

# The *US News & World Report* Effect

*Society of Corporate Compliance and Ethics  
Discussion Group*

June 2019



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## Introduction – Bio



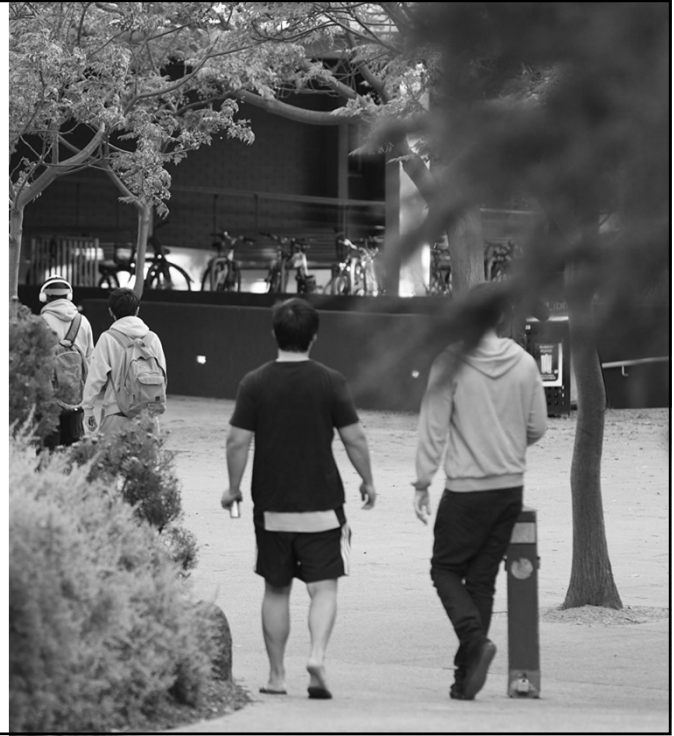
- John is a Director in PwC's Internal Audit, Compliance, and Risk Management Solutions practice, overseeing the delivery of full scale internal audit outsource arrangements, technical co-source arrangements, and project specific services in the higher education and nonprofit sector. John also serves as the firm's national higher education knowledge manager, connecting teams across the country to share leading practices, developing risk trends, and benchmarking data.
- John has a B.B.S. from the University of Wisconsin-Madison in Risk Management and Insurance, and Accounting Information Systems. He is a Certified Public Accountant in the states of Illinois and Wisconsin.

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## Objectives / Table of Contents

1. Identify **key compliance risks** and issues that should be addressed when distributing or publishing institutional statistics.
2. An in-depth look at the **submission and reporting processes** for institutional statistics and data and its relationship with compliance.
3. Define **leading practices** for managing the collection and distribution of this information for both strategic and compliance purposes.

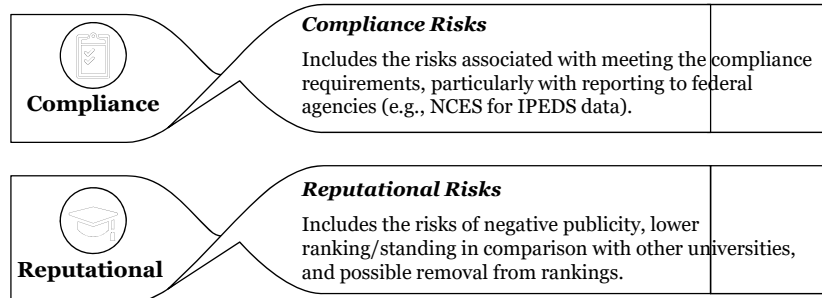
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## Key IDR Risks

With institutional data reporting, there are numerous risks to consider. This includes both **reputational**, and **compliance** risks.



In 2018, Temple University business school misreported average undergraduate GPA, the percentage of applicants who took the GMAT, admissions rates, and statistics related to student loan debt. Temple was unranked by *US News* and the business school Dean and several other staff members stepped down.

In 2018, five schools were found to have misreported their six-year graduation rate as part of their *US News and World Report* submission. These schools were moved to the “Unranked” category.

In 2018, schools were also found to have misreported other aspects of their *US News and World Report* submission, including average faculty pay, enrollment, and financial aid information. These schools were moved to the “Unranked” category.

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## Discussion Questions

1. What are your primary objectives from this discussion group session?
2. What is your Institution's position on College Rankings, both statements made publically and internally?
3. Has the institution considered the impact of culture as it relates to data reporting? Do job performance incentives potentially create conflicts, real or perceived, with accurate reporting?
4. Is your Institution considering any changes to its Institutional Data Reporting process?

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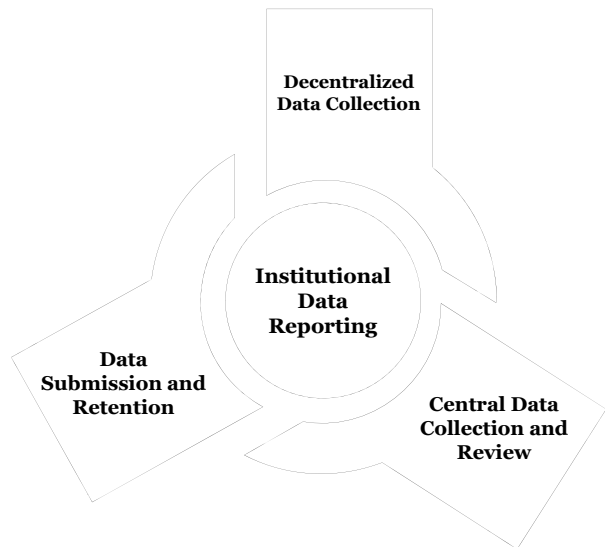


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## Institutional Data Reporting Process

- Institutional Data Reporting (IDR) is a the process by which financial, student, faculty, or other information is distributed to internal and external stakeholders at colleges and universities.
- Data collected may include enrollment, admissions statistics (e.g., SAT scores), financial aid data (e.g., average aid awarded), academic offerings, student life information, and annual expenses.
- In 2013, the National Association of College Admissions Counseling (NACAC) amended their Statement of Principles of Good Practices, requiring members to have "an official policy regarding the collection, calculation and reporting of institutional statistics.
- PwC has subdivided the data reporting process into three key elements, decentralized data collection, central data collection and review, data submission and retention.

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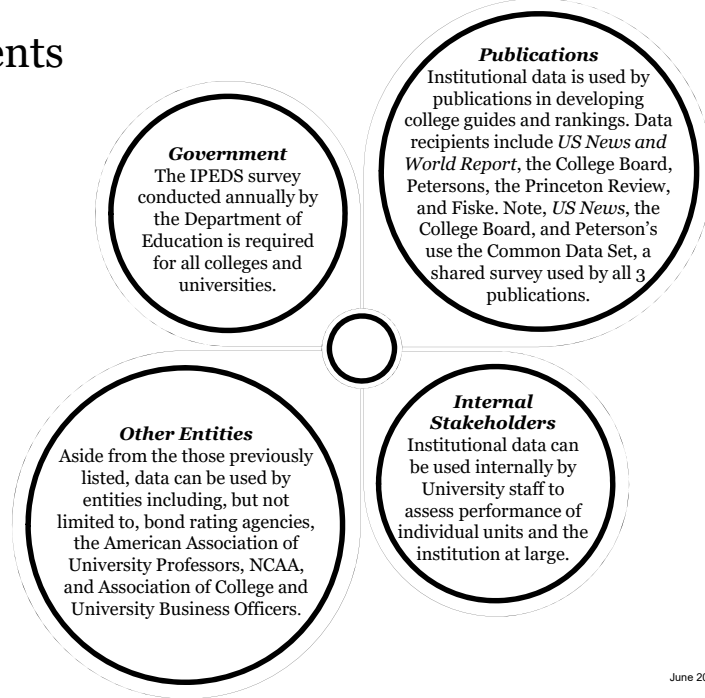
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## Institutional Data Recipients

IDR includes both data collected and disseminated internally as well as data submitted to external entities, including government agencies, trade associations, and publications.

The graphic on the right provides an overview of four key entities who often receive data from higher education institutions.



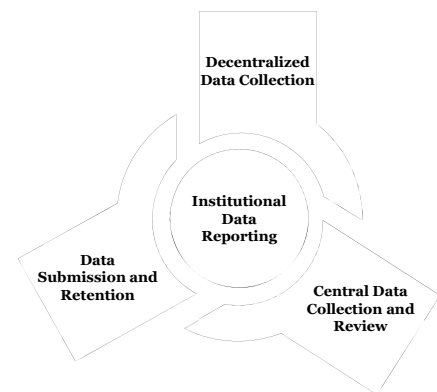
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## Decentralized Data Collection

- Data collected from the distributed areas of an institution such as colleges, departments and academic units. This data generally includes items such as faculty resources, post-graduation employment rates, and timely graduation rates.
- Risks include inconsistent interpretations of data definitions across University units, local incentives to meet performance goals, and lack of segregation of duties in preparation and review of data at the unit level.
- Data sets are dynamic, for reported data points it is important to maintain supporting data set. System limitations may prevent re-creation of historical supporting data sets for reported data points.
- Leading practice, identifying Data Stewards at each unit who are accountable for local data collection.



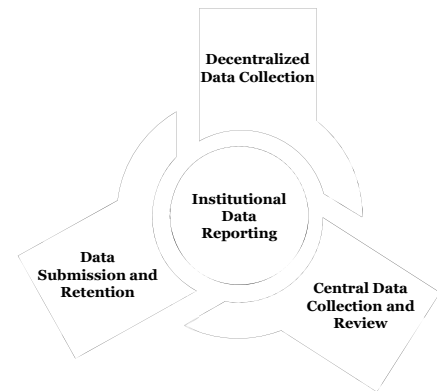
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## Central Data Collection and Review

- The process of collecting decentralized data from Data Stewards, pulling centralized data, and performing internal review. This process is often owned and performed by a central Institutional Analysis (IA) team.
- Common central data points: financial resource information, outcomes (e.g., graduation rates), student excellence (e.g., standardized tests), and alumni giving.
- IA should be comparing current year data against similar data from prior years to identify potential anomalies, significant variances should be investigated.
- IA should support Data Stewards and their teams by providing policy definitions regarding key data elements and by being the “go-to” resource for questions in the process. These definitions should be determined with appropriate (e.g., President/Provost) University leadership.
- Leading practices include obtaining and reviewing decentralized Data Steward data collection processes.



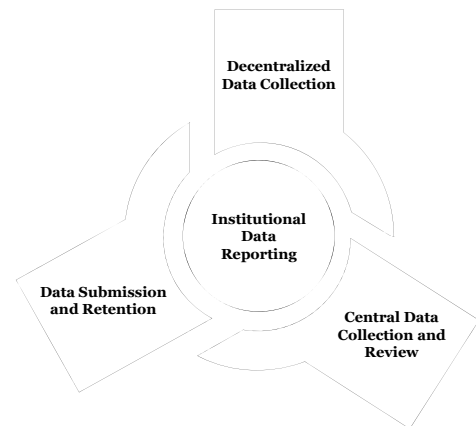
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## Data Submission and Retention

- The processes and controls that ensures that the data collected and reviewed is the data that is submitted.
- This process should include a final leadership review that includes discussion on significant data point movement and a summary of the IDR process.
- Supporting data sets for reported data should be achieved in a secure environment.
- Leading practices include archiving report queries, and other process information helpful during periods of staff transition.



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## Discussion Questions

1. What is your Institutional Analysis staff model? What is the related governance?
2. To what extent are activities decentralized/centralized?
3. Has your institution clearly defined key data points; if so, how are those definitions shared?
4. Do barriers exist that hinder process transparency?

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## Leading Practices

### ***People & Culture***



IDR initiatives and processes should have strong support for the use of data from executive leadership. This could include regular participation in meetings or the assigning of a data champion (e.g., Chief Institutional Research Officer) in senior leadership.

Executive Sponsorship

Roles and responsibilities for data management should be clearly defined, and individuals assigned to specific roles will be held accountable for performing the data management responsibilities appropriate for their position. E.g., Data Steward.

Defined Roles

The value of the collected information is highly dependent on the quality of the data gathered, which varies based on the knowledge of the individuals who collect and submit the information. Institutions should develop an plan for staff training on data literacy.

Staff Training

Units within the University to create and codify definitions for reporting in a shared 'code book' and a committee should review and advise on policies and procedures related to data reporting topics (e.g., data capture, storage, use, and reporting)

Policies and Procedures

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## Leading Practices

### Data Collection



Data points and owners should be clearly and consistently defined across units. Changes to the meaning of these data points should be clearly communicated to all stakeholders and the downstream effects of such changes should be considered. Changes to data definitions should be approved by senior leadership, especially changes that could impact rankings.

Defined Data Points

Institutions should keep a record of staff from each unit who are involved in data collection (i.e., those with access to data) and of data sources / systems from where the data was obtained. This helps better resolve issues or respond to similar requests in future years.

Master List of Data Sources

If the same information is frequently requested (e.g., enrollment), institutions should keep a master standard survey response. This response should be used as a part of data submissions whenever possible to help ensure that data provided is consistent between submissions.

Standard Response

In the absence of instructions to the contrary, data should conform whenever possible to nationally developed definitions to ensure that the information provided will be comparable to that provided to other agencies and organizations at the institutional, state, and federal levels.

Use of National Standards

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## Leading Practices

### Data Submission



Institutions should closely track who has the access to submit data to each external recipient (e.g., IPEDS, US News) to ensure that only appropriate staff can submit data. Consideration should be given to how passwords are used and protected (e.g., use of shared passwords).

Submission Access

The data in the submission should be compared to other sources prior to submission to check for consistency or reasonableness. These sources include the institution's master standard survey response, prior year responses, and (if available) responses from peers.

Confirm Accuracy

Institutions should retain copies of all data submissions, centrally, along with the underlying data. This step is important should questions arise subsequent to the submission, as underlying systems often do not retain historical information.

Retention

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## Leading Practices

### Monitoring



Compliance assessments / internal audits can be used to assess and recommended improvements to the methods and processes used to report institutional data. Topics to consider include data integrity enhancements, policy awareness, and system limitations. A maturity assessment can be used to determine the level of an institution's data governance and to set future goals. Topics to consider in such an assessment include the formalization of processes, awareness of policies, roles, and capabilities, and quality assurance processes

Compliance  
Audits and  
Assessments

Mechanisms such as a whistleblower hotline should be implemented so employees can report questionable conduct anonymously. The availability of these resources should be made known to all staff, particularly those in admissions and enrollment management.

Ethics  
Helpline

The central institutional reporting function should conduct periodic audits of units to ensure that data is being collected and reported consistently with definitions and in line with procedures. Audit trails should be kept and reviewed periodically, where applicable.

Data  
Steward  
Audits

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## Discussion Questions

1. Are policies and procedures related to data reporting documented and publicized? Are training opportunities available for data stewards and other stakeholders?
2. Are there controls in place over the data kept both centrally and at each unit? Are these controls regularly tested?
3. What is the process to submit data? Who is responsible for doing this and how are data submissions retained?
4. What monitoring activities are currently in place? Does the Compliance function have any responsibility and/or visibility into these activities?
5. What other tools and practices are in place at your institution to ensure the accuracy and timeliness of data submission?

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# Thank You

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