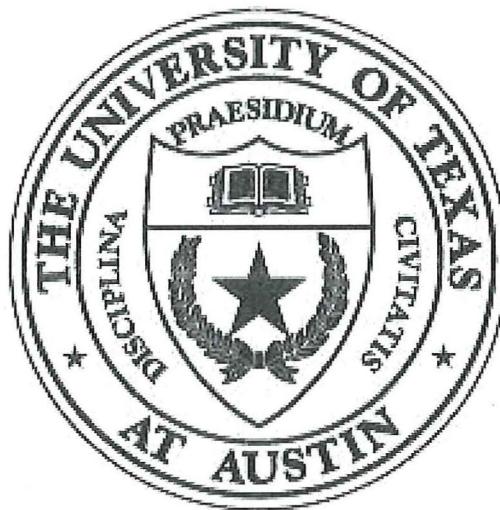


Texas Education Research Center

College of Education



March 2019

**The University of Texas at Austin
Office of Internal Audits
UTA 2.302
(512) 471-7117**

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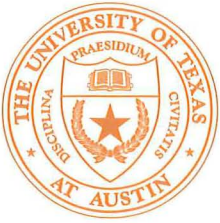
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* denotes project members

This report has been distributed to Institutional 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.

**Texas Education Research Center
Project Number: 18.306**



OFFICE OF INTERNAL AUDITS
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March 4, 2019

President Gregory L. Fenves
The University of Texas at Austin
Office of the President
P.O. Box T
Austin, Texas 78713

Dear President Fenves,

We have completed our audit of the Texas Education Research Center. Our scope included transactions during fiscal year 2017, current projects, and current IT security status.

Overall, the Texas ERC complies with the State of Texas Interagency Cooperation Contract terms, and there were no reportable issues; however, minor issues were communicated to Texas ERC management.

We appreciate the cooperation and assistance of the Texas Education Research Center throughout the audit and hope that the information presented herein is beneficial.

Sincerely,

A handwritten signature in black ink, reading "Sandy Jansen". The signature is fluid and cursive, with the first name "Sandy" and last name "Jansen" clearly distinguishable.

Sandy Jansen, CIA, CCSA, CRMA
Chief Audit Executive

cc: Institutional Audit Committee Members
Dr. Charles Martinez Jr., Dean, College of Education
Dr. Victor Sáenz, Department Chair, Educational Leadership and Policy
Dr. Pedro Reyes, Executive Director, Texas Education Research Center
Dr. Celeste Alexander, Director, Texas Education Research Center
Mr. William O'Hara, Chair, Institutional Audit Committee
Mr. Carlos Martinez, Chief of Staff, Office of the President



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EXECUTIVE SUMMARY

Conclusion

Overall, the Texas Education Research Center (Texas ERC) complies with the State of Texas Interagency Cooperation Contract (Contract) terms, and there were no reportable issues; however, minor issues were communicated to Texas ERC management.

Audit Scope and Objective

The scope of this audit included financial transactions during fiscal year 2017, current projects, and current IT security status. The objective of this audit was to determine whether the Texas ERC is in compliance with the terms of the Contract between The University of Texas at Austin (UT) and the Texas Higher Education Coordinating Board (THECB).

Background Summary

The Texas ERC is a research center and data clearinghouse providing access to longitudinal, de-identified student-level data for scientific inquiry and policymaking purposes. The data is provided by the THECB and is governed by the Interagency Cooperating Contract between the THECB and UT. Researchers requesting access from the Texas ERC to the repository of student data include UT-affiliated researchers, non-UT researchers from other institutions, non-UT researchers without a higher education affiliation, and students with Institutional Review Board (IRB) approval to access ERC data.

In accordance with the Contract, Internal Audits is required to annually certify that the Texas ERC is in compliance with the Contract terms.



BACKGROUND

According to the Texas Education Research Center (Texas ERC) website¹, "The Texas ERC is a research center and data clearinghouse providing access to longitudinal, student-level data for scientific inquiry and policymaking purposes. Since its inception in 2006, the Texas ERC's goal has been to bridge the gap between theory and policy by providing a cooperative research environment for study by both scholars and policy makers. As part of its mission, the Texas ERC works with researchers, practitioners, state and federal agencies, and other policymakers to help inform upon critical issues relating to education today."

The longitudinal, student-level data is provided by the Texas Higher Education Coordinating Board (THECB) and is governed by an Interagency Cooperation Contract (Contract) between the THECB and Texas ERC. De-identification of proprietary student information, such as social security numbers and student names, is performed by the THECB prior to its release to the Texas ERC.

Individuals requesting access from the Texas ERC to the repository of student data spanning from the Pre-K level into the Texas workforce include researchers affiliated with The University of Texas at Austin (UT), non-UT researchers from other institutions, non-UT researchers without a higher education affiliation, and students with Institutional Review Board approval to access Education Research Center data. ERC authorized researchers are charged an annual access fee to offset the costs of providing the operational and audit functions required by ERC contracts and to comply with the rules of the Texas education agencies and the ERC Advisory Board. The Texas ERC makes payments to the THECB to cover reported time and effort costs for reasonable staff and equipment at THECB necessary to prepare and maintain ERC data.

In accordance with the Contract, the Office of Internal Audits (Internal Audits) is required to annually certify that the Texas ERC is in compliance with the Contract terms. In general, the Contract requires the Texas ERC to:

- Secure electronic data,
- Restrict and monitor access to electronic data,
- Obtain reviews by the UT Information Security Office and the Texas Department of Information Resources,
- Certify researchers are approved and sign non-disclosure agreements, and
- Submit payments to the THECB for costs necessary to prepare and maintain ERC data.

¹ The Texas ERC website - <https://texaserc.utexas.edu/>



SCOPE, OBJECTIVES, AND PROCEDURES

The scope of this audit included financial transactions during fiscal year 2017, current projects, and current IT security status. The specific audit objective was to determine whether the Texas ERC is in compliance with the terms of the Contract between UT and the THECB.

To achieve this objective, Internal Audits:

- Reviewed policies and procedures on operations, research, and security;
- Reviewed access and required documentation;
- Interviewed relevant staff;
- Conducted data security testing; and
- Conducted limited financial transaction testing.

AUDIT RESULTS

In accordance with the Contract, Internal Audits conducted an audit of the Texas ERC and observed the following:

- Policies and procedures were created and updated to help ensure confidential information is not removed from the Texas ERC; and
- The IT system infrastructure appeared to have the necessary controls and procedures in place to ensure that confidential data was limited to authorized users.

While there were not any reportable issues, the following opportunities for improvement were discussed with Texas ERC management:

- Obtain sufficient supporting documentation for invoices received from the THECB; and
- Review security group membership and firewall configurations on a quarterly basis.

CONCLUSION

Overall, the Texas ERC complies with the Contract terms, and there were no reportable issues; however, minor issues were communicated to Texas ERC management.



APPENDIX

Audit Issue Ranking

Audit issues are ranked according to the following definitions, consistent with UT System Audit Office guidance. These determinations are based on overall risk to UT System, UT, and/or the individual college/school/unit if the issues are left uncorrected. These audit issues and rankings are reported to UT System directly.

- **Priority** – A Priority Issue is an issue that, if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of UT or the UT System as a whole.
- **High** – An issue that is considered to have a medium to high probability of adverse effects to UT either as a whole or to a significant college/school/unit level.
- **Medium** – An issue that is considered to have a low to medium probability of adverse effects to UT either as a whole or to a college/school/unit level.
- **Low** – An issue that is considered to have minimal probability of adverse effects to UT either as a whole or to a college/school/unit level. Issues with a ranking of “Low” are reported verbally to the unit and are not included in the final report.