

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2022**

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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

The Fiscal Year 2023 audit plan, as approved by the Institutional Audit Committee, will be posted on the MD Anderson external website as part of the Fiscal Year 2022 SAO Annual Report. The Fiscal Year 2022 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, 2022, as required.

The following matrix provides a summary of the weaknesses and action taken by management for projects on the Fiscal Year 2022 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
21-108	3/18/2022	Business Continuity Planning (BCP)	<ol style="list-style-type: none"> 1. Establish Executive Sponsorship and Accountability 2. Develop and Implement a Business Impact Analysis 3. Align Information Technology Disaster Recovery (ITDR) to Business Impact Analysis 4. Perform Consistent Testing of Business Continuity Planning 5. Provide BCP training and Education to Responsible Employees 6. Implement an IT Solution to Manager BCP Program 	Management agreed to implement correction action plans related to the Business Continuity observations.	Incomplete/Ongoing
21-404	12/1/2021	Excepted from Public Disclosure			

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Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: · Fully Implemented · Substantially Implemented · Incomplete/Ongoing · Not Implemented
22-102	7/8/2022	Medical Administrative Overrides	Internal Audit recommended that management should: 1. Consistently Document Requesting Physician Names. 2. Enhance Monitoring and Oversight over Medical Override Process 3. Update Medical Administrative Override Policy	Management agreed to enhance controls and processes in relation to Medical Administrative Overrides.	Incomplete/Ongoing
22-103	8/24/2022	Asset Management Governance	Internal Audit recommended management: 1. Improve annual inventory process 2. Strengthen processes for asset tagging 3. Ensure asset records are complete 4. Enhance the asset disposal process 5. Ensure consistent, timely follow-up for mobile device terminations 6. Strengthen communication within the property network 7. Ensure adequate training for responsible staff 8. Optimize reporting to support decision making	Management agreed to strengthen the capitalized and controlled asset processes by enforcing deadlines and escalation procedures, enhancing and standardizing communication within the property network, training members of the property network, and implementing reporting metrics to be shared with property executives.	Incomplete/Ongoing
22-104	8/1/2022	Donor Gift Compliance and Analysis	Internal Audit recommended that the Development Office enhance monitoring of donor gift spending.	Management agreed to enhance monitoring of spend for donor gifts.	Incomplete/Ongoing

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Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: · Fully Implemented · Substantially Implemented · Incomplete/Ongoing · Not Implemented
22-105	3/25/2022	Leukemia Departmental Review	Internal Audit recommended that the Leukemia Department take the following action: 1. Improve Effort Reporting 2. Allocate Shared Costs for Grant Expenditures 3. Enhance Subrecipient Monitoring 4. Review iLabs User Access 5. Correct Overtime Error 6. Submit Progress Reports Timely	Management agreed to enhance controls and processes in relation to observations identified by Internal Audit.	Incomplete/Ongoing
22-106	3/28/2022	Lymphoma and Myeloma Dept Review	Internal Audit identified the following observations during the Lymphoma & Myeloma Departmental Review: 1. Strengthen controls over financial management of clinical trials 2. Implement procedures to ensure actual effort is reported 3. Enhance procurement card reconciliation processes	Management agreed to enhance controls over financial management of clinical trials, effort reporting, and procurement cards to ensure compliance and best practices are followed.	Substantially Implemented
22-109	8/31/2022	Excepted from Public Disclosure			
22-111	6/2/2022	Physicians Referral Service - Supplemental Annual Program (SAP)	The following recommendations were noted by Internal Audit: 1. Update and comply with institutional policy and guidelines related to SAP 2. Document and consistently apply SAP eligibility & classification criteria 3. Ensure SAP reductions comply with policy 4. Provide timely communication and ensure appropriate approval of changes to SAP eligibility & classification criteria to faculty 5. Ensure data query accuracy	Management agreed to enhance controls and processes, as well as improve communication.	Incomplete/Ongoing

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Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: · Fully Implemented · Substantially Implemented · Incomplete/Ongoing · Not Implemented
22-112	8/29/2022	UTS 187 Compliance and Outcome Measures	Internal Audit recommended that Executive Recruitment and the office of the Chief Academic Officer (CAO): 1. Improve the reporting process 2. Obtain summaries of applicant diversity metrics 3. Evaluate search committee diversity over time.	Management agreed to enhance controls and processes in reporting related to UTS 187 surrounding executive recruitment.	Incomplete/Ongoing
22-113	8/15/2022	Capital Project Onboarding Audit	Internal Audit recommended the following: 1. Provide detailed onboard training for locking and tagging energized equipment as well as consider residual training to ensure required training levels 2. Implement annual training on the Confined Spaces policy 3. Implement annual training on the Planned Outages policy.	Management agreed to enhance training as recommended.	Incomplete/Ongoing
22-116	8/8/2022	Travel and Business Entertainment Expenses	Internal Audit recommended the following: 1. Continue to ensure International Oversight Committee Approval (IOC) is documented in Concur for International Travel 2. Develop a process to ensure international business travel booked outside the contract travel agency is registered with the emergency assistance provider	Management agreed to implement the recommendations.	Incomplete/Ongoing
22-302	2/11/2022	Benefits Funding Proportionality	No recommendations were identified for this review	No management action plans are needed for this review.	Not Applicable
22-401	8/31/2022	Excepted from Public Disclosure			
22-402	3/22/2022	Excepted from Public Disclosure			

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II. Internal Audit Plan for Fiscal Year 2022

The following matrix details the status of the Fiscal Year 2022 Audit Plan:

Project No.	Project Title	Report Date	Project Status
<i>Risk-Based Audits</i>			
MDA22-100	Discharge Planning	Postponed pending process revisions	Postponed
MDA22-101	Robotic Process Automation (RPA) Implementation	Cancelled Pending vendor onboarding	Cancelled
MDA22-102	Medical Overrides	7/8/2022	Complete
MDA22-103	Asset Management Governance	8/24/2022	Complete
MDA22-104	Donor Gift Compliance and Analysis	8/1/2022	Complete
MDA22-105	Departmental Audit - Leukemia	3/25/2022	Complete
MDA22-106	Departmental Audit - Lymphoma/Myeloma	3/28/2022	Complete
MDA22-107	Price Transparency Review	Risk managed by Compliance	Cancelled
MDA22-108	Procedural & Therapeutics - Charge Capture	Pending	In Progress
MDA22-109	Excepted from Public Disclosure	8/31/2022	Complete
MDA22-110	Supply Chain Review	Postponed pending external assessment	Postponed
MDA22-111	Physicians Referral Service (PRS) Review	6/2/2022	Complete
MDA22-112	UTS 187 Compliance and Outcome Measures	8/29/2022	Complete
MDA22-113	Capital Project Onboarding Audit	8/15/2022	Complete
MDA22-114	Management Involvement on Co-Sourced Construction Projects	N/A	Complete
MDA22-115	Management Involvement on other Co-Sourced Projects (Robotics Process Automation/Compliance Assessment)	N/A	Complete
MDA22-116	Executive and Faculty Travel and Business Entertainment	8/8/2022	Complete
MDA22-117	Presidential Travel and Entertainment	Report issued by UT System	Complete
MDA22-218	Stem Cell Transplantation Departmental Review	Pending	In Progress
MDA22-219	Pulmonary Medicine Departmental Review	Pending	In Progress
<i>Information Technology Audits</i>			
MDA22-400	Excepted from Public Disclosure	Risk ranking re-evaluated	Cancelled
MDA22-401	Excepted from Public Disclosure	8/31/2022	Complete
MDA22-402	Excepted from Public Disclosure	3/22/2022	Complete
MDA22-403	Excepted from Public Disclosure	Pending	In Progress
MDA22-404	Excepted from Public Disclosure	Pending	In-Progress
MDA22-405	Excepted from Public Disclosure	Risk ranking re-evaluated	Cancelled
MDA22-406	Excepted from Public Disclosure	Risk ranking re-evaluated	Cancelled
MDA22-407	Kronos Dimensions	Risk ranking re-evaluated	Cancelled

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Project No.	Project Title	Report Date	Project Status
MDA22-408	Excepted from Public Disclosure	Risk addressed through external assessment	Cancelled
MDA22-409	Management Involvement on Co-Sourced IT Projects	N/A	Complete
<i>Carry-Forward Audits</i>			
MDA21-108CF	Business Continuity Planning for Critical Operations	3/18/2022	Complete
MDA21-404CF	Excepted from Public Disclosure	12/1/2021	Complete
<i>Required Audits (Externally and Internally)</i>			
MDA22-300	FY 2021 Financial Statement Audit (year-end)	Report issued by Deloitte at UT System level	Complete
MDA22-301	FY 2022 Financial Statement Audit (interim)	8/31/2022	Complete
MDA22-302	Benefits Funding Proportionality	2/11/2022	Complete
MDA22-303	Annual Report to the State Auditor	11/1/2021	Complete
MDA22-304	Procurement Compliance Assessment (TEC 51.9337)	8/31/2022	Complete
<i>Risk-Based Consulting Projects</i>			
MDA22-200	Enterprise Risk Management (ERM)	Consulting Project – Verbal comments provided to management	Complete
MDA22-201	CARES Act Funding	Consulting Project – Verbal comments provided to management	Complete
MDA22-202	Customer Relationship Management System (CRMS) Consulting	8/31/2022	Complete
MDA22-203	Grants and Contracts Consulting	Consulting Project – Verbal comments provided to management	Complete
MDA22-204	Excepted from Public Disclosure	10/28/2021	Complete
MDA22-205	Drug Diversion Consulting	Consulting Project – Verbal comments provided to management	Complete
MDA22-206	Criminal Background Checks	Consulting Project – Verbal comments provided to management	Complete
MDA22-207	General Consultation with Management	N/A	Complete
MDA22-208	IT Liaison Activities	N/A	Complete
MDA22-209	Institutional Committee Participation	N/A	Complete
MDA22-210	Excepted from Public Disclosure	2/14/2022	Complete
MDA22-211	CARES Act - Provider Relief Funds (PRF)	12/1/2021	Complete
MDA22-212	Clinical Trials Management System (CTMS) Consulting	Postponed to FY23	Postponed
<i>Investigations</i>			
MDA22-800	Excepted from Public Disclosure	12/10/2021	Complete
MDA22-801	Excepted from Public Disclosure	12/10/2021	Complete
MDA22-802	Excepted from Public Disclosure	4/5/2022	Complete
MDA22-803	Excepted from Public Disclosure	8/17/2022	Complete
MDA22-804	Excepted from Public Disclosure	8/8/2022	Complete

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Project No.	Project Title	Report Date	Project Status
<i>Follow-up</i>			
MDA22-500	Quarterly Reporting / Monitoring Activities	N/A	Complete
MDA22-501	Validation Activities - Phase I	2/28/2022	Complete
MDA22-502	Validation Activities - Phase II	8/31/2022	Complete
MDA22-503	IT Follow-up Validation Activities	N/A	Complete
<i>Development - Operations</i>			
-	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
-	COVID Screening Participation	N/A	Cancelled
-	IT Risk Assessment FY 23	N/A	Complete
-	IT Administrative Activities	N/A	Complete
<i>Development – Initiatives & Education</i>			
-	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	N/A	Complete

	Audit / Project cancelled / postponed
	Audit / Project added to Plan

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 2022. The audit examined fiscal year 2020 and 2021. The audit ensured compliance with Rider 8, page III-46 of the General Appropriations Act (87th Legislature). A consistent audit methodology has been deployed across UT System that assessed the reporting process and accuracy of benefits funding information provided to the State Comptroller.

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.”*

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The MD Anderson Cancer Center Internal Audit Department conducted this required assessment for fiscal year 2022, 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 the assessment was conducted.

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III. Consulting Services and Non-audit Services Completed

Project No.	Project Title	Report Date	Project Objective	Services / Observations / Results / Recommendations
22-200	Enterprise Risk Management	Consulting – Facilitated ERM Initiative	Coordinate with management to continue enhancement of an enterprise risk management framework for the institution.	Internal Audit continues to collaborate with the ERM team throughout the year. Internal Audit routinely shares information, ensure risks are aligned, and ensures no duplication of effort exists between our departments.
22-201	CARES Act Funding Consulting	8/31/2022	Perform a consulting engagement to ensure compliance with the various requirements of CARES Act funding.	Internal Audit performed ongoing consulting to management throughout the period to help ensure compliance with the various requirements of CARES Act funding.
22-202	Customer Relationship Management System Consulting	8/31/2022	Assess whether appropriate segregation of duties and access is being implemented as part of the new system.	Internal Audit gained an understanding of the system and assessed the current status of the implementation. This included a review of the project timeline with identified sprints (milestones) and percentage of completion for each sprint. As part of this process, we noted that the implementation has been adjusted to August 2023. Internal Audit will continue to monitor the progress of the implementation in FY2023 and assess various aspects of the implementation based on our approved Audit Plan.
22-203	Grants and Contracts Consulting	8/31/2022	In coordination with Institutional Compliance and Grants and Contracts, Internal Audit will make recommendations related to control processes, both centralized and decentralized, to ensure allowability of costs charged to grants, including but not limited to the accuracy of effort reporting.	Internal Audit has been collaborating with an internal task force aimed at optimizing the financial structure embedded in the various decentralized enterprises. Internal Audit continues to assist in identifying and providing guidance on mitigating potential compliance risks related to Grants and Contracts.
22-204	Excepted from Public Disclosure			
22-205	Drug Diversion Consulting	Consulting – Verbal Comments provided to Management	Participate in a consulting role on the Medical Diversion Prevention Committee.	Internal Audit participates 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.

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Project No.	Project Title	Report Date	Project Objective	Services / Observations / Results / Recommendations
22-206	Criminal Background Checks	Consulting – Verbal Comments provided to Management	Internal Audit will continue to partner with key stakeholders to ensure processes established around a comprehensive background check have been implemented for all employees, including faculty, as part of the on-boarding process.	Internal Audit facilitated communication between Human Resources, Supply Chain, and impacted process owners to discuss the implementation of criminal background checks. Due to COVID-19 and staffing issues, the planned implementation has been delayed, and Human Resources is reviewing options. Internal Audit will continue to connect process owners, and highlight continuing areas of risk, as a new proposal and implementation date is developed by Human Resources and re-submitted to executive leadership for consideration.
22-210	Excepted from Public Disclosure			
22-211	Coronavirus Aid, Relief and Economic Security (CARES) Act -Provider Relief Funds (PRF)	12/1/2021	Ensure the amount and metrics included in the CARES Act Funds – PRF reporting for Period 1 (April 10,2020 – June 30, 2020) were accurate and properly supported.	Internal Audit performed a validation of the PRF report and noted several minor variances in the personnel/patient metrics as compared to supporting documentation, as well as the need to include other assistance received throughout the period. Management incorporated these changes into the final report prior to submission of the report to HHS.
22-117	President's Housing, Travel and Entertainment	Report Provided by UTS	To provide data and documentation to the UTS Audit Office for their review of the President's Travel Audit.	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 and facilitated documentation requests as needed from the President's Office.
22-300	FY 2021 Financial Statement Audit (Year End)	12/31/2021	To assist Deloitte with testing relating to the External Financial Statement Audit.	Internal Audit assisted the external financial statement auditors with interim testing. Observations and recommendations will be made by Deloitte to management.
22-301	FY 2022 Financial Statement Audit (interim)	8/31/2022	To assist Deloitte with testing relating to the External Financial Statement Audit.	Internal Audit assisted the external financial statement auditors with interim testing. Observations and recommendations will be made by Deloitte to management.
22-303	Annual Report to State Auditors	12/10/2021	To report Internal Audit's activities to the Texas State Auditor as required by Texas Internal Auditing Act.	Internal Audit prepared the required Annual Report to the State Auditor's Office (SAO).
22-304	Procurement Compliance Assessment (TEC 51.9337)	8/31/2022	To assess compliance with Texas Education Code 51.9337 related to state procurement requirements.	As required annually by Texas Education Code 51.9337, Internal Audit performed an assessment to determine whether the Institution has adopted the required rules and policies related to purchasing of goods and services. No exceptions were noted.
- - -	Various Investigations	Various methods of communication	To conduct investigations as necessary.	Information was provided to appropriate levels of management.

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IV. External Quality Assurance Review (Peer Review)



September 1, 2020

Ms. Sherri Magnus, Vice President & Chief Audit Officer
The University of Texas M.D. Anderson Cancer Center

In July 2020, The University of Texas M.D. Anderson Cancer Center (UT MDACC) internal audit (IA) function 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). UTMDACC IA engaged an independent review team consisting of internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of IA'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 IIA'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 IA, we agree with IA'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 IA'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, The University of Texas System Administration and The UT M.D. Anderson Cancer Center 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 System Administration and The University of Texas M.D. Anderson Cancer Center.

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

Very truly yours,

Baker Tilly Virchow Krause, LLP

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V. Internal Audit Plan for Fiscal Year 2023

FY 2023 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Assurance Engagements			
Excepted from Public Disclosure	500		
Cloud Services Cost Management	600		To identify and assess cloud costs and determine potential cost savings and optimization.
Revenue Reconciliations	600		To review daily revenue reconciliations for selected departments to ensure that they are adequate, timely and complete.
Nursing Contract Labor	600		To review the process for evaluating each agency to determine whether the terms and the provisions of the contract have been met. In addition, to assess the frequency at which each agency is utilized and the process for making those decisions.
Departmental Audit - Pathology - Lab Medicine	800		To provide a general assessment of the financial, administrative, and compliance controls within the selected department.
Departmental Audit - Genitourinary Medical Oncology	800		To provide a general assessment of the financial, administrative, and compliance controls within the selected department.
Departmental Audit (TBD)	800		To provide a general assessment of the financial, administrative, and compliance controls within a selected department.
Texas Risk and Authorization Management Program (TX-RAMP) Compliance Assessment	500		To determine whether controls and processes are in place to ensure compliance with Texas Government Code 2054.0593, which mandates that state agencies as defined by Texas Government Code 2054.003(13) must only enter or renew contracts to receive cloud computing services that comply with TX-RAMP requirements beginning January 1, 2022.
Excepted from Public Disclosure	600		
Grants and Contracts - Closeouts	500		To determine whether federal grants and contracts are being closed in accordance with requirements and in a timely manner.

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FY 2023 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Excepted from Public Disclosure	500		
Physicians Referral Service (PRS) Review - TBD	600		Using a risk-based approach, review the controls and processes in place for a select PRS activity.
Investigational Drug Review	500		To ensure proper safeguarding and inventory management of investigational drugs.
Audit Process Innovation	600		Using an external vendor, explore and develop technological tools as part of the departmental initiative to improve the efficiency of the audit process and increase audit coverage. This project will impact an operational area, to be determined.
PMIS Pre-Implementation (Facilities Mgt)	250	-	During the implementation of Oracle Unifier, to determine if implementation risks related to (i) Business Process Readiness and Solution Design, (ii) Data Conversion and Governance, (iii) Organization Change Enablement, (iv) Reporting and Analytics, and (v) Security and Internal Controls are being appropriately addressed and mitigated.
Facilities Management Activities/Construction - Deferred Maintenance	500		To conduct risk-based review of deferred maintenance, performed by co-sourced vendor.
Management Involvement on Co-Sourced Construction Projects	200		To oversee/facilitate audits of construction activities.
Management Involvement on other Co-Sourced Projects	250		To oversee/facilitate audits of other co-sourced activities.
Executive and Faculty Travel and Business Entertainment	200		To determine if travel and entertainment activities and expenditures of executive management and faculty are conducted in accordance with UT System and MDACC policy.
Presidential Travel and Business Entertainment	40		To 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.

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FY 2023 Audit Plan	Original Budget	Percent of Total	General Objective/Description
<i>Technology and Innovation Engagements</i>			
<i>Co-sourced</i>			
Excepted from Public Disclosure	500		
Excepted from Public Disclosure	500		
Excepted from Public Disclosure	500		
Excepted from Public Disclosure	500		
Excepted from Public Disclosure	300		
Excepted from Public Disclosure	300		

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FY 2023 Audit Plan	Original Budget	Percent of Total	General Objective/Description
<u>Internal</u>			
Excepted from Public Disclosure	600		
Excepted from Public Disclosure	400		
Management Involvement on Co-Sourced IT Projects	250		To oversee/facilitate audits of IT activities.
<u>Carry-Forward Engagements</u>			
Reserve for Carryforward Engagements	250		Reserve will be used to complete any outstanding FY22 projects not completed by August 31.
Departmental Audit - Stem Cell (including Financial Clearance Process)	250		To provide a general assessment of the financial, administrative, and compliance controls within a selected department.
Departmental Audit - Procedural and Therapeutics	250		To provide a general assessment of the financial, administrative, and compliance controls within a selected department.
Excepted from Public Disclosure	250		
Excepted from Public Disclosure	250		
Assurance Engagements Subtotal	15040	52.5%	

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FY 2023 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Advisory and Consulting Engagements			
Enterprise Risk Management (ERM)	50		Collaborate with the ERM team in the identification and communication of emerging and existing institutional strategic risks. (Ongoing)
CARES Act Funding	100		Collaborate with management on CARES Act funding requirements to ensure compliance.
Supply Chain Consulting	100		In coordination with management, provide consulting in coordination with a planned Supply Chain assessment performed by an external vendor.
Oracle HCM Cloud Consulting	50		Participate in a consulting role in the implementation of the new human resources solution.
Grants and Contracts Consulting	100		In coordination with Institutional Compliance and Grants and Contracts, Internal Audit will make recommendations related to control processes, both centralized and decentralized, to ensure allowability of costs charged to grants, including but not limited to the accuracy of effort reporting.
Excepted from Public Disclosure	100		
Drug Diversion Consulting	50		Participate in a consulting role on the Medication Diversion Prevention Committee.
Criminal Background Checks Consulting	50		Internal Audit will continue to partner with key stakeholders to ensure processes established around a comprehensive background check have been implemented for all employees, including faculty, as part of the on-boarding process.
Excepted from Public Disclosure	175		
Excepted from Public Disclosure	175		

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FY 2023 Audit Plan	Original Budget	Percent of Total	General Objective/Description
General Consultation with Management	200		To consult with management on various high-risk topics.
Institutional Committee Participation	200		To participate, in a consulting role, on committees within the institution.
Advisory and Consulting Engagements Subtotal	1350	4.7%	
Required Engagements			
FY 2022 Financial Statement Audit (year-end)	220		To assist Deloitte with testing relating to the External Financial Statement Audit.
FY 2023 Financial Statement Audit (interim)	200		To assist Deloitte with testing relating to the External Financial Statement Audit.
Annual Report to the State Auditor	100		To report Internal Audit's activities to the Texas State Auditor as required by Texas Internal Auditing Act.
Procurement Compliance Assessment	40		To assess compliance with Texas Education Code 51.9337 related to state procurement requirements.
Required Engagements Subtotal	560	2.0%	
Investigations			
Reserve for Investigations	1,000		Reserve will be used to respond to any investigative requests throughout the year.
Investigations Subtotal	1000	3.5%	
Reserve			
Reserve for Just-In-Time Auditing/Advisory Services	2,393		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 Subtotal	2393	8.3%	
Follow-Up			
Quarterly Reporting / Monitoring Activities	200		To report on follow-up validation activity.
Validation Activities - Phase I	500		To conduct follow-up on outstanding recommendations for quarters 1 and 2.
Validation Activities - Phase II	500		To conduct follow-up on outstanding recommendations for quarters 3 and 4.

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FY 2023 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Technology and Innovation Follow-up Validation Activities	500		To conduct follow-up on outstanding Technology and Innovation recommendations.
Follow-Up Subtotal	1700	5.9%	
Development - Operations			
Internal / External Quality Assurance Activities	650		To conduct on-going reviews of audits/projects for compliance with the International Institute of Internal Auditors (IIA) standards.
Internal Audit Committee Preparation / Participation	500		To prepare audit committee materials and participate in quarterly meetings.
Institutional Risk Assessment and Work Plan Development	500		To update the comprehensive risk assessment and Work Plan.
Audit Strategic Planning	2,080		To perform strategic planning and manage the overall audit activity.
Technology and Innovation Risk Assessment FY 24	250		Updating of the IT risk assessment and audit work plan.
Development - Operations Subtotal	3980	13.9%	
Development - Initiatives and Education			
UT System Coordination	300		To participate in UT System initiatives, including selection of new automated audit management application.
Audit Management Software Preparation (Risk Assessment and Training)	400		To implement the risk assessment module of the new audit management software application, and to train department on new audit management system.
Professional Organization / Association Participation	100		To participate in the IIA Houston Chapter Annual Conference.
Training / Continuing Professional Education	1,850		To provide training and continuing professional education to audit staff in accordance with audit standards.
Development - Initiatives and Education Subtotal	2650	9.2%	
Total Budgeted Hours	28,673	100.0%	

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.

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Additional “high” risks identified but not included in the FY 2023 Work Plan are found in the following areas. Many of these risks are mitigated by other initiatives throughout the institution.

- Academic Instruction
- Auxiliary Enterprises
- Culture
- Institutional Advancement
- Environmental Health and Safety
- Endowments and Gifts
- Governance and Strategy
- Front-end Revenue Cycle
- Patient Safety and Quality Processes
- Technology Innovation

Our risk assessment methodology included interviews with various levels of management in the institution. Additionally, we leveraged information obtained by the Enterprise Risk Management team, as well as a multitude of other data inputs. Identified risks were aligned with the institutional strategic plan. 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. In addition to the inputs to the risk assessment discussed above, our methodology included consideration, if any, of risks associated with:

- The applicable information technology risks related to Title 1, Texas Administrative Code, Chapter 202 (Information Security Standards).
- Benefits proportionality.
- Methods for ensuring compliance with contract processes and controls and for monitoring agency contracts, according to Texas Government Code, Section 2102.005(b).

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VI. External Audit Services Procured in Fiscal Year 2022

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	Protiviti and PricewaterhouseCoopers
Facilities Internal Audit Co-Sourcing	Protiviti
Excepted from Public Disclosure	Protiviti

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VII. Reporting Suspected Fraud and Abuse

The screenshot shows a SharePoint page titled "Corporate Fraud & Abuse" under the "Institutional Compliance" section. The page includes a navigation bar with various menu items, a search bar, and a user profile. The main content area features a definition of fraud, reporting instructions, and a list of resources. A sidebar on the right contains a "Resources" section with links to external and internal documents. Below the main text is a "Related Policies" section with three document icons. The "Our Ethics & Conflicts of Interest Team" section lists six team members with their names and titles. At the bottom, there is a "Contact Us" section for the Ethics & Conflicts of Interest department, providing address, phone, fax, and email information.

Corporate Fraud & Abuse

The [Association of Certified Fraud Examiners](#) defines fraud as any intentional or deliberate act to deprive another of property or money through guile, deception, or other unfair means. Corporate or Occupational Fraud includes such categories as corruption (conflicts of interest, bribery, illegal gratuities), asset misappropriation (cash larceny, skimming), and fraudulent statements (both financial and non-financial).

Faculty, trainees/students, and other members of MD Anderson's workforce should remember:

MD Anderson's Compliance Hotline, 1-800-789-4448, is a toll-free number that individuals may use to report suspected wrongdoing, fraud, risk, abuse, and violations of federal or state laws and help MD Anderson combat corporate fraud.

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)**. Additional information may be found on the [State Auditor's Office](#) website.

Resources

- Association of Certified Fraud Examiners
- Hospital Compliance Plan - MD Anderson Cancer Center
- Texas State Auditor's Office - Investigations & Audit Support
- MD Anderson's Standards of Conduct: Do the Right Thing
- MD Anderson's Hospital Compliance Plan

Related Policies

- Internal Control Policy (MD Anderson Institutional Poli...
- Ethics for State Employees Policy (MD Anderson...
- Use of State-Owned Property, Equipment...

Our Ethics & Conflicts of Interest Team

- Ingraham, Ryan R
Sr Legal Officer & Director
- Muhammad, Amber M
Asst Legal Officer
- Markantonis, Allison
Assoc Dir, Institutional Compl
- Molin, Melissa
Sr Compliance Analyst
- Virani, Shairoz H
Compliance Analyst
- Waters, Ashley Marie
Sr Compliance Analyst
- Wilcox, Misty D
Compliance Analyst

Contact Us

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