

Texas Education Research Center Audit

Office of the Vice President of Research



August 2015

**The University of Texas at Austin
Office of Internal Audits
UTA 2.302
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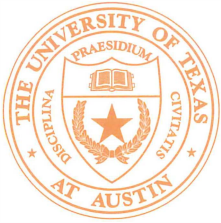
**The University of Texas at Austin
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This report has been distributed to Internal Audit Committee members, the Legislative Budget Board, the State Auditor's Office, the Sunset Advisory Commission, the Governor's Office of Budget and Planning, and The 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 Audit
Project Number: 15.010**



OFFICE OF INTERNAL AUDITS
THE UNIVERSITY OF TEXAS AT AUSTIN

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August 27, 2015

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 Texas Education Research Center. Our scope included the projects and transactions during fiscal year 2014, and current IT security status.

Based on audit procedures performed, it appears that Texas ERC is in compliance with most of the Contract terms; however, Texas ERC is not in compliance with the current Contract in the following area: Institutional Review Board approvals or justifications for exclusion. Our audit report provides a detailed observation on the area mentioned above, and a suggestion is offered in the report for improvement in the existing control structure.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Vandervort".

Michael W. Vandervort, CPA
Director

cc: Internal Audit Committee Members
Dr. Juan M. Sanchez, Vice President for Research, Office of the Vice President for Research
Dr. Celeste Alexander, Director, Education Research Center
Ms. Patricia Ohlendorf, Vice President for Legal Affairs
Mr. Jeff Treichel, Associate Director, Office of Internal Audits



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EXECUTIVE SUMMARY

Conclusion

Based on audit procedures performed, it appears that the Texas Education Research Center (Texas ERC) is in compliance with most of the Interagency Cooperation Contract (Contract) terms; however, Texas ERC is not in compliance with the current Contract in the following area: Institutional Review Board (IRB) approvals or justifications for exclusion.

Summary of Recommendations

The issue noted has been ranked according to The University of Texas System Administration (UT System) Audit Issue Ranking guidelines. Please see the Appendix for ranking definitions. Internal Audits identified one issue which is considered minor in significance.

Management agreed with our observation and has provided a corrective action plan which is expected to be implemented on or before August 31, 2015.

Audit Scope and Objective

The scope of this audit included projects and transactions during Fiscal Year 2014, and current IT security status. The objective of the audit was to determine if the Texas ERC at The University of Texas at Austin (UT Austin) is in compliance with the terms of the Contract between UT Austin and Texas Higher Education Coordinating Board (THECB).

Background Summary

The Texas ERC, headquartered on the main campus of UT Austin, is a research center and data clearinghouse providing access to longitudinal, student-level data for scientific inquiry and policymaking purposes. As part of its mission, the ERC works with researchers, practitioners, state and federal agencies, and other policymakers to help inform upon critical issues relating to education today. Per the new Contract, effective September 1, 2013 through August 31, 2023, the Office of Internal Audits is required to annually certify that Texas ERC is in compliance with the Contract terms as related to data access and security.



BACKGROUND

According to the Texas Education Research Center (Texas ERC) website¹, the Texas ERC, headquartered on the main campus of The University of Texas at Austin (UT Austin), 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. According to internal system design documentation, all data from THECB are made available to the Texas ERC via secure transfer. 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. Per the new Contract, effective September 1, 2013 through August 31, 2023, the Office of Internal Audits is required to annually certify that Texas ERC is in compliance with the Contract terms as related to data access and security. This required audit was conducted as part of our Fiscal Year 2015 Audit Plan.

SCOPE, OBJECTIVES, AND PROCEDURES

The scope of this audit included projects and transactions during fiscal year 2014, and current IT Security status. The objective of the audit was to determine if the Texas ERC at UT Austin is in compliance with the terms of the Contract between UT Austin and THECB.

To achieve the objective, the Office of Internal Audits:

- Interviewed relevant staff;
- Reviewed Texas ERC policies and procedures; and
- Conducted data access and security testing, as well as limited financial testing.

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and with *Government Auditing Standards*.

The remainder of this report presents our observations for this audit.

¹ <http://www.utaustinerc.org/>



AUDIT RESULTS

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

- Policies and procedures were created and updated to ensure confidential information was not removed from Texas ERC;
- Sampled Texas ERC expenditures were appropriate; and
- The upgraded IT system infrastructure has the necessary controls and procedures in place to ensure student-level data can be limited to only those authorized.

The following recommendation was made regarding terms of the Contract deemed out of compliance. The issue has been ranked according to The University of Texas System Administration (UT System) Audit Issue Ranking Guidelines. Please see the Appendix for ranking definitions.

Institutional Review Board (IRB) Approvals or Justifications for Exclusion Audit Issue Ranking: Medium

Texas ERC does not require projects conducted by non-UT Austin researchers to have IRB approvals or justifications for exclusion. Texas ERC's current practice relies on other universities to monitor the work their researchers are performing. Without IRB approval or justification for exclusion on file for all researchers, Texas ERC data may be used improperly.

The Contract states, "The UT Austin ERC shall provide evidence of approval from the IRB or justification for exclusion from the IRB process before a researcher has access to any data."

Recommendation 1: Texas ERC management should maintain documentation showing that IRB approval or justification for exclusion has been granted to all projects before a researcher has access to ERC data.

Management's Corrective Action Plan: Management will amend confidentiality agreement to include a clause that verifies researchers have gotten IRB approval.

Responsible Person: Director

Planned Implementation Date: August 31, 2015

Post Audit Review: Internal Audits will perform follow up in September 2015.



CONCLUSION

Based on audit procedures performed, it appears that the Texas Education Research Center (Texas ERC) is in compliance with most of the Interagency Cooperation Contract (Contract) terms; however, Texas ERC is not in compliance with the current Contract in the following area: Institutional Review Board (IRB) approvals or justifications for exclusion.

In accordance with directives from The University of Texas System Board of Regents, the Office of Internal Audits will perform follow-up procedures to confirm that audit recommendations have been implemented.



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 Austin, 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 Austin 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 Austin 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 Austin 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 Austin 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.