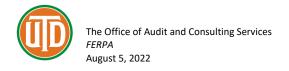# Family Educational Rights and Privacy Act (FERPA)

Audit Report No. R2209 | *August 5, 2022*

Executive Summary

Audit Objective
The objective of the audit was to ensure that UT Dallas has an effective compliance program that complies with the Family Educational Rights and Privacy Act (FERPA).

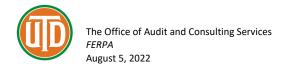| Controls and Strengths |
|---|
| UTDSP5010, *Family Educational Rights and Privacy Act Policy,* provides governance and guidance related to FERPA. Tenured management and staff with training and the appropriate skillsets are in place to manage FERPA compliance. A university-wide FERPA training program is in place. An internal reporting program exists to frequently monitor and communicate FERPA compliance performance measures/metrics. |

Overall Conclusion
Opportunities exist to update the FERPA Risk Management Plan and enhance related monitoring and training programs.

Observations by Risk Level
Management has reviewed the observations and has provided responses and anticipated implementation dates. Detailed information is included in the attached report.

Recommendation	Risk Level	Management's Implementation Date
1. Update the FERPA Risk Management Plan and enhance related monitoring and training programs.	**High**	September 1, 2022

For details about the audit and methodology, explanation of risk levels, and report distribution,
please see Appendices A, B, and C, respectively, in the attached report.

Detailed Audit Results

Observation	Risk Level/Effect	Recommendation[1]
1. *Risk Management Plan*		**High**
Risk management plans are designed to document the responsible party's monitoring, training, and reporting procedures that help ensure instances of noncompliance are minimized. The responsible party submits quarterly compliance reports to the Office of Institutional Compliance, Equity, and Title IX Initiatives outlining the monitoring, training, and reporting performed for the compliance area during the quarter. The FERPA Risk Management Plan and quarterly compliance reports were reviewed and evaluated. The following was noted: • The Risk Management Plan and the quarterly compliance reporting template have not been updated since at least 2016. • Walk-through inspections, part of the monitoring procedures, were put on hold due to the pandemic in the second quarter of FY20;	The FERPA compliance program is considered a high-risk area based on the impact noncompliance could have on UT Dallas operations and funding. Without a strong FERPA training and monitoring program, exposures may occur resulting in a compromise to UT Dallas and possible FERPA violations.	The FERPA Risk Management Plan is outdated. The following is recommended to enhance the plan: • Update the risk assessment. • Develop updated methods for monitoring compliance. • Update the reporting procedures. • Update the training plans.

---

[1] See Appendix B on page 7 for definitions of observation risk rankings. Minimal risk observations were communicated to management separately.

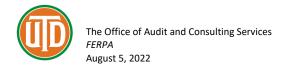| Observation	Risk Level/Effect	Recommendation[1]
however, they have not resumed despite the return to campus. • Although the quarterly reports provide listings of employees who have completed training, they exclude employees to whom training has been assigned but not completed.		

Management's Action Plan: Walk through inspections resumed and reported to Compliance on 5/17/2022. Going forward, walk-throughs will be performed and reported in the quarterly compliance report (QCR) previously used before the pandemic cancellation. The Office of the Registrar met with the Office of Institutional Compliance on June 29, 2022 to review FY22 Risk Management Plan. In the review, both offices realized a worksheet (tab) in the QCR excel workbook contained an outdated version of the RAMP. The QCR template has been updated to remove the RAMP and the RAMP has been updated based on review with the Office of Institutional Compliance. The Registrar will continue to work with the Office of Institutional Compliance to revise the Risk Management Plan. Additionally, information regarding the updating of the RAMP (email approval March 2, 2021) was sent to auditors via email on July 5, 2022. A manual will be created for the Office of the Registrar that contains instructions for the QCR and RAMP.

Responsible Party Name and Title: Jennifer McDowell, University Registrar

Estimated Date of Implementation: September 1, 2022

Overall Conclusion

Opportunities exist to update FERPA Risk Management Plan and enhance related monitoring and training programs.

Appendix A: Information Related to the Audit

Background

The Family Educational Rights and Privacy Act (FERPA) is a federal law enacted in 1974 to protect the privacy of student education records. The law applies to institutions that receive federal funding from the Department of Education and is enforced by the Office of the Chief Privacy Officer of the U.S. Department of Education. FEPRA is applicable to the entire university, and the risks related to noncompliance include adverse reputation and the potential for loss of federal funds. Several potential specific risks include disclosing unauthorized Personally Identifiable Information (PII), adverse reputation, and impacts to federal funding. Over the years, the privacy environment has become increasingly complex with advances in technology and social media.
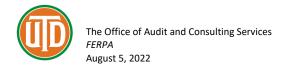
The Office of the Registrar, reporting to the Provost and Vice President for Academic Affairs, is responsible for FERPA compliance and tasked with ensuring that the FERPA risk management plan is in place and risks of noncompliance are minimized. This program has been managed and maintained in accordance with the FERPA Act requirements as well as in compliance with the UT Dallas [FERPA policy.](#) Among the various FERPA requirements, an annual notice is sent to UT Dallas students informing them of their rights under FERPA. FERPA educational and administrative information is also provided via the UT Dallas FERPA website. The FERPA compliance program is also supported by Legal Affairs, Institutional Compliance, and Information Security.

Objective

The objective of the audit was to ensure that UT Dallas has an effective compliance program that complies with the Family Educational Rights and privacy Act (FERPA).

Scope

The scope of the audit was FY21 through April 2022. Fieldwork was conducted from February 2022, and the audit concluded on June 16, 2022.

Methodology

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Both standards are required by the Texas Internal Auditing Act, and they require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Audit and Consulting Services is independent per both standards for internal auditors.

GAGAS also requires that auditors assess internal control when it is significant to the audit objectives. We used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework in assessing internal controls[2].

Our audit methodology included interviews, observations of processes, reviews of documentation, and testing. The following table outlines our audit procedures and overall controls assessment for each of the audit area objectives performed.

Audit Area	Methodology	Observations Related to the Audit Area
Family Educational Rights Privacy Act (FERPA)	• Gained an understanding of the FERPA compliance area by reviewing the act and the UT Dallas policies and procedures related to compliance with the Act. • Interviewed various responsible parties within the Registrar's Office as well as the University's Chief Compliance Officer and the Chief Information Security Officer.	Observation #1
Risk Management Plan	• Reviewed and evaluated the Risk Management Plan for FERPA to	Observation #1

---

[2] https://www.coso.org/Documents/990025P-Executive-Summary-final-may20.pdf

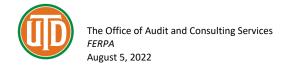| Audit Area	Methodology	Observations Related to the Audit Area
	ensure that a plan exists that will ensure compliance with FERPA.	
Quarterly Compliance Reporting	• Reviewed and evaluated the quarterly compliance reports and documentation related to the monitoring, training, and reporting performed by the responsible parties to ensure risks were being mitigated, monitoring was being performed, and training was completed in accordance with the risk management plan.	Observation #1

Follow-up Procedures

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. Requests for extension to the implementation dates may require approval from the UT Dallas Audit Committee. This process will help enhance accountability and ensure that timely action is taken to address the observations.

Appendix B: Observation Risk Rankings

Audit observations are ranked according to the following definitions, consistent with UT System Audit Office guidance.

Risk Level	Definition
Priority	If not addressed immediately, a priority observation has a significant probability to directly impact the achievement of a strategic or important operational objective of UT Dallas or the UT System as a whole. These observations are reported to and tracked by the UT System Audit, Compliance, and Risk Management Committee (ACRMC).
High	High-risk observations are considered to be substantially undesirable and pose a high probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Medium	Medium-risk observations are considered to have a moderate probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Low	Low-risk observations are considered to have a low probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
Minimal	Some recommendations made during an audit are considered of minimal risk, and the observations are verbally shared with management during the audit or at the concluding meeting.

Appendix C: Report Submission and Distribution

We thank the Registrar's Office management and staff for their support, courtesy, and cooperation provided throughout this audit.

Respectfully Submitted,

Toni Stephens, CPA, CIA, CRMA, Chief Audit Executive

Distribution List
Members and ex-officio members of the UT Dallas Institutional Audit Committee

Responsible Vice President
- Dr. Inga Musselman, Vice President of Academic Affairs and Provost

Person Responsible for Implementing Recommendations
- Ms. Jennifer McDowell, University Registrar

Other Interested Parties
- Ms. Sanaz Okhovat, Chief Compliance Officer
- Mr. Mike Brown, Assistant Registrar
- Ms. Liz Samuel, Director of Academic Records, Operations, Support, Reporting and Legislative

External Parties
- The University of Texas System Audit Office
- Legislative Budget Board
- Governor's Office
- State Auditor's Office

Engagement Team
- Project Leader: Dora Vasquez, Internal Auditor III
- Staff Auditor: Julia Lawshae, Internal Auditor II