



USF Board of Trustees

Tuesday, February 13, 2018

Gibbons Alumni Center – Traditions Hall

2:35 PM – 2:45 PM

A G E N D A

- | | |
|---|------------------|
| I. Call to Order | Chair Brian Lamb |
| II. Public Comments Subject to USF Procedure | Chair Lamb |
| III. New Business – Action Items (Consent) | Chair Lamb |
| <i>Audit & Compliance Committee Approved Item</i> | |
| FL 101 – Acceptance of Performance Based Funding Data Integrity Audit
& Approval of Data Integrity Certification | |
| IV. Adjournment | Chair Lamb |

Agenda Item: FL 101

USF Board of Trustees
February 13, 2018

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

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

Executive Summary: Pursuant to Board of Governors Chair Kuntz's letter to President Genshaft and Board of Trustees Chair Lamb dated June 30, 2017, 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, 2018.

The scope and objectives of the audit were set jointly by 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 an implementation plan for their corrective actions which is included in the Management Letter. As of the date of this report, corrective actions for both issues have begun.

Financial Impact: The USF System received \$84.6 million in PBF allocations in 2017-2018, including a return of the institutional investment of \$39.2 million.

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: 02/13/2018

Supporting Documentation Online (please circle):

Yes

No

[18-010 Audit Report – Performance-Based Funding Data Integrity Audit](#)

[18-010 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 1, 2018

SUBJECT: 18-010 Performance-Based Funding Data Integrity Audit

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 will also provide 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, 2018. This project is part of the approved 2017-2018 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.**

OVERALL CONCLUSION	
<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
 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. Martin Tadlock, Interim Regional Chancellor, USF St. Petersburg
 Dr. Karen Holbrook, Regional Chancellor, USF Sarasota-Manatee
 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

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 (GSS).

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 Verification Process below.)

This Application Manager process includes the following key controls:

- ✓ The Application Manager jobs can only be launched by authorized Data Stewards; however, 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, 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 for all BOG file submissions which is managed by RMA. 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, 2017 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, 2018.

The scope and objectives of the audit were set jointly by the 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, 2017, for term-based submissions. For files submitted annually, the current year file was selected for testing if available by November 15, 2017. 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 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 timely submission of data to the BOG. This included verification of the new controls put into place to resolve deficiencies identified in the prior year.
2. Reviewing 2017 BOG SUDS workshop proceedings to identify any changes to 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 are consistent with BOG expectations.
4. Reviewing the Data Administrator's data resubmissions to the BOG from January 1, 2017 to December 31, 2017 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. Verifying reasonableness of the retention cohort change file.
7. 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 Hours to Degree file. This included verifying script changes did not impact the integrity, accuracy, and completeness of the Hours to Degree submission.
8. Reviewing logical access and server management to verify security of data and data transmissions.
9. Reviewing the data requirements of Measure Three - Cost to Student to assess the impact the measure had on the BOG submissions.

PRIOR AUDIT PROJECTS

In FY 2016-2017 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 17-010, issued February 26, 2017) was performed. The two medium-priority risk recommendations were reported as implemented by management as of February 26, 2017.

Audit reviewed the new controls in place to ensure they were effectively mitigating the risks identified. Further enhancement is advised related to one of the recommendations. See recommendation #1 of our Management Letter.

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	Cost to Student	SIF, SFA	
Four	Six 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 ¹	NSF/NIH Survey of Graduate Students and Postdoctorates in Science and Engineering

¹Data is submitted by USF directly to the NSF/NIH via the NSF GSS Survey.


BOG FILES REVIEWED

Submission	System of Record	Table	Submission Reviewed
Hours to Degree (HTD)	OASIS, Degree Works	Hours to Degree Courses to Degree	2016-2017
Student Financial Aid (SFA)	OASIS	Financial Aid Awards	2016-2017
Student Instructional File - Degree (SIFD)	OASIS	Degrees Awarded	Spring 2017
Student Instructional File (SIF)	OASIS, GEMS	Person Demographics Enrollments	Spring 2017
Student Instructional File - Preliminary (SIFP)	OASIS, GEMS	Person Demographics Enrollments	Fall 2017
Retention File (RET)	BOG	Retention Cohort Change	2015-2016



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 1, 2018

SUBJECT: 18-010 Management Letter – Performance-Based Funding Data Integrity Audit

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 1, 2018, 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 Nine - Percent of Bachelor's Degrees without Excess Hours.

The risks identified had no impact on 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
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(813) 974-2705 • FAX (813) 974-3735

cc: President Judy Genshaft, USF System
Chair Brian D. Lamb, USF Board of Trustees
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. Martin Tadlock, Interim Regional Chancellor, USF St. Petersburg
Dr. Karen Holbrook, Regional Chancellor, USF Sarasota-Manatee
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 and Chief Information Officer, Information Technology
Dr. Paul Atchley, Dean, Undergraduate Studies

MEDIUM PRIORITY RISKS	STATUS
<p>1. Monitoring and oversight of manual changes to the Hours to Degree and Courses to Degree files need to be enhanced.</p> <p>Manual changes to critical data must be captured and monitored to ensure these changes are reasonable, appropriate, and consistent with the Board of Governors (BOG) definitions. These changes should be independently reviewed and the review should be documented.</p> <p>During testing, Audit noted the Data Steward and three direct reports were able to make manual changes to the Hours to Degree (HTD) and Courses to Degree (CTD) populations. During our review period, only the Data Custodian made manual changes to the files.</p> <p>HTD Population Manual Adjustments</p> <p>An Application Manager job was used to identify the HTD population. The systematically-identified population was loaded into a custom Banner table for validation (SWBHGRP). The table only reflects the latest record for the student.</p> <p>Audit reviewed the controls over changes to the HTD population and noted:</p> <ul style="list-style-type: none"> • The Data Steward authorized corrections to the initial population (recorded in SWBHGRP) via this Banner form (SWAHGRP). There was no independent review or approval of the manual changes. These manual changes were made to less than 1% of the population. • When a student was deleted from the population by the Data Steward, the student was flagged as removed (activity indicator = "R") in the SWBHGRP table. The Activity indicator was then used by the Application Manager job to exclude the student from the HTD population. However, when a student was added, there was <u>no</u> flag in the SWBHGRP table to identify the manual addition. • When a student's record was manually changed via SWAHGRP, there was no tracking of the change in the SWBHGRP table or via an audit log. Only the last individual or process who made a change to the student record was recorded as the Activity User in SWBHGRP. <p>Despite these observations, Audit was able to reconcile the HTD population in SWAHGRP (utilizing the Hub Mart Degree Submitted file and Banner data) to the HTD population submitted to the BOG without exception.</p> <p>CTD Manual Adjustments</p> <p>An Application Manager job was also used to generate the CTD file, which includes all student coursework for the HTD population. The CTD file data elements were loaded into a second custom Banner table (SWRHCTD) for validation. The table only reflects the latest record for the student.</p>	<p>In Progress</p>

MEDIUM PRIORITY RISKS	STATUS
<p>Audit reviewed the controls over manual changes to the file and noted:</p> <ul style="list-style-type: none"> • The Data Steward authorized corrections to the Course to Degree files (recorded in SWRHCTD) via the Banner forms SWAHCTD (HTD Coursework) and SWAHPBF (HTD Exemptions). There was no independent review or approval of the manual changes. These manual changes were made to less than 1% of the population. • The Data Steward relies heavily upon exception/edit reports which are generated during the file generation process. These edit reports were in MS EXCEL format. While the edit reports were retained, there was no indication of the action taken to resolve the issue identified. Therefore, there was no documentation retained to support the change. • When a data element was manually changed, there was no tracking of data elements changed on the SWRHCTD table. The logon identification of the individual who made the manual changes was entered as the Activity User. Since the SWRHCTD table was not effective-dated, multiple changes could have been made to the same student record and only the last user updating the record would have been captured. <p>Audit reviewed a total 1,171 student course records which were flagged with the Data Stewards logon identification as being manually changed (latest change only). In addition, we reviewed all coursework added by the Application Manager process for students manually added to the HTD population. The purpose of this review was to assess the reasonableness of the data changed and the impact, if any, on the excess hour's computation. Our review indicated the manual changes made had no impact on the calculated metric: percentage of students without excess hours.</p> <p>In addition, Audit reviewed the process for logging changes to the SWBHGRP or SWRHCTD and identified the following:</p> <ul style="list-style-type: none"> • Traditional audit logging was not utilized on the SWBHGRP or SWRHCTD table due to the impact on system performance. • While Oracle-level transaction logging occurred, these logs did not provide an efficient mechanism to allow an independent review and approval of the changes. Audit was unable to utilize the Oracle-level logs to identify all changes. <p>Recommendation: The Office of Student Affairs and Student Success should ensure there is proper oversight over manual changes to HTD and CTD files. At a minimum:</p> <ol style="list-style-type: none"> 1) Ensure all manual changes to the HTD and CTD tables (SWBHGRP, SWRHCTD) are tracked at the table level or through the use of audit logs. This tracking should record the change made and the individual responsible for the change. 	

MEDIUM PRIORITY RISKS	STATUS
<p>2) Establish procedures which ensure all manual changes are supported and that an independent review and approval of changes occur.</p> <p>3) Cross train at least one other employee to serve as a Data Steward to ensure that the HTD and CTD files can be completed timely in the event the primary individual is not available.</p> <p>Management Attention Required: <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> Urgent <input type="checkbox"/> Timely</p> <p>Resources/Effort Required: <input checked="" type="checkbox"/> Significant <input type="checkbox"/> Moderate <input type="checkbox"/> Minimal</p> <p>Management's Response: The Office of Student Affairs and Student Success concurs with the recommendations and is working with Information Technology, as appropriate, to ensure appropriate actions are taken. Estimated implementation dates: 1) 7/31/18, 2) 4/1/18, and 3) 4/1/18. Validation of correction actions will occur when the file creation process begins in Fall 2018.</p>	
<p>2. Controls over the Transfer Articulation needs to be enhanced.</p> <p>The Transfer Articulation form (SHATEAQ) is used by the Office of Admissions and the various decentralized advising areas to associate a specific student's transfer courses with a USF equivalent course or degree requirement. Course attributes are also used to exclude a course from being used towards a degree requirement. When student course information is transferred from Banner to DegreeWorks, the course attributes are transferred along with other course information and used by DegreeWorks in the degree certification process.</p> <p>USF utilizes the SHATEAQ course attribute XTRN to flag transfer courses which should not be used towards a degree in DegreeWorks, even though the course would meet the degree requirements. This is done to optimize use of coursework which meets multiple degree requirements and to optimize use of USF coursework. Courses with the XTRN attribute are reflected in the CTD file as not used toward degree, unless an advisor manually applied the course to a specific degree requirement.</p> <p>DegreeWorks is a real-time system and any changes to course attributes after the degree has been certified impacts the integrity of the CTD file. As a result, the XTRN element should only be used by trained advisors and certifiers. Of the 434,625 course records in the CTD file, only 19,150 courses (4.4%) had the XTRN course attribute applied.</p> <p>Audit reviewed the controls over the Transfer Articulation Form and noted:</p> <ul style="list-style-type: none"> • There were 313 Banner users who could enter or change course attributes using the SHATEAQ form; only 80 were also authorized to maintain advising records in DegreeWorks. The 313 employees with maintenance access included: 16 terminated employees, 41 student workers, 7 graduate assistants, and 11 temporary 	In Progress

MEDIUM PRIORITY RISKS	STATUS
<p>employees. Additionally, the primary Data Steward responsible for the accuracy and completeness of the CTD table had maintenance access.</p> <ul style="list-style-type: none"> As the students' coursework is updated, only the user who last updated the students' transfer courses was recorded within the Banner system's audit tables. <p>Recommendation: The Office of Student Affairs and Student Success should ensure there is proper oversight over the use of the XTRN course attribute.</p> <ol style="list-style-type: none"> Review all 313 employees with access to the Transfer Articulation form to ensure access is appropriate and based on a business need. Ensure the utilization of the XTRN course attribute is properly monitored and tracked. This tracking should record the change made, when the change was made, and the individual responsible for the change. <p>Management Attention Required: <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> Urgent <input type="checkbox"/> Timely</p> <p>Resources/Effort Required: <input type="checkbox"/> Significant <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Minimal</p> <p>Management's Response: The Office of Student Affairs and Student Success concurs with the recommendations and is working with Information Technology, as appropriate, to ensure appropriate actions are taken. Estimated implementation date for both actions is 4/1/18. Validation of the corrective actions will occur in Spring 2018.</p>	



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Performance Based Funding March 2018 Data Integrity Certification

Name of University: University of South Florida

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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 Submit for Approval represents electronic certification of this data per Board of Governors Regulation 3.007."	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	

Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
<p>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.</p> <p>Certification: _____ Date _____</p> <p style="margin-left: 40px;">President</p>			
<p>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.</p> <p>Certification: _____ Date _____</p> <p style="margin-left: 40px;">Board of Trustees Chair</p>			

Performance Based Funding Data Integrity Audit

USF System Audit

Audit and Compliance Committee

February 13, 2018



Scope & Objectives

- 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 & Objectives

- 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

- Verified any data resubmissions to the BOG were necessary and authorized
- Verified security of data and data transmissions
- Performed detailed testing related to files submitted to the BOG for Measures 1-9

Conclusion

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

Recommendations

- Monitoring and oversight of manual changes to the Hours to Degree and Courses to Degree files need to be enhanced
- Controls over Transfer Articulation need to be enhanced

Closing Remarks

Audit and Compliance Committee

February 13, 2018

