PROJECT SUMMARY

Texas A&M University has controls and processes in place over Utilities and Energy Management (UEM) to provide reasonable assurance that resources are used efficiently and effectively and in compliance with applicable laws, policies, regulations and rules. Opportunities exist to improve password protocols for the commodity metering systems.

OBSERVATION, RECOMMENDATION, AND RESPONSE

Password Management for Metering Systems

Observation

Password management controls for the commodity metering systems do not comply with the University’s information security rules. The system allows users to create non-encrypted plain text passwords and does not enforce password protocols. The University rules require the confidentiality of passwords and prohibit plain text passwords because weak, non-encrypted passwords could allow unauthorized access to the University’s network. The University’s Computing & Information Services Chief Information Security Officer and the Manager of UEM Information Systems recently discussed these security concerns; however, an action plan to address this weakness has not been developed.

Recommendation

Coordinate with the University Information Security Officer to implement controls to ensure that security over access to the commodity metering systems are in compliance with the University’s security rules.
Management’s Response

*UEM has met with the University Information Security Officer, implemented measures that have eliminated the transmission of plain text passwords over University systems and is now in compliance with University security rules.*

BASIS OF REVIEW

Objective and Scope

Review the financial and management controls in place at Texas A&M University’s Utilities and Energy Management to determine if resources are used efficiently and effectively and in compliance with laws, policies, regulations, and rules. The audit period focused primarily on activities from January 2011 to August 2011. Areas reviewed included information technology, rate analysis, employee and student safety, safeguarding of assets, performance measurement, and administrative functions. Fieldwork was conducted from September 2011 to October 2011.

Criteria

Our audit was based upon standards as set forth in the System Policy and Regulation Manual of the Texas A&M University System and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors’ “International Standards for the Professional Practice of Internal Auditing.”

Additionally, we conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Texas A&M University’s Utilities and Energy Management division is responsible for obtaining and producing electricity, chilled and heating water, domestic cold and hot water, waste water treatment, solid waste collection, and other related utility operations. UEM recently upgraded the power plant with a new combined heating and power generator which cost $73 million.
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