



AGENDA

**THE UNIVERSITY OF WEST FLORIDA
SPECIAL BOARD OF TRUSTEES MEETING**

February 14, 2019

**University of West Florida
UWF Nautilus Chamber, Bldg. 22, Rm. 255
11000 University Parkway, Pensacola, FL 32514**

- Call to Order/Roll Call** **Mort O’Sullivan, Chair**
- Chair’s Greeting** **Mort O’Sullivan**
- Student Presentation** **Jasmine Richburg, UWF**
Student Ambassador; First
Generation Scholarship
Recipient; TriO Leadership
Council Officer; Supply Chain
Logistics Management Student

Public Comment

Action Items:

1. Approval of the Performance Based Funding Data Integrity 2018 Audit
2. Approval of Presidential Board Service to the SmartBank Board of Directors, Pensacola

Information Items:

1. On-Campus Board Engagement Opportunities

Other Business

Adjournment

UWF Special Board of Trustees Meeting

February 14, 2019

Issue: BOG Required Audit: Performance Based Funding Data Integrity 2018 and Data Integrity Certification

Proposed Action: Acceptance

Background Information:

On July 12, 2018, Board of Governors Chair Ned Lautenbach sent a letter to the Chairs of the University Boards of Trustees and University Presidents, asking that each University have an audit performed of their processes that ensure the completeness, accuracy, and timeliness of data submissions (see attached). He asked that the audits include testing of data that supports performance funding metrics. The audit was conducted by Internal Auditing & Management Consulting (IAMC) and issued on January 14, 2019 (see attached). It was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing*. It was presented to the Audit & Compliance Committee at their February 14, 2019 meeting and accepted by the Committee. The results of the audit will be provided to the Board of Governors after acceptance by the Board of Trustees.

A second requirement described in Chair Lautenbach's letter of July 12, 2019 is that each University President complete a Data Integrity Certification (see attached), which contains 12 representations. The results of the IAMC audit and other internal controls in place indicate that the President may confidently affirm these representations. The certification is to be signed by the President and the Board of Trustees Chair, after approval by the Board of Trustees. It must be submitted to the Board of Governors Office of Inspector General and Director of Compliance no later than March 1, 2019.

Recommendation: Acceptance of the Performance Funding Data Integrity audit 2018 and Data Integrity Certification

Implementation Plan: Submission to the Florida Board of Governors, the Performance Based Funding Data Integrity Audit and the Data Integrity Certification

Fiscal Implications: Fiscal oversight by the UWF Board of Trustees

Supporting documents:

BOG Chair Ned Lautenbach Letter of July 12, 2018

UWF-18/19_002 Performance Based Funding Data Integrity Audit – 2018

BOG Data Integrity Certification 2018

Prepared by: Auditor Cindy Talbert, ctalbert@uwf.edu, 850-474-2638

Presenter: AVP Vito Hite, vHITE@uwf.edu, 474-2637



Performance Based Funding

March 2019 Data Integrity Certification

University Name: _____

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

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
1. I am responsible for establishing and maintaining, and have established and maintained, effective internal controls and monitoring over my university's collection and reporting of data submitted to the Board of Governors Office which will be used by the Board of Governors in Performance Based Funding decision-making.	<input type="checkbox"/>	<input type="checkbox"/>	
2. These internal controls and monitoring activities include, but are not limited to, reliable processes, controls, and procedures designed to ensure that data required in reports filed with my Board of Trustees and the Board of Governors are recorded, processed, summarized, and reported in a manner which ensures its accuracy and completeness.	<input type="checkbox"/>	<input type="checkbox"/>	
3. In accordance with Board of Governors Regulation 1.001(3)(f), my Board of Trustees has required that I maintain an effective information system to provide accurate, timely, and cost-effective information about the university, and shall require that all data and reporting requirements of the Board of Governors are met.	<input type="checkbox"/>	<input type="checkbox"/>	
4. In accordance with Board of Governors Regulation 3.007, my university shall provide accurate data to the Board of Governors Office.	<input type="checkbox"/>	<input type="checkbox"/>	
5. In accordance with Board of Governors Regulation 3.007, I have appointed a Data Administrator to certify and manage the submission of data to the Board of Governors Office.	<input type="checkbox"/>	<input type="checkbox"/>	

Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations			
Representations	Yes	No	Comment / Reference
6. In accordance with Board of Governors Regulation 3.007, I have tasked my Data Administrator to ensure the data file (prior to submission) is consistent with the criteria established by the Board of Governors Data Committee. The due diligence includes performing tests on the file using applications/processes provided by the Board Office.	<input type="checkbox"/>	<input type="checkbox"/>	
7. When critical errors have been identified, through the processes identified in item #6, a written explanation of the critical errors was included with the file submission.	<input type="checkbox"/>	<input type="checkbox"/>	
8. In accordance with Board of Governors Regulation 3.007, my Data Administrator has submitted data files to the Board of Governors Office in accordance with the specified schedule.	<input type="checkbox"/>	<input type="checkbox"/>	
9. In accordance with Board of Governors Regulation 3.007, my Data Administrator electronically certifies data submissions in the State University Data System by acknowledging the following statement, "Ready to submit: Pressing Submit for Approval represents electronic certification of this data per Board of Governors Regulation 3.007."	<input type="checkbox"/>	<input type="checkbox"/>	
10. I am responsible for taking timely and appropriate preventive / corrective actions for deficiencies noted through reviews, audits, and investigations.	<input type="checkbox"/>	<input type="checkbox"/>	
11. I recognize that the Board's Performance Based Funding initiative will drive university policy on a wide range of university operations - from admissions through graduation. I certify that university policy changes and decisions impacting this initiative have been made to bring the university's operations and practices in line with State University System Strategic Plan goals and have not been made for the purposes of artificially inflating performance metrics.	<input type="checkbox"/>	<input type="checkbox"/>	
12. I certify that I agreed to the scope of work for the Performance Based Funding Data Integrity Audit conducted by my chief audit executive.	<input type="checkbox"/>	<input type="checkbox"/>	

Performance Based Funding Data Integrity Certification

Performance Based Funding Data Integrity Certification Representations, Signatures

I certify that all information provided as part of the Board of Governors Performance Based Funding Data Integrity Certification is true and correct to the best of my knowledge; and I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements render this certification void. My signature below acknowledges that I have read and understand these statements. I certify that this information will be reported to the board of trustees and the Board of Governors.

Certification: _____ Date _____
President

I certify that this Board of Governors Performance Based Funding Data Integrity Certification has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____ Date _____
Board of Trustees Chair



EXECUTIVE SUMMARY

We audited Performance Based Funding Data Integrity as of September 30, 2018. This audit was included as part of our 2018/19 audit work plan, conducted in accordance with a Board of Governors (BOG) directive to state universities. Our specific objectives were to:

- Evaluate internal controls designed to ensure the accuracy, completeness, and timeliness of data submissions to the Board of Governors, and
- Provide an objective basis of support for the President and Chair of the Board of Trustees to sign the representations included in the *Performance Based Funding – Data Integrity Certification*, to be filed with the Board of Governors by March 1, 2019.

Audit fieldwork began on September 7, 2018, and ended on December 18, 2018. Our audit was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* and generally accepted auditing standards.

BACKGROUND

The BOG has broad governance responsibilities affecting administrative and budgetary matters for Florida’s 12 public universities. Beginning in fiscal year 2013/14, they instituted a performance funding program that is based on 10 metrics. These metrics are used to evaluate the institutions on a range of issues including cost per degree, retention rates, graduation rates, and job placement, among other things.

Each university is offered a “Board of Trustees Choice Metric,” enabling the institution to select a metric that improves their scoring with respect to

performance funding, based on their unique strengths.

Much of the information that is used by the BOG in their calculation of the metrics is through 6 data files that are submitted periodically by the universities. This includes the:

- Admissions File
- Degrees Awarded File
- Hours to Degree File
- Retention File
- Student Financial Aid File
- Student Instruction File

Data that is ultimately submitted to the BOG through these electronic submissions is initially entered through the Admissions, Registrar, Financial Aid, and Controller’s departments into the Banner Student system. The Office of Institutional Research (IR) has been delegated responsibility for compiling the data into tables according to BOG specifications, conducting a quality review of the data prior to submission to the BOG, and timely submission of the files.

In accordance with BOG Regulation 3.007 “State University System (SUS) Management Information Systems,” the President has formally appointed an Institutional Data Administrator, who is the Director of Institutional Research. The Director has frequent contact with the BOG Institutional Research staff, strengthening his understanding of their complex requirements for the data in the files.

Audits similar to this one were conducted in 2014, 2015, 2016, and 2017.



NOTABLE STRENGTH

The submission of accurate and complete data underlying the metrics is dependent upon having technical staff with the proper experience. The learning curve for these activities is long. The IR Director has been providing training in these matters to the IR Associate Director for over a year, considerably mitigating the risk to UWF of having a single knowledge holder for this critical process.

OBSERVATIONS

We interviewed key personnel involved in the processes that end with submission of data to the BOG that are used in the computation of metrics. We examined written policies and procedures and other related documents. Audit testing was conducted on data submitted to the BOG in order to evaluate accuracy and completeness. We found that internal controls over all processes were strong. We therefore make no recommendations.

We appreciate the cooperation, professionalism, and responsiveness of the employees who were involved in the audit.

Respectfully submitted,

Cindy Talbert, CFE, CIA, CICA, CPA, CRMA
Interim Internal Audit Director

REPORT PROVIDED TO THE FOLLOWING:

Dr. Martha Saunders, President
Mort O'Sullivan, Chair BOT
Bob Jones, Chair Audit & Compliance Committee
Dick Baker, Audit & Compliance Committee
Robert Sires, Audit & Compliance Committee
Dr. George Ellenberg, Provost/Sr. Vice President
Dr. Joffery Gaymon, Vice President
Dr. Kim LeDuff, Vice President
Betsy Bowers, Vice President
Dr. Kimberly McCorkle, Vice Provost
Pamela Langham, General Counsel
Melanie Haveard, ITS Executive Director and CTO
Keith King, Institutional Research Director
Colleen Asmus, Associate Vice President
Kelley Brundage, Registrar
Katie Condon, Admissions Director
Shana Gore, Financial Aid Director
Jaime Hoelscher, Manager, FL Auditor General
Ken Danley, Supervisor, FL Auditor General
Julie Leftheris, BOG Chief Inspector General
Lori Clark, BOG Compliance and Audit Specialist
Rebecca Luntsford, BOT Liaison



July 12, 2018

MEMORANDUM

To: Chairs, University Boards of Trustees
University Presidents

From: Ned Lautenbach, Chair *Ned Lautenbach*

Subject: Performance Based Funding
Data Integrity Certification Process and Audit

Since it was approved by the Board of Governors in January 2014, the Performance Based Funding Model has incentivized universities and their boards of trustees to achieve excellence and performance improvements in key areas aligned to the SUS Strategic Plan goals. Over the past five years, the Performance Based Funding state investment has totaled approximately \$985 million in additional state funding, demonstrating unprecedented support for the System. This is a great testament to the value of the state university system to educational and economic growth of this great state. These investments have allowed the system to keep tuition flat for our students.

For the 2018-2019 fiscal year, the investment into performance based funding has grown to an all-time high of \$560 million including \$265 million in state investment and \$295 million in institutional investment. With this investment, universities have demonstrated the ability to achieve excellence and improvements in the 10 key metrics, including graduation and retention rates. The U.S. News & World Report released March 9, 2018, ranked Florida as the best state for higher education for the second year in a row. The Performance Based Funding Model works!

In November 2017, the Board of Governors evaluated the model's metrics and approved changes to metrics 4 and 7. Changes to these metrics align with Senate Bill 4, signed into law during the 2018 Legislative Session. Metric 4 is now focused on four-year graduation rates rather than six-year graduation rates. Metric 7, regarding university access rates, now has differentiated benchmarks and scoring based on the varying access rate levels among our universities.

June 29, 2018

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A key component of the model's success is the ability of the Board of Governors to rely on information you provide for Performance Based Funding decision-making. I would like to commend you, your data administrators, and the many university staff responsible for ensuring reliable, accurate, and complete information is timely submitted to the Board of Governors. I would also like to thank your chief audit executives for focusing a significant portion of their office's resources to auditing your university's Performance Based Funding-related controls, processes, and data submissions. Collectively, these efforts allow you to confidently certify data submissions to the Board of Governors and enhance public trust and confidence in this process.

As a result, I am asking that each university president again complete a Data Integrity Certification (attached). When completing this certification, you should evaluate each of the 12 prepared representations. If you are able to affirm a representation, do so. If you are not able to make a representation as prepared, provide an explanation or modification in the space provided. It is important that representations be modified to reflect audit findings. The certification document shall be signed by the president and board of trustees chair after being approved by the board of trustees. The completed Data Integrity Certification shall be submitted to the Office of Inspector General and Director of Compliance.

To make such certifications meaningful, university boards of trustees shall direct the university chief audit executive to perform, or cause to have performed by an independent audit firm, an audit of the university's processes that ensure the completeness, accuracy, and timeliness of data submissions. It is our intent that such audits include testing of data that supports performance funding metrics. Such testing is essential to determining if processes are in place and working as intended.

The scope and objectives of the audit should be set jointly between the chair of the university board of trustees and the university chief audit executive. The audit shall be performed in accordance with the current *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors, Inc.

The results of this audit shall be provided to the Board of Governors after being accepted by the university's board of trustees. The audit report shall include the university's corrective action plan designed to correct any audit findings. The audit results shall support the president's certification which shall include any noted audit findings. The completed Data Integrity Certification and audit report shall be

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submitted to the Office of Inspector General and Director of Compliance no later than **March 1, 2019**.

I ask that you consider this deadline when establishing dates for your 2019 board of trustees meetings as we will need these audits and certifications included in our March Board of Governors meeting materials.

We appreciate your cooperation and assistance in ensuring the integrity of the performance funding process.

If you have questions regarding these requirements, please do not hesitate to contact the Board of Governors Inspector General at BOGInspectorGeneral@flbog.edu or 850-245-0466.

NCL/jkm

Attachment

**UWF Board of Trustees
February 14, 2019**

Issue: Appointment of President to Bank Board

Proposed Action: Approve the Appointment of the President to the SmartBank® Board of Directors, Pensacola

Background Information: The President was invited to serve on the SmartBank® Board of Directors, Pensacola. The President’s Employment Agreement (“Agreement”) requires approval from the UWF Board of Trustees to serve on any board of directors. Consistent with Section 2.5 of the Agreement, service on a board of directors by the President is subject to the provisions of applicable University policy and the Code of Ethics for Public Offices.

Service on the bank board by the President is a component of UWF’s Strategic Plan to increase UWF’s visibility in the community.

Recommendation: Approve the appointment of the President to the SmartBank® Board of Directors, Pensacola

Implementation Plan: Upon ratification the President shall serve on the SmartBank® Board of Directors.

Fiscal Implications: No funding required.

Supporting Documentation: N/A

Prepared by: Pamela E. Langham, Esquire, General Counsel
474-3420
plangham@uwf.edu

Facilitator/Presenter: Pamela E. Langham, General Counsel

UWF Special Board of Trustees Meeting

February 14, 2019

Recommendation: On-Campus Board Engagement Opportunities

Proposed Action: Information

Background Information:

At the request of Chair O’Sullivan and other trustees, university staff have explored options to offer trustees opportunities to engage with staff, faculty and students on the UWF campus and learn more about university colleges, divisions and departments.

Chair O’Sullivan wants to discuss a new on-campus board engagement suggestion with trustees. On BOT Committee meeting days, committee meetings will remain in the UWF Conference Center, and at the completion of all committee meetings, tours and lunches can be scheduled and held at various university departments and colleges.

Implementation Plan: Board of Trustees Committee Meeting Dates

Fiscal Implications: None

Supporting documents: None

Prepared by: Becky Luntsford, Assistant Corporate Secretary to the Board of Trustees,
850-474-2449, rluntsford@uwf.edu

Presenter: BOT Chair Mort O’Sullivan