

The University of Texas

Permian Basin



ANNUAL INTERNAL AUDIT REPORT

**For the Fiscal Year Ended
August 31, 2020**

**Office of Internal Audit
4901 E. University
Odessa, Texas 79762**

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I. Compliance with House Bill 16 (Texas Government Code, Section 2102.015): Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Website

In accordance with the provisions of House Bill 16, UT Permian Basin will post on its website the approved Annual Internal Audit Report for fiscal year 2020 and the approved Audit Plan for fiscal year 2021. The website address is <https://www.utpb.edu/university-offices/internal-audit/index>.

Additional required information will be posted to this website, such as: a detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report; and a summary of the action taken by the agency to address concerns, if any, that are raised by the audit plan or annual report.

II. Internal Audit Plan for Fiscal Year 2020

Senate Bill 20 (84th Legislative Session) made several modifications and additions to Texas Government Code (TGC) and Texas Education Code (TEC) related to purchasing and contracting. Effective September 1, 2015, TEC §51.9337 requires that, *“The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.”*

The UT Permian Basin Office of Internal Audit conducted this required assessment for fiscal year 2020, which also fulfills the requirement of TGC §2102.005(b), and found the following:

“Based on review of current institutional policy and the UT System Board of Regents’ *Rules and Regulations*, UT Permian Basin has generally adopted, with no exceptions noted, all of the rules and policies required by TEC §51.9337. Review and revision of institutional and System policy is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337.”

An audit on benefits proportionality covering fiscal years 2017 – 2019 was required by Rider 8 of the General Appropriations Act (86th Legislature). That audit was still in progress and not completed by 8/31/2020. This audit is expected to be completed in early November 2020. A prior audit on benefits proportionality was completed on August 31, 2018, which covered the fiscal years 2015 – 2017.

FY 2020 Audit Plan	Current Status	Report/Memo Date
Risk Based Audits		
Student Financial Accounting Process	Cancelled	
Workflow Process and Controls	Moved to 2021	
Revenue Reporting – Third Party Applications	Moved to 2021	
Research Post-Award Procedures and Controls	Moved to 2021	
User Roles and Permissions – Third Party Applications	In progress	
Athletics Eligibility	Completed	10/12/2020

Student Housing	Completed	12/5/2019
Required Audits		
Benefits Proportionality 2017 2019	In progress	
Executive Travel and Entertainment Expense	Completed	8/14/2020
TEC 51.9337 - Procurement Compliance Assessment	Completed	7/10/2020
Consulting		
As needed projects		
Administrative Council Meetings	Ongoing	
Meetings with Management	Ongoing	
Training provided by Internal Audit	Ongoing	
Compliance/Risk meetings	Ongoing	
Cybersecurity Incident Response Review	Completed	N/A
Investigations		
Investigations, complaints, hotline tips - General		
19-02	Completed	2/13/2020
19-04	Completed	11/25/2019
19-06	Completed	4/28/2020
20-01	In progress	
20-02	Completed	N/A
Follow Up		
General follow-Up		
Development - Operations		
Annual Risk Assessment and Audit Plan	Completed	6/24/2020
Annual Internal Audit Report - FY 2019	Completed	10/24/2019
Internal Quality Assessment Review	Completed	10/1/2019
External Quality Assurance Review	Completed	9/16/2020
Internal Audit Committee	Ongoing	
TeamMate, IDEA, IT issues, website development/maintenance	Ongoing	
Performance Metrics - UT System	Ongoing	
Other Required Work - UT System	Ongoing	
Outside Audit Coordination/Tracking	Ongoing	
UT System - Council Meetings	Ongoing	
Development - Initiatives & Education		
Professional Organizations	Ongoing	
Continuing Professional Education	Ongoing	
Other Training	Ongoing	

Due to several factors, not all of the budgeted audits were completed. Three risk-based audits were re-budgeted for FY 2021; one was cancelled; and another was in progress at fiscal year-end. In addition, one required audit was in progress at year-end. Those factors were: 1) extra time necessary to complete investigations of alleged fraud or misuse of assets; 2) additional time required to complete the QAR process; and 3) inherent inefficiencies, especially early in the process, with working remotely due to Covid-19.

III. Consulting Services and Non-Audit Services

Project Name	Report Date	Overall Objective	Observations/Results/Recommendations
No reports issued			

IV. External Quality Assurance Review

An external quality assurance review was completed on 9/16/20, covering the fiscal years 2018, 2019 and 2020. The executive summary is included with this report in the Attachments.

V. Internal Audit Plan for Fiscal Year 2021

The approved Fiscal Year 2021 audit plan is presented as required by the State Auditor's Office guidelines: 1) The requirements of TEC §51.9337 and TGC §2102.005(b) will be fulfilled by the Procurement Compliance assessment, including a risk-based audit of the contract bidding and award process; 2) A list of risks ranked as critical or high that were identified, but have not been included in the Fiscal Year 2021 Audit Plan; and 4) A brief description of the risk assessment methodology used to develop the Plan, including consideration of risks applicable to information technology, is included as well.

FY 2021 Audit Plan	Budget
Assurance (Audit) Engagements	
Research Pre- and Post-Award Process and Controls	350
Workflow Process and Controls	300
Revenue Reporting - Third Party Applications	300
Contract Bidding and Award Process	350
Cash Collection/Deposit Procedures	200
TAC 202 System Security – IS Governance and Oversight	150
Risk Based Audits Subtotal	1650

Required Engagements (External and Internal)	
TEC 51.9337 Procurement Compliance Assessment	30
Annual Financial Report – FY 2020 (assistance only)	5
Annual Financial Report – Interim Procedures – FY 2021 (assistance only)	5
Required Audits (External and Internal) Subtotal	40
Advisory and Consulting Engagements	
Reserve for Consulting Engagements/General	500
Training provided by Internal Audit	40
Meetings with Management	40
Compliance Meetings/Coordination	40
Other Committees	10
Consulting Subtotal	630
Investigations	
Investigations Reserve/General	600
Investigations Subtotal	600
Follow Up	
General follow-up	150
Follow Up Subtotal	150
Reserve	
Special requested or unanticipated audits/projects	400
Reserve Subtotal	400
Development - Operations	
Annual Risk Assessment and Audit Plan	240
Annual Internal Audit Report	30
Internal Quality Assessment	60
Internal Audit Committee	360
IT issues, website maintenance/TeamMate	150
Other Required Work - UT System	60
Outside Audit Coordination/Tracking	40
UT System - Council Meetings (non-CPE hours)	30
Development - Operations Subtotal	970
Development - Initiatives & Education	
Professional Organizations	20
Required Continuing Professional Education (CPE)	140
Other Training, including travel	80
Development - Initiatives & Education Subtotal	240
Total Hours	4680

V. (continued) Identified High Risks Not Covered in FY 2021 Audit Plan

Area	Detailed Risk Description	Risk Score	Risk Mitigation Notes
Business Affairs	State, institutional, and gift funding levels may experience reductions due to COVID-19 and worldwide drop in the price of oil	Critical	Budget and salary reductions, purchasing and travel restrictions, layoffs/restructuring, and a hiring freeze have been implemented by management.
Enrollment Management	Unable to significantly increase the number of students and graduates over the next several years in order to generate additional revenues and serve the educational needs of the regional workforce within the Permian Basin. Enrollment may be down for AY 2021 - resulting in decrease in revenue	Critical	Processes and procedures in enrollment management are being improved in order to maximize student enrollment growth.
Academic Affairs	Ability to provide in-person classes according to State and Federal guidelines and may result in increased liability to the University	Critical	University is following protocols issued by the State of Texas, UT System, and Federal and State health guidance.
STEM Academy Charter School	Ability to provide in-person classes according to State and Federal guidelines and may result in increased liability to the University	Critical	University is following protocols issued by the State of Texas, UT System, and Federal and State health guidance
REACH	Switching OPM online recruitment provider from Academic Partnerships to Apollidon may result in disruption to enrollment and significant costs	Critical	Consulting with UT System on how best to administer change.
Information Resources/Campus-Wide	Lack of current Disaster Recovery Plan/Business Continuity Plan for critical assets/processes. Departments/Colleges are unable to cope with extreme changes brought on by COVID-19		Some areas of the University have begun to formulate business continuity plans.
Human Resources	Unable to attract and retain faculty and staff due to compensation levels not being commensurate with local job market and cost of living factors. Hiring freeze, possible layoffs, and	Critical	Management oversight.

	salary reductions make it more difficult to fill needed positions		
Enrollment Management	Inability to attract and maintain a permanent Financial Aid Director and experienced staff in Admissions and Financial Aid. COVID-19 challenges may increase the difficulty in attracting and keeping leadership/staff	Critical	New Director to start in Summer 2020.
Information Resources	Over-reliance on manual business processes. Manual processes not conducive to working remotely in an effective and efficient manner	Critical	Existing business processes are being evaluated. New business processes being implemented.
Facilities Management	Because of insufficient resources, unsafe facilities; equipment breakdown due to lack of maintenance/age; repairs not performed on a regular basis: fire and life safety systems not functional. Lack of funds due to decreased revenue may lead to more deferred maintenance	Critical	Contracting with third party to perform scheduled maintenance on all equipment in academic buildings. New funding received to replace boilers. Upgrading automated building controls system.
Enrollment Management	Lack of automated processes for admissions and financial aid that result in delayed and/or inaccurate results. Some or all staff/faculty may have to work remotely into the 2021 FY, resulting in process inefficiencies and to implement automated processes	Critical	Existing processes and procedures in enrollment management are being implemented in order to maximize student enrollment growth.
Compliance	Established policies and procedures with regard to Title IX are disregarded and incidents are not reported. Workplace disruption may lead to unreported incidents and bypassing of established protocols	Critical	Continue with online and face-to-face training/Policies are updated continuously/Monthly Title IX meetings are held with key stakeholders.
Compliance	Established policies and procedures are disregarded and policies not updated as necessary. Workplace disruption may lead to unreported incidents and bypassing of established protocols	Critical	Continue with online and face-to-face training/Policies are updated continuously.

Information Resources	Inventory of software applications is out of date or non-existent	Critical	Acquired new IT inventory system with implementation planned.
Information Resources	Lack of internal network vulnerability management process. Internal vulnerabilities are difficult or impossible to reliably track due to dispersed equipment and personnel	Critical	New Vulnerability scanner has been implemented. Vulnerability management plans are currently being discussed.
Enrollment Management	Notices of scholarship awards and financial aid packages are not transmitted in a timely manner. Inefficiencies due to working remotely may result in delay in award and student notification	High	New Financial Aid Director to start in Summer 2020.
Enrollment Management	Student applications and acceptance letters are not processed in a timely manner. Inefficiencies due to working remotely may result in delay in processing applications and notification of acceptance	High	Implementing new processes to accelerate the processing of applications and notices of acceptance.
Athletics	2020-21 athletic seasons may be revised or cancelled due to COVID-19	High	Follow NCAA and Lone Star Conference directives.
Athletics	Individual athletic contests may be jeopardized due to COVID-19 outbreaks among athletes/coaching staff	High	Follow NCAA, Lone Star Conference, and State of Texas health protocols
Accounting	Benefits proportionality calculations are materially inaccurate and lead to over/under charges to the State of Texas	High	Audit covering 2017, 2018 and 2019 performed in FY 2020.
Student Services	Facilities and/or procedures do not promote a safe living environment in Student Housing and elsewhere on campus. Budget shortfall may result in reduced maintenance of facilities, including student housing	High	Management oversight and following UT System, State and Federal guidelines.
Information Resources	IT and IS not adequately staffed to cover critical IT operations or business functions. Budget shortfall may result in unfilled positions, including student workers	High	Information Security has recently filled an open position and will be better posed to protect critical business functions and data.

Athletics	Gender equity under Title IX is not maintained in programs, services, and support for student-athletes	High	Athletics has indicated that they are attempting to increase scholarship dollars, budgets and travel expenses for women's sports.
Information Resources	Documented change management procedures are out of date or non-existent for critical systems	High	A change management tool has been purchased and implementation plans are being discussed.
Information Resources	Data loss may occur when critical information is stored on non-sanctioned devices or services. Working remotely requires extensive use of personal devices and higher risk of system or data compromise	High	Implementing device management software, InTune.
Academic Affairs	Ability to teach, engage and communicate with students may be hampered if classes are conducted remotely instead of in person	High	Management oversight. Following best practices and UT System, State and Federal guidelines.
STEM Academy Charter School	Lack of student participation due to possible distance learning in the next school year	High	Management oversight. Following best practices and UT System, State and Federal guidelines.
Academic Affairs	Loss of accreditation or sanctions could impact enrollment and ability to attract new students; and also affect ability to secure new grants and other external funds. Negative trends in enrollment and revenues may hamper re-accreditation	High	Currently undergoing 10 year re-accreditation process by SACSOC.
Facilities Management	Risk of injury to students, employees and visitors due to existing hazardous entrance to Midland campus from FM 1788 - which will become more hazardous once the new travel center opens. Current pandemic may result in delay in constructing new entrance	High	No major accidents to-date. Unable to obtain easements at this time.
UTPB Police	Inability to lock down buildings remotely and monitor potential threats or criminal activity in case of an emergency, and to monitor building access due to lack of electronic card entry into all buildings. Staff/faculty will still need periodic access to buildings if	High	Ongoing program of outfitting major campus buildings with electronic access control and monitoring systems expected to begin in FY 20.

	working remotely continues into FY 21		
Information Resources	Lack of governance over implementation of system and business initiatives. Current pandemic may require delay in implementation	High	IT, IS and stakeholders collaborate regularly on business initiatives.
Academic Affairs	Supervision and controls are ineffective and negatively impact effectiveness of ancillary activities. Current pandemic results in unique and unprecedented challenges for each program and working remotely may make it more difficult to follow controls and to oversee	High	Management oversight.
Athletics	NCAA rules are not adhered to regarding recruitment of student-athletes and involvement of boosters. Inefficiencies due to working remotely along with possible budget reductions may result in circumvention of established procedures	High	Provide additional education to student-athletes and boosters.
Athletics	Student athlete progress toward degree, eligibility status, and academic integrity are not effectively monitored on an ongoing basis. Inefficiencies due to working remotely along with possible budget reductions may result in circumvention of established procedures. Effect of Satisfactory/Unsatisfactory grades on eligibility is unknown	High	Audit performed in FY 2020.
Athletics	Athletic facilities are not adequate to provide for safety of participants and spectators from COVID-19	High	Following State and Federal guidelines, along with those of the Lone Star Conference and the NCAA.
Athletics	Confidential student-athlete personal and medical information is not properly secured. Inefficiencies due to working remotely along with possible budget reductions may result in circumvention of established procedures	High	Management oversight. Following NCAA guidelines.

Research	Oversight procedures are ineffective to ensure compliance with requirements regarding human and animal research, and biosafety and biosecurity. Inefficiencies due to working remotely along with possible budget reductions may result in circumvention of established procedures	High	New VP for Research to start in Summer 2020.
Accounting	Student financial information is inaccurate resulting in financial misstatement. Inefficiencies due to working remotely along with possible staff reductions may result in circumvention of established procedures	High	External audit performed in FY 2020.
Student Services	A child leaving the Child Care Center unnoticed due to no alarm connected to the playground gates	High	Installation due to be completed prior to re-opening from pandemic shutdown.
STEM Academy Charter School	Facilities and/or procedures are inadequate and do not promote safety of minors on a college campus	High	Management oversight.
Environmental Health & Safety	Non-compliance with State and Federal regulations regarding safety and compliance with State and Federal emergency management programs	High	Following State and Federal guidelines.
Environmental Health & Safety	Due to changes in facilities and staffing, not having updated evacuation plans and procedures that could result in personal injury. Current pandemic has created uncertainty over future availability of campus facilities by both employees and students	High	Management oversight. Following State and Federal guidelines.
UTPB Police	Lack of a secondary communications center to handle incoming emergency calls in case of an emergency evacuation of the Mesa Building. The selected contractor is from out of town and cannot begin	High	Work on backup communications center planned at Midland Campus when considered safe to do so by the contractor, who has been selected.

	the work at this time due to the pandemic		
Enrollment Management	Administration of financial aid and awards does not conform to Federal, state and other requirements. Uncertainty over requirements for administration and reporting of CARES Act funding	High	External audit performed in FY 2020.
Enrollment Management	Confidential information is not properly secured due to over-reliance on paper files. Working remotely requires extensive use of personal devices and higher risk of system compromise	High	In process of migrating to all electronic files.
Communications	Difficulty in reaching target markets due to splintered audiences, message fatigue, and increased dependence on virtual communications. Current pandemic creates uncertain and difficult environment for branding/marketing	High	Management oversight.
Institutional Advancement	Reduction in institutional gifts due to COVID-19, depressed oil prices, and overall depressed local economy	High	Management oversight.

V. (continued) Risk Assessment Methodology

The FY 2021 Audit Plan indicates planned internal audit activities that will be performed during the fiscal year. This Plan is prepared using a risk-based approach to ensure that areas and activities specific to UT Permian Basin are identified for consideration to be audited.

The goals for this risk assessment approach were to start at the top with an awareness of critical initiatives and objectives to ensure the risks assessed were the most relevant. An emphasis was placed on collaboration with other functions that assess, handle, or manage risk. Information Technology risks represent a broad, high-risk category in our risk assessment and includes specific information technology risks related to Title 1, Texas Administrative Code, Chapter 202. Information Security Standards (TAC 202). In FY 2021, TAC 202 compliance will be addressed with an audit included in the Audit Plan.

The latest compliance audit of Benefits Proportionality Funding was completed on August 31, 2018, which covered the fiscal years 2015 – 2017. This audit was required by Rider 8 of the General Appropriations Act (85th Legislature). Annually, risks associated with benefits proportionality are weighed and assessed as part of the annual risk assessment process, which is ultimately approved by the UT Permian Basin Audit Committee. In FY 2020, an audit of Benefits Proportionality Funding for fiscal years 2018 and 2019 was commenced and in progress at August 31, 2020.

This risk assessment process also evaluates the risks associated with achieving the requirements of TEC §51.9337 and TGC §2102.005(b). This process is assisted by the annual Procurement Compliance review. As a consequence, a risk-based audit of the contract bidding and award process was included in the FY 2021 Audit Plan.

The risk assessment approach is based on a top-down process that includes conversations with, and requests for input from executive management, deans, and department heads. Risk factors evaluated are probability of occurrence and impact to the achievement of the objective. An IT risk assessment was also prepared, of which the results were rolled into the overall UTPB risk assessment. This is a collaborative process that includes the direct assistance of Information Security and the Compliance Office.

The resulting Risk Assessment for 2021 was discussed with the Audit Committee at its June 2020 meeting, and was subsequently approved as part of the 2021 Audit Plan.

VI. External Audit Services Procured in Fiscal Year 2020

UT Permian Basin contracted with the public accounting firm of Belt Harris Pechacek to perform the financial audit of the STEM charter school for the year ended August 31, 2020. While no other external audit services were procured by UT Permian Basin during Fiscal Year 2020, other engagements were performed by outside entities (contracted by UT System), and include the following for FY 2020:

- Deloitte Touche LLP, conducted audit procedures related to the FY 2019 Annual Systemwide Consolidated Financial Report, and interim procedures for the audit of the FY 2020 Systemwide Consolidated Annual Financial Report.
- Deloitte Touche LLP, performed a review of UTPB's annual financial report for the year ended August 31, 2019.
- Deloitte Touche LLP, performed an audit of UTPB's Federal Student Financial Aid program for the year ended August 31, 2019.

VII. Reporting Suspected Fraud and Abuse

The following actions have been taken by the University of Texas Permian Basin to implement the following requirements:

Fraud Reporting - Section 7.09, General Appropriations Act (86th Legislature, Conference Committee Report), Article IX.

Sec 7.09 Fraud Reporting. A state agency or institution of higher education appropriated funds by this Act shall use appropriated funds to assist with the detection and reporting of fraud involving state funds as follows:

- (a) By providing information on the home page of the entity's website on how to report suspected fraud, waste, and abuse involving state resources directly to the State Auditor's Office. This shall include, at a minimum, the State Auditor's Office fraud hotline information and a link to the State Auditor's Office website for fraud reporting; and
- (b) By including in the agency or institution's policies information on how to report suspected fraud involving state funds to the State Auditor's Office.

UT Permian Basin has a link for reporting fraud, waste, and abuse at the University's home page, www.utpb.edu, which provides a direct link to the State Auditor's fraud website and hotline.

Coordination of Investigations - Texas Government Code, Section 321.022.

Sec. 321.022. Coordination of Investigations.

- (a) If the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the state auditor. The state auditor may investigate the report or may monitor any investigation conducted by the department or entity.
- (b) The state auditor, in consultation with state agencies and institutions, shall prescribe the form, content, and timing of a report required by this section.
- (c) All records of a communication by or to the state auditor relating to a report to the state auditor under Subsection (a) are audit working papers of the state auditor.

UT Permian Basin complies with this requirement, as applicable, in conjunction with the UT System Policy UTS118, Statement of Operating Policy Pertaining to Dishonest or Fraudulent Activities, located at <https://www.utsystem.edu/sites/policy-library/policies/uts-118-dishonest-or-fraudulent-activities>.



September 16, 2020

Mr. Glenn Spencer, Chief Audit Executive
The University of Texas Permian Basin

In September 2020, The University of Texas Permian Basin (UT Permian Basin) internal audit (IA) function, the Office of Internal Audit (OIA), completed a self-assessment of internal audit activities in accordance with guidelines published by the Institute of Internal Auditors (IIA) for the performance of a quality assessment review (QAR). UT Permian Basin OIA engaged an independent review team consisting of internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of OIA's QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning IA's conformity to the IIA's *International Standards for the Professional Practice of Internal Auditing* (the IIA Standards) and Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and the relevant requirements of the Texas Internal Auditing Act (TIAA).

The IIA's *Quality Assessment Manual* suggests a scale of three ratings, "generally conforms," "partially conforms," and "does not conform." "Generally conforms" is the top rating and means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the Standards. "Partially conforms" means deficiencies in practice are noted that are judged to deviate from the Standards, but these deficiencies did not preclude the IA activity from performing its responsibilities in an acceptable manner. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the IA activity from performing adequately in all or in significant areas of its responsibilities.

Based on our independent validation of the QAR performed by OIA, we agree with OIA's overall conclusion that the internal audit function "**Generally Conforms**" with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, as well as with OIA's conclusions regarding GAGAS and TIAA requirements. Our review noted strengths as well as opportunities for enhancing the internal audit function.

This information has been prepared pursuant to a client relationship exclusively with, and solely for the use and benefit of, The University of Texas System Administration and UT Permian Basin and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas System Administration and The University of Texas Permian Basin.

The review team appreciates the cooperation, time, and candid feedback of executive leadership, stakeholders, and OIA personnel.

Very truly yours,

Baker Tilly Virchow Krause, LLP

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Audit Recommendation Status
FY 2020

	Finding Title	Recommendation	Original Implementation Date	Revised Implementation Date	Actual Implementation Date	Current Status 8/31/2020
12/4/2019	User Roles and Permissions - PeopleSoft					
High	<i>Insufficient procedures for granting user access roles and permissions</i>	The Chief Information Security Officer (CISO), in consultation with IRD and user departments, update the Information Security Policy, Section 11. User Account Management, to include: 1) Procedures for changing roles and permissions due to employee transfers; 2) Procedures for periodic review of user access roles and permissions for the purpose of ensuring the appropriateness of employees' access; and 3) The establishment of a second level of review and approval to ensure individuals are initially assigned the proper roles and permissions and to also ensure an appropriate level of segregation of duties.	12/31/2020	1/31/2020		In progress
High	<i>Inappropriate access to confidential/control</i>	Confidential and controlled data should be accessible only to authorized users who require access for the performance of the user's job responsibilities. In conjunction with Recommendations 1A-C, we recommend that IRD, in consultation from user departments, block user access to confidential and controlled information except in those instances where it is required to perform job-related duties.	12/31/2019			Implemented
High	<i>Inadequate segregation of duties</i>	IRD, in coordination with user departments, should determine the proper segregation of duties (SOD) mapping. Subsequently, IRD should contact SIS to establish roles and permissions in PeopleSoft based on SOD mapping and specific to UTPB. Both IRD and departments should maintain documentation on the use of compensating controls for any exceptions.	12/31/2020			Partially implemented/In progress
7/25/2019	System Access for Terminated/Inactive Employees					
High	<i>Discrepancy of inactive employee records</i>	We recommend that IRD and HR perform monthly reconciliations to ensure that information on active and terminated employee user accounts is identical between the two departments. This step is critical to the entire control process in that any errors or discrepancies will be identified and corrected on a regular basis.	12/2019			Implemented

	Finding Title	Recommendation	Original Implementation Date	Revised Implementation Date	Actual Implementation Date	Current Status 8/31/2020
High	<i>Inactivation of user accounts in PeopleSoft HCM</i>	A critical control is that terminated employees, especially those that have been involuntarily separated, do not have access to an organization's systems. Therefore, UTPB should develop and implement a user account inactivation policy, in coordination with IRD, HR, Business Affairs, and academic and administrative departments that includes the following features: A) Department management to notify both HR and IRD immediately of all employee terminations. Advance notice, when known, should be given by the department to both HR and IRD; B) All user accounts within PeopleSoft be inactivated by both IRD and HR within one business day after employee separation. This would also apply to external consultants and contractors; and C) In the case of involuntary termination, user account access will be revoked immediately at the moment of termination by both IRD and HR. This would apply to passwords, account user IDs, and all other access devices.	12/2019	12/31/2020		In progress
High	<i>Terminated employees continuing with PeopleSoft access</i>	IRD should develop an automated process with an interface from PeopleSoft HCM to Microsoft Active Directory to ensure that network accounts are automatically deactivated upon termination of position assignment in PeopleSoft HCM. During the course of our audit, IRD has initiated steps to automate this process.	12/2019			Partially implemented/In progress

	Finding Title	Recommendation	Original Implementation Date	Revised Implementation Date	Actual Implementation Date	Current Status 8/31/2020
12/5/2019 Student Housing						
High	<i>Student Housing Costs Not Charged to Student Accounts</i>	A. Since Student Housing can identify all students living on campus, they should initiate action with the Information Resources Department and, if necessary, with UT Shared Information Services (SIS) to ensure that the information transfer from Mercury to PeopleSoft student accounts is fully accurate. Until that time, Student Housing should manually reconcile student housing charges to PeopleSoft student accounts. Such a reconciliation can take the form of viewing online student account data in PeopleSoft and comparing it against Student Housing records. This should be performed on a regular basis to ensure that charges are being accurately applied to all student accounts and to minimize uncollected revenues; B. An official policy should be implemented that prescribes the procedure and approval process for waiving housing fees. Any waiving of housing fees should be documented, including the approval and justification.	9/20/2020			Implemented
High	<i>Contract terms for student housing for faculty and staff are not being followed</i>	The Student Housing Department should ensure that the terms of all faculty and staff housing contracts are enforced. If necessary, existing and future contracts should be revised to include the desired provisions.	6/1/2020			Implemented
High	<i>Unsigned contracts for student housing for faculty and staff</i>	The Student Housing Department should obtain ensure that all existing faculty and staff housing contracts are current and have been signed by the occupant.	Completed			Implemented
High	<i>No approved policy for student housing for faculty and staff</i>	An approved faculty and staff housing policy should be implemented. The policy should be inclusive of the issues identified in this audit, including the above audit finding. It should set forth responsible parties and delineate who is responsible for enforcement of contracts, approval of contracts, approval of offers, rental rates, deposits, late	5/31/2020			Implemented

	Finding Title	Recommendation	Original Implementation Date	Revised Implementation Date	Actual Implementation Date	Current Status 8/31/2020
John Ben Shepperd Public Leadership Institute 5/17/2018						
High	Assets Not Recorded Nor Capitalized	All assets of the Presidential Museum and Archives should be identified and catalogued in order to increase security against loss or theft, and to assist in developing an estimated value for the collection as a whole. As required by the Texas State Controller, UTPB should capitalize the museum and library archives, including the Bush Home, using the guidelines of Governmental Accounting Standards Board Statement No. 34 (GASB 34). All donations of works of art or historical treasures	8/31/2019			Partially implemented/In progress
8/21/2018 Title IX Compliance						
High	Improvement needed in communication of UTPB policy	The UTPB Sexual Harassment/Misconduct Policy should be edited and updated to ensure that it is clearly understood by the University community. The locations of the policy on the University website should also be reviewed to ensure that it is easy to find for students, faculty, and staff. All posters, brochures, and other printed materials should be updated.	12/31/2018		1/8/2020	Implemented
UTS 142.1 Segregation of Duties and Reconciliation of Accounts Monitoring Plan - FY 2018 6/5/2019						
Medium	Subcertification Letters	The Office of Accounting should ensure receipt of the subcertification letters by each Account Owner (department) and perform follow-up procedures as necessary to ensure that all subcertification letters have been submitted.	9/30/2019			Implemented electronic procedures