

**The University of Texas MD Anderson Cancer Center
Internal Audit Annual Report for FY2025**

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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 2025 audit plan, as approved by the Institutional Audit Committee, will be posted on the MD Anderson external website as part of the Fiscal Year 2025 SAO Annual Report. The Fiscal Year 2025 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, 2025, as required.

The following matrix provides a summary of the weaknesses and action taken by management for projects on the Fiscal Year 2025 Audit Plan, as required by Texas Government Code, Section 2102.015:

Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: • Fully Implemented • Substantially Implemented • Incomplete/Ongoing • Not Implemented
24-100	10/31/2024	Department Audit - Neurosurgery	Internal Audit identified opportunities for management to improve processes within financial management, revenue cycle, personnel management, and grant compliance.	Management agreed with the observations and provided action plans to address risks.	Substantially Implemented
24-102	11/7/2024	Pharmacy Controlled Substances	Internal Audit recommended that the Division of Pharmacy ensure Pyxis station access is appropriate, segregation of duties is sufficient, dual acknowledgements consistently occur, DEA 222 forms are consistently used, and to consider options to integrate Eyecon with Epic.	Management agreed with the observations and provided action plans to address risks.	Substantially Implemented

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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
24-112	10/17/2024	President's Travel and Business Entertainment Expenses (CY2023)	Internal Audit did not identify any reportable issues.	No action to be taken as no issues were reportable.	Not Applicable
25AS0001	7/7/2025	Accounts Payable Recovery Audit	Internal Audit identified \$2.4 million in available vendor refunds and credits. This represents an accuracy rate in accounts payable processing of 99.932%. However, there were no formal recommendations related to controls or processes.	The exceptions were provided to Accounts Payable management and were subsequently resolved.	Not Applicable
25AS0005	4/9/2025	Excepted from Disclosure			
25AS0006	3/24/2025	Excepted from Disclosure			
25AS0009	6/26/2025	Excepted from Disclosure			
25AS0014	8/29/2025	Excepted from Disclosure			
25AS0015	8/29/2025	Excepted from Disclosure			
25AS0017	8/8/2025	Presidential Travel and Business Entertainment Expense Audit (CY2024)	Internal Audit did not identify any reportable issues.	No action to be taken as no issues were reportable.	Not Applicable
25AS0018	4/9/2025	Excepted from Disclosure			
25AS0021	8/18/2025	Single Case Agreements (SCA)	Internal Audit recommends that management use appropriate reimbursement rates, strengthen reporting and review of SCA activity, consult with Legal Services on rate overrides, ensure underpayments are consistent and timely, and improve financial clearance processes when SCA not executed.	Management agreed with the observations and provided action plans to address risks.	Incomplete/On-going
25AS0022	6/26/2025	Excepted from 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
25AS0024	1/16/2025	Guest Travel and Business Expenses Audit	Internal Audit recommended that management establish a Guest Travel and Business Expense Policy to provide clear guidance and requirements for guest travel.	Management agreed with the observations and provided an action plan to address risks.	Incomplete/On-going
25AS0803	8/7/2025	Executive and Faculty Travel and Business Expenses Audit	Internal Audit did not identify any reportable issues.	No action to be taken as no issues were reportable.	Not Applicable
25AS0852	6/27/2025	Stand Up 2 Cancer Grant Review	Internal Audit identified an opportunity to strengthen the process and effectiveness of controls related to notifications to the lead institution for patent applications/discoveries.	Management agreed to improve processes over notifications of patent application/discoveries to lead institutions.	Incomplete/On-going
25AS0854	8/25/2025	Medicare Secondary Payor Questionnaire (MSPQ) Review	Internal Audit recommended that management implement institution-wide reporting, standardize the monthly audit process, enhance training, and develop detailed SOP guidance.	Management agreed to enhance key controls and processes for identified observations.	Incomplete/On-going

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II. Internal Audit Plan for Fiscal Year 2025

The following matrix details the status of the Fiscal Year 2025 Audit Plan:

Project No.	Project Title	Report Date	Project Status
Assurance Engagements			
MDA25AS0001	Accounts Payable Recovery Audit	7/7/2025	Complete
MDA25AS0002	Charge Capture Audit	Audit project postponed until FY26 to allow for external consultant to complete review.	Cancelled
MDA25AS0003	<i>Excepted from Disclosure</i>		Cancelled
MDA25AS0004	Denials Appeals Process	Pending	In-Progress
MDA25AS0005	<i>Excepted from Disclosure</i>	4/4/2025	Complete
MDA25AS0006	<i>Excepted from Disclosure</i>	3/24/2025	Complete
MDA25AS0007	<i>Excepted from Disclosure</i>		Cancelled
MDA25AS0008	Facilities Workforce Strategy Assessment	Audit project was postponed until strategy is fully developed and implemented.	Cancelled
MDA25AS0009	<i>Excepted from Disclosure</i>	6/26/2025	Complete
MDA25AS0010	Major Capital Equipment Management and Governance Assessment	Pending	In-Progress
MDA25AS0011	Management Involvement on Co-Sourced Construction Projects	N/A	Complete
MDA25AS0012	Management Involvement on Co-Sourced IT Projects	N/A	Complete
MDA25AS0013	Management Involvement on other Co-Sourced Projects	N/A	Complete
MDA25AS0014	<i>Excepted from Disclosure</i>	8/29/2025	Complete
MDA25AS0015	<i>Excepted from Disclosure</i>	8/29/2025	Complete
MDA25AS0016	Operational Review of Northwest Surgical Center	Pending	In Progress
MDA25AS0017	President's Travel and Business Entertainment	8/8/2025	Complete
MDA25AS0018	<i>Excepted from Disclosure</i>	4/8/2025	Complete
MDA25AS0019	<i>Excepted from Disclosure</i>		Cancelled
MDA25AS0020	<i>Excepted from Disclosure</i>	Pending	In-Progress
MDA25AS0021	Single Case (Spot) Agreements	8/18/2025	Complete
MDA25AS0022	<i>Excepted from Disclosure</i>	6/26/2025	Complete
MDA25AS0024	Guest Travel Expense Review	1/16/2025	Complete
MDA25AS0803	Executive and Faculty Travel and Business Expenses	8/8/2025	Complete
MDA25AS0852	Stand Up 2 Cancer Grant Review	6/26/2025	Complete
MDA25AS0854	MSPQ Compliance Review	8/25/25	Complete
MDA25AS0855	<i>Excepted from Disclosure</i>	Pending	In-Progress
MDA25AS1174	<i>Excepted from Disclosure</i>	Pending	In-Progress

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Project No.	Project Title	Report Date	Project Status
Advisory Engagements			
MDA25AD0001	Accounts Receivable Consulting	Audit postponed until future date while changes in methodology are implemented.	Cancelled
MDA25AD0002	<i>Excepted from Disclosure</i>	Audit postponed until future date while various initiatives are implemented using an external vendor.	Cancelled
MDA25AD0003	Enterprise Risk Management	Consulting Project – Verbal comments provided to management	Complete
MDA25AD0004	Exclusive Acquisition Justification (EAJs) / Emergency Agreements	4/1/2025	Complete
MDA25AD0005	General Consultation with Management	N/A	Complete
MDA25AD0006	Institutional Committee Participation	N/A	Complete
MDA25AD0007	Segregation of Duties and Account Reconciliations (UTS 142)	10/29/2024	Complete
MDA25AD0018	Psychiatry Charge Capture Review	1/21/2024	Complete
MDA25AD0023	<i>Excepted from Disclosure</i>	3/31/2025	Complete
MDA25AD0075	Limited Procurement Card Transactional Analysis	11/11/2024	Complete
MDA25AD0764	Volunteer Services	3/31/2025	Complete
MDA25AS0780	Head and Neck Oral Oncology (Dental Unit)	4/8/2025	Complete
MDA25AD0851	Medication Diversion Committee	8/31/2025	Complete
MDA25AD1102	Diagnoses Codes Sequencing	6/26/2025	Complete
Carry-Forward Audits			
MDA25ASCF0001	24-100 Dept Audit - Neurosurgery	10/31/2024	Complete
MDA25ASCF0002	24-102 Pharmacy Controlled Substances	11/7/2024	Complete
MDA25ADCF0003	24-112 President's Travel and Business Entertainment	10/17/2024	Complete
MDA25ADCF0779	<i>Excepted from Disclosure</i>	1/21/2025	Complete
Required Audits (Externally and Internally)			
MDA25RQ0001	Procurement Compliance Assessment	3/31/2025	Complete
MDA25RQ0002	FY 2024 Financial Statement Audit (year-end)	Internal Audit did not contribute resources to this audit for FY24.	Cancelled
MDA25RQ0003	FY 2025 Financial Statement Audit (interim)	Report issued by Deloitte at UT System level	Complete
Follow-up Activities			
MDA25FL0001	Facilities Follow-up (KPMG)	8/31/2025	Complete
MDA25FL0002	Quarterly Reporting / Monitoring Activities	8/31/2025	Complete

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Project No.	Project Title	Report Date	Project Status
MDA25FL0003	Technology and Innovation Follow-up Validation Activities	8/31/2025	Complete
MDA25FL0004	Validation Activities - Phase I (9.1.24 - 2.28.25)	2/28/2205	Complete
MDA25FL0005	Validation Activities - Phase II (3.1.25 - 8.31.25)	8/31/2025	Complete
Operations			
MDA25OP0001	Annual Report to the State Auditor	N/A	Complete
MDA25OP0002	Audit Strategic Planning	N/A	Complete
MDA25OP0003	Facilities Risk Assessment FY26	N/A	Complete
MDA25OP0004	Institutional Risk Assessment and Work Plan Development	N/A	Complete
MDA25OP0005	Internal Quality Assurance Activities	N/A	Complete
MDA25OP0006	Internal Audit Committee Preparation / Participation	N/A	Complete
MDA25OP0007	Technology and Innovation Risk Assessment FY26	N/A	Complete
MDA25OP0763	2024 IIA Standards Assessment	N/A	Complete
Initiatives & Education			
MDA25IE0001	Audit Management Software Transition and Training	N/A	Complete
MDA25IE0002	Training / Continuing Professional Education	N/A	Complete
MDA25IE0003	UT System Coordination	N/A	Complete

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

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 2025, 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 policies 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
24-203	<i>Excepted from Disclosure</i>			
MDA25AD0003	Enterprise Risk Management	N/A	Collaborate with the ERM team in the identification and communication of emerging and existing institutional strategic risks.	Internal Audit continues to collaborate and coordinate with the ERM team throughout the year to ensure connected risk management. Internal Audit exchanges information with the ERM team, evaluates emerging/evolving risks, and assesses alignment of risks.
MDA25AD0004	Exclusive Acquisition Justification (EAJs) / Emergency Agreements	4/1/2025	Analyze data and provide additional insights to the Corporate Compliance Committee on the nature and justification of EAJs and Emergency Contracts.	Internal Audit analyzed EAJ data and provided management with summarized results as well as recommendations to strengthen the process.
MDA25AD0007	Segregation of Duties and Account Reconciliation	10/29/2024	To consult with Financial Controls to ensure that prior recommendations have been remediated and to identify potential concerns that may arise from departmental subcertifications.	Internal Audit assessed the monitoring activities being performed related to financial reporting. No issues or concerns were identified.
MDA25AD0018	Psychiatry Charge Capture Consulting Review	1/21/2025	To review charge capture and other revenue cycle activities in an effort to identify potential areas of revenue leakage, and opportunities for optimization.	Internal Audit reviewed charge capture and other revenue cycle activities and provided results and conclusions to Psychiatry management.
MDA25AD0023	<i>Excepted from Disclosure</i>			
MDA25AD0075	Limited Procurement Card Transactional Analysis	11/11/2025	To review ProCard transaction data for key trends, anomalies, and potentially unacceptable purchases.	Internal Audit performed a review of ProCard data and provided insights to the process owners to enhance current monitoring activities.
MDA25AD0764	Volunteer Services	3/31/2025	To review compliance with applicable requirements for the on-site volunteer services program.	Internal Audit recommended improvements to the background check and training processes for volunteers.
MDA25AS0780	Head and Neck Oral Oncology (Dental Unit)	4/8/2025	To perform a limited review within the unit using a risk-based approach.	Internal Audit performed a limited assessment of the Dental Unit and noted opportunities related to internal controls, conflict of interest, PHI data, procurement and charge capture.
MDA25AD0851	Medication Diversion Committee	N/A	Participate in a consulting role on the Medication Diversion Prevention Program Committee.	Internal Audit participates in a consulting role on the Medication Diversion Prevention Program Committee, established to prevent, identify and address medication diversion risks.

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Project No.	Project Title	Report Date	Project Objective	Services / Observations / Results / Recommendations
MDA25AD1102	Diagnoses Codes Sequencing	6/26/2025	To advise management on processes to ensure that appropriate diagnosis codes for ancillary services are used to ensure that they accurately captured in Epic.	Internal Audit collaborated with various departments to identify the root cause of code resequencing for both inpatient and outpatient services.
MDA25RQ0003	Support for FY 2025 Financial Statement Audit (interim)	8/31/2025	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.
MDA25OP0001	Annual Report to State Auditor	10/1/2024	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).
MDA25RQ0001	Procurement Compliance Assessment (TEC 51.9337)	3/31/2024	To assess compliance with Texas Education Code 51.9337 related to state procurement requirements.	No recommendations issued by Internal Audit.

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IV. External Quality Assurance Review (Peer Review)



January 2024

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

In August 2023, The University of Texas MD Anderson Cancer Center (UT MDACC) Internal Audit (IA) department 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). UT MDACC 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 UT MDACC 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,

A handwritten signature in black ink that reads "Baker Tilly US, LLP".

Baker Tilly US, LLP

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V. Internal Audit Plan for Fiscal Year 2026

FY 2026 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Assurance Engagements			
3rd Party Assurance Report Review and Monitoring	400		To evaluate processes in place to obtain and review third party assurance reports regarding whether the organization has adequate systems and controls in place to protect critical business information. This review should include determining whether processes are in place to monitor whether vulnerabilities and improvements are made when necessary.
Provider Credentialing Review	400		To review the controls and processes in place to verify a provider's qualifications, experience, and background during appointments and reappointments.
Employment Eligibility Verification (I-9) Compliance Review	300		To determine compliance with federal regulations regarding the verification of employee identity and eligibility to work in the United States, this review will include reviewing I-9 forms (Form I-9, Employment Eligibility Verification) to verify that they are accurate, complete, and compliant with relevant laws.
Benefits Eligibility Review	400		To review the controls in place to ensure that employees and their enrolled dependents are eligible for the benefits provided.
Charge Capture (Follow-up to Consulting Project)	500		To follow-up on the external consultant recommendations related to charge capture in coordination with Revenue Cycle management.
Payroll and PTO Cash Payout Review	700		To assess the key controls over payroll processes to include employee set-up, payroll adjustments and corrections, reconciliations, interfaces, tax compliance, accuracy of the payroll calculation, and any other related processes. To assess the controls in place to ensure that the PTO payouts are accurate and recorded appropriately.
After Hours Coverage (External Physician Agreements)	500		Using a risk-based approach, evaluate the controls and processes over the program coverage, including agreements for physician services to provide afterhours patient coverage.
Clinical Trials Financial Review	500		Using a risk-based approach, evaluate the financial management for selected clinical trials.
Excepted from Disclosure	500		
Pharmacy Charge Capture Review	500		To review the controls and processes in place to ensure Pharmacy charges are captured, utilizing a risk-based approach and data analytics.
Charge Capture and Reconciliation – Pathology and Laboratory Medicine Division	600		To conduct a charge capture audit of select areas within the Division to determine if services provided were captured and recorded appropriately

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FY 2026 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Excepted from Disclosure	300		
President's Travel and Business Entertainment	100		To determine if travel and entertainment activities and expenditures of the President and spouse are conducted in accordance with UT System and MDACC policy.
Capital Execution and Allocation Frameworks Audit	500		To evaluate the effectiveness of the newly implemented Capital Allocation framework in governing Capital Execution, with a focus on enhancing accountability and establishing structured decision-making processes. (Co-sourced)
Facilities Estimating, Forecasting, and Reporting Process Assessment	500		To assess the effectiveness of Facilities' processes for estimating, forecasting, and reporting. (Co-sourced)
Management Involvement on Co-Sourced Construction Projects	200		To oversee/facilitate audits of construction activities.
Management Involvement in Co-Sourced IT Projects	200		To oversee/facilitate audits of IT activities.
Excepted from Disclosure	455		
Excepted from Disclosure	430		
Excepted from Disclosure	800		
Assurance Engagements Subtotal	8,785	39%	
Advisory Engagements			
Supply Chain - Contract Monitoring Review	500		In coordination with Supply Chain, evaluate controls and process improvements made to strengthen contract management and termination activities.
Excepted from Disclosure	500		
Excepted from Disclosure	380		
Audio Visual Equipment Process Assessment	415		To perform a review of the audio and visual equipment governance and processes. To assess processes against leading practices using a risk-based approach. (Co-sourced)

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FY 2026 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Advisory Engagements			
Enterprise Risk Management Collaboration	50		Collaborate with the ERM team in the identification and communication of emerging and existing institutional strategic risks. (Ongoing)
Segregation of Duties and Account Reconciliations	100		To perform a review of management's assertions relating to expense monitoring, segregation of duties (SOD), and internal controls, as noted within UTS Rule 142 Financial Accounting and Reporting.
Medication Diversion Prevention Committee	40		Participate in a consulting role on the Medication Diversion Prevention Committee.
Excepted from Disclosure	200		
Excepted from Disclosure	260		
Excepted from Disclosure	400		
Excepted from Disclosure	410		
General Consultation with Management	100		To consult with management on various high-risk topics.
Institutional Committee Participation	100		To participate in a consulting role, on committees within the institution.
Advisory Engagement Subtotal	3,455	16%	

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FY 2026 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Required Engagements			
Support for FY 2023 Financial Statement Audit (year-end)	220		To assist Deloitte with testing relating to the External Financial Statement Audit.
Support for FY 2024 Financial Statement Audit (interim)	200		To assist Deloitte with testing relating to the External Financial Statement Audit.
Procurement Compliance Assessment	40		To assess compliance with Texas Education Code 51.9337 related to state procurement requirements.
Required Engagement Subtotal	440	2%	
Reserve			
Reserve for Investigations	400		Reserve will be used to respond to any investigative requests throughout the year.
Reserve for Carryforward Engagements	200		Reserve will be used to complete any outstanding FY25 projects not completed by August 31.
Reserve for Just-In-Time Auditing/Advisory Services	2,291		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	2,891	13%	
Follow-Up Activities			
Quarterly Reporting / Monitoring Activities	50		To report on follow-up validation activity.
Validation Activities - Phase I	425		To conduct follow-up on outstanding recommendations for quarters 1 and 2.
Validation Activities - Phase II	425		To conduct follow-up on outstanding recommendations for quarters 3 and 4.
Technology and Innovation Follow-up Validation Activities	200		To conduct follow-up on outstanding Technology and Innovation recommendations.
Facilities Follow-up (KPMG)	200		To conduct follow-up on outstanding Facilities recommendations.
Follow-Up Subtotal	1,300	6%	

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FY 2026 Audit Plan	Original Budget	Percent of Total	General Objective/Description
Operations			
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.
Internal Quality Assurance Activities	300		To maintain and support the internal audit activity's quality assurance and improvement program for compliance with the International Institute of Internal Auditors (IIA) standards.
Internal Audit Committee Preparation / Participation	400		To prepare for and to facilitate the department's quarterly Audit Committee meetings, including preparation of materials and communication with stakeholders.
Institutional Risk Assessment and Work Plan Development	500		To update the comprehensive risk assessment and to develop/update the annual Work Plan.
Audit Strategic Planning	2,400		To perform strategic planning and manage the overall audit activity.
Technology and Innovation Risk Assessment FY27	250		Updating of the IT risk assessment and audit work plan. (Co-sourced)
Facilities Risk Assessment FY27 (KPMG)	50		Updating of the Facilities risk assessment and audit work plan. (Co-sourced)
Operations Subtotal	4,000	18%	
Initiatives and Education			
UT System Coordination	200		To participate in UT System initiatives, including periodic UT System Audit Councils.
Training / Continuing Professional Education	1,200		To provide training and continuing professional education to audit staff in accordance with audit standards.
Initiatives and Education Subtotal	1,400	6%	
Total Budgeted Hours	22,271	100%	

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Additional “high” risk statements identified but not addressed with a project in the FY 2026 Work Plan are found in the following areas. Many of these risk statements are mitigated by other initiatives or other assurance activities throughout the institution.

- Human Resources
- Business Continuity Management
- Supply Chain - Purchasing
- Financial Management
- Revenue Cycle – Charge Description Master/Managed Care Contracting/Collections
- Patient Access/Registration
- Research
- Intellectual Property
- Governance and Strategy
- Culture
- Technology, Data and Innovation

Internal Audit aligned the risk assessment with the Institution’s Strategic Plan. We partnered with executive leadership, key risk owners, Enterprise Risk Management, Financial Controls, Institutional Compliance, and Cybersecurity to identify key risks to the institution. We leveraged data from a multitude of sources as part of our methodology. We then developed a risk-based plan in accordance with the Global Internal Audit Standards. Finally, 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 Funding Proportionality, and the risk of benefits not being paid proportionate to the source of funding, resulting in excessive reimbursement from State appropriated funds.
- 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 2025

Service	Provider
Opinion on financial statements of UT MD Anderson Cancer Center	Deloitte
Opinion on financial statements of UT MD Anderson Services Corporation	Deloitte
Information Technology Internal Audit Co-Sourcing	PricewaterhouseCoopers
Human Resources Internal Audit Co-Sourcing	PricewaterhouseCoopers
Facilities Management/Construction Internal Audit Co-Sourcing	KPMG
Grant Compliance Review Internal Audit Co-Sourcing	Weaver
Accounts Payable Internal Audit Co-Sourcing	Illumis

VII. Reporting Suspected Fraud and Abuse

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