Information Technology Governance

September 2013

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Office of Internal Audits

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This report has been distributed to Internal Audit Committee members, the Legislative Budget Board, the State Auditor’s Office, the Sunset Advisory Commission, the Governor’s Office of Budget and Planning, and The University of Texas System Audit Office for distribution to the Audit, Compliance, and Management Review Committee of the Board of Regents.

IT Governance
Project Number: 774.11
September 16, 2013

President William C. Powers, Jr.
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 UT Austin’s IT Governance function. Our scope included applicable information technology controls.

Based on a review of policies and procedures, interviews with relevant staff, a review of applicable documentation, and a review of survey results, we conclude that UT Austin’s IT Governance framework supports UT Austin’s operational strategies and objectives; however, four suggested enhancements were noted.

We appreciated the cooperation and assistance of Chief Information Officer throughout the audit and hope that the information presented herein is beneficial.

Sincerely,

Michael W. Vandervort, CPA
Director

cc:   Internal Audit Committee Members
      Brad Englert, Chief Information Officer
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EXECUTIVE SUMMARY

In October 2008, the Strategic Information Technology Advisory Committee (SITAC) was formed to identify and address the core Information Technology (IT) issues facing The University of Texas at Austin (UT Austin). Composed of key leaders and stakeholders, SITAC was responsible for developing and delivering a unified vision for IT campus-wide.

SITAC focused on IT issues and priorities that the campus community identified as vital to the mission and purpose of UT Austin. The first of these initiatives centered on the creation of an IT Governance framework that would provide the strategic, operational, and technical decision-making process necessary to enable UT Austin to excel in its IT mission.

The scope of the audit included current information technology controls related to UT Austin’s IT Governance framework. The audit objective was to determine if IT Governance supports UT Austin’s operational strategies and objectives.

Based on a review of policies and procedures, interviews with relevant staff, a review of applicable documentation, and a review of survey results, the Office of Internal Audits concludes that UT Austin’s IT Governance framework supports UT Austin’s operational strategies and objectives; however, four suggested enhancements were noted.

This audit was performed at the request of The University of Texas System Administration.
BACKGROUND

This audit was performed at the request of The University of Texas System Administration.

Information Technology (IT) Governance is the establishment of structures, principles, and practices that foster the alignment of IT initiatives with the purposes and objectives of the enterprise. A productive IT Governance framework demonstrates that an organization can articulate its strategic plan and demonstrate the plan’s effectiveness relating to value delivery, resource and risk management, and performance measurement of IT resources.

In October 2008, the Strategic Information Technology Advisory Committee (SITAC) was formed to identify and address the core IT issues facing The University of Texas at Austin (UT Austin). Composed of key leaders and stakeholders, SITAC was responsible for developing and delivering a unified vision for IT campus-wide.

SITAC focused on IT issues and priorities that the campus community identified as vital to the mission and purpose of UT Austin. The first of these initiatives centered on the creation of an IT Governance framework that would provide the strategic, operational, and technical decision-making process necessary to enable UT Austin to excel in its IT mission.

UT Austin’s IT Governance Framework
Fully implemented in January of 2010, UT Austin’s IT Governance framework comprises six distinct committees. The following diagram illustrates the IT Governance committee framework at UT Austin.

![IT Governance Framework Diagram]

Each committee is composed of a flexible combination of permanent and term members. Permanent members hold critical academic or administrative related positions while term members are chosen from a wide-range of colleges, schools, or units (CSU) to promote

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1 How IT Governance works - [http://www.utexas.edu/cio/itgovernance/](http://www.utexas.edu/cio/itgovernance/)
even distribution across multiple disciplines. In some cases, an individual may be appointed to more than one committee.

At the request of the Chief Information Officer’s office, term members typically serve either one or two year appointments facilitating a staggered membership that allows for committee continuity. Faculty and staff may request membership to specific committees based on their CSU and/or job duties; however, all nominations must be approved by the president’s office.

**IT Governance**
The University of Texas System does not have a specific policy relating to IT Governance. A number of industry supported frameworks exist that can be used as a model. One of the most popular frameworks is ISACA’s Control Objectives for Information and Related Technology (COBIT).

ISACA is an independent, nonprofit, and global association that provides practical guidance, benchmarks and other effective tools for all enterprises that use information systems. Through its comprehensive guidance and services, ISACA defines the roles of information systems governance, security, and audit professionals worldwide.

In 1996, ISACA released the first version of the COBIT framework. COBIT encompasses several domains within the framework including process descriptions, control objectives, management guidelines, and maturity models.

According to ISACA’s web site, “COBIT is an IT governance framework and supporting toolset that allows managers to bridge the gap between control requirements, technical issues and business risks. COBIT enables clear policy development and good practice for IT control throughout organizations. COBIT emphasizes regulatory compliance, helps organizations to increase the value attained from IT, enables alignment and simplifies implementation of the COBIT framework.”

**SCOPE, OBJECTIVES, AND PROCEDURES**
The scope of the audit included current information technology controls related to UT Austin’s IT Governance framework. The audit objective was to determine if IT Governance supports UT Austin’s operational strategies and objectives.

To achieve this objective, the Office of Internal Audits (Internal Audits) staff:
- Reviewed related policies, procedures, and processes;
- Reviewed the meeting agendas and minutes for the IT Governance Committees;
- Interviewed Information Technology Services staff; and
- Surveyed IT Governance Committee members.

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For internal controls criteria, we used COBIT 4.1 – Section 4: Monitor and Evaluate the IT Governance Framework.

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

AUDIT RESULTS

SITAC has created the foundation for effective IT Governance that aligns with UT Austin’s operational strategies and objectives. In addition, there appears to be reasonable controls over all processes found within section 4.1 of COBIT:

- Establishment of an IT Governance Framework
- Strategic Alignment
- Value Delivery
- Resource Management
- Risk Management
- Performance Measurement

IT Governance Survey Results
Internal Audits surveyed past and present IT Governance committee members and received a total of 26 responses from all five committees targeted. The responses to the survey indicated that participants hold a positive position on the effectiveness of UT Austin’s IT Governance function as the figures below attest:

My committee: Is effective overall.

For the committee that I serve on: It is important that goals of IT initiatives align with business and/or academic needs.
Which of the following best characterizes IT Governance workflow for your committee?

![Bar chart showing the distribution of responses for IT Governance workflow categories.]

Initiatives tend to achieve the committee's expectations.

![Bar chart showing the distribution of responses for initiatives achieving committee expectations.]

Suggested Enhancements

Although it appears UT Austin’s IT Governance framework is well aligned with business strategy, we are providing four suggested enhancements identified from our review of survey results and other relevant documentation that could further strengthen this alignment. UT Austin’s Chief Information Officer has provided responses for each of our suggested enhancements.

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<th>Suggested Enhancement 1:</th>
<th>Management Response:</th>
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<td>Management should consider limiting permanent committee members to no more than one third of total membership and that term members are rotated to allow other stakeholders across campus have an opportunity to serve. Depending on the objectives of the committee, retaining members with subject matter expertise, process ownership, or specialized business knowledge may be necessary.</td>
<td>Across the six IT governing committees there are 98 members this fiscal year, and 27 are permanent (27.5%). So, we have limited the permanent members to less than a third of the total number. All non-permanent members are rotated to enable more stakeholders on campus more opportunities to serve. A review of all IT governance committee membership is conducted each year, to be certain the colleges, schools and units are fairly represented as specified in the SITAC report, and all appointments are made by the President's Office. We agree that all permanent members should be clearly identified on the CIO website.</td>
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<th>Suggested Enhancement 2:</th>
<th>Management Response:</th>
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<td>Management should consider providing additional training and documented guidelines to successfully allow committees to manage their responsibilities and create consistency in the IT Governance function.</td>
<td>We agree with this suggestion, and will provide more formal orientation to all IT governing groups each September. The &quot;How IT Governance Works&quot; documented guidelines will be enhanced. We also plan to have exit discussions with out-going committee chairs and members, which proved very informative last year. We want to better set</td>
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expectations regarding decision rights and accountability to encourage the desirable behavior in the use of IT. We also plan to develop a more structured approach for bringing agenda items to the committees, such as establishing funding thresholds and criteria for consideration of "common good" funding proposals.

### Suggested Enhancement 3:
In addition to capital expenditure projections for initiatives, management should consider including the personnel hours necessary for completion of initiatives and review for availability of sufficient staff.

### Management Response:
This year we have several examples of presenting the staff hours needed for initiatives: e.g., mobile strategy, video captioning, identity and access management strategy. We will continue to do so, but we do not want to burden the committees with implementation responsibilities or day-to-day IT project management.

### Suggested Enhancement 4:
Initiatives that are overdue, delayed, or canceled should be reviewed by committee members to determine the reason, any necessary remediation, and the effect on campus.

### Management Response:
We have several examples of this already happening, such as delays in the development of the Voice over Internet Protocol strategy, the current Office 365 implementation, and the web infrastructure design project. The annual "IT Governance Accountability Report" clearly identifies which initiatives are complete, as well as which initiatives are still in process and explanations as to why there is more work to do.

## CONCLUSION

Based on a review of policies and procedures, interviews with relevant staff, a review of applicable documentation, and a review of survey results, the Office of Internal Audits concludes that UT Austin’s IT Governance framework supports UT Austin’s operational strategies and objectives; however, four suggested enhancements were noted.