UT Health San Antonio

INTERNAL AUDIT ANNUAL REPORT



Fiscal Year 2025

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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 2026 Internal Audit Plan and its FY 2025 Internal Audit Annual Report to its website.

http://uthscsa.edu/internalaudit/auditreport.asp

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 2025 internal audit recommendations and report on its action and progress toward implementing those recommendations. See page 6 for Schedule of Open Audit Recommendations and the status as of August 31, 2025 (FY 2025).

II. Internal Audit Plan for Fiscal Year 2025 & Project Status

Project/Report #	Report Title	Report Date or Status
Assurance Engagements		
HSA25AS001	Access Management & Identity Governance (TAC 202)	*April 2, 2025*
HSA25AS002	axiUm – Epic Wisdom Pre-Implementation	*February 11, 2025*
HSA25AS003	Controllable Write-Offs - UTHP	*Cancelled**
HSA25AS004	Controlled Substances – Research	*Carried Over to FY26**
HSA25AS005	Decentralized IT Operations and Security Governance	*June 13, 2025*
HSA25AS006	Epic Hosting Information Security	*May 7, 2025*
HSA25AS007	Epic System - UHS	*Cancelled**
HSA25AS008	Medical Device Management - Hospital	*Cancelled**
HSA25AS009	Monitoring of Key Financial Controls – UTS 142	*October 31, 2024*
HSA25AS010	NIH Grant Review	*Cancelled**
HSA25AS011	Patch Management	*May 23, 2025*
HSA25AS012	Peoplesoft Oracle HCM Implementation – Wave 2	*June 27, 2024*
HSA25AS013	Physcian Credentialing	*Cancelled**
HSA25AS015	Record Release Process - HIPAA	*February 24, 2025*
HSA25AS016	Revenue Cycle UTHP – Central Verification	*Carried Over to FY26**
HSA25AS017	Web and API Security	*May 14, 2025*
Advisory Engagements		
HSA25AD001	Business/Operational Continuity Plan	*June 25, 2025*
HSA25AD006	IT Asset Management	*August 19, 2025*
HSA25AD008	Physical Security – School of Public Health	*August 4, 2025*
HSA25AD011	Texas Education Code §51.3525 (SB 17)	*August 29, 2025*
HSA25AS014	Privileged Access Management - Netwrix	*October 7, 2024*
Externally Required Audits		
HSA25RQ004	Residency Program Award/Family & Community Medicine	*January 10, 2024*
HSA25RQ005	SAO Annual Reporting Requirement on Procurement Policies	*October 30, 2024*
HSA25OP004	Annual Internal Audit Report (SAO)	*Completed*

**Project was cancelled or transferred to the FY 2026 plan due to changes in the risk landscape and/or the scope or complexity of completed work on the FY2025 Audit Plan.*

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 2025, 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 2025 engagements, the actions taken by management, and the current implementation status are included on the following pages to address web site posting requirements as required by Texas Government Code Section 2102.015.

FY 2025 Summary of Internal Audit Recommendations and Implementation Status

Assurance Engagements – Recommendations & Implementation Status		
Report Title	**Status**	**Status Description**
Access Management & Identity Governance (TAC 202)	*Completed*	*Due to the confidential nature of the Audit Report, all specific contents have been redacted. However, all identified findings have been thoroughly addressed and resolved.*
axiUm – Epic Wisdom Pre-Implementation		
Decentralized IT Operations and Security Governance		
Epic Hosting Information Security		
Patch Management		
Peoplesoft Oracle HCM Implementation – Wave 2		
Web and API Security		

III. Consulting Services and Non-Audit Services Completed

The table below summarizes the key FY 2025 consulting and non-audit services performed by Internal Audit.

Advisory Engagements – Recommendations & Implementation Status					
Project Number#	Request Closed	Engagement Title	High Level Objective	Observation Results	Status
HSA25AD001	*6/25/25*	Business/Operational Continuity Plan	Determine whether business continuity activities are actively in place, including monthly tabletop exercises, incident reporting with after-action reviews, and the	Where needed, Management has planned/ or taken appropriate	*Completed*

Advisory Engagements – Recommendations & Implementation Status					
Project Number#	Request Closed	Engagement Title	High Level Objective	Observation Results	Status
			implementation of a backup plan for clinical IT system failures.	corrective action.	
HSA25AD006	*8/19/25*	IT Asset Management	Determine whether the annual inventory process can be improved by ensuring comprehensive tracking of asset transfers, relocations, and missing assets.		
HSA25AD008	*8/4/25*	Physical Security – School of Public Health	Assessed controls as related to physical secuirty of the building and parking lots by campus police.		
HSA25AD011	*8/29/25*	Texas Education Code §51.3525 (SB 17)	Assess management's monitoring efforts for compliance to Texas Senate Bill (SB) 17 pertaining to the "Responsibility of Governing Boards Regarding Diversity, Equity and Inclusion Initiatives, and amended Texas Education Code (TEC) §51.3525 effective January 1, 2024.		
HSA25AS014	*10/7/24*	Privileged Access Management - Netwrix	Confidential IT engagement.		
HSA25ASCF0001	*7/7/2025*	Facilities Management	Assess the project management process to include pertinent policies, procedures, and controls established to manage internal construction projects ranging in value from $50,000 to $10 million, under the oversight of Facilities Management. Specifically, to ascertain whether institutional funds are being appropriately safeguarded.		
HSA25ASCF0003	*12/27/2024*	Sterlization (SoM)	Assist Leadership in understanding observations to aid in Institutions endeavor of becoming Joint Commission accredited by reviewing sterilization processes and procedures within SoM.		
HSA25AS015*	*3/7/25*	HIPAA – Records Release	Assessed opportunities for improvement as it pertains to the new hospital.		
HSA25IV0765	*11/15/24*	Investigations	*Due to the confidential nature of the Audit Report, all specific contents have been redacted. However, all identified findings have been thoroughly addressed and resolved.*	Where needed, Management has planned/ or taken appropriate corrective action.	*Completed*
HSA25IV0766	*12/19/24*				
HSA25IV0793	*2/11/25*				
HSA25IV0814	*4/23/25*				
HSA25IV0815	*4/23/25*				
HSA25IV1430	*10/2/25*				

**Advisory engagement included along with the assurance audit, both under same project number.*

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 January of 2024. The next assessment is planned for FY 2026

V. Internal Audit Plan for Fiscal Year 2026

Annual Plan Overview

On September 1, 2025, UTSA and UT Health San Antonio came together as one: UT San Antonio. The FY26 Audit Plan, approved by the academic and health Internal Audit Committees on June 11, 2025, and June 26, 2025, reflects engagements and activities at both the academic and health campuses. The plan is risk-based and will be adjusted throughout the year as strategic priorities and risks change. A summary of the FY26 Audit Plan is provided on the table below. Details of the plan are provided on subsequent pages.

Summary of FY26 Audit Plan			
Audit Category	**Budgeted Hours**	**Percentage of Total**	**Description**
Assurance Engagements	8,330	37.9%	*Independent assessment of governance, risk management, and controls in critical and high-risk areas.*
Required Engagements	365	1.7%	*Engagements required by statute, external agencies, policies, etc.*
Advisory Engagements	5,926	27.0%	*Requested or identified engagement offering advice to strengthen governance, risk, and controls.*
Investigations	445	2.0%	*Hours reserved for investigations.*
Reserve	100	.5%	*Hours reserved for unanticipated engagements.*
Follow-Up	605	2.8%	*Follow up on the implementation status of past observations.*
Development - Operations	3,726	16.9%	*Non-engagement specific activities necessary to execute the internal audit function.*
Development - Initiatives and Education	2,470	11.2%	*Non-engagement specific activities that improve the internal audit function's capability and capacity.*
Total Hours	***21,967***	***100%***	

The Institutional Internal Audit Committee approved the FY 2026 Internal Audit Plan on June 26, 2025. The finalized Audit Plan is listed below:

FY 2026 Audit Plan		
Audit Title	**Hours**	**General Objective/Description**
Assurance Engagements		
Revenue Cycle – School of Dentistry (SoD)	*360*	*Evaluate the effectiveness and efficiency of the dental revenue cycle processes, including patient registration, coding, billing, and collections, with a focus on identifying potential revenue leakage and ensuring the proper utilization and functionality of the Epic electronic workpaper system in supporting documentation, workflow integration, and compliance with institutional policies.*

FY 2026 Audit Plan		
Audit Title	**Hours**	**General Objective/Description**
Drug Diversion	*300*	*To evaluate the effectiveness of controls in preventing, detecting, and mitigating drug diversion, ensuring compliance with regulations and safeguarding the integrity of controlled substance management.*
Medication Management	*300*	*Determine the adequacy of controls in place to ensure safe medication practices within HOPD clinics to include labeling, storage, dispensing, and administration of high-alert and LASA (look-alike/sound-alike) medications as required by the Joint Commission.*
Revenue Cycle - Central Vérification (MSRDP)	*250*	*Determine whether the central verification process is operating effectively and efficiently in obtaining proper authorizations needed to collect on filed claims.*
Physician Credentialing	*400*	*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.*
Supply Chain Management - UTHP (Hospital)	*300*	*Assess the effectiveness and reliability of supply chain processes supporting hospital operations, including procurement, inventory management, vendor utilization, and system integration, to ensure timely availability of critical supplies, cost efficiency, and alignment with institutional policies and operational continuity requirements.*
Monitoring of Key Financial Controls - UTS 142	*200*	*Validate the Institutional monitoring plan related to segregation of duties and account reconciliations and financial review and analysis.*
Controlled Substances Research – Carryforward Audit from FY25	*200*	*Carryforward Audit from FY 25 Audit Plan (Assess the process and procedures in place to ensure compliance with pertinent federal, state, and Institutional requirements.)*
Artificial Intelligence (AI)	*650*	*To evaluate the effectiveness of policies, training, and oversight mechanisms in mitigating ethical, legal, reputational, and academic integrity risks associated with AI use.*
TX-RAMP: Texas Risk & Authorization Management Program (TGC 2054.0593) - TAC202	*300*	*Verify that cloud service vendors possess valid TX-RAMP certifications before procurement to ensure the acquisition of secure cloud services.*
EPIC Hosting Information Security	*250*	*Evaluate the security posture of UTHSA's Epic system to help ensure that electronic patient health records and billing data are effectively safeguarded, with access being restricted to those whose primary responsibilities require that access and are not unnecessarily vulnerable to inside or outside threats. In addition, to ensure compliance with the contractual agreement with Epic.*
EPIC Downtime Management Audit - Clinical, Hospital and Dental School	*300*	*To assess the adequacy and effectiveness of the Epic downtime process across the hospital, clinics, and dental school in ensuring that system unavailability is managed within an acceptable threshold (under one hour), and to identify areas for improvement in preparedness, communication, manual workflows, and system recovery.*
Medical Device Network Segmentation Review	*350*	*To evaluate the effectiveness of network segmentation controls in isolating medical devices from non-clinical systems to reduce the risk of unauthorized access, malware propagation, and patient safety incidents.*
Third-Party Security Risk Assessment Review	*200*	*To evaluate the effectiveness of the institution's third-party risk management processes in identifying, assessing, and mitigating security risks associated with vendors and external service providers, particularly those with access to sensitive data or critical systems.*
Network Segmentation and Firewall Rule Review	*250*	*To assess the design, implementation, and effectiveness of network segmentation and firewall rules in restricting unauthorized access and securing critical systems, including medical devices, research data, academic records, and administrative applications.*
Research Data Access Controls Assessment – Aligned with NSPM-33 Security Requirements	*300*	*To evaluate whether access to research data is adequately secured, managed, and monitored in accordance with institutional policies and NSPM-33 requirements, which emphasize safeguarding federally funded research from foreign influence and cyber threats.*
Microsoft 365 (M365) Security & Compliance Audit	*250*	*To assess the adequacy and effectiveness of security, identity, data protection, and compliance controls implemented within the M365 environment to protect sensitive institutional, research, and clinical data*

FY 2026 Audit Plan		
Audit Title	**Hours**	**General Objective/Description**
Procurement - Contracting Practices (TEC §51.9337)	*370*	*Review the procurement and contracting processes of goods/services within the UTSA Contract Management Handbook to ensure the controls in place are working as intended. Specifically, evaluate UTSA's third-party vendor management practices to assess contract oversight and risk mitigation strategies related to external vendors. Review for compliance with the Texas Education Code §51.9337 meets the 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.*
Vulnerability & Patch Management Audit	*300*	*Evaluate the effectiveness of the university's vulnerability and patch management processes to determine whether they adequately identify, assess, prioritize, and remediate security vulnerabilities in a timely manner, in alignment with institutional policies, regulatory requirements, and industry best practices. Compliance with TAC202 security control standards*
Disaster Recovery & Business Continuity Audit	*250*	*Evaluate the effectiveness of the university's disaster recovery and business continuity planning and preparedness to determine whether critical operations can be sustained or restored in a timely manner following a disruption, in alignment with institutional policies, regulatory requirements, and industry best practices. Compliance with TAC202 security control standards.*
Research Data Security	*300*	*Assess whether Institution has implemented adequate controls to safeguard research data in accordance with the security requirements of NIST SP 800-171 and the Cybersecurity Maturity Model Certification (CMMC), focusing on the protection of Controlled Unclassified Information (CUI) in federally funded research projects.*
Enrollment Management Audit	*350*	*Determine whether current enrollment management processes effectively ensure compliance with regulatory requirements related to Title IV financial aid programs, including accurate and timely reporting to the National Student Loan Data System (NSLDS), and alignment with the evolving regulatory expectations.*
Student Mental Health Services	*350*	*Evaluate the adequacy and accessibility of student mental health services, to ensure alignment with student needs and institutional goals.*
Athletics	*300*	*Assurance testing of controls identified by management in 2024 gap assessment to be in-place and functioning.*
Related Parties Audit	*300*	*Determine if related party relationships and transactions are properly identified, documented, disclosed, and managed in accordance with UTSA policies and state requirements.*
Course Fees Audit	*350*	*Determine if course fees are properly approved, accurately applied, and used in compliance with institutional and regulatory requirements.*
Americans with Disabilities Act Digital Accessibility Compliance	*300*	*Determine if UTSA is on track to achieve compliance with the digital accessibility requirements for web content and mobile applications outlined in the Americans with Disabilities Act Title II Regulations outlined in 28 CFR § 35.200. https://www.ada.gov/law-and-regs/regulations/title-ii-2010-regulations/#- 35200-requirements-for-web-and-mobile-accessibility.*
Assurance Engagements (Risk-based Audits)	8,330	37.9%
Required Engagements		
FY 2025 Financial Statement Audit Assistance (Year-end)	*129*	*Assist the external auditors in the coordination and/or performance of testing for the audit of the Annual Financial Report (FY25 year-end work).*
FY 2026 Financial Statement Audit Assistance (Interim)	*86*	*Assist the external auditors in the coordination and/or performance of financial and IT control testing for the audit of the Annual Financial Report (FY26 interim work).*

FY 2026 Audit Plan		
Audit Title	**Hours**	**General Objective/Description**
FY25 State Auditor's Office Single Audit	*40*	*Assist and coordinate with the State Auditor's Office for the FY 2025 Follow-up Statewide Single Audit (Student Financial Aid). (Due February 2026)*
FY25 NCAA Agreed Upon Procedures	*40*	*Assist with required NCAA Agreed Upon Procedures for FY 2025. UT System Audit Office will use a 3rd party service provider to perform the NCAA agreed-upon procedures*
Required Engagements	365	1.7%
Advisory and Consulting Engagements	5,926	27.0%
Investigation Reserve	445	2.0%
Audit Reserve	100	0.5%
Follow-up	605	2.8%
Development – Operations	3,726	16.9%%
Development – Initiatives and Education	2,470	11.2%
Total Audit Hours	**21,967**	100%

Additional “high” risks identified but not included in the FY 2026 Audit Plan are found in the following areas. Many of these risks are mitigated by other initiatives throughout the institution.

- Foreign Influence
- Telemedicine
- Payor Contract Compliance
- Infusion Charge Capture and Billing
- Revenue Cycle – Claims Processing
- Inventory Management
- Application Systems – Revenue Cycle
- Back-End Revenue Cycle
- Campus Safety and Security
- Construction
- Data Governance, Management, and Protection
- Foreign Influence
- Hardware and Software Inventory Management
- Legal and Regulatory Compliance
- Physical & Environmental Protection of IT Assets
- Purchasing/Supply Chain
- Research Administration
- Title IX

Risk Assessment Used to Develop the Internal Audit Plan

The annual risk assessment was conducted using the methodology developed by the UT System Audit Office, which complies with responsibilities established by the University of Texas System Policy 129 – Internal Audit Activities, the Texas Internal Auditing Act, the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing, and Generally Accepted Government Auditing Standards. 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. In addition, Internal Audit completed a significant number of interviews with key institutional leadership and stakeholders to solicit their input regarding key strategic objectives and associated risks. 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 FY 2025

The University of Texas System contracted with Deloitte and Touche, LLP to perform an independent audit of the FY 2025 University of Texas System financial statements, which included the performance of certain audit procedures at UT Health San Antonio. Internal Audit did not contract for any audit services in FY 2025.

VII. Reporting Suspected Fraud and Abuse

Included is a brief description of the UT Health SA's actions taken to comply with the fraud reporting requirement of Section 7.09, page IX-41, the General Appropriations Act (89th Legislature, Conference Committee Report). As well as the UT Health SA's process to comply with 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 provided a link to the State Auditor's Office (SAO) Hotline web page (https://sao.fraud.texas.gov/) which provides information on reporting suspected fraud, waste and abuse to the SAO.

- The UT Health San Antonio Handbook of Operating Procedures (HOP) Policy 2.5.5 *Fraud, Abuse and False Claims Act* (HOP) Policy 2.5.5, *Fraud, Abuse and False Claims Act* provides information on the coordination of investigations and reporting of suspected fraud and abuse.