



Internal Audit Department

April 8, 2022

Dr. Kirk A. Calhoun
President
The University of Texas at Tyler
3900 University Blvd.
Tyler, TX 75799

Dr. Calhoun,

We have completed the Employee Off-Boarding Audit that was part of the University of Texas at Tyler's (UTT) Fiscal Year (FY) 2022 Audit Plan. The objective of the audit was to assess the current processes and controls in place for the timely and accurate removal of UTT employee access as the result of termination and/or transfer. This audit included testing on both the UTT Main campus and the Health Science Center (HSC) campus. The scope of the audit was from March 1, 2021 through November 26, 2021.

This audit was conducted in accordance with guidelines set forth in The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford
Vice President, Chief Audit Executive

Enclosure

cc:

Ms. Cindy Scott, Senior Vice President, Human Resources & Chief Human Resources Officer
Ms. Kris Kavasch, Senior Vice President, Finance, Chief Financial Officer / Interim Chief Business Officer
Dr. Kimberly Laird, Senior Vice President, Business Affairs, Chief Operating Officer – Academic Affairs
Dr. Sherri Whatley, Senior Vice President Information Technology & Chief Information Officer
Mr. John Yoder, Vice President, Information Technology, Health Affairs
Ms. Gracy Buentello, Associate Vice President of Human Resources, Culture & Diversity
Mr. Jared Seigler, Assistant Vice President of Human Resources
Ms. Kimberly Griffin, Executive Director of Human Resources
Ms. Kris Marquis, Director, Student Business Services
Ms. Cara Wreyford, Human Resources Director
Mr. Robert Cromley, Chief of Police, Health Affairs
Mr. Mike Medders, Chief of Police, Academic Affairs

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Mr. Leonard Mayo, Assistant Chief of Police, Health Affairs
Dr. Andrew Krouse, Director of Facilities Management, Academic Affairs
Mr. Paul Modisette, Director of Information Security, Health Affairs
Mr. Chris Green, Director of Information Security, Academic Affairs
Ms. Deena King, Chief Compliance Officer, Academic Affairs
Mr. Donny Henry, Director of Compliance, Health Affairs
Dr. Archie Holmes, UT System Executive Vice Chancellor for Academic Affairs
Dr. John Zerwas, UT System Executive Vice Chancellor for Health Affairs
Mr. Patrick Francis, UT System Associate Vice Chancellor for Health Affairs
Mr. J. Michael Peppers, UT System Chief Audit Executive
Legislative Budget Board audit@lbb.texas.gov
Governor budgetandpolicyreports@gov.texas.gov
State Auditor's Office jacoordinator@sao.state.tx.us

Employee Off-Boarding Audit



April 8, 2022

INTERNAL AUDIT DEPARTMENT
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

AUDIT OBJECTIVE

The objective of the audit was to assess the current processes and controls in place for the timely and accurate removal of University of Texas at Tyler (UTT) employee access as the result of termination and/or transfer. This audit included testing on both the UTT Health Science Center (HSC) campus and the Main campus to determine compliance with applicable policies and procedures in place at the time of our testing for each campus.

CONCLUSION

The audit revealed opportunities to combine and strengthen HSC campus and Main campus policies and procedures, and opportunities to leverage policies and/or procedures currently in place at one (1) of the campuses, to help ensure the timely and accurate removal of employee access as the result of termination and/or transfer.

Management should review current policies and procedures to ensure opportunities to combine and strengthen policies and procedures are realized.

OBSERVATIONS

HSC campus: A total of 45 employees were selected for testing; 10 employees who were identified as terminated for cause, 25 employees who were identified as terminated not for cause, and 10 employees who were identified as interdepartmental transfers.

Main campus: A total of 33 employees were selected for testing; 8 employees who were identified as terminated for cause, 10 employees who were identified as terminated not for cause, and 15 employees who were identified as interdepartmental transfers.

We answered the following six (6) questions for each of the sampled employees, as applicable:

- 1) Was network access (applications authenticated through the Active Directory (AD), which comprises the Institution's highest risk systems) disabled or changed timely
 - Main campus – 9 exceptions, inclusive of 5 exceptions where we were unable to make a determination due to lack of supporting information
 - HSC campus – 10 exceptions;
- 2) Were the miscellaneous accounts (all other applications not authenticated through the AD) disabled or changed timely
 - Main campus – 3 exceptions, each exception resulting from being unable to make a determination due to a lack of supporting information
 - HSC campus – 3 exceptions, each exception resulting from being unable to make a determination due to a lack of supporting information;
- 3) Was physical access disabled or changed timely
 - Main campus – 19 exceptions for keys. Unable to make a determination regarding badge access due to lack of supporting information

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- HSC campus– 15 exceptions, inclusive of 12 badges and 3 keys;
- 4) Was state-owned property collected in a timely manner
- Main campus – (2 exceptions, 1 of which was identified as still outstanding and UPD was notified by the Internal Audit Department (IAD) as a result of the audit and UPD is pursuing. Unable to make a formal determination due to a lack of supporting information)
 - HSC campus – (0 exceptions; however, unable to make a formal determination due to a lack of supporting information);
- 5) Was access to Procurement Cards (ProCards) and/or Travel Cards terminated timely
- Main campus – 9 exceptions, inclusive of 5 Travel Cards and 4 ProCards
 - HSC campus– Not tested as cards are not distributed to individual departments and as a result was determined to present a lower risk; and
- 6) Were benefits disabled timely
- Main campus – 0 exceptions
 - HSC campus– Not tested as benefits were previously tested on multiple occasions on the HSC campus without any exceptions identified and as a result was determined to present a lower risk.

This audit identified the following opportunities for improvement:		
1	High	No employee off-boarding policy in place for Main campus and HSC campus policy update needed
2	High	Use of personal computers
3	High	ProCard and Travel Card access not removed timely
4	High	Lack of a complete system application inventory list
5	High	No report of system access changes
6	Medium	No employee off-boarding checklist in place at Main Campus
7	Medium	Policy language needed for timely access removal of University Academy employees
8	Medium	Periodic review process needed for ensuring access removal
9	Medium	Policies past specified review deadline
10	Medium	Key and Badge Access retained after date of termination or transfer
11	Medium	Badge access deactivation date not recorded

#1: No employee off-boarding policy in place for Main campus and HSC campus policy update needed

High: By not having a written policy in place, and by not having a stringent access removal requirement in its policy, system access and/or physical access could be used to harm the Institution.

Main campus does not have a policy that specifies the requirements of the employee off-boarding process for all terminations and transfers. A policy would help ensure all required parties are notified upon the termination or transfer of an employee and the steps needed to ensure the timely removal of access. The HSC campus policy requires that access be removed for terminated employees within five (5) business days but does not specify a separate and more stringent timeline (e.g., immediate, day of termination, within a day, etc.) for employees terminated for cause.

Recommendation: As part of the Institution's policy integration efforts, HR leadership should perform a detailed review of the HSC campus policies currently in place related to the employee off-boarding process. HR leadership, in collaboration with Main campus and HSC campus Information Technology (IT), Information Security (IS), Police Departments, Facilities or other departments having responsibility within the off-boarding process, implement a combined policy for UTT that specifies the requirements and ensures timely notification to all departments involved in the employee off-boarding process. The policy should include appropriate deadlines for disabling access across both the Main campus and the HSC campus for all terminations and transfers. This combined policy should consider requiring immediate account deactivation and collection of Institutional equipment for employees terminated for cause.

Management Response: HR will review policy and consider a tiered timeline for terminating employees/accounts. Upon termination, automated emails are sent to the supervisor and data owners as a notice/reminder to remove access to applications and to collect keys, badges, and equipment.

Responsible Person(s):

Main Campus and HSC Campus:
Senior Vice President, Human Resources & Chief Human Resources Officer

Implementation Date: 06/01/2022

#2: Use of personal computers

High: Data could be unprotected and not backed up if on personal device.

Testing revealed two (2) HSC campus employees utilized personal devices to conduct HSC business at the start of their employment instead of obtaining HSC issued devices that are asset tagged and encrypted, as required by policy. As a result of these employees and the associated department not following policy, data could be unprotected and not backed up.

Recommendation: As part of the Institution's policy integration efforts, HSC campus and Main campus IT and IS should review this HSC policy and associated policies or procedures at the

Main campus, to accurately capture the requirements and expectations for the HSC campus and Main campus moving forward. As this policy is still in effect, and until the policy is amended, HSC management should provide guidance on the policy's requirement that all HSC campus business must be conducted on HSC campus asset-tagged and encrypted devices.

Management Response: HSC Policy 5425586 – Safeguarding Data needs to be updated to reflect actual practices. HSC IT will work with the HSC ISO to update the policy in a timely fashion.

It is worth noting, however, personal devices (computers) are not able to connect to the HSC secure network. Access to HSC applications and services would have been completed through an approved secure connection, such as VDI, and all work product would have been stored on either local servers or MSFT O365. Access to Office.Com is also allowed on non UTHSCT owned devices but multi-factor authentication (MFA) is required and data is stored on MSFT (i.e. email, teams, OneDrive, SharePoint, etc.).

All things considered, having an employee start without a computer is not ideal. HSC IT strongly encourages departments to plan ahead and order equipment with enough lead time for its arrival, configuration, and deployment.

Responsible Person(s):

HSC Campus:
Vice President, Information Technology, Health Affairs

Implementation Date: 06/01/2022

#3: ProCard and Travel Card access not removed timely

High: The Institution could incur unauthorized charges if cards are not terminated timely.

Main campus testing revealed five (5) instances where Travel Cards and four (4) instances where ProCards were not closed within the one-day time frame. It is noted that notification was not received timely to deactivate access.

Recommendation: As part of the combined employee off-boarding process policy for UTT in recommendation #1 above, Management should ensure timely notification to all departments involved in the access removal process for ProCards and Travel Cards.

Management Response: Upon termination, automated emails are sent to the supervisor and data owners as a notice/reminder to remove access to applications and to collect keys, badges, and equipment. Data owners include key personnel in UTT's Office of Financial Services who are responsible for the removal process for ProCards and Travel Cards.

Responsible Person(s):

Main Campus and HSC Campus:

Senior Vice President, Human Resources & Chief Human Resources Officer

Implementation Date: 06/01/2022

#4: Lack of a complete system application inventory list

High: Employees could have access to unauthorized data if access is not terminated upon an employee's termination or transfer.

Neither the Main campus nor the HSC campus have complete inventory lists of all system applications utilized at each campus. As a result, employees could retain access to protected, confidential, and/or sensitive information if all system applications access is not deactivated upon an employee's termination or transfer.

Recommendation: Main campus and HSC campus IT leadership, in collaboration with IS leadership, should ensure that a complete and accurate system application inventory listing for each campus is finalized and utilized as part of the employee off-boarding process.

Management Response: The Main campus and HSC campus Information Security Officers will continue to update and maintain the list of approved applications.

Responsible Person(s):

Main Campus:

Senior Vice President Information Technology & Chief Information Officer
Director of Information Security, Academic Affairs

HSC Campus:

Vice President, Information Technology, Health Affairs
Director of Information Security, Health Affairs

Implementation Date: Current and on-going.

#5: No report of system access changes

High: Without a system access log, there is no documentation of completed system processes.

Neither the Main campus nor the HSC campus have a consistent process in place to ensure that all applicable system access changes are completed and captured in an auditable log.

Recommendation: Main campus and HSC campus IT leadership, in collaboration with IS leadership, should develop and implement a consistent process that will help ensure all applicable system access is deactivated or modified and can be tracked effectively.

Management Response: Main campus and HSC IT, in collaboration with Main campus and HSC Information Security Officers, will look at options for tracking non-enterprise application account adds, changes, and deletes and provide possible solutions.

Responsible Person(s):

Main Campus:

Senior Vice President Information Technology & Chief Information Officer
Director of Information Security, Academic Affairs

HSC Campus:

Vice President, Information Technology, Health Affairs
Director of Information Security, Health Affairs

Implementation Date: 08/31/2022

#6: No employee off-boarding checklist in place at Main Campus

Medium: Employees could still have unauthorized access to systems and buildings.

Main campus does not have an employee off-boarding checklist in place to ensure access is removed for all employees upon termination or transfer. As a result, this has led to instances of departments not removing access to buildings, subscriptions, shared drives, and departmental software upon employee terminations or transfers.

Recommendation: UTT HR leadership should perform a detailed review of the HSC campus employee off-boarding checklist currently in place and work towards implementing a combined checklist for UTT across both the Main campus and the HSC campus for all employees upon termination or transfer.

Management Response: A combined checklist for UTT across both the Main and the HSC campus will be created and implemented. Along with the HR checklist, an automated email is being sent upon termination/transfer to the supervisor and data owners as a notice/reminder to remove access to applications and to collect keys, badges, and equipment.

Responsible Person(s):

Main Campus and HSC Campus:

Senior Vice President, Human Resources & Chief Human Resources Officer

Implementation Date: 06/01/2022

#7: Policy language needed for timely access removal of University Academy employees

Medium: By not having a written policy, access has could be misused.

Currently, there is no policy language in place for University Academy employees regarding access removal when the last day worked is far in advance of the effective termination date.

Recommendation: As part of the combined employee off-boarding process policy for UTT in recommendation #1 above, UTT HR leadership should include language specific to University Academy regarding access removal when the last day worked is far in advance of the effective termination date.

Management Response: This particular situation can happen for other University employees terminating outside of University Academy. An individual can submit resignation far in advance (ex. 1 week, 2 weeks, 1 month, 3 months, etc.), and HR encourages terminating employees to provide sufficient notice. The automated email being sent upon termination/transfer to the supervisor and data owners as a notice/reminder to remove access to applications and to collect keys, badges, and equipment will be updated to include language to instruct the supervisor about security and access when the last day worked does not coincide with the actual termination date.

Responsible Person(s):

Main Campus and HSC Campus:
Senior Vice President, Human Resources & Chief Human Resources Officer

Implementation Date: 06/01/2022

#8: Periodic review process needed for ensuring access removal

Medium: Terminated employees could have access to unauthorized data.

While Main campus and HSC campus IS and IT currently have differing levels of a process to review for terminated employees who still have access rights to applications, the processes are separate and can be enhanced to ensure access has been appropriately removed for all off-boarded employees.

Recommendation: Main campus and HSC campus IS leadership, in collaboration with IT leadership, should work to develop and implement a 90-day user access review across both campuses to ensure access rights have been appropriately removed for all off-boarded employees.

Management Response: Documentation of current HR/IT/ISO processes associated with offboarding should be consolidated and reviewed. Upon completion, gaps in processes should be identified and an action plan to minimize the gaps should be created.

Responsible Person(s):

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Main Campus and HSC Campus:
Senior Vice President, Human Resources & Chief Human Resources Officer

Implementation Date: 07/01/2022

#9: Policies past specified review deadline

Medium: By not reviewing policies on a regular basis, information contained within may be incorrect or outdated.

In performing a review of applicable policies to this audit, it was noted that two (2) of the policies were past the specified review deadline.

Recommendation: As part of the Institution's policy integration process, Management should perform a review of the identified policies that are past the specified review deadline.

Management Response: Policies are currently in the process of being merged. HSC PolicyStat is no longer being updated and the content/dates may not align with the content/dates of the merged policies. If merged policies were removed from PolicyStat when appropriate, the process of updating non-merged policies would be manageable.

Responsible Person(s):

Main Campus and HSC Campus:
Senior Vice President, Human Resources & Chief Human Resources Officer

Implementation Date: 07/01/2022

#10: Key and Badge Access retained after date of termination or transfer

Medium: Terminated employees could have unauthorized access to buildings, offices, and events.

Testing revealed instances of keys and badges not being returned timely upon termination or transfer.

Recommendation: As part of the recommendation in #6 above, the combined checklist for UTT across both the Main campus and the HSC campus should include a required checklist item that all keys and badges have been properly returned.

Management Response: HR will work with appropriate departments at each campus to determine a process to ensure key and badges have been returned and inactivated.

Responsible Person(s):

Main Campus and HSC Campus:

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Senior Vice President, Human Resources & Chief Human Resources Officer

Implementation Date: 07/01/2022

#11: Badge access deactivation date not recorded

Medium: No process to determine if badge access deactivation was timely.

Main campus badge access removal dates were unable to be determined during the audit. The current process that is in place does not capture and record when badge access has been deactivated.

Recommendation: Management should implement a process that captures the badge access deactivation date for all terminations and transfers and ensure the deactivation dates are available in a downloadable report.

Management Response: Agreed. Student Business Services will work to add a user defined field so we can record the Inactive date for the employee after termination. This will allow for us to query the date when the employee becomes inactive in Transact. Student Business Services will need to work with the developers on campus to get this task accomplished.

Responsible Person(s):

Main Campus:
Director, Student Business Services

Implementation Date: 07/01/2022

BACKGROUND

This Employee Off-Boarding Audit was part of the UTT Fiscal Year (FY) 2022 Audit Plan as a risk-based audit. This area was most recently audited in FY 2021 at the University of Texas Health Science Center at Tyler (UTHSCT), now referred to as the UTT HSC campus, and the testing objective of that audit was to assess the current processes and controls in place, post-implementation of the HSC policy that was implemented as a result of a previous audit in this area, for the timely and accurate removal of HSC employee access as the result of termination and/or transfer. It is noted that this area has not been previously audited at the Main campus.

STANDARDS

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

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SCOPE AND PROCEDURES

The scope of the audit was from March 1, 2021, through November 26, 2021.

To achieve the audit objective, we:

- Reviewed applicable regulations, guidance, and UTT HSC campus and Main campus policies;
- Performed a walkthrough of employee off-boarding procedures that are part of the standard employee check-out process; and
- Selected a sample of both voluntarily and involuntarily terminated employees and a sample of employees who transferred departments, to review their applicable exit documentation and digital profile.

IAD will work with Management to verify the implementation status of management responses and target implementation dates to each recommendation noted above. The goal of this process is to help ensure that timely action is taken to address each observation.

OBSERVATION RANKINGS

Internal Audit departments across the University of Texas System use a consistent process to evaluate audit results based on risk factors and the probability of a negative outcome.

Legend	
Priority	<i>A finding is defined as an issue that if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of UT Tyler.</i>
High	<i>A finding that is considered to have a <u>medium to high probability</u> of adverse effects to UT Tyler as a whole or to a significant college or department.</i>
Medium	<i>A finding that is considered to have a <u>low to medium probability</u> of adverse effects to UT Tyler as a whole or to a college or department.</i>
Low	<i>A finding that is considered to have a <u>minimal probability</u> of adverse effects to UT Tyler as a whole or to a college or department. These findings are communicated separately to management.</i>