



State of Rhode Island and Providence Plantations
Office of Management and Budget
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December 27, 2018

Mr. Charles P. Kelley, Executive Director
Rhode Island Student Loan Authority
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Warwick, RI 02886

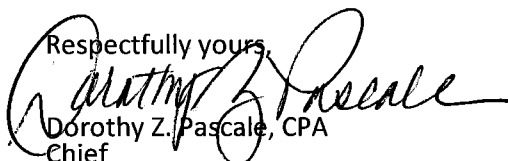
Dear Mr. Kelley:

The Office of Internal Audit (OIA) has completed its limited scope performance audit of the Rhode Island Student Loan Authority (RISLA). OIA reviewed RISLA's compliance with the Quasi-Public Corporations Accountability and Transparency Act. The audit was conducted in conformance with the International Standards (IIA) for the Professional Practice of Internal Auditing and by the authority given to the unit as stated in Rhode Island General Laws (RIGL) § 35.7.1-1. The recommendations included herein have been discussed with members of management, and we considered their comments in the preparation of this report.

RIGL § 35-7.1-10(d), entitled *Annual and interim reports*, states that, "Within twenty (20) days following the date of issuance of the final audit report, the head of the department, agency or public body or private entity audited shall respond in writing to each recommendation made in the final audit report." Accordingly, management submitted its response to the audit findings and recommendations on June 7, 2018, and such response is included in this report. Pursuant to this statute, the Office of Internal Audit may follow up regarding recommendations included in this report within one year following the date of issuance.

We would like to express our sincere appreciation to the staff of the Rhode Island Student Loan Authority for the cooperation and courtesy extended to the members of our team during this audit.

Respectfully yours,



Dorothy Z. Pascale, CPA
Chief

c—Robert J. Delaney, Chairman, Rhode Island Student Loan Authority
Jonathan Womer, Director, Office of Management and Budget
Honorable William J. Conley, Chairperson, Senate Committee on Finance
Honorable Marvin Abney, Chairperson, House Finance Committee
Peter Keenan, State Controller, Office of Accounts and Control, Department of Administration

Audit Executive Summary

Why the Office of Internal Audit Did This Review

Rhode Island General Law § 42-155-7, *Audit of quasi-public corporations*, requires the Office of Internal Audit to conduct a performance audit of all quasi-public corporations once every five years. The Office of Internal Audit established an initial five-year schedule; this audit was performed in compliance with the statute and the established schedule.

The Office of Internal Audit conducted a limited scope audit of the Rhode Island Student Loan Authority to review its compliance with the Quasi-Public Corporations Accountability and Transparency Act.

Background Information

The Rhode Island Student Loan Authority (RISLA) is a quasi-state agency created by the Rhode Island General Assembly in 1981 for the purposes of financing education through the making, purchasing, taking, acquiring, or lending against the security of, eligible loans and education loans and of selling eligible loans and education loans made, taken, endorsed, acquired, or purchased by it to governmental or private financial institutions, as provided for by RIGL § 16-62.

The goals of the agency are to provide a system of financial aid and counseling to help make post-secondary education more accessible and affordable for Rhode Island state residents, wherever they study, and students attending schools based in Rhode Island. RISLA is governed by a five-member board of directors.

The Rhode Island Student Loan Authority should:

- Review access rights to network folders and applications containing personally identifiable information ("PII").

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Introduction

The Rhode Island Student Loan Authority (RISLA) is a quasi-state agency created by the Rhode Island General Assembly in 1981 for the purposes of financing education through the making, purchasing, taking, acquiring, or lending against the security of, eligible loans and education loans and of selling eligible loans and education loans made, taken, endorsed, acquired, or purchased by it to governmental or private financial institutions, as provided for by RIGL § 16-62.

The goals of the agency are to provide a system of financial aid and counseling to help make post-secondary education more accessible and affordable for Rhode Island state residents, wherever they study, and students attending schools based in Rhode Island. RISLA is governed by a five-member board of directors.

Recommendations and Management's Responses

Review network access rights

To protect the security and confidentiality of Personally Identifiable Information ("PII"), access to network folders and/or applications containing PII should be limited to those persons who are reasonably required to know such information in order to accomplish RISLA's legitimate business purpose or to enable RISLA to comply with other state or federal regulations.

During testing to determine that proper access rights had been assigned to network folders and/or applications containing PII, we noted that one of the network folders had the assigned user group "Employee," indicating that all employees had access to the network folder. Although this folder contained an old database, it still contains sensitive information which can be viewed by individuals whom are not required to know such information.

Recommendation:

- 1.) Review access rights to network folders and applications containing personally identifiable information ("PII") and restrict access right to only those individuals whose job responsibilities require access to such information. If management determines that the user group "Employees" (i.e. everyone) is appropriate, they should document the rationale for why it is appropriate for all employees to have access to the network folder or application.

Management's Response:

The user group "employees" was removed from shared access.

Responsible Party:

Tom Jacobellis, Data Security Coordinator

Anticipated Completion Date: N/A

Objective and Scope

The Office of Internal Audit (OIA) conducted a limited scope audit of the Rhode Island Student Loan Authority. OIA reviewed RISLA's compliance with the Quasi-Public Corporations Accountability and Transparency Act. The purpose of the engagement was to review operations and determine if they are being administered efficiently and effectively in accordance with requirements, statutes, and state procedures.

Methodology

As part of our audit work, the OIA gained an understanding of the Rhode Island Student Loan Authority and its operations. The objective of the audit was to determine if RISLA complies with the requirements of the Quasi-Public Corporations Accountability and Transparency Act. To address our audit objective, we performed the following:

- Reviewed budget and financial information
- Requested information required under the Quasi-Public Act
- Searched website for adequate transparency disclosures
- Read board meeting minutes

The results of this limited scope audit are communicated within this report. The OIA used an external audit firm, Citrin Cooperman, to supplement its staff during the performance of this audit. Citrin Cooperman performed the detailed audit work and was selected using a competitive bidding process.