



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION, INFORMATION OR DISCUSSION

TOPIC: Information/Discussion – Update of Office of Legislative Audit Activity

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: October 15, 2014

1. Since the June, 2014 Audit Committee meeting, the Office of Legislative Audit (OLA) issued its report on UB:

OLA reports four total findings, one of which relates to IT/IS security. None of the findings are classified as repeats:

Finding #1 – “UB had not established adequate procedures to ensure the propriety of student refunds.” OLA identified segregation of duty weaknesses in UB’s processing of student refunds.

Finding #2 – “Controls over collections received at the Bursar’s Office were not sufficient.” OLA cited improvements needed in access to hard copy collection records, and that UMB assure that its armored car service provides a hard copy signature upon deposit pick-ups, rather than electronic signatures.

Finding #3 – “UB lacked adequate controls over check disbursements from its clearing account.” OLA identified segregation of duty weaknesses over this account which is generally used to transfers monies to the State’s account.

Finding #4 – “UB’s computer network was not properly secured and protection of UB computers from malware needs improvement.” OLA sites improvements needed in access restrictions to critical network devices and improvements needed in its review of anti-malware consoles.

2. On September 29, 2014, BSU provided an update regarding their progress toward implementing OLA’s recommendations for the period April 2010 – June 2014. OLA’s report had six overall findings, five of which related to IT/IS security. Within the five IT/IS security findings OLA identified 19 individual findings.

In BSU’s update, they report that six of the IT/IS findings have been fully implemented and that progress has been made toward implementing the remaining findings. BSU projects that most of the remaining findings will be fully implemented by December 31, 2014.

BSU also reports that the one non-IT/IS finding has been fully implemented.

3. OLA Engagements Currently Active:

- UMCP,
- USMO,
- UMUC, and
- UMES.

4. Internal Audit's OLA Follow Up Engagements Currently in Process

- UMB,
- FSU, and
- CSU.

FISCAL IMPACT: none

CHANCELLOR'S RECOMMENDATION: none

COMMITTEE ACTION: None

DATE:

BOARD ACTION: None.

DATE:

SUBMITTED BY: David Mosca

USM
Summary of Audit Findings per
Office of Legislative Audits
As of October 8, 2014

OLA Report Issued:														
	May-14	Nov-13	Aug-13	Jul-12	Jun-13	Oct-14	Apr-13	May-12	May-12	Jul-11	Aug-11	Feb-13	Jan-12	
	BSU	CSU	FSU	SU	TU	UB	UMB	UMBC	UMCES	UMCP**	UMES	UMUC	USMO	Total
Change in Total OLA Report Findings*	-1	-2	-4	0	-2	-2	-6	-1	-1	-3	4	-1	-2	-21
Change in Total REPEAT Findings*	-1	-1	0	-3	-4	-4	-6	-1	0	-3	3	-1	0	-21
	BSU	CSU	FSU	SU	TU	UB	UMB	UMBC	UMCES	UMCP**	UMES	UMUC	USMO	Total
Total Current OLA Report Findings	6	12	4	6	6	4	7	8	1	9	11	7	7	88
Total Repeat Findings (included in Total)	2	5	1	0	0	0	2	1	0	4	4	0	3	22

Note 1 (*) - Change represents difference from most recent year's audit report to its previous report.

Note 2 (**) - OLA issues two reports for UMCP, one non-IT and one-IT report.
The most recent non-IT UMCP report was issued in July 2011.
The most recent IT UMCP report was issued in October 2009.