

**The University of Texas Health Science Center at Houston (UTHealth)  
Internal Audit Annual Report for 2019**

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

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**The University of Texas Health Science Center at Houston (UTHealth)  
Internal Audit Annual Report for 2019**

**Purpose of the Annual Internal Audit Report:** To provide information on the assurance services, consulting services, and other activities of the internal audit function. In addition, the annual internal audit report assists oversight agencies in their planning and coordination efforts.

**I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Report, and Other Audit Information on Internet Web site**

The Internal Audit plan and Internal Annual Report is contained within the Reports to the State section of UTHealth's web site as required by Texas Government Code, Section 2102.015. An updated report is provided to the web developer in the Office of Institutional Advancement via email. The web developer then posts the information no later than one day prior to the due date for submission to the appropriate reporting state agencies.

**II. Internal Audit Plan for Fiscal Year 2019**

<b>Audit Number</b>	<b>FY 2019 Audit Plan Audit/Project</b>	<b>Description</b>	<b>Status</b>	<b>Report Date</b>
	<b><i>Financial Audits</i></b>	<b><i>Description</i></b>	Complete	
19-101	Financial Statements FY 2018 Assurance Work	Control and transaction testing, analytical review, and other procedures assigned as part of the financial statements assurance audit.	Complete	Report issued by D&T at UT System level
19-102	Financial Statements FY 2019 Assurance Work	Interim work for FY2019 financial statement audit.	Complete	Report issued by D&T at UT System level
19-103	Assist State Auditor's Office and other state and/or federal auditors	Provide assistance to the State Auditor's Office and other external audit functions.	Complete	No Report Issued
19-118	Review and Validation	Review for compliance with UTS 142.1, Section 6 requiring audits of the monitoring plan to validate the assertions on segregation of duties and account reconciliations.	Complete	10/29/2018
	<b><i>Operational Audits</i></b>			
19-108	Executive Travel and Entertainment	Review of official function, and travel and entertainment expenses.	Complete	No Report Issued
19-109	C-Cure Badging System	Review of controls over the C-Cure Badging System.	In Progress	
19-112	Call Center	Review of controls around the call center processes.	In Progress	
19-113	Contract Audit (TBD)		Cancelled	

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19-116	Student Status	Review of controls around student status updates and compliance with federal guidelines.	In Progress	
19-307B	Pediatric Dentistry at HMC	Review of controls over the Pediatrics Clinic at Houston Medical Center's billing and collections, payments and deposits, accounts receivable, system access and encryption.	Complete	02/13/2019
	<i>Carryforward Audits</i>			
18-111	DSRDP School of Dentistry Pediatrics Clinic at Greenspoint	Review of controls over the Pediatric Clinic at Greenspoint, receipt of payments and deposits, billings and collections, accounts receivable, system access and encryption.	Complete	10/30/2018
18-113	MACRA	Review to determine compliance with Medicare Access and CHIP Reauthorization Act.	Complete	07/31/2019
18-114	Purchasing	Review of controls over purchasing processes including coding and use of blanket purchase orders.	Complete	05/08/2019
19-300F	Admissions Process	Review of controls surrounding the admissions process.	In Progress	
	<b>Compliance Audits</b>			
19-107	Texas Higher Education Coordinating Board Residency Program (THECB)	Provide opinion on revenue and expenditure reporting on annual financial report.	Complete	12/07/2019
19-110	Medical School Practice Plan (MSRDP)	Assess compliance with MSRDP process or bylaws. Will be performed based on risk.	Cancelled	
19-111	Dental School Practice Plan (DSRDP)	Review efficiency and effectiveness of operations.	Cancelled	
19-114	IRB Process	Review of controls around IRB processes and compliance with federal guidelines.	Complete	08/21/2019
19-115	Teacher Retirement System of Texas	Review of payroll processes for the Teacher Retirement System of Texas program.	Complete	02/14/2019
19-117	TEA Compliance	To confirm procedures protecting confidentiality of data are in place and that previously received TEA data has been destroyed.	In Progress	
19-300B	THECB Nursing Shortage "Over 70" 2014	Review to determine whether the expenditures from award meet program expenditure requirements.	Complete	12/06/2018
19-300C	THECB Nursing Shortage "Regular Program" 2015	Review to determine whether the expenditures from award meet program expenditure requirements.	Complete	12/06/2018

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<b>Information Technology Audits</b>				
19-201	Crowdstrike	Review of controls around the CrowdStrike Platform.	Complete	04/23/2019
19-202	TAC 202	Determine compliance with selected requirements of Texas Administrative Code (TAC) 202 Information Security Standards.	Complete	12/20/2018
19-203	Guest Administration System	Review of controls around the guest administration processes.	Complete	08/14/2019
19-204	Office 365	Review of controls around the Office 365 application.	Complete	08/07/2019
19-205	REDCap	Review of the internal controls around REDCap.	In Progress	
19-206	SBMI DSRIP Registry	Review of the technical controls around the Chronic Disease Registry.	In Progress	
19-207	Two-Factor Authentication	Review of controls around two-factor authentication.	Complete	05/23/2019
	<i>Carryforward IT Audits</i>			
18-203	Telemedicine	Review of controls around Telemedicine.	Complete	10/19/2019
18-205	Google Apps for Education	Review of controls around UTH-Share (Google Apps for Education).	Complete	10/19/2019
18-208	SunNet (CLI Contract)	Determine whether payments and work performed are in compliance with the SunNet contract terms.	Complete	10/05/2018
18-210	Citrix	Review of controls around the Citrix application.	Complete	08/1/2019
	<b>Follow-up Audits</b>			
19-104	Recommendation Follow up	Follow up on open recommendations.	Complete	9/03/2019

Audit 19-110 Medical Service Research and Development Plan (300 budgeted hours) and 19-111 Dental Service Research and Development Plan (300 budgeted hours) are audits of compliance with bylaws and processes of each respective plan. In reviewing the FY 2019 Audit Plan, audit #18-113 Medicare Access and Chip Reauthorization Act (400 hours) is a compliance audit, which falls under the MSRDP. In addition, 19-307B Pediatric Dentistry – HMC satisfies the related risks and requirement for the dental plan. Therefore, the MSRDP and DSRDP audits were cancelled without replacement.

The focus of the 19-113 Contract Audit was to be the Insperty contract; however, UT Physicians is moving away from using Insperty to employ certain UTP employees, mitigating this risk. This audit was cancelled without replacement.

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**Compliance with the Benefits Proportionality Audit Requirements for Higher Education Institutions**

Rider 8, page III-45, the General Appropriations Act (85<sup>th</sup> Legislature, Conference Committee Report), requires Each institution of higher education, excluding Public Community/Junior Colleges, shall conduct an internal audit of benefits proportional by fund and submit a copy of the internal audit to the Legislative Budget Board, Comptroller of Public Accounts, and State Auditor's Office no later than August 31, 2018. The audit must examine fiscal years 2015, 2016, and 2017 and must be conducted using a methodology approved by the State Auditor's Office.

For fiscal years 2018 and 2019, institutions of higher education shall also consider audits of benefits proportional when developing their annual internal audit plans. To comply with this requirement, audit #18-116 examined Appropriation Years 2015, 2016 and 2017. And a Benefits Proportionality audit (#20-116) is included in UTHealth's 2020 annual audit plan and the audit results will be submitted upon completion.

**Compliance with the Texas Education Code §51.9337**

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. Effective September 1, 2015, TEC §51.9337 requires that, *"The chief auditor of an institution of higher education shall annually assess whether the institution has adopted the rules and policies required by this section and shall submit a report of findings to the state auditor."* UTHealth's Auditing and Advisory Services conducted this required assessment for fiscal year 2019, and found the following:

Based on review of current institutional policy and the UT System Board of Regents' *Rules and Regulations*, UTHealth 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.

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**III. Consulting Services and Non-audit Services Completed**

<b>Report No.</b>	<b>Report Date</b>	<b>Name of Project</b>	<b>High-Level Consulting Engagement/Non-audit Service Objective(s)</b>	<b>Observations/ Results and Recommendations</b>
19-501	N/A	Website Investigation	Review of website activities.	Results communicated to the department.
19-502	N/A	SoD Pharmacy Controls	Review of internal controls surrounding SoD pharmacy	Results communicated to the department.
19-300A	N/A	Inventory Control Assessment	Review internal controls surrounding inventory	In Progress
19-300D	N/A	SOD Chair Utilization		Cancelled
19-300E	N/A	Presidential T&E	Review of official function, and travel and entertainment expenses	Report Issued by UT System Audit
19-303H	5/08/2019	Sole Source & Blanket POs	Review of controls over purchasing processes including coding and use of blanket purchase orders.	Report issued as part of audit #18-108 Purchasing
19-301	N/A	Office of CFO	Provide data analytics and other support to the Office of the CFO.	No report issued
19-303A	2/13/2019	UTP Pediatric Services AP Consulting	Review of controls over the Pediatrics Clinic at Houston Medical Center's billing and collections, payments and deposits, accounts receivable, system access and encryption.	Report issued as part of Audit #19-307F
19-303B	N/A	Procurement Analytics Consulting	Assistance Provided to Procurement Services	No Report Issued
19-303D	N/A	Vendor Master File Analysis	Determine whether there are irregularities or anomalies in the vendor master file.	Results communicated to the department.
19-303E	N/A	Lockbox Portal Verification		Cancelled
19-303F	N/A	Taleo Review	Review of access controls, security controls, data protection and Taleo agreements.	Results communicated to the department.
19-303G	N/A	Supplemental Pay Verification		Cancelled
19-304A	N/A	Medical Devices Consulting	Review controls around medical devices.	Results communicated to the department.
19-304B	N/A	Network Access Listing	Review controls around network access.	Results communicated to the department.
19-304C	N/A	Tiger Text Adoption	Determine adoption rate of the Tiger Text application for communicating PHI information.	Results communicated to the department.

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19-304D	N/A	Splunk Alerting Consulting	Determine utilization of the Splunk application for high risk applications.	Results communicated to the department.
19-306A	N/A	GECB User Account Review		Cancelled
19-306B	N/A	Revenue Cycle Analytics		Cancelled
19-307A	N/A	SoD SD Card Consulting	Determine whether SD cards at the School of Dentistry are securely stored and do not contain PHI.	Results communicated to the department.
19-307D	N/A	SoD High Dollar Inventory	Assistance to the School of Dentistry	No Report Issued
19-308	N/A	Sponsored Project Consulting		Cancelled

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IV. External Quality Assurance Review (Peer Review)



Candor. Insight. Results.

June 28, 2017

Mr. Daniel Sherman, Chief Audit Executive  
The University of Texas Health Sciences Center at Houston

In May 2017, The University of Texas Health Sciences Center at Houston (UT Health) Auditing & Advisory Services (A&AS or IA) 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 Health A&AS engaged an independent review team consisting of three internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of A&AS' 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 Institute of Internal Auditor'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 A&AS, we agree with A&AS' 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 A&AS' 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 Health 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 Health.

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

Very truly yours,

Baker Tilly Virchow Krause, LLP





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**V. Internal Audit Plan for Fiscal Year 2020**

<b>FY 2020 Audit Plan</b>	<b>Budgeted</b>	
<b>Audit/Project</b>	<b>Hours</b>	<b>Description</b>
<b><i>Assurance Engagements</i></b>		
Cloud Vendor Risk Assessments	500	Review IT Security initial and ongoing risk assessments of cloud vendors.
Biomedical Device Maintenance	450	Environmental/health/safety review of biomedical device maintenance.
Device Profiling (Network Access Controls)	450	Review of controls around device profiling project being conducted by Communications Technology.
Legacy E.H.R.s	500	Review security around active legacy E.H.R.s at UTP clinics.
TAC 202	300	Annual review of Texas Administrative Code 202 - Information Security Standards.
School of Public Health (SPH) Data Center	500	Review general controls over the SPH data center.
Disaster Recovery/Business Continuity	500	Review disaster recovery planning and testing.
MSRDP	300	Review compliance with MSRDP process or bylaws. Will be performed based on assessed risk.
DSRDP	300	Review to assess efficiency and effectiveness of operations at the OralMax clinic.
Grant and Contract Financial Controls	500	Review of processes in the individual schools.
Inventory Controls	500	Review controls around high cost drugs and research supplies.
Conflict of Interest	400	Review of COI and management plan process.
SecureStore	300	Review controls around the application to ensure secure sharing of PHI and other sensitive information.
Clinical Trials Billing	400	Review of Clinical Billing trial practices. Performed as followed to audit 15-121 Clinical Trials Billing.
Visiting Scientists	300	Review to assess processes for onboarding visiting scientists and protection of IP.
Review and Validation	100	Review for compliance with UTS 142.1 requiring audits of the monitoring plan. Work will include assessment of compliance based on updated process including us of RPA.
Carryforward	500	Carryforward of 2019 Audits
<b>Assurance Engagements Subtotal</b>	<b>6,800</b>	

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<b>Required Engagements (Externally and Internally)</b>		
Financial Statements FY 2019	100	Controls over transaction testing, analytical review, and other procedures assigned as part of the financial assurance audit.
Financial Statements FY 2020	80	Interim work for FY 2020 financial statements.
Assist State Auditor's Office and other external auditors	150	Provide assistance to the State Auditor's Office and other external audit functions.
THECB	50	Provide an opinion on revenue and expenditures reporting on program funds.
TEA Compliance (CLI)	100	Report on controls over the security of TEA data.
Benefits Proportionality	150	Review of appropriations years 2018 and 2019.
<b>Required Audits Subtotal</b>	<b>630</b>	
<b>Advisory and Consulting Engagements</b>		
Institutional Committees	250	Participation by A&AS in various internal committees.
Training/Assistance Provided by A&AS	100	Train/educate clients on risk and internal audit concepts, including IDEA.
Consulting Projects Reserve	300	Performance of consulting projects requested by management.
Medical Devices Consulting (quarterly)	200	Review of medical devices for compliance with Security Policy Workflow Agreements.
Network Access Listing Consulting (quarterly)	25	Comparison of network access listing with active directory.
SOD Big Mouth Repository Consulting	200	Review of security controls around the SOD Big Mouth Repository.
Practice Websites Consulting	100	Review of legacy practice websites for PHI submission capabilities.
System Access Reviews Consulting (semi-annual)	100	Review of system owner access reviews for applications containing PHI.
Audit Log Monitoring Consulting (semi-annual)	100	Review of audit log monitoring by system owners for applications/databases with PHI.
FACN Contracts Consulting	100	Review of sub-contractual agreements related to the FACN website (built by UTHealth for the Department of Family Protective Services).
Medical School Consulting	200	Financial account monitoring and efficiency and effectiveness of operations.
School of Dentistry Consulting	100	Controls over cash funds and petty cash.
Data Integrity Review	200	Review of custom patient care revenue reports.

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<b>Advisory and Consulting Engagements Subtotal</b>	<b>1975</b>	
<b><i>Risk-Based Reserve</i></b>		
Management Requests/Emerging Risks	600	Allow for flexibility to add audits as additional risks are identified or to address rapidly changing areas.
<b>Risk-Based Reserve Subtotal</b>	<b>600</b>	
<b><i>Investigations</i></b>		
Investigations	400	Hours allocated to perform work related to potential thefts or assist other risk mitigating functions.
<b>Investigations Subtotal</b>	<b>400</b>	
<b><i>Follow-up</i></b>		
Follow-up on Open Recommendations	600	Hours designated to perform periodic follow-up to validate the status of outstanding recommendations.
<b>Follow-up Subtotal</b>	<b>600</b>	
<b><i>Development - Operations</i></b>		
Quality Assessment Review	157	Departmental process evaluation in preparation for next year's external quality assessment. Yellow Book standards require a QAR every three years.
FY 2021 Audit Plan	250	Development of annual audit plan using risk assessment techniques as required by GC 2102.
Internal Audit Annual Report	50	Preparation and posting of the Internal Audit Plan, Internal Audit Report, and other information as required by HB 16.
Internal Audit Committee	500	Preparation of documents and reports presented at the quarterly meetings and related post meeting documentation.
Internal Process Improvement	300	Periodic review and updating of audit processes by management and staff.
Internal Staff Meetings	500	Bi-monthly departmental staff meetings.
Data Analytics Development	200	Review of UTHealth generated reports and A&AS reports as part of the ongoing risk assessment process.
TeamMate/IDEA Development & Maintenance	200	Maintenance and development of TeamMate database and IDEA.
UT System/External Requests	150	Time devoted to various external reporting requirements, information requests and other types of assistance provided to external agencies.
<b>Development - Operations Subtotal</b>	<b>2,307</b>	
<b><i>Development – Initiatives and Education</i></b>		
Professional Activities	150	Writing, publication, external presentations, and participation in professional organizations.

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UT System Initiatives	200	Participation in UT System initiatives including committees, workgroups, etc.
Continuing Professional Education	550	Professional trainings and CPE courses to keep certifications active.
<b>Development – Initiatives and Education Subtotal</b>	<b>900</b>	
<b>Total Budgeted Hours</b>	<b>14,212</b>	

**High Risks Not Included in  
FY 2020 Audit Plan**

High Risks Not Included in FY 2020 Audit Plan	Explanation/Mitigation	Internal Audit Action
Casual employees and employees with dual appointments may work hours beyond the maximum allowed.	Covered under 19-115 TRS	Report Submitted
Billing processes (back end) may not be defined through policy.	Covered by Revenue Cycle Management	Risk will be re-evaluated and will continue to monitor developments.
Certain medical reimbursement plans require all work performed related to charges billed, be performed by individuals located in the US, which may require significant additional costs.	Covered by Revenue Cycle Management	Risk will be re-evaluated and will continue to monitor developments.
Patient dissatisfaction may occur when a patient calls in with a question about their bill and does not receive good help.	Covered in 19-112 Call Center	Call Center Audit currently in progress.
Patients may not receive a return call regarding their billing questions.	Covered in 19-112 Call Center	Call Center Audit currently in progress.
Risk that UTHealth will not be prepared if drug resistant (candida aures) strains are introduced into our partner hospitals and UTP clinics	Covered in 17-113 Infection Prevention Control	Report Submitted
Risk that support staff in clinics have not received all of their immunization shots and no clear guidelines on what is required	Monitor developments	Risk will be re-evaluated and will continue to monitor developments.
Memorial Hermann affiliation agreement may be delayed, creating operational and budgeting uncertainties.	Monitor developments	Risk will be re-evaluated and will continue to monitor developments.
Title IX issues may still occur.	Title IX Committee, Compliance A List Risk 4	Monitor Developments
Special arrangements with physician groups may present administrative or personnel issues.	Monitor developments	Risk will be re-evaluated and will continue to monitor developments.

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UTP purchasing processes may not take advantage of premier agreements or other procurement pricing advantages.	Covered in 18-114 Purchasing	Report Submitted
Processes for off boarding visiting scientists (i.e., terminating access, collecting badges) may not be appropriate.	Covered in 19-109 C-Cure Badging System, 19-203 Guest Account System, Compliance A List Risk 14	C-Cure Badging audit currently in progress Guest Account report submitted
Title IX issues may not be investigated and/or resolved.	Title IX Committee, Compliance A List Risk 4	Monitor Developments
Policy/structure and oversight may not be adequate for UTP procurement processes.	Covered in 18-114 Purchasing	Report Submitted
Reporting requirements for MACRA may not be met.	Covered in 18-113 MACRA	Report Submitted
Relationships with hospital partners may be at risk.	Monitor Developments	Risk will be re-evaluated and will continue to monitor developments.
With changing reimbursement rules, our ability to maintain certain clinics may diminish.	Monitor Developments	Risk will be re-evaluated and will continue to monitor developments.
Decentralization of FMLA resulting in errors and potential noncompliance with the federal regulation.	Covered in 17-114 FMLA, Compliance A List Risk 3	Report Submitted
Employees may not be aware of the new HOOP policy for transporting information (PHI/PII).	Compliance A List Risk 11 & 12	Monitor Developments
Surgery or transplant procedure may not be billed due to lack of documentation in patient record.	Covered by Healthcare Billing Compliance Audits, Revenue Cycle Management, Compliance A List Risk 8 - 10	Monitor Developments
Fluctuation of Revenue generation.	Compliance A List Risk 2	Monitor Developments
Costs exceed revenue as services expand.	Covered by Revenue Cycle Management	Monitor Developments
Splunk alerts not configured for high-risk applications.	Covered by FY19 Splunk Alerting consulting project, Compliance A List Risk 11	Report Submitted
'Phishing attacks compromise passwords, resulting in breaches.	Covered by FY17 Phishing Attack Preparedness	Report Submitted
Sensitive UTH data is texted via unsecure methods.	Covered by FY19 Tiger Text Consulting, Compliance A List Risk 12	Report Submitted
A user inadvertently introduces malware while in the Citrix environment.	Covered by FY18 Citrix	Report Submitted

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Clinical data is sold without an informed consent being obtained from the patient.	UTHealth not currently selling data.	Monitor Developments
Guest account access is not terminated on a timely basis.	Covered by FY19 Guest Account System, Compliance A List Risk 14	Report Submitted
Telemedicine communications are not properly secured.	Covered by FY18 Telemedicine, Compliance A List Risk 11	Report Submitted
Students/residents create private Facebook groups and share PHI with each other.	Compliance A List Risk 11, 15	Monitor Developments
USBs or laptops go missing.	IT Audit monitors police reports and verifies remediation	Monitor Developments
DSRIP registry is a big risk since it contains so much PHI.	Covered by FY18 SBMI DSRIP Registry	Report Submitted
Process for requesting, approving, and issuing guest accounts may need some scrutiny.	Covered by FY19 Guest Account System, Compliance A List Risk 14	Report Submitted
Insufficient response/remediation to a breach.	Covered by FY19 CrowdStrike	Report Submitted
Data is shared without proper IRB approval.	Covered by FY19 IRB Process, Compliance A List Risk 14	Report Submitted
No training for guest account sponsors.	Covered by FY19 Guest Account System, Compliance A List Risk 11 & 14	Report Submitted
Doctors circumventing policies & procedures.	Compliance A List Risk 11, 12, 15 & 16	Monitor Developments
Students place PHI into the non-HIPAA compliant side of Google Apps for Education.	Covered by FY18 Google Apps for Education, Compliance A List Risk 11	Report Submitted
Risk associated with European Union GDPR legislation.	GDPR approach still not formulated.	Monitor Developments
Foreign nationals are hired and transfer intellectual property.	IP identification/tagging & related controls still under consideration. Confidential program put into place by Legal and IT Security. Compliance A List Risk 14	Risk will be re-evaluated and will continue to monitor developments.

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BAA's are not in place.	Covered by FY18 Google Apps for Education and FY19 Microsoft Office 365	Reports Submitted
Facilities are taking on projects (e.g., software implementations) outside of their expertise.	Being addressed with senior management. Compliance A List Risk 11 & 14	Monitor Developments

Our risk assessment methodology included interviews and questionnaires to update the annual risk assessment. The identified risks were organized into institution-wide areas such as financial management, human resources management, and purchasing/warehousing. We developed detailed risk assessments of high-risk areas of research, information technology, and patient care. For each identified risk, probability and impact were determined using three to seven factors such as regulatory environment and frequency of identification in responses for the financial/operational risks and scope of process and age of system for IT risks.

**VI. External Audit Services Procured in Fiscal Year 2018**

Service	Provider
Opinion on financial statements of UT Physicians (501a Corporation supporting UTHealth)	Blazek & Vetterling LLP Certified Public Accountants
Opinion on financial statements of UT System Medical Foundation (a Corporation supporting UTHealth)	Blazek & Vetterling LLP Certified Public Accountants
Opinion on financial statements of Harris County Psychiatric Clinic (HCPC)	BKD Certified Public Accountants
Financial Statements FY 2018 Assurance Work	Deloitte and Touche LLP (Deloitte) Certified Public Accountants
Financial Statements FY 2019 Assurance Work	Deloitte and Touche LLP (Deloitte) Certified Public Accountants
2018 Statewide Single Audit, Follow-up to the Student Financial Assistance Cluster	State Auditor's Office
2018 Statewide Single Audit, Research and Development Cluster	State Auditor's Office
Financial Review for Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)	Deloitte and Touche LLP (Deloitte) Certified Public Accountants
State Awards for the Cancer Prevention and Research Institute of Texas (CPRIT) Program	Deloitte and Touche LLP (Deloitte) Certified Public Accountants

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**VII. Reporting Suspected Fraud and Abuse**

UTHealth's home page contains a link to information on how to report suspected fraud, waste, and abuse. The information has a link to the State Auditor's fraud reporting website and its hotline number, as well as information on the various ways to report suspected fraud internally. Institutional policies and procedures address the requirement to report fraud and the Standard of Conduct Guide, applicable to all employees addresses the reporting of fraud. The intranet sites of the departments of Institutional Compliance and Auditing & Advisory Services contain information and links for reporting suspected fraud.