INTERNAL AUDIT ANNUAL REPORT

Fiscal Year 2019

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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

In accordance with Texas Government Code, Section 2102.015, UT Health San Antonio, Office of Internal Audit & Consulting Services (Internal Audit) posted the approved FY 2020 Internal Audit Plan and its FY 2019 Internal Audit Annual Report to its website.

http://uthscsa.edu/internalaudit/

Additionally, all internal audit reports are posted on the UT System Audit Office website, unless the information is excepted from public disclosure under Chapter 552.

https://www.utsystem.edu/documents/audit-reports-institution

Texas Government Code, Section 2102.015 also requires entities to update the Audit Plan information to include the following information on its website:

➢ "detailed summary of weaknessess, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report."
➢ "summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report."

The Texas State Auditor's Office (SAO) based on Texas Governement Code, Section 2102.015 allows entities to include the summaries described above to be included in the annual audit plan. As such, Internal Audit has included in Section II of this report the required information by summarizing FY 2019 internal audit recommendations and report on its action and progress toward implementing those recommendations. See page 6 for Schedule of Audit Recommendations and Status as of August 31, 2019 (FY 2019).

II. Internal Audit Plan for Fiscal Year 2019 & Project Status

Project/ Report #	Report Title	Report Date or Status
Risk Based Audits		
18-01	Carry Forward – Practice Plan - Cash Management	February 13, 2019
18-02	Carry Forward -May's Cancer Center Clinical Trials Billing	May 13, 2019
18-03	Carry Forward -Facilities Management	August 21, 2019
18-06	Carry Forward -Axium	April 25, 2019
18-07	Carry Forward -Accounts Payable	December 21, 2018
19-01	Epic Infrastructure Data Security	Postponed***
19-02	Institutional Data Governance	Postponed***
19-03	ProCard Program	In Progress*
19-04	Practice Plan – Collections (Write-offs)	In Progress*
19-06	Follow-up Audit of Revenue Cycle – School of Dentistry	In Progress*
19-07	Clinical Trials Billing	Reporting*
19-08	May's Cancer Center Infusion Charge Capture and Billing	Rescheduled**
19-16	Epic Risk Assessment and Audit Roadmap (co-source with external firm)	Completed***
19-41	Drug Diversion	Reporting*
19-42	Sharing Epic with External Partners	Postponed***
Externally Required Audits		
19-21	Residency Program Award/Family & Community Medicine	November 27, 2018
19-22	FY 2016 Nursing Shortage Award	October 25, 2018
University of Texas System Required Audits		
19-19	FY 2018 Financial Statement Audit Assistance (Year-end)	Completed
19-20	FY 2019 Financial Statement Audit Assistance (Interim)	Completed
19-23	Executive Travel and Entertainment Expenses	January 28, 2019

*Projects in Reporting are planned to be issued by November 30, 2019, projects In-Progress are projected to be completed by December 31, 2019

**Audit was rescheduled to allow the audit team to obtain external expertise which would not be available until FY 2020

***Audits pertaining to Epic were postponed until external firm was engaged to conduct a comprehensive risk assessment (project 19-16) of the Institution's Electronic Medical Record System (Epic).

Compliance Audit Requirements for Higher Education Institution:

Higher Education Institution Benefits Proportionality Audit Requirements

Rider 8, page III-46, the General Appropriations Act (86th Legislature, Conference Committee Report) requires each higher education institution, excluding public community/junior colleges, to conduct an internal audit of benefits proportional by method of finance using a methodology approved by the SAO. Below is a summary of the provisions of that rider.
The rider requires the following:

➢ The audit must be conducted using the methodology approved by the SAO.

➢ The audit must examine fiscal years 2017 through 2019.

➢ Higher education institutions must submit a copy of the audit report to the Legislative Budget Board, the Comptroller of Public Accounts, and the SAO no later than August 31, 2020.

➢ If the audit identifies that the institution received excess General Revenue due to noncompliance with the proportionality requirements provided by Section 6.08, page IX-27, the General Appropriations Act (86th Legislature, Conference Committee Report), the institution must submit a reimbursement payment to the Comptroller of Public Accounts within two years from the conclusion of the audit.

➢ Higher education institutions must consider audits of benefits proportional when developing their annual internal audit plans for fiscal years 2020 and 2021.

➢ The Benefits Proportionality Audit is currently in-progress and planned to be completed by November 30, 2019.

Texas Government Code and Texas Education Code (TEC) Requirements:

TEC Section 51.9337(h) 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 UT Health San Antonio Internal Audit Office conducted this required assessment for FY 2019, and found the following:

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

Higher Education Institution Audit Requirements

A summary table of recommendations to address issues identified from FY 2019 engagements, the actions taken by management, and the current implementation status is included on the following pages to address web site posting requirements as required by Texas Government Code Section 2102.015.

FY 2019 Summary of Internal Audit Recommendations and Implementation Status

Report Date	*Report Title*	*Recommendation(s)*	*Management Action Plan(s)*	*Status*
October 25, 2018	**FY 2016 Nursing Shortage Award**	*No Findings Noted*	*N/A*	*Closed*
November 27, 2018	**Residency Program Award/Family & Community Medicine**	*No Findings Noted*	*N/A*	*Closed*
December 21, 2018	**Accounts Payable**	**A. Missed Early Payment Discounts**		
		A.1 Management should direct all suppliers who offer a payment discount to electronically remit invoices to Accounting via email to ensure timely and documented receipt, and to enable early payment when possible.	*A.1 Management plans to submit a Business Affairs Bulletin to the campus, as well as communicate through IMIS distribution lists, to inform departments and reinforce the importance of the proper handling of invoices and forwarding them to the Office of Accounting without delay. Currently Purchase Orders do instruct suppliers to submit invoices to Office of Accounting. Additionally, we will examine the instances and reasoning behind why some PO invoices are not submitted directly to the Office of Accounting. Exceptions to the rule will be evaluated.*	*Implemented*
		A.2 Management should coordinate with departments to routinely monitor discounts taken and missed, identify opportunities for discounts, and report results to departmental financial leaders.	*A.2 Management plans to submit a Business Affairs Bulletin to the campus, as well as communicate through IMIS distribution lists, to reinforce the importance taking advantage of discounts and the quick submission of invoices to the Office of Accounting for payment. Planned completion March 31, 2019*	*Implemented*
		B. Late Payment Interest		
		B.1 Management should limit the ability to change late payment terms to only essential Accounting management and provide guidelines of when it would be appropriate to use this capability.	*B.1 Management has instructed all AP staff who process vouchers not to change PPL flag on a payment without approval from the appropriate AP supervisor. Changes to the Prompt Payment Law (PPL) flag in individual vouchers should always be documented in voucher comment fields. Additionally,*	*Implemented*

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
			the Office of Accounting will discuss with IMIS whether the security role permissions of AP clerks can be further modified to prevent unauthorized use of the PPL flag on vouchers.	
		B.2 Management should clarify and communicate to departments the requirements for invoices in accordance with the Prompt Payment Act and its precedence over supplier payment terms that exceed 30 days, possibly through a Bulletin or mass email.	*B.2 Management plans to publish a Business Affairs Bulletin and communicate to the campus through IMIS distribution lists to inform departments and reinforce the importance of the timely remission of invoices to the Office of Accounting in according with the Prompt Payment Law. Additionally, we will investigate reinforcing procedures and routines to ensure that suppliers remit Purchase Order invoices directly to the Office of Accounting.*	*Implemented*
		B.3 Management should instruct departments to timestamp invoices when they are received in accordance with institutional guidelines.	*B.3 Management plans to publish a Business Affairs Bulletin, and communicate to the campus through IMIS distribution lists, to reinforce the importance of date stamping all invoices when received and timely remitting invoices to the Office of Accounting to prevent Prompt Payment Law penalties.*	*Implemented*
		B.4 Management should compensate the vendor identified in this audit, for late payment interest not previously paid in accordance with the Prompt Payment Act.	*B.4 Office of Accounting will review the vendor list from this audit and process the late penalty payments as prescribed by state law.*	*Implemented*
December 21, 2018	**Accounts Payable (Con't)**	**C. Improper Uses of Payment Requests**		
		C.1 Management should communicate and require departments to submit a purchase requisition for independent contractors versus using the payment request process which lacks appropriate controls.	*C.1 Management plans to publish a Business Affairs Bulletin, and communicate to the campus through IMIS distribution lists, to reinforce the importance of following institutional policies to maintain appropriate controls of University payment policies, particularly when payments*	*Implemented*

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
			are submitted via payment request that should have been handled with a purchase order.	
		C.2 Management should educate departments about the appropriate uses of payment requests and purchase amount thresholds.	*C.2 Management plans to publish a Business Affairs Bulletin, and communicate to the campus through IMIS distribution lists, to stress the importance of following institutional policies, to maintain appropriate knowledge of the use and purpose of payment requests as well as threshold limitation by Institutional policies.*	*Implemented*
December 21, 2018	**Accounts Payable (Con't)**	**D. Inadequate Review of PeopleSoft Access for Accounts Payable**		
		D.1 Management should limit the ability to edit supplier details to essential staff and minimize, or eliminate, the permissions for users to create and approve their own purchase requisitions and payment requests.	*D.1 Management plans to adjust the security permissions of identified personnel with inappropriate access to the PeopleSoft vendor record.*	*Implemented*
		D.2 Management should perform a periodic review of PeopleSoft permissions to ensure that only users with business needs have access to perform Accounts Payable related functions.	*D.2 Office of Accounting will set up a query report to identify users on a semiannual basis. Review will determine which people need to be removed from access to vendor or other AP-related screens. Deliberately review and adjust AP-related security permissions whenever employees transfer to non-AP jobs within the university.*	*Implemented*
January 28, 2019	**Executive Travel and Entertainment Expenses**	No Findings Noted	*N/A*	*Closed*
February 13, 2019	**Practice Plan – Cash Management**	**Internal Couriers Used to Transport Deposits**		
		UT Health Physicians (UTHP) should discontinue using internal couriers to transport deposits and utilize its contracted armored car service when transporting currency to the bank.	*For clinic locations where cash/check collections are greater than $25,000 per year ($100 per day), we will use armored car services. This will bring the percentage of cash/check transported by armored car services from current 73% to 95%. For the remaining sites*	*Implemented*

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
			using an internal courier, UTHP will evaluate the possibility of discontinuing acceptance of cash. Further, for these remaining sites, UTHP will evaluate technology which will allow for immediate deposit of checks, eliminating the need for transport. UTHP is evaluating all financially viable options to eliminate the use of internal couriers. If UTHP cannot identify a financially viable option for eliminating the use of internal couriers, UTHP will seek policy exception approval through the university CFO.	
April 12, 2019	**Axium**	**A. Tests of Data Backups and System Contingency Plans**	
		A.1 The School of Dentistry should continue efforts to improve and document the processes and procedures associated with Axium data backup and system contingency plans in order to reduce the risk to critical electronic protected health information.	*A.1 An independent party (within UTHSCSA Dentistry, but not the document creator(s)) will execute our System Recovery Plan until the last step. The intent is to verify that instructions are easily read and understood by the Clinic IT team. Based on this execution, the document will be edited to make any necessary clarifications or updates for predictable execution. This process will be conducted in 2 phases. The first phase will be an execution of all steps of the protocol up to the step of mounting the actual backup file. This phase will be used to make any modifications to the backup document for assurance in execution. The second phase is complete execution, mounting the backup snapshot and evaluating application functionality and integrity. The second phase will require system shutdown and will be conducted annually.*	*Implemented*

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
April 12, 2019	**Axium (Con't)**	**A. Tests of Data Backups and System Contingency Plans**		
		A.2 The School of Dentistry should document and implement improved operational processes and procedures designed to routinely test the viability of Axium data backups.	*A.2 Schedule practice runs of our System Recovery Plan up until the point of actually bringing the backup machines live. The full process should not be done regularly because it will disrupt operations. On a monthly basis, a snapshot of a logical drive will be evaluated for data integrity.*	*Implemented*
		A.3 The School of Dentistry should execute an annual functional test of the Axium system contingency plan and incorporate identified changes into revised contingency plans.	*A.3 Schedule an annual full run of our System Recovery Plan. Since this will disrupt operations, this should be done when regular clinics are not working (See A1 for full system recovery description).*	*Implemented*
		B. Monitoring of Data Backup Processes		
		B.1 The School of Dentistry should continue efforts to refine the processes and procedures associated with Axium data backup job monitoring in order to ensure that backup failures are quickly identified and resolved.	*B.1 UT Dentistry Clinical Information Technology is currently in transition to move location and responsibility of backend infrastructure from UT Dentistry to UT Health IMS. Physical servers will be moved as part of the new Data Center on the North Campus. Email alerts we receive from the servers will be adjusted. This includes removing ones that no longer apply to our department (to be rerouted to IMS Network and Systems Operations). Warnings (what might become an issue) should be rerouted solely to IMS Operations, while errors and critical events (what is currently causing a problem) will be sent to both our department and IMS Operations*	*Implemented*

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
May 13, 2019	**May's Cancer Center Clinical Trials Billing**	**A. Strengthen Existing Process and Controls**		
		A.1 Management should ensure all pertinent operating procedures relating to the administrative process (to include billing of sponsors) for cancer clinical trials are appropriately documented and accessible to staff.	*A.1 The Mays Cancer Center is currently updating all our SOPs related to clinical research and new SOPs covering these processes are being developed and implemented. In addition, Cancer Center leadership recognizes the need for additional personnel to assist Ms. Valdez with research billing and we are currently recruiting for such an individual.*	*Implemented*
		A.2 Management should enhance monitoring efforts, including the performance of spot checks, within the clinical trials administrative process to help further ensure the accuracy and completeness of the charges billed.	*A.2 Spot checks are being performed quarterly by the CTO Finance Manager. An SOP is under development to cover this process.*	*Implemented*
		A.3 Management should continue collaborating with the Clinical Trials Office under the Office of the Vice President of Research to align medical coding from EPIC with Velos in order to improve monitoring efforts to reduce the risk of billing errors.	*A.3 The Mays Cancer Center CTO will continue to collaborate with the VPR CTO on process improvements, including those mentioned above.*	*Implemented*

Report Date	Report Title	Recommendation(s)	Management Action Plan(s)	Status
August 21, 2019	**Facilities Management**	**A. Justification for Change Order**		
		A.1 Use the new guidance to document any justifications for a change in the original scope of work for a given project.	*A.1 Management has updated internal procedures to include additional guidance on the use of project descriptions when making formal changes to the scope of work and by adding additional supporting documentation.*	*Implemented*
		B. Validation of Surety Bonds and Insurance Policies		
		B.1 Management should validate surety bonds and insurance policies at the onset of a project and intermittently thereafter, as necessary, to ensure the Institution is adequately protected from financial harm.	*B.1 Management has updated procedures to implement a bonding and insurance review and monitoring process to ensure insurance certificates are valid and meet coverage requirements, and that bonds are valid and valued commensurate with the project values.*	*Implemented*
		B.2 Management should request a refund or credit of $374 from the contractor for the bond that was not increased as required by the contract.	*B.2 Management will pursue a credit or refund from the contractor.*	*In-Progress*
		C. Update Policy-Change Contract Values due to Change Orders		
		C.1 Management should update current Institutional policies to reflect appropriate approval thresholds for amending contracts and authorizing buyers to execute purchase orders.	*C.1 Management has updated Internal Purchasing Procedures to document additional controls in place, which includes Senior Director or Assistant Director review and approval of any purchase order, contract, or PO increase over $250,000. In addition, management plans to update Institutional policies to address contracts with links to Internal Purchasing Procedures where applicable. All updates to Procurement's Internal policies have been completed and communicated to affected staff.*	*Implemented*

III. Consulting Services and Non-Audit Services Completed

The table below summarizes the key FY 2019 consulting and non-audit services performed by Internal Audit.

Report Date	Report /Engagement Title	High Level Objective	Observations/Results/ Recommendations	Status
November 16, 2018	Internal Investigation	Assess internal controls pertaining to reimbursement of program expenses for a border program.	Improve review of program expenses prior to disbursing state and federal funding.	Completed/ Resolved
February 13, 2019	Consulting Engagement for School of Health Professions	Performed a high level review of their contracts with the City of San Antonio to provide Emergency Management Training to Fire Department personnel (mainly cadets).	Internal Audit coordinated our review with the School of Health Professions Program leadership and the City of San Antonio's Audit team as they were conducting their own assessment of these agreements. As a result, we noted no significant issues to report. Management is performing in accordance with its contractual obligations.	Completed
April 11, 2019	Internal Investigation	Assess internal controls over patient billings for the School of Dentistry	Improve communication of billing processes to patients.	Completed/ Resolved
April 16, 2019	Internal Investigation	Investigate allegation of student preferrential treatment	Allegations were unsubstantiated	Completed
July 22, 2019	Consulting Engagement for May's Cancer Center	Internal Audit (IA) was asked to review delayed payments totaling over $1.7 million to one of the Mays Cancer Center's (Cancer Center) providers for medication and supplies.	Based on IA's review of the process and procedures involved for timely payments, IA concluded that there are adequate controls in place to ensure compliance with Institutional, Departmental, and Prompt Payment Law requirements.	Completed
August 14, 2019	Internal Investigation	Investigate allegation of inproper use of parking validation tickets	Allegations were unsubstantiated	Completed

October 9, 2019	Consulting Engagement for Management of Medical Devices	IA was asked to review the clinical operations policies, procedures and roles associated with managing medical instruments and equipment.	Management is using the review's results and recommendations in establishing improved medical instrument and equipment managements processes within clinical environments.	*Completed*
October 18, 2019	Epic Risk Assessment and Audit Roadmap (co-source engagement with external firm)	IA contracted with PwC to risk assess the Institution's EMR system Epic and to assist IA with developing a supporting audit roadmap.	Information utilized from this engagement allowed Internal Audit to better assess risk as it pertains to the Institution's Electronic Medical Records System (Epic) and adjust plans for future engagements as they pertain to the Epic System.	*Completed*

IV. External Quality Assurance Review

The University of Texas Health San Antonio has a peer review conducted in coordination with The University of Texas System Office every three years. The last review/validation was conducted in May of 2017. Another review will not be scheduled until the Spring of 2020. The following information are the results of the prior review:

Quality Assurance Review - UT Health San Antonio Internal Audit
Background

➢ In accordance with the IIA's Professional Practices & Standards, a Quality Assurance Review (QAR) was completed

➢ Process: Internal Self-Assessment validated by an independent, third-party (Baker-Tilly)

➢ Period in review was generally January 2016 – December 2016 (prior team)

Results – Generally Conforms

➢ Self-Assessment identified nine opportunities for improvement (Governance, Staffing, Management & Process)

➢ Independent Validation identified seven additional opportunities for improvement (Staffing, Focus of Audit Plan, Industry Knowledge, Internal Audit Involvement, Communication to the Audit Committee, Sharing Results of QAR, Re-Establishing Effective Relationship with Compliance)

Status Update

➢ Overwhelming majority of the opportunities were proactively addressed (prior to report being issued)

➢ All 16 opportunities have been addressed and are closed

V. Internal Audit Plan for Fiscal Year 2020

The Institutional Internal Audit Committee approved the FY 2020 Internal Audit Plan on July 25, 2019. The finalized Audit Plan is listed below:

Project #	Audit Title	Budgeted Hours	General Objective/Description
Risk-Based Audits			
19-04CF	Carry Forward-Practice Plan Collections (Write-offs)	*200*	*Review and evaluate the effectiveness of the payment collection processes and related controls as it pertains to write-offs, within UT Health Physicians clinical operations.*
19-06CF	Carry Forward-Follow-up UT Dentistry Revenue Cycle Audit	300	*As a follow-up to the FY18 audit, reperform an evaluation of the processes and controls over UT Dentistry's Revenue Cycle.*
20-01	Medical Device Management	*400*	*Determine whether the processes and controls for medical device management are adequate and effective to safeguard both the asset and the stored ePHI. Portions of this work (data governance and security) is intended to satisfy the TAC 202 requirements scheduled for FY20.*
20-02	Intellectual Property Protection Plan Assessment	400	*Determine whether the processes and controls established as part the institution's intellectual property (IP) protection plan adequately and effectively address the required elements within Chancellor Milliken's April 2019 directive.*
20-03	Open Encounter and Orders	450	*Assess the current processes for closing out open encounters to ensure UT Health Physicians to bill payers timely.*
20-04	Epic External Access Management	300	*Assess the adequacy and effectiveness of the processes and controls associated with Epic access by external providers.*
20-05	May's Cancer Center Infusion Charge Capture and Billing	200	*Assess the adequacy and effectiveness of the Mays Cancer Center's drug infusion charge capture and billing processes and controls.*
20-06	Practice Plan – Billing/Adjustments	450	*Assess the adequacy and effectiveness of the UT Health Physicians billing processes and controls to include adjustments to patient accounts.*
20-07	Medication Management – May's Cancer Center	350	*Determine whether the processes and controls for prescription drugs are adequate and effective within the Mays Cancer Center.*
20-08	Vendor Management	400	*Assess the adequacy and effectiveness of the processes and controls associated with vendor management.*
	Risk-Based Audits Subtotal	***3,450***	
Required Audits (Internal / External)			
20-15	FY 2019 Financial Statement Audit Assistance (Year-end)	*20*	*Assist the external auditors in the performance of substantive testing for the audit of the Annual Financial Report (FY 19 year-end-work).*
20-16	FY 2020 Financial Statement Audit Assistance (Interim)	*10*	*Assist the external auditors in the performance of financial and IT control testing for the audit of the Annual Financial Report (FY 20 interim-work).*
20-17	Residency Program Award/Family & Community Medicine	*200*	*Review expenditures for the Residency program and report on the compliance with grant regulations to the Texas Higher Education Coordinating Board.*

Project #	Audit Title	Budgeted Hours	General Objective/Description
20-18	Executive Travel and Entertainment Expenses	160	Evaluate and test compliance with UT Health San Antonio and UTS policies for travel and entertainment expenses incurred by senior leaders (Required by UT System biennially - conducted off-cycle based on risk).
20-19	SAO Annual Reporting Requirement on Procurement Policies	20	Review for compliance with the Texas Education Code §51.9337 requirement that the chief audit executive annually certify to the state auditor that the institution has procurement policies in place that comply with the Texas Education Code requirements for higher education institutions. (Due 11/1/19)
20-20	Employee Benefits Proportionality Audit	250	Audit of Benefits Proportionality by fund at UT Health San Antonio, as required by Rider 8, page III-46, of the General Appropriations Act (86th Legislature, Conference Committee Report). Scope is FY 2017- FY 2019.
20-22	Annual Internal Audit Report	80	Prepare and issue the SAO Internal Audit Activity Report.
	Required Audits Subtotal	**740**	
Consulting Projects			
	Risk-Based Consulting Subtotal	**2,025**	
Investigations			
	Reserve Balance for Investigations	**400**	Provide support for institutional investigations.
Follow-up			
	Reserve to conduct follow-up procedures	**340**	Perform follow-up procedures to ensure management action plans have been implemented and has mitifated the risk noted by Audit.
Development – Operations, Initiatives and Education			
	Staff Development – Operations, Initiatives and Education Subtotal	**1,872**	
Total Budgeted Hours		**8,827**	

Risk Assessment Used to Develop the Internal Audit Plan

The institutional annual risk assessment was conducted using the methodology developed by the UT System Audit Office. The risk assessment involved using a top-down approach based on the institutional strategic objectives and priorities. The risk assessment included consideration of risks associated with (1) the applicable information technology risks related to Title 1, Texas Administrative Code, Chapter 202, Information Security Standards, and (2) benefits proportionality. Internal Audit also considered potential risk areas based on external inputs from other academic healthcare Institutions, external firms, and other professional organizations such as the Association of Healthcare Internal Auditors. Internal Audit assigned scores to risk factors for each objective to obtain the overall risk score. Internal Audit determined residual risks to the institution and included areas of higher risk in the annual internal audit plan.

In addition to the audits derived from the risk assessment, the audit plan includes other required, recurring, and/or requested projects as directed by the University of Texas System, external regulatory agencies, and UT Health San Antonio management.

VI. External Audit Services Procured in Fiscal Year 2019

The University of Texas System contracted with Deloitte and Touche, LLP to perform an independent audit of the FY 2019 University of Texas System financial statements, which included the performance of certain audit procedures at UT Health San Antonio.

VII. Reporting Suspected Fraud and Abuse

Actions taken to comply with Section 7.09, page IX-37, the General Appropriations Act (86th Legislature) and Texas Government Code, Section 321.022, *Coordination of Investigations*, include:

- The UT Health San Antonio home page provides a link to the Compliance Hotline web page (http://uthscsa.edu/compliance/compline.asp) which provides its phone number and information on how employees can confidentially report suspected improper conduct, illegal actions, and fraud.

- The Compliance Hotline web page provides a link to the State Auditor's Office (SAO) Hotline web page (http://sao.fraud.state.tx.us) which provides information on reporting suspected fraud, waste and abuse to the SAO.

- The UT Health San Antonio Handbook of Operating Procedures (HOP) Policy 2.6.3, *Fraud, Abuse and False Claims Act* (http://uthscsa.edu/hop2000/2.6.3.pdf) provides information on the coordination of investigations and reporting of suspected fraud and abuse.