MEMORANDUM

To: **Dr. Elmira Mangum, President**

From: **Richard E. Givens, CPA** *RG*

Date: **February 22, 2016**

RE: **Performance Based Funding Data Integrity Audit**

In accordance with the University's Internal Audit Plan for fiscal year 2015-16, and at the request of the Florida Board of Governors, we have conducted an audit of the processes and controls that Florida Agricultural and Mechanical University has in place related to data submissions in support of the BOG performance based funding metrics as of October 30, 2015. The report contained herein presents our scope and objectives and provides comments and conclusions resulting from procedures performed.

Please call me if you have any questions.

cc: University Provost
     Vice Presidents
     FAMU Board of Trustees
     Inspector General, Florida Board of Governors
     State Auditor General

FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY

Excellence with Caring

PERFORMANCE BASED FUNDING
DATA INTEGRITY AUDIT
REPORT NO. 2016-1

February 22, 2016

Division of Audit and Compliance
Richard Givens, Vice-President

FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY
PERFORMANCE BASED FUNDING DATA INTEGRITY AUDIT

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EXECUTIVE SUMMARY

In accordance with the University's Internal Audit Plan for fiscal year 2015-16, and at the request of the Florida Board of Governors (BOG), we have conducted an audit of the University's processes and controls which support data submitted to the BOG for its performance based funding metrics. This audit was part of a system-wide examination based on data submitted as of October 30, 2015.

The primary objectives of this audit were to:

- Evaluate controls and processes to ensure completeness, accuracy and timeliness of data submitted to the BOG; and,

- Provide a reasonable basis of support for the Performance Based Funding Data Integrity Certification statement.

Audit procedures included, but were not limited to, the evaluation of internal controls as those controls relate to the accomplishment of the foregoing audit objectives, as well as compliance testing for a sample of data elements included in files submitted for various BOG performance based funding metrics.

Observations noted are as follows:

- Some inappropriate or unnecessary information technology (IT) access privileges existed within iRattler System, indicating a need for an improved review of access privileges.
- Data submissions were not submitted by the required due date.

Based on our observations and tests performed, we are of the opinion that the University's processes and internal controls for data compilation and reporting to the BOG are adequate. We consider the improvements identified in the Observations and Comments section of this report to be significant in helping to ensure the completeness and accuracy of data submitted for performance based metrics in future periods.

Performance Based Funding Data Integrity Audit

SCOPE AND OBJECTIVES

At the request of the Florida Board of Governors, we have conducted an audit of the University's processes in place to ensure the completeness, accuracy, and timeliness of data submissions to the BOG. The primary objectives of this audit were to:

- Evaluate controls and processes established by the Office of Institutional Research and primary data custodians to ensure completeness, accuracy and timeliness of data submitted to the BOG; and,

- Provide a reasonable basis of support for the Performance Based Funding Data Integrity Certification statement, which is required to be signed by the University President and Board of Trustees Chair.

METHODOLOGY

Data submitted to the BOG, upon which performance funding is based, and the methods and controls applied by management to ensure data integrity were subject to several key audit procedures. Specifically, detailed management narratives, as well as BOG publications related to data compilation, were reviewed, and various samples of data reported to the BOG were verified to University source documents. Specific information describing the work conducted to address the audit objectives is included in Appendix A to this report.

Our audit was conducted in accordance with current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors.

BACKGROUND

The Florida Board of Governors has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. Beginning in fiscal year 2013-14, the BOG instituted a performance funding program based on 10 performance metrics used to evaluate the institutions on a range of issues including graduation rates, job placement, cost per degree and retention rates, among other outcomes. According to information published by the BOG in May 2014, the following are key components of the funding model:

- Institutions will be evaluated on either Excellence or Improvement for each metric.
- Data is based on one-year data.
- 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.

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OBSERVATIONS AND COMMENTS

System Access Controls and User's Privileges

Some inappropriate or unnecessary information technology (IT) access privileges existed within iRattler, indicating a need for an improved review of access privileges to ensure access is consistent with an employee's job duties. The existence of the inappropriate or unnecessary access privileges increased the risk of unauthorized disclosure, modification, or destruction of University data and IT resources. However, additional testing of performance funding file data provided assurance that the inappropriate access privileges did not have an impact on the accuracy of file data. Additionally, a user access review was not performed for seven departments who perform critical data functions as it relates to performance funding. Periodic reviews of access privileges are necessary to ensure that employees can only access IT resources that are necessary to perform their assigned job duties and that the assigned access privileges enforce an appropriate separation of incompatible duties.

Corrective Action Plan

Management's corrective action plan states the following actions will be taken:

- *ITS subject matter experts and core users from the offices will work together to determine the access needed for each level of duty. A matrix will be developed to include segregation of duties and enhanced descriptions for roles.*

  Responsible Employees: Arthur Bialowas, Director of Security & Chief Information Security Officer; Candace McCrary, Assistant Director of iRattler Security
  Implementation date: May 2016

- *Complete an annual user role re-certification project to include 1) completion of a testing prototype application to ensure it conforms to specifications, 2) reviewing and updating descriptions of access roles with SMEs and departments, 3) executing annual re-certification test internally within ITS to discover and address any issues, 4) assigning a coordinator within each department who will assist in entering organizational charts, 5) executing an annual test and generating reports.*

  Responsible Employees: Arthur Bialowas, Director of Security & Chief Information Security Officer; Candace McCrary, Assistant Director of iRattler Security
  Implementation date: October 2016

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Data Submissions

Data submissions were not submitted by the required due date, contrary to Board of Governors Regulation 3.007(5)(b).

- The Fall 2014 and Spring 2015 Student Instruction (SIF) files were submitted 12 and 40 days late, respectively, because the manual correction process used to insure data accuracy for file data extracted from iRattler takes 4 weeks to complete by one staff member.

Corrective Action Plan

Management's corrective action plan states the following actions will be taken: 1) Provide training every semester for all members who input data into PeopleSoft, 2) Consider maintaining space facility data in PeopleSoft rather than Legacy, 3) Modify the College of Law calendar to mirror the main campus calendars.

Responsible Employee: Agatha Onwunli, Registrar
Implementation date: Summer term 2016

- The Expenditure Analysis (EA) and the Degrees Awarded (SIFD) files were submitted 15 and 41 days late, respectively, because they could not be submitted until the SIF files were submitted and accepted by the Board of Governors.

Corrective Action Plan

Management will take the steps mentioned above to ensure timely submission of the SIF files which will then allow for the timely submission of the EA and SIFD files.

Responsible Employee: Agatha Onwunli, Registrar
Expected implementation date: Summer term 2016

- The Instruction & Research file was submitted 12 days late due to issues that were found by data owners late in the process that required additional time to resolve.

Corrective Action Plan

Management's corrective action plan states the following action will be taken: Implement a new IRD review/approval process to include review and approval of the Assignment of Responsibility Form data for the IRD file during the following semester in which the assignment was performed.

Responsible Employee: Donald Palm, Associate Provost for Undergrad Education
Expected implementation date: Implemented Fall 2015

- The Hours to Degree file was submitted 26 days late because a new data extraction process was used that caused an unusual high number of manual corrections to data to be made.

Corrective Action Plan

Management's corrective action plan states the following actions will be taken: 1) resolving data file issues with the curriculum through collaboration between the Registrar and ITS, 2) Updating the SQR file.

Responsible Employee: Ivey Williams, Coordinator University Testing Bureau
Expected implementation date: March 2016

CONCLUSION

Based on our audit, we have concluded that the controls and processes which Florida Agricultural and Mechanical University has in place to ensure the accuracy and completeness of data submitted to the Board of Governors in support of performance based funding is adequate. None of the observations and comments affected the integrity of the data submissions. In our opinion, we consider management's approach and suggestions to improve the integrity of the data, as cited in this report, to be reasonable and cost effective to implement. Further, we believe our audit can be relied upon by the University Board of Trustees and President as a basis for certifying the representations made to the Board of Governors related to integrity of data required for its performance based funding model.

AUTHORITY

Pursuant to the Division's Audit Charter, I have directed that this report be prepared to present the results of our audit.

Richard E. Givens, CPA

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APPENDIX A

<u>OVERVIEW OF AUDIT PROCEDURES PERFORMED BY OBJECTIVE</u>

A. Determine accuracy/reliability of the data reported for the University's Performance Funding Metrics report for the 2014-15 data submissions.
   - o **Performed** tests to determine if the data files submitted in SUDS were accurately extracted and converted from i-rattler.
   - o **Performed** tests to determine the accuracy of data in selected files submitted to the BOG.
   - o **Performed** tests regarding the degree certification process and degree approval process to ensure reliability for the Degrees Awarded file which is used in several metrics.
   - o **Reviewed** the University's overall process for building SUDS files, testing and reviewing SUDS files prior to submission, and the submission process for SUDS files.

B. Determine whether the appointment of the Data Administrator by the university president and duties related to these responsibilities are incorporated into the Data Administrator's official position description.
   - o **Reviewed** the Data Administrator appointment letter sent to the Board of Governors by President Mangum.
   - o **Reviewed** the position description for the Assistant Vice President of Academic Affairs for Institutional Reporting and Research.

C. Evaluate the processes used by the Data Administrator to ensure the completeness, accuracy and timely submission of data to the Board of Governors.
   - o **Reviewed** The State File Reporting Process documents for the steps taken to ensure the completeness of submissions to the Board of Governors.
   - o **Interviewed** Dr. Owusu regarding the performance funding submission process.
   - o **Reviewed** the Data Administrator responses to questions regarding changes from last year in the process he takes to ensure the completeness, accuracy and timeliness of submission to the Board of Governors.
   - o **Reviewed** Emails for examples of additional steps OIR takes to ensure accuracy of data.
   - o **Reviewed** the Board of Governors Data Requests Weekly Tracking/Monitoring List.

D. Evaluate any available documentation including policies, procedures, and desk manuals of appropriate staff and to assess their adequacy for ensuring data integrity for university data submissions to the Board of Governors.
   - o **Reviewed** any changes to the data file matrix, submission flowcharts, and business process for submitting the SIF, SIFD, HTD, IRD, RET, SFA, and EA files.
   - o **Reviewed** the policies and procedures data submission process performed by the Data Administrator for the overall performance funding file submission process.

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- o **Reviewed** any changes to the data entry procedures within i-rattler for the data used to build the SIF, SIFD, HTD, IRD, RET, SFA, and EA files.
- o Interviewed data owners within OIR, Registrar's Office, Financial Aid, Admissions, Test Services Bureau, Academic Affairs and IT Services personnel regarding the policies and procedures for data file development and submission and data entry.

E. Review system access controls and user privileges to evaluate if they are properly assigned and periodically reviewed to ensure only those authorized to make data changes do so.
- o **Performed** test of user access privileges for all accounts on SUDS.
- o **Performed** test of user access privileges for selected functions in PeopleSoft that relate directly to the data used to calculate the performance funding metrics.
- o Interviewed the data owners within OIR, Registrar's Office, Financial Aid, Academic Affairs, and EIT personnel regarding their user access review process.

F. Testing of data accuracy through tracing sampled items to source documents.
- o **Performed** tests of data accuracy for the SIFD, HTD, SIF, and SFA files.
- o **Performed** tests of Personal Demo information included in the above files for data accuracy.
- o **Performed** tests to ensure the process used to certify degrees within colleges and schools were being followed.
- o **Performed** tests to review the Pell Grant process within iRattler.

G. Determine the veracity of the university Data Administrator's data submission statements that indicate, "I certify that this file/data represents the position of this University for the term being reported."
- o **Interviewed** Dr. Owusu regarding the performance funding submission process and the validation statement.
- o **Reviewed** the email from Joseph Maleszewski, BOG Inspector General, confirming that the Board of Governors had implemented an electronic certification process.

H. Evaluate consistency of data submissions with the data definitions and guidance provided by the Board of Governors through the Data Committee and communications from data workshops.
- o **Reviewed** the Submission Matrix submitted by Dr. Owusu.
- o Interviewed Dr. Owusu regarding the performance funding submission process and the validation statement.
- o **Performed** additional testing of the file manual edit process for all files that had a high number of edits or issues with the SQR data extraction.

I. Review the university Data Administrator's data resubmissions to the Board of Governors with a view toward ensuring these resubmissions are both necessary and authorized. This review will also evaluate how to minimize the need for data resubmissions.
- o **Reviewed** the Submission Matrix submitted by Dr. Owusu.
- o **Interviewed** Dr. Owusu regarding the performance funding submission process and the validation statement.
- o **Performed** a test of SUDS user access to ensure that access to submit files are limited to the appropriate personnel.

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APPENDIX B

STATE FILE SUBMISSION PROCESS
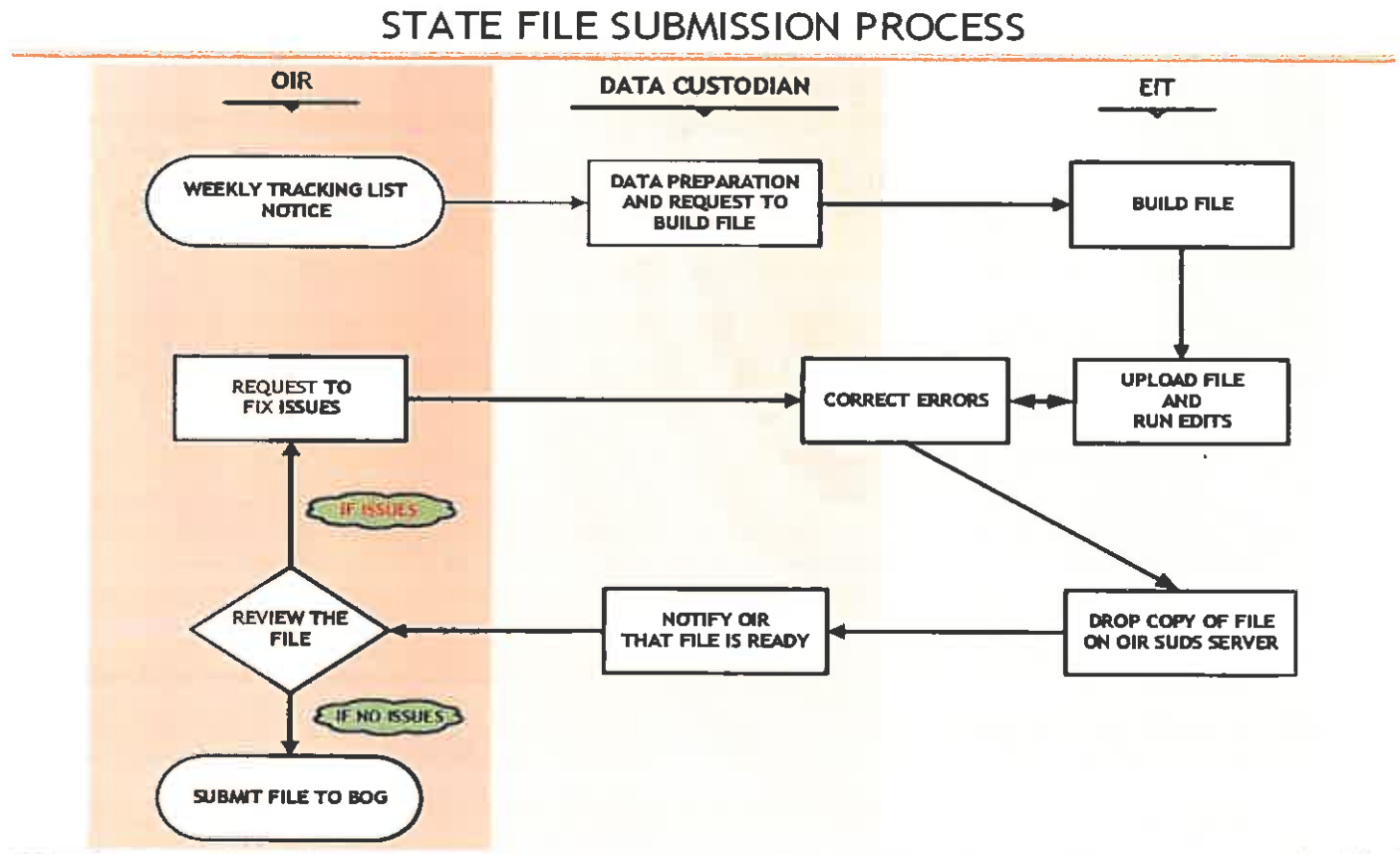
STATE FILE SUBMISSION PROCESS

The OIR is responsible for coordinating the submission of files to the Florida Board of Governors (FLBOG). The chart above illustrates the general workflow process involved in state data file submissions.

The OIR serves as the primary coordinator of file submissions to the FLBOG. Tracking of all state file submissions is done using the Florida Board of Governors Weekly Tracking List.

The State File Submission Process

The timely submission of any file to the FLBOG requires coordination and cooperation among a number of university stakeholders. To ensure the timeliness and accuracy of data, each responsible department must do its part.

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As is noted in the immediately preceding subsection, state files and routine reports appear on the Weekly Tracking List a minimum of three months before they are required to be submitted to the OIR. While the initiation dates for the various submissions may vary, the process for constructing and submitting files to the FLBOG and other stakeholders is carried out as follows:

1. Based on submission deadlines, the data custodian will request that a file be constructed. This may include data preparation and organization by the requesting department. Once this is complete, the data custodian will send a request to Enterprise Information Technology (EIT) staff to build the file.

2. The EIT will build the file based on the parameters outlined by BOG.

3. Once the file is built, the EIT will upload the file to the State University Data System (SUDS) server and run appropriate edits.

4. If errors are detected, the assigned EIT staff and data custodian(s) will work collaboratively to correct all errors identified.

5. Once the identified errors are corrected EIT staff uploads the file and rerun the edits again to ensure that the file is free of errors (repeat 2, 3 and 4 until the file is free of errors).

6. When the file is free of errors, the EIT staff sends a copy of the actual file to the shared OIR server.

7. The data custodian will then notify the OIR that the file is ready for review and submission.

8. Upon notification that the file is ready for review, the OIR will review the file and run its own edits to ensure data integrity and accuracy.

9. If the OIR determines that there are no errors, the file will be submitted to the Board of Governors. If, however, the OIR identifies errors or other potential problems with a file it will request that data custodian and the EIT make any necessary corrections (repeat steps 4, 5, 6 and 7 above until the file is clean and free of errors and deemed by the OIR to be ready for submission).