



In Session: with Joe Seibert

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Colleges and universities are among the most stable and fundamental institutions in our society. At the same time they are on the front lines of change, fostering the process of discovery and human knowledge, driving new technologies and answering society's most important questions. Whether it be global climate change or adapting to technologies and artificial intelligence, we have to ensure the stability and success of these institutions so the next generation of leaders in every discipline can help society adapt to those changes as they enter the global workforce.

In Session is KPMG's latest higher education insights series that features interviews with industry professionals that are working with colleges and universities around the country that are being tested by the rapid pace of change. Whether it's taking a hard look at business models or developing new tools to enhance the ability of the administration, KPMG is working shoulder to shoulder with these institutions to help them provide services effectively to their faculty and students.

With more than 30 years of experience under his belt, Joe Seibert's client portfolio is as diverse as his background. Joe's clients have included general purpose governments, health care providers, educational institutions, student loan organizations, insurance companies, membership organizations, governmental financing authorities, and pension plans. As a result, he has a broad view of the organizations that serve the public. Joe is unique in that he used to serve with KPMG's audit practice but now works with higher education clients on internal audit engagements, performance audits, performance improvement consulting, internal control reviews and grant monitoring and management.

Q **You joined KPMG as an auditor and spent a good portion of your career with the audit practice. You are now part of the internal audit practice. What made you switch sides?**

I spent more than 30 years as an external auditor developing experience and insight on how the higher education industry works. As an external auditor, my role was to identify issues or potential issues, but I really couldn't help management resolve those issues. As an internal auditor, I'm able to do just that. I'm able to work with management to understand the nuances of the issues, understand the positions that other higher education institutions have taken, including the controls and procedures, and help them find apply a better, faster and smarter approach. My clients get the benefit of me having 30 years of experience, with a wide variety of Higher education institutions, at their disposal.

Q *What challenges do internal audit departments have today?*

Obtaining resources that match up with the organizational risk to keep the internal audit function a relevant part of the organizations risk management function. Higher Education organizations today are addressing many different risks, everything from student retention and engagement, student safety, compliance with new tax laws, and keeping up with technology as their students are more mobile and technology savvy than ever before and want to interact with the institutions in new ways. Internal audit teams need to get more diverse resources to address all of the operational and compliance risks along with the financial risks.

Q *Based on that experience, what do you see as one of the most important issues or challenges that Higher Education institutions are faced with right now?*

I've been in a lot of board meetings as a result of delivering the external audit reports and in those meetings, one of the topics that always seems to come with audit committees is how are we protecting our data? Not just our data as an institution, but more importantly, students' data. If you think about a university, everybody within the university environment is touching student data in one way or another. Whether it's campus security, auxiliaries, the bookstore, dining halls – student data is everywhere.

The subject of data protection extends far beyond the IT shop of a university and pervades the entire institution. How the data is managed and how an institution communicates to its people the importance of securing the data is critically important to the brand and to its long term success.

To underscore the importance, there is a Federal requirement called the Gramm Leach Bliley Act (GLBA) that outlines a framework for universities and colleges on how to protect this data. In addition, the US Department of Education is working on updating the compliance supplement for single audit that will require auditors to take a look at an institution's GLBA compliance. Key questions to ask include – do you have a GLBA program in place? Does it have all the necessary elements to protect student data? Has an assessment been done against what is currently in place? These are the things that an external auditor may be looking at as part of the audit.

Q *What does the GLBA requirement mean for higher education institutions?*

It gives a university two things. First, a framework for which they can evaluate how they are handling student data. Second, it allows a university to be able to compare or benchmark themselves against the framework – how are they treating the information? How are third parties handling the data? How are they interacting with students?

Q *New requirements can be overwhelming. What's the first step that should be taken with respect to GLBA?*

The first step is to find out whether or not the university is aware of the GLBA requirement, which may often start with the Chief Information Security Officer. Has an assessment been done on the university's policies and procedures against the requirements that are embedded in GLBA?

Audit committees, while not involved in the day-to-day management, are talking with internal and external auditors as well as management about cyber security and cyber risks, as well as how data is being secured. Having a good inventory of the risks and procedures to mitigate those risks is an important element in securing student data and is quickly rising to the top of audit committee agendas.

I would step back and take a look at the internal audit plan and the risks that were identified. Then determine if a risk review has been incorporated into the next internal audit cycle.

Q *What other critical steps should be taken?*

One of the most critical steps is to get a good inventory of where student data resides across the university. Remember, data isn't just inside the IT shop, there are other systems within a university that access student data – dining halls, athletics, financial aid office, even the gym where students, and maybe faculty, login for a workout.

That inventory should also include third parties – which third parties is a university sharing data with? Do they have an understanding of what protocols are in place to protect data? Do they understand the importance the university has on securing and protecting data? It's the responsibility of the university to ensure that any and all third parties have the appropriate protocols in place to secure the university's data.

Q *As you think about the future of education, what does that look like to you?*

I have two children who are in residential institutions, taking classes and physically going to class every day. But both of them have also taken online classes to supplement their in-class curriculum. This hybrid model is becoming more and more common and the model is continually changing.

I think we are going to continue to see an evolution of how education is delivered. When I was in school we went to a lecture hall to listen to a professor. Now, students can watch a lecture before going to class, completely changing the traditional teaching model. How a university positions themselves to be more mobile-friendly or more online-friendly to their students is going to be part of what makes them successful. The auditor in me thinks about how those things will certainly create a lot more challenges for data and data security. But the dad in me thinks about how this evolution will deliver education more effectively, ultimately providing a higher quality education.

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