



Internal Audit Department

October 2, 2024

Dr. Julie Philley
President
The University of Texas at Tyler
3900 University Blvd.
Tyler, TX 75799

Dr. Philley,

We have completed the Review of Employee Off-Boarding Audit as part of our Fiscal Year (FY) 2024 Audit Plan. The objective of this audit was to assess the current processes and controls in place for the timely and accurate removal of University of Texas at Tyler (UT Tyler) employee access as the result of termination and/or transfer. This audit met the biennial TAC 202.76 risk-based review of compliance with Texas information security standards. The scope of the audit was from September 1, 2023 through June 15, 2024.

This audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing* and Generally Accepted Government Auditing Standards. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford
Vice President, Chief Audit Executive

Enclosure

cc:

Mr. Daniel Deslatte, Chief Business Officer
Dr. Amir Mirmiran, Provost
Mr. Dwain Morris, Chief Financial Officer
Mr. Isai Ramirez, Vice President, Information Technology, Chief Information Officer
Mr. John Yoder, Chief Technology Officer
Ms. Gracy Buentello, Associate Vice President, Human Resources
Ms. Cara Wreyford, Director, Human Resources
Ms. Cindy Troyer, Director of Financial Services
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Employee Off-Boarding Audit



October 2, 2024

INTERNAL AUDIT DEPARTMENT
3900 UNIVERSITY BOULEVARD
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AUDIT OBJECTIVE

The objective of the engagement was to assess the current processes and controls in place for the timely and accurate removal of UT Tyler employee access as the result of termination and/or transfer. This audit met the biennial TAC 202.76 risk-based review of compliance with Texas information security standards.

CONCLUSION

This audit identified areas for improvement related to the Employee Off-Boarding as described in the observations below:

This audit identified the following opportunities for improvement		
1	High	<i>Lack of Defined Processes and Delineation of Responsibilities</i>
2	High	<i>System Access Not Disabled Timely as specified per Policy</i>
3	High	<i>Lack of a Complete System Application Inventory List</i>
4	Medium	<i>Travel Card Access Not Deactivated Timely</i>
5	Medium	<i>Keys and/or Badges Not Returned or Deactivated Timely</i>

#1: Lack of Defined Processes and Delineation of Responsibilities

High: If system and/or physical access is not removed timely, terminated employees could have access to unauthorized data and restricted locations which could result in loss or damage of confidential data or physical property, and potential harm to patient, student, or employee safety.

Currently UT Tyler does not have a defined process and delineation of responsibilities for employee off-boarding upon termination and/or transfer. As UT Tyler has continued to further integrate across the HSC and Main campuses, our audit revealed departments who currently have responsibilities in the off-boarding process have changed and specific responsibilities amongst the current departments involved have changed. Our audit revealed that currently Human Resources (HR), Information Technology (IT), Information Security (IS), Emergency Management, Student Business Services, and One-Stop, have responsibility in the

off-boarding process. Communication of required responsibilities to employees, and training and guidance, needs to be provided to all employees to ensure the requirements and responsibilities of employees and supervisors are clearly articulated. In addition, it is noted that the Exit Checklist was last updated in December 2022 and does not reflect the changes implemented within the past 18 months.

Opportunity for improvement: As part of UT Tyler's continuing policy and process integration efforts across both the HSC and Main campus, leadership for HR, IT, IS, Emergency Management, Student Business Services, One-Stop, and any other departments having assigned responsibility within the ongoing off-boarding process, should collaborate to document and implement a combined process for UT Tyler that delineates the responsibilities for each respective department involved in the employee off-boarding process, with attention towards employees who are officed on both campuses. Once the off-boarding process and responsibilities are defined, training and guidance should be provided to all employees to ensure the requirements and responsibilities of employees and supervisors are clearly articulated. HR should update the Exit Checklist to reflect the above implemented change(s) in processes.

Management Response:

Human Resources will review, update, and communicate updated Employee Exit Checklist to ensure clear communication responsibilities when an employee ends assignment. Communication will highlight the need for timely termination eForms and collection of badge, keys, and equipment to assist with Items #2 and #5.

Review – work with stakeholders to ensure Employee Exit Checklist is accurate and up-to-date.

Update – post updated Employee Exit Checklist on HR Website.

Communicate – Highlight process and responsibilities in a variety of areas to reach managers and employees at both campuses such as Safety Huddle, North Campus Clinical leadership conference, Staff Senate, Newsletter communications.

Responsible Person(s): HR Leadership, Gracy Buentello

Anticipated Implementation Date: November 1, 2024

#2: System Access Not Disabled Timely as specified per Policy

High: If system access is not disabled timely, terminated employees could have access to unauthorized data which could result in loss or damage of confidential or critical data.

System access was not disabled within the 5 business days as specified by policy for 5 of the 51 selected terminations, comprised of 2 involuntary and 3 voluntary selections. It is further noted that the deactivation date was not available for 18 of the sample selections due to log archive configuration currently set within Splunk. The date range of the audit exceeded the current log archive. Policy #9.05 “Account Management” states that all system access should be removed within five (5) business days of either a termination, separation, or account deletion.

Opportunity for improvement: Management should collaborate on a process to ensure system access is removed within five (5) business days of termination, separation, or account deletion, as per policy.

Management Response: Upon further investigation, it was discovered that 4 out of the 5 accounts identified were not disabled within 5 business days of termination due to untimely termination eForm submissions. In these 4 cases, the termination eForms were entered after the employees’ termination dates.

HR will communicate the importance of submitting termination eForms in a timely manner. This will be highlighted in a variety of areas to reach managers and employees at both campuses such as Safety Huddle, North Campus Clinical leadership conference, Staff Senate, Newsletter communications.

The investigation also found that 1 record was delayed in being entered into PeopleSoft’s HR records due to an incorrect date that was entered into the termination eForm. Once the error

was found, a corrected termination eForm was submitted and went through the approval process once again. When completed, HR entered the termination record into PeopleSoft and account access was disabled the same day.

Responsible Person(s): HR Leadership, Gracy Buentello

Anticipated Implementation Date: November 1, 2024

#3: Lack of a Complete System Application Inventory List

High: Employees could retain access to protected, confidential, and/or sensitive information if system applications access is not terminated upon an employee's termination or transfer.

UT Tyler does not have a complete inventory list of all system applications utilized. As a result, employees could retain access to protected, confidential, and/or sensitive information if all system applications access is not deactivated upon an employee's termination or transfer.

Opportunity for improvement: IT, in collaboration with IS, should ensure that a complete and accurate system application inventory listing for UT Tyler is utilized as part of the employee off-boarding process.

Management Response: IT and Information Security are in the process of moving the existing HSC IT Security Request (ITSR) form into ServiceNow, and expanding its use to the Academic Campus. The ITSR will help IT and Information Security create a log of access requests to critical applications, which will help with removal of access.

Please note that account access for employees who terminate from the Institution is automatically disabled shortly after a termination record is entered into PeopleSoft by HR. However, a log of access requests for critical applications will help disable application-level access.

Responsible Person(s): Isai Ramirez

Anticipated Implementation Date:

Milestone 1: Move IT Security Request process into ServiceNow by November 1, 2024 and make it available to both the HSC and Academic Campuses.

Milestone 2: Develop a Data Owner (DO) list for Academic campus critical IT applications and merge the legacy academic security request process into the new ServiceNow process. The DO list is required for routing approvals. The timeline for this is December 31, 2025.

Milestone 3: Start including non-IT managed enterprise apps (i.e., Canvas) – Timeline to be determined but will be an iterative process. As Data Owners and access administrators for applications are defined, we will include in the ITSR process.

#4: Travel Card Access Not Removed Timely

Medium: The institution could incur unauthorized charges if cards are not deactivated timely.

Audit testing revealed 3 of the 11 selected travel cards were not deactivated timely as specified by policy. In addition, the deactivation date for two (2) of the deactivated travel cards was not known. There were no exceptions noted for the selected ProCard deactivations. The Procurement Card Program Policy requires ProCards and Travel cards be deactivated on the employee's change in status.

Opportunity for Improvement: As part of the integrated employee off-boarding process across the HSC and Main campuses, Management should ensure timely notification of an employee's termination to all departments involved in the access removal process for ProCards and Travel cards.

Management Response: Continued timely notification by Human Resources of terminations will further enhance Financial Service's efforts to timely deactivate University issued credit card accounts to prevent unauthorized usage.

The credit card policy and procedures will be updated to include a reasonable number of business days for card account closure. Internal processes will be updated for both campuses credit card programs.

Responsible Person(s): Financial Services Leadership, Dwain Morris

Anticipated Implementation Date: November 1, 2024

#5: Keys and/or Badges Not Returned or Deactivated Timely

Medium: If badges and keys are not returned timely, terminated employees could have unauthorized access to building and offices.

Our audit testing revealed that Emergency Management is now responsible for collecting badges and keys for both HSC and Main campus, and this is no longer the responsibility of Police for HSC and Facilities for Main campus. Of the 51 selected terminated employees, our testing revealed exceptions for both badges and keys. 37 badges were not returned, and badge access was not deactivated timely for 23 of the selections. Keys were not returned for 13 of the 51 selections.

Opportunity for improvement: As part of the defined processes determined in Opportunity #1 above, Management should communicate the updated process to employees and supervisors to ensure that all badges are deactivated timely and keys are returned timely, with a focused attention towards employees who are officed on both campuses.

Management Response:

The Access Control and Security Systems office is updating the key and badge issuance and return policy for both UTT and HSC campus. This policy clearly identifies the process for timely

return of keys and deactivation of access badges. The policy gives clear direction to supervisors, faculty, and staff of the process and accountability.

Explore attributes in PeopleSoft that may be able to automate notifications about things in the employee's possession that need to be returned.

Responsible Person(s): Robert Cromley

Anticipated Implementation Date: November 15, 2024

BACKGROUND

This Employee Off-Boarding Audit was part of the UT Tyler FY 2024 Audit Plan as a risk-based audit. The employee off-boarding process is comprised of both terminated employees (voluntary and involuntary) and employees who transferred departments within the university. Issues can arise during and after the off-boarding process that can result in significant risks and inappropriate access to university systems and data, patient and student access points, physical property, and other regulatory compliance and reputational risks. Because of these ongoing risks at UT Tyler, and opportunities identified from the previously performed Employee Off-Boarding Audit conducted in FY 2022, this audit is being performed to assess UT Tyler's current processes and controls in place for the timely and accurate removal of employee access as the result of termination and/or transfer.

There were no issues found for the return of State property. For samples tested, all computers, laptops, iPads, cell phones, and other devices were returned to the university. For one sample selection, no response was received from the Supervisor, so it was unknown if the employee had been assigned a device.

STANDARDS

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing* and Generally Accepted Government Auditing Standards.

SCOPE and PROCEDURES

The scope of the audit was from September 01, 2023 through June 15, 2024.

To achieve the audit objective, the Internal Audit Department:

- Reviewed applicable regulations, guidance, and UT Tyler policies;
- Conducted walkthroughs related to the processes around employee off-boarding, as needed; and
- Completed sample testing of both voluntarily and involuntarily terminated employees and a sample of employees who transferred departments, to review their applicable exit documentation and digital profile.

OBSERVATION RANKINGS

Internal audit departments across The University of Texas System uses a consistent process to evaluate audit results based on risk factors and the probability of a negative outcome.

Legend	
Priority	A finding is defined as an issue that if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of UT Tyler.
High	A finding that is considered to have a <u>medium to high probability</u> of adverse effects to UT Tyler as a whole or to a significant college or department.
Medium	A finding that is considered to have a <u>low to medium probability</u> of adverse effects to UT Tyler as a whole or to a college or department.
Low	A finding that is considered to have a <u>minimal probability</u> of adverse effects to UT Tyler as a whole or to a college or department. These findings are communicated separately to management.