

UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDIT REPORT

UNIVERSITY OF HOUSTON SYSTEM

FOLLOW-UP STATUS REPORT

Actions Scheduled from July 1, 2019 to
September 30, 2019

REPORT NO. AR2020-01



UNIVERSITY OF HOUSTON SYSTEM
Internal Auditing Department
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MEMORANDUM

TO: Mr. Peter K. Taaffe
Chair, Audit and Compliance Committee

Dr. Renu Khator
Chancellor/President, UHS/UH

FROM: Don F. Guyton
Chief Audit Executive

DATE: October 24, 2019

SUBJ: Internal Audit Report – Follow-up Status Report

I have attached for your review the final draft of the above referenced internal audit report. This report has been distributed to/discussed with key personnel of the University of Houston System. This report is summarized as follows:

Executive Summary:

The Standards for the Professional Practice of Internal Auditing require internal auditors to perform follow-up procedures to ascertain that appropriate action is taken on reported audit findings. We performed such procedures for all items included in management action plans which were scheduled to be implemented July 1, 2019, to September 30, 2019, in all audit reports with open recommendations. This status report addresses 15 management actions in 6 individual reports. In ascertaining whether appropriate action was taken, we interviewed personnel, reviewed documentation and performed other audit procedures as necessary. We determined that 12 of these management actions have been completed, 2 partially implemented and 1 not implemented.

This audit report is scheduled to be included in the agenda materials for the November 14, 2019, meeting of the Audit and Compliance Committee of the Board of Regents. Please let me know if you have any questions.

Attachment

**UNIVERSITY OF HOUSTON SYSTEM
FOLLOW-UP STATUS REPORT
(Actions Scheduled from July 1, 2019, to September 30, 2019)**

**Board of Regents Audit and Compliance Committee Meeting
November 14, 2019**

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**University of Houston System
Internal Auditing Department**

**Follow-up Status Report
(Actions scheduled from July 1, 2019, to September 30, 2019)**

The Standards for the Professional Practice of Internal Auditing require internal auditors to perform follow-up procedures to ascertain that appropriate action is taken on reported audit findings. We performed such procedures for all items included in management action plans which were scheduled to be implemented July 1, 2019, to September 30, 2019, in all audit reports with open recommendations. This status report addresses 15 management actions in 6 individual reports. In ascertaining whether appropriate action was taken, we interviewed personnel, reviewed documentation and performed other audit procedures as necessary. We determined that 12 of these management actions have been completed, 2 partially implemented and 1 not implemented.

The main portion of this report is a follow-up status matrix which lists the report number, report title, action number, total actions in each report, estimated completion date, name/title/entity responsible for action, action to be taken and status. The status of the action items included in the matrix has been categorized as either ***Action Complete, Partially Implemented or Not Implemented***. In cases where the action item has been partially implemented or not implemented, an updated management's response with an estimated completion deadline is included in the status column, where appropriate.

The "Listing of Audit Reports Containing Management Action Plans" indicates all reports where management has addressed all actions in the action plan during the current fiscal year and all reports which are addressed in this status report. All of the management action plans for internal audit reports contain a footnote indicating that documentation of implementation of actions will be furnished to the Internal Auditing Department on the same date as the estimated completion date of the action being implemented.

Don F. Guyton
Chief Audit Executive
October 23, 2019

Attachment

**UNIVERSITY OF HOUSTON SYSTEM
AUDIT REPORTS CONTAINING MANAGEMENT ACTION PLANS
FOLLOW-UP STATUS
FY 2020**

<u>Report Number</u>	<u>Report Date</u>	<u>REPORT TITLE</u>	<u>All Actions Complete Final Disposition Rept. No.</u>	<u>Some Actions Addressed in this Report</u>
<u>INTERNAL AUDIT REPORTS WITH OPEN RECOMMENDATIONS:</u>				
AR2016-04	11/19/15	UHV Enrollment Management and Student Affairs, Dept. Rev.		X
AR2018-25	08/23/18	UHS Contract Administration - Food Services	AR2020-01	X
AR2018-28	08/23/18	UHS Payroll		X
AR2019-04	11/15/18	UH College of Natural Sciences & Mathematics, Dept. Rev.		X
AR2019-05	11/15/18	UH Division of Research, Departmental Reviews		
AR2019-18	05/16/19	UH Athletics, NCAA Rules Compliance		
AR2019-19	05/16/19	UHS Budgeting		
AR2019-23	08/22/19	UHS Human Resources		
AR2019-24	08/22/19	UH Division of Administration and Finance, Dept. Reviews		
IT 2018-01	03/08/18	Review of the Advancement Donor Management System		
IT 2019-01	11/15/18	UHS Review of Oracle PeopleSoft		
<u>EXTERNAL AUDIT REPORTS WITH OPEN RECOMMENDATIONS:</u>				
EM 2019	02/28/19	Emergency Management/Safety and Security Audit		X
Int. Audit Peer Review	06/01/18	Internal Audit Dept. Peer Review	AR2020-01	X

**University of Houston System
Internal Auditing Department**

**Follow-up Status Report
as of September 30, 2019**

Internal Audit Report Number	Report Title	Action No.	Total Actions	Est. Compl. Date	Responsibility For Action			Action To Be Taken	Status
					Name / Title	Entity	Risk Level: High Medium Low		
AR2016-04	Enrollment Management and Student Affairs Departmental Reviews	1	1	8/31/2019	Wayne Beran Vice President Administration and Finance	UHV	Restore deficit fund group equity balance to a zero or a positive amount.	<i>Not implemented – Updated Management’s Response:</i> We are exploring ways to address the deficit equity fund balance for this division and will file a plan with the UHV CFO and UHS VCAF. Estimated completion date: August 31, 2020.	
AR2018-25	UHS Contract Administration - Food Services	1a	4	8/15/2019	Mark Yzaguirre Associate VC/VP, Sr. Assoc. Gen. Couns. Contract Administration	UHS	Modify SAM 03.A.05, Contract Administration, to require appropriate oversight of system-wide contracts, acknowledgement of changes in responsibility for contract oversight, and requirements for monitoring contracts and incorporate appropriate policy and procedure information from UH MAPP 04.04.01A into SAM 03.A.05 to ensure all relevant contract administration policies and procedures are housed in one document.	<i>Action Complete</i>	
AR2018-28	UHS Payroll	3	5	8/31/2019	Gaston Reinoso, Associate VC/VP Human Resources	UHS	Implement access management procedures to help ensure access is properly authorized and documented, restrict access sufficient for employees to accomplish their job responsibilities, and perform an annual review by individuals with sufficient knowledge of employees’ responsibilities.	<i>Partially implemented – Updated Management’s Response:</i> We are still in the process of developing and implementing access management procedures to review and restrict access sufficient for employees to accomplish their job responsibilities as well as incorporating procedures for the annual review to be performed by individuals with sufficient knowledge of employees’ responsibilities. Estimated completion date: August 31, 2021.	
AR2018-28	UHS Payroll	5	5	8/31/2019	Gaston Reinoso, Associate VC/VP Human Resources	UHS	Develop complete, documented, and well codified written procedures relating to payroll, including information system access management, reconciliations, and validation of benefit deduction tables.	<i>Partially implemented – Updated Management’s Response:</i> We are still in the process of documenting procedures relating to information system access, reconciliations, and validation of benefit deduction tables. Estimated completion date: August 31, 2021.	
AR2019-04	College of Natural Sciences and Mathematics, Departmental Reviews	2a	12	8/1/2019	Emily Merrell College Business Administrator Dean's Office	UH	Prepare and approve cost center verifications in a timely manner and maintain adequate documentation.	<i>Action Complete</i>	
AR2019-04	College of Natural Sciences and Mathematics, Departmental Reviews	5a	12	8/1/2019	Elsie Myers Department Business Administrator Chemistry	UH	Prepare and approve cost center verifications in a timely manner.	<i>Action Complete</i>	

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					Name / Title	Entity			
Risk Level: High Medium Low									
AR2019-04	College of Natural Sciences and Mathematics, Departmental Reviews	7a	12	8/1/2019	Desi Miller Department Business Administrator Computer Science	UH	Prepare and approve cost center verifications in a timely manner.	<i>Action Complete</i>	
AR2019-04	College of Natural Sciences and Mathematics, Departmental Reviews	8a	12	8/1/2019	Anja Wells Department Business Administrator Earth and Atmospheric Sciences	UH	Approve cost center verifications in a timely manner.	<i>Action Complete</i>	
AR2019-04	College of Natural Sciences and Mathematics, Departmental Reviews	10a	12	8/1/2019	Jennifer Chin-Davis Associate Director Physics	UH	Prepare and adequately document cost center verification approval in a timely manner.	<i>Action Complete</i>	
EM 2019	Emergency Management/Safety and Security Audit	6a	12	10/1/2019	Cynthia Vargas Emergency Management and Fire Safety Specialist	UHD	Conduct an exercise of the agency continuity plan and report completion to the State Office of Risk Management (SORM).	<i>Action Complete</i>	
EM 2019	Emergency Management/Safety and Security Audit	7a	12	10/1/2019	Cynthia Vargas Emergency Management and Fire Safety Specialist	UHD	Post exercise information on preparingtexas.org for above mentioned exercise.	<i>Action Complete</i>	
EM 2019	Emergency Management/Safety and Security Audit	8a	12	10/1/2019	Cynthia Vargas Emergency Management and Fire Safety Specialist	UHD	Ensure above-mentioned exercise is compliant with Homeland Security Exercise and Evaluation Program (HSEEP).	<i>Action Complete</i>	
EM 2019	Emergency Management/Safety and Security Audit	9	12	7/1/2019	Cynthia Vargas Emergency Management and Fire Safety Specialist	UHD	Complete an After Action Report (AAR) for the above mentioned exercise, to include a list of participants and corrective actions.	<i>Action Complete</i>	

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					Name / Title	Entity		
Risk Level: High Medium Low								
Peer Review Report June 2018	UHS Internal Auditing Department, Peer Review	1	3	9/1/2019	Don Guyton Chief Audit Executive	UHS	Prepare plans for the development of audit staff by identifying skills and competencies for all positions and stress the importance of professional certifications in performance evaluations.	<i>Action Complete</i>
Peer Review Report June 2018	UHS Internal Auditing Department, Peer Review	2	3	9/1/2019	Don Guyton Chief Audit Executive	UHS	Work with Human Resources Department to identify training opportunities for audit staff at all levels, including Management Development Training Programs for high performing staff.	<i>Action Complete</i>