# UNIVERSITY OF HOUSTON SYSTEM

# INTERNAL AUDIT REPORT

# UNIVERSITY OF HOUSTON SYSTEM

# FOLLOW-UP STATUS REPORT

## Actions Scheduled from July 1, 2018 to September 30, 2018

REPORT NO. AR2019-01

UNIVERSITY OF HOUSTON SYSTEM
Internal Auditing Department
Houston, Texas 77204-0930
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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 29, 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 July 1, 2018, to September 30, 2018, in all audit reports with open recommendations. This status report addresses 68 management actions in 17 individual reports. In ascertaining whether appropriate action was taken, we interviewed personnel, reviewed documentation and performed other audit procedures as necessary. We determined that 37 of these management actions have been completed, 30 partially implemented and 1 not implemented.

This audit report is scheduled to be included in the agenda materials for the November 15, 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 July 1, 2018, to September 30, 2018)**

**Board of Regents Audit and Compliance Committee Meeting**
**November 15, 2018**

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**University of Houston System**
**Internal Auditing Department**

**Follow-up Status Report**
**(Actions scheduled from July 1, 2018, to September 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 July 1, 2018, to September 30, 2018, in all audit reports with open recommendations. This status report addresses 68 management actions in 17 individual reports. In ascertaining whether appropriate action was taken, we interviewed personnel, reviewed documentation and performed other audit procedures as necessary. We determined that 37 of these management actions have been completed, 30 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 29, 2018

Attachment

**UNIVERSITY OF HOUSTON SYSTEM**
**AUDIT REPORTS CONTAINING MANAGEMENT ACTION PLANS**
**FOLLOW-UP STATUS**
**FY 2019**

| 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:** | | | | |
| AR2014-25 | 08/19/14 | UHD Endowments | | |
| AR2014-28 | 08/19/14 | UH Information Security Standards | | |
| AR2015-11 | 02/19/15 | UHCL Student Accounting and Receivables | **AR 2019-01** | **X** |
| AR2015-20 | 05/21/15 | UHD Student Accounting and Receivables | | |
| AR2015-28 | 08/20/15 | UH Facilities Planning and Construction | | **X** |
| 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 | **AR 2019-01** | **X** |
| AR2017-21 | 02/23/17 | UH Center for Adv. Computing and Data Systems, Follow-up | | |
| AR2017-31 | 08/24/17 | Construction and Other Contracts Requiring BOR Approval | | |
| AR2017-33 | 08/24/17 | UHV School of Education, Health Professions, and Human Development, Departmental Review | **AR 2019-01** | **X** |
| AR2018-03 | 11/16/17 | UHV Student Housing | **AR 2019-01** | **X** |
| AR2018-07 | 11/16/17 | UHS General Accounting | | **X** |
| AR2018-08 | 11/16/17 | UH Student Housing | **AR 2019-01** | **X** |
| AR2018-14 | 03/08/18 | UHS Internal Assessment of Internal Auditing | | **X** |
| AR2018-18 | 05/24/18 | UH College of Technology, Departmental Reviews | **AR 2019-01** | **X** |
| AR2018-19 | 05/24/18 | UHD College of Public Service, Departmental Review | | **X** |
| AR2018-22 | 08/23/18 | UH Athletics, NCAA Rules-Compliance | | **X** |
| AR2018-23 | 08/23/18 | UHD College of Humanities and Social Sciences, Departmental Reviews | | |
| AR2018-24 | 08/23/18 | UH Cullen College of Engineering, Departmental Reviews | | **X** |
| AR2018-25 | 08/23/18 | UHS Contract Administration - Food Services | | |
| AR2018-26 | 08/23/18 | UHS Contract Administration - Bookstore Services | | |
| AR2018-27 | 08/23/18 | UHS State Benefits Proportionality, FY 2015-2017 | | |
| AR2018-28 | 08/23/18 | UHS Payroll | | |
| 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** |
| SP2017-07 | 8/24/2017 | University Advancement / Real Estate Services, Pol. & Proc. | | **X** |
| **EXTERNAL AUDIT REPORTS WITH OPEN RECOMMENDATIONS:** | | | | |
| EM 2016 | 02/18/16 | Emergency Management/Safety and Security Audit | | **X** |
| Int. Audit Peer Review | 06/01/18 | Internal Audit Dept. Peer Review | | |

**University of Houston System**
**Internal Auditing Department**

**Follow-up Status Report**
**as of September 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** | | | |
| AR2015-11 | Student Accounting and Receivables | 1e | 4 | 8/31/2018 | Bobby Kegresse<br>Director of General Accounting | UHCL | Modify accounts receivable reconciliation procedures to require a comparison of individual student account balances in the Student Finance System to the amount in the Financial System and produce a system-generated accounts receivable report in the Student Finance System. | ***Action Complete*** |
| AR2015-28 | Facilities Planning and Construction | 2c | 3 | 9/30/2018 | David Oliver<br>Associate VC/VP Administration | UH | Develop and implement a survey instrument to assess project owners' feedback about FP&C services and to implement recommendations. | ***Action Complete*** |
| AR2016-25 | Information Security Standards | 3h | 4 | 9/2/2018 | Eric Mims<br>Manager of Information Technology IT Security Administrative Technology Services | UHV | Develop an Information Technology Disaster Recovery Plan. | ***Action Complete*** |
| AR2017-33 | School of Education, Health Professions, and Human Development Departmental Review | 5b | 7 | 8/31/2018 | Dyana Cochrum<br>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. | ***Action Complete*** |
| AR2018-03 | UHV Student Housing | 3 | 3 | 8/31/2018 | Brandon Lee<br>Director for Residence Life and University Commons | UHV | Transition to a new student housing system fully utilizing its functionality. | ***Action Complete*** |
| AR2018-07 | UHS General Accounting | 6 | 7 | 7/1/2018 | Karin Livingston<br>Controller<br>Finance | UH | Perform a review of access to the Financial System to help ensure current access is properly authorized and obtain additional supporting documentation. | ***Partially Implemented*** **- Updated Management's Response:** A review of the Financial System access process has been performed and currently working on addressing actions identified. Estimated Completion Date: April 1, 2019. |
| AR2018-07 | UHS General Accounting | 7 | 7 | 7/1/2018 | Bobby Kegresse<br>Director<br>General Accounting | UHCL | Perform a review of access to the Financial System to help ensure current access is properly authorized and obtain additional supporting documentation. | ***Partially Implemented*** **- Updated Management's Response:** A review of the Financial System access process has been performed, but a review of the access forms has not been completed. Estimated Completion Date: February 28, 2019. |

**University of Houston System**
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|---|---|---|---|---|---|---|---|---|
| | | | | | **Risk Level: High Medium Low** | | | |
| AR2018-07 | UHS General Accounting | 2a | 7 | 8/31/2018 | Karin Livingston<br>Controller<br>Finance | UH | Prepare and review bank reconciliations and clear reconciling items in a timely manner. | ***Action Complete*** |
| AR2018-07 | UHS General Accounting | 3a | 7 | 8/31/2018 | Bobby Kegresse<br>Director<br>General Accounting | UHCL | Review bank reconciliations in a timely manner. | ***Action Complete*** |
| AR2018-08 | UH Student Housing | 2 | 2 | 8/31/2018 | Don Yackley<br>Executive Director for Student Housing and Residential Life | UH | Determine deferred maintenance requirements for each of the residence halls and develop a plan to fund the reserve for deferred maintenance. | ***Action Complete*** |
| AR2018-14 | UHS Internal Auditing Department, Internal Quality Assurance Review | 1 | 2 | 8/31/2018 | Don Guyton<br>Chief Audit Executive | UHS | Formalize a method to implement COSO's Integrated Framework. | ***Action Complete*** |
| AR2018-18 | College of Technology Departmental Reviews | 1 | 4 | 7/1/2018 | David McMullen<br>Director of Business Operations<br>Dean's Office | UH | Prepare and approve cost center verifications in a timely manner and maintain adequate documentation. | ***Action Complete*** |
| AR2018-18 | College of Technology Departmental Reviews | 2 | 4 | 7/1/2018 | Kirby Alexander<br>Department Business Administrator<br>Construction Management | UH | Prepare and approve cost center verifications in a timely manner and maintain adequate documentation. | ***Action Complete*** |
| AR2018-18 | College of Technology Departmental Reviews | 3 | 4 | 7/1/2018 | Eduardo Cortes<br>Department Business Administrator<br>Engineering Technology | UH | Approve cost center verifications in a timely manner. | ***Action Complete*** |
| AR2018-18 | College of Technology Departmental Reviews | 4 | 4 | 7/1/2018 | Suleyka Cruzalta<br>Assistant Business Administrator<br>Information and Logistics Technology | UH | Prepare and approve cost center verifications in a timely manner. | ***Action Complete*** |

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| | | | | | **Risk Level: High Medium Low** | | | |
| AR2018-19 | College of Public Service Departmental Review | 1 | 2 | 7/31/2018 | Stephen Quander<br>College Business Administrator<br>College of Public Service | UHD | Prepare and approve cost center verifications in a timely manner and maintain adequate documentation. | ***Not Implemented*** **– Updated Management's Response**: Management is still in the process of implementing procedures to prepare and approve cost center verifications in a timely manner. Estimated Completion Date: January 31, 2019. |
| AR2018-19 | College of Public Service Departmental Review | 2 | 2 | 7/31/2018 | Stephen Quander<br>College Business Administrator<br>College of Public Service | UHD | Determine how the available funds can be used and/or deactivate the inactive cost centers. | ***Action Complete*** |
| AR2018-22 | UH Athletics, NCAA Rules-Compliance | 1 | 3 | 9/28/2018 | Lauren DuBois<br>Senior Associate Athletics Director for Academics, Compliance, and Financial Aid<br>Athletics Department | UH | Update the policies and procedures for student-athlete vehicles to include a process of comparing information submitted to the Athletics Compliance Office to information maintained by the Parking and Transportation Services Department. | ***Action Complete*** |
| AR2018-22 | UH Athletics, NCAA Rules-Compliance | 2 | 3 | 9/28/2018 | Lauren DuBois<br>Senior Associate Athletics Director for Academics, Compliance, and Financial Aid<br>Athletics Department | UH | Update the rules education policies and procedures to include more detailed information about the process by which the Athletics Development Office will be required to send out rules education to boosters. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 1 | 19 | 9/30/2018 | Steve Bangerter<br>Executive Director for College Business Operations<br>Dean's Office | UH | Implement oversight and monitoring procedures to help ensure that all business functions are adequately performed, in accordance with university procedures. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 2 | 19 | 9/30/2018 | Steve Bangerter<br>Executive Director for College Business Operations<br>Dean's Office | UH | Adequately document cost center verification approval. | ***Action Complete*** |

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|---|---|---|---|---|---|---|---|---|
| | | | | | **Risk Level: High Medium Low** | | | |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 3 | 19 | 9/30/2018 | Steve Bangerter Executive Director for College Business Operations Dean's Office | UH | Submit requests to the appropriate office to deactivate inactive cost centers. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 4 | 19 | 8/31/2018 | Steve Bangerter Executive Director for College Business Operations Dean's Office | UH | Recover funds from overpaid former employee. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 5 | 19 | 8/31/2018 | My Lieu Department Business Administrator Biomedical Engineering | UH | Work with the appropriate office to deactivate expired grant cost centers. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 6 | 19 | 8/31/2018 | Thang Phan Department Business Administrator Chemical Engineering | UH | Prepare and approve cost center verifications in a timely manner. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 7 | 19 | 12/31/2018 | Thang Phan Department Business Administrator Chemical Engineering | UH | Recover funds from overpaid former employee. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 8 | 19 | 8/31/2018 | Thang Phan Department Business Administrator Chemical Engineering | UH | Restore deficit budgetary balances to a zero or a positive amount. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 9 | 19 | 9/30/2018 | Thang Phan Department Business Administrator Chemical Engineering | UH | Work with the appropriate office to resolve the outstanding items and deactivate expired grant cost centers. | ***Action Complete*** |

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|---|---|---|---|---|---|---|---|---|
| | | | | | **Risk Level: High Medium Low** | | | |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 10 | 19 | 8/31/2018 | Betsy Roguer Department Business Administrator Civil Engineering | UH | Restore deficit budgetary balances to a zero or a positive amount. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 11 | 19 | 8/31/2018 | Stacie Spikes Department Business Administrator Electrical Engineering | UH | Prepare, approve, and adequately document cost center verifications in a timely manner. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 12 | 19 | 8/31/2018 | Stacie Spikes Department Business Administrator Electrical Engineering | UH | Use the University approved verification worksheet when completing the monthly cost center verifications. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 13 | 19 | 8/31/2018 | Stacie Spikes Department Business Administrator Electrical Engineering | UH | Submit requests to the appropriate office to deactivate inactive cost centers. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 14 | 19 | 8/31/2018 | Stacie Spikes Department Business Administrator Electrical Engineering | UH | Clear all payroll suspense balances in a timely manner. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 15 | 19 | 8/31/2018 | Stacie Spikes Department Business Administrator Electrical Engineering | UH | Restore deficit budgetary balances to a zero or a positive amount. | ***Partially Implemented*** – **Updated Management's Response:** The Electrical Engineering Department has restored 13 of the 15 deficit budgetary balances to zero or a positive amount. The Department will continue efforts to resolve the remaining two the deficit budgetary balances. Estimated Completion Date: December 31, 2018. |

**University of Houston System**
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|---|---|---|---|---|---|---|---|---|
| | | | | | **Risk Level: High Medium Low** | | | |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 16 | 19 | 9/30/2018 | Stacie Spikes Department Business Administrator Electrical Engineering | UH | Submit requests to the appropriate office to deactivate expired grant cost centers. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 17 | 19 | 8/31/2018 | Philip Abraham Department Business Administrator Industrial Engineering | UH | Prepare and approve cost center verifications in a timely manner and maintain adequate documentation. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 18 | 19 | 8/31/2018 | April Blount Department Business Administrator Mechanical Engineering | UH | Restore deficit budgetary balances to a zero or a positive amount. | ***Action Complete*** |
| AR2018-24 | Cullen College of Engineering Departmental Reviews | 19 | 19 | 8/31/2018 | Charkethia Mimms Department Business Administrator Petroleum Engineering | UH | Prepare and approve cost center verifications in a timely manner. | ***Action Complete*** |
| EM 2016 | Emergency Management/Safety and Security Audit | 15c | 35 | 8/31/2018 | Carol Manousos Director of Emergency Management | UHD | Develop an agency-level continuity training program. | ***Partially Implemented*** - **Updated Management's Response:** The training program has been developed, the identification of persons responsible for attending the training is in process and the training will commence in January 2019. Estimated Completion Date: March 31, 2019. |
| IT 2017-01 | Review of the Electronic Access System | 12a | 18 | 8/31/18 | Ron Harris Manager of Electronic Access Control Public Safety and Security | UH | Work with UHPD to develop a formal process to help ensure that recommendations from facility risk assessments are formally addressed by management and implemented, as appropriate. | ***Partially Implemented*** - **Updated Management's Response:** We are working with UHPD to develop formal procedures to help ensure recommendations included in facility risk assessments are adequately addressed. Estimated Completion Date: March 31, 2019. |
| IT 2017-01 | Review of the Electronic Access System | 14a | 18 | 8/31/18 | Ron Harris Manager of Electronic Access Control Public Safety and Security | UH | Perform an assessment of the current alerts to identify and eliminate false positives to more easily identify high risk alerts. | ***Partially Implemented*** - **Updated Management's Response:** We are currently resolving database issues causing problems with managing alerts. Once the databases issues are addressed, we will finalize our assessment of the current alerts to identify and eliminate false positives to more easily identify high risk alerts. Estimated Completion Date: May 31, 2019. |

**University of Houston System**
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| | | | | | **Risk Level: High Medium Low** | | | |
| IT 2017-01 | Review of the Electronic Access System | 16a | 18 | 8/31/18 | Ron Harris<br>Manager of Electronic Access Control<br>Public Safety and Security | UH | Work with UHPD to create an effective monitoring solution to proactively respond to alarms, create efficient and effective maintenance schedules, provide efficient customer service, and create dual verification of all alarms on campus. | ***Partially Implemented*** **- Updated Management's Response:** We are working with UHPD to create an effective monitoring solution to proactively respond to alarms, create efficient and effective maintenance schedules, provide efficient customer service, and create dual verification of all alarms on campus. Estimated Completion Date: May 31, 2019. |
| IT 2017-01 | Review of the Electronic Access System | 18a | 18 | 8/31/18 | Ron Harris<br>Manager of Electronic Access Control<br>Public Safety and Security | UH | Work with University Information Technology to develop a report containing the status of failed interface transaction errors as they occur and to email alerts to the appropriate personnel. | ***Partially Implemented*** **- Updated Management's Response:** We are working with University Information Technology to develop a report containing the status of failed interface transaction errors as they occur and to email alerts to the appropriate personnel. Estimated Completion Date: May 31, 2019. |
| IT 2017-01 | Review of the Electronic Access System | 9b | 18 | 8/31/18 | Ron Harris<br>Manager of Electronic Access Control<br>Public Safety and Security | UH | Work with University Information Technology to create a formal change management process for software and hardware upgrades, including creating a test environment. | ***Partially Implemented*** **- Updated Management's Response:** We are working with University Information Technology to develop a formal change management process specific to the Access Control software. Estimated Completion Date: May 31, 2019. |
| IT 2018-01 | Review of the Advance Donor Management System | 9 | 12 | 8/31/18 | Stephen Evans<br>Interim Director of Information Technology<br>University Advancement | UH | Review and update departmental IT system, data protection and confidentiality/privacy policies and develop additional policies, as appropriate. | ***Partially Implemented*** **- Updated Management's Response:** We are in the process of reviewing, updating, and developing departmental IT system policies. Estimated Completion Date: December 31, 2018. |
| IT 2018-01 | Review of the Advance Donor Management System | 2b | 12 | 8/31/18 | Stephen Evans<br>Interim Director of Information Technology<br>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 working with UIT to develop procedures to complete annual reviews of both Advance and the Oracle database, including documentation standards. Estimated Completion Date: December 31, 2018. |
| IT 2018-01 | Review of the Advance Donor Management System | 5a | 12 | 7/1/18 | Stephen Evans<br>Interim Director of Information Technology<br>University Advancement | UH | Implement a process to monitor and review all developer changes to the production environment to help ensure there are no unauthorized changes being made. | ***Partially Implemented*** **- Updated Management's Response:** We are in the process of working with UIT to develop a process to monitor and review developer changes to the production environment. Estimated Completion Date: December 31, 2018. |

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|---|---|---|---|---|---|---|---|---|
| **Risk Level: High Medium Low** | | | | | | | | |
| IT 2018-02 | UHS Cybersecurity Audit | 2 | 29 | 7/1/18 | Mary Dickerson Assistant VP/VC, IT Security and Chief Information Security Officer | UHS | Work with the System universities to develop processes for data owners to map and inventory data and implement appropriate controls, as specified in SAM 07.A.08 Data Classification and Protection. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are working with the System universities to develop processes for data owners to map and inventory data and implement appropriate controls. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 3 | 29 | 7/1/18 | Jana Chvatal Manager, IT Security Risk Management & Compliance | UHS | Work with the UH Human Resources department to determine if there are modifications that should be made to the mandatory training procedures, including stricter consequences for failure to comply with the training requirements related to Security Awareness Training. | ***Partially Implemented*** **- Updated Management's Response:** An analysis was conducted to determine a commonality among the people who did not complete the training. The analysis revealed issues with student workers who may not have understood the requirement to complete the training and employees who separated from UH prior to completion of their training. Efforts are now in progress to work with Human Resources to tailor procedure modifications towards these groups. Estimated Completion Date: November 30, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 4 | 29 | 7/1/18 | Jana Chvatal Manager, IT Security Risk Management & Compliance | UHS | Work with System university Human Resources departments to communicate to business administrators the requirement for timely processing of ePARs for terminating employees. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are working with System university Human Resources departments to communicate to business administrators the requirement for timely processing of ePARs for terminating employees. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 6 | 29 | 7/1/18 | Mary Dickerson Assistant VP/VC, IT Security and Chief Information Security Officer | UHS | Develop UHS incident response plans that include a variety of IT related scenarios and periodic testing by all UHS universities. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are developing UHS incident response plans that include a variety of IT related scenarios and periodic testing by all UHS universities. Estimated Completion Date: December 31, 2018. |

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| | | | | | **Risk Level: High Medium Low** | | | |
| IT 2018-02 | UHS Cybersecurity Audit | 11 | 29 | 7/1/18 | Mary Dickerson<br>Assistant VP/VC, IT Security and Chief Information Security Officer | UH | Enhance the reporting process for inventories of sensitive data maintained by data owners to ensure data is being properly identified and protected according to SAM 07.A.08 Data Classification and Protection. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are enhancing the reporting process for inventories of sensitive data maintained by data owners to ensure data is being properly identified and protected. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 12 | 29 | 7/1/18 | Jana Chvatal<br>Manager, IT Security Risk Management & Compliance | UH | Update the UHS Continuity of Operations Plan to include procedures specific for responding to information security related threats, including the appropriate team members. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are updating the UHS Continuity of Operations Plan to include procedures specific for responding to information security related threats, including the appropriate team members. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 13 | 29 | 8/31/18 | Jennifer Huenemeier<br>Director, Enterprise IT Security and Information Security Officer | UHD | Review the process for the review of the privileged accounts to help ensure that comprehensive documentation is maintained. | ***Action Complete*** |
| IT 2018-02 | UHS Cybersecurity Audit | 14 | 29 | 7/1/18 | Jennifer Huenemeier<br>Director, Enterprise IT Security and Information Security Officer | UHD | Work with the UHD Employment Services and Operations department to integrate information security training into new employee orientation. | ***Action Complete*** |
| IT 2018-02 | UHS Cybersecurity Audit | 16 | 29 | 9/1/18 | Jennifer Huenemeier<br>Director, Enterprise IT Security and Information Security Officer | UHD | Update the UHD Incident Response Plan to include communication protocols for incidents that are consistent with the framework and processes established across all universities. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are updating the UHD Incident Response Plan to include communication protocols for incidents that are consistent with the framework and processes established across all universities. Estimated Completion Date: December 31, 2018. |

**University of Houston System**
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**Follow-up Status Report**
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| 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** | | | |
| IT 2018-02 | UHS Cybersecurity Audit | 17 | 29 | 9/1/18 | Jennifer Huenemeier<br>Director, Enterprise IT Security and Information Security Officer | UHD | Update the UHD Incident Response Plan to include incident response team members and roles that are consistent with the framework and processes established across all universities. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are updating the UHD Incident Response Plan to include incident response team members and roles that are consistent with the framework and processes established across all universities. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 18 | 29 | 9/1/18 | Jennifer Huenemeier<br>Director, Enterprise IT Security and Information Security Officer | UHD | Update the UHD Incident Response Plan to include incident impact assessments and work with UHS Information Security to define incident classification categories, escalation procedures, and timelines that are consistent with the framework and processes established across all universities. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are updating the UHD Incident Response Plan to include incident impact assessments and we will define incident classification categories, escalation procedures, and timelines that are consistent with the framework and processes established across all universities. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 19 | 29 | 9/1/18 | Jennifer Huenemeier<br>Director, Enterprise IT Security and Information Security Officer | UHD | Develop a comprehensive incident tracking system, including documentation standards, consistent with the overall UHS Incident Response Plan. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are developing a comprehensive incident tracking system, including documentation standards, consistent with the overall UHS Incident Response Plan. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 21 | 29 | 7/1/18 | Anthony Scaturro<br>Director, Enterprise IT Security and Information Security Officer | UHCL | Develop formal procedures to annually review privileged, non-domain, application level accounts. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are developing formal procedures to annually review privileged, non-domain, application level accounts. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 22 | 29 | 7/1/18 | Anthony Scaturro<br>Director, Enterprise IT Security and Information Security Officer | UHCL | Develop procedures to identify, classify, and inventory sensitive and confidential information and implement the appropriate controls over the data. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are developing procedures to identify, classify, and inventory sensitive and confidential information and implement the appropriate controls over the data. Estimated Completion Date: December 31, 2018. |

**University of Houston System**
**Internal Auditing Department**

**Follow-up Status Report**
**as of September 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** | | | |
| IT 2018-02 | UHS Cybersecurity Audit | 23 | 29 | 9/1/18 | Anthony Scaturro<br>Director, Enterprise IT Security and Information Security Officer | UHCL | Update the Incident Response Plan to include annual testing that covers a variety of IT scenarios that are consistent with the framework and processes established across all universities. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are updating the Incident Response Plan to include annual testing that covers a variety of IT scenarios that are consistent with the framework and processes established across all universities. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 25 | 29 | 8/31/18 | Sherrie Kroll<br>Senior Systems Administrator | UHV | Develop procedures to review privileged accounts annually, including comparing the user's access to their current job to determine whether the user still requires access and are currently employed. | ***Partially Implemented*** **- Updated Management's Response:** Two internal policies, IT-1 Domain Admin Account Lifecycle and IT-2 Domain Account Review were approved by the UHV CIO. These policies include a regular review and approval of all privileged and service accounts which is currently in progress. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 26 | 29 | 7/1/18 | Eric Mims<br>Director, Enterprise IT Security and Information Security Officer | UHV | Work with UHV Human Resources to require new hires to take information security training as part of new employee orientation before they are allowed access to UHV's information resources. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are working with UHV Human Resources to require new hires to take information security training as part of new employee orientation before they are allowed access to UHV's information resources. Estimated Completion Date: November 30, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 27 | 29 | 9/1/18 | Eric Mims<br>Director, Enterprise IT Security and Information Security Officer | UHV | Update the Draft Incident Response Plan to include annual testing of the response processes for a variety of IT scenarios that is consistent with the framework and processes established across all universities and obtain approval from senior management. | ***Partially Implemented*** **- Updated Management's Response:** As a component of the centralized Information Security Program, we are updating the Draft Incident Response Plan to include annual testing of the response processes for a variety of IT scenarios that is consistent with the framework and processes established across all universities and obtain approval from senior management. Estimated Completion Date: December 31, 2018. |

**University of Houston System**
**Internal Auditing Department**

**Follow-up Status Report**
**as of September 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** | | | |
| IT 2018-02 | UHS Cybersecurity Audit | 28 | 29 | 8/31/18 | Eric Mims<br>Director, Enterprise IT Security and Information Security Officer | UHV | Review Cerdant's SOC report to determine that Cerdant's information security and controls are operating effectively to help ensure their monitoring service is handled securely. | ***Partially Implemented*** **- Updated Management's Response:** Cerdant engaged an independent audit firm to perform a security assessment based on the NIST framework in lieu of a SOC report. UHS Information Security is working with Cerdant to understand the identified exceptions noted in the audit report to assess the potential impact and level of risk to the University. Estimated Completion Date: December 31, 2018. |
| IT 2018-02 | UHS Cybersecurity Audit | 29 | 29 | 8/31/18 | Eric Mims<br>Director, Enterprise IT Security and Information Security Officer | UHV | Implement additional changes in operational procedures, tools and processes related to the Nessus Log Collection Engine, including increased retention period and configuration of alerts for abnormal events | ***Action Complete*** |
| SP2017-07 | UH Katy Real Estate Purchase | 1a | 2 | 8/31/2018 | Jim McShan<br>Senior VC/VP Administration and Finance<br><br>Eloise Brice<br>VC/VP University Advancement | UH | Develop a reconciliation process between the University Advancement Information System and the Financial System and reconcile the two systems. | ***Partially Implemented*** **– Updated Management's Response:** The external CPA firm engaged to develop reconciliation procedures and perform previous years' reconciliations has completed 75% of the FY 2017 reconciliation and instructed University personnel on the reconciliation methodology developed. University personnel are substantially complete with the FY 2018 reconciliation. Estimated Completion Date: January 31, 2019. |