

**ANNUAL REPORT ON**

**INTERNAL AUDIT ACTIVITY**

**FOR**

**THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER  
AT SAN ANTONIO**

**FISCAL YEAR 2008**

# FY 2008 Annual Internal Audit Report

**Purpose of the Annual Report:** To provide information on the benefits and effectiveness of the internal audit function. In addition, the annual report assists central oversight agencies in their work planning and coordinating efforts.

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## FY 2008 Annual Internal Audit Report

### I. Internal Audit Plan for Fiscal Year 2008

Audit Areas	FY 2007 Accomplishment of Plan
<b>UT System Requested</b>	
Financial: Annual Financial Statement Audit (AFR)—FY 2007	Completed
Financial: Annual Financial Statement Audit (AFR) – FY 2008	In progress. More work in FY 2009
President Expenditures FY 2007	Completed
UT Medical Financial Reporting--2007	Completed
Research Compliance Program	Completed
UT Medical Financial Reporting--2008	Combined with AFR FY 2008
IT Systems Change Management	Carry-forward to FY 2009
Conflict of Interest	Carry-forward to FY 2009
Student Health Services	Carry-forward to FY 2009
<b>Externally Required</b>	
SACS Financial Review	Completed
Practice Plans Financial Review/Receivables & Allowance	Completed
Family Practice Residency Program	Completed
Advanced Research Program Grants	Completed
TAC 202 Program Compliance	Completed. Report to be issued.
<b>Risk Based: Institutional</b>	
South Texas Campuses-Internal Control Review	Completed. Report to be issued.
Cost Sharing	Carry-forward to FY 2009
<b>Risk Based: Auditable Areas</b>	
Central Computing Facility	Completed
Patient Customer Service	Cancelled
Patient Scheduling & Registration	Completed
Patient AR & Collections	Removed from audit plan
Manage IT Human Resources	Completed
Consulting: PeopleSoft Financials Upgrade	Carry-forward to FY 2009
Consulting: EPIC - Patient Billing System Implementation	Completed
<b>Consulting</b> – General, Compliance, Financial, Information Technology	Completed
<b>Change in Management</b> –Neurology	Completed
<b>Change in Management</b> —Department of Medicine	Carry-forward to FY 2009
<b>Follow-Up</b> - Institutional Follow-up 1 <sup>st</sup> , 2 <sup>rd</sup> , & 4th quarters	Completed
<b>Audit Projects and Special Request Audits</b>	
UT System Requests	Completed
Executive Management Travel & Expenditures	Completed
ProCard Audit	Completed
Institutional Research Cores	Completed
Scholarships	Carry-forward to FY 2009
<b>Other Projects</b>	
UT System Requests	Completed
Annual Internal Audit Report	Completed
Annual Audit Plan	Completed
Training provided by IA	Completed
Internal Audit Committee	Completed
Self-Assessment for External Quality Assurance Review	Completed
External Quality Assurance Review	Completed
Investigations	Completed
Reserve for other Special Requests	Completed

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### II. External Quality Assurance Review

Please see attached .pdf file for Executive Summary of External Quality Assurance Review dated October 9, 2008.



Adobe Acrobat  
Document

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III. List of Audits Completed

Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
07-13	Sep 7, 2007	Research Compliance Program	To evaluate the design of the Research Compliance Program (RCP) and determine whether the program had the elements of an effective compliance program as outlined in the Department of Health and Human Services (HHS) Office of the Inspector General (OIG)'s <i>Draft Compliance Program Guidance for Recipients of Public Health Service (PHS) Research Awards</i> .	<p>The Research Compliance Program elements for Select Agents and Human Subjects were in place. For Clinical Research and Conflict of Interest, five of the eight basic elements were in place.</p> <p>The compliance program elements related to written policies and procedures (Clinical Research), training (Clinical Research), and audit &amp; monitoring (Clinical Research and Conflict of Interest) had been partially implemented.</p>	<p>Implemented</p> <p>In progress</p>	Improve efficiency and effectiveness of monitoring for research compliance.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
07-17	Aug 13, 2007	Central Computing Facility	To evaluate whether the central computing facility was sufficient to accommodate the institution's increasing security and operational needs.	<p>The Central Computing Facility (CCF) met the minimum standard set by the State Department of Information Resources for facilities supporting mission-critical systems, however, the facility was not sufficient to support highly specialized research systems or systems with unusually stringent data security standards.</p> <p>Recommendations included the following:</p> <ul style="list-style-type: none"> <li>➤ Build on the IMS 2-year budget plan by implementing a risk-based action plan that would address current operational deficiencies and help focus management attention on those areas most critical to ensuring the CCF and DROC's continued viability. Sufficient redundancy for mission-critical systems and services is needed to minimize the financial and operational losses related to a major disruption in computer operations.</li> <li>➤ Improved computer capacity planning for future business needs that will assist management in allocating resources to achieve strategic goals and objectives, maintaining operational efficiency, and improving data security.</li> </ul>	<p>In progress</p> <p>Implemented</p>	Reduce the risk of loss of data due to inadequate resources to support the central computing facility.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
07-18	Oct 9, 2007	UT Medicine Financial Reporting-- 2007	<p>The University of Texas (UT) System requested each Certified Not-for-Profit Health Corporation (CNPHC) to implement enhanced control activities in accordance with the "Spirit" of Sarbanes-Oxley.</p> <p>To evaluate the progress of UT Medicine in the implementation of the "Spirit" of Sarbanes-Oxley as of August 31, 2007, based on criteria established by the UT System Office of Health Affairs.</p>	<p>UT Medicine made adequate progress in implementation of the Sarbanes-Oxley criteria provided by UT System. UT Medicine documented select segments of the Revenue Cycle process, identified key controls within those segments and performed controls testing. Internal Audit reviewed the documentation, re-tested the controls identified, and determined the entity level controls were fully implemented.</p> <p>We noted strengths and weaknesses related to coding and write-offs:</p> <ul style="list-style-type: none"> <li>• The quality of coder's work was monitored and tested during their probationary period; no testing had been performed after the 90-day probationary period.</li> <li>• Supervisors approved write-offs within established thresholds; for charges that could be broken down below the limits, staff could write-off charges without supervisory approval.</li> </ul>	<p>Implemented</p> <p>In progress</p>	<p>Reduce the risk of loss, errors, irregularities, and fraud due to inadequate internal controls.</p>

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
07-21	Sep 19, 2007	Willed Body Program	To review the management of the institution’s Willed Body Program and evaluate compliance with the state requirements. The State Anatomical Board requests an internal audit of the program at least every 5 years.	<p>The Willed Body Program complied with the rules established by the State Anatomical Board and could improve internal controls over recordkeeping, cash receipts, and account reconciliations:</p> <ul style="list-style-type: none"> <li>• <i>Improve maintenance of Recordkeeping and Database Management</i> should ensure the recordkeeping of the program is accurate and kept current.</li> <li>• <i>Segregation of duties:</i> Management should ensure the duties over billing for fees and receiving and depositing the fees are adequately segregated.</li> <li>• <i>Account Reconciliation:</i> Management should ensure the monthly reconciliations are performed timely.</li> </ul>	<p>In progress</p> <p>Implemented</p> <p>Implemented</p>	Reduce risk of non-compliance with State and institutional requirements.
07-22	Nov 15, 2007	President’s Expenditures FY 2007	To determine if internal controls over the processing of expenditures in the President’s Office were adequate, and if all travel and entertainment expenses incurred by and for the President or his spouse during fiscal year 2007 were related and necessary to the institution’s operations and made in accordance with State regulations, and the University of Texas System and institutional guidelines.	The internal controls over the processing of expenditures in the President’s Office were reasonable. In addition, the Presidential travel and entertainment expenditures were properly approved, adequately supported, accurately recorded, for appropriate business purposes, within allowable reimbursement limits, and accurately reported to UT System as required.	N/A	Reduce the risk of loss, errors, irregularities, and fraud due to inadequate internal controls.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
07-23	Sep 10, 2007	Management of IT Human Resources	To evaluate whether personnel practices for employees with IT responsibilities supported the efficient and effective delivery of IT services to the UTHSCSA.	<p>Based on our preliminary review and risk assessment, we focused primarily on the supervision of and dependence on IT staff in decentralized departments with critical data or systems. The UT Medicine operation had a centralized IT organization managed by a qualified Chief Information Officer, and was not included in this audit.</p> <p>Supervision of employees with significant IT responsibilities in decentralized schools and departments was adequate to deliver IT services to the UTHSCSA. Also, mission critical business functions were not overly dependent on individual employees with significant IT responsibilities.</p> <p>This audit resulted in no reportable findings.</p>	N/A	Reduce the risk of loss of data due to inadequate management of IT human resources.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
07-24	Apr 22, 2008	Patient Scheduling & Registration	To evaluate the effectiveness of scheduling and registration processes within the medical practice plan.	<p>We noted opportunities for improvement in the following areas:</p> <ul style="list-style-type: none"> <li>▪ <b>Management accountability between HSC San Antonio departments and UT Medicine.</b> UT Medicine and HSC San Antonio departments shared responsibility for the management of clinical activity. Three departments indicated there was not a clear delineation of responsibilities between the departments and UT Medicine regarding how to resolve scheduling and other clinic issues.</li> <li>▪ <b>Availability of faculty in the clinics.</b> In about half of the clinics, faculty members set their own clinic schedules, with limited guidance from the department chairs or division chiefs. In the other half, the department chair or division chief were involved in establishing the faculty members' schedules.</li> <li>▪ <b>Analysis of scheduling data and payor mix.</b> The clinics had not conducted a systematic analysis of scheduling data in order to determine the optimal number of appointments, length of appointments, and payor mix.</li> <li>▪ <b>Staff turnover.</b> Some clinics had experienced high turnover among front desk and call center staff. In addition, the clinics were not informed when the Central Verification Unit (CVU) had staff turnover.</li> <li>▪ <b>Feedback mechanisms for noted issues.</b> There was not a consistent method for providing feedback regarding issues raised by patients, staff, or physicians related to scheduling and registration.</li> </ul>	<p>In progress</p> <p>In progress</p> <p>In progress</p> <p>Implemented</p> <p>Implemented</p>	<p>Improve efficiency and effectiveness of scheduling and registration processes within the medical practice plan.</p>

## FY 2008 Annual Internal Audit Report

Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
08-01	Nov 19, 2007	Annual Financial Statements Audit-FY 2007	At the request of UT System, the University of Texas Health Science Center at San Antonio's (UTHSCSA) Internal Audit Office performed a risk-based audit of the institution's financial information composing the Annual Financial Report (AFR) for the year ended August 31, 2007. In addition to an assessment of the accuracy of the financial statements, the audit included an evaluation of key controls over the significant business processes, related information technology, and the financial statement certification process required by UT System policy.	<p>We noted no material modifications necessary for the financial statements to conform to generally accepted accounting principles. Controls related to the following areas should be strengthened:</p> <ul style="list-style-type: none"> <li>• Bursar's Office--implement a policy and process for writing off uncollectible short-term student loan balances.</li> <li>• Bursar's office--implement a procedure requiring all reversal and deletion of student tuition and fee transactions be reviewed for appropriateness by a departmental supervisor.</li> <li>• Accounting Office—develop written procedures to fully explain the preparation process for the annual financial report, most notably the Statement of Revenues, Expenses, and Changes in Net Assets.</li> <li>• Information Management Services (IMS)--revise the Disaster Recovery Plan (DRP) to reflect what can reasonably be recovered considering infrastructure, hardware and software limitations. Conduct periodic live testing of the Disaster Recovery Operation Center's (DROC) recovery capability to verify the plan's viability.</li> </ul>	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p> <p>In progress</p>	Reduce the risk of loss, errors, irregularities, and fraud due to inadequate controls.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
				<ul style="list-style-type: none"> <li>• IMS--implement security procedures that will help ensure appropriate management and independent monitoring of privileged system and administrator accounts.</li> <li>• IMS—assign unique Oracle accounts to database management support team members to facilitate individual accountability.</li> <li>• IMS management--implement procedures to ensure users change their initial PeopleSoft Financials passwords and to periodically remind users to change their password in accordance with the institution’s password requirements. In addition, initial passwords should be unique and comply with the institution’s password requirements.</li> <li>• IMS--reassign the responsibility for configuring and maintaining security roles from the Integrated Management Information Systems (IMIS) sustainment teams to a separate functional area(s) with responsibility for PeopleSoft security.</li> </ul>	<p>In progress</p> <p>In progress</p> <p>Implemented</p> <p>IMS deferred action to FY 2008-2009 Financial System upgrade project</p>	

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
08-02	Jan 7, 2008	SACS Financial Review	We performed a financial review on behalf of the Texas State Auditor's Office for the Southern Association of Colleges and Schools (SACS). Audit procedures included tracing material line items to the general ledger, reviewing post-closing adjusting entries, identifying and explaining significant fluctuations in material line items, reviewing "extra" material or relatively large line items.	Based on the procedures performed, we were unaware of any material modifications that should have been made to the financial statements in order for them to be in conformity with generally accepted accounting principles.	N/A	Reduce the risk of non-compliance with SACS requirements.
08-03	Dec 18, 2007	Family Practice Residency Program	To verify the accuracy of the Texas Higher Education Coordinating Board Family Practice Residency Program (CBFP) <i>Annual Financial Report</i> for fiscal year 2007. As part of the verification, expenditures were tested for compliance with the Texas Higher Education Coordinating Board agreement and institutional policies and procedures.	The Family Practice Residency Program <i>Annual Financial Report</i> for fiscal year 2007 was fairly presented and the expenditures were appropriate.	N/A	Reduce risk of non-compliance with Texas Higher Education Coordinating Board requirements.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
08-04	Nov 28, 2007	Advanced Research Program Grants	To determine whether currently awarded APR grants were properly expended in accordance with the grant conditions issued by the Texas Higher Education Coordinating Board and institutional policies and procedures.	<p>Currently awarded APR grants were properly expended in accordance with the grant conditions issued by the Texas Higher Education Coordinating Board and institutional policies and procedures. We identified one area where grant compliance could be improved:</p> <p>Effort reporting--In accordance with the ARP Guidance on Audit Issues, institutions are responsible for verifying personnel appointed to the grants actually worked on the grants. Five grants were not setup by the Office of Sponsoring Programs on the online effort reporting system, so documentation was not available from the effort reporting system to verify that seven graduate students paid from five grants actually worked on those grants.</p>	Implemented	Reduce the risk of non-compliance with Texas Higher Education Coordinating Board requirements.
08-05	Jan 18, 2008	Institutional Follow-up 1 <sup>st</sup> Quarter	To follow-up on prior audit issues as required by IIA standards.	<p>Adequate corrective action for 32 of 46 recommendations had been fully implemented.</p> <p>Corrective action on 12 outstanding recommendations was partially implemented and 2 had not yet started. Progress on these items was considered satisfactory.</p>	<p>Implemented</p> <p>In progress</p>	Reduce the risk of loss, errors, irregularities, and fraud due to inadequate controls.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
08-06	Mar 12, 2008	Procard Program	To evaluate key internal controls over Procard processing, as well as compliance with institutional policies and procedures.	We observed that the Procard program included several key controls such as dollar limits on purchases, automatic blocking of certain inappropriate merchant codes, and training for cardholders and account managers. However, improvements to oversight control processes were needed to further reduce the risk of undetected errors or inappropriate activity. Oversight controls should be performed, on a frequent and regular basis, outside the departmental processes to validate the existence and effectiveness of operating and monitoring controls.	In progress	Reduce the risk of loss, errors, and fraud due to inadequate internal controls.
08-07	Nov 27, 2007	Executive Management Expenditures	To determine if travel and entertainment expenditures incurred by and for the UTHSCSA Executive Management during fiscal year 2007 were related and necessary to the institution's operations and made in accordance with State regulations, and the University of Texas System and institutional guidelines.	Executive Management travel and entertainment expenditures were properly approved, adequately supported, accurately recorded, appropriate for business purposes, and within allowable reimbursement limits.	N/A	Reduce the risk of loss, errors, and fraud due to inadequate internal controls.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
08-08	Apr 15, 2008	Practice Plans Financial Review	To determine if: 1) the financial activity of the practice plans was fairly presented in the <i>Annual Financial Report</i> for fiscal year 2007, 2) management complied with selected financial provisions of UT System policies, 3) variances in practice plans' assets, revenues and expenditures between fiscal years 2006 and 2007 were reasonable, and 4) variances in non-payroll expenditures paid from the Medical Practice Plan funds were reasonable.	Credit balances in the Medical Practice Plan were not resolved in timely manner. Credit balances at the end of the fiscal year totaled almost \$1.45 million, with 57% from 2006 back to 2003. The majority of the older amounts (\$723,000 or 86%) were payments from Carelink.  UT Medicine should resolve these credit balances in a timelier manner.	In progress	Maintain solvency of the practice plans.  Reduce risk of non-compliance with UT System policies.
08-09	Feb 20, 2008	Self-Assessment for External QAR	Perform an internal assessment of Internal Audit's compliance with professional standards and achievement of its institutional mission.	The internal assessment concluded the University of Texas Health Science Center at San Antonio's (UTHSCSA)'s Internal Audit (IA) department <b>Generally Conformed</b> to IIA and government auditing standards and was effective in carrying out its mission.	N/A	Ensure compliance with auditing standards.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
08-10	Aug 22, 2008	Institutional Research Cores	To provide assurance that the funds provided by the Office of the Vice President of Research to support the Research Cores for the period of fiscal years 2005 to 2007 were used for their appropriate purposes, and to review the business models of the cores for reasonableness and make recommendations on improving them.	<p>We observed that financial management and monitoring of the Research Cores could be improved by:</p> <ul style="list-style-type: none"> <li>• providing additional training to Core staff,</li> <li>• providing PeopleSoft financial system access to the Office of the VPR,</li> <li>• prohibiting prepayment of Core services to comply with Federal regulations,</li> <li>• preparing annual Core reports according to a standardized format that will agree to the PeopleSoft system,</li> <li>• limiting competition within the Health Science Center and developing a clear reporting structure, and</li> <li>• improving internal controls in the host departments related to account reconciliations and segregation of duties.</li> </ul>	<p>In Progress</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p> <p>In Progress</p>	Improve efficiency and effectiveness of Research core management.
08-13	May 8, 2008	Institutional Follow-Up 2 <sup>nd</sup> Quarter	To follow-up on prior audit issues as required by IIA Standards.	<p>Adequate corrective action for 18 of 30 recommendations had been fully implemented.</p> <p>Corrective action on 12 outstanding recommendations was partially implemented. Progress on these items was considered satisfactory.</p>	<p>Implemented</p> <p>In Progress</p>	Reduce the risk of loss, errors, irregularities and fraud due to inadequate controls.

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Report No.	Report Date	Name of Report	High-Level Audit Objective(s)	Observations/ Findings and Recommendations	Current Status	Fiscal Impact/ Other Impact
08-15	Aug 29, 2008	Department of Neurology- Internal Control Review	To determine whether internal controls within the Department of Neurology were adequate to safeguard assets and ensure compliance with selected institutional policies and procedures.	<p>We found the department had adequate internal controls over the majority of the categories.</p> <p>Recommendations for improvement included</p> <ul style="list-style-type: none"> <li>• developing a department policies and procedures manual and desk manual for key activities,</li> <li>• maintaining a check log to document checks received, and</li> <li>• improving the segregation of duties related to expenditures.</li> </ul>	<p>In Progress</p> <p>In Progress</p> <p>In Progress</p>	Reduce the risk of loss, errors, irregularities, and fraud due to inadequate controls.
08-22	Aug 29, 2008	Institutional Follow-Up 4th quarter	To follow-up on prior audit issues as required by IIA Standards.	<p>Adequate corrective action for 10 of 29 recommendations had been fully implemented.</p> <p>Corrective action on 19 outstanding recommendations was partially implemented. Progress on these items was considered satisfactory.</p>	<p>Implemented</p> <p>In Progress</p>	Reduce the risk of loss, errors, irregularities and fraud due to inadequate controls.

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### IV. List of Consulting Engagements and Non-audit Services Completed

Report No.	Report Date	Name of Report	High-Level Objective(s)	Observations/ Results and Recommendations	Current Status	Fiscal Impact/ Other Impact
07-C-19		UT Medicine EMR Implementation	The objective of this project is to provide advisory services to the EPIC Project Steering Committee related to project risk and key internal controls. Specific objectives include assisting UT Medicine with the Project Charter, evaluating and contributing to the improvement of risk management processes, advising as to whether all significant project risks have been identified, evaluating the reasonableness and appropriateness of project controls, and monitoring the effectiveness of key project controls throughout the project life cycle.	<p>Internal Audit met with UT Medicine’s Chief Information Officer (CIO), the UT Medicine Chief Information Security Officer (CISO) and the UTHSC CISO during June to discuss the UT Medicine draft IT Security Policy and plans for implementing internal controls over EPIC security.</p> <p>We agreed that UT Medicine would develop a written Security Plan to describe security controls currently in place, as well as controls that will be implemented in the future to ensure the system’s confidentiality, integrity, and accessibility</p>	In progress	Reduce the risk of loss, errors, irregularities, and fraud due to inadequate controls.

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Report No.	Report Date	Name of Report	High-Level Objective(s)	Observations/ Results and Recommendations	Current Status	Fiscal Impact/ Other Impact
08-C-23	Jul 18, 2008	Facilities-The Coordinating Board	To determine if the projects and acquisitions of real property were submitted to the Board and received all required approvals, and that projects were completed within the parameters specified in the project application approved by the Board.	<p>Internal Audit selected a representative sample of projects (new construction and major renovations) with criteria specified by the Board, as well as any acquisitions of real property over the preceding five years.</p> <p>The Health Science Center San Antonio obtained proper initial approvals from both the UT System Board of Regents and the Texas Higher Education Coordinating Board. However, a re-approval of the Academic Building on the Laredo Campus was not obtained for the decrease in gross square footage. The costs, contract timeframes, and funding sources were within the parameters as set forth by the Higher Education Coordinating Board.</p> <p>Management should ensure re-approval is properly obtained from the Texas Higher Education Coordinating Board for changes in gross square footage more than 10%.</p>	Implemented	Increase compliance with Board of Regents and Higher Education Coordinating Board requirements.

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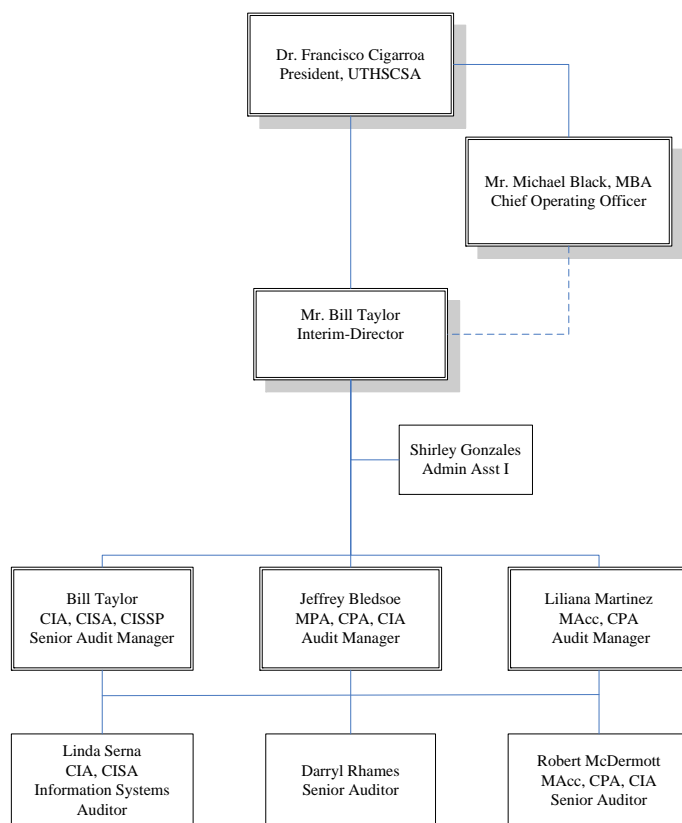
### V. Organizational Chart

The university has an Audit Committee that is chaired by the President and meets every quarter. The Committee Members are as follows.

- President/Chair
- Chief Operating Officer
- Executive Vice President for Business Affairs
- Vice President for Research
- Vice President and Chief Information Officer
- Dean, School of Medicine
- Dean, Dental School
- Dean, School of Allied Health Sciences
- Director of Internal Audit
- Assistant VP/Chief Compliance Officer
- External, President of Frost Bank
- External, Former Member of the University Health System Board of Managers
- External, Former President of SW Foundation for Biomedical Research

The department's organizational chart is presented below.

UTHSCSA Office of Internal Audit



## FY 2008 Annual Internal Audit Report

### VI. Report on Other Internal Audit Activities

Activity	Impact
External Quality Assurance Review	An External Quality Assurance Review was performed of Internal Audit in March of FY 2008.
UT Medicine Audit Committee	Internal Audit Director served on the UT Medicine Audit Committee as a resource related to audit issues.  Internal Audit Director continued to assist in implementing the spirit of Sarbanes-Oxley at our affiliate, UT Medicine.
Institutional Compliance Committee	Internal Audit Director served on the Compliance Committee to assist in ensuring institutional compliance programs are developed to address institutionally identified risks.
Assistance with External Audits	Internal Audit assisted external auditors in conducting the following audits: SAO A-133 Audit of Student Financial Aid; Texas Comptroller of Public Accounts-Post Payment Audit, Texas Higher Education Coordinating Board—Facilities Audit.
Information Technology consulting	Internal Audit personnel participated on the institutional Information Security Council and two task forces – Server Security and Change Management.  Internal Audit provided advice on the PeopleSoft FMS upgrade and implementation of EPIC Patient Billing System.
General Consulting & Training	Provided general consulting to various departments and senior management. Also, conducted quarterly training on risk assessment and internal controls for the campus community.  Internal Audit facilitated risk assessment session for members of Human Resources management.
Professional & Networking	Internal Audit Director served as President of the Texas Association of College & University Auditors (TACUA).  Director is member of San Antonio Chief Audit Executives, which meet quarterly.

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### VII. Internal Audit Plan for Fiscal Year 2009

FY 2008 Audit Plan Audit/Project	Budgeted Hours	% of Total
<b>Financial Audits</b>		
<u>UT System Requested/Externally Required Audits</u>		
Annual Financial Statement Audit - FY 2008	900	
Annual Financial Statement Audit - FY 2009	200	
President Expenditures	90	
<u>Risk-Based Tier One Audits</u>		
RAHC Funds Management	250	
Additional Service Payments	200	
<b>Financial Audits Subtotal</b>	<b>1640</b>	<b>18%</b>
<b>Operational Audits</b>		
<u>UT System Requested/Externally Required Audits</u>		
Campus Security/Emergency Preparedness	450	
Practice Plans Operations Review	350	
<u>Risk-Based Tier One Audits</u>		
CTRC-Internal Controls Review	500	
Medical Revenue Cycle Reorganization	400	
Clinical Research Trials-Budgets	400	
<u>Change in Management Audits</u>	400	
<u>Carryforward Audits</u>		
Cost Sharing	100	
Dept of Medicine-Internal Control Review	100	
Scholarships	200	
<b>Operational Audits Subtotal</b>	<b>2900</b>	<b>32%</b>
<b>Compliance Audits</b>		
<u>UT System Requested/Externally Required Audits</u>		
Practice Plan Governance	400	
Cash Handling	300	
Family Practice Residency Program Grants	70	
Joint Admissions Medical Program (JAMP)	40	
<u>Carryforward Audits</u>		
Student Health Center	200	
<b>Compliance Audits Subtotal</b>	<b>1010</b>	<b>11%</b>

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FY 2008 Audit Plan Audit/Project	Budgeted Hours	% of Total
<b>Information Technology Audits</b>		
<u>UT System Requested/Externally Required Audits</u>		
Annual Financial Statement Audit – FY 2008	300	
<u>Risk-Based Tier One Audits</u>		
EPIC Physician Billing Application Control Review	450	
Access Management/Active Directory	450	
<u>Consulting Projects-IT</u>		
Consulting with the Information Security Office	80	
PeopleSoft Financials Upgrade	120	
EPIC Implementation	120	
Consulting-IT	100	
<u>Carryforward Audits</u>		
TAC 202 Program Compliance	20	
<b>Information Technology Subtotal</b>	<b>1640</b>	<b>18%</b>
<b>Follow-up Audits</b>	<b>480</b>	<b>5%</b>
<b>Projects</b>		
<u>Audit Projects</u>		
U. T. System Requests	100	
IA Annual Report	40	
Special Requests - Audits	500	
<u>Consulting Projects</u>		
Consulting-General	80	
<u>Other Projects</u>		
Annual Audit Plan	150	
Training provided by IA	40	
Internal Audit Committee	100	
Investigations	100	
Reserve for other Special Requests	150	
<b>Projects Subtotal</b>	<b>1260</b>	<b>14%</b>
<b>Total Hours</b>	<b>8930</b>	<b>100%</b>

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**VIII. External Audit Services Procured in Fiscal Year 2008**  
None