



**Board of Trustees  
University of Central Florida  
Audit, Operations Review, Compliance, and Ethics Committee  
Millican Hall, 3<sup>rd</sup> floor, President's Boardroom  
February 24, 2016  
11:00 a.m.  
Call-in number: 800-442-5794    Code: 463796**

**Agenda**

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| <b>I. CALL TO ORDER</b>   | Beverly Seay<br><i>Chair; Audit, Operations Review,<br/>Compliance, and Ethics Committee</i>               |
| <b>II. ROLL CALL</b>  | Margaret Melli<br><i>Executive Administrative Assistant of<br/>University Compliance, Ethics, and Risk</i> |
| <b>III. MEETING MINUTES</b>   |  |
| <ul style="list-style-type: none"><li>• <a href="#">Approval of the October 28, 2015, Audit, Operations Review, Compliance, and Ethics Committee meeting minutes</a></li></ul>  | Chair Seay   |
| <b>IV. NEW BUSINESS</b>   | Chair Seay   |
| <ul style="list-style-type: none"><li>• Acceptance of the Board of Governors' Performance-based Funding Data Integrity Certification Audit Report (<a href="#">AUDC-1</a>)</li><li>• Approval of the Performance-based Data Integrity Certification Form (<a href="#">AUDC-2</a>)</li></ul> | Robert Taft<br><i>Chief Audit Executive</i><br><br>Robert Taft   |
| <b>V. CLOSING COMMENTS</b>  | Chair Seay   |



Board of Trustees  
**Audit, Operations Review, Compliance, and Ethics Committee Meeting**  
October 28, 2015  
Millican Hall, President's Board Room

**MINUTES**

**CALL TO ORDER**

Trustee Olga Calvet, vice chair of the Audit, Operations Review, Compliance, and Ethics Committee, called the meeting to order at 9:55 a.m. Committee members Keith Koons and Bill Yeargin were present; committee member John Sprouls attended by telephone.

**OLD BUSINESS**

Minutes

Calvet called for approval of the January 29, 2015, Audit, Operations Review, Compliance, and Ethics Committee meeting minutes, which were approved as written.

**NEW BUSINESS**

Revision of Internal Audit Charter (AUDC-1)

Robert Taft, Chief Audit Executive, provided an outline of the revisions to the Internal Audit Charter; the Charter was approved by the Committee.

Audit Plan Update (INFO-1)

Taft gave an update on the Audit Plan, which included an outline of audits in process, an overview of the audit selection process, and a review of other services provided such as investigations and the Management Advisory Services projects and database.

Environmental Health and Safety Update (INFO-2)

Rhonda Bishop, Chief Compliance and Ethics Officer, introduced Tom Briggs, Director of Environmental Health and Safety. Briggs gave a presentation on the university's Environmental Health and Safety compliance program. The department received the Campus Safety, Health and Environmental Management Association award identifying the program as one of the best in the country.

University Compliance, Ethics, and Risk Management Program Update

Bishop, provided an update on the development of the compliance and ethics program (INFO-3) including describing activities at the university promoting National Compliance and Ethics Week.

Bishop presented the Compliance and Ethics Annual Work Plan (INFO-4), which included highlights of the IntegrityStar e-newsletter and the development of a code of conduct.


She provided an outline of the Internal Compliance, Ethics, and Risk Charter (AUDC-2). The Committee approved the Charter as written.

Bishop gave a summary of the annual Report on Conflict of Interest and Commitment Initiatives (INFO-5) and the online reporting process. She also discussed the UCF IntegrityLine Report (INFO-6) and explained how reports are received and processed.

Athletic Compliance Program

Bishop reported that the Athletics Compliance Office has moved to the University Compliance, Ethics, and Risk Office and reports to her with shared supervision by the vice president and director of athletics. The vacant assistant athletics director position has been elevated to senior associate athletics director for compliance. The search committee for the position continues its work.

Vice Chair Calvet adjourned the Audit, Operations Review, Compliance, and Ethics Committee meeting at 10:41 a.m.

Respectfully submitted:   
Robert Taft  
Chief Audit Executive

  
Date

Respectfully submitted:   
Rhonda L. Bishop  
Chief Compliance and Ethics Officer

  
Date

ITEM: AUDC-1

**University of Central  
Florida Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** Board of Governors' Performance-based Funding Data Integrity Certification  
Audit Report

**DATE:** February 24, 2016

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**PROPOSED COMMITTEE ACTION**

Accept University Audit's report on the Board of Governors Performance-based Funding Data Integrity Certification Process

**BACKGROUND INFORMATION**

As an annual requirement, University Audit has performed an audit of UCF's processes to ensure the completeness, accuracy, and timeliness of data submissions relating to Board of Governors' performance funding metrics.

The results of this audit are to be accepted by the committee including any identified corrective action plans. After acceptance by the committee, the report shall be submitted to the Board of Governors' Office of Inspector General and Director of Compliance no later than March 1, 2016.

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**Supporting documentation:** Attachment A: Board of Governors' Performance-based Funding Data Integrity Certification Process Audit Report

**Prepared by:** Robert Taft, Chief Audit Executive, University Audit

**Submitted by:** Robert Taft, Chief Audit Executive, University Audit



University Audit

*MEMORANDUM*

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TO: John C. Hitt  
President

FROM: Robert J. Taft  
Chief Audit Executive

DATE: February 9, 2016

SUBJECT: Audit of Performance Based Funding Data Integrity

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The enclosed report represents the results of our performance based funding data integrity audit.

We appreciate the cooperation and assistance of the Institutional Knowledge Management staff.

cc: Dale Whittaker  
M. Paige Borden  
Joel Hartman  
Board of Trustees Audit, Operations Review, Compliance, and Ethics Committee  
Rick Schell

# UNIVERSITY AUDIT

AUDIT 332

FEBRUARY 9, 2016

## PERFORMANCE BASED FUNDING DATA INTEGRITY

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AUDIT OF INTERNAL CONTROLS AND COMPLIANCE  
AS OF SEPTEMBER 30, 2015



UNIVERSITY OF CENTRAL FLORIDA

### Background and Performance Objectives

The Florida Board of Governors (BOG) has broad governance responsibilities affecting administrative and budgetary matters for Florida's 12 public universities. Beginning in 2013-14, the BOG implemented a performance based funding model which is 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 measures. According to information published by the BOG in May 2014, the following are key components of the funding model.

- For each metric, institutions are evaluated on either Excellence (a raw score) or Improvement (the percentage change from the prior year).
- Performance is based on data from one academic year.
- The benchmarks for Excellence are based on the BOG 2025 System Strategic Plan goals and analysis of relevant data trends, whereas the benchmarks for Improvement are determined by the BOG after reviewing data trends for each metric.
- The Florida Legislature and Governor determine the amount of new state funding and a proportional amount of institutional funding that would come from each university's recurring state base appropriation.

For 2015-16, each university was evaluated on seven metrics common to all universities. The eighth metric applied to all institutions except New College, which had an alternate metric more appropriate to its mission. The ninth metric was chosen by the BOG, focusing on areas of improvement and the distinct missions of each university. The tenth metric was chosen by each university's Board of Trustees from the remaining metrics in the University Work Plan. UCF's metrics were:

1. percent of bachelor's graduates employed full-time or continuing their education within the U.S. further one year after graduation
2. median wages of undergraduates employed full-time one year after graduation
3. average cost per bachelor's degree (instructional costs to UCF)
4. six-year graduate rate (full-time and part-time, first time in college students)
5. academic progress rate (second year retention with a GPA greater than 2.0)
6. university access rate (percent of undergraduates with a Pell-grant)
7. bachelor's degrees awarded within programs of strategic emphasis
8. graduate degrees awarded within programs of strategic emphasis
9. percent of bachelor's degrees without excess hours
10. number of bachelor's degrees awarded annually.

### Audit Objectives and Scope

At the request of the Florida Board of Governors, we have conducted an audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions to the BOG.

Data submitted to the BOG and the methods and controls applied by university management necessary to ensure the integrity of the process were subject to several key audit procedures.

Specifically, the objectives of the audit were to review and test:

- the appointment of the data administrator by the university president and the duties listed in the data administrator's official position description
- the processes used by the data administrator to ensure the completeness, accuracy, and timely submission of data to the BOG
- documentation, including policies, procedures, and desk manuals, to assess the adequacy of the documentation for ensuring data integrity for university data submissions to the BOG
- system access controls and user privileges to determine whether they are properly assigned and periodically reviewed to ensure data changes are made by authorized personnel
- data accuracy through independently recreating and verifying the completeness and accuracy of selected file submissions, including files related to:
  - six-year graduate rate
  - academic progress rate
  - bachelor's degrees awarded within programs of strategic emphasis
  - graduate degrees awarded within programs of strategic emphasis
- 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."
- the consistency of data submissions with the data definitions and guidance provided by the BOG through the data committee and communication at data workshops
- the university data administrator's data resubmissions to the BOG with a view toward ensuring these resubmissions are necessary, authorized, and appropriately limited

### Overview of Results

Based on our audit, we have concluded that UCF's controls and processes are adequate to ensure the accuracy and completeness of data submitted to the BOG in support of performance based funding.

Further, we believe that our audit can be relied upon by the UCF Board of Trustees and president as a basis for certifying the representations made to the BOG related to the integrity of data required for the BOG performance based funding model.



ITEM: AUDC-2

**University of Central  
Florida Board of Trustees  
Audit, Operations Review, Compliance, and Ethics Committee**

**SUBJECT:** Performance-based Funding Data Integrity Certification Form

**DATE:** February 24, 2016

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**PROPOSED COMMITTEE ACTION**

Approval for submission of the Performance-based Funding Data Integrity Certification Form to the Board of Governors

**BACKGROUND INFORMATION**

As an annual requirement, UCF is required to complete a Performance-based Data Integrity Certification Form affirming the results of the completed audit report (AUDC-1) and that all representations included in the Performance Data Integrity Certification Form have been fulfilled.

This document is to be signed by the university president and the UCF Board of Trustees Chair and is to be submitted to the Board of Governors' Office of Inspector General and Director of Compliance no later than March 1, 2016.

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**Supporting documentation:** Attachment B: Board of Governors' Performance-based Funding Data Integrity Certification Form

**Prepared by:** Robert Taft, Chief Audit Executive, University Audit

**Submitted by:** Robert Taft, Chief Audit Executive, University Audit



STATE  
UNIVERSITY  
SYSTEM  
of FLORIDA  
Board of Governors

Attachment B  
**Performance Based Funding**  
Data Integrity Certification

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

Period Ending: \_\_\_\_\_

**INSTRUCTIONS:** Please respond “Yes,” “No” or “N/A” in the blocks below for each representation. Explain any “No” or “N/A” responses to ensure clarity of the representation and include copies of supporting documentation as attachment(s).

Performance Based Funding Data Integrity Certification Representations				
Representations	Yes	No	N/A	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"/>	<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"/>	<input type="checkbox"/>	
3. In accordance with Board of Governors Regulation 1.001(3), 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"/>	<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"/>	<input type="checkbox"/>	

## Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations				
Representations	Yes	No	N/A	Comment / Reference
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"/>	<input type="checkbox"/>	
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 of Governors Information Resource Management (IRM) office.	<input type="checkbox"/>	<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"/>	<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"/>	<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"/>	<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"/>	<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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations				
Representations	Yes	No	N/A	Comment / Reference
University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.				
<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 _____  <div style="margin-left: 100px;">President</div> </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 _____  <div style="margin-left: 100px;">Board of Trustees Chair</div> </p>				