FY 2014 Departmental Change in Management Audit

University Police Department

April 2015

The University of Texas at Austin
Office of Internal Audits
UTA 2.302
(512) 471-7117
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FY 2014 Departmental Change in Management Audit: University Police Department
Project Number: 14.108
April 22, 2015

President William C. Powers, Jr.
The University of Texas at Austin
Office of the President
P.O. Box T
Austin, Texas 78713

Dear President Powers,

We have completed our audit of The University of Texas Police Department (UTPD). Our scope included controls and operations in place for fiscal year 2014.

Based on the audit procedures performed, we conclude that UTPD has reasonable to strong controls in most areas reviewed. However, opportunities for improvement were noted for information systems security and petty cash. Our audit report provides detailed observations for each area under review. Suggestions are offered throughout the report for improvement in the existing control structure.

We appreciate the cooperation and assistance of UTPD throughout the audit and hope that the information presented herein is beneficial.

Sincerely,

Michael W. Vandervort, CPA
Director

cc: Internal Audit Committee Members
Ms. Nancy Brazzil, Deputy to the President and Chief of Staff
Mr. Bob Harkins, Associate Vice President, Campus Safety and Security
Mr. David Carter, Chief, University Police Department
# Table of Contents

Executive Summary ............................................................................................................. 1  
Background .......................................................................................................................... 2  
Scope, Objectives, and Procedures ...................................................................................... 2  
Audit Results ........................................................................................................................ 3  
Conclusion ........................................................................................................................... 7  
Appendix .............................................................................................................................. 8
EXECUTIVE SUMMARY

Conclusion
Based on the audit procedures performed, we conclude that The University of Texas Police Department (UTPD) has reasonable to strong controls in most areas reviewed. However, opportunities for improvement were noted for information systems security and petty cash.

Summary of Recommendations
Internal Audits identified one notable issue which led to the following recommendation: Ensure that a disaster recovery plan is completed and maintained on file.

Two additional recommendations are also provided, but are considered minor in significance.

Management agrees with our observations and has provided corrective action plans which are expected to be implemented on or before May 1, 2015.

Audit Scope and Objective
Departmental Change in Management audits are conducted annually and units are chosen based on a risk assessment. The objective is to evaluate the adequacy and effectiveness of the unit’s structure, processes, and internal controls and to determine compliance with relevant policies and procedures for fiscal year 2014.

Background Summary
UTPD was founded in 1968 and under Texas Law has the authority and responsibility to investigate all crimes occurring on the property owned or controlled by The University of Texas at Austin (UT Austin). UTPD is in charge of patrolling Main Campus, J.J. Pickle Research Center, Brackenridge Tract, Paisano Ranch, and Bee Cave Research Center and has a budget of approximately $8.9 million. This unit has over 130 employees and reports to the Vice President for University Operations.
BACKGROUND

The University of Texas Police Department (UTPD) was founded in 1968 and under Texas Law has the authority and responsibility to investigate all crimes occurring on the property owned or controlled by The University of Texas at Austin (UT Austin). UTPD is in charge of patrolling Main Campus, J.J. Pickle Research Center, Brackenridge Tract, Paisano Ranch, and Bee Cave Research Center.

UTPD employs more than 130 individuals and has 4 different specialized units consisting of the Crime Prevention, Criminal Investigation, Honor Guard, and the K-9 Units. UTPD is accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA), which represents the professionalism and ways the unit’s prevention, enforcement and community presence measure up to CALEA’s standards. UTPD has a budget of approximately $8.9 million and reports to the Vice President for University Operations.

Department IT staff coordinate with University Operations’ Technology Resources (TRecs) to manage information systems security within the department. UTPD has approximately 225 computers using Microsoft and Linux operating systems. One hundred and eighty-six were reported to contain Category I data. In 2013, UTPD had 12 breaches (i.e. remote attacker obtains unauthorized control of a system), constituting approximately one breach per 18 computers, higher than the campus-wide average of one breach per 77 computers.

SCOPE, OBJECTIVES, AND PROCEDURES

The scope of this review includes controls and operations of the department in place for fiscal year 2014. Our objectives were to evaluate the adequacy and effectiveness of the unit’s structure, processes, and internal controls and to determine compliance with relevant policies and procedures.

To achieve these objectives, Internal Audits:

- Surveyed the unit via a questionnaire to ascertain reported strength in internal controls and compliance with UT Austin rules;
- Reviewed the department’s electronic office structure and employees’ appointment statuses;
- Conducted limited testing on account certifications, account reconciliations, payroll/HR, cash and cash equivalent handling, petty cash, inventory, purchasing, procurement card expenditures, travel expenditures, entertainment and official occasion expenditures, and information systems security; and

1 The Commission on Accreditation for Law Enforcement Agencies: http://www.calea.org/
• Clarified follow-up issues through e-mails, meetings, and other correspondence.

This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and with Government Auditing Standards.

AUDIT RESULTS

We reviewed internal controls in 20 areas regarding departmental operations, financial processes, and information technology, of which two areas were not applicable to UTPD. The appendix provides information on the specific areas reviewed. The following were the results:

• 16 (89%) areas had reasonable to strong controls in place,
• 1 (5%) area had opportunities for minor improvements,
• 1 (6%) areas had an opportunity for significant improvement, and
• 0 (0%) areas had priority weaknesses.

Recommendations were made in areas where opportunities for improvements were noted and are detailed in the remainder of this report.

Information Systems Security – Disaster Recovery Plan (DRP), Backup Recovery of Systems and Data

The unit’s DRP is incomplete and is not being tested on an annual basis. The unit stated that the DRP is managed by TRecs so they have not updated it. Without an updated DRP, the unit may not be able to adequately recover critical systems and data in the event of a disaster.

According to Section 5.5.2 of UT Austin’s Information Resources Use and Security Policy, “Each college, school, or unit responsible for a system(s) should maintain a DRP. The recovery plan includes the following:

• Procedures for recovering data and applications in case an unexpected event occurs such as natural disaster, power or system disk failure, espionage, data entry error, human error, or other systems operations errors;
• Assignments of operational responsibility for backup of all systems connected to the respective network;
• Requirements for off-site storage needs;
• Physical and network access controls for on-site and off-site storage;
• Processes to ensure backups are viable and can be recovered (for example, routine testing of backup and recovery procedures.)”

Recommendation 1: Management should ensure that a comprehensive documented DRP exists within UT Austin’s Kuali Ready DRP
application for all critical information resources and that it is tested at least annually. Additionally, the DRP should be kept up-to-date as staff and/or systems change.

**Management Corrective Action Plan:** Technology Resources will update the Kuali Ready DRP application for the information systems used by The University of Texas Police Department. The DRP will be tested at least annually. Responsibility for DRP maintenance will be assigned to the Operations group within Technology.

**Responsible Person:** Director Technology Resources  
**Planned Implementation Date:** The Kuali Ready DRP system will be updated by May 1, 2015. The DRP will be tested by October 1, 2015, and annually thereafter.

**Post Audit Review:** Internal Audit will perform follow-up after the implementation date.

### Information Systems Security – Securing Unattended Devices

Password-protected screensavers are not currently set to activate after 15 minutes of inactivity. Testing showed that the screensaver settings were enabled but set to activate after 30 minutes of inactivity. Unauthorized access to unattended devices may result in harmful or fraudulent disclosure, modification, or deletion of sensitive electronic data. In addition, this may lead to the misuse of critical applications or email accounts.

According to Section 5.18.5 of UT Austin’s *Information Resources Use and Security Policy,* “Unattended computing devices must be secured from unauthorized access. Logical security controls include screen saver passwords and automatic session time-outs that are set to activate after 15-minutes of inactivity.”

**Recommendation 2:** Management should ensure that the password-protected screensaver settings are enabled to activate after 15 minutes of inactivity.

**Management Corrective Action Plan:** The password-protected screensaver settings will be changed to activate 15 minutes on inactivity.

**Responsible Person:** Desktop Support Specialist, ITS Customer Support Services  
**Planned Implementation Date:** January/February of 2015

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2 Kuali Ready is an application provided by the Information Security Office and is designed for departmental disaster recovery planning.
Post Audit Review: Internal Audit is in the process of performing follow-up for this recommendation.

Petty Cash
The petty cash fund is used as a means of reimbursement to staff once purchases are made. The unit’s current practice is to provide funds to individuals after purchases are made using personal funds. Without a process in place to request petty cash funds prior to purchases, there is an increased risk that a petty cash fund is not being used for its intended purpose and the unit could lose the fund.

According to Section 6.6.D of UT Austin’s Handbook of Business Procedures, “Imprest funds allow for the immediate purchase of emergency items necessary to a department’s operations. With cash funds, cash should be requested from the custodian of the account prior to the purchase. Individuals should refrain from paying for purchases with a personal check and then submitting receipts for reimbursement from the petty cash fund. Petty cash should not be used in this fashion.”

Recommendation 3: Management should ensure that the petty cash fund is not used as a means of reimbursement. In addition, the petty cash fund should only be used for immediate purchase of emergency items necessary to the unit’s operations.

Management’s Corrective Action Plan: The University of Texas Police department is a 24 hour, 365 day emergency operations. We are always open, but we do not have a 24 hour availability to a purchasing personnel, especially during the weekends and the holidays.

According to Section 6.6D of UT Austin’s Handbook of Business Procedures, “Imprest funds allow for the immediate purchase of emergency items necessary to a department’s operations.”

In our current operations, the department needs funds to reimburse employees who have received approval from their supervisors in the amount of $50 or less to purchase an item that has been deemed an emergency item to the department’s operations and the departmental buyer is not available during that emergency. Once the purchase is approved, a receipt is required to receive reimbursement through our petty cash.

According to Section 6.6D of UT Austin’s Handbook of Business Procedures, “With cash funds, cash should be requested from the custodian of the account prior to the purchase. Individuals should refrain from paying for purchases with a

personal check and then submitting receipts for reimbursement from the petty cash fund. Petty cash should not be used in this fashion.”

Per the policy, we find it contradictory since imprest funds allow for immediate purchase of emergency items, but they can’t be used as a means of reimbursement. Also, how can cash be requested from the custodian of the account prior to purchase, if the purchase is an emergency purchase being conducted because the purchasing personnel is not available.

Having a petty cash fund has been one way to assist with our emergency purchases to support our operations, but in order to be in agreement with the procedure, we will have to find another way to reimburse personnel, so our action plan is as follows:

1. Effective February 1, 2015, the petty cash fund will only be used for prior approved purchases.
2. Should a department purchase be made after hour with personal funds the following procedures will take place.
   a. The employee must receive prior approval from a supervisor on duty for purchase via email or in person and the amount must be $50 or less.
   b. Once approved, the employee will make the purchase and save the receipt. The employee will need to use a tax exempt form to ensure no taxes are charged, since no taxes will be reimbursed.
   c. On the next business day, the employee will bring the receipt to UTPD’s payable’s department.
   d. UTPD’s payables department will process a VP2 document and forward it to accounting for payment.
   e. When accounting received the VP2 document they will cut a check to reimburse the employee for the purchase made.

Responsible Person: The UTPD executive team is responsible for communication the change to all supervisors and that will be done on 12/16/2014 (commander’s meeting) and 1/6/2014 (supervisor’s meeting). The departmental buyer will continue to be responsible for following petty cash procedures.

Planned Implementation Date: February 1, 2015

Post Audit Review: Internal Audit has performed follow-up work and has confirmed that the recommendation has been implemented.
CONCLUSION

Based on the audit procedures performed, we conclude that UTPD has reasonable to strong controls in most of the areas reviewed. However, opportunities for improvement were noted for information systems security and petty cash.

In accordance with directives from The University of Texas System Board of Regents, the Office of Internal Audits will perform follow-up procedures to confirm that audit recommendations have been implemented.
<table>
<thead>
<tr>
<th></th>
<th>Reasonable to Strong Controls in Place</th>
<th>Opportunity for Minor Improvements</th>
<th>Opportunity for Significant Improvements</th>
<th>Priority Weakness [1]</th>
<th>Not Applicable to the Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Office Structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General Departmental Information/Organization/Activities</td>
<td></td>
<td></td>
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<tr>
<td>Payroll/HR</td>
<td></td>
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<td>Account Reconciliation</td>
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<tr>
<td>Endowed Positions/Gift Administration</td>
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<tr>
<td>Outside Employment/Conflict of Interest</td>
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<td>Cash and Cash Equivalent Handling</td>
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<td>Cash Registers/Cashiers</td>
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<td>Petty Cash</td>
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<tr>
<td>Accounts Receivable</td>
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<tr>
<td>Merchandise for Resale</td>
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<tr>
<td>Inventory</td>
<td></td>
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<tr>
<td>Controlled Items</td>
<td></td>
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<tr>
<td>Purchasing Activities</td>
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<tr>
<td>Authorization for Individual Services</td>
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<td>Contracts</td>
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<td>Procurement Cards</td>
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<td>Travel Expenditures</td>
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<tr>
<td>Entertainment and Official Occasion Expenditures</td>
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<td>Information Systems Security</td>
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[1] A priority weakness, 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. These findings will be reported to UT System Administration.