

UNIVERSITY OF HOUSTON SYSTEM

INTERNAL AUDIT REPORT

UNIVERSITY OF HOUSTON SYSTEM

FOLLOW-UP STATUS REPORT

Actions Scheduled from October 1, 2019 to
December 31, 2019

REPORT NO. AR2020-09




UNIVERSITY OF HOUSTON SYSTEM
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MEMORANDUM

TO: Mr. Jack B. Moore
Chair, Audit and Compliance Committee

Dr. Renu Khator
Chancellor/President, UHS/UH

FROM: Phillip W. Hurd 
Chief Audit and Compliance Executive

DATE: February 14, 2020

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 October 1, 2019, to December 31, 2019, in all audit reports with open recommendations. This status report addresses 17 management actions in 7 individual reports. In ascertaining whether appropriate action was taken, we interviewed personnel, reviewed documentation and performed other audit procedures as necessary. We determined that 15 of these management actions have been completed and 2 partially implemented.

This audit report is scheduled to be included in the agenda materials for the February 27, 2020, 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 October 1, 2019, to December 31, 2019)**

**Board of Regents Audit and Compliance Committee Meeting
February 27, 2020**

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**University of Houston System
Internal Auditing Department**

**Follow-up Status Report
(Actions scheduled from October 1, 2019, to December 31, 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 October 1, 2019, to December 31, 2019, in all audit reports with open recommendations. This status report addresses 17 management actions in 7 individual reports. In ascertaining whether appropriate action was taken, we interviewed personnel, reviewed documentation and performed other audit procedures as necessary. We determined that 15 of these management actions have been completed and 2 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 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.


Phillip W. Hurd

Chief Audit and Compliance Executive
February 14, 2020

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.		
AR2018-25	08/23/18	UHS Contract Administration - Food Services	AR2020-01	
AR2018-28	08/23/18	UHS Payroll		
AR2019-04	11/15/18	UH College of Natural Sciences & Mathematics, Dept. Rev.	AR2020-09	X
AR2019-05	11/15/18	UH Division of Research, Departmental Reviews	AR2020-09	X
AR2019-18	05/16/19	UH Athletics, NCAA Rules Compliance		X
AR2019-19	05/16/19	UHS Budgeting		
AR2019-23	08/22/19	UHS Human Resources		X
AR2019-24	08/22/19	UH Division of Administration and Finance, Dept. Reviews	AR2020-09	X
AR2020-06	11/14/19	UHD College of Sciences and Technology, Departmental Reviews		
AR2020-07	11/14/19	UHCL, UHD, and UHV Purchasing		
IT 2018-01	03/08/18	Review of the Advancement Donor Management System		
IT 2019-01	11/15/18	UHS Review of Oracle PeopleSoft		X
<u>EXTERNAL AUDIT REPORTS WITH OPEN RECOMMENDATIONS:</u>				
EM 2019	02/28/19	Emergency Management/Safety and Security Audit		X
Int. Audit			AR2020-01	
Peer Review	06/01/18	Internal Audit Dept. Peer Review		

**University of Houston System
Internal Auditing Department**

**Follow-up Status Report
as of December 31, 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								
AR2019-04	College of Natural Sciences and Mathematics, Departmental Reviews	1a	12	12/1/2019	Fred McGhee Executive Director of Business Operations Dean's Office	UH	Implement the recommendations as identified in the College Technology Review.	<i>Action Complete</i>
AR2019-05	Division of Research Departmental Reviews	6a	9	12/31/19	Elyse Davis Division Administrator Division of Research	UH	Prepare and approve cost center verifications in a timely manner. (TeSUH)	<i>Action Complete</i>
AR2019-18	UH Athletics, NCAA Rules-Compliance	2	3	12/31/19	Monty Porter Senior Associate Athletics Director for Finance and Administration Athletics Department	UH	Maintain a current and accurate inventory of all athletic apparel and equipment in SportSoft or other similar system, for each sport.	<i>Action Complete</i>
AR2019-18	UH Athletics, NCAA Rules-Compliance	3	3	12/31/19	Monty Porter Senior Associate Athletics Director for Finance and Administration Athletics Department	UH	Update the athletic apparel and equipment procedures to address procedures to control and monitor the receipt (whether purchased or donated), distribution, return and disposal of student-athletes' apparel and equipment.	<i>Action Complete</i>
AR2019-23	UHS Human Resources	4	11	11/1/2019	Invonne Montalbano Vice President Employment Services and Operations	UHD	Implement a customer satisfaction survey and provide additional Taleo training to help evaluate and enhance the efficiency and effectiveness of human resources processes.	<i>Action Complete</i>
AR2019-23	UHS Human Resources	5	11	10/31/2019	Laura Smith Director Human Resources	UHV	Provide additional Taleo training.	<i>Action Complete</i>
AR2019-23	UHS Human Resources	11	11	10/31/2019	Laura Smith Director Human Resources	UHV	Update written departmental procedures for the workers compensation and develop written departmental procedures for compensation.	<i>Action Complete</i>
AR2019-24	Division of Administration and Finance, Departmental Reviews	1	1	10/31/2019	Lisa Curran Assistant Director of Division Business Operations Facilities Planning and Construction	UH	Prepare, approve, and adequately document cost center verifications in a timely manner.	<i>Action Complete</i>

**University of Houston System
Internal Auditing Department**

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as of December 31, 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				
EM 2019	Emergency Management/Safety and Security Audit		12	10/31/2019	Bruce Levy HRIS Manager Human Resources	UHID	Break out a separate Emergency Notification System page in PeopleSoft for employees to update contact information or opt out of the emergency alert system, as well as in order to ensure confidentiality of their personal contact information	<i>Action Complete</i>	
EM 2019	Emergency Management/Safety and Security Audit	4a	12	10/31/2019	Cynthia Vargas Emergency Management and Fire Safety Specialist	UHID	Confirm that an annual confirmation/update of emergency alert contact information for students/employees exists for them to update/renew their emergency notification options at least annually.	<i>Action Complete</i>	
IT2019-01	UHS Review of Oracle PeopleSoft System	1	9	11/30/2019	Keith Martin AVP/AVC, UIT Enterprise Systems	UH	Update the Enterprises Systems Operations Guide to include guidelines that emphasize that access should not be granted unless the proper level of approvals are obtained prior to granting access and require campus security administrators to ensure proper approvals are obtained.	<i>Action Complete</i>	
IT2019-01	UHS Review of Oracle PeopleSoft System	2	9	12/31/2019	Mary Dickerson AVP/AVC, IT Security and CISO	UH	Develop an annual review process, as part the annual risk assessment for critical systems, that includes a review of access, database security profiles, database system account passwords, and privileged access to the database and operating system	Partially Implemented - Updated Management's Response: An annual review process has been developed to review access, database security profiles, database system account passwords, and privileged access to the database and operating system. We expect to implement the process by August 1, 2020	
IT2019-01	UHS Review of Oracle PeopleSoft System	4	9	12/31/2019	Mary Dickerson AVP/AVC, IT Security and CISO	UH	Review the TAC 202 Security Controls Catalog updates regarding password policy settings, when published, and modify UHS password policies, as appropriate	<i>Action Complete</i>	
IT2019-01	UHS Review of Oracle PeopleSoft System	6	9	10/31/2019	Eric Block Director, Enterprise Systems	UH	Evaluate database security profiles and modify password settings, as appropriate, to help ensure UHS complex password requirements are followed	<i>Action Complete</i>	

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Risk Level: High Medium Low								
IT2019-01	UHS Review of Oracle PeopleSoft System	7	9	10/31/2019	Eric Block Director, Enterprise Systems	UH	Review database system accounts to determine their purpose and lock accounts that are not required.	<i>Action Complete</i>
IT2019-01	UHS Review of Oracle PeopleSoft System	8	9	10/31/2019	Eric Block Director, Enterprise Systems	UH	Implement procedures to help ensure passwords for database system accounts are changed every 180 days.	<i>Action Complete</i>
IT2019-01	UHS Review of Oracle PeopleSoft System	9	9	10/31/2019	Keith Martin AVP/AVC, UIT Enterprise Systems	UH	Develop a process to review, update, and approve the Enterprise Systems PeopleSoft Applications Standards and PeopleSoft Operations Guides on an annual basis to help ensure the policies are current and provide accurate and appropriate guidance.	<i>Partially Implemented - Updated Management's Response:</i> We are in the process of performing an annual review of the Enterprise Systems Standards and PeopleSoft Operations Guides. We expect to complete this review and update and approve the guides, as necessary, by March 31, 2020.

