

FY 2023 Approved Audit Plan

June 30, 2022



UT Health
San Antonio

Internal Audit & Consulting Services FY 2023 Risk Assessment and Audit Plan



UT Health
San Antonio

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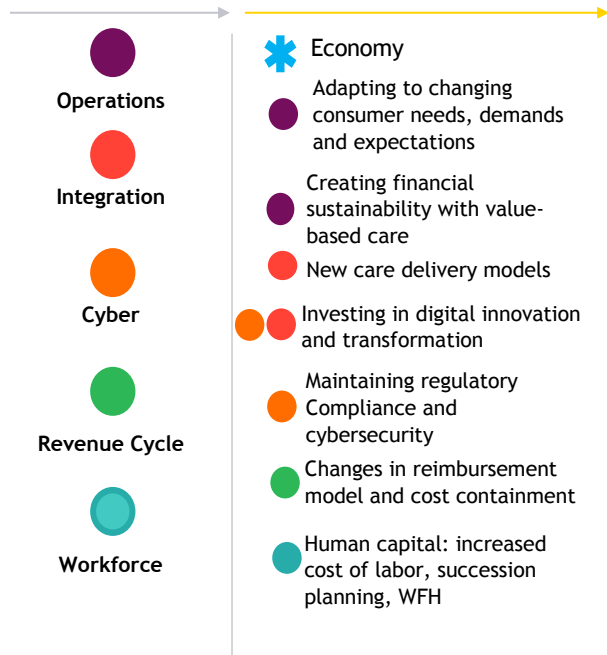
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Risk Assessment Methodology

- ❖ **Assess strategic, financial, operational and compliance related risks**
- ❖ **Audit Plan designed to align with the strategic objectives and core values of our Institution**
- ❖ **Increase efficiency by streamlining control activities through process improvement and technology**
- ❖ **Focus is on value protection and value enhancing activities**
- ❖ **Reviewed audit, consulting and investigation results from the past 12 months**
- ❖ **Solicited input from**
 - Institutional leadership and key stakeholders
 - Other Academic Medical Centers within the UT System
 - Chief Auditor Executives from other AMCs and Healthcare organizations
 - Association of Healthcare Internal Auditors (AHIA)
 - Other UT System Health Care Institutions
 - KPMG, PwC, EY and Baker Tilly

Unprecedented Changes in the Market

Emerging risks



Upside Risks

Risks that offer benefits. Risks significant to organization's ability to achieve its strategic objectives.

- Innovations
- Increasing market reach
- Acquiring, managing and deriving value from new assets and talent

Outside Risks

Risks that offer negative or positive benefits beyond the organization's control

- Actions of existing and emerging competitors
- Geopolitical and economic trends
- Demographic and environmental trends
- Ease of entrance of new competitors into healthcare space

Downside Risks

Risks that offer negative impacts. Risks an organization is focused on eliminating, avoiding, mitigating or transferring in a cost-effective manner.

- Information security and cybercrime
- Employee fraud, and regulatory compliance
- Risks must be well understood and mitigated

Focus on UT Health San Antonio's Environment

Education * Research * Healthcare Delivery * Community

UT Health SA Experience	System Sustainability	Regulatory Compliance	Data Excellence and Protection
<ul style="list-style-type: none"> • Patient access, clinical and financial experience • Employee excellence • Provider/Physician Enterprise • Students • Payer strategy • Business partners • Communities 	<ul style="list-style-type: none"> • Revenue cycle • Margin management • Operational Continuity • Supply chain and third-party risk management • Facilities and environment • Ability to hire and sustain qualified staff 	<ul style="list-style-type: none"> • State of Texas • CMS and Federal • Privacy • Governance, training, reporting and COI • Telemedicine • Integrated compliance execution • Monitoring • Stark Law (Physician Referrals) • FERPA (Family Educational Rights & Privacy Act) 	<ul style="list-style-type: none"> • Data analytics and decision making • Reporting and data governance • EHR and ERP optimization • Remote workforce • Cybersecurity

Key Initiatives/Activities Impacting our Risk Landscape

- Expansion of Health Care - Hospital *(scheduled to open Fall 2024)*
- New partnerships/business relationship
- Practice Plan - increased growth of clinical operations
- Significant construction activities
- Revenue acceleration
- Enablement through technology (remote workforce, telemedicine, CRM tool, etc.)

Key Themes from Risk Assessment

- Operational support for Institutional growth
- Human capital
- Increase in partnerships
- Practice Plan - Ramping up clinical operations
- Cybersecurity
- Enablement through technology (remote workforce, telemedicine, CRM, etc.)

FY 2023 Audit Plan *

Governance	Revenue Cycle	Clinical Operations	Cyber Security & Data Protection	Regulatory/ Compliance	Legend
<ul style="list-style-type: none"> Foreign Influence - Phase II Construction Management - Phase II Diversity, Equity and Inclusion Initiatives Be Well Texas Grant - Contract Performance Quality Assessment Review - Internal Audit <hr/> <ul style="list-style-type: none"> Physical Access to Critical and Sensitive Areas 	<ul style="list-style-type: none"> Dentistry Revenue Cycle Billing Process Underpayments & Contract Rates - Mays Cancer Center <hr/> <ul style="list-style-type: none"> Review of Chargemaster Telemedicine 	<ul style="list-style-type: none"> Physician Credentialing Consulting Assistance from IA/Hospital Preparation <hr/> <ul style="list-style-type: none"> Records Release Process - HIPAA Compliance 	<ul style="list-style-type: none"> EPIC Application Security & Infrastructure Security Assessment axiUm Application Security Assessment Data Governance Maturity Assessment <hr/> <ul style="list-style-type: none"> Cloud Computing PeopleSoft App - ITGCs Assessment 	<ul style="list-style-type: none"> Sub-certification Process and Monitoring of Key Controls Payroll Process - Employment Status Procurement- Sole Source Vendors NIH Grant - Expenditures Residency Program Award / Family & Community Practice Body Donation Annual Internal Audit Report (SAO) / Procurement Policies Assessment <hr/> <ul style="list-style-type: none"> Procurement - HUB Program 	<p>Legend</p> <ul style="list-style-type: none"> Risk-Based Audit Consulting Engagement Regulatory / Required Audit Below The Line Audit/Project (Work that will not be performed due to a lack of resources)

* See Appendix - Includes FY 2023 Audit Plan with brief description of the audit/project



FY 2023 Internal Audit Plan/Budget *(approved by AC on 6/30/22)*

<i>FY 2023 Audit Plan</i>	<i>Budget</i>	<i>Preliminary Objective</i>
<i>Assurance /Risk Based Engagements</i>		
Construction Management - Phase II	565	Based on the results of the FY22 Construction audit this audit will focus on detailed testing of select risk areas.
Foreign Influence - Phase II	400	Based on the results of the FY22 Foreign Influence audit this audit will focus on detailed testing of select risk areas.
Dentistry Revenue Cycle Billing Process	530	Assess the controls and procedures as it pertains to the billing and claims process with the SoD practice plan.
Sub-certification Process and Monitoring of Key Controls	160	Validate the Institutional monitoring plan related to segregation of duties and account reconciliations and financial review and analysis.
Physician Credentialing	585	Assess MSRDP processes for: physician credentialing, recredentialing and monitoring of physicians licensures and insurance for expirations to ensure compliance with government regulations and Institutional policy.
Payroll Process - Employment Status	330	Assess processes for identifying, submitting, and processing changes regarding payroll as it pertains to an individuals employment status.
Procurement - Sole Source Vendors	245	Assess the processes and controls as it pertains to sole source procurement agreements
National Institutes of Health (NIH) - Expenditures	475	Assess the research billing process regarding NIH grants for efficiency and effectiveness.
EPIC Application Security & Infrastructure Security Assessment (Modules: Beacon, Candence and Willow)	450	Evaluate EPIC Application, database, and operating system security by assessing the design and operating effectiveness of General IT Controls. (Meet requirement of TAC 202)
axiUm Application Security Assessment	360	Evaluate axiUm security by assessing the design and operating effectiveness of General IT Controls as they relate to the Axiom application.
Carry Forward (Construction)	150	Carry forward project hours for remaining work regarding FY 22 audit projects (construction).
Carry Forward (IT)	100	Carry forward project hours for remaining work regarding FY 22 audit projects (IT Research).
<i>Assurance /Risk Based Engagements Subtotal</i>	<i>4350</i>	

FY 2023 Internal Audit Plan/Budget *(approved by AC on 6/30/22)*

<i>FY 2023 Audit Plan</i>	<i>Budget</i>	<i>Preliminary Objective</i>
<i>Advisory and Consulting Engagements</i>		
Diversity, Equity and Inclusion Initiatives	195	Provide audit support in helping the Institution achieve its DEI objectives.
Be Well Texas - Grant	335	Assess the processes for managing the billing and performance requirements as outlined in program contracts.
Underpayments & Contract Rates - Mays Cancer Center	475	Assess the controls and procedures as it pertains to the billing and claims process for the Mays Cancer Center's.
Data Governance Maturity Assessment	360	Benchmark performance across critical institution data capabilities and associated cybersecurity.
Institutional Strategic Initiatives/Communication with Stakeholders	400	Participate in Institutional initiatives focused on adding value and enhancing quality.
Meetings with Institutional Leadership	400	Regularly scheduled, and as needed, meetings with the top 50+ leaders across the Institution to ensure that IA is aware of current and upcoming key initiatives and projects across the Institution. These meetings serve as a key element in: continually assessing the risk landscape, ensuring that Audit resources are focused on areas most critical to the Institution and that we have a consistent view of the strategic objectives of UT Health SA. These meetings also help to identify opportunities for IA to provide consulting services.
Consulting Reserve - Practice Plan Activities	350	Reserve for as needed for work to be performed for UT Physicians practice plan as UT Health San Antonio prepares for new hospital and ambulatory facility.
<i>Advisory and Consulting Engagements Subtotal</i>	<i>2515</i>	

FY 2023 Internal Audit Plan/Budget *(approved by AC on 6/30/22)*

<i>FY 2023 Audit Plan</i>	<i>Budget</i>	<i>Preliminary Objective</i>
<i>Required Engagements</i>		
FY 2022 Financial Statement Audit Assistance (Year-end)	20	Assist the external auditors in the coordination and/or performance of testing for the audit of the Annual Financial Report (FY22 year-end work).
FY 2023 Financial Statement Audit Assistance (Interim)	10	Assist the external auditors in the coordination and/or performance of financial and IT control testing for the audit of the Annual Financial Report (FY23 interim work).
Residency Program Award/Family & Community Medicine	200	Review expenditures for the Residency program and report on the compliance with grant regulations to the Texas Higher Education Coordinating Board.
Body Donation	350	Evaluate the institution's procedures and methods for receiving, storing, using and transporting anatomical specimens and disposing of remains as required by Texas Administrative Code.
SAO Annual Reporting Requirement on Procurement Policies	20	Review for compliance with the Texas Education Code §51.9337 requirement that the chief audit executive annually certify to the state auditor that the institution has procurement policies in place that comply with the Texas Education Code requirements for higher education institutions.
Audit Assistance to External Agencies (SAO, THECB, etc.)	80	Coordinate external agency audits.
Annual Internal Audit Report (SAO)	80	Prepare and issue the annual SAO Internal Audit Activity Report.
<i>Required Engagements Subtotal</i>	<i>760</i>	
<i>Investigation Reserve Subtotal</i>	<i>320</i>	
<i>Reserve for Institutional Requests/Risk Based Audits</i>	<i>280</i>	
<i>Follow-Up Subtotal</i>	<i>120</i>	
<i>Development - Operations Subtotal</i>	<i>2180</i>	
<i>Development - Initiatives and Education Subtotal</i>	<i>846</i>	
<i>Total Budgeted Hours</i>	<i>11371</i>	

**Updated Audit Committee Approved Audit Plan
October 19, 2022**



UT Health
San Antonio

FY 2023 Internal Audit Plan/Budget *(approved by AC on 10/19/22)*

FY 2023 Audit Plan	Budget	General Objective/Description
Assurance Engagements		
<i>Dentistry Revenue Cycle Billing Process</i>	530	Assess the controls and procedures as it pertains to the billing and claims process with the SoD practice plan.
<i>Sub-certification Process and Monitoring of Key Controls</i>	160	Validate the Institutional monitoring plan related to segregation of duties and account reconciliations and financial review and analysis.
<i>Physician Credentialing</i>	585	Assess MSRDP processes for: physician credentialing, recredentialing and monitoring of physicians licensures and insurance for expirations to ensure compliance with government regulations and Institutional policy.
<i>Payroll Process - Employment Status</i>	330	Assess processes for identifying, submitting, and processing changes regarding payroll as it pertains to an individuals employment status.
<i>Procurement - Sole Source Vendors</i>	245	Assess the processes and controls as it pertains to sole source procurement agreements
<i>National Institutes of Health (NIH) - Expenditures</i>	475	Assess the research billing process regarding NIH grants for efficiency and effectiveness.
<i>EPIC Application Security & Infrastructure Security Assessment (Modules: Beacon, Candence and Willow)</i>	450	Evaluate EPIC Application, database, and operating system security by assessing the design and operating effectiveness of General IT Controls. (Meet requirement of TAC 202)
<i>axiUm Application Security Assessment</i>	360	Evaluate axiUm security by assessing the design and operating effectiveness of General IT Controls as they relate to the Axium application.
<i>Be Well Texas - Grant</i>	335	Assess the processes for managing the billing and performance requirements as outlined in program contracts.
<i>Carry Forward (Construction)</i>	515	Carry forward project hours for remaining work regarding FY 22 audit projects (construction).
<i>Carry Forward (Research IT)</i>	100	Carry forward project hours for remaining work regarding FY 22 audit projects (IT Research).
<i>Carry Forward (IT Asset Management)</i>	100	Carry forward project hours for remaining work regarding FY 22 audit projects (IT Asset Management).
<i>Carry Forward (UTHP Charge Capture)</i>	100	Carry forward project hours for remaining work regarding FY 22 audit projects (UTHP Charge Capture).
<i>Carry Forward (Infection Control at the COHR and Remote Clinics)</i>	100	Carry forward project hours for remaining work regarding FY 22 audit projects (Infection Control at the COHR and Remote Clinics).
<i>Carry Forward (Foreign Influence)</i>	300	Carry forward project hours for remaining work regarding FY 22 audit projects (Foreign Influence).
<i>Carry Forward (EPIC Application Security & Infrastructure)</i>	100	Carry forward project hours for remaining work regarding FY 22 audit projects (EPIC Application Security & Infrastructure).
Assurance Engagements Subtotal	4,785	42.1%

FY 2023 Internal Audit Plan/Budget *(approved by AC on 10/19/22)*

<i>FY 2023 Audit Plan</i>	<i>Budget</i>	<i>General Objective/Description</i>
<i>Advisory and Consulting Engagements</i>		
<i>Diversity, Equity and Inclusion Initiatives</i>	195	Provide audit support in helping the Institution achieve its DEI objectives.
<i>Underpayments & Contract Rates - Mays Cancer Center</i>	475	Assess the controls and procedures as it pertains to the billing and claims process for the Mays Cancer Center's.
<i>Data Governance Maturity Assessment</i>	360	Benchmark performance across critical institution data capabilities and associated cybersecurity.
<i>Review of IT Redundancy</i>	180	To demonstrate that a highly impacted event can recover from failed links due to its redundant design.
<i>Institutional Strategic Initiatives/Communication with Stakeholders</i>	400	Participate in Institutional initiatives focused on adding value and enhancing quality.
<i>Meetings with Institutional Leadership</i>	400	Regularly scheduled, and as needed, meetings with the top 50+ leaders across the Institution to ensure that IA is aware of current and upcoming key initiatives and projects across the Institution. These meetings serve as a key element in: continually assessing the risk landscape, ensuring that Audit resources are focused on areas most critical to the Institution and that we have a consistent view of the strategic objectives of UT Health SA. These meetings also help to identify opportunities for IA to provide consulting services.
<i>Consulting Reserve - Practice Plan Activities</i>	350	Reserve for as needed for work to be performed for UT Physicians practice plan as UT Health San Antonio prepares for new hospital and ambulatory facility.
<i>Advisory and Consulting Engagements Subtotal</i>	<i>2,360</i>	<i>20.8%</i>

FY 2023 Internal Audit Plan/Budget *(approved by AC on 10/19/22)*

<i>FY 2023 Audit Plan</i>	<i>Budget</i>	<i>General Objective/Description</i>
Required Engagements		
<i>FY 2022 Financial Statement Audit Assistance (Year-end)</i>	20	Assist the external auditors in the coordination and/or performance of testing for the audit of the Annual Financial Report (FY22 year-end work).
<i>FY 2023 Financial Statement Audit Assistance (Interim)</i>	10	Assist the external auditors in the coordination and/or performance of financial and IT control testing for the audit of the Annual Financial Report (FY23 interim work).
<i>Residency Program Award/Family & Community Medicine</i>	200	Review expenditures for the Residency program and report on the compliance with grant regulations to the Texas Higher Education Coordinating Board.
<i>Body Donation</i>	350	Evaluate the institution's procedures and methods for receiving, storing, using and transporting anatomical specimens and disposing of remains as required by Texas Administrative Code.
<i>SAO Annual Reporting Requirement on Procurement Policies</i>	20	Review for compliance with the Texas Education Code §51.9337 requirement that the chief audit executive annually certify to the state auditor that the institution has procurement policies in place that comply with the Texas Education Code requirements for higher education institutions.
<i>Audit Assistance to External Agencies (SAO, THECB, etc.)</i>	80	Coordinate external agency audits.
<i>Annual Internal Audit Report (SAO)</i>	80	Prepare and issue the annual SAO Internal Audit Activity Report.
Required Engagements Subtotal	760	6.7%
<i>Investigations</i>	320	2.80%
<i>Follow-Up</i>	120	1.10%
<i>Development - Operations</i>	2,050	18%
<i>Development - Initiatives and Education</i>	976	8.60%
Total Budgeted Hours	11,371	100.0%