Valla F. Wilson, CIA, CRMA, CHIAP
Vice President & Chief Audit Executive

UTSouthwestern
Medical Center

Office of Internal Audit Services

October 31, 2022

Office of the State Auditor
1501 North Congress Ave.
Austin, TX 78701

Dear Office of the State Auditor:

We have prepared this report on the activities of The University of Texas Southwestern Medical Center's (Medical Center) 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 FY2022 audit plan activities completed and FY2023 audit plans. The FY2022 audit activities focused primarily on Institutional risk-based areas including patient care, information technology, research, core business processes, and other areas based on risk analysis as well as key externally requested audits.

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 214-447-0995.

Sincerely,

Valla F. Wilson, Vice President and Chief Audit Executive, Office of Internal Audit Services

cc: Tabatha Vasquez, Texas Governor's Office of Budget and Policy Division
        Jerry McGinty, Legislative Budget Board
        Daniel K. Podolsky, M.D., President, The University of Texas Southwestern Medical Center

The University of Texas
Southwestern Medical Center
Internal Audit Annual Report for Fiscal Year 2022

October 31, 2022

THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER

INTERNAL AUDIT ANNUAL REPORT FOR FISCAL YEAR 2022

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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 Web site

The UT Southwestern Office of Internal Audit 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 Policy Division. In accordance with House Bill 16, these reports have been made available on the UT Southwestern website.

Internal Audit Annual Reports, which include the internal audit plan, can be seen at: http://www.utsouthwestern.edu/legal/required-documents.html. Internal Audit Reports can be seen at: https://www.utsystem.edu/documents/audit-reports-institution.

II. Audit Plan for Fiscal Year 2022

FY 2022 Audit Plan Based on approved plan modified in FY 2022	Revised Budget	% of Total
Assurance Engagements		
22-02 IT-General Controls Audit *In Process*	350	
22-04 Asset Management Audit *Completed; Report was issued on September 28, 2022*	300	
22-05 CARES Funding Audit *Completed; Report was issued on June 13, 2022*	200	
Center / Institute Controls Audit *Cancelled due to risk assessment*	0	
Change In Management Reviews for Key Leaders *Cancelled*	0	
Clinical Research Audit *Cancelled due to on-going clinical research consulting and FY 2021 action plans still in process*	0	
22-09 Expense Management Audit - Equipment Maintenance *Completed; Report was issued on March 1, 2022*	250	
22-10 Patient Access Audit *Completed; Report was issued on June 30, 2022*	250	
22-11 Physical Access Audit *Completed; Report was issued on April 1, 2022*	250	
Research Data Protection and Validation Audit *Cancelled due to FY 2021 action plans still in process*	0	
22-13 Revenue Cycle - Billing Audit *Completed; Report was issued on June 28, 2022*	250	
Revenue Cycle - Charge Capture Review/Reconciliation Audit *Deferred to FY 2023*	0	
22-15 Revenue Cycle - Off Site Operations (Frisco Medical Center Campus) Audit *Completed; Report was issued on August 22, 2022*	400	
22-16 Revenue Cycle - Patient Account Credit Balances Audit *Completed; Report was issued on August 24, 2022*	300	
Sponsored Programs Administration Audit - Clinical Trials Billing *Cancelled due to consulting activities that also include Sponsored Programs Administration and FY 2021 action plans still in process*	0	
Supply Chain - Receiving and Distribution Audit *Cancelled*	0	
T&E - Direct Reports Audit *Cancelled due to risk assessment*	0	

FY 2022 Audit Plan Based on approved plan modified in FY 2022	Revised Budget	% of Total
Third Party Vendor Relationships Audit *Cancelled; FY 2021 action plans still in process*	0	
22-22 UTS 142.1 Compliance and Monitoring Plan Audit *Completed; Report was issued on December 20, 2021*	140	
Tissue Collection, Storage and Security Audit *Deferred to FY2023*	0	
IT - FERPA Security Assessment *Cancelled due to risk assessment*	0	
IT - Cybersecurity Audit *Cancelled due to IT cybersecurity initiatives in process and FY 2021 action plans still in process*	0	
IT - Disaster Recovery & Business Continuity Audit *Deferred to FY 2023*	0	
IT - General Controls Audit *In Process; Carried forward to FY 2023; included in Carry forward reserve*	0	
22-28 IT - Network Security Audit *Completed; Report was issued on June 7, 2022*	250	
IT - Role & Access Review – Epic *Cancelled due to recently completed consulting project, also included in FY2023 plan*	0	
22-29 IT - Role & Access Review – PeopleSoft HCM *Completed; Report was issued on August 18, 2022*	180	
IT - Workforce Optimization & Remote Work Audit *Cancelled due to the use of different factors, COVID impact and other changes including HR leadership changes.*	0	
Fuel Card Audit *In Process; Added to plan in Q4 to be completed Q1 Fy23*	300	
Assurance Engagements Subtotal	**3,420**	**20.2%**
Advisory and Consulting Engagements		
Credit Card Devices Security Consulting *Completed; Carried forward from FY 2021*	225	
Mass PO Dispatch Consulting Project – Procurement *Completed; Carried forward from FY 2021*	60	
Epic Security Consulting *Completed; Carried forward from FY 2021*	60	
IT - RPA & Use of Bots Audit *In Process, Transitioned from Audit to Consulting*	300	

FY 2022 Audit Plan Based on approved plan modified in FY 2022	Revised Budget	% of Total
IT - Data Center Relocation Audit *In Process; Transitioned from Audit to Consulting*	150	
PCI Program Consulting *Ongoing*	100	
Capital Projects *Ongoing*	200	
Consulting and Advisory Services for Racial Injustice and Bias *Ongoing*	100	
Consulting General *Ongoing*	340	
Contracts Management Consulting *Ongoing*	150	
Epic System Consulting *Ongoing*	75	
ERM Initiative *Ongoing*	250	
Facilities Management Consulting *Ongoing*	100	
Human Resources Consulting *Ongoing*	150	
Information Resources Consulting *Ongoing*	250	
Institutional Clinical Trials Initiative *Ongoing*	200	
Institutional Committee Meetings *Ongoing*	250	
IT - Continuous Monitoring *Ongoing*	300	
Management training offerings such as Internal Control & Fraud Awareness/Leadership Foundations Training and Other courses and presentations *Ongoing*	200	
SWHR Consulting *Ongoing*	100	

FY 2022 Audit Plan Based on approved plan modified in FY 2022	Revised Budget	% of Total
System Development Consulting (Risk areas such as project management, controls design, data conversion, user testing, and security access) *On-going*	250	
Compliance Program Effectiveness Assessment *Completed September 2022*	550	
Advisory and Consulting Engagements Subtotal	**4360**	**25.8%**
Required Engagements		
22-48 Texas Higher Education Coordinating Board (THECB) Audit *Completed; Report was issued on December 20, 2021*	100	
22-43 Texas Education Code §51.9337 Compliance Audit *Completed; Report was issued on December 20, 2021*	20	
22-49 Texas Education Code §51.9337 Compliance Audit *Completed; Report was issued on July 12, 2022*	20	
22-50 Proportional Funding of Benefits Audit *Completed; Report was issued on August 19, 2022*	200	
22-60.1 JAMP Audit *Completed; Report was issued on November 11, 2021*	130	
22-51 Willed Body Audit *Completed; Report was issued on May 26, 2022*	250	
Annual Financial Report Audit Support *Completed*	400	
Required Engagements Subtotal	**1120**	**6.6%**
Investigations		
Investigations *Ongoing*	2,100	
Investigations Subtotal	**2,100**	**12.4%**
Reserve		
Audit Plan Reserve for Emerging Risks	715	
FY2021 Audit Plan Carryforward Audits • Medical Device Credit - *Completed* • Revenue Cycle Charge Capture - *Completed* • Research Data Cybersecurity - *Completed* • IT Privileged and Domain Access – *Completed* • Export Controls – *In process*	945	
Reserve Subtotal	**1680**	**9.8%**

FY 2022 Audit Plan Based on approved plan modified in FY 2022	Revised Budget	% of Total
Follow Up		
Q1 Follow Up / Sustainability *Completed*	325	
Q2 Follow Up / Sustainability *Completed*	150	
Q3 Follow Up / Sustainability *Completed*	150	
Q4 Follow Up / Sustainability *Completed*	150	
Follow Up Subtotal	**775**	**4.6%**
Development - Operations		
Annual Internal Audit Report *Completed*	50	
Audit Committee Reporting *Completed*	500	
FY2022 Risk Assessment and FY2023 Audit Plan Development *Completed*	400	
External Audit Support (i.e., State Auditor's Office (SAO) and other agencies) *ON-going*	150	
Staff/Management Meetings *On-going*	750	
Quality Assurance Review Wrap Up / QAIP Activities *Completed*	150	
Development - Operations Subtotal	**2000**	**11.8%**
Development - Initiatives and Education		
Training for Internal Audit *Ongoing*	850	
Internal Audit Development *Ongoing*	480	
System Audit Initiatives (workgroups, committees, research, etc.) *Ongoing*	150	`
Development - Initiatives and Education Subtotal	**1480**	**8.8%**
Total Budgeted Hours	**16,915**	**100%**

Explanation of Deviations from Fiscal Year 2022 Audit Plan

The FY 2022 Audit Plan noted above represents a modified plan that was approved by the Institutional Audit Committee in April and August 2022. Modifications to the audit plan are the result of further assessment of risks and necessary to keep up with emerging and shift in institutional risks and other reasons such as unplanned changes in staffing and staff availability. This allows us to better assess the plan and make proposed changes in a more fluid manner to meet the needs of the institution. The modified plan represented a reduction in total FY 2022 hours from 21,000 to 16,915. The audit plan recap on the previous pages identifies audits cancelled and deferred and explanations. High level key changes included:

- Recurring audits canceled or deferred had action plans in process from previous audits or the audits carried over into the same year.

- Audits may have been reclassified to consulting because of system implementation or other activities that did not warrant audit activities and provided greater value.

- Audit risks were considered lower risk

- Audits deferred or cancelled due to management initiatives implemented lower risk level

- Audits deferred to provide sufficient time for management to complete planned security actions

Compliance with the Purchasing and Contracting Requirements for Higher Education Institutions

Senate Bill 20 (84th Legislative Session) made several modifications and additions to Texas Government Code (TGC) and Texas Education Code (TEC) related to purchasing and contracting. TEC 51.9337 requires that, *"The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor."*

In Q4 FY2022, a review was performed to assess TEC 51.9337 compliance elements as well as follow up on action plans. The Chief Audit Executive concluded that the Medical Center was in compliance with the purchasing and contracting requirements for higher education institutions. Based on the review of current institutional policy and the UT System Board of Regents' Rules and Regulations, UT Southwestern Medical Center has generally adopted all of the rules and policies required by TEC 51.9337. Review and revision of institutional and system policy is an ongoing process. These rules and policies will continue to be assessed annually to ensure continued compliance with TEC 51.9337.

III. Consulting Services and Non-Audit Services Completed

Activity	Impact
Capital Construction Projects	Participate in audit progress meetings with the Construction Improvement Program (CIP) team and external audit vendors to review observations, identify process improvements, discuss action plan implementation, and review construction audit firm reports
Clinical Research Revenue Cycle Improvement Initiative	The CAE participates in the Executive Steering Committee and a clinical research work group for advising on key initiatives to improve processes and implement technology improvements for critical clinical research activities.
Compliance Program Effectiveness Assessment	In partnership with vendor, perform an assessment of the compliance program's effectiveness and alignment with the seven elements.
Contracts Management Consulting	Participates in a workgroup to review outside consultant's results and opportunities identified to address contracts management related risks. Also, provides periodic feedback on Right to Audit contract clauses and data access provisions in response to Contracts Management team requests during vendor contract negotiations.
Consulting and Advisory Services for Racial Injustice and Bias	Serves as Executive Sponsor for the African American Employee Resource group and provides consulting on management initiatives to address diversity, equity and inclusion.
Consulting General	Consulting with leaders on emerging risks and other leader requests.
Contracts Management Consulting	Provides periodic feedback on Right to Audit contract clauses and data access provisions in response to Contracts Management team requests during contract negotiations with vendors.
Coordination of External Audits	Provides operational support for external audits including State Auditor's Office single statewide audit (A-133 and Financial portions), Deloitte Financial Audit (Interim and Year-end).

Activity	Impact
Data Center Relocation	Consulting on process implemented to govern the data center location move, validation of servers, backup and backout plans, and security of data transferred during the relocation.
Earning Codes/Payroll Classification Project	Coordinated effort with the Provost Office, Payroll, Budget Office, Human Resources, and other key stakeholders to continue the review and clear guidance for department practices for tracking and use of the earning codes, proper timekeeping procedures and reporting.
Epic System Consulting	Coordinates with management to provide input and guidance on risks, controls and best practices.
ERM Initiative	Facilitates enterprise risk management activities in coordination with management.
Human Resources Consulting	Reviews results from independent assessments and coordinates with management on implementation of action plans.
Information Resources Consulting	Consulting for Information Resources initiatives, including plans to update the software purchase evaluation and third-party vendor risk monitoring processes.
Mass PO Dispatch Consulting Project – Procurement	Coordinates with management on action plan implementation.
Meal Card	Coordinates with hospital and academic leadership, Accounting and Fiscal Services (AFS) and other key stakeholders in reviewing department practices and providing guidance for processes and controls for procurement, securing cards, tracking of meal card distribution, and reporting of income.
Supply Chain Consulting	OIAS worked with key stakeholders for on-going action items in response to the previous consulting engagements identified opportunities including procurement and other supply chain management activities.

Activity	Impact
System Development Consulting (Risk areas such as project management, controls design, data conversion, user testing, and security access)	Consulting for major IT system development projects
Continuous Monitoring	Computer-based monitoring routines for potential fraud, other operational risks, and other data monitoring opportunities.
Performed investigations of certain complaints received by the office and through Medical Center's Compliance Hotline.	Provides the Medical Center with investigation resources and identifies opportunities for enhancement of existing controls.
Internal Controls and Fraud Awareness Training	The Office of Internal Audit Services conducts focused training for leaders and financial and administrative staff across the institution on internal controls, fraud indicators, and policy requirements for reporting matters.
Leadership Foundations – Internal Audit Awareness Leadership Training	Provides training to Leadership Foundations class participants on the role of internal audit, leaderships role for internal control framework, fraud prevention and reporting responsibilities.
Internal Audit has had participation in the following Committees or work groups: • African American Employee - Business Resource Group Executive Sponsor • Clinical Research Advisory Board • EHR Governance Committee • Executive Compliance Committee • Historically Underutilized Businesses Coordinating (HUB) Committee • Information Systems Acquisition Committee • Information Security and Privacy Steering Committee • International Research Activities Cohort • Office365 Taskforce	Participates in committees and focused groups, providing consultation on process improvements and risk considerations and provide insights for institutional initiatives and emerging issues.

Activity	Impact
• PCI Workgroup • President's Council on Diversity and Inclusion (PCDI) • Policy Executive Committee • Security Governance • Strategic Subcommittees • University and Professional Billing Compliance Committee (UPBCC) • UT System IT Auditors Roundtable	
Professional Involvement in Outside Audit Professional Organizations	Provides professional assistance or participation for the following associations and committees: • Association of Healthcare Internal Auditors (AHIA) – Chair, Item Writer Subcommittee of the Certification Committee • Institute of Internal Auditors (IIA) • Information Systems Audit and Control Association (ISACA) • Association of College and University Auditors (ACUA) • Association of Certified Fraud Examiners (ACFE) • UT Dallas Internal Audit Advisory Group

IV. External Quality Assurance Review (Peer Review)

A Quality Assurance Self-Assessment was completed in FY 2020 with external validation completed in Q4 FY 2020. Independent consultants from Baker Tilley performed the external validation review and provided an overall assessment of generally conforms, which is the top rating. The next Quality Assurance review is scheduled for FY2023.

bakertilly

August 26, 2020

Ms. Valla Wilson, Vice President of Internal Audit, Chief Audit Executive
The University of Texas Southwestern Medical Center

In July 2020, The University of Texas Southwestern Medical Center (UT Southwestern) Internal Audit (IA) function, the Office of Internal Audit (OIA), completed a self-assessment of internal audit activities in accordance with guidelines published by the Institute of Internal Auditors (IIA) for the performance of a quality assessment review (QAR). UT Southwestern OIA in collaboration with UT System engaged an independent review team consisting of internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of OIA's QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning IA's conformity to the IIA's *International Standards for the Professional Practice of Internal Auditing* (the IIA *Standards*) and Code of Ethics, Generally Accepted Government Auditing Standards (GAGAS), and the relevant requirements of the Texas Internal Auditing Act (TIAA).

The IIA's *Quality Assessment Manual* suggests a scale of three ratings, "generally conforms," "partially conforms," and "does not conform." "Generally conforms" is the top rating and means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards*. "Partially conforms" means deficiencies in practice are noted that are judged to deviate from the *Standards*, but these deficiencies did not preclude the IA activity from performing its responsibilities in an acceptable manner. "Does not conform" means deficiencies are judged to be so significant as to seriously impair or preclude the IA activity from performing adequately in all or in significant areas of its responsibilities.

Based on our independent validation of the QAR performed by OIA, we agree with OIA's overall conclusion that the internal audit function **"Generally Conforms"** with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, as well as with OIA's conclusions regarding GAGAS and TIAA requirements. Our review noted strengths as well as opportunities for enhancing the internal audit function.

This information has been prepared pursuant to a client relationship exclusively with, and solely for the use and benefit of, The University of Texas System Administration and UT Southwestern and is subject to the terms and conditions of our related contract. Baker Tilly disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than The University of Texas System Administration and UT Southwestern.

The review team appreciates the cooperation, time, and candid feedback of executive leadership, stakeholders, and OIA personnel.

Very truly yours,

Baker Tilly Virchow Krause, LLP

V. Internal Audit Plan for Fiscal Year 2023

The internal audit plan for FY 2023 was developed using a risk assessment process that involved gaining a deeper understanding of the organization and its strategic plan and institutional priorities and taking into account risks identified in the previous year's risk assessment and emerging risks. In partnership with Compliance department, we conducted 14 individual risk meetings, over 20 facilitated risk sessions with key leaders and received 65 risk survey responses. There were over 200 individuals from across the organization participating in the risk assessment process. As a result of the process, we captured high and medium risks and determined those that are auditable risks to be included in our FY 2023 Internal Audit Plan. In October 2022, the FY2023 Plan was updated to include projects carried forward from FY2022 based on end of year plan assessment.

FY 2023 Audit Plan	Budget	% of Total
Assurance Engagements		
Award Close Out Assessment	250	
Benefits Review	300	
Change In Management Review	500	
Clinical Research Process Review	250	
Compensation Review	250	
Construction Audit Project Management Review [1]	300	
Direct Reports Travel and Entertainment Expense Audit	150	
Donor/Client Relationship Management Review	300	
Employee Safety and Security Offsite Assessment	200	
Hospital Supply Chain and Inventory Resilience Assessment	400	
Payroll/Timekeeping Audit	400	
Recruiting/Onboarding Review	300	
Research Data Protection Review +	300	
Revenue Cycle - Bad Debt Audit	250	
FY 2023 Audit Plan	**Budget**	**% of Total**

	Budget	% of Total
Revenue Cycle - Charge Capture Reconciliation Audit +	200	
Revenue Cycle - Charge Master Audit	300	
Revenue Cycle - Charity Care Audit	300	
Salary and Wage Confirmation Review	150	
Terminations Audit	300	
Third Party Audit - Auxiliary Services Review +	350	
Tissue, Collection and Storage Audit +	400	
UTS 142.1 Compliance and Monitoring Plan Audit +	100	
IT - Business Continuity / Disaster Recovery Management Program Assessment	300	
IT - Cybersecurity Program Assessment	400	
IT - Epic Access Management Review	250	
IT - RPA & Use of Bots Audit	150	
IT - TAC 202 - IT General Controls Review +	300	
IT - TX-RAMP Compliance Assessment Review	200	
Assurance Engagements Subtotal	**7,850**	**43.4%**
Advisory and Consulting Engagements		
Ambulatory Clinic Self- Assessment Review	150	
Capital Projects Consulting	100	
Consulting and Advisory Services for Diversity, Equity and Inclusion	100	
Consulting General	250	
Continuous Auditing and Monitoring Data Analytics	200	
FY 2023 Audit Plan	**Budget**	**% of Total**

Contracts Management Consulting[2]	150	
Data Center Relocation Consulting	50	
Epic System Consulting	75	
ERM Initiative	200	
Financial Management Network – Proctoring	50	
Information Resources Consulting	200	
Institutional Clinical Trials Initiative	100	
Institutional Committee Meetings	350	
Continuous Monitoring	200	
IT - Data Governance Program Consulting	80	
Management training offerings such as Internal Control & Fraud Awareness/Leadership Foundations Training and Other courses and presentations	150	
PCI Program Consulting	120	
Software Acquisition Consulting	150	
System Development Consulting	200	
Advisory and Consulting Engagements Subtotal	**2,875**	**15.9%**
Required Engagements		
Texas Higher Education Coordinating Board (THECB) Audit	100	
Texas Education Code §51.9337 Compliance Audit[3]	20	
Annual Financial Report Audit Support	400	
Investigations		
Investigations	1500	
FY 2023 Audit Plan	**Budget**	**% of Total**

Investigations Subtotal	**1,500**	**8.3%**
Reserve		
General Reserve	800	
FY2022 Audit Plan Carryforward	200	
Reserve Subtotal	**1,000**	**5.5%**
Follow Up		
Q1 Follow Up / Sustainability	150	
Q2 Follow Up / Sustainability	150	
Q3 Follow Up / Sustainability	150	
Q4 Follow Up / Sustainability	150	
Follow Up Subtotal	**600**	**3.3%**
Development - Operations		
Annual Internal Audit Report	100	
Audit Committee Reporting	500	
FY2023 IT Risk Assessment and FY2024 Audit Plan Development	125	
FY2023 Risk Assessment and FY2024 Audit Plan Development	400	
External Audit Support (i.e., State Auditor's Office (SAO) and other agencies)	200	
Staff/Management Meetings / Employee Engagement	900	
Quality Assurance Review Wrap-Up / QAIP Activities	150	
Internal Audit Marketing and Development	200	
Internal Audit Development - Interns Program	80	
Internal Audit Development - IT Tech Support	50	

Development - Operations Subtotal	**2,705**	**15.0%**
Development - Initiatives and Education		
Internal Audit Development – New Audit Management Software Implementation	80	
Training – Internal Audit Profession	800	
System Audit Initiatives (workgroups, committees, research, etc.)	150	
Development - Initiatives and Education Subtotal	**1,030**	**5.7%**
Total Budgeted Hours	**18,080**	**100%**

Note: Projects denoted with [1,2 or 3] represent those related to capital budget controls, contract management and other requirements.

High risks not included in the FY2023 Audit Plan - The following are risks identified as high risks and are not included in our plan. They include:

- Advanced Practice Billing, Coding and Utilization
- Brand Protection preservation while expanding business relationships
- Clinical Documentation
- Clinical Research Billing
- Controlled Substance Compliance
- Employee and Faculty Mental Health/ Wellness
- Institutional growth and clinical affiliates

- Medical Record Integrity
- Quality of Care Coordination and Communications
- Quality patient care and safety
- Research Publications
- Resource constraints and bandwidth
- Student Education Technology experience
- High quality patient care and safety

The above risks were not included in the plan due to one or more of the following reasons:

- Internal Audit performed an audit of the risk area within the last few years
- Risk areas are included in the Compliance Work Plan
- Management may have institutional initiatives focused on risk mitigation strategies
- Transition of leadership or program is underway
- Risks were not considered auditable.

VI. External Audit Services Procured in Fiscal Year 2022

In addition, the following is a list of audits completed by outside agencies at the Medical Center in FY2022.

External Auditor/ Organization	Purpose
Federal Agency Audits	
Centers for Medicare & Medicaid Services (CMS) & NOVITAS	CMS Comprehensive Error Rate Testing (CERT) & selected DRG validation review
	Noridian Solutions Subcontractor compliance review of Medicare Supplement Parts A & B benefits
	NOVITAS targeted probe and education review (TPE)
Centers for Medicare & Medicaid Services (CMS)	Performant Contractor audits of complex & automated claims
Centers for Medicare & Medicaid (CMS) Recovery Audit Contractor (RAC) audits	Pioneer RAC billing compliance audits
	Cotiviti (RAC Contractor) reviews & Inpatient hospital additional documentation requests (ADRs), outpatient hospital ADR's and professional billing ADRs
Federal Office of Inspector General (United States OIG) & THHS	OIG/Texas Health and Human Services Commission billing compliance audits of State Medicaid Program
Department of the Treasury Internal Revenue Service	Employment Tax Examination
State Agency Audits	
Cancer Prevention Research Institute of Texas - CPRIT (performed by Weaver)	Independent Auditor's Report - Schedule of Expenditures of State Awards for the CPRIT Program, and Report on Program Compliance and Internal Control over Compliance
State Auditor's Office (SAO)	Audit A-133 Statewide Single Audit for FY 2021 (Research & Development Cluster follow up on prior year findings)
State Auditor's Office (SAO)	State Dual Employment & FLSA Compliance Audit
State Auditor's Office (SAO)	Provider Relief Fund
State Comptroller's Office Post Payment Audit (State's Schedule of Expenditures of Federal Awards or SEFA)	Compliance Audit by the Fiscal Management Division of the Comptroller of Public Accounts to validate the Medical Centers' compliance for payroll, purchase, procurement and travel expenditures.

External Auditor/ Organization	Purpose
Texas Department of Health & Human Services (THHS) & HMS	HMS Contractor routine billing compliance audits
Texas Department of Health & Human Services (THHS) & HMS Contractor	Aetna (HMS Subcontractor) billing compliance audits
Texas Office of Inspector General (Texas OIG)	THHS billing compliance review of drug modifier for Medical Services Account (MS Patient Account)
Other	
Weaver	Payment Application Reviews for various construction project phases
Moss Adams	Payment Application Reviews for various construction project phases
Marsh Risk Consulting	Payment Application Reviews for various construction project phases
Other Health Care Plan Ordered Audits	
OPTUM Health Care Contractor	Aetna Subcontractor routine billing compliance audit
OPTUM Health Care Contractor	United Health Subcontractor billing compliance audit
Medical Billing Compliance	EXEL Subcontractor billing compliance
Patient-Centered Outcomes Research Institute (PCORI) Research Grant Audit	Cotton & Company, LLP Grant provisions compliance
UT System Audits	
Deloitte	Annual Financial Report (AFR) Audit (FY2021 Year End Testing and FY2022 Interim Testing)
Deloitte	THR Network Settlement (agreed upon procedures) on the behalf of UT Southwestern

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:

- UT Southwestern Medical Center Compliance home page provides a link to the Compliance Hotline web page (https://www.utsouthwestern.edu/about-us/administrative-offices/compliance). A toll-free number (1-877-507-7319) is also available to all staff and faculty to anonymously report suspected wrongdoing, including waste, fraud, abuse and violations of any federal or state laws.

- The Internal Audit web page provides a link to the Compliance and fraud hotline link at 877-507-7319. The site also provide information for the State Auditor's Office (SAO) Hotline web page (http://sao.fraud.state.tx.us) for persons to also report suspected fraud, waste, and abuse to the State Auditor's Office Hotline at 1-800-TX-AUDIT (1-800-892-8348).