



Report to the Audit and Compliance Committee of the
UHS Board of Regents on:

The University of Houston Education Research Center
AR2022-11

UNIVERSITY of **HOUSTON** SYSTEM

INTERNAL AUDITING DEPARTMENT

UNIVERSITY OF HOUSTON EDUCATION RESEARCH CENTER MANAGEMENT ACTION BRIEFING

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EXECUTIVE SUMMARY

Overview and Scope Summary

In 2006, the Texas Legislature identified a need for longitudinal data repositories of information from the Texas Education Agency, the Texas Higher Education Coordinating Board (THECB), the Texas Workforce Commission (TWC), and other sources of educational information for the state of Texas. The information is to be used by researchers and policymakers to study and evaluate the impact of policies and programs; performance of educator preparation programs; public school finance; and best practices regarding education, school finance, and business practices for the benefit of the state.

The University of Houston Education Research Center (UH ERC) was established by an agreement between the Texas Higher Education Coordinating Board (THECB) and the University of Houston in 2017. The agreement sets forth specific compliance requirements. The THECB requires the UH ERC to be annually audited to ensure compliance with the terms and conditions of the agreement between the parties regarding the UH ERC. These requirements center upon the UH ERC establishing appropriate policies and procedures; information technology security measures for data protection; and data non-disclosure and confidentiality requirements.

Observations

During the audit, the Internal Auditing Department (IAD) focused on evaluating compliance with the requirements set forth in the agreement between the THECB and the UH ERC as well as applicable laws and regulations. IAD identified a control weakness that did not properly secure the data on one of the computer processing servers accessed through the VPN to prevent the data from being copied from a project folder to the local computer desktop. Management took immediate action and secured the logical limitations in place to ensure the data is secure prior to the completion of this audit. In addition, IAD identified the need to improve and develop policies and improve processes related to the Family Educational Rights and Privacy Act (FERPA) training to prevent violations that could result in unknowingly sharing private data and ultimately the loss of grant funds from the US Department of Education.

Overall Audit Opinion

The UH ERC was found to be generally compliant with the agreement between the THECB and UH ERC; however, non-compliance existed with two requirements of the agreement. The non-compliance points were related to baseline network logical controls to limit the ability to copy data, which was corrected during the audit, and the need for updated procedures related to FERPA training, which management is in the process of addressing.

Recommendations:

University of Houston System IAD recommends policies and procedures related to obtaining and maintaining current FERPA training completion certificates be updated and improved to prevent future non-compliance. In addition, policies and procedures should be established to temporarily restrict access to the UH ERC for researchers and staff that have not provided UH ERC with a current FERPA training completion certificate, meeting the annual training requirement.

ANALYSIS OF THE UNIVERSITY OF HOUSTON EDUCATION RESEARCH CENTER

INTRODUCTION

The Internal Auditing Department developed an annual audit plan based upon a system-wide risk assessment to identify significant areas of risk facing the System. Also included in the audit plan are legislatively and other required audits. All the audits on the plan are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and International Standards for the Professional Practice of Internal Audit, published by the Institute of Internal Auditors (IIA).

BACKGROUND

In 2006, the Texas Legislature identified a need for longitudinal data repositories of information from the Texas Education Agency, the Texas Higher Education Coordinating Board (THECB), the TWC, and other sources of educational information for the state of Texas. The information is to be used by researchers and policymakers to study and evaluate the impact of policies and programs; performance of educator preparation programs; public school finance; and best practices regarding education, school finance, and business practices for the benefit of the state.

The UH Education Research Center (UH ERC) was established by an agreement between the Texas Higher Education Coordinating Board and the University of Houston in 2017. The agreement sets forth specific compliance requirements. The Texas Higher Education Board requires the UH ERC to be annually audited to ensure compliance with the terms and conditions of the agreement between the parties. These requirements center upon the UH ERC establishing appropriate policies and procedures; information technology security measures for data protection; and data non-disclosure and confidentiality requirements.

The UH ERC serves as both a research center and as a site for the P-20/Workforce Data Repository, providing access to longitudinal, student-level data for scientific inquiry and policymaking purposes. Opened in 2017 with remote access added in January 2021, the UH ERC works to bridge the gap between theory and policy by providing a cooperative research environment for study by scholars and policy makers. As part of its mission, the UH ERC works with researchers, practitioners, state and federal agencies, and other policymakers to help inform upon critical issues relating to education today.

OBJECTIVE AND SCOPE

The objective of our audit was to determine compliance with the requirements set forth in the agreement between the THECB and the UH ERC as well as applicable laws and regulations.

The primary compliance areas of focus for the UH ERC audit were:

- Confidentiality/non-disclosure
- Policies and procedures
- Information technology security
- Information technology access
- Data storage
- Data transmission

Information relevant to this audit was obtained through:

- Interviewing UH ERC and other university personnel
- Reviewing laws, regulations, and other guidance
- Reviewing UH policies and procedures
- Reviewing information technology system data
- Reviewing UH Education Research Center records

Issue 1 – Baseline Network Controls

Objective: To determine if the UH ERC has appropriate access restrictions in place to prevent copy or export of student level data, as required by the agreement between THECB and the UH Education Research Center.

Criteria: The request for applications from THECB and the agreement between THECB and UH requires baseline network controls to prevent student-level data from being copied or removed from the secure servers housed at the UH ERC.

Risk: Establishing appropriate controls for the security of information prevents information subject to the Family Education Rights and Privacy Act (FERPA) or other federal laws from being copied or removed from secure servers. The copying or removal of such data can lead to fines, loss of research, and loss of confidence in the university and faculty members abilities to protect and secure data.

Observation: The UH ERC data is maintained on a secure data server with other servers accessing the data to process it. The data is accessed using a virtual private network (VPN). Limitations were placed on the information available to individuals based on their assigned project(s). However, one of the computer processing servers accessed through the VPN maintained the ability to copy data from a project folder to the local computer desktop and did not secure these logical limitations. One could copy data files without extraction of student level data prior to the copying of the data. Therefore, the risk of data leakage was not properly mitigated.

Conclusion: This issue was immediately brought to management's attention. Management took immediate action and secured the logical limitations in place to ensure the data is secure.

Issue 2 – FERPA Training Requirements

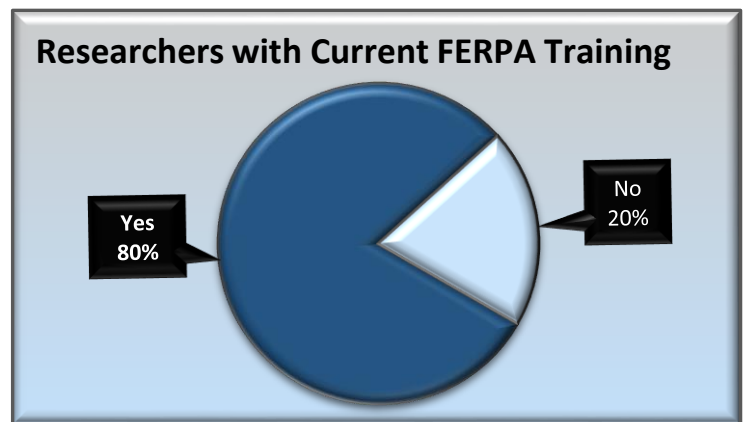
Objective: To determine if the UH Education Research Center complies with all requirements of FERPA including: training, accessing, releasing confidential information associated with research.

Criteria: The request for applications from THECB and the agreement between THECB and UH requires researchers or staff to sign an annual confidentiality statement and annually complete FERPA awareness training.

Risk: Many FERPA violations are due to lack of knowledge of the basic rules of FERPA. A general understanding of FERPA is important not to just protect the confidentiality of student data but also to ensure that information is shared when on when appropriate and necessary.

Observation: Researchers or staff who access student-level data will complete annual security awareness training regarding FERPA to gain an understanding of the basic rules of FERPA and help prevent violations from occurring. University of Houston (UH) offers FERPA training for researchers and staff affiliated with UH. Researchers affiliated with another university may submit proof of FERPA training from their home institution. All researchers are required to provide proof to the UH ERC that the FERPA training was completed.

We obtained a listing of UH ERC staff and researchers. The UH ERC staff listing consists of four staff members. All staff (100%) had current FERPA training. The researcher listing identified a total of 35 researchers. A sample size of 10 researchers representing 29% of the population was selected for testing. Copies of proof of FERPA training completion was requested for the sample of nine researchers selected for testing. Two of the ten (20%) researchers selected for testing who access student-level did not have current annual FERPA training certificates. One researcher having a FERPA training completion date of 06/27/2018 and the other having a FERPA training completion date of 10/20/2020. The access to data for these two researchers was removed in January 2021.



Conclusion: The UH ERC complies with the FERPA training requirements for staff. However, the UH ERC was not in compliance with FERPA training requirements for researchers. Two (20%) of the researcher’s FERPA training completion certificates were not in compliance because they did not meet the annual training requirement.

Recommendation:

The issues mentioned in this report reflect minor to moderate control weaknesses related to compliance with the requirements set forth in the agreement between THECB and UH ERC as well as applicable laws and regulations.

UHS IAD recommends policies and procedures related to obtaining and maintaining current FERPA training completion certificates be updated and improved to prevent future non-compliance. Policies and procedures should be established to temporarily restrict access to the UH ERC for researchers and staff that have not provided UH ERC with a current FERPA training completion certificate meeting the annual training requirement.

Management’s Response: ERC staff will update policies to reflect required provision of annual FERPA training documentation. Staff will also update the project master log to reflect new annual FERPA due dates. Finally, staff will ensure that all researchers’ FERPA documentation is up to date per this modification.

* * * * *

The UHS Department of Internal Auditing would like to thank the UH Education Research Center for its cooperation and assistance during this audit process.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip W. Hurd". The signature is fluid and cursive, with the first name being the most prominent.

Phillip W. Hurd
Chief Audit Executive
University of Houston System

PWH/pwh/AP Audit

Participating Auditors: Brandee O'Neal, Connie Applebach and Kim Gerry

UNIVERSITY of HOUSTON

INTERNAL AUDITING DEPARTMENT

Action Item Number	Audit Area	University	Recommendation Summary	Task	Responsible Person	Target Date	Status
1	FERPA Training Requirements	UH	UHS IAD recommends policies and procedures related to obtaining and maintaining current FERPA training completion certificates be updated and improved to prevent future non-compliance. Policies and procedures should be established to temporarily restrict access to the UH ERC for researchers and staff that have not provided UH ERC with a current FERPA training completion certificate meeting the annual training requirement.	(1) Update policies to reflect required annual FERPA training documentation. (2) Update project master log to reflect annual FERPA due date. (3) Ensure all researchers have FERPA documentation that is up to date per this modification.	Cathy Horn, Director of ERC and Jeanette Narvaez, Director of Operations and Research Dissemination	2/28/2022	