
DATE: August 29, 2014

TO: Dr. David Daniel, President
Lisa Choate, Chair, UT Dallas Audit and Compliance Committee

FROM: Toni Stephens, Executive Director, Audit and Compliance

SUBJECT: Report No. R1418: *Cloud Computing*

As part of our FY14 Audit Plan, we reviewed the use of cloud computing services that are utilized for remote backup of data. Our objective was to ensure the process for data backups for third party providers in the cloud was properly safeguarded and in compliance with university policies.

Based upon the preliminary work performed during the audit, a formal policy to regulate the use of cloud computing utilities does not exist. As a result, a formal audit has not been performed. We recommend that the Information Security Office (ISO) implement the recommendations outlined below to enhance controls around the use of cloud computing.

When the suggested recommendations have been implemented, we recommend an audit be conducted to provide management assurance that the controls around the use of cloud computing are working effectively. We will follow up on these recommendations as part of our ongoing audit follow-up process.

The following items should be addressed by the ISO:

- (1) There is no formal university policy regulating the use of cloud computing utilities that offer remote data backup functionality. The prior Chief Information Security Officer (CISO) had only verbally communicated the ISO's views on the use of cloud computing within the university.
- (2) Formal criteria on the processes and procedures that must be in place at the vendor's facility, prior to it being designated as an approved cloud computing vendor by the ISO, have not been developed.
- (3) Technological controls (such as firewall rules) are currently not in place to regulate the use of cloud computing tools. Implementation of such controls would ensure that staff and faculty behavior is in line with university policies.

(4) The Information Security Compliance training module states¹, *“UT Dallas policy and State law prohibit the storage of ANY sensitive or confidential University owned data in ANY cloud computing storage service. No currently commercially available cloud based file storage facility meets security requirements for protecting sensitive or confidential University owned data”*. The training content that is being offered to new employees should be updated to be in line with current policies that are actually in place.

We have met with the management responsible for implementing these recommendations, and they agree to address them.

UT Dallas Responsible Parties:

Mr. Terry Pankratz, Vice President for Budget and Finance
Dr. Andrew Blanchard, Vice President for Information Resources and Dean of Undergraduate Studies
Nate Howe, Chief Information Security Officer
David Nguyen, Associate Vice President Information Resources
Dr. Sue Taylor, Associate Vice President Information Resources

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Legislative Budget Board
Governor’s Office
State Auditor’s Office
Sunset Advisory Commission

¹ <http://www.utdallas.edu/audit-compliance/training/InformationSecurity.pdf>