UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDIT REPORT

UNIVERSITY OF HOUSTON SYSTEM

FOLLOW-UP STATUS REPORT

Actions Scheduled from April 1, 2018 to June 30, 2018

REPORT NO. AR2018-20

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: August 8, 2018

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 April 1, 2018, to June 30, 2018, in all audit reports with open recommendations. This status report addresses 30 management actions in 12 individual reports. In ascertaining whether appropriate action was taken, we interviewed personnel, reviewed documentation and performed other audit procedures as necessary. We determined that 13 of these management actions have been completed and 17 partially implemented.

This audit report is scheduled to be included in the agenda materials for the August 23, 2018, 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 April 1, 2018, to June 30, 2018)

Board of Regents Audit and Compliance Committee Meeting
August 23, 2018

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University of Houston System
Internal Auditing Department

Follow-up Status Report
(Actions scheduled from April 1, 2018, to June 30, 2018)

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 April 1, 2018, to June 30, 2018, in all audit reports with open recommendations. This status report addresses 30 management actions in 12 individual reports. In ascertaining whether appropriate action was taken, we interviewed personnel, reviewed documentation and performed other audit procedures as necessary. We determined that 13 of these management actions have been completed and 17 partially 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 or Partially Implemented.*** In cases where the action item has been partially 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
July 30, 2018

Attachment

UNIVERSITY OF HOUSTON SYSTEM
AUDIT REPORTS CONTAINING MANAGEMENT ACTION PLANS
FOLLOW-UP STATUS
FY 2018

Report Number	Report Date	REPORT TITLE	**All Actions Complete** Final Disposition Rept. No.	Some Actions Addressed in this Report
INTERNAL AUDIT REPORTS WITH OPEN RECOMMENDATIONS:				
AR2011-24	05/18/11	UH Research Administration	**AR2018-01**	
AR2014-25	08/19/14	UHD Endowments		**X**
AR2014-28	08/19/14	UH Information Security Standards		**X**
AR2015-07	11/19/14	UH Student Accounting and Receivables	**AR2018-09**	
AR2015-11	02/19/15	UHCL Student Accounting and Receivables		
AR2015-20	05/21/15	UHD Student Accounting and Receivables		
AR2015-26	08/20/15	UHV Endowments	**AR2018-09**	
AR2015-28	08/20/15	UH Facilities Planning and Construction		
AR2016-04	11/19/15	UHV Enrollment Management and Student Affairs, Dept. Rev.		
AR2016-21	05/19/16	UH Division of Administration and Finance, Dept. Rev.		
AR2016-24	05/19/16	UHCL Information Security Standards		
AR2016-25	05/19/16	UHV Information Security Standards		**X**
AR2016-31	08/25/16	UHS State Benefits Proportionality	**AR2018-09**	
AR2017-16	02/23/17	UH College of Liberal Arts and Social Sciences, Endowments	**AR2018-01**	
AR2017-19	02/23/17	UHD Academic and Student Affairs, Departmental Reviews	**AR2018-09**	
AR2017-21	02/23/17	UH Center for Adv. Computing and Data Systems, Follow-up		**X**
AR2017-22	02/23/17	UH College of the Arts, Endowments	**AR2018-01**	
AR2017-26	05/18/17	UHD Office of the President and Univ. Adv., Dept Review	**AR2018-09**	
AR2017-28	05/18/17	UHCL Office of the President, Departmental Review	**AR2018-15**	
AR2017-29	05/18/17	UHV School of Business Administration, Dept. Reviews	**AR2018-09**	
AR2017-31	08/24/17	Construction and Other Contracts Requiring BOR Approval		
AR2017-32	08/24/17	UHV School of Arts and Sciences, Departmental Review	**AR2018-01**	
AR2017-33	08/24/17	UHV School of Education, Health Professions, and Human Development, Departmental Review		**X**
AR2017-34	08/24/17	UHCL College of Education, Departmental Review	**AR2018-01**	
AR2018-03	11/16/17	UHV Student Housing		**X**
AR2018-07	11/16/17	UHS General Accounting		**X**
AR2018-08	11/16/17	UH Student Housing		
AR2018-12	03/08/18	UHS Financial Aid, Non-Title IV	**AR2018-20**	**X**
AR2018-14	03/08/18	UHS Internal Assessment of Internal Auditing		
AR2018-18	05/24/18	UH College of Technology, Departmental Reviews		
AR2018-19	05/24/18	UHD College of Public Service, Departmental Review		
IT 2017-01	05/18/17	Review of the Electronic Access System		**X**
IT 2018-01	03/08/18	Review of the Advancement Donor Management System		**X**
IT 2018-02	03/08/18	UHS Cybersecurity Review		**X**
SP2017-06	8/24/2017	UH Katy Real Estate Purchase Negotiations	**AR2018-15**	
SP2017-07	8/24/2017	University Advancement / Real Estate Services, Pol. & Proc.		
EXTERNAL AUDIT REPORTS WITH OPEN RECOMMENDATIONS:				
EM 2016	02/18/16	Emergency Management/Safety and Security Audit		**X**

University of Houston System
Internal Auditing Department

Follow-up Status Report
as of June 30, 2018

Internal Audit Report Number	Report Title	Action No.	Total Actions	Est. Compl. Date	Responsibility For Action: Name / Title	Responsibility For Action: Entity	Action To Be Taken	Status
					Risk Level: High Medium Low			
AR2014-25	Endowments	3d	3	6/30/2018	Johanna Wolfe Vice President Advancement and University Relations	UHD	Work with UHS University Advancement to update the terms of endowment agreements or prepare memorandums of understanding.	***Partially Implemented*** **– Updated Management's Response:** We have one endowment remaining that requires an MOU and we are working with the Office of General Counsel. Estimated Completion date: January 31, 2019.
AR2014-28	Information Security Standards	3g	3	5/31/2018	Kirstin Rochford, Director Research Policies, Compliance and Committees	UH	Implement guidelines associated with management of data generated during a research project and develop a university-wide policy.	***Partially Implemented*** **– Updated Management's Response**: The draft of this MAPP is complete; final meetings with DOR and IT security were held April 27, 2018 to solidify research data classifications across parties involved. The draft of the MAPP will go back to the Research and Scholarship Committee in September (they do not meet during the summer), and once they have provided final input, will be routed for MAPP review. Estimated completion date: December 31, 2018.
AR2016-25	Information Security Standards	3g	4	6/29/2018	Eric Mims Manager of Information Technology IT Security Administrative Technology Services	UHV	Develop an Information Technology Disaster Recovery Plan.	***Partially Implemented*** **– Updated Management's Response**: UHV's IT Disaster Recovery Plan has been drafted. UHV is working with UHS as part of a collaborative effort to ensure a consistent framework and processes are established across all campuses. UHV will be participating with other UHS campuses in a Houston regional exercise in July to test plan elements prior to finalizing the plan. Estimated Completion Date: September 2, 2018.
AR2016-25	Information Security Standards	4e	4	6/29/2018	Eric Mims Manager of Information Technology IT Security Administrative Technology Services	UHV	Update information technology security policies and procedures.	***Partially Implemented*** **– Updated Management's Response**: Updates are in progress to IT security policies and procedures and are reflective of the new information security program structure. UHV is working with UHS to ensure consistent framework and processes are established across all campuses. Estimated completion date: December 31, 2018.
AR2017-21	Center for Advanced Computing and Data Systems	1	3	5/31/2018	Dr. Amr Elnashai VC/VP for Research and Technology Transfer	UH	Perform a review of CACDS activities to determine whether it is functioning as a multidisciplinary research organization or a core facility, and make organizational changes, as appropriate.	***Partially Implemented*** **– Updated Management's Response:** The Data Science Institute (DSI) was launched in 2018. When the DSI is staffed and operational, the CACDS and its services will be moved under the DSI umbrella. Estimated Completion Date: January 31, 2019.

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					Risk Level: High Medium Low			
AR2017-33	School of Education, Health Professions, and Human Development Departmental Review	5a	7	4/15/2018	Dyana Cochrum Administrative Assistant School of Education, Health Professions, and Human Development	UHV	Determine how the available funds can be used and/or deactivate the inactive cost centers.	***Partially Implemented*** **- Updated Management's Response:** The department has begun using funds from one of the two inactive cost centers. For the remaining cost center, UHV's VP for Advancement and External Relations has submitted UHV's proposal for use of funds to UHS Advancement. UHS Advancement is revising the gift agreement. Estimated Completion Date: August 31, 2018.
AR2018-03	UHV Student Housing	1	3	5/31/2018	Brandon Lee Director for Residence Life and University Commons	UHV	Work with UH Student Housing to update and/or develop policies and procedures for residence halls.	***Action Complete***
AR2018-03	UHV Student Housing	2	3	5/31/2018	Brandon Lee Director for Residence Life and University Commons	UHV	Work with Facilities Services to determine deferred maintenance requirements for residence halls and develop a plan to fund these requirements.	***Action Complete***
AR2018-07	UHS General Accounting	2	7	4/1/2018	Karin Livingston Controller Finance	UH	Prepare and review bank reconciliations and clear reconciling items in a timely manner.	***Partially Implemented*** **- Updated Management's Response:** We are in the process of reviewing old reconciling items and preparing clearing entries. Estimated completion date: August 31, 2018.
AR2018-07	UHS General Accounting	4	7	5/31/2018	Lila Murray Director Financial Reporting	UHD	Require the preparer and reviewer to date reconciliations and clear reconciling items in a timely manner.	***Action Complete***
AR2018-12	UHS Financial Aid, Non-Title IV	1	4	6/1/2018	Holly Nolan Executive Director Financial Aid/Registrar	UHCL	Develop procedures to help ensure student's employment and eligibility in accordance with the TA/RA waiver requirements.	***Action Complete***
AR2018-12	UHS Financial Aid, Non-Title IV	2	4	4/1/2018	David Cockrum Interim Provost	UHV	Develop procedures to help ensure student's employment in accordance with the TA/RA waiver requirements.	***Action Complete***
AR2018-12	UHS Financial Aid, Non-Title IV	3	4	4/1/2018	LaTasha Goudeau Director Financial Aid	UHD	Expand the charge of the General Scholarship committee and maintain a listing of competitive scholarships.	***Action Complete***

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Risk Level: High Medium Low								
AR2018-12	UHS Financial Aid, Non-Title IV	4	4	5/1/2018	LaTasha Goudeau Director Financial Aid	UHD	Implement a process to help ensure the priority model is utilized in accordance with state regulations and internal policies for initial year TEXAS Grant Program recipients.	***Action Complete***
EM 2016	Emergency Management/Safety and Security Audit	10b	35	6/1/2018	Al Black Emergency Management and Fire Safety Director	UHCL	Develop an agency level training program to include business continuity, Emergency Operations Center (EOC) training and NIMS/ICS.	***Action Complete***
IT 2017-01	Review of the Electronic Access System	2	18	5/31/18	Ron Harris Manager of Electronic Access Control Public Safety and Security	UH	Develop a University policy for Security Technology Systems that includes procedures for electronic access.	***Action Complete***
IT 2017-01	Review of the Electronic Access System	5	18	5/31/18	Ron Harris Manager of Electronic Access Control Public Safety and Security	UH	Implement the plan for public access hours.	***Partially Implemented*** **- Updated Management's Response:** We are in the process of implementing a plan for public access hours. Estimated Completion Date: December 31, 2018.
IT 2017-01	Review of the Electronic Access System	6	18	5/31/18	Ron Harris Manager of Electronic Access Control Public Safety and Security	UH	Develop a user access request form that includes buildings and/or zones and approvals.	***Partially Implemented*** **– Updated Management's Response**: We are in the process of developing a user access request form that includes buildings and/or zones and approvals. Estimated Completion Date: December 31, 2018.
IT 2017-01	Review of the Electronic Access System	7	18	5/31/18	Ron Harris Manager of Electronic Access Control Public Safety and Security	UH	Implement an annual review of administrator and user access.	***Partially Implemented*** **– Updated Management's Response**: We are in the process of implementing an annual review of administrator and user access. Estimated Completion Date: December 31, 2018.
IT 2017-01	Review of the Electronic Access System	11	18	5/31/18	Ron Harris Manager of Electronic Access Control Public Safety and Security	UH	Require departments to develop written procedures for granting, approving, removing, periodically reviewing user access, reviewing public hours, and providing user awareness training.	***Action Complete***

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Risk Level: High Medium Low								
IT 2018-01	Review of the Advance Donor Management System	12	12	5/31/18	Steve Mueller Executive Director of Advancement Business Operations University Advancement	UH	Develop a disaster recovery plan to restore the operation of Advance, including testing the plan, to help ensure employees understand their responsibilities and the plan works as intended.	***Partially Implemented*** **– Updated Management's Response**: We are in the process of developing a disaster recovery plan to restore the operation of Advance, including testing the plan, to help ensure employees understand their responsibilities and the plan works as intended. Estimated Completion Date: November 30, 2018.
IT 2018-01	Review of the Advance Donor Management System	2a	12	5/31/18	Stephen Evans Interim Director of Information Technology University Advancement	UH	Work with UIT to develop procedures to complete annual reviews of both Advance and the Oracle database, including documentation standards.	***Partially Implemented*** **– Updated Management's Response**: We are in the process of working with UIT to develop procedures to complete annual reviews of both Advance and the Oracle database, including documentation standards. Estimated Completion Date: August 31, 2018.
IT 2018-01	Review of the Advance Donor Management System	4a	12	5/31/18	Stephen Evans Interim Director of Information Technology University Advancement	UH	Implement procedures to help ensure UIT changes passwords to privileged Oracle database accounts every 180 days.	***Action Complete***
IT 2018-01	Review of the Advance Donor Management System	7a	12	5/31/18	Stephen Evans Interim Director of Information Technology University Advancement	UH	Implement procedures to help ensue that UIT install patches to the Oracle database, as appropriate.	***Action Complete***
IT 2018-01	Review of the Advance Donor Management System	8a	12	5/31/18	Stephen Evans Interim Director of Information Technology University Advancement	UH	Work with UHS Information Security to implement encryption on laptops and removable media devices.	***Action Complete***

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Risk Level: High Medium Low								
IT 2018-02	UHS Cybersecurity Audit	1	29	6/1/18	Dennis Fouty Associate VP/VC, Information Technology and Chief Information Officer Mary Dickerson Assistant VP/VC, IT Security and Chief Information Security Officer	UHS	Perform an analysis of the UHS cybersecurity programs and prepare an action plan that leverages the expertise and resources allocated to the consolidated program.	***Partially Implemented*** **– Updated Management's Response**: The UHS Information Security Program centralization is in progress and substantial progress has been made with Human Resource items and program funding. We have developed an action plan and are in the process of implementing the actions. Estimated Completion Date: December 31, 2018.
IT 2018-02	UHS Cybersecurity Audit	9	29	6/1/18	Debbie Samuels Manager, Enterprise Application Security & Investigations	UH	Develop a process to ensure that departments take appropriate action on workstations that are noncompliant with university anti-virus policies.	***Partially Implemented*** **– Updated Management's Response**: We are in the process of working with campus support staff to address workstations that are noncompliant with the university's anti-virus policies. Estimated Completion Date: December 31, 2018.
IT 2018-02	UHS Cybersecurity Audit	10	29	6/1/18	Mary Dickerson Assistant VP/VC, IT Security and Chief Information Security Officer	UH	Work with Enterprise Systems and UH business owners to develop procedures for constructing and maintaining inventories of sensitive data.	***Partially Implemented*** **– Updated Management's Response**: We are in the process of working with Enterprise Systems and UH business owners to develop procedures for constructing and maintaining inventories of sensitive data. Estimated Completion Date: December 31, 2018.
IT 2018-02	UHS Cybersecurity Audit	15	29	6/1/18	Jennifer Huenemeier Director, Enterprise IT Security and Information Security Officer	UHD	Work with the User Support Services to ensure all desktop computers are updated with the latest version of antivirus software, including up-to-date DAT files.	***Partially Implemented*** **– Updated Management's Response**: We are in the process of working with User Support Services to ensure all desktop computers are updated with the latest version of antivirus software, including up-to-date DAT files. Estimated Completion Date: December 31, 2018.

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Risk Level: High Medium Low								
IT 2018-02	UHS Cybersecurity Audit	24	29	6/1/18	Eric Mims Director, Enterprise IT Security and Information Security Officer	UHV	Strengthen password controls for privileged accounts, including changing the password expiration period to 180 days and requiring additional controls such as multi-factor authentication, as appropriate.	***Partially Implemented*** **– Updated Management's Response**: We are in the process of determining how to strengthen password controls for privileged accounts, including changing the password expiration period to 180 days and options for the implementation of multi-factor authentication as part of a standardized system-wide password initiative. Estimated Completion Date: December 31, 2018.