August 29, 2014

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

We have completed an audit of the Clery Act 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 provide assurance that an effectively designed compliance program has been implemented for the Clery Act and to determine if UT Dallas is in compliance with certain Clery Act regulations. The audit does not provide absolute assurance of compliance with all Clery Act requirements.

Overall, we found that operational processes could be enhanced to ensure accurate and complete information is included on the Annual Security Report and UT Dallas' continued compliance with Clery Act requirements. The attached report details recommendations that will enhance operational processes and the compliance program.

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
Executive Director of Audit and Compliance

*UT Dallas Responsible Party:*
Larry Zacharias, Chief of Police

*Members of the UT Dallas Audit and Compliance 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 Ratcharge, Vice President for Student Affairs
Mr. Timothy Shaw, University Attorney, ex-officio

*The University of Texas System:*
Dr. Pedro Reyes, Executive Vice Chancellor for Academic Affairs
Alan Marks, Attorney
Mr. J. Michael Fe萑ers, CIA, CRMA, CPA, FACHE, Chief Audit Executive
Ms. Moshmeh Kalamkar, CPA, CIA, Audit Manager

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

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION UNIVERSITY
Executive Summary

Clery Act, Report No. 1417

Audit Objective and Scope: To provide assurance that an effectively designed compliance program has been implemented for the Clery Act and to determine if UT Dallas is in compliance with certain Clery Act regulations.

Audit Results:
The audit resulted in no recommendations considered significant to University operations. However, we offer the following recommendations to enhance compliance and internal controls over Clery Act requirements:

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Estimated Implementation Date</th>
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<tbody>
<tr>
<td>(1) Enhance the Year-End Reconciliation Process</td>
<td>May 1, 2014</td>
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<td>(2) Consistently Review Submitted Reports</td>
<td>February 19, 2014</td>
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<td>(3) Enhance Access Controls to the Clery Act Module</td>
<td>May 1, 2014</td>
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<td>(4) Document Review Dates for Submitted Reports</td>
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Conclusion: Overall, an effectively designed compliance program has been implemented for the Clery Act and UT Dallas was in compliance with certain Clery Act regulations. Implementation of the recommendations will enhance compliance over the requirements.

Responsible Vice President: Dr. Calvin Jamison, VP Administration

Responsible Party: Larry Zacharias, Chief of Police

Staff Assigned to Audit: Polly Atchison, CPA, CIA, Audit Manager
Dylan Becker, CPA, CIA, Senior Auditor
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Background

The Clery Act is a federal statute that requires colleges and universities that participate in federal financial aid programs to report certain information about criminal activities on and around campus. Each instance of non-compliance represents a potential $35,000 fine from the U.S. Department of Education.

The Act currently specifies reporting requirements to the general public regarding criminal activities in four primary formats. The formats include an annual security report, a daily crime log, timely warnings, and specific criminal statistics. The annual security report must be published by October 1 of each year and contain the previous three years' worth of reportable criminal offenses. Additionally, crimes classified as "hate crimes" must be identified and included not only on the annual security report, but also sent to the U.S. Department of Education.

The University Police Department is responsible for ensuring compliance with Clery Act reporting requirements and has established processes to ensure UT Dallas has complied with the federal statute. The Annual Security Report, daily crime log, and information regarding the University’s crime prevention programs are published on the departmental website, available to the general public and upon request. Also available to the general public on the Police Department’s website are resources to assist with filing police reports, including sexual assaults, and identifications of registered sex offenders who are either currently enrolled, work or volunteer with UT Dallas.

The University Police Department had a total budget of $4,038,420 for FY 2014 and consisted of 56 employees, including 14 police officers, six officers, an assistant chief of police and a chief of police. The chief of police is ultimately responsible for ensuring Clery Act compliance. The processes used to ensure accurate and complete reporting of reportable offenses on the annual security report and the execution of the compliance program has been delegated to officers that have received training over Clery Act requirements.

Audit Objective

To provide assurance that an effectively designed compliance program has been implemented for the Clery Act and to determine if UT Dallas is in compliance with certain Clery Act regulations.

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1 https://www.utdallas.edu/police/
Scope and Methodology

The scope of this audit was calendar years 2012 to present, and our fieldwork concluded on April 23, 2014. To satisfy our objectives, we performed the following:

- Interviewed and observed officers and staff members to gain an understanding of the process used to ensure Clery Act compliance;
- Reviewed documentation and records used to report criminal activities;
- Determined if processes exist to ensure the accuracy and completeness of the Annual Security Report;
- Reviewed access controls to the reporting software to ensure process owners were clearly defined.

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

Overall, we found that an effectively designed compliance program has been implemented for the Clery Act and UT Dallas is in compliance with certain Clery Act regulations. Our audit work indicated that the following controls currently exist:

- A proper segregation of duties exists between the officer who files the police report and the officer who reviews the report;
- Processes exist to ensure the Annual Security Report is published by the required dates;
- A documented business continuity plan exists for Report Exec, which is the software used to record police reports filed during the year.

A priority recommendation is defined as one that may be material to operations, financial reporting, or legal compliance. This would include an internal control weakness that does not reduce the risk of irregularities, illegal acts, errors, inefficiencies, waste, ineffectiveness, or conflicts of interest to a reasonable low level. We have no priority recommendations resulting from this audit; however,
the following recommendations will help enhance existing internal controls and improve operational processes.

Audit Recommendations

(1) **Enhance the Year-End Reconciliation Process**

The Clery Act considers certain criminal activities as reportable. Criminal activities that are considered reportable are required to be published in an Annual Security Report by October 1 of each calendar year and categorized by offense according to Clery Act Reporting Requirements. The criminal activities that are published in the Annual Security Report are based on the police reports submitted in the software used by the UTD Police Department called Report Exec. Within Report Exec is a Clery Act Module where all police reports submitted during the calendar year are maintained that contained a reportable offense under Clery Act requirements. The police reports maintained within the Clery Act Module are used to populate the criminal activities that are ultimately published on the Annual Security Report.

A reconciliation process to ensure the total number of Clery Act offenses included on police reports agree with the number of offenses recorded or that crimes were properly classified on the Annual Security Report does not exist. Best practices suggest that reconciliations between police reports submitted during the calendar year and Clery Act offenses reported on the Annual Security Report will minimize the risk of errors or misclassifications going undetected in a timely manner.

**Recommendation:** Management should consider revising the current reconciliation process to ensure the total number of Clery Act offenses recorded within the Clery Act Module agree to the total number of offenses reported on the Annual Security Report and are properly classified.

**Management’s Response:** Management concurs with an exception. Clery requires reporting one incident per offense report which can be easily reconciled. However when reporting drug and alcohol incidents, each individual involved in that incident is counted which challenges the reconciliation process of one Clery crime per offense report. Most crimes will be reconciled using a newly developed Excel spreadsheet.

**Estimated Date of Implementation:** May 1, 2014

**Person Responsible for Implementation:** Sgt. Boyd/ Mist Izaguirre
(2) **Enhance Access Controls to the Clery Act Module**

The Clery Act Module within Report Exec is used to maintain all police reports submitted during the calendar year that contain a reportable Clery Act offense. Reports are captured within the Clery Act Module when a reporting officer indicates on the police report that a reportable offense may have occurred. All possible criminal offenses within Report Exec have been assigned a unique code. Criminal offenses considered reportable under Clery Act have been assigned codes that will automatically place the criminal offense in the Clery Act Module.

A total of 12 employees were found to have the abilities to make edits to police reports after the reports have been captured within the Clery Act Module. Additionally, not all employees that had access had adequate training over Clery Act requirements. Best practices suggest enhancing access controls to allow only employees that need access to perform their duties enhances internal controls, minimizes the risk of erroneous or inaccurate data from being reported on the Annual Security Report, and ensures clear process owners exist.

**Recommendation:** Management should consider restricting access to the Clery Act Module within Report Exec to only those that need access to perform their duties.

**Management's Response:** Management concurs and has implemented.

**Estimated Date of Implementation:** February 19, 2014

**Person Responsible for Implementation:** Daniel Calhoun

(3) **Consistently Review Submitted Police Reports**

The annual reporting date for publishing the Annual Security Report is October 1 of each calendar year. The report is required to include all reportable Clery Act offenses from the prior calendar year that were contained within submitted police reports. The current review process occurs in August or September of each calendar year and requires one officer to review the narratives on all police reports maintained within the Clery Module. The officer reviews the narratives to ensure the offense(s) documented are accurately and completely recorded to help minimize the risk of errors on the Annual Security Report. The time between the review dates and the required date the Annual Security Report should be published is insufficient to ensure corrections will be made or errors will be identified. Additionally, the numbers of reports reviewed during this time by a single officer are too voluminous to reasonably expect a sufficient review of all narratives.
Best practices suggest that periodic reviews of police report narratives maintained within the Clery Act Module will allow for more timely detection of errors which reduces the risk of inaccurate or incomplete information on the Annual Security Report.

**Recommendation:** Management should consider implementing a periodic review process where police reports maintained with the Clery Act Module are consistently reviewed during the calendar year.

**Management's Response:** Management concurs and is implementing.

**Estimated Date of Implementation:** May 1, 2014

**Person Responsible for Implementation:** Chief Zacharias/Sgt. Boyd

(4) **Enhance Documentation over Review Dates**

Audit trails for submitted police reports are necessary to ensure compliance with Clery Act Reporting requirements and that appropriate reviews took place. A sufficient audit trail provides details of when changes to a report were made, who made the changes, and what changes or edits occurred.

The audit trail through Report Exec also includes the date police reports were reviewed for Clery Act offenses. However, the date captured within the audit trail used to identify when a police report was reviewed for Clery Act offenses only captures the latest date the report was reviewed and not the initial review date. Audit identified 11 police reports submitted during the calendar year that were reviewed for Clery Act compliance, as indicated in the audit trail, after the reporting deadline of October 1, 2013. The average number of days to review the 11 police reports was 453 days after the submission date.

The Handbook for Campus Safety and Security Reporting, published by the U.S. Department of Education states, "An entry, an addition to an entry or a change in the disposition of a complaint, must be recorded within two business days of the reporting of the information to the campus police or the campus security department." The audit trail available through Report Exec does not contain sufficient detail to identify the review dates of submitted police reports. As a result, there is an enhanced likelihood that UT Dallas may not be able to provide evidence that the initial review dates of submitted police reports complied with Clery Act requirements.

**Recommendation:** Management should consider maintaining additional records to document when police reports are initially reviewed to ensure compliance with Clery Act reporting requirements.
Management's Response: Management concurs and has created a spreadsheet to enhance records information on Clery Offense Report.

Estimated Date of Implementation: May 1, 2014

Person Responsible for Implementation: Sgt. Boyd

Conclusion

Based on the audit work performed, we conclude that internal controls could be strengthened and operational processes enhanced over the area reviewed. Implementation of the recommendations will enhance internal controls and compliance with Clery Act requirements.

We appreciate the courtesy and cooperation received from the management and staff of the UT Dallas Police Department during this audit.