

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Table of Contents

- 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
- II. Internal Audit Plan for Fiscal Year 2018
 - Compliance with the Benefits Proportionality Audit Requirements for Higher Education Institutions.
 - Compliance with the Purchasing and Contracting Requirements for Higher Education Institutions.
- III. Consulting Services and Non-audit Services Completed
- IV. External Quality Assurance Review (Peer Review)
- V. Internal Audit Plan for Fiscal Year 2019
- VI. External Audit Services Procured in Fiscal Year 2018
- VII. Reporting Suspected Fraud and Abuse

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

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

The Fiscal Year 2019 audit plan, as approved by the Institutional Audit Committee, will be posted on the MD Anderson external website as part of the Fiscal Year 2018 SAO Annual Report. The Fiscal Year 2018 SAO Annual Report, including summaries of reports, will be posted on the MD Anderson external website within 30 days of approval by the President but not later than November 1, 2018, as required.

The following matrix provides a summary of the weaknesses and action taken by management for projects on the Fiscal Year 2018 Audit Plan, as required by Texas Government Code, Section 2102.015:

Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: <ul style="list-style-type: none"> · Fully Implemented · Substantially Implemented · Incomplete/Ongoing · Not Implemented 	
17-101	2/8/2018	Charge Capture - Houston Area Locations (HALs)	Overall, professional charges were generally captured and billed to patient accounts; however we recommended enhanced processes in charge capture and reconciliations, allocating charges to correct locations, appropriate billing of patient visits and consults, timely closure of encounters, and appropriate scheduling of chemotherapy visits.	Management agreed to enhance controls in the recommended areas.	Incomplete/Ongoing Full implementation is expected by February 28, 2019.	
17-111	11/20/17	Lyda Hill Foundation Audit Moon Shot Expenditures	In our opinion, we found the expenditures, in all material respects, were in accordance with institutional fund requirements, adequately supported, and reasonable and beneficial to the Moon Shots programs.	No action was required by management.	Not Applicable	
17-203	3/9/2018	Excepted from public disclosure				

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: <ul style="list-style-type: none"> · Fully Implemented · Substantially Implemented · Incomplete/Ongoing · Not Implemented
17-401	8/31/2018	Excepted from public disclosure			
18-106	2/21/2018	Keeling Center Training and Education	We recommended improvements related to training and education in the following areas: monitoring to ensure compliance with training guidelines and procedures, improving documentation supporting reviews, reviewing and updating training guidelines, and formalizing requirements and documentation for employee re-education.	Management agreed to enhance controls in the recommended areas.	Substantially Implemented Full implementation is expected by December 31, 2018.
18-111 18-119	3/9/2018	Royalty Distribution - Phase II / III	We recommended enhanced controls surrounding the administration of royalty payments to ensure the accuracy of distributions and compliance with institutional policy.	Management agreed to enhance controls in the recommended areas.	Incomplete/Ongoing Full implementation is expected by January 31, 2019.
18-116	7/2/2018	Provider Payor Enrollment	We recommended that management proactively monitor the provider enrollment status in each Payor plan to ensure enrollment does not lapse.	Management agreed to enhance controls in the recommended areas.	Incomplete/Ongoing Full implementation is expected by January 31, 2019.

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: <ul style="list-style-type: none"> · Fully Implemented · Substantially Implemented · Incomplete/Ongoing · Not Implemented
18-118/ 18-406	8/29/2018	Payroll Audit	We recommended improvements in processes and controls relating to payroll payment requests, employee overpayments, and review of compensation exceeding pay grades.	Management agreed to enhance controls in the recommended areas.	Incomplete/Ongoing Full implementation is expected by March 31, 2019.
18-203	10/31/2017	Excepted from public disclosure			
18-206	6/13/2018	Benefits Funding Proportionality	Overall, Benefits Proportionality by Fund Reports were materially accurate. However, several immaterial errors were noted. We recommended strengthening the review processes to ensure errors are identified and corrected so reports are accurate and complete.	Management agreed to enhance controls in the recommended areas.	Fully Implemented
18-207	6/21/2018	Executive Travel and Entertainment	We recommended that management improve guidance on remitting sponsor reimbursements to the Institution when travel expenses are initially paid by the Institution.	Management agreed to update verbiage in the Travel Guidelines.	Fully Implemented

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: <ul style="list-style-type: none"> · Fully Implemented · Substantially Implemented · Incomplete/Ongoing · Not Implemented
18-400	7/5/2018	Excepted from public disclosure			
18-403	8/30/2018	Excepted from public disclosure			
18-404	8/30/2018	In-Flight Project Assessment Audit	We recommended improvements related to compliance with policy and enhancement of effective project management and solution implementation.	Management agreed to enhance controls in the recommended areas.	Incomplete/Ongoing Full implementation is expected by August 31, 2019.

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

II. Internal Audit Plan for Fiscal Year 2018

The following matrix details the status of the Fiscal Year 2018 Audit Plan:

Project No.	Name of Report	Report Date	Project Status
<i>Risk-Based Audits</i>			
18-102	Financial Clearance Center	Pending	In Progress
18-103	Revenue Reconciliation	N/A	Complete
18-104	Emergency Center	N/A	Cancelled
18-105	Departmental Review - Perioperative Services	N/A	Cancelled
18-106	Keeling Center Training and Education	2/21/2018	Complete
18-107	Dental Billing - Head and Neck Surgery	N/A	Complete
18-108	Procurement Audit	Pending	In Progress
18-109	Construction Activities	N/A	In Progress
18-110	Management Involvement on Co-Sourced Construction Projects	N/A	Complete
18-111/18-119	Royalty Distribution - Phase II / III	3/19/2018	Complete
18-116	Provider Payor Enrollment	7/2/2018	Complete
18-118	Payroll Audit	8/29/2018	Complete
18-207	Executive Travel and Entertainment	6/21/2018	Complete
<i>Information Technology Audits</i>			
18-301	Epic Optimization (Clinical Documentation & Patient Safety Rptg.)	Pending	In Progress
18-400	Excepted from public disclosure		
18-401	Epic-Charge Capture or Compliance Analytics	N/A	Cancelled
18-402	Procurement Analytics	N/A	Cancelled
18-403	Excepted from public disclosure		
18-404	In-Flight Project Assessment Audit	8/30/2018	Complete
18-405	Management Involvement on Co-Sourced IT Projects	N/A	Complete
18-406	Payroll Data Analytics	8/29/2018	Complete
<i>Carry-Forward Audits</i>			
17-101	Charge Capture - Houston Area Locations (HALs)	2/8/2018	Complete
17-111	Lyda Hill Foundation Audit	11/20/2017	Complete
17-203	Excepted from public disclosure		
17-307	Construction Activities	N/A	Complete

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Project No.	Name of Report	Report Date	Project Status
17-401	Excepted from public disclosure		
17-953	Royalty Distribution / Interfund Transfers - Diagnostic Imaging	3/19/2018	Complete
<u>Required Audits (Externally and Internally)</u>			
18-200	FY 2017 Financial Statement Audit (year-end)	Report issued by Deloitte at UT System level	Complete
18-201	FY 2018 Financial Statement Audit (interim)	Report issued by Deloitte at UT System level	Complete
18-202	FY2018 Deloitte Financial Audit Support - IT	Report issued by Deloitte at UT System level	Complete
18-203	Excepted from public disclosure		
18-204	Economic Development Agreement	Consulting Project – Verbal comments provided to management	Complete
18-205	Presidential Housing, Travel, and Entertainment	N/A – assistance provided to UT System	Complete
18-206	Benefits Funding Proportionality	6/13/2018	Complete
<u>Consulting Projects</u>			
18-309	All-Hazards Risk Leadership Council	N/A	Cancelled
18-100	Charge Capture - Medical Supplies	Consulting Project – Verbal comments provided to management	Complete
18-101	Drug Diversion	Consulting Project – collaboration with management for mitigating strategies	Complete
18-112	Enterprise Risk Management (ERM) Initiative	Consulting Project – collaboration with management for mitigating strategies	Complete

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Project No.	Name of Report	Report Date	Project Status
18-113	Control Self-Assessment - Stem Cell Transplantation	Memorandum issued to management in August 2018	Complete
18-114	Advance Beneficiary Notice (ABN)	Consulting Project – collaboration with management for mitigating strategies	Complete
18-115	Medicare Secondary Payer Questionnaire (MSPQ)	Consulting Project – collaboration with management for mitigating strategies	Complete
18-117	Clinical Research Billing	Consulting Project – collaboration with management for mitigating strategies	Complete
18-300	Epic Upgrade- Risk Oversight Council	N/A	In Progress
18-302	Denials Management	N/A	Cancelled
18-303	Employee and Faculty Criminal Background Checks	Consulting Project – collaboration with management for mitigating strategies	Complete
18-304	Grants and Contracts Consulting	Consulting Project – collaboration with management for mitigating strategies	Complete
18-305	RayCare Implementation -Radiation Oncology	N/A	Cancelled
18-306	General Consultation with Management	N/A	Complete
18-307	IT Liaison Activities	N/A	Complete
18-308	Institutional Committee Participation	N/A	Complete
<u>Investigations</u>			
Various investigations - Excepted from public disclosure		Consulting Projects – Verbal comments provided to management	
<u>Follow-up</u>			
-	Quarterly Reporting/Monitoring Activities	N/A	Complete
-	Validation	N/A	Complete
-	IT Follow-up Validation Activities	N/A	Complete

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Project No.	Name of Report	Report Date	Project Status
<u>Development - Operations</u>			
-	Internal / External Quality Assurance Activities	N/A	Complete
-	Internal Audit Committee Preparation / Participation	N/A	Complete
-	Institutional Risk Assessment & Work Plan Development	N/A	Complete
-	Audit Strategic Planning	N/A	Complete
-	IT Risk Assessment FY 18	N/A	Complete
-	IT Administrative Activities	N/A	Complete
<u>Development - Initiatives & Education</u>			
-	UT System Coordination	N/A	Complete
-	Professional Organization / Association Participation	N/A	Complete
-	Training / Continuing Professional Education	N/A	Complete
-	IT Knowledge Sharing and/or Training Documentation Projects	N/A	Complete

	Audit / Project cancelled or postponed
	Audit / Project added to Plan
	Audit / Project addressing Benefits Proportionality

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Compliance with the Benefits Proportionality Audit Requirements for Higher Education Institutions:

At the request of the Governor, an internal audit of the proportionality of higher education benefits process was performed during fiscal year 2018. This audit examined fiscal years 2015 through 2017. A consistent audit methodology has been deployed across the UT System that assessed the reporting process and accuracy of benefits funding information provided to the State Comptroller. An audit of the benefits proportionality process will also be conducted during fiscal year 2019 and will comply with Article IX, Section 6.08, of the General Appropriations Act. The audit will be completed by August 31, 2019.

Compliance with the Purchasing and Contracting Requirements for Higher Education Institutions:

Senate Bill 20 (84th Legislative Session) made several modifications and additions to Texas Government Code (TGC) and Texas Education Code (TEC) related to purchasing and contracting. Effective September 1, 2015, TEC 51.9337 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 MD Anderson Cancer Center Internal Audit Department conducted this required assessment for fiscal year 2016, and found the following:

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

No significant changes have been made since 2016.

III. Consulting Services and Non-audit Services Completed

Project No.	Project Title	Report Date	Project Objective	Services / Observations / Results / Recommendations
17-307	Construction Follow-up - Change Orders	Consulting – Verbal Comments provided to Management	To conduct a review on the timeliness of construction change orders, previously noted during an FY17 audit.	Internal Audit followed up on the timeliness of construction change orders, previously noted during an FY17 audit. Improvement is still needed to ensure the timeliness of change order processing. Management continues to assess processes to ensure the efficiency and effectiveness of workflow.

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Project No.	Project Title	Report Date	Project Objective	Services / Observations / Results / Recommendations
18-100	Charge Capture - Medical Supplies	Consulting – Verbal Comments provided to Management	To determine whether medical supplies provided were captured and recorded appropriately.	In coordination with current stakeholders, Internal Audit is tracking the progress being made related to an external assessment, while also acting in a consulting capacity to help identify potential risks and controls.
18-101	Drug Diversion	Consulting - Participation on institutional committee	To provide consultation regarding proposed actions to reduce insider threats relating to medication diversion.	Internal Audit is currently participating on the Medication Diversion Prevention Program Committee, established to prevent, identify and address medication diversion risks. Internal Audit's role is to provide consultation regarding proposed actions to reduce insider threats.
18-103	Revenue Reconciliation	Consulting – Verbal Comments provided to Management	To identify physicians and departments where encounters are not being closed timely and revenue is not reconciled daily.	Internal Audit determined that more than 90% of professional encounters were closed timely. Internal Audit will continue to monitor the status of open encounters and revenue.
18-107	Dental Billing – Head and Neck Surgery	Consulting – Discussions were held with various departments	To determine whether charges were captured for dental services provided.	Internal Audit determined that efforts are ongoing by management to ensure dental services are documented accurately, billed, and allocated.
18-112	Enterprise Risk Management (ERM) Initiative	Consulting – Facilitated ERM Initiative	To assist in the progress of this Institutional initiative.	Internal Audit collaborated with Institutional Compliance, Legal Services, Supply Chain and UT System to select a vendor to implement an ERM framework. The contract has been finalized. The next phase will include the continued involvement of Internal Audit to ensure implementation success.
18-113	Control Self-Assessment – Stem Cell and Cellular Therapy Transplantation	Consulting – Memorandum provided to management on August 28, 2018	To facilitate a control self-assessment with department management in order to identify risks for remediation.	Internal Audit facilitated a control self-assessment with department management. Management has developed action plans to remediate risks identified.
18-114	Advance Beneficiary Notice (ABN)	Consulting – Verbal Comments provided to Management	To consult with the ABN Committee to ensure that high-dollar labs and/or services are addressed timely.	In coordination with Institutional Compliance, Internal Audit facilitated discussions with Clinical Revenue/Reimbursement and Patient Billing Services regarding the current risks surrounding the ABN process and development of a plan to mitigate those risks.

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Project No.	Project Title	Report Date	Project Objective	Services / Observations / Results / Recommendations
18-115	Medicare Secondary Payer Questionnaire (MSPQ)	Consulting – Verbal Comments provided to Management	To consult with management regarding MSPQ compliance and remediation efforts.	Internal Audit is currently participating in the institution's MSPQ committee. Management continues to provide training, monitor MSPQ workqueues, and address issues identified.
18-117	Clinical Research Billing	Consulting – Verbal Comments provided to Management	In coordination with Institutional Compliance, consult with Clinical Research Finance regarding their billing review processes.	Internal Audit, in coordination with Institutional Compliance, consulted with Clinical Research Finance regarding their billing review processes. Internal Audit provided insight and feedback regarding potential risk-based monitoring activities being considered for implementation.
18-200 18-201 18-202	FY2017 Financial Statement Audit – Final FY2018 Financial Statement Audit – Interim, Final and IT	Report issued by Deloitte	Assist the external financial statement auditors with interim and IT testing.	Internal Audit assisted the external financial statement auditors with year-end, interim and IT testing. Observations and recommendations will be made by Deloitte to management.
18-204	Economic Development Agreement	Consulting – Verbal Comments provided to Management	To review the reporting methodology and schedules for the annual compliance verification of job creation for the Texas Economic Development Agreement.	The methodology appeared consistent with previous submissions. Nothing came to Internal Audit's attention that would indicate the Annual Compliance Verification was materially misstated. No opinion was requested or provided.
18-205	Presidential Housing, Travel and Entertainment	N/A	Assist the UT System Audit Office with its annual review of Presidential Travel and Business Entertainment.	Internal Audit assisted the UT System Audit Office with its annual review of Presidential Travel and Business Entertainment. Internal Audit provided the population of transactions requested per the engagement letter.
18-303	Employee and Faculty Criminal Background Checks	Consulting – Verbal Comments provided to Management	Internal Audit will partner with key stakeholders to ensure a comprehensive background check is conducted for all employees, including faculty, as part of the on-boarding process.	Internal Audit conducted an assessment of the current state of the criminal background check process for employees and faculty. To address the risks identified, we are facilitating meetings with the representatives to develop possible solutions. The solutions will be presented to executive leadership for consideration.

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Project No.	Project Title	Report Date	Project Objective	Services / Observations / Results / Recommendations
18-304	Grants and Contracts Consulting	Consulting - Participation on institutional committee	In coordination with Institutional Compliance and Grants and Contracts, Internal Audit will provide guidance in the development and implementation of control processes, both centralized and decentralized, to ensure allowability of costs charged to grants, including but not limited to the accuracy of effort reporting.	In coordination with Institutional Compliance and Grants and Contracts, Internal Audit continues to assist in identifying and providing guidance on mitigating potential compliance risks.
-	Various investigations	Various methods of communication	To conduct investigations as necessary.	Information was provided to appropriate levels of management.

The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018

IV. External Quality Assurance Review (Peer Review)



Candor. Insight. Results.

October 17, 2017

Ms. Sheri Magnus, Chief Audit Executive
The University of Texas MD Anderson Cancer Center

In October 2017, The University of Texas MD Anderson Cancer Center (MD Anderson) Department of Internal Audit (DIA) completed a self-assessment of internal audit activities in accordance with guidelines published by the Institute of Internal Auditors (IIA) for the performance of a quality assessment review (QAR). MD Anderson DIA engaged an independent review team consisting of three internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of DIA's QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning IA's conformity to the Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing* (the *IIA Standards*) and Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and the relevant requirements of the Texas Internal Auditing Act (TIAA).

The IIA's *Quality Assessment Manual* suggests a scale of three ratings, "generally conforms," "partially conforms," and "does not conform." "Generally conforms" is the top rating and means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards*. "Partially conforms" means deficiencies in practice are noted that are judged to deviate from the *Standards*, but these deficiencies did not preclude the IA activity from performing its responsibilities in an acceptable manner. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the IA activity from performing adequately in all or in significant areas of its responsibilities.

Based on our independent validation of the QAR performed by DIA, we agree with DIA's overall conclusion that the internal audit function "**Generally Conforms**" with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, as well as with DIA's conclusions regarding GAGAS and TIAA requirements. Our review noted strengths as well as opportunities for enhancing the internal audit function.

This information has been prepared pursuant to a client relationship exclusively with, and solely for the use and benefit of, MD Anderson and The University of Texas System Administration and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas MD Anderson Cancer Center and The University of Texas System Administration.

The review team appreciates the cooperation, time, and candid feedback of executive leadership, stakeholders, and DIA personnel.

Very truly yours,

Baker Tilly Virchow Krause, LLP



The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018

V. Internal Audit Plan for Fiscal Year 2019

FY 2019 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
Risk-Based Audits			
Excepted from public disclosure	600		
Treasury and Cash/Credit Card Payment Activities	450		Using a risk-based approach, evaluate the effectiveness of controls over key activities relating to Treasury. Evaluate whether adequate controls are in place over the handling of cash and credit card payments received in clinical areas. Business and Regulatory Affairs
Grants and Contracts	400		Using a risk-based approach, review key grants and contracts activities to identify opportunities for improvements. Clinical, Science and Academic Enterprise
Excepted from public disclosure	500		
Clinical Performance	500		Review supporting documentation to validate the outcome metrics used to determine value-based healthcare. Using a risk-based approach, focus on the specific metrics used to determine the #1 ranking status by US News and World Report as well as those aligned with the Medicare Access and CHIP Reauthorization Act (MACRA). Clinical, Science and Academic Enterprise
Excepted from public disclosure	400		
Excepted from public disclosure	600		
Excepted from public disclosure	600		

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

FY 2019 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
Patient Access	600		Using a risk-based approach, identify opportunities for improvement in patient access. Clinical, Science and Academic Enterprise
Timely Discharge	550		Using data analytics, determine timeliness of discharges, opportunities for improvement, and the financial impact of untimely discharges. Clinical, Science and Academic Enterprise
Departmental Review - Perioperative Services	600		To provide a general assessment of the financial, administrative, and compliance controls within the selected department. Business and Regulatory Affairs Clinical, Science and Academic Enterprise
Criteria for Scientific Publication	500		To evaluate the controls and processes in place to ensure the integrity of content for scientific/research publication. Determine whether controls and processes are in alignment with industry standards and best practice, including controls to prevent modification of supporting information. This audit will be coordinated with IT auditors. Clinical, Science and Academic Enterprise
Cyber Incident Readiness	500		Perform an evaluation of the disaster recovery, business continuity, and incident response plan for a cyber incident including denial of service, significant breach that impacts operational performance, ransomware, etc. Evaluate the ability to detect and react to maintain forensic ability and maintain continued operations. Business and Regulatory Affairs Clinical, Science and Academic Enterprise

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

FY 2019 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
Patient Safety and Quality of Care Initiatives - Epic	600		<p>Perform a post EHR implementation patient safety and optimization assessment to see if management is appropriately leveraging controls and reporting in Epic to support continued patient safety and quality of care initiatives. Assess Epic for functioning as designed and functional effectiveness and controls at select facilities to identify control or process workflow workarounds. Example areas to choose may include:</p> <ul style="list-style-type: none"> - Lab Ordering: Ordering workflows, communication of results, efficiency of workflows in specialty lab areas (histology, pathology, microbiology) - In Basket Management: Assess user adoption, monitor response times to high priority messages including results - Referrals Tracking: Assess critical 11 steps in the referral process in high volume, high risk specialty areas including oncology and diagnostic imaging <p><i>Clinical, Science and Academic Enterprise</i></p>
Excepted from public disclosure	600		
Intellectual Property (IP) Classification and Protection	500		<p>To evaluate the policies and procedures to protect intellectual property, including generation of IP, data classification, and precautions to protect confidential and proprietary data (including physical/paper documentation), including accessibility to and monitoring of data accessible to students and visiting scientists.</p> <p><i>Business and Regulatory Affairs Clinical, Science and Academic Enterprise</i></p>
Management Involvement on Co-Sourced IT Projects	150		To oversee/facilitate audits of IT activities.
Facilities Management Activities/Construction	500		<p>To conduct risk-based reviews of key construction/facilities management activities and/or processes. Reviews will be co-sourced, utilizing staff with construction expertise.</p> <p><i>Business and Regulatory Affairs</i></p>
Management Involvement on Co-Sourced Construction Projects	100		To oversee/facilitate audits of construction activities.

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

FY 2019 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
<u>Carry-Forward Audits</u>			
Financial Clearance Center	100		Using a risk-based approach, assess the effectiveness of the operational controls surrounding the determination of eligibility and benefits, including but not limited to, pre-authorization and financial collections. Business and Regulatory Affairs Clinical, Science and Academic Enterprise
Risk Based Audits Subtotal	9,350	51%	
FY 2018 Financial Statement Audit (year-end)	250		To assist Deloitte with testing relating to the External Financial Statement Audit. Business and Regulatory Affairs
FY 2019 Financial Statement Audit (interim)	150		To assist Deloitte with testing relating to the External Financial Statement Audit. Business and Regulatory Affairs
FY 2019 Deloitte Financial Audit Support - IT	100		Perform IT general controls procedures as requested by MDACC to support the Deloitte Financial Audit of MDACC. Business and Regulatory Affairs
Texas Administrative Code (TAC) 202 / UT System Policy (UTS) 165	325		To evaluate controls and processes at MD Anderson for compliance with TAC 202 and UT System 165 regulatory requirements. Business and Regulatory Affairs
Benefits Funding Proportionality	200		As requested by the Governor's Office, to verify that employee benefit costs are paid in proportion to the source of funds, according to established guidelines set forth in Article IX, Section 6.08 of the General Appropriations Act. Business and Regulatory Affairs
Economic Development Agreement	50		To review the reporting methodology and schedules prepared for the annual compliance verification of job creation targets associated with the Economic Development Agreement between MDACC, UT HSC-Houston, and the State of Texas. Business and Regulatory Affairs
Executive Travel and Business Entertainment	125		To determine if travel and entertainment activities and expenditures of executive management are conducted in accordance with UT System and MDACC policy. Business and Regulatory Affairs

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

FY 2019 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
Presidential Housing, Travel, and Entertainment	25		To assist /coordinate audits by UT System to determine if travel and entertainment activities and expenditures of the President and spouse are conducted in accordance with UT System and MDACC policy. Business and Regulatory Affairs
Required Audits Subtotal	1,225	7%	
Risk-Based Consulting Projects			
Enterprise Risk Management	500		Coordinate with management and the vendor to help develop and implement an enterprise risk management framework for the institution. Business and Regulatory Affairs Clinical, Science and Academic Enterprise Strategy and External Affairs
Medical Overrides	300		To determine if approval was obtained for medical overrides. Determine the impact of the override decisions. Business and Regulatory Affairs
Patient Registration	400		Facilitate a control self-assessment for key areas with registration functions. Clinical, Science and Academic Enterprise
Cost Accounting System	150		To consult with management on the implementation of the cost accounting system. Business and Regulatory Affairs
Business Continuity Planning	500		Using an external vendor, coordinate with management and IT Auditors to assess the current state of business continuity planning. Business and Regulatory Affairs Clinical, Science and Academic Enterprise
Nation-State Threats	250		In coordination with other regulatory functions, provide consulting services to assist in the protection of the institution against nation-state threats. Business and Regulatory Affairs Clinical, Science and Academic Enterprise

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

FY 2019 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
Grants and Contracts Consulting	50		In coordination with Institutional Compliance and Grants and Contracts, Internal Audit will provide guidance in the development and implementation of control processes, both centralized and decentralized, to ensure allowability of costs charged to grants, including but not limited to the accuracy of effort reporting. <i>Business and Regulatory Affairs Clinical, Science and Academic Enterprise</i>
Segregation of Duties and Account Reconciliations	50		To consult with Financial Controls to ensure that prior recommendations have been remediated and to identify potential concerns that may arise from departmental subcertifications. <i>Business and Regulatory Affairs</i>
RayCare/Beaker Project Consulting	100		To provide consulting services during the implementation of RayCare and Beaker. <i>Clinical, Science and Academic Enterprise</i>
Drug Diversion Consulting	40		Participate in a consulting role on the Medical Diversion Prevention Committee. <i>Clinical, Science and Academic Enterprise</i>
General Consultation with Management	150		To consult with management on various high-risk topics.
IT Liaison Activities	70		Participation in staff meetings, the UT InfoSec, IT Leaders meetings, etc.
Institutional Committee Participation	185		To participate, in a consulting role, on committees within the institution.
Risk-Based Consulting Projects Subtotal	2,745	15%	
<i>Follow-up</i>			
Quarterly Reporting / Monitoring Activities	150		To report on follow-up validation activity.
Validation Activities	700		To conduct follow-up on outstanding recommendations.
IT Follow-up Validation Activities	250		To conduct follow-up on outstanding IT recommendations.
Follow-up Subtotal	1,100	6%	
<i>Risk-Based Reserve</i>			
Reserve for Risk-Based Just-In-Time Auditing/Advisory Services	780		Reserve will be used to respond to management's requests in high-risk areas, as well as to address changing risks in our environment throughout the year.
Reserve for Risk-Based Investigations	425		Reserve will be used to respond to any investigative requests throughout the year.

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

FY 2019 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
IT Reserve Risk-Based Just-in-Time Auditing/Advisory Services	60		Reserve Just-in-Time Auditing/Advisory Services will be used to respond to management and Internal Audit's requests for assessments in emerging high-risk areas related to IT.
IT Financial and Operational Audit Assistance	75		Participation in high-risk limited scope activities with the Internal Audit team.
Risk-Based Reserve Subtotal	1,340	7%	
<i>Development - Operations</i>			
Internal / External Quality Assurance Activities	100		To conduct on-going reviews of audits/projects for compliance with the International Institute of Internal Auditors (IIA) standards.
Internal Audit Committee Preparation / Participation	173		To prepare audit committee packets and participate in quarterly meetings.
Institutional Risk Assessment and Work Plan Development	350		To update the comprehensive risk assessment and Work Plan.
Audit Strategic Planning	633		To perform strategic planning and manage the overall audit activity. Updating of the IT risk assessment and audit plan.
IT Risk Assessment FY 20	250		
IT Administrative Activities	125		To manage the overall IT audit activity.
Development - Operations Subtotal	1,631	9%	
<i>Development - Initiatives & Education</i>			
UT System Coordination	100		To participate in UT System initiatives.
Professional Organization / Association Participation	75		To participate in the IIA Houston Chapter Annual Conference.
Training / Continuing Professional Education	670		To provide training and continuing professional education to audit staff in accordance with audit standards.
IT Knowledge Sharing and/or Training Documentation Projects	65		Sharing thought leadership, perspective, and bringing in technical resources to assist where needed.
Development - Initiatives & Education Subtotal	910	5%	
Total Hours	18,301	100%	

Projects addressing Benefits proportionality, expenditure transfers, capital budget controls, any other limitation or restriction in the General Appropriations Act, or Contract management and other requirements.

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2018**

Additional “high” risks not included in the FY 2019 Work Plan are found in the following areas:

- Recruitment/staffing and compensation
- Environmental health and safety
- Purchasing
- Billing and reimbursement
- Information security
- Privacy
- Regulated research activities
- Disclosure of secondary interests
- Campus security
- Credentialing/licensure
- Academic accreditation
- Management of medications
- Management of patient safety
- Governance, culture and strategic planning
- Industry ventures

Our risk assessment methodology included interviews with and/or questionnaires with various levels of management in the institution. Identified risks were organized into institution-wide auditable units. For each identified risk, impact and probability were assessed. Our work plan was developed from the highest risk areas in the institution that are not already being addressed by other mitigation strategies.

VI. External Audit Services Procured in Fiscal Year 2018

Service	Provider
Opinion on financial statements of UT MD Anderson Cancer Center	Deloitte
Opinion on financial statements of UT MD Anderson Physicians Network	Deloitte
Opinion on financial statements of UT MD Anderson Services Corporation	Deloitte
Information Technology Internal Audit Co-Sourcing	PwC

The University of Texas MD Anderson Cancer Center Internal Audit Annual Report for FY2018

VII. Reporting Suspected Fraud and Abuse

Thur, August 2, 2018

Home : Departments : Institutional Compliance

Compliance Hotline

The Compliance Hotline is a toll-free number available to all staff and faculty to anonymously report suspected wrongdoing, including waste, fraud, abuse and violations of any federal or state laws.

The Hotline

- A toll-free number you can call to report suspected wrongdoing, fraud, waste, abuse, and violations of any federal or state laws, or MD Anderson institutional policies.
- Available 24 hours a day, 365 days a year by calling 1-800-789-4448.
- All calls are confidential and you don't need to identify yourself.
- Reports all allegations to MD Anderson's Institutional Compliance Office.

Individuals may also report suspected fraud, waste, and abuse involving state resources to the State Auditor's Office's Hotline at 1-800-TX-AUDIT (1-800-892-8348). The [State Auditor's Office](#) provides additional information at its website, <http://sao.fraud.state.tx.us>

Question:	What is the hotline's purpose?
Answer:	To provide MD Anderson's workforce members an additional method of reporting instances of wrongdoing, fraud, waste and abuse. While we encourage you to report compliance issues directly to your immediate supervisor or the Institutional Compliance Office, we recognize that this may not always be an option.
Question:	How does the hotline work?
Answer:	The hotline is a resource available to MD Anderson's workforce members 24 hours a day, 365 days a year. An outside company is staffed with specially trained personnel to answer all hotline calls. When you call the hotline, you'll be asked to describe the suspected compliance issue in as much detail as possible. You don't need to tell them who you are. Upon completion of your call, the information will be sent to the Institutional Compliance Office for investigation.
Question:	Am I required to identify myself?
Answer:	No. You don't have to reveal your identity. Calls are not traced or recorded.
Question:	Can the call be traced back to me?
Answer:	No. The hotline does not record calls and does not have caller ID capability. Calls cannot be traced.
Question:	What type of situations should be reported to the hotline?
Answer:	Even if you only suspect fraud or abuse in patient care, research, billing or any other work area, it is important that you share your concerns with the Institutional Compliance Office, either at 713-745-6636 or via the hotline. All reports will be investigated.
Question:	What will happen to my job if I call?
Answer:	Federal and state laws, as well as MD Anderson institutional policy, protect individuals who provide confidential information regarding possible illegal activities in the workplace. Therefore, workforce members providing good-faith reports of possible fraud or abuse are protected from retaliation or retribution. See MD Anderson's Non-Retaliation Policy (UTMDACC Institutional Policy # ADM0254) .
Question:	How do I know an investigation is taking place based on my call?
Answer:	MD Anderson is committed to investigating all reports promptly and will maintain the confidentiality and anonymity of all parties involved to the fullest extent possible. Because of this, investigations are kept confidential. Results of the investigation are reported to the Chief Compliance Officer, and corrective action plans, when necessary, are implemented as soon as possible.

For more information, please contact the Institutional Compliance Office at 713-745-6636.