UT SOUTHWESTERN
MEDICAL CENTER

Valla Wilson, CIA, CRMA
Assistant Vice President

Office of Internal Audit

October 31, 2013

John Keel, CPA
Office of the State Auditor
206 East Ninth Street, Suite 1900
Austin, TX 78701

Dear Mr. Keel:

We have prepared this report on the activities of The University of Texas Southwestern Medical Center's Office of Internal Audit in compliance with the requirements established in the Texas Internal Auditing Act (Texas Government Code, Section 2102). This report provides information on our FY 2013 and 2014 audit plans, audits completed and recommendations. Our audit work for FY 2013 focused on key externally requested and Institutional risk-based areas including patient care, research, information technology, compliance, core business processes, and other areas based on risk.

Our recommendations will help enhance the effectiveness of Medical Center operations by improving internal controls such as the reliability and integrity of financial information, safeguarding of assets, compliance with applicable policies and procedures, economical and efficient use of resources and accomplishment of goals and objectives.

We appreciate the opportunity to participate in this process. For further information about the contents of this report and/or to request copies of audit reports, please contact me at 214-648-6106.

Sincerely,

Valla Wilson

cc: Kate McGrath, Governor's Office of Budget and Planning
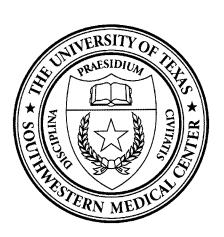   Ed Osner, Legislative Budget Board
        Internal Audit Coordinator, State Auditor's Office
        Ken Levine, Sunset Advisory Commission
        Daniel K. Podolsky, President, University of Texas Southwestern Medical Center

The University of Texas
Southwestern Medical Center
Internal Audit Annual Report for Fiscal Year 2013

November 1, 2013

THE UNIVERSITY OF TEXAS
SOUTHWESTERN MEDICAL CENTER

INTERNAL AUDIT ANNUAL REPORT FOR FISCAL YEAR 2013

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I. Compliance with House Bill 16: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Web site

The UT Southwestern Internal Audit Office prepares an annual report and submits the report before November 1 of each year to the Legislative Budget Board, the Sunset Advisory Commission, the State Auditor and the Governor's Office of Budget and Planning. In accordance with House Bill 16 these reports have been made available on the UT Southwestern internet website.

Past reports (including required annual Internal Audit Plans) can be seen at: http://www.utsouthwestern.edu/legal/required-documents.html

II. Audit Plan for Fiscal Year 2013

FY 2013 Audit Plan	
Audit/Project	Hours
Financial Audits	
UT System Requested/Externally Required Audits	
FY2012 UTS Financial Statement Audit – Financial/IT (YE)	600
FY2013 UTS Financial Statement Audit – Financial/IT (Interim)	260
Presidential Travel and Entertainment Expenses	600
Joint Admission Medical Program (JAMP)	300
Financial Audits Subtotal	**1760**
Operational Audits	
Risk Based Tier One Audits	
Parkland Contract Review	550
Risk Based Tier Two Audits	
New University Hospital Transition Planning	600
Transplant Services	650
Change in Management Audits	
University Hospitals CFO	200
Vice President for MSRDP – Billing	200
Carryforward Audits Misc.	250
Operational Audits Subtotal	**2450**

Compliance Audits

UT System Requested/Externally Required Audits

SAO Assistance	300
UTS 142.1 Account Reconciliation and Monitoring Plan	100
THECB and Other Grant Audits	200

Risk Based Tier One Audits

HITECH Funds Compliance	700
Environmental Health & Safety Department	700

Risk Based Tier Two Audits

Practice Plan MSRDP	600
Clinical Trials Billing	700
Animal Resource Center (ARC)	500

Consulting

FY12 LBB Performance Measures	300
Reserve for Special Requests/Investigations – Compliance	1000
Compliance Audits Subtotal	**5100**

Information Technology Audits

UT System Requested/Externally Required Audits

Laptop Encryption Initiative	450
TAC 202 Compliance Audit (Biennial Requirement)	350

Risk Based Tier One Audits

Payroll Conversion process - Transition from OAS-HRMS to PeopleSoft-HCM	700

Risk Based Tier Two Audits

EPIC Resolute post implementation - University Hospitals	800

Consulting

PeopleSoft implementation processes	80
Carryforward Audits Misc.	200
Information Technology Audits Subtotal	**2580**

Follow-up Audits

Follow-up Audits

Follow-up Audits	1000
Follow-up Audits Subtotal	**1000**

Projects	
Quality Assurance Review (External/Internal)	600
Requests for Information/Assistance	474
UTS Internal Audit Process Workgroups	40
Internal Audit Annual Report	100
FY14 Annual Audit Plan & Risk Assessment	700
Internal Audit Committee	500
Projects Subtotal	**2414**
Total Budgeted Hours	**15,304**

FY 2013 Audits

Report Number	Title	Competed Report Date
13:01	FY12 UTS Financial Statement Audit (Year-end)	Assistance Provided Only
13:02	FY13 UTS Financial Statement Audit (Interim)	Assistance Provided Only
13:03	Presidential Travel, Entertainment and Gift Expenditures	11/28/2012
13:03.01	Executive Travel & Entertainment	2/15/2013
13:04	Joint Admission Medical Program (JAMP)	11/14/2012
13:05	Parkland Contract Review	Cancelled
13:06	New University Hospital Transition Planning	
13:07	Transplant Service Center	7/31/2013
13:08	University Hospital CFO	7/31/2013
13:09	Vice President for MSRDP - Billing	2/8/2013
13:11	SAO Assistance	Assistance Provided Only
13:12	UTS 142.1 Account Reconciliation and Monitoring Plan	10/31/2012
13:13	THECB and other Grant Audits	1/22/2013
13:14	Meaningful Use Assessment	8/7/2013
13:15	Environmental Health & Safety Department	
13:16	Practice Plan MSRDP	Cancelled
13:17	Clinical Trials Billing	
13:18	Animal Resource Center (ARC)	8/7/2013
13:19	FY12 LBB Performance Measures	Assistance Provided Only
13:21	Laptop Encryption Initiative	8/20/2013
13:22	TAC 202 Compliance Audit (Biennial Requirement)	
13:23	Payroll conversion process - Transition from OAS-HRMS to PeopleSoft - HCM	Consulting assistance
13:24	EPIC Resolute post implementation - University Hospitals	
13:25	PeopleSoft implementation processes	Consulting assistance

Explanation of Deviations from Fiscal Year 2013 Audit Plan

Audits not completed for FY 2013 include: 13:16 Practice Plan MSRDP. Under UT System Internal Audit's direction: this audit will be performed during FY 2014 by UT System Internal Auditors with the assistance of the UT Southwestern Internal Audit staff. The Parkland Contract Review was

cancelled per management's request. Informal consulting and a review from another outside firm were performed. All other outstanding audit reports are currently in process and will be reported in December Audit Committee meeting.

III. Consulting Services and Non-audit Services Completed

Activity	Impact
Performed reviews of complaints received through Medical Center's *EthicsLine.*	Provides the Medical Center with investigation resources.
Assisted Budget Office with review of LBB Performance Measures Data prior to reporting.	Provides review of information submitted for reporting performance measures information to LBB.
Conducted facilitated risk assessment workshops and developed comprehensive risk assessment results documents	Collaborates with Medical Center management to provide an enterprise risk management approach for the Medical Center in addition to identifying auditable risk areas to be included in Internal Audit Plan.
Assisted in identifying controls for adequate Departmental Financial Review processes	Provides Medical Center employees with guidance on how to review and reconcile their departmental accounts to minimize errors and irregularities in the normal course of business activities.
UTS142.1 Testing	Provides validation for annual financial certification processes and monitoring controls.
Fraud Analysis	Provides independent consultation and evaluation tools to management for preventing, detecting and monitoring of fraudulent activities.
PeopleSoft Implementation	Provides independent consultation and guidance of internal controls for process flows within PeopleSoft applications implementation.
Business Resumption and Disaster Recovery Planning	Provides independent consultation and guidance to help Medical Center address Emergency preparedness and Business Continuity risks.
Participation in the monthly Information Security/Privacy Steering Committee meetings	Provides consultation and guidance on emerging issues in areas of physical security initiatives, privacy and information security.
Coordination of External Audits	Provides operational support for the following: State Auditor's Office single statewide audit (A-133 and Financial portions), Deloitte Financial Audit (Interim and Year-end), Deloitte Information Security Assessment and Effectiveness Review, US Department of Health and Human Services Office of Inspector General, Review of Administrative and Clerical Costs at UT Southwestern Medical Center, Audit of Physician Supplemental Payments
Assistance to External Audit Professional Organizations	Provides professional assistance or participation in the following associations: Association of Healthcare Internal Auditors (AHIA), Institute of Internal Auditors (IIA), Information Systems Audit and Control Association (ISACA), Association of College and University Auditors (ACUA)

Assistance to UT System Internal Audit function	Participates in focused groups and provides consultation and assistance in providing institution risk information, Internal Audit reporting and quality related matters

IV. External Quality Assurance Review (Peer Review)

The last External Quality Assurance Review was performed in 2009. See the Quality Assurance Review report (dated June 18, 2009) on the following pages. The UT System will commission an outside independent firm to conduct an External Quality Assurance Review at all of the University of Texas institutions during 2014 year.

﹀◀UTMB

The University of Texas Medical Branch

OFFICE OF AUDIT SERVICES

June 18, 2009

Dr. Daniel K. Podolsky
President and Chair of the Internal Audit Committee
The University of Texas Southwestern Medical Center
5323 Harry Hines Blvd.
Dallas, TX 75390

Dear Dr. Podolsky,

At the request of Robert Rubel, Director of Internal Audit and as directed by The Institute of Internal Auditors (IIA), the Texas Internal Auditing Act, and The University of Texas System Policy – UTS 129 Internal Audit Activities, we conducted an external quality assessment of the Office of Internal Audits (Internal Audits) at The University of Texas Southwestern Medical Center (UT Southwestern). Our review was conducted May 4-6, 2009, and covered departmental activities from September 2007 through the date of our work. Members of the review team were Michael C. Bowers, CPA, CIA, Associate Director for Business & Technology Audit Services, Massachusetts Institute of Technology; Richard Catalano, CPA, CIA, Director of Internal Audit Services, University of California – Davis; Kimberly K. Hagara, CPA, CIA, Associate Vice President, Audit Services, The University of Texas Medical Branch; and Valla Wilson, CIA, Director of Internal Audit – Duke Medicine, Duke University.

The principal objectives of the quality assurance review were to assess Internal Audit's conformity to The IIA's *International Standards for the Professional Practice of Internal Auditing (Standards)*, evaluate Internal Audit's effectiveness in carrying out its mission as set forth in its charter and expressed in the expectations of management, and identify opportunities to enhance its management and work processes, as well as its value to The University of Texas Southwestern Medical Center.

Background:
The Internal Audit Charter approved by the Institutional Audit Committee requires Internal Audit to conform with the standards established by the Institute of Internal Auditors (IIA) and the provisions of the Texas Internal Audit Act. The *IIA International Standards for the Professional Practice of Internal Auditing (IIA Standards)* require external assessments to be performed at least once every five years by a qualified, independent reviewer or review team from outside the organization. However, since one of the provisions of the Texas Internal Auditing Act is to conform with Generally Accepted Governmental Auditing Standards (GAGAS), Internal Audits undergoes an external assessment at least every three years. We conducted this review using the IIA Quality Assessment Manual, 5th edition, as a guide.

Objectives:
Our objectives were to assess the level of Internal Audits' compliance with the *IIA Standards* and identify opportunities to enhance its management and work processes, as well as its value to UT Southwestern.

Scope:
The scope of our review included:
- Review of self-assessment materials prepared by Internal Audit
- Review of the previous external quality assurance review issued in August 2005, self assessment of the implementation status of those recommendations, and UT System review conducted in July 2008
- Interviews with you, the chair of the Institutional Audit Committee and other Institutional Audit Committee members, the Chief Audit Executive of the University of Texas System and key

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administrators at UT Southwestern.
- Interviews with the Internal Audit Director and members of his staff
- Examination of a sample of work papers and reports produced by Internal Audit
- A comparison of Internal Audit's audit practices with the *IIA Standards*.

Overall Opinion

The rating system that was used for expressing an opinion for this review provides for three levels of conformance: generally conforms, partially conforms and does not conform. *"Generally Conforms"* means that Internal Audits has policies, procedures, and a charter that were judged to be in accordance with the *IIA Standards*; however, opportunities for improvement may exist. *"Partially Conforms"* means deficiencies, while they might impair, did not prohibit Internal Audits from carrying out its responsibilities. *"Does Not Conform"* means deficiencies in practice were found that were considered so significant as to seriously impair or prohibit Internal Audits in carrying out its responsibilities.

In our opinion, Internal Audits generally conforms with the *IIA Standards,* with the exception of Proficiency and Due Professional Care, which partially conforms. Additionally, we determined that the Office of Internal Audit generally conforms to the IIA Code of Ethics.

The following table contains our opinion of how Audit Services activities conform to each section of the *IIA Standards*.

Standard Type and Description	Opinion
Attribute Standards:	
1000 - Purpose, Authority, and Responsibility	Generally Conforms
1100 - Independence and Objectivity	Generally Conforms
1200 - Proficiency and Due Professional Care	Partially Conforms
1300 - Quality Assurance and Improvement Program	Generally Conforms
Performance Standards:	
2000 - Managing the Internal Audit Activity	Generally Conforms
2100 - Nature of Work	Generally Conforms
2200 - Engagement Planning	Generally Conforms
2300 - Performing the Engagement	Generally Conforms
2400 - Communicating Results	Generally Conforms
2500 - Monitoring Progress	Generally Conforms
2600 - Management's Acceptance of Risks	Generally Conforms
The Institute of Internal Auditors' *Code of Ethics*	Generally Conforms

It is our opinion that while overall Internal Audits is effective and appears to be meeting management's needs, there are significant opportunities for improvement in several areas: staff training and development, management development, specialized skill-sets, engagement management, and engagement documentation. Some of these opportunities were also identified in the 2005 External Quality Assurance Review, the 2008 Self Assessment Report and the 2008 UT System review.

The following recommendations are offered to address the assessment of partially conforms for the standard Proficiency and Due Professional Care:
Recommendation: Increase Continuing Professional Development
As articulated in the 2005 External Quality Assurance Review, 2008 Self Assessment Report and the 2008 UT

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System review, the department lacks proficiency and resources with specialized skill sets in several critical areas including hospital operations and information technology. Also, over the past year, the department has experienced significant turnover at the staff level. The current recruiting model identifies talented individuals and hires individuals with various experience levels in either healthcare, auditing, or the culture of UT Southwestern, however, the post-recruitment processes may not adequately address the needs of a complex academic medical center. The department does not have a formal orientation process for training the new hires, instead relying on a traditional "on the job training" approach. Additionally, the current staff development plan and resource dedication do not appear to be adequately addressing the areas of hospital operations and information technology auditing. The fiscal year 2009 work plan dedicates approximately two FTEs to direct projects/audits in these critical areas. Additionally, other than the Director only one of the Managers holds the Certified Information System Auditor (CISA) designation with only a portion of her time allocated to information technology auditing.

Interviews with executive leadership indicated an expressed need for specialized skill sets in these areas with a willingness to provide funding for training or position enhancement. Additionally, during our staff interviews a common theme expressed was a desire for more "health care" training. It does not appear that an emphasis has been placed on industry specific training or that the new appointed "training director" is fully functioning in his role due to his limited time within the department. During our review of the departmental training records, we noted that most of the staff training is derived from local, short in duration seminars that although focus on many important topics do not adequately address in-depth healthcare topics. The Director should take the following actions to improve professional proficiency:

- *Identify specific training resources.* One solution would be to focus on identifying and attending multi-day, detailed training courses on specific topics, such as information technology (e.g. EPIC, PeopleSoft, etc.) or hospital operations (e.g. AHIA or HFMA), to gain knowledge and understanding of healthcare and IT processes, risks and controls . While this approach may be perceived as expensive in the short term, it provides the best access to knowledgeable individuals, potentially shortening the "learning curve" that will provide greater benefits to the institution in the long term.
- *Develop a training and development plan.* We encourage the Director to develop an annual formal training and development plan for the department. The plan should consider established skill sets, goals of the individual, department and institution, while also considering prospective needs in a complex, growing organization.
- *Implement Project Evaluations.* Employees should be given project evaluations at the conclusion of each project so that training opportunities and development needs are identified. The employees training and development plan should be updated as result of evaluation of performance.
- *Promote and encourage staff to get certifications.* Consideration should also be given to the establishment of certification goals, as currently only two Supervisors outside the management team are certified, one is a Certified Internal Auditor (CIA) and one is a Certified Public Accountant (CPA). Perhaps a one-time bonus or other reward could be given as an incentive for employees to obtain certifications such as the CPA, CIA or CISA.
- *Develop a new hire training program.* We encourage the Director to develop a formal orientation process that includes at a minimum a mentoring process, skill set gap analysis, as well as a clear training and development plan during their first evaluative period.

Recommendation: Management Development

Prior to September 2008, the departmental management team consisted of the Director and Associate Director. With the pending retirement of the Associate Director, Manager positions reporting directly to the Director were created. Two experienced Supervisors were promoted into these new roles. The Managers, similar to the Associate Director before, are responsible for the execution of the annual work plan and many of the departmental operations. This is done in an environment where the Director encourages and expects autonomy and ownership of the engagement/project by all staff members. While these are important development traits, when combined with the uncertainty of the new Manager Role, it appears to have caused

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confusion in the roles of supervision, review and ownership of the individual engagements. Certain employees expressed a concern of the lack of clarity of roles and expectations, redundancies and inefficiencies in the audit process due to double reviews by both managers who have different approaches, work paper preferences, and report writing styles. To encourage management development, the Director should consider:

- *Establish roles and responsibilities.* Clear roles and responsibilities should be articulated and documented at the beginning of each engagement. The director should review the work of the managers to identify development needs.
- *Invest time in mentoring and coaching the managers.* The Director should consider establishing regular individual meetings with each manager to focus on coaching and mentoring to improve in areas such as project management and leadership skills. It is important to fully develop the new Managers to play a role in the management and strategic direction of the department.
- *Increase leadership opportunities.* The Director should identify leadership opportunities, both internally and externally to the department such as participation on certain committees or presentation opportunities. This is important for the Managers in developing their leadership and public relationship skills in representing the department so that they are recognized as a valuable resource by executive management. While we recognize that these efforts are ongoing by the Director and appreciate that the luxury of time has not passed to evaluate the final results of his effort; we remind the Director that this development is both formal and informal, as well as in and outside of the direct internal audit engagement efforts.

Although these areas of the standards were assessed as generally conforms, we believe opportunity exists to enhance the program in the following:

Recommendation: Engagement Management
Based on the QAR team's review and understanding of the work plan completion reports, engagement budget overruns, and engagement cycle time, there appears to be a need for improvement in the engagement management process. The 2005 External Quality Assurance Review Report makes a similar observation related to engagement cycle time. We noted that several of the 2009 audit engagements had significant budget overruns, while this can be attributable to either ineffective budgeting or engagement management, based on the objectives of the individual engagements and documented work performed it appears a lack of engagement management is the primary cause. Additionally, during our interviews, the staff indicated a need for more clarity and communication in who is responsible for the managing, monitoring and reviewing the engagement, particularly when the engagement team is comprised of multiple staffing levels. An additional observation by the staff related to the current report writing process, as articulated to the QAR team, is a need to determine who is responsible for authorship and limit the number of editors. The current process appears to results in inefficiencies due to personal preferences edits without substantial changes in content or context. The Director should take the following actions to improve engagement management:

- *Clarify managing and monitoring roles and responsibilities.* Clarify in the audit manual and through other communication channels the roles and responsibilities for different layers of the organization including who is responsible for the managing and monitoring engagements
- *Establish a clear report writing process.* Evaluate and document the reporting writing and editing process with the goal of defining who is the primary author and reducing staff frustrations and report issuance delays by limiting the number of editors.
- *Establish specific project meetings.* Improvement in the engagement management process could be achieved through the establishment of understanding meetings, regularly scheduled project status meetings, and pre-reporting meetings,.
- *Conduct a post-engagement review.* For those engagements with significant overruns meet and discuss the project to determine the root cause for project overrun. Consider developing a policy for departmental documentation requirements related to over-budgets projects

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Recommendation: Engagement Evidence

While the QAR team believes that the work papers generally support the work of the department, it appears the department may be taking on a larger audit risk in each engagement than intended. The audit teams appear to rely more on interview and other less reliable evidence rather than re-performance or third party conformation. Reliance on audit evidence that is less objective than what otherwise may be available to support conclusions may lead to erroneous reports that do not address all risks of an area. While this was evident in review of general operational areas, it was also noted in technical operational areas of the institution. The more technical an area the greater the audit risk becomes as the understanding or ability to interpret data by the individual auditor diminishes. The Director should consider the following action to improve engagement evidence:

- *Develop departmental standards for audit evidence.* Provide formal guidance of the standards of audit evidence to the staff. Additionally, during the assignment of staff to an engagement, experience and technical expertise should be a primary consideration.

Recommendation: Follow-up Process

Currently, follow up on prior audit recommendation occurs annually and consists of an auditor contacting the management responsible for implementing corrective action. The existing process has some inherent risks including delay of action by management until a status is requested and not providing timely information to senior management on the status of action items. For example, if a recommendation is to be implemented by July 1, 2008 and you don't follow-up until May 1, 2009, senior management may not know that the action is 10 months past due. Additionally, we noted the follow-up for this year is being performed by the audit intern (not a member of the permanent staff). When interviewed, he indicated that he encounters issues of responsiveness and that in several instances he had to speak directly with a Vice President to obtain the needed information. While initial follow-up activities can be performed by staff auditors or perhaps interns, when there is non-responsiveness, this should be elevated to an Audit Manager with possible action by the Director. Additionally, having an intern contact a Vice President on a follow-up assignment may not be the best practice and has the risk of damaging working relationships with institutional leaders. The Director should:

- *Reevaluate the process for conducting follow-up.* Consideration should be given to quarterly or semi-annual follow-ups based on recommendation implementation dates. Additionally, it should be staffed by an individual with sufficient experience to appropriately represent the department with senior leadership and interpret to supporting information provided.

Recommendation: Independence

The 2005 External Quality Assurance Review noted that the Director of Internal Audit's administrative reporting relationship to the Executive Vice President for Business Affairs created a perceived impairment of Internal Audits within the Medical Center community. Although the reporting relationship has been addressed, it appears that the Director's continued close alignment with the Executive Vice President for Business Affairs, including attending the his weekly managers' meeting, monthly one-on-one meetings, and the Executive Vice President's review and agreement of all draft reports continues to foster a perception of an independence impairment. Additional steps should be taken to reduce the appearance of independence impairment, including considering not having the Director attend the weekly managers' meetings and having the Executive Vice President review and agree to only those draft reports related to his portfolio of responsibility.

Additional recommendations for enhancement of the internal audit function in the areas of follow-up, customer surveys; specific work paper documentation and strategic planning were also identified. The details of those recommendations have been communicated separately.

Identified Strengths and Best Practices

Although we have mentioned areas of improvement, we noted that the Internal Audit department is viewed as a valuable function by Senior Executive Management and the Audit Committee members. The following

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V. Internal Audit Plan for Fiscal Year 2014

FY 2014 Audit Plan Audit/Project	Budgeted Hours	% of Total
Financial		
Risk Based Audits		
Deloitte Financial and IT Audit Support	860	
Budget Accountability Review	400	
Credit Balance Review (MSRDP, Hospital, Clinics)	400	
FSP- Overall review of billing and A/R management	200	
UT System Audits		
President Travel and Entertainment Review	40	
Direct Reports' Travel and Entertainment Review	300	
UTS 142.1 Annual Monitoring Plan Review	100	
Financial Subtotal	**2300**	**16%**
Operational		
Risk Based Audits		
IRB Oversight Review	500	
Charge Master Review (MSRDP, Hospital, Clinics)	400	
Sample Offsite Clinic(s) Operational Review(s)	400	
Denials Management Review (Hospital, Clinics)	400	
Compliance Program Analysis	300	
Medical Supervision Review at UHS	175	
Student Safety including Process Evaluation for Determining "At-risk" Students	200	
Health Fair Decision Making and Execution Analysis	250	
Validation Audits		
Case Management Assessment	400	
Plant Operations Bidding to Contracting to Payment Review for Construction, Renovation, and Maintenance	400	
PeopleSoft HCM Post Implementation Review (FY13 Follow-up)	200	
Change in Management Audits		
Review of Office of VP for Technology Development	100	
Review of Office of Communications, Marketing, Public Affairs	100	
Consulting		
Consulting Clements Hospital Project Management Review/Participating	200	
Operational Subtotal	**4025**	**28%**
Compliance		
Risk Based Audits		
Clery Act/Incident Reporting	250	
IACUC Process/Program Review	400	
Time and Effort Reporting for Research Grants (including eCERT)	500	
Other Audits		

SAO A-133	100	
THECB Grants Review performed by UTSW	150	
Compliance Subtotal	**1400**	**10%**
Information Technology *Risk Based Audits*		
Business Continuity	300	
Decentralized Application Inventory and Reviews	800	
User Access Approval	200	
PeopleSoft User Access Review	200	
License Inventory Review	300	
Cyclical Infrastructure Audits		
Network Perimeter Security	250	
Operating System Layer	250	
Database Layer	250	
System Development Consulting Projects		
ICD10	400	
CUH (Clements University Hospital) Application Development	200	
Information Technology Subtotal	**3150**	**22%**
Remediation - Follow-up		
Audit Follow-Up	500	
Remediation - Follow-up Subtotal	**500**	**3%**
UT System Support		
UTSW Internal Audit Peer Review performed by external provider	40	
Annual Internal Audit Report	100	
UT System Support - Follow-up Subtotal	**140**	**1%**
State/Federal Support		
Assistance to Budget Office for Legislative Budget Board Performance Measures	100	
SAO Schedule of Expenditures of Federal Awards (SEFA)	100	
SAO Comprehensive Annual Financial Report	100	
State/federal Support - Follow-up Subtotal	**300**	**2%**
Projects/AC Reporting		
Hotline/Special Projects	1500	
Audit Committee Reporting	500	
FY15 Risk Assessment (includes "six month refresh") and Audit Plan Development	600	
Projects/AC Reporting Subtotal	**2600**	**18%**
Total Hours	**14,415**	**100%**

VI. External Audit Services Procured in Fiscal Year 2013

The following is a list of audits completed by outside agencies at the Medical Center in FY2013.

- State Auditor's Office FY2012 Federal A-133 Audit
- State Auditor's Office FY2012 Statewide Financial Audit & Follow-up
- Deloitte FY2012 - UT System Financial Audit - IT
- Deloitte FY2012 - UT System Financial Audit – Financial

In addition, the Medical Center procured internal audit services from Price, Waterhouse & Coopers (PWC). PWC led the internal audit function since it was without a Director and subsequently, the Interim Director (former Assistant Director) left the institution. There was other staff turnover as well.

VII. Reporting Suspected Fraud and Abuse

- Fraud Reporting - Section 7.10, General Appropriations Act (82nd Legislature), Article IX.
- Coordination of Investigations - Texas Government Code, Section 321.022.
  - o UT Southwestern maintains a fraud, waste and abuse hotline webpage that links to the State Auditor's fraud hotline information and website for fraud reporting.