system. It is believed that the anomalies were introduced when a temporary change was made to the Banner rule in Summer 2017.</li> <li>• In the remaining instance, the identified repeated course included one USF course and one course assigned to institution “MILTCR”. The logic ignores courses coded to institution “MILTCR”, a generic institution code for military coursework.</li> </ul> <p>Audit verified that the errors identified had no impact on the student’s excess hours computation.</p> <p>A second data integrity issue was identified by Audit while searching for a cause for the repeated coursework. The CTD field Repeat Indicator (BOG Element 01487) was not being properly set for native coursework not used for degree. The problem was limited to grade forgiveness coursework. The CTD Repeat Indicator is “a code to indicate if this course was not counted toward the degree, because of repeat. If a student later repeated this course for any reason, this code should indicate this. A repeat should be indicated even if the repeat produced no credit, regardless of any forgiveness policy.” A repeat indicator (“R” - repeated) is placed in the CTD Repeat Indicator field for any repeated course which was not used for a degree unless the course grade is failed, unsatisfactory, or withdrawn.</p> <p>Audit’s review identified 307 USF courses in the CTD file which were not used toward a degree and had a passing grade; however, the CTD Repeat Indicator was set to “N” (not repeated). Audit reviewed the Application Manager job logic used to set the CTD Repeat indicator. The Application Manager logic used to create the CTD Repeat Indicator field relies on the course attribute “REPT” found in the SHRATTR_ATTR_CODE to identify repeated coursework and relies on the course grade to identify repeats resulting from grade forgiveness.</p> <p>The repeat indicator is set at “R” for any course with a course attribute code of “REPT” and Usage Indicator of “N” (Not Used Toward Degree). In addition, for</p>	



MEDIUM PRIORITY RISKS	STATUS
<p>grade forgiveness courses, the repeat indicator is set at “R” for all courses with a Banner grade of “R”, hours attempted &gt;0, credits earned = 0, and a Usage Indicator of “N”. All other courses are set with a Repeat Indicator of “N” (Not repeated). Audit determined that the Application Manager logic was not properly identifying grade forgiveness repeats. The logic, however, was not functioning as designed. The logic was ignoring the Banner grade indicator (“R”) and was actually ignoring any courses with credits earned equal to zero.</p> <p>The grade forgiveness courses do not result in earned hours; therefore, they were not identified as a repeat by the CTD Application Manager job logic.</p> <p>Since all USF course work is used in the excess hours computation, even if a repeated course, there was no impact to the performance metric.</p> <p><b>Recommendation: Office of Registrar, in coordination with Information Technology and Undergraduate Studies, should:</b></p> <ol style="list-style-type: none"> <li>1. <b>Review the Banner repeat rule functionality and ensure the rule is set appropriately.</b></li> <li>2. <b>Identify any student course records with a repeat indicator of “I” which were not set appropriately and correct the student record.</b></li> <li>3. <b>Make any necessary changes to the Application Manager repeat identification logic to ensure that all repeated coursework is being properly identified and the course attribute “REPT” is being appropriately applied.</b></li> <li>4. <b>Update the Application Manager logic used to populate the CTD repeat indicator to properly code grade forgiveness courses as repeats.</b></li> </ol> <p><b>Management Attention Required:</b>      <input type="checkbox"/> Immediate      <input checked="" type="checkbox"/> Urgent      <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>            <input checked="" type="checkbox"/> Significant      <input type="checkbox"/> Moderate      <input type="checkbox"/> Minimal</p> <p><b>Management’s Response:</b> A User Service Request has been submitted by the Office of the Registrar in order to identify and resolve the problems related to repeat checking in Banner and DegreeWorks. All advisors have been notified of the problem so that a manual check for repeated courses can be performed for all degree certifications until the corrections are made. The Application Manager logic used to process the CTD file is in the process of being corrected.</p> <p>Estimated Completion Date: April 15, 2019</p>	



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

# Performance Based Funding

## March 2019 Data Integrity Certification

University Name: \_\_\_\_\_

**INSTRUCTIONS:** Please respond “Yes” or “No” for each representation below. Explain any “No” responses to ensure clarity of the representation you are making to the Board of Governors. Modify representations to reflect any noted audit findings.

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	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 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 type="checkbox"/>	<input type="checkbox"/>	
3. 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.	<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 type="checkbox"/>	<input type="checkbox"/>	
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 type="checkbox"/>	<input type="checkbox"/>	

## Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
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 Office.	<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 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.	<input type="checkbox"/>	<input type="checkbox"/>	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing <b>Submit for Approval</b> represents electronic certification of this data per Board of Governors Regulation 3.007."	<input type="checkbox"/>	<input type="checkbox"/>	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	<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 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.	<input type="checkbox"/>	<input type="checkbox"/>	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	<input type="checkbox"/>	<input type="checkbox"/>	

## Performance Based Funding Data Integrity Certification

### Performance Based Funding Data Integrity Certification Representations, Signatures

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.

Certification: \_\_\_\_\_ Date \_\_\_\_\_  
President

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.

Certification: \_\_\_\_\_ Date \_\_\_\_\_  
Board of Trustees Chair

# Performance Based Funding Data Integrity Audit

USF System Audit

Audit and Compliance Committee

*February 12, 2019*



# Objectives

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- Determine whether the processes and internal controls established by the university ensure the completeness, accuracy, and timeliness of data submissions to the BOG which support the PBF measures
- Provide an objective basis of support for the President and BOT Chair to sign the representations included in the Data Integrity Certification

## Scope

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- Identify and evaluate any material changes to the controls and processes in place during the prior audit period, including
  - *Prior year recommendations*
  - *BOG data definition changes*
  - *Data element and/or file submission changes*
- Update PBF risk assessment, including fraud risks, to identify areas for detailed testing

## Procedures Performed

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- Verified any data resubmissions to the BOG were necessary and authorized
- Performed detailed testing related to files submitted to the BOG for Measures 1-9 by:
  - Tracing data samples to systems of record
  - Verifying reasonableness, accuracy, completeness, and consistency with BOG expectations
- Verified proper supporting documentation for Measure 10



## Conclusion

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- Adequate system of internal controls in place
- No high risks identified
- Two recommendations for improvement included in the Management Letter
- Recommendations for improvement did not have an impact on the performance measures

## Recommendations

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- ✓ Management review over SFA coding and file changes needed strengthening.
- Identification of some repeated coursework within the student information system and courses to degree file requires improvement.

# Closing Remarks

Audit and Compliance Committee  
*February 12, 2019*

