

**The University of Texas MD Anderson Cancer Center  
Internal Audit Annual Report for FY2021**

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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 2022 audit plan, as approved by the Institutional Audit Committee, will be posted on the MD Anderson external website as part of the Fiscal Year 2021 SAO Annual Report. The Fiscal Year 2021 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, 2021, as required.

The following matrix provides a summary of the weaknesses and action taken by management for projects on the Fiscal Year 2021 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	
20-104	12/9/2020	Excepted from Public Disclosure				
20-106	9/8/2020	Emergency Center	Internal Audit recommended that the Emergency Center consider the following: 1) Ensure computers and mobile devices are protected. 2) Establish process to ensure all timecards are approved timely.	Management agreed to the following action plans: 1) Improve protection over assets. 2) Establish new processes for Kronos Staff Scheduling product to ensure compliance.	Fully Implemented	
20-111	1/5/2021	Review of Charity Care	Internal Audit recommended the following observations related to Charity Care: 1) All Patient Financial Assistance (PFA) applications should be complete, accurate, and maintained for 10 years according to Institutional guidelines. 2) Financial Clearance Center (FCC) should enhance the PFA Handbook to align with the policy and current state practices. For any exception, a written justification and approval should be documented.	Management agreed to: (1) Strengthen their quality check processes and controls. (2) Enhance the PFA Handbook and document exceptions.	Fully Implemented	

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Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	Progress: <ul style="list-style-type: none"> <li>· Fully Implemented</li> <li>· Substantially Implemented</li> <li>· Incomplete/Ongoing</li> <li>· Not Implemented</li> </ul>
20-113	9/14/2020	Limited Charge Review - Plastic Surgery	No recommendations were identified for this review	No management action plans are needed for this review.	Not Applicable
20-114	9/14/2020	Limited Charge Review - Head and Neck	No recommendations were identified for this review	No management action plans are needed for this review.	Not Applicable
20-115	9/14/2020	Limited Charge Review - Urology	No recommendations were identified for this review	No management action plans are needed for this review.	Not Applicable
20-116	9/14/2020	Limited Charge Review - Surgical Oncology	No recommendations were identified for this review	No management action plans are needed for this review.	Not Applicable
21-105	8/17/2021	Proton Therapy Center Departmental Review	The following recommendations were noted by Internal Audit: 1) Ensure all timecards are reviewed and approved timely; 2) Ensure an annual inventory is performed using accurate records. 3) Strengthen controls related to assets to ensure network connectivity, unused assets are returned/retired, and excessive assets are reduced. 4) Ensure all mobile devices are protected. 5) Strengthen processes to ensure charges are captured in a timely manner. 6) Strengthen the reconciliation process to ensure charges are captured for services provided.	Management agreed to the following action plans: 1) Establish processes to ensure all timecards are reviewed and approved timely. 2) Perform annual inventory reviews. 3) Review network connectivity of assets and ensure unused/ excessive assets are returned. 4) Ensure assets are properly protected. 5) Strengthen processes over timely submission of charges. 6) Improve reconciliation processes to ensure charges are captured.	Incomplete/Ongoing
21-106	8/30/2021	Excepted from Public Disclosure			
21-110	3/25/2021	Excepted from Public Disclosure			
21-112A	8/18/2021	Facilities Renewal and Maintenance Program Audit	Based on Internal Audits review, management should develop a formalized document management policy to define record retention standards.	Management agreed that product deliverable audits would be performed throughout the process and again at project closeout to ensure record retention.	Incomplete/Ongoing

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Report No.	Report Date	Name of Report	Recommendations	Summary of Action Taken	<b>Progress:</b> · Fully Implemented · Substantially Implemented · Incomplete/Ongoing · Not Implemented
21-116	8/26/2021	Executive Travel and Business Entertainment	Review covered 56 individuals with business expenses totaling more than \$475,000 for calendar year 2020, resulting in following recommendations: 1) Provide guidance to key stakeholders 2) Strengthen internal review processes 3) Enhance stewardship with institutional leadership	In conjunction with the Travel & Business Expense Task Force, management agrees to: 1) Provide education, guidance and training on business purpose and supporting documentation. 2) Build process for timely review and audit of supporting documentation 3) Revisit the definition of "Timely Submission" to determine if it aligns with best practices. 4) Develop strategy for continuous monitoring of policy guidelines as they relate to best practices.	Incomplete/Ongoing
21-118	6/29/2021	Pharmacy Drug Diversion and Bluesight® Post Implementation Review	Internal Audit recommended that Pharmacy Operations should: 1) Enhance Drug Diversion Monitoring processes 2) Develop and/or Update Policies 3) Enhance Camera Resolution and Review Placement 4) Update MDPP Committee Charter	Management agreed to enhance monitoring processes, review and update the three overdue policies, obtain budget approval for High-Def cameras for med dispensing/prep areas, and to update the Medication Diversion Prevention Program Committee (MDPP) charter.	Incomplete/Ongoing
21-120	8/26/2021	CARES Act – Coronavirus Relief Funds (CRF)	Internal Audit reviewed expenses from the CARES Act - Coronavirus Relief Funds (CRF) grant and recommended that management review questionable job titles and expenses and resubmit changes for review/approval.	Management made the corrections, eliminating the questionable job titles, and resubmitting only allowable expenses under the grant.	Fully Implemented

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21-210	6/24/2021	Rehabilitation Services Departmental Review	Internal audit identified observations in the following assessment areas: 1) Revenue reconciliation process should be strengthened and formalized. 2) Controls should be strengthened to ensure charges are billed for services provided. 3) A formal reconciliation process should be established for billable medical supplies. 4) Strengthen asset controls related to missing, network connectivity, unused and excessive assets. 5) Computers and mobile devices should be protected. 6) Improve procurement card administration to include second level of review and assess whether supplies can be acquired using a PO.	Management agreed to the following: (1) Strengthen and formalize revenue reconciliation processes. (2) Strengthen and formalize the charge capture process. (3) Formalize a process for billable medical supplies (4) Strengthen controls over assets identified in audit. (5) Perform quarterly reviews to ensure assets are protected. (6) Improve procurement card administration and coordinate with Materials Management to establish POs for office supplies.	Incomplete/Ongoing
21-400	12/2/2020	Excepted from Public Disclosure			
21-401	4/1/2021	Beaker AP Post-Implementation Review	Internal Audit recommended the following: 1) Enhance direct communication plans with impacted users. 2) Enable report design and end user acceptance. 3) Ensure end users and stakeholders are adequately trained	Management agreed to: 1) Include more direct communication to end users; 2) Collect feedback, post-implementation, and develop report requests from end users to Epic Beaker; 3) Enhance training	Incomplete/Ongoing
21-402	6/30/2021	Excepted from Public Disclosure			

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**II. Internal Audit Plan for Fiscal Year 2021**

The following matrix details the status of the Fiscal Year 2021 Audit Plan:

Project No.	Project Title	Report Date	Project Status
<b><u>Risk-Based Audits</u></b>			
MDA21-100	Excepted from Public Disclosure	3/26/2021	Complete
MDA21-101	Employee Protection Protocols	Risk ranking re-evaluated	Cancelled
MDA21-102	Excepted from Public Disclosure	5/6/2021	Complete
MDA21-103	Physician's Network Partners	Postponed pending organizational changes	Postponed
MDA21-104	Virtual Care Compliance and Billing	Cancelled pending closure of related open recommendations	Cancelled
MDA21-105	Departmental Audit – Proton Therapy Review	8/17/2021	Complete
MDA21-106	Excepted from Public Disclosure	8/30/2021	Complete
MDA21-107	Charge Description Master	Cancelled pending closure of related open recommendations	Cancelled
MDA21-108	Business Continuity Planning for Critical Operations	Pending	In Progress
MDA21-109	Accounts Payable	4/27/2021	Complete
MDA21-110	Excepted from Public Disclosure	3/29/2021	Complete
MDA21-111	Institutional Review Board	Risk addressed by Institutional Compliance	Cancelled
MDA21-112A	Facilities Renewal and Maintenance Program Audit	8/17/2021	Complete
MDA21-112B	Facilities Renewal and Maintenance Program Capability Maturity Assessment	8/17/2021	Complete
MDA21-113	Hazardous Waste Disposal Processes	Risk addressed by process owner	Cancelled
MDA21-114	Management Involvement on Co-Sourced Construction Projects	N/A	Complete
MDA21-115	Management Involvement on other Co-Sourced Projects	N/A	Complete
MDA21-116	Executive and Faculty Travel and Business Entertainment	8/26/2021	Complete
MDA21-117	Presidential Housing, Travel, and Entertainment	Report issued by UT System – IA provided assistance in gathering information	Complete
MDA21-119	Professional Charge Reconciliation Tool Review	8/31/2021	Complete
MDA21-120	CARES Act – Coronavirus Relief Funds (CRF)	8/26/2021	Complete
MDA21-210	Rehabilitation Services Departmental Review	6/24/2021	Complete
<b><u>Information Technology Audits</u></b>			
MDA21-118	Pharmacy Drug Diversion and Blue Light Post Implementation	6/29/2021	Complete
MDA21-400	Excepted from Public Disclosure	12/2/2020	Complete
MDA21-401	Beaker Anatomic Pathology (AP) Post Implementation	4/1/2021	Complete
MDA21-402	Excepted from Public Disclosure	6/29/2021	Complete

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<b>Project No.</b>	<b>Project Title</b>	<b>Report Date</b>	<b>Project Status</b>
MDA21-403	Management Involvement on Co-Sourced IT Projects	N/A	Complete
MDA21-408	RPA/Automation Development	Pending	In Progress
<b><u>Carry-Forward Audits</u></b>			
MDA20-104CF	Excepted from Public Disclosure	11/17/2020	Complete
MDA20-111CF	Charity Care	1/5/2021	Complete
MDA20-117CF	IT Assets Purchased with PRS Funds	Completed in FY2020	Complete
MDA20-122CF	Excepted from Public Disclosure	Completed in FY2020	Complete
MDA20-113CF	Limited Charge Review - Plastic Surgery	9/14/2020	Complete
MDA20-114CF	Limited Charge Review - Head & Neck	9/14/2020	Complete
MDA20-115CF	Limited Charge Review - Urology	9/14/2020	Complete
MDA20-116CF	Limited Charge Review - Surgical Oncology	9/14/2020	Complete
MDA20-121CF	Virtual Care Billing	11/18/2020	Complete
MDA20-106CF	Emergency Center Review	9/8/2020	Complete
<b><u>Required Audits (Externally and Internally)</u></b>			
MDA21-300	FY 2020 Financial Statement Audit (year-end)	Report issued by Deloitte at UT System level	Complete
MDA21-301	FY 2021 Financial Statement Audit (interim)	Report issued by Deloitte at UT System level	Complete
MDA21-302	Annual Report to the State Auditor	11/1/2021	Complete
MDA21-303	Procurement Compliance Assessment (TEC 51.9337)	6/29/2021	Complete
<b><u>Risk-Based Consulting Projects</u></b>			
MDA21-200	Enterprise Risk Management (ERM)	Consulting Project – Verbal comments provided to management	Complete
MDA21-201	MSPQ Consulting	Consulting Project – Verbal comments provided to management	Complete
MDA21-202	CARES Act Funding	Consulting Project – Verbal comments provided to management	Complete
MDA21-203	Grants and Contracts Consulting	Consulting Project – Verbal comments provided to management	Complete
MDA21-204	Excepted from Public Disclosure	10/30/2021	Complete
MDA21-205	Drug Diversion Consulting	Consulting Project – Verbal comments provided to management	Complete
MDA21-209	Dining Services Review	3/26/2021	Complete
MDA21-206	Criminal Background Checks	Consulting Project – Verbal comments provided to management	Complete
MDA21-207	General Consultation with Management	N/A	Complete
MDA21-208	Institutional Committee Participation	N/A	Complete
MDA21-211	COVID Screening	N/A	Complete

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Project No.	Project Title	Report Date	Project Status
MDA21-404	Medical Device Update Consulting	Pending	In Progress
MDA21-405	System Availability and Capacity Planning Consulting	8/31/2021	Complete
MDA21-406	IT Liaison Activities	N/A	Complete
<b><i>Investigations</i></b>			
MDA21-801	Excepted from Public Disclosure	8/31/2021	Complete
MDA21-802	Excepted from Public Disclosure	6/30/2021	Complete
<b><i>Follow-up</i></b>			
MDA21-500	Quarterly Reporting / Monitoring Activities	N/A	Complete
MDA21-501	Validation Activities - Phase I	2/28/2021	Complete
MDA21-502	Validation Activities - Phase II	8/31/2021	Complete
MDA21-503	IT Follow-up Validation Activities	N/A	Complete
<b><i>Development - Operations</i></b>			
-	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 21	N/A	Complete
-	IT Administrative Activities	N/A	Complete
<b><i>Development – Initiatives &amp; Education</i></b>			
-	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
-	IT Vendor Transition – Phase II	N/A	Complete

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



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**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 2020. The audit examined fiscal year 2019. 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. An audit of the benefits proportionality process will be conducted during fiscal year 2022 and will comply with Rider 8, page III-48 of the General Appropriations Act (86<sup>th</sup> Legislature). The audit will be complete by August 31, 2022.

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

Senate Bill 20 (84<sup>th</sup> 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 2021, 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**

<b>Project No.</b>	<b>Project Title</b>	<b>Report Date</b>	<b>Project Objective</b>	<b>Services / Observations / Results / Recommendations</b>
20-121CF	Virtual Care Billing	Consulting – Verbal Comments provided to Management	Identify any potential underbilling for telehealth services.	Internal Audit performed a review of telehealth services to identify potential revenue loss and opportunities to recover revenue. Information was provided to management for decision making during the review. Internal Audit identified corrective actions taken to recover and address the risk of revenue loss for telehealth services.
21-100	Excepted from Public Disclosure			
21-102	Excepted from Public Disclosure			
21-109	Accounts Payable	4/27/2021	To use data analytics to analyze accounts payable transactions for trends, anomalies and potential cost savings.	Internal Audit performed data analytics surrounding accounts payable transactions from September 2019 to November 2020. Information was provided to management for decision making such as best practices including use of Robotic Process Automation (RPA) and tracking the date invoices are received.
21-112B	Facilities Renewal and Maintenance Program Capability Maturity Assessment	8/18/2021	To perform capability maturity assessment of the facilities renewal and maintenance program.	Internal audit performed a capability maturity assessment of the facilities renewal and maintenance program. Opportunities to enhance the program were communicated to Facilities leadership.
21-117	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.
21-119	Professional Charge Reconciliation Tool Review	8/31/2021	Assessed an internal charge reconciliation tool for viability in future projects.	Assessed an internal charge reconciliation tool for viability in future projects.
21-200	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, ensures risks are aligned, and ensures no duplication of effort exists between our departments.
21-201	MSPQ Consulting	4/6/2021	Advise management regarding compliance with the Medicare Secondary Payer Questionnaire requirements through committee participation.	Internal Audit participated in the institution's MSPQ committee. Internal Audit provided input to address the risks identified.

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<b>Project No.</b>	<b>Project Title</b>	<b>Report Date</b>	<b>Project Objective</b>	<b>Services / Observations / Results / Recommendations</b>
21-202	CARES Act Funding	8/31/2021	To ensure compliance with the various requirements of CARES Act funding.	Internal Audit performed ongoing consulting to management throughout the period to ensure compliance with the various requirements of CARES Act funding.
21-203	Grants and Contracts Consulting	Consulting – Verbal Comments provided to Management	To provide guidance in the development and implementation of control processes, 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, including the research enterprise. Internal Audit continues to assist in identifying and providing guidance on mitigating potential compliance risks related to Grants and Contracts.
21-204	Excepted from Public Disclosure			
21-205	Drug Diversion Consulting	Consulting – Verbal Comments provided to Management	Participate in a consulting role on the Medical Diversion Prevention Committee.	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.
21-206	Criminal Background Checks	Consulting – Verbal Comments provided to Management	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 collaborated with Human Resources (HR) and other responsible departments to finalize vendor requirements for the criminal background check RFQ. Vendor information was reviewed by HR and other departments, with additional information pending.
21-209	Dining Services Assessment	Consulting – Verbal Comments provided to Management	To collaborate with Dining Services Management regarding contractual and organizational changes.	Internal Audit performed an assessment of Dining Services' contractual agreement with the current vendor, reviewed proposed changes to the organizational structure, and validated reconciliations. Internal Audit identified opportunities to strengthen the contract with the vendor, improve the organizational structure, and address reconciliation concerns.
21-211	COVID Screening	No report issued	To assist with COVID screening within the Institution.	Internal Audit participated in the COVID screening processes at the main campus as part of our efforts to contribute to the institution's core values during the pandemic.
21-301	FY 2020 Financial Statement Audit (Year End)	12/31/2020	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.

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<b>Project No.</b>	<b>Project Title</b>	<b>Report Date</b>	<b>Project Objective</b>	<b>Services / Observations / Results / Recommendations</b>
21-301	FY 2021 Financial Statement Audit (interim)	8/31/2021	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.
21-302	Annual Report to the State Auditor	11/1/2020	To report Internal Audit's activities to the Texas State Auditor as required by the Texas Internal Auditing Act.	Internal Audit completed the FY2020 SAO report documentation and submitted and published the report prior to the deadline.
21-303	Procurement Compliance Assessment TEC51.9337	6/29/2021	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 in order to determine whether the Institution has adopted the required rules and policies related to purchasing of goods and services. No exceptions were noted.
21-405	System Availability and Capacity Planning	8/31/2021	To assess system availability and capacity planning.	Internal Audit assessed the ongoing monitoring of system availability and capacity planning, considering impact of the remote workforce on system bandwidth and decreased excess capacity, and provided management with feedback.
21-704	IT Vendor Transition	No report issued	To leverage skilled IT subject matter experts to audit the many disparate systems and applications at MD Anderson.	A change management plan was established and implemented to ensure an effective transfer of knowledge, files, and information
---	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 2022**

FY 2022 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
<b>Assurance Engagements</b>			
Excepted from Public Disclosure	500		
Robotic Process Automation (RPA) Implementation	600		Using an external vendor, develop and implement Robotic Process Automation tools to audit a selected area, 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.
Medical Overrides	500		To determine whether controls and processes are in place to ensure that medical overrides are appropriate, monitored, and align with industry best practices.
Asset Management Governance	600		To review the centralized governance structure, processes and controls to ensure assets are properly managed.
Donor Gift Compliance and Analysis	500		Using a risk-based approach, to determine whether donor funds were expended in compliance with donor restrictions, as well as to perform data analytics to indicate spending patterns.
Departmental Audit - Leukemia	650		To provide a general assessment of the financial, administrative, and compliance controls within a selected department.
Departmental Audit - Lymphoma/Myeloma	650		To provide a general assessment of the financial, administrative, and compliance controls within a selected department.
Excepted from Public Disclosure	400		
Procedural & Therapeutics - Charge Capture (TBD)	500		To determine whether charges are captured for services rendered and/or billable medical supplies utilized.
Compliance Program Assessment	400		Using an external vendor, perform an assessment of the Institution's compliance program in accordance with regulatory requirements and industry best practices.

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FY 2022 Audit Plan Audit/Project	Budgeted Hours	% of Total	Description
Supply Chain Review	500		Using a risk-based approach, review the controls and processes in place for a select Supply Chain activity.
Physicians Referral Service (PRS) Review	500		Using a risk-based approach, review the controls and processes in place for a select PRS activity.
UTS 187 Compliance and Outcome Measures	500		To evaluate compliance with UTS Rule 187 which establishes guidelines and procedures for promoting diverse candidate interview pools, as well as assessing related outcome measures established to determine performance.
Facilities Management Activities/ Construction	500		To conduct risk-based reviews of key construction/facilities management activities and/or processes. Reviews will be co-sourced, utilizing staff with construction expertise.
Management Involvement on Co-Sourced Construction Projects	50		To oversee/facilitate audits of construction activities.
Management Involvement on other Co-Sourced Projects (Robotics Process Automation/Compliance Assessment)	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 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.
<i>Information Technology Engagements</i>			
Excepted from Public Disclosure	400		
Excepted from Public Disclosure	200		

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<b>FY 2022 Audit Plan Audit/Project</b>	<b>Budgeted Hours</b>	<b>% of Total</b>	<b>Description</b>
Excepted from Public Disclosure	400		
Excepted from Public Disclosure	400		
Excepted from Public Disclosure	500		
Excepted from Public Disclosure	400		
Excepted from Public Disclosure	300		
Kronos Dimensions	500		Using a risk-based approach, perform an assessment to ensure key controls over the application are in place.
Excepted from Public Disclosure	400		
Management Involvement on Co-Sourced IT Projects	350		To oversee/facilitate audits of IT activities.
<i>Carry-Forward Engagements</i>			
Reserve for Carryforward Engagements	250		Reserve will be used to complete any outstanding FY21 projects not completed by August 31.
<b>Assurance Engagements Subtotal</b>	<b>11940</b>	<b>57.5%</b>	
<b><i>Advisory and Consulting Engagements</i></b>			
Enterprise Risk Management (ERM)	50		Coordinate with management to continue implementation of an enterprise risk management framework for the institution.
CARES Act Funding	50		Perform a consulting engagement to ensure compliance with the various requirements of CARES Act funding.
Customer Relationship Management System Consulting	200		Assess whether appropriate segregation of duties and access is being implemented as part of the new system.



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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.
Segregation of Duties and Account Reconciliations	100		To consult with Financial Controls to ensure that prior recommendations have been remediated and to identify potential concerns that may arise from departmental sub-certifications. Will be performed under Generally Accepted Government Auditing Standards (GAGAS).
Drug Diversion Consulting	50		Participate in a consulting role on the Medical 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.
General Consultation with Management	200		To consult with management on various high-risk topics.
IT Liaison Activities	50		Participation in staff meetings, the UT InfoSec meetings, IT Leaders meetings, etc.
Institutional Committee Participation	200		To participate, in a consulting role, on committees within the institution.
<b>Advisory and Consulting Engagements Subtotal</b>	<b>1000</b>	<b>4.8%</b>	
<b><i>Required Engagements (External and Internal)</i></b>			
FY 2021 Financial Statement Audit (year-end)	220		To assist Deloitte with testing relating to the External Financial Statement Audit.
FY 2022 Financial Statement Audit (interim)	200		To assist Deloitte with testing relating to the External Financial Statement Audit.
Benefits Funding Proportionality	150		As requested by the Governor's Office, to verify that employee benefit costs for FY2020 and FY2021 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.
Annual Report to the State Auditor	80		To report Internal Audit's activities to the Texas State Auditor as required by Texas Internal Auditing Act.

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Procurement Compliance Assessment	40		To assess compliance with Texas Education Code 51.9337 related to state procurement requirements.
<b>Required Engagements Subtotal</b>	<b>690</b>	<b>3.3%</b>	
<b>Investigations</b>			
Reserve for Investigations	450		Reserve will be used to respond to any investigative requests throughout the year.
<b>Investigations Subtotal</b>	<b>450</b>	<b>2.2%</b>	
<b>Reserve</b>			
Reserve for Just-In-Time Auditing/Advisory Services	1,100		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.
IT Reserve Just-in-Time Auditing/Advisory Services	280		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.
<b>Reserve Subtotal</b>	<b>1380</b>	<b>6.6%</b>	
<b>Follow-up</b>			
Quarterly Reporting / Monitoring Activities	100		To report on follow-up validation activity.
Validation Activities - Phase I	350		To conduct follow-up on outstanding recommendations for quarters 1 and 2.
Validation Activities - Phase II	350		To conduct follow-up on outstanding recommendations for quarters 3 and 4.
IT Follow-up Validation Activities	300		To conduct follow-up on outstanding IT recommendations.
<b>Follow-Up Subtotal</b>	<b>1100</b>	<b>5.3%</b>	
<b>Development - Operations</b>			
Internal / External Quality Assurance Activities	325		To conduct on-going reviews of audits/projects for compliance with the International Institute of Internal Auditors (IIA) standards.
Internal Audit Committee Preparation / Participation	300		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	1,100		To perform strategic planning and manage the overall audit activity.

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COVID Screening Participation	200		Supervision of COVID screening processes at the main campus.
IT Risk Assessment FY 23	250		Updating of the IT risk assessment and audit work plan.
IT Administrative Activities	80		To manage the overall IT audit activity.
<b>Development - Operations Subtotal</b>	<b>2755</b>	<b>13.3%</b>	
<b><i>Development - Initiatives and Education</i></b>			
UT System Coordination	300		To participate in UT System initiatives.
Professional Organization / Association Participation	73		To participate in the IIA Houston Chapter Annual Conference.
Training / Continuing Professional Education	1,040		To provide training and continuing professional education to audit staff in accordance with audit standards.
IT Knowledge Sharing and/or Training Documentation Projects	50		Sharing thought leadership, perspective, and bringing in technical resources to assist where needed
<b>Development - Initiatives &amp; Education Subtotal</b>	<b>1463</b>	<b>7.0%</b>	
<b>Total Hours</b>	<b>20,778</b>	<b>100.0%</b>	

*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 not fully included in the FY 2022 Work Plan are found in the following areas:

- Academic Instruction
- Auxiliary Enterprises
- Compliance awareness and assurance
- Environmental Health and Safety
- Governance and Strategy
- IT and Information Security
- Management of Patient Safety
- Purchasing/Sourcing
- Recruitment/Workforce Management
- Regulated Research Activities
- Revenue Cycle
- Strategic Industry Ventures

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 2021**

<b>Service</b>	<b>Provider</b>
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
Facilities Internal Audit Co-Sourcing	Protiviti
Excepted from Public Disclosure	Huron
Attorney-Client Privilege	Korn Ferry

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VII. Reporting Suspected Fraud and Abuse

The screenshot shows the Institutional Compliance website. The top navigation bar includes links for 'Inside MD Anderson', 'Who We Are', 'News & Events', 'Services', 'Career & Development', 'Mission Areas', and 'Safety & Emergencies'. The main header is 'Institutional Compliance'. Below the header, there are links for 'Home', 'Resources & Support', 'Billing & Reimbursement Compliance', and 'Ethics & Conflicts of Interest'. A 'Send to' dropdown and 'Immersive Reader' link are also visible. The main content area is titled 'Compliance Hotline' and contains a paragraph explaining the hotline's purpose, followed by a bulleted list of key points. Below this is a 'Frequently Asked Questions' section with four questions and their corresponding answers.

## Compliance Hotline

The Compliance Hotline is a toll-free number available to MD Anderson workforce members and patients to anonymously report suspected wrongdoing, including a breach of a patient's privacy, inappropriate use or disclosure of Protected Health Information (PHI), and violations of any federal or state privacy laws.

- A toll-free number you can call to report suspected breach of patient privacy, and violations of any federal or state privacy laws.
- 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, complaints and calls to Institutional Compliance.

### Frequently Asked Questions

<b>What is the Compliance Hotline's purpose?</b>	The purpose of the Compliance Hotline is to provide MD Anderson's workforce members an additional method of reporting inappropriate use or disclosure of PHI, or a breach of a patient's privacy. While you are encouraged to report compliance issues directly to your immediate supervisor or Institutional Compliance, we recognize that this may not always be an option and the Compliance Hotline exists for such situations.
<b>How does the Compliance Hotline work?</b>	The hotline is a resource available to MD Anderson's workforce members and patients 24 hours a day, 365 days a year. An outside company is staffed with specially trained personnel to answer all incoming Compliance Hotline calls. When you call into the Compliance Hotline you will be asked to describe the suspected compliance issue in as much detail as possible. You do not need to tell them who you are. Upon completion of your call, the information will be sent to Institutional Compliance for investigation.
<b>Am I required to identify myself?</b>	No. You do not have to reveal your identity. Calls are not traced and are not recorded.
<b>Can the call be traced back to me?</b>	No. The Compliance Hotline does not record calls and does not have caller ID capability. Calls cannot be traced.

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<b>What type of situations should be reported to the hotline?</b>	Even if you only suspect that a patient's privacy has been violated, or that someone is inappropriately using or disclosing PHI, it is important that you share your concerns with Institutional Compliance, either through the office number 713-745-6636 or via the Compliance Hotline. All reports will be thoroughly investigated.
<b>What will happen to my job if I call?</b>	Federal and state laws protect individuals who provide confidential information regarding possible illegal activities in the workplace. Therefore, employees providing good-faith reports of possible privacy violations are protected from retaliation or retribution. See MD Anderson's <a href="#">Non-Retaliation Policy (MD Anderson Institutional Policy #ADM0254)</a> .
<b>How do I know an investigation is taking place based on my call?</b>	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.
<b>Is the Compliance Hotline new?</b>	No, the Compliance Hotline has been available for several years.
<b>Who do I call for non-anonymous privacy questions and reports?</b>	For non-anonymous calls and communication, the Privacy Compliance team may be reached at 713-745-6636 or by emailing <a href="mailto:privacycompliance@mdanderson.org">privacycompliance@mdanderson.org</a> .