



FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee



FLORIDA STATE UNIVERSITY

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Audit and Compliance Committee

Thursday, February 23, 2023

1:00 – 2:00 pm

Meeting Book



FLORIDA STATE UNIVERSITY

BOARD OF TRUSTEES

Audit and Compliance Committee

MEETING AGENDA

Thursday, February 23, 2023

1:00 – 2:00 pm

Jim Moran Building

111 S Monroe St

Tallahassee, FL 32301

Room 308

The agenda will be followed in subsequent order and items may be heard earlier than the scheduled time.

- I. **Call to Order and Welcome**
Trustee Max Alvarez, Chair
- II. **Approval of Minutes**
November 17, 2022, Meeting Minutes
- III. **Office of Inspector General Services**
 - a. State University System Performance Audits
 - Action Item I: Request for Approval: Performance-Based Funding Metrics
 - Action Item II: Request for Approval: Preeminent Research University Funding Metrics
 - b. Action Item III: Request for Approval: Real Estate Foundation's Contract Extension
 - c. OIGS Status Report
 - d. Enterprise Risk Management Update
- IV. **Open Forum for Trustees**
- V. **Adjournment**



FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee

MEETING MINUTES NOVEMBER 17, 2022

Audit and Compliance Committee Meeting

November 17, 2022

2:15PM

**Florida State University
Student Union, Room 2211
Tallahassee, Florida**

Trustee Members Present: Maximo Alvarez attended in-person and Jim Henderson attended via Zoom.

1. Call to Order and Welcome

Trustee Alvarez called the meeting to order at 2:15 PM.

2. Approval of Minutes for the September 1, 2022, Committee Meeting

Audit and Compliance Committee minutes were approved for the meeting held on September 1, 2022.

3. Office of Compliance and Ethics

a. Guest Presentations – University Risk Management

Ms. Blank explained that the Committee has expressed interest in how the University manages risk and the growth of the University's enterprise risk management program topic wise, the Committee requested information about how FSU manages cyber security and public safety risk. Ms. Blank was very pleased to introduce Dr. Rick Burnette (Associate Provost for Strategy and Analytics and Interim Chief Information Officer) and Chief Rhonda Harris (Assistant Vice President for Public Safety and Chief of Police), two subject matter experts on these topics who provided short presentations to the Committee.

i. Dr. Rick Burnette, Associate Provost for Strategy and Analytics and Interim Chief Information Officer

Dr. Rick Burnette provided a presentation to the Committee about risk management. Trustee Alvarez and Trustee Henderson were very pleased with the presentation. Trustee Henderson asked Dr. Burnette, who assists the University in mitigating the risks. Dr. Burnette provided an example and explained that the first step would be to contact the University's cyber insurance carrier and notify them that the University had a breach. The University would work very closely with the insurance carrier to ensure that all appropriate steps were followed so that all damages would be covered by the University's existing insurance policies. Dr. Burnette further explained that the University would work closely with his IT department to make sure the University is

doing everything it could to shore up operations. Dr. Burnette explained that his office would work very closely with the President's office, as well as Communications which has colleagues that are focused on triaging these attempts on a daily basis. Dr. Burnette explained that there is a plan in place on how these attempts would be handled.

ii. Rhonda Harris, Assistant Vice President for Public Safety and Chief of Police

Ms. Harris provided a presentation to the Committee on specific risks to law enforcement and the University community when someone wants to come on campus and cause harm. Ms. Harris explained that the goal is to be proactive by looking for early intervention. Ms. Harris explained that the way to look for early intervention is to take minor incidents and gather specific information but also look at the incident on a broadscale basis. Ms. Harris explained that specific information could include what's going on in the person's life and the type of stressors they have in the workplace or at home. Ms. Harris explained that FSU uses a multidisciplinary layered team approach, which is also a best practice. Ms. Harris explained that the approach includes law enforcement officers, where police databases and reports can be accessed and a way for the team to pull as much information as they can regarding the individual. Ms. Harris explained that the primary goal of intervention and prevention is to move the individual away the pathway of violence. She further explained that you would want to establish boundaries to manage behaviors, offer legitimate dispute resolution options, provide appropriate resources and referrals, and take necessary actions to mitigate a threat. Ms. Harris explained FSUPD has a role in mitigating an active threat and that officers use a proactive policing philosophy. Ms. Harris explained that FSUPD puts a strong emphasis on training and wants officers to be able to de-escalate a situation, if possible. Ms. Harris further explained that officers should be able to recognize when someone might be suicidal but is looking for help from the police. Ms. Harris explained that if all mitigation attempts have failed, the FSUPD wants officers to know what to do and be confident and competent. She explained that officers are sent into stress inducing situations during training to challenge them. And then, of course, the University wants police officer's thinking about a response to an active threat. Ms. Harris presented to the Committee what the University community could do if there was an active shooter on campus. Ms. Harris explained that there is a 90-minute training course on Surviving an Active Shooter that trains FSUPD and the University community to Run. Hide. Fight.

b. Updates Since September 23, 2022, BOT Meeting

i. CAMS (Conflict Administration and Management System)

Ms. Blank explained that the Office of Compliance and Ethics (OCE) continues to work through updates on CAMS. Staff efforts with the conflict administration and management system (CAMS) disclosure continue. The University is upwards of 80% compliant with staff certifications and profile updates. The faculty launch went live with CAMS on October 10th. In keeping with the traditional annual fall updates for outside activity disclosures, the faculty category includes tenure track, specialized research and adjunct faculty disclosures totaling over 3,600 individuals. Ms. Blank was pleased to report that the OCE has received 2,580 updated profiles, which puts the University at 71% compliance after five weeks and more than 30% compliance after one (1) week.

The OCE continues to work with departments and individuals to move disclosures through the approval process. Ms. Blank explained that there are about 330 disclosures in the approval chain that are awaiting review and need finalization. For the board of trustee's update, Ms. Blank was pleased to report that the University has 100% compliance at the trustee level. All trustees have completed their profiles.

ii. Five-Year Review

Ms. Blank explained that the OCE program is required to complete a 5-year review. Ms. Blank explained the OCE continues to collect documentation and will be conducting outreach to schedule short interviews with committee members. Once that initial document review is completed by the review partners, there will probably be an opportunity for the Committee to answer some questions from the peer reviewers; however, Ms. Blank does not anticipate the review to be completed before the first of the year (2023). Ms. Blank explained the peer reviewers are from the University of South Florida and the University of West Florida.

iii. HB 7017, Foreign Influence – Processes Update for Tenure Track Faculty Screening

Ms. Blank explained that the OCE rolled out the next phase of foreign researcher screening. To recap, Ms. Blank explained that the language in the statute that adopted HB 7017 refers to researchers but doesn't define that term. So, the initial screening included a list of about 78 job codes which were very clearly research oriented. Ms. Blank further explained that the OCE is now expanding screenings to include all tenure track faculty positions. The expansion will include positions that do not have a research title but have research opportunities and research assignments. That applies to any new hire in those groups with a start date on or after January 1, 2023. Academic Deans, department chairs, HR department reps, and other central HR staff have been essential partners in this process and Ms. Blank explained how grateful she is for their work.

4. Office of Inspector General Services

a. OIGS Quality Assurance Review Results

Mr. Baldwin explained the quality assurance review process and that there are 3 ratings that an audit department can receive. Mr. Baldwin explained that this is an external five-year review, and OIGS could receive a rating of generally conforms (the highest rating), partially conforms, and does not conform. Mr. Baldwin explained that OIGS completed its review in September 2022 and that OIGS received the generally conforms rating, which means that OIGS complies in all material aspects regarding its Charter, the way the OIGS conducts audits, and its positive procedures. Mr. Baldwin explained there were some items that were identified by the Quality Assurance review team that need to be improved and Mr. Baldwin has responded to those items and put in appropriate action players so OIGS can achieve those in the next several months.

b. Status Report – OIGS Audits

Mr. Baldwin explained that the OIGS has completed a total of 8 audits, which is also the same number of audits that we completed for all last fiscal year. Mr. Baldwin explained that the OIGS is on track to make great progress in completing several more audits before the end of this fiscal year. Mr. Baldwin also explained that the OIGS had to cancel 2 audits. He explained the audit for Mr. Clark's area started in 2019 and that the OIGS had spent about 2,500 hours on this project. Mr. Baldwin explained that he was not seeing the return on value in providing the audit report. Mr. Baldwin also stated that the ERM audit was canceled as the audit was more focused on best practices or benchmarks. Mr. Baldwin explained that these audits will be re-evaluated and will potentially be added back into the audit plan in the future.

c. Enterprise Risk Management Overview

Mr. Baldwin provided a presentation on enterprise risk management (ERM). He explained that ERM is an integrated approach for managing risk, which helps an organization achieve its goals and objectives. Mr. Baldwin presented the Committee with some of the benefits of an ERM process. Mr. Baldwin explained that there are several benefits, including sharing the top strategic risks with the Board of Trustees and university leadership in a timelier manner. Mr. Baldwin further explained that it serves as the early warning system regarding critical risks. Also, an ERM program helps reduce or eliminate the uncertainties associated with risk events. An ERM program facilitates continual improvement and improves resource deployment and improves compliance with local regulatory and reporting requirements. Mr. Baldwin shared a slide illustrating a traditional risk management process versus an ERM process. Mr. Baldwin explained that a traditional risk management process is more focused on the past, whereas ERM is more future-focused. He further explained that a traditional risk management process is more reactive, whereas the ERM process is more proactive. He explained that a traditional risk management process is more narrow and more siloed, and ERM is more enterprise-wide and more systematic. He also explained that a traditional risk management program is more function driven whereas an ERM is more process driven. Mr. Baldwin explained how an ERM is started, and the argument is typically started by establishing board support in university leadership. He explained that the University would need to appoint a Chief Risk Officer or

Director of Risk Management and establish a steering committee. Mr. Baldwin further explained, once that's done, the University would develop a risk appetite to identify the top enterprise risk from the university. Also, once a steering committee has been developed, and the University has identified the risk appetite, then the University would identify the key assessment areas and the risk owners and then begin to develop those risks by putting them into a database or repository such as a risk register. Mr. Baldwin explained that a risk register encompasses all the risks and talks about the various current risks and residual risks, as well as how those risks are going to be addressed from prevention, mitigation, and terrorist perspectives. Mr. Baldwin provided examples of various enterprise risk categories including reputational risk, cyber risk, regulatory compliance risk, operational risk, financial risk, and hazard risk. Mr. Baldwin explained that information was gathered from North Carolina State University OIGS has attended a course or two and obtained information from their library. Mr. Baldwin explained that some of the highest risks in Higher Ed are student well-being, mental health, talent management, and the ERM program. Mr. Baldwin also explained the risks of cyber security, infrastructure, and the internet of things (IoT) and then from the regulatory and compliance perspective, there are research and federal, state, and local regulations. Mr. Baldwin also explained North Carolina State ERM Institute discusses how enterprise risk is often difficult but does not talk about increasing the likelihood of bad outcomes and the increase in time the organization must deal with the consequences. Mr. Baldwin explained that he has already spoken to the University President about ERM. He also explained the ERM process takes a couple of years to get started, but once it's started, the program is easily managed.

5. Open Forum for Trustees

Trustee Alvarez opened the floor for any items that needed to be discussed. There were no items presented for discussion.

6. Scheduling of Next Meeting

Trustee Alvarez explained the next Committee meeting will be held around February 23, 2023, and the next Board of Trustees meeting will be held on February 24, 2023.

7. Adjournment

Trustee Alvarez adjourned the meeting at 3:28PM.



FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee

ACTION ITEMS I & II



THE
FLORIDA STATE
UNIVERSITY

Office of Inspector General Services
Suite 407 Westcott Building
222 South Copeland Street
P. O. Box 3061390
Tallahassee, Florida 32306-1390

MEMORANDUM

TO: Richard McCullough, President
FROM: Undra Baldwin, Chief Audit Officer *UB*
Date: February 2, 2023
SUBJECT: Consent Agenda Items for the February 24, 2023, BOT Meeting

Please find enclosed the FSU Office of Inspector General Services request for BOT approval of the Performance-Based Funding Metrics and Preeminent Research University Funding Metrics audit reports and recommendation for the President and BOT Chair to sign the certifications.

I respectfully request these items to be placed on the BOT Consent Agenda for the February 24, 2023, BOT meeting.

Thank you

Attachments



Data Integrity Certification

March 2023

In accordance with Board of Governors Regulation 5.001(8), university presidents and boards of trustees are to review, accept, and use the annual data integrity audit to verify the data submitted for implementing the Performance-based Funding model complies with the data definitions established by the Board of Governors.

Given the importance of submitting accurate and reliable data, boards of trustees for those universities designated as preeminent or emerging preeminent are also asked to review, accept, and use the annual data integrity audit of those metrics to verify the data submitted complies with the data definitions established by the Board of Governors.

Applicable Board of Governors Regulations and Florida Statutes: Regulations 1.001(3)(f), 3.007, and 5.001; Sections 1.001.706, 1001.7065, and 1001.92, Florida Statutes

Instructions: To complete this certification, university presidents and boards of trustees are to review each representation in the section below and confirm compliance by signing in the appropriate spaces provided at the bottom of the form. Should there be an exception to any of the representations, please describe the exception in the space provided.

Once completed and signed, convert the document to a PDF and ensure it is ADA compliant. Then submit it via the Chief Audit Executives Reports System (CAERS) by the close of business on March 1, 2023.

University Name: Florida State University

Data Integrity Certification Representations:

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 and Preeminence or Emerging-preeminence Status.
2. 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.
3. In accordance with Board of Governors Regulation 3.007, my university provided accurate data to the Board of Governors Office.

Data Integrity Certification, March 2023

4. 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. The due diligence includes performing tests on the file using applications, processes, and data definitions provided by the Board Office. A written explanation of any identified critical errors was included with the file submission.
5. 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.
6. I am responsible for taking timely and appropriate preventive/ corrective actions for deficiencies noted through reviews, audits, and investigations.
7. I recognize that Board of Governors' and statutory requirements for the use of data related to the Performance-based Funding initiative and Preeminence or Emerging-preeminence status consideration will drive university policy on a wide range of university operations – from admissions through graduation. I certify that university policy changes and decisions impacting data used for these purposes 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 the related metrics.
8. I certify that I agreed to the scope of work for the Performance-based Funding Data Integrity Audit and the Preeminence or Emerging-preeminence Data Integrity Audit (if applicable) conducted by my chief audit executive.
9. In accordance with section 1001.706, Florida Statutes, I certify that the audit conducted verified that the data submitted pursuant to sections 1001.7065 and 1001.92, Florida Statutes [regarding Preeminence and Performance-based Funding, respectively], complies with the data definitions established by the Board of Governors.

Exceptions to Note: The 2 exceptions noted during the Performance Based Funding Metrics audit would have improved FSU's performance for these metrics.

Data Integrity Certification, March 2023

Data Integrity Certification Representations, Signatures:

I certify that all information provided as part of the Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) 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: _____
University President

Date: _____

I certify that this Board of Governors Data Integrity Certification for Performance-based Funding and Preeminence or Emerging-preeminence status (if applicable) has been approved by the university board of trustees and is true and correct to the best of my knowledge.

Certification: _____
University Board of Trustees Chair

Date: _____

Performance-Based Funding Metrics Data Integrity Audit



FLORIDA STATE UNIVERSITY

**Office of Inspector General Services
Report #23-11**

January 31, 2023

Undra Baldwin, Chief Audit Officer

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EXECUTIVE SUMMARY

Background

In 2014, the Florida Board of Governors (BOG) approved the Performance-Based Funding (PBF) Model. The model includes 10 metrics that evaluate Florida universities on a range of issues (e.g., graduation rates, job placement, academic progress rate). One metric (Metric 10) is a choice metric which was selected by the University's Board of Trustees and focuses on areas of improvement or the specific mission of the University. The remaining metrics are common to all institutions.

The PBF Metrics consist of the following:

- Metric 1: Percent of Bachelor's Graduates Enrolled or Employed One Year After Graduation
- Metric 2: Median Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation
- Metric 3: Average Cost to the Student (Net Tuition & Fees per 120 Credit Hours for Resident Undergraduates)
- Metric 4: Four-Year Graduation Rate – Full-time, First Time in College (FTIC) Students
- Metric 5: Academic Progress Rate (Second Fall Retention Rate with at Least 2.0 GPA for Full-Time, FTIC Students)
- Metric 6: Percentage of Bachelor's Degrees Awarded within Programs of Strategic Emphasis
- Metric 7: University Access Rate (Percent of Undergraduates with a Pell Grant)
- Metric 8: Percentage of Graduate Degrees Awarded within Programs of Strategic Emphasis
- Metric 9a: Three-Year Graduation Rate - Florida College System (FCS) Associate in Arts Degree (AA) Transfer Students
- Metric 9b: Six-Year Graduation Rate - FTIC Pell Recipient Students
- Metric 10: Number of Bachelor's Graduates who took an Entrepreneurship Class

Florida Statute 1001.706, Powers and Duties of the BOG, requires the BOG to define the data components and methodology used to implement Florida Statute 1001.92, State University System Performance-Based Incentive, and requires each University to conduct an annual audit to verify that the data submitted pursuant to Florida Statute 1001.92 complies with the data definitions established by the BOG. The BOG has provided methodology documents for all metrics common to the institutions. The calculations of the PBF Metrics are based on data submitted through the State University Database System. See Appendix B for the complete list of data files used for the calculation of each metric.

Objectives and Scope

The specific objectives of this audit were to:

1. Determine if there were any changes concerning the Data Administrator's appointment and the duties and responsibilities in his official position description.
2. Determine the current status of processes used by the Data Administrator to ensure the completeness,



accuracy, and timely submission of data to the BOG.

3. Determine whether policies, procedures, and desk manuals are adequate to ensure the integrity of submissions to the BOG.
4. Evaluate the current status concerning system access controls and user privileges.
5. Verify data accuracy through detailed testing of key files and data elements.
6. Determine the current status concerning the consistency of data submissions with the data definitions and guidance provided by the BOG.
7. Determine the current status concerning the University Data Administrator's data resubmissions to the BOG.
8. Provide an objective basis of support for the President and Board of Trustees' Chairman to sign the representations made in the PBF Metrics/Preeminent Research University Funding Metrics Data Integrity Certification.

The scope of this audit covered data submissions to the BOG from January 2021 through November 2022.

Based on previous audit results and our assessment of metrics with the highest risks, we selected the following metrics for testing:

- Metric 3: Average Cost to the Student (Net Tuition & Fees per 120 Credit Hours for Resident Undergraduates)
- Metric 4: Four-Year Graduation Rate - First Time in College Students
- Metric 5: Academic Progress Rate (Second Fall Retention Rate with at least 2.0 GPA)
- Metric 7: University Access Rate (Percent of Undergraduates with a Pell Grant)
- Metric 9b: Six-Year Graduation Rate - First Time in College Pell Recipient Students

Standards

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant, and useful evidence. It is our opinion that the evidence obtained during our review provides a basis for the findings and conclusion noted in this report.

Overall Conclusion

Overall, it appears that the University has established adequate controls and processes to:

1. Ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the University's PBF metrics.
2. Affirm the representations in the Data Integrity Certification form.

While we have identified opportunities for improvement, we view the overall impact as immaterial to the calculation of the PBF Metrics.

SUMMARY OF ISSUES

Issue #1: Students who were awarded Federal Pell Grants were excluded from the 2021-2022 Student Financial Aid (SFA) file submitted to the BOG.

➤ Metric 7, University Access Rate

Our testing identified 29 students who were excluded from the 2021-2022 SFA file that should have been included in the calculation of Metric 7. This resulted in the underreporting of students used in the calculation of the metric.

If these students had been included in the SFA file, it would have improved FSU's performance with this metric.

➤ Metric 3, Average Cost to the Student

Our testing identified 2 students who were excluded from the 2021-2022 SFA file whose financial aid should have been included in the calculation of Metric 3. The total amount of Federal Pell Grant underreported for these 2 students was \$1.8K.

If these students had been included in the SFA file, it would have had no impact on FSU's performance with this metric.

Issue #2: Office of Financial Aid did not include \$714K of Emergency Federal Supplemental Educational Opportunity Grant (FSEOG) Aid in the 2021-2022 SFA file submitted to the BOG.

Metric 3, Average Cost to the Student

During our testing, we identified 1 of 40 (3%) students who received Emergency FSEOG Aid but were not included in the 2021-2022 SFA file. Upon further review, we noted that all disbursed Emergency FSEOG Aid was omitted from the SFA file due to a coding error. The total amount of underreported Emergency FSEOG Aid from the 2021-2022 SFA file submitted to the BOG was \$714K, which was disbursed to 1,487 students.

If the Emergency FSEOG Aid had been included in the SFA file, it would have improved FSU's performance with this metric.



DETAILED OBSERVATIONS

Issue 1: Students who were awarded Federal Pell Grants were excluded from the 2021-2022 SFA file submitted to the BOG.

Rating: Moderate

Condition:

➤ Metric 7, University Access Rate

Our testing identified 29 students who were excluded from the 2021-2022 SFA file that should have been included in the calculation of Metric 7. This resulted in the underreporting of students used in the calculation of the metric.

If these students had been included in the SFA file, it would have improved FSU's performance with this metric.

➤ Metric 3, Average Cost to the Student

Our testing identified 2 students who were excluded from the 2021-2022 SFA file whose financial aid should have been included in the calculation of Metric 3. The total amount of Federal Pell Grant underreported for these 2 students was \$1.8K.

If these students had been included in the SFA file, it would have had no impact on FSU's performance with this metric.

Criteria:

BOG SFA file data elements: The SFA file has specific guidelines regarding what should be reported for each data element.

Cause(s):

The causes are as follows:

- The BOG SFA file data elements do not address whether all students with disbursed financial aid should be reported in the SFA file, regardless of whether the student was reported on the Enrollments file of the Student Instruction File (SIF).
- Office of Financial Aid reported they began excluding students with disbursed aid from the SFA file if they had a full-term withdrawal. However, some withdrawals occurred after the SIF file build, and some were fee-labile which were required to be reported in the SIF.



Risk(s)/Effect(s):

Student financial aid can be underreported, which could have a material impact on the calculation of Metric 3, Average Cost to the Student, and/or Metric 7, University Access Rate, resulting in FSU not receiving additional funding.

Recommendation(s):

The Office of Financial Aid and the Institutional Research should perform the following:

- Inquire of the BOG whether to include all students with financial aid disbursements or only students with financial aid disbursements who were also included in the Student Instruction Enrollment files. Once a response has been received from the BOG, the updated file should be resubmitted.
- Work with BOG to get formal guidelines regarding which students should be included and excluded from the Student Financial Aid file and update their file preparation procedures accordingly.

Management's Corrective Action(s):

- Phase I: The Office of Financial Aid will seek clarity on whether all students with financial aid disbursements should be included on the SFA file. If it is determined that the previously omitted students should be included, the Office of Financial Aid will resubmit the file to include the 29 students.
- Phase II: The Office of Financial Aid in collaboration with FSU Institutional Research will work with the BOG to request formal guidelines to streamline reporting requirements.

Name(s) and Title of Employee(s) Responsible for Implementing Corrective Action:

Suzanne Vickers, Director of Financial Aid

Target Date(s) for Implementing Corrective Action(s):

- Phase I: March 30, 2023
- Phase II: March 30, 2024



Issue 2: Office of Financial Aid did not include \$714K of Emergency Federal Supplemental Educational Opportunity Grant (FSEOG) Aid in the 2021-2022 SFA file submitted to the BOG.

Rating: Moderate

Condition:

Metric 3, Average Cost to the Student

During our testing, we identified 1 of 40 (3%) students who received Emergency FSEOG Aid but were not included in the 2021-2022 SFA file. Upon further review, we noted that all disbursed Emergency FSEOG Aid was omitted from the SFA file due to a coding error. The total amount of underreported Emergency FSEOG Aid from the 2021-2022 SFA file submitted to the BOG was \$714K, which was disbursed to 1,487 students.

If the Emergency FSEOG Aid had been included in the SFA file, it would have improved FSU's performance with this metric.

Criteria:

BOG SFA file data elements: The SFA file has specific guidelines regarding what should be reported for each data element. Data element 01253, the Financial Aid Award Program Identifier, lists Federal SEOG Grants as having a code of "002", which makes it a reportable data element.

Cause(s):

Office of Financial Aid reported the Emergency FSEOG was initially thought to be in place for one year but was extended unexpectedly. Office of Financial Aid uses a crosswalk to convert University aid item types to BOG Financial Aid Award Program Identifier Codes. The code for pulling disbursed aid for this grant included Aid Year 2021 (Fall 2020, Spring 2021, Summer 2021) but did not roll forward to Aid Year 2022 (Fall 2021, Spring 2022, Summer 2022).

Risk(s)/Effect(s):

Student financial aid can be underreported, which could have a material impact on the calculation of Metric 3, Average Cost to the Student, resulting in FSU not receiving additional funding.

Recommendation(s):

- The 2021-2022 SFA file should be resubmitted with the omitted Emergency FSEOG Aid.
- SFA file preparation procedures should be updated to ensure all required financial aid item types are included in the SFA file. Once the SFA file is built, analytical procedures should be performed to ensure all required financial aid item types have been included.



Management's Corrective Action(s):

The Office of Financial Aid will resubmit the 2021-2022 SFA file which will include the previously omitted Emergency FSEOG disbursements. Further, our procedures will be updated to ensure all aid types are properly reported and a review of the file will be completed to validate the data each year once it has been compiled.

Name(s) and Title of Employee(s) Responsible for Implementing Corrective Action(s):

Suzanne Vickers, Director of Financial Aid

Target Date(s) for Implementing Corrective Action(s):

March 1, 2023



APPENDIX A - AUDIT RATINGS

Material:

- Violation of policies/procedures/laws and/or unacceptable level of internal controls that either does or could pose an unacceptable level of exposure to the organization.
- Issue or issues identified are likely and could have high impact on the organization
- Major opportunities to improve effectiveness and efficiency exist.
- Immediate corrective action by management is required.

Significant:

- Violation of policies/procedures/laws and/or lack of internal controls that either do or could pose a notable level of exposure to the organization.
- Issue or issues identified are likely and could have a medium impact on the organization.
- Substantial opportunities to improve effectiveness and efficiency exist.
- Prompt corrective action by management is essential in order to address the noted concern(s) and reduce the risk to the organization.

Moderate:

- Violation of policies/procedures/laws and/or lack of internal controls that either do or could pose a notable level of exposure to the organization.
- Issue(s) identified are (a) either not likely but could have a high impact or are (b) likely and could have a low impact on the organization.
- Notable opportunities to improve effectiveness and efficiency exist.
- Corrective action is needed by management in order to address the noted concern and reduce risks to a more desirable level.

Advisory:

- Categorized by area reviewed.
- Used to identify recommendations contained in a consulting engagement report.



APPENDIX B – PERFORMANCE-BASED FUNDING METRICS DATA SOURCES

Metric	Description	Data Source Submitted to BOG
1	Percent of Bachelor's Graduates Enrolled or Employed One Year After Graduation	BOG Submission File – Degrees Awarded (SIFD)
2	Median Wages of Bachelor's Graduates Employed Full-Time One Year After Graduation	BOG Submission File – SIFD
3	Average Cost to Student (Net Tuition & Fees per 120 Credit Hours for Resident Undergraduates)	BOG Submission Files – SIF, SFA, Hours to Degree File (HTD)
4	Four-Year Graduation Rate (Full-time, FTIC Students)	BOG Submission Files – SIF, SIFD, Retention File
5	Academic Progress Rate (Second Fall Retention Rate with at Least 2.0 GPA for Full-Time, FTIC Students)	BOG Submission Files – Fall SIF – two consecutive terms
6	Percentage of Graduate Degrees Awarded within Programs of Strategic Emphasis	BOG Submission Files – SIFD
7	University Access Rate	BOG Submission Files – SIF, SFA
8	Percentage of Graduate Degrees Awarded within Programs of Strategic Emphasis	BOG Submission Files – SIFD
9a	Three-Year Graduation Rate – FCS AA Transfer Students	BOG Submission Files – SIF, SIFD, Retention File
9b	Six-Year Graduation Rate – FTIC Pell Recipient Students	BOG Submission File – SIF, SIFD, SFA, Retention File
10	Number of Bachelor's Graduates who took an Entrepreneurship Class	Provided to the BOG by Institutional Research



Preeminent Research University Funding Metrics Data Integrity Audit



FLORIDA STATE UNIVERSITY

**Office of Inspector General Services
Report #23-12**

January 31, 2023

Undra Baldwin, Chief Audit Officer

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EXECUTIVE SUMMARY

Background

In 2013, the Florida Board of Governors (BOG) voted to designate Florida State University (FSU) as a Preeminent State University. Florida Statute 1001.7065, Preeminent State Research Universities Program, details the 12 academic and research excellence standards established for the program. Universities are eligible for emerging preeminence if they meet 6 of 12 metrics and are eligible for preeminence if they meet 11 of 12 metrics. The University's performance results related to the Preeminent Research University Funding Metrics are reported annually in the Accountability Plan. FSU met all 12 benchmarks in the 2022 Accountability Plan, which is the most recently available report.

The 12 Preeminent Research University Funding Metrics consist of the following:

- Metric A: Average Grade Point Average (GPA) and SAT Score
- Metric B: Public University National Rankings
- Metric C: Freshman Retention Rate
- Metric D: Four-Year Graduation Rate
- Metric E: National Academy Memberships
- Metric F: Science and Engineering Research Expenditures (\$M)
- Metric G: Non-Medical Science and Engineering Research Expenditures (\$M)
- Metric H: Number of Broad Disciplines Ranked in Top 100 for Research Expenditures
- Metric I: Utility Patents Awarded
- Metric J: Doctoral Degrees Awarded Annually
- Metric K: Number of Post-Doctoral Appointees
- Metric L: Endowment Size (\$M)

Florida Statute 1001.706, Powers and Duties of the BOG, requires the BOG to define the data components and methodology used to implement Florida Statute 1001.7065 and requires each University to conduct an annual audit to verify that the data submitted pursuant to Florida Statute 1001.7065 complies with the data definitions established by the BOG. The BOG last updated the Preeminent Metrics Methodology Document in October 2020. The data supporting the Preeminent Research University Funding Metrics comes from a variety of sources, including:

- Data submitted to the BOG
- Data reported to external entities

See Appendix A for the complete list of sources for each metric.

Objectives and Scope

The specific objectives of this audit were to:

1. Determine the current status of processes used by the Data Administrator to ensure the completeness, accuracy, and timely submission of data to the BOG.
2. Verify data accuracy through detailed testing of key files and data elements.
3. Determine the current status concerning the University Data Administrator's data resubmissions to the BOG.
4. Provide an objective basis of support for the President and Board of Trustee's Chairman to sign the representations made in the Performance-Based Funding Metrics/Preeminent Research University Funding Metrics Data Integrity Certification.

The scope of this audit covered data submissions from January 2021 through November 2022.

Based on previous audit results and our assessment of metrics with the highest risks, we selected the following metrics for testing:

- Metric A: Average GPA and SAT Score
- Metric C: Freshman Retention Rate
- Metric D: Four-Year Graduation Rate
- Metric F: Science and Engineering Research Expenditures (\$M)
- Metric G: Non-Medical Science and Engineering Research Expenditures (\$M)
- Metric K: Number of Post-Doctoral Appointees

Standards

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant, and useful evidence. It is our opinion that the evidence obtained during our review provides a basis for the findings and conclusion noted in this report.

Overall Conclusion

Overall, it appears that the University has established adequate controls and processes to:

1. Ensure the completeness, accuracy, and timeliness of data submissions to the BOG and external entities which support the University's Preeminent Research University Metrics.
2. Affirm the representations in the Data Integrity Certification form.

APPENDIX A – PREEMINENT RESEARCH UNIVERSITY FUNDING METRICS DATA SOURCES

Metric	Description	Data Source
A	Average GPA and SAT Score for Incoming Freshman in Fall Semester	BOG Submission File – Fall Admissions File
B	Number of Top 50 Public University National Rankings	External Websites - BOG maintains the official list of publications.
C	Freshman Retention Rate (Full-time, First Time in College (FTIC))	BOG Submission Files – Fall Student Instruction File (SIF) for two consecutive years.
D	Four-Year Graduation Rate (Full-time, FTIC)	BOG Submission Files – Retention File, SIF, and Degrees Awarded File (SIFD)
E	Number of National Academy Memberships	Official Membership Directories on External Websites – BOG maintains a list of acceptable organizations.
F	Total Annual Science and Engineering Research Expenditures	National Science Foundation (NSF) Higher Education Research and Development (HERD) Survey
G	Total Annual Non-Medical Science and Engineering Research Expenditures	NSF HERD Survey
H	Number of Broad Disciplines Ranked in Top 100 for Research Expenditures	Research expenditure data using the NSF's National Center for Science and Engineering Statistics online data tool
I	Number of Utility Patents Awarded over Three Calendar-Year Period	As reported by the United States Patent and Trademark Office for the most recent three years.
J	Number of Doctoral Degrees Awarded Annually	BOG Submission File - SIFD
K	Number of Post-Doctoral Appointees	NSF Survey of Graduate Students and Post-Doctorates in Science and Engineering Survey
L	Endowment Size	National Association of College and University Business Officers (NACUBO) and Commonfund Institute's annual online report of Market Value of Endowment Assets



FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee

ACTION ITEM III



THE
FLORIDA STATE
UNIVERSITY

Office of Inspector General Services
Suite 407 Westcott Building
222 South Copeland Street
P. O. Box 3061390
Tallahassee, Florida 32306-1390

MEMORANDUM

TO: Richard McCullough, President
FROM: Undra Baldwin, Chief Audit Officer *UB*
Date: February 2, 2023
SUBJECT: Consent Agenda Item for the February 24, 2023, BOT Meeting

Please find enclosed the Florida State University Real Estate Foundation's request for approval for the above firm to enter into a one-year audit contract extension, with a rotation in lead audit partner for Thomas Howell Ferguson, P.A.

I respectfully request this item to be included on the BOT Consent Agenda for the February 24, 2023, BOT meeting.

Thank you.

Attachment

From: [Undra Baldwin](#)
To: [Michael Williams](#)
Cc: JCarrigan@foundation.fsu.edu; [Candace Tibbetts](#)
Subject: RE: Real Estate Foundation Contract Extension Request for Upcoming Audit Engagement
Date: Tuesday, January 31, 2023 4:34:44 PM
Attachments: [image002.png](#)

Thanks Michael.

I will add the extension request to the upcoming BOT meeting agenda.

Regards,
Undra



Undra Baldwin (he/him/his)
MS CYBR, MBA, CIA, CISA, CDPSE, CFE, CIG
Chief Audit Officer
Office of Inspector General Services
222 South Copeland Street
Westcott Building, Suite 407
Tallahassee, Florida 32306-1390
d: (850) 644-0651
o: (850) 644-6031
e: ubaldwin@fsu.edu

From: Michael Williams <mswilliams@fsu.edu>
Sent: Tuesday, January 31, 2023 4:05 PM
To: Undra Baldwin <ub22@fsu.edu>
Cc: JCarrigan@foundation.fsu.edu; Michael Williams <mswilliams@fsu.edu>
Subject: Real Estate Foundation Contract Extension Request for Upcoming Audit Engagement

Undra,

The Real Estate Foundation is requesting a one year contract extension with a rotation in lead audit partner for Thomas Howell Ferguson P.A., which was approved by their Board. Per regulation FSU-2.025 Direct Support Organizations, the contract extension must be approved by the Florida State University President and then forwarded to the University Board of Trustees for review and final approval. The Real Estate Foundation plans to participate in a joint RFP with the FSU Foundation and Alumni Association in 2024 to select one firm to audit all 3 entities.

Please accept this email as the Real Estate Foundation's formal request for Board of Trustees approval during their next meeting.

Thank You,

Michael

Michael Williams, CPA
Associate Vice President



FLORIDA STATE UNIVERSITY
BOARD OF TRUSTEES
Audit and Compliance Committee

OIGS STATUS REPORT



FLORIDA STATE UNIVERSITY
OFFICE OF INSPECTOR GENERAL SERVICES

	Report No.	Audit Status as of Feb. 2023	Fiscal Year					
				Planning	Fieldwork	Reporting	Issued	Cancelled
1		DSO's External Audits - Financial Reviews (Annual Review)	FY2022-2023	X				
2		DSO's IRS Form 990 Reviews (Annual Review)	FY2022-2023	X				
3		Graduate Admissions Process	FY2022-2023	X				
4		University Active Directory Admin. Access - IT Audit	FY2021-2022		X			
5		OMNI PS ERP Admin. Access (System, Server, and Database) - IT Audit	FY2021-2022		X			
6		College of Medicine Active Directory Admin. Access - IT Audit	FY2021-2022			X		
7	AR 23-01	Quality Assurance Review Self-Assessment	FY2022-2023				X	
8	AR 23-02	Student-Athlete Medical Coverage	FY2021-2022				X	
9	AR 23-03	Data Security Audit of the Driver and Vehicle (DAVID) – Registrar	FY2022-2023				X	
10	AR 23-04	Data Security Audit of the Driver and Vehicle (DAVID) – Facilities Data Exchange with DHSMV	FY2022-2023				X	
11	AR 23-05	Foundation Scholarships and Earmarked Gifts	FY2021-2022				X	
12	AR 23-06	College of Medicine - Primary Health Clinic	FY2021-2022				X	
13	AR 23-07	Seminole Boosters Pledges	FY2021-2022				X	
14	AR 23-08	Student Materials and Supplies Fees	FY 2022-2023				X	



FLORIDA STATE UNIVERSITY
OFFICE OF INSPECTOR GENERAL SERVICES

	Report No.	Audit Status as of Feb. 2023	Fiscal Year					
				Planning	Fieldwork	Reporting	Issued	Cancelled
15	AR 23-09	FSUPD Property and Evidence Room Follow-Up	FY2022-2023				X	
16	AR 23-10	Transportation and Parking Services	FY2022-2023				X	
17	AR 23-11	Performance-Based Funding Metrics Data Integrity Certification Audit	FY2022-2023				X	
18	AR 23-12	Preeminent Research University Funding Metrics Data Integrity Certification Audit	FY2022-2023				X	
19	AR 23-13	Mag Lab Active Directory Admin. Access - IT Audit	FY2021-2022				X	
20	N/A	Athletics Financial	FY2019-2020					X
21	N/A	ERM Best Practices Audit	FY2021-2022					X