



INTERNAL AUDIT ANNUAL REPORT



Fiscal Year 2020

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I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Website

In accordance with Texas Government Code, Section 2102.015, UT Health San Antonio, Office of Internal Audit & Consulting Services (Internal Audit) posted the approved FY 2021 Internal Audit Plan and its FY 2020 Internal Audit Annual Report to its website.

<http://uthscsa.edu/internalaudit/>

Additionally, all internal audit reports are posted on the UT System Audit Office website, unless the information is excepted from public disclosure under Chapter 552.

<https://www.utsystem.edu/documents/audit-reports-institution>

Texas Government Code, Section 2102.015 also requires entities to update the Audit Plan information to include the following information on its website:

- “detailed summary of weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report.”
- “summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report.”

The Texas State Auditor’s Office (SAO) based on Texas Government Code, Section 2102.015 allows entities to include the summaries described above to be included in the annual audit plan. As such, Internal Audit has included in Section II of this report the required information by summarizing FY 2020 internal audit recommendations and report on its action and progress toward implementing those recommendations. See page 6 for Schedule of Audit Recommendations and Status as of August 31, 2020 (FY 2020).

II. Internal Audit Plan for Fiscal Year 2020 & Project Status

<i>Project/Report #</i>	<i>Report Title</i>	<i>Report Date or Status</i>
<i>Risk Based Audits</i>		
<i>UTHSCSA19-03CF</i>	ProCard Program	<i>August 13, 2020</i>
<i>UTHSCSA19-04CF</i>	Practice Plan – Collections (Write-offs)	<i>July 27, 2020</i>
<i>UTHSCSA 19-06CF</i>	Follow-up Audit of Revenue Cycle – School of Dentistry	<i>February 28, 2020</i>
<i>UTHSCSA 19-07CF</i>	Industry – Sponsor Funded Clinical Trials Billing	<i>November 14, 2019</i>
<i>UTHSCSA 19-41CF</i>	Drug Diversion	<i>April 3, 2020</i>
<i>UTHSCSA 20-02</i>	Intellectual Property Protection Plan Assessment	<i>Cancelled</i>
<i>UTHSCSA 20-03</i>	Open Encounter and Orders	<i>Cancelled*</i>
<i>UTHSCSA 20-04</i>	Epic External Access Management	<i>Cancelled</i>
<i>UTHSCSA 20-07</i>	Medication Management – Mays Cancer Center	<i>Cancelled*</i>
<i>Assurance/Consulting Audits</i>		
<i>UTHSCSA 19-16CF</i>	Epic Risk Assessment	<i>October 18, 2019</i>
<i>UTHSCSA 19-41A</i>	UTHP Clinical Medication Management	<i>February 13, 2020</i>
<i>UTHSCSA 19-41B</i>	Controlled Substances Physical Controls Gap Analysis	<i>February 13, 2020</i>
<i>UTHSCSA 19-41C</i>	Controlled Substances Evaluation Tool	<i>February 13, 2020</i>
<i>UTHSCSA 20-41</i>	Clinical Medical Equipment and Device Management	<i>October 9, 2019</i>
<i>UTHSCSA 20-05</i>	May's Cancer Center Infusion Charge Capture and Billing	<i>Rescheduled</i>
<i>UTHSCSA 20-06</i>	Practice Plan – Billings/Adjustments	<i>October 29, 2020</i>
<i>UTHSCSA 20-08</i>	Vendor Management	<i>October 29, 2020</i>
<i>UTHSCSA 20-09</i>	UHS Pre-Implementation Advisory Assessment	<i>April 28, 2020</i>
<i>UTHSCSA 20-10</i>	Health Data Governance	<i>Cancelled</i>
<i>UTHSCSA 20-11</i>	Title IX	<i>April 7, 2020</i>
<i>UTHSCSA 20-48</i>	ProCard: Enhanced Review & Monitoring	<i>August 3, 2020</i>
<i>UTHSCSA 20-49</i>	Medication Management (Dentistry)	<i>April 7, 2020</i>
<i>Externally Required Audits</i>		
<i>UTHSCSA 20-17</i>	Residency Program Award/Family & Community Medicine	<i>December 2, 2019</i>
<i>UTHSCSA 20-19</i>	SAO Annual Reporting Requirement on Procurement Policies	<i>October 30, 2020</i>
<i>UTHSCSA 20-20</i>	Employee Benefits Proportionality Audit	<i>December 9, 2019</i>
<i>UTHSCSA 20-22</i>	Annual Internal Audit Report	<i>October 30, 2020</i>
<i>University of Texas System Required Audits</i>		
<i>UTHSCSA 20-15</i>	FY 2019 Financial Statement Audit Assistance (Year-end)	<i>Completed</i>
<i>UTHSCSA 20-16</i>	FY 2020 Financial Statement Audit Assistance (Interim)	<i>Completed</i>
<i>UTHSCSA 20-18</i>	Executive Travel and Entertainment Expenses	<i>Cancelled*</i>

*Projects cancelled due to reduced risk rating.

Compliance Audit Requirements for Higher Education Institution:**Higher Education Institution Benefits Proportionality Audit Requirements**

Rider 8, page III-46, the General Appropriations Act (86th Legislature, Conference Committee Report) requires each higher education institution, excluding public community/junior colleges, to conduct an internal audit of benefits proportional by method of finance using a methodology approved by the SAO. Below is a summary of the provisions of that rider.

The rider requires the following:

- The audit must be conducted using the methodology approved by the SAO.
- The audit must examine fiscal years 2017 through 2019.
- Higher education institutions must submit a copy of the audit report to the Legislative Budget Board, the Comptroller of Public Accounts, and the SAO no later than August 31, 2020.
- If the audit identifies that the institution received excess General Revenue due to noncompliance with the proportionality requirements provided by Section 6.08, page IX-27, the General Appropriations Act (86th Legislature, Conference Committee Report), the institution must submit a reimbursement payment to the Comptroller of Public Accounts within two years from the conclusion of the audit.
- Higher education institutions must consider audits of benefits proportional when developing their annual internal audit plans for fiscal years 2020 and 2021.
- The Benefits Proportionality Audit has been completed by August 31, 2020.

Texas Government Code and Texas Education Code (TEC) Requirements:

TEC Section 51.9337(h) requires that, “The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor.” The UT Health San Antonio Internal Audit Office conducted this required assessment for FY 2020, and found the following:

Based on review of current institutional policy and the UT System Board of Regents’ Rules and Regulations, UT Health San Antonio has generally adopted all of the rules and policies required by TEC Section 51.9337. Review of and revision of UT Health San Antonio policy is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337.

Higher Education Institution Audit Requirements

A summary table of recommendations to address issues identified from FY 2020 engagements, the actions taken by management, and the current implementation status is included on the following pages to address web site posting requirements as required by Texas Government Code Section 2102.015.

FY 2020 Summary of Internal Audit Recommendations and Implementation Status

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
November 14, 2019	Industry – Sponsor Funded Clinical Trial Billing	<p>Governance: Roles & Responsibilities</p> <p>(1) The VPR CTO should provide guidance and oversight for the initiation, administration, and closure of all clinical trial studies (excluding those managed by the Mays Cancer Center.)</p> <p>(2) The VPR CTO should update and communicate to relevant parties' Institutional policy and supporting procedures to include guidance on all aspects of an industry sponsored clinical trial.</p> <p>Financial Management: Billing, Financial Review/Monitoring</p> <p>(3) Clinical trial research teams should fully utilize the Institution's clinical trial management system (Velos) to ensure there is a consistent document of record for clinical trial billing events</p> <p>(4) Billing and collections should be properly monitored at the departmental and Institutional levels to reduce the risk of financial loss and possible reputational damage.</p>	<p>Management is committed to addressing the recommendations in the audit report and the plan of actions for all observations and recommendations is presented below.</p> <p>Management will form an ad-hoc working group to address the issues identified in the audit report and formulate the institutional structure for managing and oversight of industry sponsored research billing. The working group will be co-chaired by JS (AVPR) and CG (OSP). Subject matter experts from finance, business affairs, clinical trials operations, researchers and research team members and sponsored programs will be recruited to participate in the working group.</p> <p>Key milestones for the project are as follows:</p> <ul style="list-style-type: none"> Identify process improvements to the current industry sponsor billing process. Identify process improvements to the payment for services within UT Health SA. Develop and revise policy and procedures based on the recommendations and best practices. Implement adjustments to information technology systems as needed. Develop training program. Develop metrics and monitoring plan. Implement and assess impact. 	In-Progress
December 2, 2019	Residency Program Award/Family & Community Medicine	No Findings Noted	N/A	Closed
December 9, 2019	Employee Benefit Proportionality Audit	No Findings Noted	N/A	Closed
February 28, 2020	Follow-up Audit of Revenue Cycle – School of Dentistry	Financial Management: Revenue and	<p>Action Plan: Additional adjustment codes (reason for adjustment) have</p>	In-Progress

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
		<p>Monitoring of Discounts and Adjustments</p> <p>Management should monitor and evaluate business operations for discounts and adjustments to ensure it is operating efficiently and that all reasonable efforts to collect revenue due from dental services are taken. The collection of revenue may include efforts to obtain additional funding from grants that may offset lost revenue due to the economic status of the community in which UT Dentistry serves.</p> <p>In addition, tracking charitable contributions is critical since these numbers could help the Institution obtain additional funding for the School of Dentistry as well as other Institutional endeavors when evidence of the various ways the Institution provides charitable contributions to the community it serves is required.</p>	<p><i>been developed to replace a code that was used broadly. Implementation will also include instructions on use of these codes.</i></p> <p><i>Analytics and reporting of adjustments will be enhanced using Business Intelligence software. The software's capabilities include aggregating data and drilling down to the details. Reports will be made available to appropriate leadership to make recommendations.</i></p> <p><i>The Clinics adjustment process for patient accounts for "Research purposes" and "Title V adjustments" will be reviewed, and policies / protocols developed.</i></p> <p>Implementation Plan:</p> <p>1) <i>Implement a school-wide policy/protocol on the types of discounts that will be allowed. This will include the clinics adjustment process for patient account for research purposes and Title V adjustments.</i></p> <p>2) <i>Utilize adjustment codes that identify the reason for the adjustment so that these can be monitored effectively.</i></p> <p>3) <i>Enhance current reporting of adjustments through our Crown model/Power BI capability that will include both aggregate reporting of adjustments and more granular drill down into details.</i></p>	
<p>April 3, 2020</p>	<p>Drug Diversion</p>	<p>Audit recommends a cross functional committee, initially chaired by an executive sponsor, be assembled to serve as proactive oversight for the establishment of an Institutional drug diversion program, continued monitoring efforts of the program's components, policy approvals and diversion incident reviews. Audit recommends that this committee consider including representation from the following Institutional areas:</p> <ul style="list-style-type: none"> • UT Health Physicians 	<p>Action Plan:</p> <p><i>An interdisciplinary Committee will be assembled and will hold its initial meeting by 04/15/2020 (delayed until November 2020 due to Institutional response to COVID pandemic). This Committee will develop an action plan that establishes an effective and sustainable approach to help ensure the prevention, recognition and reporting of drug diversion for the Institution. The Committee will present the action plan, which includes action owners, action items and targeted completion dates, to the Executive Sponsor for approval. Status updates will be provided to the Executive Sponsor to help</i></p>	<p>In-Progress</p>

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
		<ul style="list-style-type: none"> • Mays Cancer Center/Pharmacy • Dentistry • Research • Nursing • Procurement • Institutional Compliance and Privacy Office • Information Security • Environmental Health & Safety • Human Resources • UT Police Department • Office of Legal Affairs <p>The Committee should develop a comprehensive Action Plan focused on the implementation of a drug diversion program that addresses the key components of an effective and sustainable program.</p>	<p><i>ensure the project is completed in a timely manner. Once approved, Internal Audit will follow-up on these action items and dates.</i></p>	
<p>July 27, 2020</p>	<p>Practice Plan – Collections (Write-offs)</p>	<p>1. Revenue Leakage – Controllable Write-Offs</p> <p>No Referral/Authorization</p> <p>A1. Implement the Epic interface that allows staff to obtain automated authorizations from large insurance payors. In the absence of automation, create an alert for front desk staff if the authorization field in Epic is blank.</p> <p>In regard to procedures where authorizations were obtained, but the procedure has changed enough to require an updated approval from the insurance payor, management should ensure staff obtain the updated information to make sure claims are paid.</p>	<p>Action Plan A1: <i>Providers need to confirm pre and post procedure that what was authorized, was performed. Review Clinical Operations workflow to review authorized services pre and post procedure with emphasis on Provider Education.</i></p> <p><i>Management will investigate Epic sending a 278R message via our Clearinghouse (TriZetto) and large payors for automated authorizations. If we are not able to send the 278R message through TriZetto, but the payors are able to provide an automated authorization, then we will explore other vendors.</i></p> <p><i>For services requiring an authorization, the following steps will need to occur:</i></p> <ol style="list-style-type: none"> 1. <i>Identify the key services by department requiring authorization by clinical department and load the CPT codes and Diagnosis codes into Epic to be flagged.</i> 	<p><i>In-Progress</i></p>

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
		<p>2. Review and implement other changes such as adding a column for the authorization number to the DAR, re-arrange the DAR to make the authorization number field more visible and potentially have the service remain in the Referral WQ if authorization number is missing.</p> <p>Not Covered Diagnosis</p> <p>B1. Require providers to document medical necessity, to include why a procedure was performed. Consider including the words "medical necessity due to..." in the written diagnosis.</p> <p>B2. Utilize a tool to identify unspecified diagnosis codes in order to assist in reducing revenue loss due to claim denials pertaining to not covered diagnoses.</p>	<p><i>2. Review and implement other changes such as adding a column for the authorization number to the DAR, re-arrange the DAR to make the authorization number field more visible and potentially have the service remain in the Referral WQ if authorization number is missing.</i></p> <p>Action Plan B1: These write-offs will benefit from the improvements in the ABN enhancements discussed in a later recommendation. Additionally, we will need to review adding specific alerts in Epic for certain scenarios when the payor is not Medicare which result in not medically necessary write-offs. For example, the Radiology Department will need to review its process to flag either electronically in Epic or manually when certain PET and MRIs are ordered that do not meet Payor guidelines. Additionally, we have installed the Medicare required ACR Select decision support (for appropriate imaging ordering based on problem). We will review ACR Select to see if it can flag potential Medical Necessity denials.</p> <p>Action Plan B2: We will implement a hard stop when an unspecified code is entered to cause the provider to consider another more specific diagnosis code or CPT code. Will review sample unspecified codes with Epic team for potential solutions.</p>	In-Progress
		<p>Advanced Beneficiary Notification</p> <p>C1. Implement the functionality within Epic to generate ABN forms when required. Determine if this functionality can also be used to generate required documents for non-Medicare patients. If not, consider utilizing</p>	<p>Action Plan C1: Implement real time ABN process at time of ordering. Currently part of the EpicCare enhancement plan. The real time ABN process will cause an ABN to be generated at the time of ordering items not covered by Medicare. The Ordering Provider will need to discuss with the patient that the service is not covered by</p>	In-Progress

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
		<p>ABN forms for all types of payors.</p> <p>C2. Enhance the process to ensure patients sign the completed ABN form, or Letter of Agreement, to decrease the risk of a claim being written off.</p>	<p>Medicare, that they are still recommending the service, the patient cost for the service (Medicare Allowable) and obtain the patient signature. This will result in a change in each clinical practice's workflow. Provider education will be required.</p> <p>Once the ABN functionality has been implemented, we will review the implementing of non-Medicare ABN.</p> <p>Action Plan C2: Will have ABN electronically signed. Implementation considered part of C1.</p>	
		<p>2. Past Due Balance Collections</p> <p>UT Health Physicians should enhance collection efforts by contacting patients via email or text notifications prior to sending overdue balances to a collection agency.</p>	<p>Action Plan: New patient statement vendor RevSpring is anticipated to be operational on October 12, 2020. RevSpring has tools that will help target patients based on the patient's likelihood to pay and then contact the targeted patients via email and text regarding outstanding balances. Will review RevSpring functionality and implement email and text notifications to patients by March 31, 2021. Patient education permission and education likely required.</p>	In-Progress
		Procurement Process		
		<p>1.1 Implement processes for periodic monitoring of ProCard expenses by vendor to identify and act upon opportunities for price negotiation.</p>	<p>Action Plan: 1.1 Purchasing will review spend data on a semi-annual basis to identify potential sourcing opportunities to ensure the institution is receiving best value.</p>	Completed
		<p>1.2 Procurement staff should utilize the reports available from the Amazon Business Account obtained in May 2020 to monitor transactions to identify potential violations to current procurement policies and procedures.</p>	<p>1.2 This was implemented immediately after go-live of the Amazon Business Account on 5/20/20. The ProCard administrator will pull Amazon spend reports monthly to audit transactions for compliance.</p>	Completed
		<p>1.3 Monitor ProCard transactions to detect cardholders not utilizing existing</p>	<p>1.3 With the support of leadership, Supply Chain Management will review ProCard spend data on a semi-annual basis to identify rogue spend whereby a contracted vendor could have been used and will work to guide those</p>	Completed
August 13, 2020	ProCard Program			

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
		contracts to purchase goods and services.	cardholders towards established purchasing procedures such as Jaggaer or PeopleSoft requisitions. As we continue efforts to restructure the processing of financial transactions as part of the EDGE initiative using centralized business services centers, we will incorporate transactional reviews at appropriate levels before ProCard transactions are made.	
		1.4 Cease the use of PayPal as a method of payment with the ProCard Program as to avoid potential fraudulent transactions.	Implementing centralized business units throughout the institution will reduce the number of ProCard holders and provide a mechanism to independently assess the appropriateness of the transaction and detect whether contract vendors should more appropriately be used.	
			1.4 Supply Chain Management worked with Citibank to block PayPal as a supplier effective 8/1/2020. The ProCard Manual will be updated accordingly to reflect this change.	Completed
		Approval Process	Action Plan:	
		2.1 Assign Account Managers that have the appropriate level of authority within the Institution to appropriately review and approve financial transactions.	2.1 In the short term, Supply Chain Management will immediately modify the ProCard Transaction Approval Cover Sheet to indicate that the authorized signature for the Project/Grant may not be both the cardholder and Account Manager, and that a higher level of review is required. This will require an authorized signatory for the Project/Grant other than the cardholder and Account Manager to approve the ProCard transactions. Supply Chain Management will also work to review, test, and possibly implement the automated approvals of ProCard transactions that are available within the Citibank online system. As we continue efforts to restructure the processing of financial transactions as part of the EDGE initiative using centralized business services centers, we will incorporate transactional reviews at appropriate levels before ProCard transactions are made.	Completed
		2.2 Utilize both Citibank reporting capabilities, as well as the reporting capabilities from the Institution's recently acquired Amazon Business Prime Account to monitor approvals and activity.	Implementing centralized business units throughout the institution will reduce the number of ProCard holders and provide a mechanism to	

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
			<p><i>independently assess the appropriateness of the transaction and detect whether contract vendors should more appropriately be used.</i></p> <p><i>2.2 Supply Chain Management has incorporated Citibank and Amazon reporting capabilities, beginning 8/1/20, into the ProCard audit and monitoring process in order to better target purchases for further review.</i></p>	Completed
		<p>Segregation of Duties</p> <p>3.1 Ensure the ProCard program has appropriate segregation of duties and/or implement compensating controls.</p> <p>3.2 Ensure the ProCard program has adequate coverage to monitor cardholder activity and to also include the use of Citibank reports to increase monitoring capabilities.</p>	<p>Action Plan:</p> <p><i>3.1 The acceptance and processing of ProCard applications has been delegated to another member of the Supply Chain Management team, and approval of new ProCard requests will be reviewed and approved by the Senior Director of Purchasing in order to ensure review and approval of ProCard applications is separated from distribution of physical cards.</i></p> <p><i>3.2 Effective 9/1/20, review and approval of requests for new ProCards will be performed by the Senior Director of Supply Chain Management. Processing of the ProCard applications will be assigned to a separate staff member in order to ensure this duty is separated from the administration of the ProCard program effective 9/1/20. Citibank and Amazon reports will be incorporated into the audit process of card activity effective 8/1/20.</i></p>	Completed
		<p>Issuance and Maintenance of ProCards</p> <p>4.1 Expand the ProCard application review process to help ensure that the applicant has a reasonable business need in order to be issued a ProCard.</p> <p>4.2 Suspend and/or cancel ProCards for violations of Institutional policy.</p>	<p>Action Plan:</p> <p><i>4.1 Supply Chain Management will develop objective criteria to evaluate all ProCard applications in order to ensure that the request for a ProCard is appropriate and necessary. Supply Chain Management will encourage consolidation of ProCard activities to minimize the number of needed cardholders per department or organizational unit. Implementing centralized business units throughout the institution as part of the EDGE initiative will reduce the number</i></p>	Completed

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
		<p>4.3 Ensure the ProCard program has adequate coverage to monitor cardholder activity and to also include the use of Citibank reports to increase monitoring capabilities in order to detect inappropriate business use of the card.</p>	<p><i>of ProCard holders and provide a mechanism to independently assess the appropriateness of the transaction and detect whether contract vendors should more appropriately be used.</i></p> <p><i>4.2 Supply Chain Management agrees that deliberate and recurring violations of ProCard policy should result in loss of the cardholder privilege and will proceed accordingly to enforce card cancellation as appropriate. Additionally, Supply Chain Management will conduct an annual review of card activity and cancel unused cards. Implementing centralized business units throughout the institution as part of the EDGE initiative will reduce the number of ProCard holders and provide a mechanism to ensure utilization of ProCard is appropriate.</i></p> <p><i>4.3 Supply Chain Management has incorporated Citibank and Amazon reporting capabilities, beginning 8/1/20, into the ProCard audit and monitoring process in order to better target purchases for further review. Additionally, Supply Chain Management will review ProCard spend data on a semi-annual basis to identify rogue spend whereby a contracted vendor could have been used and will work to guide those cardholders towards established purchasing procedures such as Jaggaer or PeopleSoft requisitions.</i></p>	<p>Completed</p> <p>Completed</p>

III. Consulting Services and Non-Audit Services Completed

The table below summarizes the key FY 2020 consulting and non-audit services performed by Internal Audit.

Report Date	Report/Engagement Title	High Level Objective	Observations/Results/Recommendations	Status
October 9, 2019	Consulting Engagement for Management of Medical Devices	IA was asked to review the clinical operations policies, procedures and roles associated with managing medical instruments and equipment.	Management is using the review's results and recommendations to enhance the management and processes for the medical instruments and equipment within clinical environments.	Completed
October 18, 2019	Epic Risk Assessment and Audit Roadmap (co-source engagement with external firm)	IA contracted with PwC to risk assess the Institution's EMR system Epic and to assist IA with developing a supporting audit roadmap.	Information utilized from this engagement allowed Internal Audit to better assess risk as it pertains to the Institution's Electronic Medical Records System (Epic) and adjust plans for future engagements as they pertain to the Epic System. IA shared the results of this risk assessment with Health IT and Institutional leadership.	Completed
February 13, 2020	UTHP Clinical Medication Management (Part 1)	At the request of Institutional leadership, and as a part of an internal investigation, Audit completed a gap assessment for internal controls over safeguarding controlled substances at select UT Health San Antonio facilities.	Where needed, Management took appropriate corrective action.	Completed
February 13, 2020	Controlled Substances Physical Controls Gap Analysis (Part 2)			Completed
February 13, 2020	Controlled Substances Evaluation Tool	Internal Audit worked with management to develop and rollout an evaluation tool to assist those employees who are DEA registrant license holders, and are authorized to purchase, maintain, administer, and store controlled substances at UT Health's facilities, to maintain compliance with associated DEA requirements.		Completed
August 30, 2020	Medication Management (Dentistry)	Audit completed a gap assessment for internal controls over safeguarding	Where needed, Management took appropriate corrective action.	Completed

		controlled substances at select UT Health San Antonio facilities.		
April 7, 2020	Title IX	Performed a high-level review of the current processes and procedures in place for administering Title IX sexual harassment and violence regulations for compliance by the Title IX office.	Our assessment indicated that the Title IX office currently maintains sufficient processes for administering compliance with Title IX sexual harassment and violence regulations.	Completed
April 28, 2020	UHS Pre-Implementation Advisory Assessment	Internal Audit met with numerous members from UTHP's IT involved in the migration of HER systems, and presented UTHP IT leadership, items to consider from a user (UTHPs) perspective, including: project management, data conversion, change management, user acceptance testing and security.		Completed
August 3, 2020	ProCard: Enhanced Review & Monitoring	Assisted the Procurement team enhance the efficiency and effectiveness for administering, reviewing and monitoring ProCard expenditures.	Based on the work performed, opportunities were identified to more fully utilize the reports from Citibank's banking system.	Completed
October 29, 2020	Practice Plan – Billings/Adjustments	We concluded that key system controls within the Epic system related to billing and adjustments of patient accounts adequate and effective.	Some opportunities were identified, that if taken, would further enhance operational controls and processes.	Completed
October 29, 2020	Vendor Management	Internal Audit conducted discussions, walkthroughs, and limited reviews of documentation and current controls within Peoplesoft as it primarily pertained to vendor management and disbursement analyses from fiscal years 2019 through 2020.	Opportunities were identified: to enhance key controls pertaining to Peoplesoft vendor management, leverage the Institution's buying power by obtaining the best available pricing, thereby reducing operational costs and lowering the risk of noncompliance with procurement policies and procedures.	Completed

IV. External Quality Assurance Review

UT Health San Antonio has a peer review conducted in coordination with The University of Texas System Office every three years. The last review/validation was conducted in July of 2020. The following information are the results of the review:

Quality Assurance Review - UT Health San Antonio Internal Audit

Background

- In accordance with the IIA's Professional Practices & Standards, a Quality Assurance Review (QAR) was completed
- Process: Internal Self-Assessment validated by an independent, third-party (Baker-Tilly)
- Period in review was the current and prior fiscal years (FY 2019 and FY 2020) generally September 2018 – July 2020

Results – Generally Conforms

Strengths Identified by Baker Tilly:

- Stakeholders view Internal Audit (IA) as a valuable resource to support the institution's consistency and strength of operations and controls in a rapidly changing, entrepreneurial environment
- The current CAE has led IA's evolution to a more risk-based and consultative approach over the past three years. Leadership frequently requests advisory support from IA in high-profile, highly complex areas
- Strong, collaborative work practices: Stakeholders characterize IA's work as "thorough and accurate," and view the team as "doing its homework" prior to commencing activities. IA has a reputation for being flexible and working alongside process owners to get the buy-in needed to support successful implementation of its recommendations
- IA reports contain practical observations and recommendations that tie clearly to institutional strategic objectives and associated risks. Where appropriate, IA provides process owners with useful tools (e.g., self-assessment questionnaires) to jumpstart compliance
- Over the past three years, the CAE has attracted, developed, and retained a highly professional and collaborative team. The IA team works well together, prioritizes knowledge sharing and professional development, and views its role as a catalyst for institutional change and success

Opportunities* Identified by Baker Tilly:

- Ensuring appropriate resources to support institutional growth and expansion
- Further building and maintaining relationships with executive leadership
- Enhancing documentation for consulting projects
- Ensuring a strong and aligned information technology (IT) audit team

Status Update

* - IA has already taken action to address the opportunities identified by Baker Tilly. Verbally communicated to the AC.

V. Internal Audit Plan for Fiscal Year 2021

The Institutional Internal Audit Committee approved the FY 2021 Internal Audit Plan on July 15, 2020. The finalized Audit Plan is listed below:

Project #	Audit Title	General Objective/Description
Risk-Based Audits		
UTHSCSA21-01	Telemedicine	Assess the adequacy and effectiveness of the processes and controls for telemedicine services.
UTHSCSA21-02	Payor (Insurance Carrier) Contract Compliance (Revenue)	Evaluate the effectiveness of payment collection processes and controls for payments received by insurance payors to ensure that UTHP is paid the agreed upon rates from payor contract(s).
UTHSCSA21-03	UHS Contract Revenue Compliance	Evaluate the effectiveness of payment collection processes and controls to ensure that payments received from UHS are aligned with the agreed upon contractual rates.
UTHSCSA21-04	Asset Management	Determine whether adequate process and controls are in place to safeguard Institutional assets, including software.
UTHSCSA21-05	TAC 202 & UTS 165 Compliance	Assess compliance with Texas Administrative Code Chapter 202 Subchapter C (TAC 202).
UTHSCSA21-06	Sub-certification Process and Monitoring of Key Controls	Validate the Institutional monitoring plan related to segregation of duties and account reconciliations and financial review and analysis.
Risk-Based Audits (38.2%)		
Required Audits (Internal / External)		
UTHSCSA21-13	FY 2020 Financial Statement Audit Assistance (Year-end)	Assist the external auditors in the coordination and/or performance of testing for the audit of the Annual Financial Report (FY20 year-end work).
UTHSCSA21-14	FY 2021 Financial Statement Audit Assistance (Interim)	Assist the external auditors in the coordination and/or performance of financial and IT control testing for the audit of the Annual Financial Report (FY21 interim work).
UTHSCSA21-15	Residency Program Award/Family & Community Medicine	Review expenditures for the Residency program and report on the compliance with grant regulations to the Texas Higher Education Coordinating Board.
UTHSCSA21-16	SAO Annual Reporting Requirement on Procurement Policies	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. (Due 11/1/20)
UTHSCSA21-18	Annual Internal Audit Report	Prepare and issue the SAO Internal Audit Activity Report.
Required Audits (4.9%)		
Consulting Projects		
Risk-Based Consulting (26.2%)		
Investigations		
Reserve Balance for Investigations (4.8%)		Provide support for institutional investigations.
Follow-up		
Reserve to conduct follow-up procedures (3.8%)		Perform follow-up procedures to ensure management action plans have been implemented and has mitigated the risk noted by Audit.
Development – Operations, Initiatives and Education		
Staff Development – Operations, Initiatives and Education (22.1%)		
Total Budgeted Hours		100%

Risk Assessment Used to Develop the Internal Audit Plan

The institutional annual risk assessment was conducted using the methodology developed by the UT System Audit Office. The risk assessment involved using a top-down approach based on the institutional strategic objectives and priorities. The risk assessment included consideration of risks associated with (1) the applicable information technology risks related to Title 1, Texas Administrative Code, Chapter 202, Information Security Standards, and (2) benefits proportionality. Internal Audit also considered potential risk areas based on external inputs from other academic healthcare Institutions, external firms, and other professional organizations such as the Association of Healthcare Internal Auditors. Internal Audit assigned scores to risk factors for each objective to obtain the overall risk score. Internal Audit determined residual risks to the institution and included areas of higher risk in the annual internal audit plan.

In addition to the audits derived from the risk assessment, the audit plan includes other required, recurring, and/or requested projects as directed by the University of Texas System, external regulatory agencies, and UT Health San Antonio management.

VI. External Audit Services Procured in Fiscal Year 2020

The University of Texas System contracted with Deloitte and Touche, LLP to perform an independent audit of the FY 2020 University of Texas System financial statements, which included the performance of certain audit procedures at UT Health San Antonio.

VII. Reporting Suspected Fraud and Abuse

Actions taken to comply with Section 7.09, page IX-37, the General Appropriations Act (86th Legislature) and Texas Government Code, Section 321.022, *Coordination of Investigations*, include:

- The UT Health San Antonio home page provides a link to the Compliance Hotline web page (<http://uthscsa.edu/compliance/compline.asp>) which provides its phone number and information on how employees can confidentially report suspected improper conduct, illegal actions, and fraud.
- The Compliance Hotline web page provides a link to the State Auditor's Office (SAO) Hotline web page (<http://sao.fraud.state.tx.us>) which provides information on reporting suspected fraud, waste and abuse to the SAO.
- The UT Health San Antonio Handbook of Operating Procedures (HOP) Policy 2.6.3, *Fraud, Abuse and False Claims Act* (<http://uthscsa.edu/hop2000/2.6.3.pdf>) provides information on the coordination of investigations and reporting of suspected fraud and abuse.