November 14, 2014

Dr. Daniel, President
Ms. Lisa Choate, Chair of the Audit Committee,

We have completed an audit of the International Programs Office as part of our Fiscal Year 2014 Audit Plan, and the report is attached for your review. The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The objectives of the audit were to conduct a change in leadership audit to provide assurance to UT Dallas management that an adequate system of departmental internal controls was in place. In addition, we conducted audit work to provide assurance that adequate controls existed over international programs.

Overall, an adequate system of both departmental internal controls and controls over international programs was in place. Implementation of the recommendations will enhance existing departmental and international program controls.

Management has reviewed the recommendations and has provided responses and anticipated implementation dates. Though management is responsible for implementing the course of action outlined in the response, we will follow up on the status of implementation subsequent to the anticipated implementation dates. We appreciate the courtesies and considerations extended to us during our engagement. Please let me know if you have any questions or comments regarding this audit.

Toni Stephens
Institutional Chief Audit Executive

UT Dallas Responsible Parties:
  Ms. Cristen Casey, Assistant Vice President for International Programs

Members of the UT Dallas Audit Committee:
  External Members:
   Mr. Bill Keffler
   Mr. Ed Montgomery
   Ms. Cynthia Trochu
  Dr. Hobson Wildenthal, Executive Vice President and Provost
  Dr. Calvin Jamison, Vice President for Administration
  Mr. Terry Pankratz, Vice President for Budget and Finance
  Dr. Andrew Blanchard, Vice President for Information Resources and Chief Information Officer
  Dr. Bruce Gnade, Vice President for Research
  Dr. Darrelene Rachavong, Vice President for Student Affairs
  Mr. Timothy Shaw, University Attorney

The University of Texas System:
  Dr. Pedro Reyes, Executive Vice Chancellor for Academic Affairs
  Alan Marks, Assistant Vice Chancellor of Academic Affairs and Athletics Counsel
  Mr. J. Michael Peppers, CIA, CRMA, CPA, FACHE, Chief Audit Executive
  Ms. Moshmee Kalamkar, CPA, CIA, Audit Manager

State of Texas Agencies:
  Legislative Budget Board
  Governor's Office
  State Auditor's Office
  Sunset Advisory Commission

Executive Summary

International Programs, Report No. 1505

Audit Objective and Scope: To conduct a change in leadership audit to provide assurance to UT Dallas management that an adequate system of departmental internal controls was in place. In addition, we conducted audit work to provide assurance that adequate controls existed over international programs. The scope of our audit was FY 2014.	

Audit Results:

The audit resulted in no recommendations considered significant to university operations. The following recommendations are offered to enhance controls over departmental operations and international programs.

Recommendation	*Estimated Implementation Date*
(1) Implement Policies and Procedures	November 30, 2015
(2) Enhance Controls over FsaATLAS	November 28, 2014

Conclusion: Overall, an adequate system of both departmental internal controls and controls over international programs was in place. Implementation of the recommendations will enhance existing departmental and international program controls.

| **Responsible Vice President:**	**Responsible Party:**
Dr. Darrelene Rachavong, Vice President for Student Affairs	Ms. Cristen Casey, Assistant Vice President for International Programs

Staff Assigned to Audit:
Ashley Mathew, Staff Auditor

Table of Contents

Background

International Programs, reporting to the Vice President for Student Affairs through the Assistant Vice President for International Programs, houses international student programs and international student advising for the University's growing international student population.   UT Dallas management reorganized operations to consolidate international program initiatives in April 2014, and the current organization structure is depicted below.

Prior to the reorganization, the Office of International Education (OIE) and the Center for US Latin American Initiatives (CUSLAI) reported to the Provost's Office, and the International Student Services Office (ISSO) reported to the Vice President for Student Affairs.   International Programs currently has a staff of 22 employees and a FY 15 Operating Expense budget of $2,029,026. Their website includes additional information about the office (http://www.utdallas.edu/isso/).
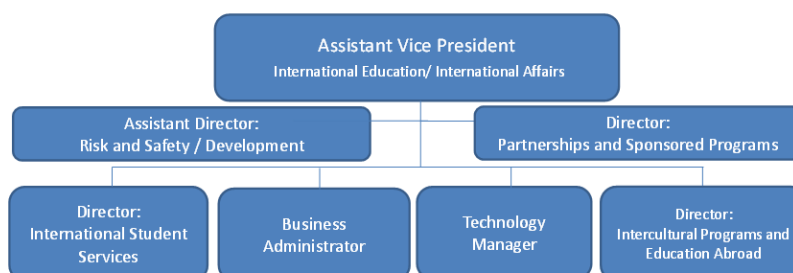
UT Dallas had an international student population of 6,353[1] during the 2013 fall semester. The top countries represented are China and India, and over 4,000 of the international students are enrolled in graduate programs.   International Programs utilizes SEVIS (the Student and Exchange Visitor Information System), a federally-mandated database administered by the Department of Homeland Security. FsaATLAS software was purchased to manage international student information.   The software provides a link to the student accounting system, Orion, and to SEVIS.

Audit Objective

The objective of our audit was to conduct a change in leadership audit to provide assurance to UT Dallas management that an adequate system of departmental internal controls was in place. In addition, we conducted audit work to provide assurance that adequate controls existed over international programs.

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[1] http://www.utdallas.edu/isso/docs/Overview.pdf

Scope and Methodology

The scope of this audit was fiscal year 2014, and our fieldwork concluded on October 16, 2014. To satisfy our objectives, we performed the following:

- Gained an understanding of departmental operations and conducted a risk assessment.
- Reviewed internal policies and procedures.
- Reviewed operations processes relating to FsaATLAS data.
- Tested access controls for FsaATLAS, SEVIS, and I-20 creation.
- Tested the departmental cost center reconciliation process for compliance with university guidelines.
- Tested expenses, including purchasing card transactions, for compliance with university policies and procedures, proper authorization, documentation, and proper recording in the financial system.
- Reviewed and tested monitoring and reporting requirements over international students.

Where applicable, we conducted our examination in accordance with the guidelines set forth in The Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*. The *Standards* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance or audit work, and management of the internal auditing department.

Audit Results and Management's Responses

Our audit work indicated that the following controls currently exist:

- Expenses, including purchasing card transactions, appeared reasonable to the mission of the department.
- Cost center reconciliations were performed in a timely manner, complied with University guidelines, and contained an appropriate separation of duties.
- The ISSO has clearly documented policies and procedures that include workflows for I-20 creation and SEVIS alerts.
- The ISSO conducts a monthly data integrity audit between SEVIS and FsaATLAS data and investigates all discrepancies.
- SEVIS and FsaATLAS create alerts to help identify actionable items that will require changes to a student's I-20.
- The ISSO appears to be taking action on identified actionable items within the SEVIS reporting deadlines.

Minor issues regarding reconciliations between Orion and the reduced course load database and enhancing documentation for expenses and purchasing cards were discussed with management, and they agreed to address them.

A priority finding is defined by the UT System Audit Office as "an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole. We have **no priority findings** resulting from this audit; however, the following recommendations will help enhance the financial reporting process and minimize the risk of material misstatements going undetected in a timely manner.

We have **no priority recommendations** resulting from this audit; however, the following recommendations will help enhance departmental operations and controls over international student programs.

Audit Recommendations

(1)   *Implement Policies and Procedures*

Neither the Office of International Education (OIE) nor the Center for U.S. - Latin American Initiatives (CUSLAI) have documented policies or procedures for internal processes. Departmental policies and procedures provide a clear communication of the responsibilities of departmental personnel. This is especially helpful during periods of turnover. If policies and procedures are not documented and communicated to personnel, it may lead to departmental inefficiencies and weak internal controls.

Recommendation: We recommend that the department develop written policies and procedures that are specific to departmental operations for OIE and CUSLAI.

Management's Response: *We agree with this assessment. The International Center is currently developing written policies and procedures for all OIE functions, in the areas of education abroad, international risk and safety, and international partnership development. CUSLAI policies and procedures will not be developed by the International Center staff, as responsibility for this area remains under the management of the Office of the Provost.*

Estimated Date of Implementation: *A list of all needed policies and procedures will be finalized by December 2014, with all policies and procedures being developed and written within one year. Quarterly progress reports will be submitted to the AVP by the responsible director.*

Person Responsible for Implementation:
Lisabeth Lassiter is responsible for developing education abroad policies and procedures. Imperio Shanks is responsible for developing international risk and safety policies and procedures. Rodolfo Hernandez is responsible for developing international partnership development policies and procedures.

Cristen Casey holds ultimately responsibility that policies and procedures are documented and implemented effectively.

(2)   *Improve Controls over FsaATLAS*

We reviewed access controls over FsaATLAS and found the following:

- There is no documented process to determine what level of access should be granted to ISSO employees. The granting process also does not include formal approvals or review to determine that the access level granted is appropriate. We found that an access level called "DSO" (designated school official) has been given to 11 individuals, but only nine employees are registered with SEVIS and Homeland Security as a DSO. Without a clear process for approvals and determining what level of access should be granted based on job roles and responsibilities, the chances of inappropriate access to sensitive data is increased.

- Three individuals, including the Assistant VP who doesn't normally use the system, have full system and provisioning access including the ability to create, modify and remove FsaATLAS access. Provisioning and full system access should be restricted to those administering the program. The more administrators a system has, the chances of inappropriate access or system compromises increases.

- While passwords are changed immediately upon an employee's transfer or separation with the university, the profiles are not deactivated in a timely manner. No one specifically monitors these profiles to determine that FsaATLAS is not accessed inappropriately. We confirmed that 13 individuals that have left the ISSO still have active FsaATLAS access profiles. Though passwords are changed, if a separated or transferred employee's profile remains active, the chances for unauthorized changes to a student's immigration records increase. Also these accounts could be used by employees or others without access to the system. With over 5000 active immigration records maintained in the system, the protection of confidential student information could be impacted.

Recommendation: We recommend that the ISSO enhance controls over access by documenting the procedures to grant access for FsaATLAS, limiting the number of individuals with provisioning access, and periodically monitoring access.

Management's Response:

- *LEVELS OF ACCESS: The process to document levels of access for ISSO employees was not in place to our satisfaction, and we agree with this portion of the findings. However, we would like to state that levels of access were granted based on job roles and responsibilities, and SEVIS and Homeland Security controls on DSO access granted a significant level of control to mitigate risk of inappropriate access to sensitive data.*

- *AVP WITH PROVISIONING ACCESS: The Assistant VP does access the system regularly. Because she has been ultimately responsible for the system's data integrity, we believed it appropriate for her to have this level of access. However, based on the recommendation of this audit, in addition to the change in AVP responsibilities, the access has now been removed.   The two administrators with remaining access will administer the access/provisioning controls.*

- *REMOVING ACCESS: We disagree that the existing system increases the likelihood of unauthorized changes to student immigration records. Immigration records are owned by SEVIS/ DHS, and SEVIS access is removed immediately upon an employee's separation from the university. Even full access to fsaATLAS does not grant access to a student's immigration record.*

  Also, the actions taken to remove fsaATLAS access include both changing the password, and removing all permissions to the system. The user profile remains in the fsaATLAS system due to a database irregularity. Namely, the database does not correctly maintain the historical student records when a record is deleted, resulting in lost data when the employee's fsaATLAS profile is deleted. The current process prevents unauthorized access to the fsaATLAS system. And, even if access were gained, there isn't sufficient permission for the separated employee to change records in fsaATLAS or SEVIS.

Estimated Date of Implementation:

- By November 28: all access and provisioning for fsaATLAS will be formalized, tied to position, with a written approval process and training documentation for all staff. This includes removal of access for all ISSO employees after separation from the department, in addition to regular audits of access.
- Immediately: AVP's provisioning access for fsaATLAS has been removed.

Person Responsible for Implementation:

Natalie de Leon and Josephine Vitta are jointly responsible for implementation of controls for fsaATLAS.

Cristen Casey holds ultimately responsibility that adequate controls are in place.

Conclusion

Overall, an adequate system of both departmental internal controls and controls over international programs was in place. Implementation of the recommendations will enhance existing departmental and international program controls.

We appreciate the courtesy and cooperation received from the management and staff of International Programs during this audit.