

Item: **AC: A-3**

## **AUDIT AND COMPLIANCE COMMITTEE**

**Tuesday, February 4, 2025**

**SUBJECT:    AUDIT    REPORT: FY25-A-03, PERFORMANCE BASED FUNDING DATA  
INTEGRITY FY2025**

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### **PROPOSED COMMITTEE ACTION**

Acceptance of this completed audit of the University's Performance Based Funding Data Integrity as a basis of support for the University's President and Board of Trustees (BOT) Chair to sign the Data Integrity Certification, which will be submitted to the BOG by March 1, 2025.

### **BACKGROUND INFORMATION**

This is the report of our completed audit of the University Performance Based Funding Data Integrity for FY2025. We concluded that FAU's processes and controls are adequate to ensure the completeness, accuracy, and timeliness of data submitted to the BOG that support performance-based funding decisions. Our audit found no reportable issues or material errors within the data files submitted by FAU that would affect the University's overall ranking among State University System (SUS) institutions. We also verified and confirmed that IEA has successfully completed and resolved the action plan from our prior audit report issued on February 8, 2024 (Report No. FY24-A-01).

### **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 FY25-A-03, Performance Based Funding Data Integrity FY2025


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

**Phone:** 561-297-6493



**MEMORANDUM**

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

FROM: Reuben Christian Iyamu, Inspector General 

DATE: February 4, 2025

SUBJECT: **Audit of University Performance Based Funding Data Integrity FY2025**  
**Report No. FY25-A-03**

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Pursuant to Florida Board of Governors (BOG) Regulation 5.001(8) and Florida Statute 1001.706, we have completed our annual audit of the University's Performance Based Funding (PBF) data integrity. Our audit objectives were to: (1) evaluate the effectiveness of the University's processes and internal controls to ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors (BOG), which support the Performance Based Funding (PBF) metrics of the University; (2) provide an objective basis of support for the University's President and Board of Trustees (BOT) Chair to sign the *Data Integrity Certification*, which will be submitted to the BOG by March 1, 2025 after the report has been accepted by the University's BOT; and, (3) follow-up on the implementation of the corrective action plan reported in the prior audit.

We submit this report which contains our conclusions and response from the Provost/Vice President (VP) for Academic Affairs and would like to thank the staffs of the Offices of the Registrar 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)  
Marie Claire DeMassi, University Registrar

# Executive Summary

This is our eleventh consecutive year the BOG has required a data integrity audit to determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the BOG that support PBF metrics. We also performed data accuracy testing of files submitted to the BOG between December 1, 2023, and November 30, 2024, that were used in the calculations of performance-based funding metrics 5, 6, and 8a, and reviewed management's actions to address the recommendation from our prior audit report.

We concluded that FAU's processes and controls are adequate to ensure the completeness, accuracy, and timeliness of data submitted to the BOG that support performance-based funding decisions. Our audit found no reportable issues or material errors within the data files submitted by FAU that would affect the University's overall ranking among State University System (SUS) institutions. We also verified and confirmed that IEA has successfully completed and resolved the action plan from our prior audit report issued on February 8, 2024 (Report No. FY24-A-01).

We believe that our audit provides an objective basis of support for the University's President and BOT Chair to sign the *Data Integrity Certification* as prepared without modification.

## Background

State law<sup>1</sup> requires each university to conduct an annual audit to verify that the data submitted pursuant to ss. 1001.7065<sup>2</sup> and 1001.92<sup>3</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 Board of Governors shall define the data components and methodology used to implement the ss.

The Florida BOG, authorized to manage the State University System, developed a Performance-Based Funding (PBF) model, which was approved at the January 2014 BOG meeting. The model includes 10 metrics that evaluate the State's public 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

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<sup>1</sup> Section 1001.706(5)(e), Florida Statutes.

<sup>2</sup> [http://www.leg.state.fl.us/statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=1000-1099/1001/Sections/1001.7065.html](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=1000-1099/1001/Sections/1001.7065.html)

<sup>3</sup> [http://www.leg.state.fl.us/statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=1000-1099/1001/Sections/1001.92.html](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=1000-1099/1001/Sections/1001.92.html)

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.<sup>4</sup>

The 10 metrics pertaining to Florida Atlantic University (FAU) are depicted in the following table.

FAU's 2024 Performance Based Funding Metrics			
1.	Percent of Bachelor's Graduates Enrolled or Employed (Earning \$40,000+) One Year After Graduation	6.	Bachelor's Degrees 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 within Programs of Strategic Emphasis
4.	Four-Year FTIC (First-Time- In-College) Graduation Rate	9a.	Three-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

State Law<sup>5</sup> governs the funding model under which state universities obtain funding. Since the implementation of the model, funding significantly increased in the first four years and remained level for five years. The legislature and Governor increased funding by \$85 million for the 2023-24 fiscal year and remained at that level for the current year. For fiscal year 2024-2025, FAU earned 84 points and received \$44.6 million of the performance funds allocated.<sup>6</sup>

Pursuant to BOG Regulation,<sup>7</sup> the university President has formally appointed the Assistant Provost for Institutional Effectiveness and Analysis (IEA) as the institutional data administrator (DA). The DA is responsible for ensuring the completeness, timeliness, and accuracy of State University Database System (SUDS) files submitted to the BOG. Data uploaded to SUDS is subject to edit checks to help ensure consistency with BOG-defined data elements, and accuracy of the information submitted. Once IEA is satisfied that all edit errors have been fully addressed, the DA officially submits the data files to the BOG based on the BOG's Due Date Master Calendar. Each file submission by the DA includes an electronic certification in which he certifies that the data represents the position of the University for the term(s) being reported as required by BOG Regulation.

<sup>4</sup> <https://www.flbog.edu/wp-content/uploads/2023/01/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-Jan-2023.pdf>

<sup>5</sup> Section 1001.92, Florida Statutes.

<sup>6</sup> <https://www.flbog.edu/wp-content/uploads/2024/07/PBF-Information-2024-25.pdf>

<sup>7</sup> BOG Regulation 3.007, *State University System (SUS) Management Information Systems* (effective June 2018).

# Objectives, Scope, and Methodology

The **objectives** of the audit were to:

- Evaluate the effectiveness of the University's processes and internal controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the PBF metrics of the University;
- Provide an objective basis of support for the University's President and Board of Trustees (BOT) Chair to sign the *Data Integrity Certification*, which will be submitted to the BOG by March 1, 2025, after the report has been accepted by the University's BOT; and,
- Follow-up on the implementation of the corrective action plan reported in the prior audit.

The **scope** of the audit included a review of data files submitted to the BOG between December 1, 2023, and November 30, 2024, for the following metrics:

- Metric 5: Academic Progress Rate
- Metric 6: Bachelor's Degrees within Programs of Strategic Emphasis
- Metric 8a: Graduate Degrees within Programs of Strategic Emphasis

To achieve our stated objectives, we conducted the following audit procedures:

- Reviewed audit reports pertaining to PBF Data Integrity completed by other SUS universities.
- Reviewed 2024 metric definitions and other key documents to identify any changes to the BOG PBF metrics and data definitions.
- Interviewed key personnel regarding processes, data integrity, and responsibilities for data submitted to the BOG.
- Tested the accuracy and integrity of data files submitted to the BOG between December 1, 2023, and November 30, 2024, that were used in the calculations of performance-based funding metrics 5, 6, and 8a. See Appendix A for the submissions/tables/elements reviewed.
- Reviewed management's actions to address the recommendation from our prior audit report to determine if the action plan is successfully completed and resolved.

An audit by its nature does not include a review of all records, transactions, and actions of management and staff, and therefore, cannot be relied upon to identify all instances of control deficiencies, errors, fraud, or non-compliance.

We conducted this audit in accordance with the *International Standards for the Professional Practice of Internal Auditing* and with the *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 processes and controls are adequate to ensure the completeness, accuracy, and timeliness of data submitted to the BOG that support performance-based funding decisions. Our audit found no reportable issues or material errors within the data files submitted by FAU that would affect the University's overall ranking among State University System (SUS) institutions.

We noted the following good management practices and key controls in place:

- ✓ Data owners formally certify the completeness and accuracy of data 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 Power BI and Structured Query Language (SQL) reports, to identify missing values or issues and compares them to previous year values to identify shifts that would require research.
- ✓ 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.
- ✓ FAU security managers for SUDS grant access to the SUDS portal when tickets requesting access submitted through TeamDynamix are approved by the employees' supervisor.
- ✓ 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. They 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 documented approval from data owners before implementing 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.

As part of this audit, we conducted a follow-up review of records to assess the status of efforts made by management to satisfactorily resolve and implement the recommendation from our prior audit report issued on February 8, 2024 (Report No. FY24-A-01). We verified and confirmed that IEA has successfully completed and resolved the action plan.

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

# Provost/VP Response

## **Dr. Russ Ivy, Interim Provost & Vice President for Academic Affairs**

I concur with the findings of this report, which reflect that Institutional Effectiveness and the supporting departments are committed to the timely and accurate dissemination of data to the Board of Governors and university stakeholders.

### **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 – IN-SCOPE BOG DATA ELEMENTS

No.	Metric	Definition	Submission/Table/Elements Information	Relevant Submissions
5	Academic Progress Rate	This metric is based on the percentage of first-time-in-college (FTIC) students who started in the Fall (or summer continuing to Fall) term and were enrolled full-time in their first semester and were still enrolled in the same institution during the next Fall term with a grade point average (GPA) of at least 2.0 at the end of their first year (Fall, Spring, Summer).	<b>Submission: SIF</b> <b>Table: Enrollments</b> <b>Elements:</b> 01060 – Student Classification Level 01112 – Degree – Highest Level Held 01107 – Fee Classification – Kind 01420 – Date of Most Recent Admission 01413 – Type of Student at Time of Most Recent Admission 01063 – Current Term Course Load 01086 – Total Institutional Grade Points 01085 – Institutional Hours for GPA  <b>Table: Person_ID_Chgs</b> <b>Elements:</b> 01029 – Person Identification Number (New) 01427 – Person Identification Number - Previous	Fall 2023
			<b>Submission: RET</b> <b>Table: Ret_Cohort_Chgs</b> <b>Elements:</b> 01429 – Cohort Type 01465 – Student Right to Know (SRK) Flag-New 01442 – Cohort Adjustment Flag 01458 – FTIC Full-Time Indicator-Entering Term	Annual 2022-2023
6	Bachelor's Degrees within Programs of Strategic Emphasis	This metric is based on the number of baccalaureate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double majors are included).	<b>Submission: SIFD</b> <b>Table: Degrees Awarded</b> <b>Elements:</b> 01081 – Degree – Level Granted 01082 – Degree Program Category 01083 – Degree Program Fraction of Degree Granted 01045 – Reporting Institution 01412 – Term Degree Granted 02015 – Major Indicator	Spring 2024



8a	<b>Graduate Degrees within Programs of Strategic Emphasis</b>	This metric is based on the number of graduate degrees awarded within the programs designated by the Board of Governors as 'Programs of Strategic Emphasis'. A student who has multiple majors in the subset of targeted Classification of Instruction Program codes will be counted twice (i.e., double majors are included).	Same as No. 6 above.	Same as No. 6 above.
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