University Key Shop

Audit Report # 17-10
December 17, 2018

The University of Texas at El Paso

Office of Auditing and Consulting

"Committed to Service, Independence and Quality"

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Office of Auditing and Consulting Services

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December 17, 2018

Dr. Diana Natalicio
President, The University of Texas at El Paso
Administration Building, Suite 500
El Paso, Texas 79968

Dear Dr. Natalicio:

The Office of Auditing and Consulting Services has completed a limited scope audit of The University Key Shop. During the audit, we identified opportunities for improvement and offered the corresponding recommendations in the audit report. The recommendations are intended to assist the department in strengthening controls and help ensure that the University's mission, goals and objectives are achieved.

We appreciate the cooperation and assistance provided by The Facilities Access Control Key Shop personnel during our audit.

Sincerely,

Lori Wertz

Lori Wertz
Chief Audit Executive

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EXECUTIVE SUMMARY

The Office of Auditing and Consulting Services (OACS) has completed a limited scope audit of the University's Key Shop (Key Shop). The audit scope was limited to operating procedures of the Key Shop from September 1, 2016 to through March 31, 2017. The objective of this audit was to determine compliance with the key management policies outlined in the Campus Wide Facility Access Control policy.

During the audit, we noted the following:

- The Campus Wide Facility Access Control Policy has not been updated since 2013.
- In addition, the campus policies and guidance for key returns found on campus webpages show inconsistencies. Updating and standardizing these policies and procedures will help to promote compliance with Key Shop policies.
- Except for individual requests, the Key Shop has not sent the required yearly reports to department key coordinators. Consequently, the Key Shop is not in compliance with the Campus Wide Facility Access Control policy that states: *"On an annual basis, the Access Control Shop will send out a list of people with access to the department to the Department Access Coordinator to ensure that the access is still appropriate."*
- The KeyNet database is inaccurate. Discrepancies were found based on the comparison of the sample key holders and the KeyNet database. Additionally, the total population could not be determined due to the inclusion of duplicate assignments and terminated employees still listed in the database.
- Thirteen out of 43 employees (30%) listed as key holders by their departments did not have key authorization forms.
- One authorization form was approved by the same employee requesting the keys.
- The Key Shop policies are not consistent regarding the authorization process for keys issued to contract employees.

BACKGROUND

Facilities Management is responsible for the management of The University of Texas at El Paso (UTEP) Key Shop. This responsibility includes controlling the production, storage, issuance and replacement of keys; the maintenance of accurate records; and the cataloging of and adherence to key system authorizations.

As per the Standard Operating Procedure Campus Wide Facility Access Control Manual: *"the objective is to provide adequate physical building security for persons and property through the use of access control devices and the control of keys issued, to assure appropriate access to work areas by employees in buildings on the UTEP campus, and to allow unrestricted access by University Police and maintenance personnel to all campus areas for reasons of security, safety, and health."*

At the time of the audit, the Key Shop had two full-time locksmiths and two student employees. The student workers maintained the Key Shop database (KeyNet) and also assisted with cutting keys. During the period September 1, 2016 to March 30, 2017 the locksmiths completed 515 work orders.

AUDIT OBJECTIVES

The overall audit objective was to review the Key Shop operations to determine the effectiveness of existing policies and procedures and the adequacy of controls related to the issuance, control, maintenance and return of keys and maintaining key records.

Specifically:

- Proper key request authorizations, and
- Updated key database and inventories

SCOPE AND METHODOLOGY

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors.

Audit procedures included performing a risk analysis, reviewing University and Key Shop policies and procedures, interviewing key personnel and testing on a sample basis, the proper completion of key request authorization forms and the accuracy of KeyNet. In addition, observation of employees performing daily operations was conducted to better understand the work process. Our review and testing of KeyNet covers the period of the audit in order to provide results of the most current information available.

RANKING CRITERIA

All findings in this report are ranked based on an assessment of applicable qualitative, operational control and quantitative risk factors, as well as the probability of a negative outcome occurring if the risk is not adequately mitigated. The criteria for the rankings are as follows:

Priority - an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.

High – A finding identified by internal audit that is considered to have a medium to high probability of adverse effects to the UT institution either as a whole or to a significant college/school/unit level.

Medium – A finding identified by internal audit that is considered to have a low to medium probability of adverse effects to the UT institution either as a whole or to a college/school/unit level.

Low – A finding identified by internal audit that is considered to have minimal probability of adverse effects to the UT institution either as a whole or to a college/ school/unit level.

AUDIT RESULTS

A. Internal Controls

A.1. Policies and Procedures

Policies and procedures are part of an organization's internal controls. Policies are the strategic link between the institution's vision and its day-to-day operations, and should be consistent across the organization to help ensure compliance.

The Key Shop Standard Operating Procedures (SOP) (Campus-wide Facility Access Control) has not been updated since 2013. Two additional policies found on the UTEP website include guidance inconsistent with the SOP:

- Facilities Management Keys and Electronic Access Guidelines, and
- UTEP's Human Resources Services Department "When an Employee Leaves the University Employees' Toolkit."

Inconsistencies include allowable procedures for key issuance and returns. For example, numerous options for key return include mail in or drop off at the Key Shop, turn in at the Human Resources Department, or with the office key coordinator.

Recommendation:

The UTEP SOP and all other related policies should be consistent and updated. The Key Shop should work with Human Resources to implement one option for key return.

Level: This finding is considered **Medium** risk due to the possibility of unauthorized access to offices and laboratories and the threat to the security of assets.

Management Response:

Facilities Management is currently reviewing and updating procedures within the Access Control Shop. Once completed, a new SOP will be distributed. As part of this review, procedures are being developed with Human Resources (HR) to make HR the point of contact for key returns and access removal for employees leaving the University. Once initiated by HR, the key will be returned to the Access Control Shop and all records will be updated. The new SOP will reflect this change as well.

Responsible Party:

Assistant Director, Operations and Research Support

Implementation Date:

May 31, 2019

B. Administrative Operations

B.1. Yearly Reporting to Departmental Key Coordinators

Per the UTEP SOP, Section 3.4.3 Department Access Coordinator and Section 3.9 Audit: *"On an annual basis, the Access Control Shop will send out a list of people with access to the department and Department Access Coordinator must ensure that the access is still appropriate. The Department Access Coordinator shall notify the Access Control Shop of any discrepancies and work with them to resolve the issue."*

Except for individual requests, the Key Shop has not sent the required yearly reports to department key coordinators.

Recommendation:

The Key Shop should have a monitoring process in place to be in compliance with the UTEP SOP, which includes sending an annual report to the office key coordinators. Communication should be established to correct any discrepancies and maintain an accurate database.

Level: This finding is considered **Medium** risk. Without consistent communication between the Key Shop and departmental key coordinators, the database at the key shop will remain inaccurate.

Management Response:

Access control reports, limited in scope, have been provided to end users. The Space Management Office (a division within Facilities Management) has established and confirmed all space owners. These space owners will be access control grantors. Reports based on current access (key and electronic) are being developed and will be provided to space owners, whether on demand and/or annually. These reports will be

reviewed and confirmed by the access control grantee (space owner) to ensure all access is current and correct.

Responsible Party:

Space Management Supervisor

Implementation Date:

May 31, 2019

B.2. Inaccurate Key Shop Data Base

According to the UTEP SOP, Section 3.7.3 Record Management: *"Facilities will maintain employee key records in its Key Shop database. The Key Shop will provide department access coordinators with reports of key records grouped by department as requested, and will work with the department key coordinators to maintain the accuracy of these records as changes occur."*

Our judgmentally selected sample consisted of 43 active key holders from seven offices. The total population could not be determined due to the inclusion of duplicate assignments and terminated employees still listed in the database.

Three out of the 43 employees selected had separated from University at the time of our test work. Two of the three employees had not been UTEP employees since 2012.

Based on the comparison of the sample key holders and the KeyNet database, the following discrepancies were found:

SAMPLE	SAMPLE SELECTED FROM NAMES OF KEY HOLDERS PROVIDED BY DEPARTMENT	**43**
YELLOW	EMPLOYEE APPEARS ON BOTH DEPARTMENTAL LIST AND KEY SHOP DATABASE	**35**
PEACH	EMPLOYEE APPEARS ON DEPARTMENTAL LIST ONLY	**8**
GREEN	EMPLOYEE APPEARS ON KEY SHOP LIST ONLY	**6**

The Key Shop is implementing a new process for the issuance of keys, which would include the use of the Facilities Services work order system. A new database is being created which will update at the moment of the key request.

Recommendation:

The Key Shop should determine the accuracy of records in the current database in order to transfer them to the new system.

Level: This finding is considered **Medium** risk. Lack of access controls to University spaces could jeopardize the safety of students, staff and faculty and compromise the safeguarding of assets.

Management Response:

Facilities Management is transitioning away from KeyNet and past processes to a new system and database. Currently, various personnel within Facilities Management are validating transitioned data to ensure accuracy. All records are being verified using data from PeopleSoft. As reports are created and reviewed with campus community space stewards, this will allow for even greater accuracy.

Responsible Party:

Facilities Management

Implementation Date:

May 31, 2019

B.3. Completion of Key Request Authorization Form

As per UTEP SOP, Section 1.3 - Overview: "Facilities are responsible for the management of the University Keying and Electronic Access Control Systems. That responsibility includes controlling the production, storage, and issuance of keys; the replacement or rekeying of lock cylinders; the acquisition of new keying systems; the maintenance of accurate records; and the cataloging of and adherence to key system authorizations."

Based on the testwork performed,

- Thirteen out of 43 employees listed as key holders by the department did not have key authorization forms, and
- One authorization form was approved by the same employee requesting the keys.

Failure to properly authorize and monitor the custody of keys increases the risk of unauthorized access.

Recommendations:

The Key Shop should ensure that:

- *Appropriate and complete authorization forms are on file for all individuals with key access to University offices, and*
- *The key request forms contain correct key issuance dates and proper authorization signatures.*

Level: This finding is considered **Medium** risk as the lack of monitoring increases the risk of unauthorized access to the University.

Management Response:

The Space Management Office has established and implemented a document listing all space/access control stewards. This list ensures all access is reviewed and verified by the appropriate space steward and the Space Management Office before access is granted. A new web based system is currently being tested. This new system will replace the current paper based system.

Responsible Party:

Space Management Supervisor

Implementation Date:

May 31, 2019

B.4. Completion of Key Request Authorization Form

According to the UTEP SOP Section 37.4 Short Term or Temporary Building Access: "*For short term or temporary building access, Departments may retain duplicate check-out keys in a secured area (lockable box or cabinet). Responsibility for the security of these keys, as well as establishing a sign-out procedure to track the location of the keys, remains with the department. These temporary key storage*

areas will be subject to audit by the Facilities Key Shop personnel. These keys must be issued to a person who will be responsible for their use and safekeeping."

The following key shop policies are inconsistent.

Section 37.4 of the SOP allows departments to grant and monitor short term or temporary building access. However, the website states that contractor keys are authorized by the University's Project Management teams. Although the policy states that the keys must be returned after the project is complete, the key shop does not have a monitoring process in place to ensure keys are returned.

Recommendations:

The contractor's key policy should be updated and consistent. Temporary keys issued to third parties should be monitored to ensure safety.

Level: This finding is considered **Medium** risk, due to the possibility of unauthorized access to the University.

Management Response:

Contractors will need to have University personnel request a key on their behalf. The same process that is used by the campus community to request keys will be used for contractors as well. On the request form, a duration will need to be listed for the requested access. Once the expiration date has expired, a notification will be sent to collect the key and remove access.

Responsible Party:

Space Management Supervisor

Implementation Date:

May 31, 2019

CONCLUSION

During the audit, weaknesses were identified which can be strengthened by implementing the recommendations detailed in this report.

We wish to thank The Facilities Access Control Key Shop personnel for the assistance and cooperation provided throughout the audit.