Cancer Prevention & Research Institute of Texas

IA # 04-18 Internal Audit Report over Communication
Report Date: April 30, 2018
Issued: May 25, 2018

C O N T E N T S

The Oversight Committee
Cancer Prevention & Research Institute of Texas
1701 North Congress Avenue, Suite 6-127
Austin, Texas 78701

This report presents the results of the internal audit procedures performed for the Cancer Prevention and Research Institute of Texas (CPRIT) during the period March 20, 2018, through April 30, 2018 relating to the communication process.

The objectives of the internal audit were to evaluate the design and effectiveness of CPRIT's communication process. The objectives were organized as follows:

A. Determine whether internal controls over communication processes are in place to ensure that consistent processes are implemented and designed effectively to address the risks within the associated sub-processes and to ensure effective operations.
B. Ensure that controls over critical communication processes are operating effectively and according to authoritative guidance.
C. Ensure that access controls to CPRIT's website and applications used in communication processes are appropriately restricted.

To accomplish these objectives, we conducted interviews with CPRIT personnel responsible for the communication process. We also reviewed documentation and performed specific testing procedures to assess controls. Procedures were performed at CPRIT's office and completed on April 30, 2018.

The following report summarizes the findings identified, risks to the organization, recommendations for improvement and management's responses.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
April 30, 2018

Cancer Prevention & Research Institute of Texas
IA #04-18 Internal Audit Report over Communication
April 30, 2018
Issued May 25, 2018

Background

As a state agency responsible for awarding $3 billion in grants, CPRIT relies on an effective communications process to provide transparency of its activities and educate its audiences including cancer advocates, universities, state legislators and the general public about grant opportunities and the agency's impact on cancer research and prevention. CPRIT utilizes various communications tools to provide their message to others, including:
- CPRIT's website
- Social media (Facebook and Twitter)
- Achievement Reports
- Listserv communications (mass e-mail)
- Traditional media

CPRIT's executive team, communications and information technology staff are responsible for managing the communications process for the agency. The communications team is led by the Chief Prevention and Communications Officer and includes a Senior Communications Specialist and an Information Specialist. CPRIT's communication strategy is developed with the assistance of a third-party strategic communications services firm.

At the beginning of each fiscal year, the strategic communications services firm, in conjunction with CPRIT's communications staff, outlines an annual communication strategy and presents it to CPRIT's executive team for consideration. The strategy is reviewed by CPRIT's communication and management team composed of the Chief Executive Officer, General Counsel, Chief Program Officers for each of CPRIT's programs (prevention, academic research and product development research), and communications staff. Changes to the strategy resulting from CPRIT's review are incorporated in the annual strategic materials presented by the communications services firm. Biweekly, the same team of CPRIT's executive leadership and communications staff meets with representatives from the communications firm to discuss implementation of the strategy and update the communications strategy, as needed.

CPRIT's website serves as one of the primary communication tools for the agency. All updates to the website are completed by the Information Technology Manager upon review and approval by program management. Requests for website updates are submitted to an IT ticketing system to ensure timely completion and adequate documentation. In addition to processing content updates, the Information Specialist monitors website traffic using the Google Analytics monitoring tool. Website statistics are presented to the Oversight Committee during their quarterly meetings.

Annually, a team composed of the data workgroup chair, Staff Attorney, and Information Specialist conduct a website content compliance review to ensure the agency's compliance with all applicable state requirements for website content. The review checklist is updated annually as new regulations pertaining to state agency websites are introduced.

Quarterly, CPRIT personnel prepare an Achievement Report which is posted on the website after each Oversight Committee Meeting. The Achievement Report provides important grant statistics and highlights the agency's impact. Data included in the report is compiled primarily from internal sources by the data workgroup chair and reviewed for accuracy and completeness by program management. Once the data is compiled and report drafted, the Senior Communications Specialist reviews and approves the report for accuracy, completeness and appropriateness. Prior to the Oversight Committee Meeting, the CEO performs a final review and approval of the report.

Cancer Prevention & Research Institute of Texas
IA #04-18 Internal Audit Report over Communication
April 30, 2018
Issued May 25, 2018

In addition to the website, CPRIT utilizes listservs, or mass email communications, to communicate with its stakeholders, including grantees. Listserv communications include information such as grant opportunities, CPRIT conference reminders, changes to agency rules, and training webinars. Listserv content is drafted by the Information Specialist upon request by program management. As with website updates, CPRIT utilizes the IT ticketing system to document requests for creating listserv notices as well as review and approval of the content. After each listserv notice is processed, the Information Technology Manager reviews delivery rates to ensure successful delivery of the communication. We identified a total of 74 listserv communications during the 18-month period of September 1, 2016, through February 28, 2018.

Further, all communications with traditional media (television and newsprint) are referred to the Senior Communications Specialist. CPRIT receives approximately 10 media inquiries annually. We identified a total of 18 inquiries during the 18-month period of September 1, 2016, through February 28, 2018. The Senior Communications Specialist responds immediately to minor inquiries for information that is already publicly available. All official responses must be approved by the CEO and Chief Prevention and Communications Officer. Responses that may have legal consequences are approved by the General Counsel. CPRIT utilizes the Meltwater software to continuously monitor media coverage of CPRIT. The Senior Communications Specialist contacts media when instances of coverage are identified that require clarification or correction of information to ensure that CPRIT's information is clear and necessary corrections are made.

Audit Objective and Scope

The audit focused on the CPRIT communication processes in place within the communications team. We reviewed the procedures in place for appropriate risk and regulatory coverage and compliance to ensure efficient and effective processes. Key functions and sub-processes within the communication process reviewed include:

- External Communication Strategy
- Grantee Communications
- Listserv
- Website Content Compliance
- Achievement Report
- Media Relations
- Publicly Available Information

The scope of the audit did not include communications related specifically to compliance with the Texas Public Information Act, training, internal agency compliance, website maintenance, pre-award grant management, post-award grant monitoring, or event management. In addition, the scope did not include an evaluation of content of communications, the administration of the CPRIT website, or the communications related to planning and financial reports.

Cancer Prevention & Research Institute of Texas
IA #04-18 Internal Audit Report over Communication
April 30, 2018
Issued May 25, 2018

Our procedures were designed to ensure relevant risks are covered and verify the following:

External Communication Strategy
- External communications are aligned with CPRIT's mission and goals
- Communication strategy determined by CPRIT management to be relevant and timely is reviewed and approved
- Communication strategy is updated on a periodic and as needed basis
- Communication strategy for each target audience is identified
- External communication effectiveness is tracked and monitored

Grantee Communications
- Grantee communication is conducted by appropriate CPRIT staff
- Grantee contact information is accurate, timely, and up-to-date
- Grantee communications are adequately approved and documented
- Grantee communication is consistent with CPRIT's goals and mission
- Grantee communication is conducted via appropriate communication methods

Listserv
- Listserv content is determined to be relevant and aligned with CPRIT's goals and mission
- Listserv content is reviewed and approved prior to release
- Listserv e-mail list is accurate and complete
- Listserv emails are analyzed for SPAM content prior to release

Website Content Compliance
- Website content is reviewed and approved prior to posting
- Updates to website content are made in a timely manner
- Website content is in compliance with applicable state regulations
- Social media posts are reviewed and approved
- Information posted on social media is consistent with CPRIT's goals and mission

Achievement Report
- Reports are reviewed and approved prior to release
- Report data sources are approved and validated
- Report content is determined by CPRIT to be relevant, accurate and complete
- Reports are prepared and released in a timely manner

Media Relations
- Media inquiries are referred to appropriate CPRIT personnel
- All media communications initiated by CPRIT staff are adequately reviewed and approved prior to release
- Information provided via media outlets is accurate, complete, and timely
- Appropriate individuals are notified prior to CPRIT staff communicating with media
- News releases and supporting documentation are adequately maintained

Publicly Available Information
- Information required to be publicly available is complete and accurate
- CPRIT is in compliance with state requirements for publicly available information
- Publicly available information is provided timely
- Publicly available information is reviewed and approved prior to release

Cancer Prevention & Research Institute of Texas
IA #04-18 Internal Audit Report over Communication
April 30, 2018
Issued May 25, 2018

The objectives of this internal audit were as follows:

A. Determine whether internal controls over communication processes are in place to ensure that consistent processes are implemented and designed effectively to address the risks within the associated sub-processes and to ensure effective operations.
B. Ensure that controls over critical communication processes are operating effectively and according to authoritative guidance.
C. Ensure that access controls to CPRIT's website and applications used in communication processes are appropriately restricted.

Our procedures included interviewing key personnel who perform communications and information technology work to gain an understanding of the current processes in place, examining existing documentation, and evaluating the internal controls over the processes. We evaluated the existing policies, procedures, and processes in their current state. Our coverage period was from September 1, 2016, through February 28, 2018.

Cancer Prevention & Research Institute of Texas
IA #04-18 Internal Audit Report over Communication
April 30, 2018
Issued May 25, 2018

Executive Summary

Through our interviews, evaluation of internal control design and testing of transactions we identified five findings. The listing of findings include those items that have been identified and are considered to be non-compliance issues with documented CPRIT policies and procedures, rules and regulations required by law, or where there is a lack of procedures or internal controls in place to cover risks to CPRIT. These issues could have significant financial or operational implications.

A summary of our results, by audit objective, is provided in the table below. *See the Appendix for an overview of the Assessment and Risk Ratings*.

OVERALL ASSESSMENT		SATISFACTORY

SCOPE AREA	RESULT	RATING
Objective A: Determine whether internal controls over communication processes are in place to ensure that consistent processes are implemented and designed effectively to address the risks within the associated sub-processes and to ensure effective operations.	We identified 24 controls to be in place in the processes. However, there are opportunities to strengthen the processes and control environment including: • Define approval requirements for website changes and document approvals • Develop procedures for review and approval of social media posts • Ensure that Achievement Reports are accurate and approved timely	**SATISFACTORY**
Objective B: Ensure that controls over critical communication processes are operating effectively and according to authoritative guidance.	Controls appear to be in place; however, all are not consistently executed. We identified the following opportunities for improvement: • Document the review and approval of website content updates • Ensure compliance with state communications requirements, throughout the implementation of the CPRIT's new website	**SATISFACTORY**
Objective C: Ensure that access controls to CPRIT's website and applications used in communication processes are appropriately restricted.	Access to CPRIT's website is appropriately restricted. However, CPRIT should remove inappropriate employee access to the MailChimp software.	**SATISFACTORY**

Other opportunities for improvement were identified through our interviews, evaluation of internal control design, and transactional testing. These observations include those items that are not considered to be non-compliance issues with documented CPRIT policies and procedures. These are considered process improvement observations and the intent of the recommendations are to strengthen current CPRIT processes and controls. These observations were provided to management separately.

Conclusion

Based on our evaluation, the communication function has procedures and controls in place to conduct effective management of the significant processes within CPRIT. However, we identified five opportunities to improve the effectiveness of the controls within the communication process. Specifically, CPRIT should ensure compliance with all state website requirements as the new agency website is implemented. In addition, CPRIT should define and document procedures for the review and approval of website content updates.

CPRIT should implement procedures for the review and approval of social media posts prior to their posting by someone other than the preparer. The procedures should define which types of posts require approval and who the appropriate approver is for the category of the post. In addition, CPRIT should ensure that user access to the MailChimp software is appropriate by editing or removing the Purchaser's access.

Further, CPRIT should continue to utilize the process implemented in February 2018 to ensure that Achievement Reports are accurate and approved timely.

Follow-up procedures will be performed in Fiscal Year 2019 to evaluate the effectiveness of remediation efforts taken to address the findings identified.

Detailed Procedures Performed, Findings, Recommendations and Management Response

Cancer Prevention & Research Institute of Texas

IA #04-18 Internal Audit Report over Communications
April 30, 2018
Issued May 25, 2018

Detailed Procedures Performed, Findings, Recommendations and Management Response

Our procedures included interviewing key personnel who perform communications and information technology work to gain an understanding of the current processes in place, examining existing documentation, and evaluating the internal controls over the processes. We evaluated the existing policies, procedures, and processes in their current state.

Objective A: Design of Internal Controls

Determine whether internal controls over communication processes are in place to ensure that consistent processes are implemented and designed effectively to address the risks within the associated sub-processes and to ensure effective operations.

Procedures Performed: We conducted interviews of key personnel who perform communications and information technology work and examined existing documentation to gain an understanding of the current communication processes. We documented understanding of the processes and identified internal controls over the following sub processes:

- External Communication Strategy
- Grantee Communications
- Listserv
- Website Content Compliance
- Achievement Report
- Media Relations
- Publicly Available Information

We evaluated the controls identified against expected controls to determine whether the identified reoccurring communication procedures and internal controls are sufficiently designed to mitigate the critical risks associated with the communication process. We identified any unacceptable risk exposures due to gaps in the existing control structure as well as opportunities to strengthen the effectiveness and efficiency of the existing procedures.

Results: We identified 24 controls in place over the significant activities within the communication and function. We identified three findings where improvements in the process can be made.

Cancer Prevention & Research Institute of Texas

IA #04-18 Internal Audit Report over Communications
April 30, 2018
Issued May 25, 2018

Process Area	Control Coverage	Findings / Observations
Communications Processes		
External Communication Strategy	6	
Grantee Communications	2	
Listserv	5	
Website Content Compliance	3	**Finding 1** **Finding 2**
Achievement Report	4	**Finding 3**
Media Relations	4	
Publicly Available Information	4	
Total	**28***	

*Duplicate Control: The total number of identified controls is 24. However, based on their design, controls address risks in multiple processes. We have mapped the 24 unique controls to the processes in which they mitigate the risks within the processes

Finding 1 – MODERATE – Website Content Updates: While CPRIT utilizes a ticketing system to track and monitor updates to website content, the protocols and workflow lack definition to include the required review of postings and the timing of the completion of the updates.

The existing workflow does not have criteria identified to define which updates to website content require a review by communications prior to posting or procedures to document the review and approval of website content updates. Currently, website content updates are requested by CPRIT personnel via the IT ticketing system. All website updates are completed by the Information Technology Manager and the completion is documented within the ticketing system. Although the Information Specialist is notified of all tickets requesting website updates, the updates are not consistently reviewed and approved by communications prior to posting.

Additionally, the requirements to post updates in a specific timeframe are inconsistently defined. Only when individuals include a posting deadline in the update request ticket are posting deadlines established.

We reviewed 50 out of 351 website updates that were completed during the period of September 1, 2016, through February 28, 2018 and identified the following:

- 5 out of 50 sample items tested, documentation to demonstrate the website content updates were completed timely could not be provided. Timing of completion dates recorded in the ticketing system range from 78 to 418 days after requests were submitted. Additionally, 1 of the 5 changes was not completed accurately
- 2 out of 50 samples that were posted 1 and 6 days after the deadline indicated in the ticket.

Cancer Prevention & Research Institute of Texas
IA #04-18 Internal Audit Report over Communications
April 30, 2018
Issued May 25, 2018

Recommendation: CPRIT should define and document the requirements of the changes to the website that require approval from communications personnel. The definition could include different classifications of the website updates based on the content type and identify the approval requirements for each category. Certain content updates, such as those not related to CPRIT's messaging, may not require approval by communications personnel.

The review process should include a method to document the personnel who performed the review. The requirements should also include a definition of the timely completion of changes requested.

Management Response: CPRIT management agrees with the condition as stated. Both the Information Specialist and Information Technology Manager make updates to CPRIT's public websites. CPRIT currently utilizes the IT ticketing system to provide and track ticket verification. Staff who submit a ticket receive automated updates when ticket activities occur, including when work is performed, and must review and accept the content change to ensure it is done correctly. The communications team is copied on a ticket when a content update impacts agency messaging.

CPRIT management agrees that the content approval process being used needs to be formally documented including base service levels for content updates and content type classifications requiring approval by communications personnel. Communications and IT staff will develop a content classification system and procedures for required management approvals and draft an approval document. CPRIT also notes that communications and IT staff are actively working to close the gap in tracking tickets between the timeframe when work is performed and when tickets are updated.

Responsible Party: Senior Communications Specialist, Information Specialist, Information Technology Manager
Implementation Date: August 31, 2018

Finding 2 – MODERATE – Social Media Posting: CPRIT does not have procedures in place for someone other than the preparer to review and approval of social media content before posting. Currently, CPRIT maintains three social media accounts, Facebook, Twitter and YouTube. All social media posts are prepared and posted by the Information Specialist without review and approval by supervisory communications staff.

Recommendation: CPRIT should implement procedures for the review and approval of social media posts by someone other than the preparer prior to posting. The procedures should define which types of posts require approval and who the appropriate approver is for the category of the post. Social media posts could be prepared by the Information Specialist and reviewed and approved by the Senior Communications Specialist or another approver, depending on the type of post, prior to publishing the post.

Management Response: CPRIT management agrees with the condition as stated. The agency has begun drafting a written social media posting process that describes which types of postings require approval and by whom.

Responsible Party: Information Specialist
Implementation Date: August 31, 2018

Finding 3 – MODERATE – Accuracy and Timeliness of Achievement Reports: Through the preparation of the Achievement Report, CPRIT has identified that the agency inconsistently meets their internally established deadlines and requirements to draft, review, approve, and publish the report. Therefore, new procedures were implemented in February 2018 to address the preparation of the report. Through the dynamic process to draft, review and edit the report, the final review and approval of Achievement Reports is not consistently documented as part of the established workflow. Additionally, information included in Achievement Reports is not consistently accurate.

According to CPRIT's recently implemented internal timeline, Achievement Reports should be completed and approved before an Oversight Committee meeting. Prior to February 2018, the internal timeline for completion and approval of Achievement Reports was one week after the Oversight Committee meeting. We selected a sample of 3 out of 6 Achievement Reports that were posted during the period of September 1, 2016, through February 28, 2018 and identified the following exceptions:

- All 3 reports were not approved prior to CPRIT's internal deadline
- 2 reports contained inaccurate information, totaling 5 errors in the reports

Recommendation: CPRIT should continue to utilize the process implemented in February 2018 to ensure that Achievement Reports are accurate and approved timely. Through the review process emphasis should be placed on the review of the accuracy of data included in the report by data owners. A routing sheet of approvals could be created to document the review and approval of individuals throughout the preparation of the report. Alternatively, signoff on the physical copy of the reviewed report or emails of the approval could be maintained. If approvals of the reports are verbal, communications staff could document the date that approval was provided.

Management Response: CPRIT management agrees with the condition as stated. The new data verification process established for the February 2018 report will continue to be implemented. In addition, procedures to document review and approval throughout that process will be developed.

Responsible Party: Senior Communications Specialist
Implementation Date: August 30, 2018

Objective B: Effectiveness of Internal Controls

Ensure that controls over critical communication processes are operating effectively and according to authoritative guidance.

1. **Procedures Performed:** We selected a sample of 25 out of 74 listserv communications that occurred during the period of September 1, 2016, through February 28, 2018. For each selected item, we verified the following:

   - Communication was conducted by appropriate CPRIT staff
   - Communication was adequately reviewed and approved
   - Communication was consistent with CPRIT's communications strategy
   - Communication was analyzed for SPAM content prior to release

   Results: No findings identified.

Cancer Prevention & Research Institute of Texas
IA #04-18 Internal Audit Report over Communications
April 30, 2018
Issued May 25, 2018

2. **Procedures Performed:** We selected a sample of 50 out of 351 website content updates that occurred during the scope period of September 1, 2016 through February 28, 2018. For each selected item, we verified the following:

- Added/updated content was complete and accurate
- Content was in compliance with applicable state regulations
- Content update was made in a timely manner
- Content was reviewed and approved prior to release

Results: Of the 50 website updates tested, we identified:
- 5 updates where documentation to demonstrate the website content updates were completed timely could not be provided. Timing of completion dates were recorded in the ticketing system range from 78 to 418 days after requests were submitted. Additionally, 1 of the 5 changes was not completed accurately
- 2 updates were posted 1 and 6 days after the deadline indicated in the ticket

Finding 1 – MODERATE – Website Content Updates

3. **Procedures Performed:** We reviewed the most recent website compliance review performed by CPRIT personnel in February 2018, and verified the following:

- Applicable state regulations were identified
- CPRIT is in compliance with all applicable State requirements including the requirements for publicly available information

Results: We determined that CPRIT is not in compliance with two state communications requirements, 1 TAC 206 and 13 TAC 3.

Finding 4 – HIGH – CPRIT Website Compliance: In February 2018 CPRIT's Senior Program Manager for Prevention, Staff Attorney and Information Specialist conducted an annual website review to assess compliance with applicable state requirements and identified that CPRIT is not in compliance with the following requirements:

- 1 TAC 206.54(a) & 13 TAC 3.4(3) - Requirement to include meta data tags on all publications
- 1 TAC 206.54(b) - Requirement to include TRAIL meta data on the homepage
- 13 TAC 3.4(2)(a) - Requirement for accessibility of publications
- 13 TAC 3.2(b) - Requirement for posting the date that each publication is produced or distributed
- 1 TAC 206.51 - Requirement for translation of the website
- 1 TAC 206.50(c) - Requirement for maintaining an alternative version page with equivalent information or functionality
- 1 TAC 206.50(d) - Requirement for accessibility testing
- 1 TAC 206.55(d) - Requirement for address of the web page with high-value data set.

CPRIT personnel identified the non-compliance prior to this audit and are actively working on addressing these issues with the ongoing implementation of the new agency website.

Recommendation: CPRIT should continue to implement the new website. As part of the implementation, CPRIT should ensure that the website is in compliance with all communications requirements.

Management Response: CPRIT management agrees with the condition as stated. The implementation of the new website is critical and will ensure that an annual website content compliance review is performed. The agency is currently working to procure a cloud-based service, Siteimprove, to automate accessibility testing, issue reporting and tracking on the agency's public websites. As part of the new agency website implementation, Google's Cloud Translation Application Programming Interface (API) will be integrated to provide automated translation of the agency's website text content. The implementation of CPRIT's new primary website will occur in three phases. First, the completion of the migration to the content management platform (phase 1), then the implementation of a newly designed website look and feel (phase 2), and finally, a focused effort on implementing site wide translation and accessibility testing (phase 3).

Responsible Party: Staff Attorney, Information Technology Manager
Implementation Date: October 31, 2018

4. **Procedures Performed:** We selected a sample of 50 out of 454 social media posts that were posted during the scope period of September 1, 2016, through February 28, 2018. For each selected item, we verified the following:

- Social media post was aligned with CPRIT's communication strategy
- Social media post was posted timely

Results: No findings identified.

5. **Procedures Performed:** We selected a sample of 3 out of 6 Achievement Reports that were issued during the scope period of September 1, 2016, through February 28, 2018. For each selected item, we verified the following:

- Report was reviewed and approved prior to release
- Report sources were approved and reliable
- Report was prepared and released in a timely manner
- Report content was determined by CPRIT to be relevant, accurate and complete

Results: Based on the results of our testing, we have identified the following as exceptions:

- All 3 reports were not approved prior to CPRIT's internal deadline
- 2 reports contained inaccurate information, totaling 5 errors in the reports

Finding 3 – MODERATE – Accuracy and Timeliness of Achievement Reports

6. **Procedures Performed:** We selected a sample of 9 out of 18 media inquiries that occurred during the scope period of September 1, 2016, through February 28, 2018. For each selected item, we verified the following:

- Media inquiry was referred to the Senior Communications Specialist
- CPRIT's response was reviewed and approved prior to release
- Information provided to media was accurate, complete and timely
- Appropriate individuals were notified of the inquiry
- CPRIT's response, related news releases and supporting documentation were adequately maintained

Results: No findings identified.

Objective C: System Access

Ensure that access controls to CPRIT's website and applications used in communication processes are appropriately restricted.

Procedures Performed: We evaluated CPRIT employee user access to the website administration and the MailChimp application used for processing listserv communications. As part of the evaluation, we verified the following:

- User access is appropriate for the employee's position and job responsibilities
- User access is formally reviewed and approved for appropriateness on a periodic basis

Results: We identified one instance of inappropriate access to MailChimp. CPRIT's Purchaser has the ability to edit the contact list maintained in MailChimp, as well as to create and send Listserv communications to subscribers, legislators, and grantees whose email contact information is maintained in MailChimp contact lists.

Finding 5 – MODERATE – Inappropriate User Access: In order to obtain MailChimp billing information for the monthly P-Card reconciliation, the Purchaser has "modify" access to this application used for processing listserv communications. As a result, the Purchaser has the ability to edit the contact list maintained in MailChimp as well as create and send listserv communications to subscribers, legislators, grantees whose email contact information is maintained in MailChimp contact lists.

Recommendation: CPRIT should remove the Purchaser's access to the MailChimp software. Invoice information should be provided to the Purchaser by another CPRIT employee such as the Information Specialist or Information Technology Manager.

Management Response: CPRIT management agrees with the condition as stated. The Purchaser's access to the MailChip application has been removed with the Chief Operating Officer's authorization. Notification of the rights change was provided to CPRIT's Information Technology Governance Committee.

Responsible Party: Information Technology Manager, Chief Operating Officer
Implementation Date: May 18, 2018

Appendix

Cancer Prevention & Research Institute of Texas

IA #04-18 Internal Audit Report over Communications
April 30, 2018
Issued May 25, 2018

The appendix defines the approach and classifications utilized by Internal Audit to assess the residual risk of the area under review, the priority of the findings identified, and the overall assessment of the procedures performed.

Report Ratings

The report rating encompasses the entire scope of the engagement and expresses the aggregate impact of the exceptions identified during our test work on one or more of the following objectives:

- Operating or program objectives and goals conform with those of the agency
- Agency objectives and goals are being met
- The activity under review is functioning in a manner which ensures:

  o Reliability and integrity of financial and operational information
  o Effectiveness and efficiency of operations and programs
  o Safeguarding of assets
  o Compliance with laws, regulations, policies, procedures and contracts

The following ratings are used to articulate the overall magnitude of the impact on the established criteria:

| Strong | The area under review meets the expected level. No high risk rated findings and only a few moderate or low findings were identified. |

| Satisfactory | The area under review does not consistently meet the expected level. Several findings were identified and require routine efforts to correct, but do not significantly impair the control environment. |

| Unsatisfactory | The area under review is weak and frequently falls below expected levels. Numerous findings were identified that require substantial effort to correct. |

Cancer Prevention & Research Institute of Texas
IA #04-18 Internal Audit Report over Communications
April 30, 2018
Issued May 25, 2018

Risk Ratings

Residual risk is the risk derived from the environment after considering the mitigating effect of internal controls. The area under audit has been assessed from a residual risk level utilizing the following risk management classification system.

High

High risk findings have qualitative factors that include, but are not limited to:

- Events that threaten the agency's achievement of strategic objectives or continued existence
- Impact of the finding could be felt outside of the agency or beyond a single function or department

- Potential material impact to operations or the agency's finances
- Remediation requires significant involvement from senior agency management
.

Moderate

Moderate risk findings have qualitative factors that include, but are not limited to:

- Events that could threaten financial or operational objectives of the agency
- Impact could be felt outside of the agency or across more than one function of the agency

- Noticeable and possibly material impact to the operations or finances of the agency
- Remediation efforts that will require the direct involvement of functional leader(s)
- May require senior agency management to be updated

Low

Low risk findings have qualitative factors that include, but are not limited to:

- Events that do not directly threaten the agency's strategic priorities
- Impact is limited to a single function within the agency

- Minimal financial or operational impact to the agency
- Require functional leader(s) to be kept updated, or have other controls that help to mitigate the related risk