

17-107 Infectious Diseases, Infection Control and Employee Health Department Review

EXECUTIVE SUMMARY

The Department of Infectious Disease, Infection Control and Employee Health offers inpatient and outpatient consultative services, for both adult and pediatric cancer patients, in four areas of specialty: Leukemia, Stem Cell Transplant, Lymphoma, Solid Tumor, and Intensive Care Unit. With a mission to prevent, diagnose, and treat infections in cancer patients, the Department staffs 17 clinical and 6 research faculty, specializing in problems facing immunocompromised patients. From September 2016 to January 2017, the Department responded to approximately 10,730 inpatient and 1,800 outpatient consults and follow-ups, generating approximately \$ 3.8 million in gross revenue. *(Source: Department)*

In fiscal year 2016, the Division experienced turnover in the Department Administrator position. As a result, Internal Audit conducted a review of key financial and administrative functions, which was intended to provide a general assessment of related processes and controls. Overall, we identified opportunities for improvements in controls and processes for multiple areas, including but not limited to the following:

- **Revenue Cycle** – Management should improve controls over daily charge capture reconciliations, to ensure all charges are captured for services rendered.
- **Asset Management** – Management should ensure mobile devices are protected, used appropriately, and that the institutional asset acquisition process is followed.
- **Personnel Management** – Management should compensate employees for extra hours worked in accordance with policy. Additionally, extramural leave should be accurately tracked, recorded and approved.
- **Grants Management** – The department should strengthen controls related to timely and accurate effort reporting, allocation of shared costs, and subrecipient monitoring. The department should also ensure that sponsors are billed timely.
- **Financial Management** – Management should continue efforts to resolve any financial deficits identified, and ensure the proper allocation of expenses. Additionally, procurement card administration and statistical sample documentation need improvement to ensure transactions are allowable and documented appropriately.

Further details are outlined in the Detailed Observations section below.

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Management's Summary Response:

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before December 31, 2017.

Appendix A outlines the methodology for this project.

The courtesy and cooperation extended by the personnel in the Department of Infectious Disease, Infection Control and Employee Health are sincerely appreciated.

Sherri Magnus

Sherri Magnus, CPA, CIA, CFE, CRMA
Vice President & Chief Audit Officer

July 3, 2017

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DETAILED OBSERVATIONS

Revenue Cycle

Revenue cycle activities include technical and professional charge capture and reconciliation functions for patient revenue generating areas. Departments are responsible for ensuring that all charges are posted in an accurate and timely manner.

Observation 1:**Strengthen Charge Capture Reconciliation Process****RANKING: Medium**

Monitoring of daily charge activity is not sufficient to ensure that charges are captured for all services rendered, thereby increasing the risk that patient revenue may be lost. Our review of the reconciliation process identified the following:

- Thirty-eight percent of “No Charge” transactions tested should have been billed, as confirmed by the physician. The department’s monitoring process did not include a review of “No Charge” transactions.
- Final resolution of reconciling items is not always documented and lacks supervisory review.
- Procedures have not been formally documented, thereby providing limited assurance that processes will be performed as intended.

The Charge Submission and Reconciliation Policy requires charges to be reconciled daily, utilizing electronic tools and reports available, and ensuring supporting documentation is maintained as evidence of reconciliation.

Recommendation:

The Department should strengthen the daily charge capture reconciliation process to ensure that all charges are captured. The Department should also ensure appropriate supporting documentation is maintained as evidence of daily charge reconciliation, supervisory review is performed, and procedures are formalized.

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Management's Action Plan:

Owner: Rachelle Mainard

Due Date: Documented Process by August 31, 2017

Full Implementation by September 30, 2017

- *Our charge capture reconciliation process has been developed and is currently being utilized. Our process has been reviewed and accepted by DoIM leadership and determined to be a best practice within our division by Director of Finance DoIM Administration and Division Administrator.*
- *We are in the process of formalizing and documenting our division approved process which will include, based upon your recommendation, additional steps for the review of "No Charge" transactions on a weekly basis as well as increased documentation of the steps taken throughout the process and an added layer of supervisory review.*

Asset Management

Computers, mobile devices, and other information technology (IT) assets are used across the institution to store and transmit sensitive, confidential data. Tracking and monitoring of these devices through the institutional acquisition and inventory process is critical to protect this data.

Observation 2:**Manage IT Assets in Accordance with Policy****RANKING: Medium**

The Information Resources Security Operations Manual requires the protection of desktops, laptops, and mobile computing devices that view or store confidential information. In addition, institutional policy and PRS guidelines require that IT devices be purchased through the institution's approved acquisition process. We identified multiple instances where controls related to the protection, acquisition, use, and tracking of IT assets can be improved:

- We identified 32 mobile devices that did not have sufficient protective measures.
- In four instances, faculty purchased devices with personal funds and were subsequently reimbursed. Two of these devices were shipped to a principal investigator's residence. Upon inspection, the assets do not appear to have been used for business purposes.
- One institutional storage device is being used to store personal data instead of business data.

Without adequate controls over the protection, acquisition, and use of IT devices, sensitive information may be at risk of unauthorized access. In addition, in certain instances state resources are being used for personal benefit.

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Recommendation:

Management should coordinate with the Information Technology department to ensure all mobile devices are protected. Management should also ensure that all assets are acquired through the institutional acquisition process, and that they are used for business purposes.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date:

- Protections Added to Existing Devices by July 15, 2017
 - Review appropriate policies and practices with all ID faculty and staff by July 30, 2017
 - Documented Process by August 31, 2017
 - Full Implementation by September 30, 2017
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- *Add required protective measures to 32 existing mobile devices.*
 - *Review applicable procurement policies and procedures with faculty and support staff to ensure all devices are purchased through the appropriate procurement channels, delivered to MD Anderson, and used for business purposes.*
 - *Modify our existing practice to include formal documentation of each step in our process which will include exclusive utilization of the institutional acquisition process for all equipment and devices, increase documentation of our process, and review/monitoring steps to include the following:*
 - *All orders placed will be delivered to the requestor (req operator) prior to delivery to the recipient to ensure appropriate tracking, encryption, etc.*
 - *Requestor will work with Division IT personnel to ensure appropriate protections are added to the devices prior to delivery to the recipient.*
 - *Requestor will ensure all appropriate offsite forms are submitted and approved and inventory tracked prior to delivery to the recipient.*
 - *Device will not be delivered to the recipient until all approvals are obtained and all appropriate protections are added to the device.*

Personnel Management

Kronos is the official institutional time and attendance management system. Effective personnel management includes, but is not limited to, the accurate and timely recording of extramural (EXT) and employee leave, and accurate accounting of weekend service. We identified opportunities for the Department to improve these processes.

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Observation 3:**Strengthen Extramural Leave Administration****RANKING: Medium**

The Department does not consistently monitor extramural leave days for faculty. 75% of faculty tested had exceptions, as demonstrated by the following examples:

- Extramural leave was not consistently or accurately recorded in Kronos, resulting in 1 faculty member exceeding the 30-day limit without approval. In addition, 15 undocumented Paid Time Off (PTO) days, valued at \$12,600, were not deducted from faculty leave balances.
- Extramural leave requests were approved by a designated staff member instead of the Chair.
- Extramural leave requests did not always have adequate support, and were not requested and approved consistently.

Extramural leave is granted annually to eligible faculty members to pursue outside professional activities or interests with or without personal financial gain. This leave should be approved by the Department Chair, may not exceed 30 working days in any fiscal year without prior approval from the Provost, and must be recorded in Kronos. When extramural leave is not managed properly, leave balances may be incorrect.

Recommendation:

The Department should establish controls to ensure that all extramural leave complies with institutional policies and is recorded in Kronos. Management should coordinate with Human Resources to determine the course of action for the undocumented personal time off.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date:

- Resolution of undocumented PTO days by September 30, 2017
 - Review policies and practices with all ID faculty and staff by July 30, 2017
 - Documented Process by August 31, 2017
 - Full Implementation by September 30, 2017
- *Consistently track and record extramural leave in Kronos. Tracking and monitoring efforts will be increased to ensure accurate recording in Kronos. This will be easier moving forward due to the recent implementation of WebSchedule which has increased the ease of tracking and reconciliation between WebSchedule and Kronos.*
 - *Requested extramural days will be entered into WebSchedule and routed to the Department Chair's delegate for review. The delegate will pull an extramural leave balance report from Kronos for the requesting faculty member and send this information to the Department Chair in an email along with the extramural request and appropriate supporting documentation. The Department Chair will review the request and approve or deny via email. The Department Chair's delegate will make the appropriate selection in WebSchedule.*

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- We are working with HR to resolve the issue of 1 faculty member exceeding the 30-day limit without approval as well as the 15 undocumented Paid Time Off (PTO) days, valued at \$12,600.
- Faculty and staff will be re-educated on the purpose of extramural leave as well as the appropriate request and approval processes.
- Tracking and monitoring will occur to ensure we do not exceed 30 working days in any fiscal year without prior approval from the Provost. Our timekeeper will pull a report of faculty extramural leave balances from Kronos on a monthly basis and review with the faculty and/or operations manager if any faculty is at or over the 30 day limit and determine appropriate next steps.

Observation 4:**Comply with Institutional Policies for Extra Hours Worked****RANKING: Medium**

The Department is awarding compensatory time outside of established institutional policies. The current practice allows for Faculty and Advanced Practice Providers (APPs) who work on Saturday and/or Sunday to obtain compensation for their service. Faculty are awarded time-off, while APPs have an option of requesting time off or payment for time worked. This information is recorded on a manual spreadsheet outside of the institution's official timekeeping system. While the department describes this time as "flex time", by definition this would be considered compensatory time.

According to Human Resources' Compensation department, APPs are only allowed to be paid a flat rate of \$75 per hour for extra hours worked, but are not eligible for compensatory time. Faculty members, as exempt employees, are not eligible to accrue compensatory time under institutional policies.

Because institutional policies are not being properly followed, employees' official time records do not consistently reflect their actual time worked. In addition, this manual process has resulted in individuals being compensated inaccurately.

Recommendation:

Management should comply with institutional policies regarding compensation for time worked.

Compensatory time: Paid time off for extra time worked (in lieu of overtime pay). The time off is equal to the time worked. Pay for the time off is at the Straight Time Rate.

Alternative Schedule: A deviation from the standard workweek, but still conforming to a workweek of not more than 40 scheduled hours. Some types of alternative schedules are: (1) flextime, (2) Compressed Workweek, and (3) Reduced Work Schedule.

Source: Institutional Policies.

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Management's Action Plan:

Owner: Rachelle Mainard

Due Date: New flexible schedule implementation – December 31, 2017

We are working with HR Compensation to identify an appropriate flexible schedule for both faculty and APPs to accommodate weekend coverage. We will terminate the current practice pending the implementation of an alternate compliant solution/program developed with input and assistance from HR Compensation, but no later than 8/31/17.

Observation 5:**Ensure Leave is Accurate and Approved Timely****RANKING: Medium**

Institutional Policy requires department managers to review and approve all time and leave captured in Kronos on a weekly basis. Our review of leave and timecards identified the following:

- Ten (40%) out of 25 leave requests reviewed were not documented in Kronos, resulting in employee leave balances being overstated.
- Out of 376 time cards reviewed, 92 (24%) were not approved by department management by the required deadline, increasing the risk that inaccuracies may go undetected.

Recommendation:

Management should enhance processes to ensure that employee leave is accurately recorded in Kronos, and that time cards are reviewed and approved by management in a timely manner. Management should also coordinate with Human Resources to ensure that leave balances are properly stated for the exceptions identified.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date: Completed

As of FY17, managers are consistently reviewing and approving all time and leave captured in Kronos on a weekly basis. The recent implementation of WebSchedule has increased the ease of tracking and reconciliation between WebSchedule and Kronos.

Observation 6:**Monitor Time Clock Usage****RANKING: Low**

Non-exempt employees are required to punch a time clock at the beginning of their shift. During our review of time clock utilization for fiscal years 2016 and 2017, we observed that two employees clocked in over 400 times at Mid Campus Building 1 before going to their assigned location in Faculty Center Tower. This resulted in an immaterial amount of compensation for time not worked. Institutional policy requires that employees be productive after clocking in.

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Recommendation:

Management should ensure that non-exempt employees clock in at a time clock nearest their duty station. Additionally, management should coordinate with Human Resources regarding any disciplinary actions.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date: Completed

All non-exempt employees punch a time clock at the beginning of their shift at their desk. They do not clock in until they have reached their desk and clock in at their desk using web stamp. The primary offender is no longer with the institution and the other employee has been counseled.

Observation 7:

Ensure Recognition Leave is Awarded According to Policy RANKING: Low

The Recognition Leave Policy states that Recognition leave is awarded at the manager's discretion, provided that the employee meets all eligibility requirements. One of these requirements is that the exceptional work performed must be documented in the employee's current and next performance evaluation form and taken within the same fiscal year as awarded. We noted that recognition leave was gifted to one employee as part of a holiday party raffle. In addition, one employee did not utilize the recognition leave within the year awarded.

Granting recognition leave for reasons other than exceptional performance violates policy and minimizes the value of exceptional work. Additionally, when leave is not taken in the year awarded, the employee is not in compliance with policy.

Recommendation:

Management should ensure that recognition leave is awarded according to policy, and that it is taken within the same fiscal year.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date: Completed

Ensure that recognition leave is awarded according to policy, and that it is taken within the same fiscal year. All recognition leave awards and requests for redemption are reviewed and approved by Department Administrator for compliance with institutional policy.

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Grants Management

Grants management relates to the administrative tasks required to comply with the financial, reporting, and program requirements of federal, state, and private sponsors, as well as institutional policies. It includes, but is not limited to, effort reporting, progress and financial reporting, material transfer agreements, shared cost allocations, and clinical trial billing.

Observation 8:

Ensure Accurate and Timely Effort Reporting

RANKING: Medium

During fiscal year 2016, effort reporting requirements were not consistently followed by the Department. Our interviews with research personnel identified an individual whose effort card did not reflect actual effort. We also noted one faculty whose certified effort did not agree to their faculty appraisal report. Finally, 36% of effort cards were not certified timely during FY 2016.

According to institutional policy, a reasonable estimate of effort spent on sponsored and non-sponsored activities should be certified. Furthermore, all faculty and employees required to certify effort should do so within 30 days of notification.

Noncompliance with federal and institutional regulations relating to effort reporting may result in penalties and fines, and possible loss of future research funding for the Institution.

Recommendation:

The Department should enhance processes and controls to ensure reported effort consistently reflects actual time spent on projects and ensure effort is certified timely.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date:

- Review policies and practices with all ID faculty and staff by August 31, 2017
- Documented Process by September 30, 2017
- Full Implementation by October 31, 2017
- *Ensure all institutional and sponsor policies related to effort certification are followed and that effort cards are certified timely.*
- *Ensure certified effort is commensurate with the work performed on sponsored projects, faculty appraisals, PTAS, etc.*
- *Develop a documented process for effort certification within our department.*
- *Review effort related policies and process with faculty, staff, and research personnel.*

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Observation 9:**Ensure Timely Billing of Clinical Trials and Studies****RANKING: Medium**

The department is not billing consistently or timely for services rendered and/or clinical milestones met. For example, two invoices totaling approximately \$119,000 were combined and submitted between 52 and 162 days from the date of the Sponsor's summary. Another invoice for \$2,000 occurred 94 days after reaching a milestone. When timely billing is not performed, institutional financial resources are used to fund research activities.

Additionally, we found that the Department does not provide billing information to Grants and Contracts for payments anticipated from the sponsor where no invoice is required. According to policy, billing information must be provided to Grants and Contracts within a reasonable time frame to generate an internal invoice so that payments can be matched to the correct trial. When this process is not followed, there is a higher risk that funds received may not be allocated to the correct account.

Recommendation:

The Department should strengthen its process to ensure that it bills timely for all clinical trials based on the agreements. The Department should also establish a process to ensure that it provides timely billing information to Grants and Contracts for those trials where an invoice will not be issued.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date:

- All outstanding invoices submitted by August 31, 2017
 - Documented Process by September 30, 2017
 - Full Implementation by October 31, 2017
- *Ensure all institutional and sponsor policies related to clinical trial billing are followed and invoices submitted timely.*
 - *Develop a documented process for invoice creation, submission, tracking, and payment application including the timely submission of billing information to Grants and Contracts for those trials where an invoice will not be issued.*

Observation 10:**Allocate Shared Project Costs****RANKING: Medium**

Lab supplies are shared among projects, which include Federal, State, and Private Industry sponsors, and are not consistently allocated to the related grants based on usage. Federal regulations require that such costs be allocated to a project in proportion to the associated activities. When costs are not allocated accordingly, federal projects may incur costs not associated with the project.

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Recommendation:

Management should develop and implement a reasonable cost allocation methodology for shared lab supplies.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date:

- Documented methodology developed by September 30, 2017
- Full Implementation by October 31, 2017

Develop and implement a reasonable cost allocation methodology for shared lab supplies.

Observation 11:**Resolve Questioned Costs****RANKING: Medium**

We identified \$3,026 in questioned costs charged to three projects that did not appear to be in accordance with the terms of the agreement or the budget.

- Travel related expenses in the amount of \$554 were charged incorrectly to one National Institutes of Health project.
- Travel expenses and membership fees for one employee totaling \$2,472 were allocated to two private industry projects for which the employee did not report effort.

Failure to comply with sponsor agreements could jeopardize future funding of sponsored projects for the Institution.

Recommendation:

Management should re-allocate the questioned costs to the correct projects. Management should also strengthen its monitoring of project costs to ensure only allowable costs are charged to projects.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date: Completed

- *Re-allocated the questioned costs to the correct project.*
- *Ensure only allowable costs are charged to projects. Emails are sent to Department Administrator prior to entry into PeopleSoft and Department Administrator reviews request for appropriateness, allowability and fund availability. Once approved the purchase request is entered into PeopleSoft and routed to appropriate fund approvers who provide additional review of allowability, etc.*

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Observation 12:**Retain Subrecipient Progress Reports****RANKING: Low**

The Subrecipient Monitoring Policy requires Principal Investigators (PI) to manage sub-awards by evaluating the subrecipient's overall progress and retaining technical reports of that progress. Even though the Department's state sponsored subaward agreement requires progress reports from the subrecipient, the Department does not have evidence that the progress reports have been received.

When technical subrecipient reports are not received and retained the PI has limited assurance that the subrecipient is performing in accordance with the award agreement. Additionally, non-compliance with state and institutional regulations increases the risk of losing funding for the institution.

Recommendation:

The Department should enhance processes and controls to ensure subrecipients submit required progress reports timely and that these reports are retained.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date: Completed

Ensure subrecipients submit required progress reports timely and that these reports are retained. Progress reports are requested from subrecipients via email in accordance with grant terms and conditions, included in the prime progress report submission, and retained in electronic grant files.

Financial Management

Departments are responsible for establishing appropriate controls over the Institution's financial resources. Key controls should include but are not limited to properly segregated duties, timely reconciliations for significant financial activities, adequate supporting documentation for transactions, and monitoring to ensure that transactions are authorized, appropriate, accurate and complete.

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Observation 13:**Resolve Deficit Account Balances****RANKING: Low**

As of March 2017, the Department had deficit balances totaling approximately \$141,600. This includes nearly \$59,600 for grant accounts and approximately \$82,000 for non-grant accounts. Although the department attests to having a process in place to monitor unresolved deficit balances, the corrective actions have either not cleared or have not been requested. According to Institutional Policy, management has a fiscal responsibility to monitor accounts and prevent overspending to ensure that financial and operational goals and objectives are achieved.

When fund activity is not periodically reviewed and addressed, there is an increased risk of undetected errors and irregularities, and financial and operational objectives may not be achieved.

Recommendation:

Management should continue efforts to resolve all deficit account balances.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date: December 31, 2017

Efforts are ongoing to resolve all deficit account balances. Much of this depends on our ability to close accounts and retain residual funds. We will continue to work with grants and contracts on closures.

Observation 14:**Improve Procurement Card Administration****RANKING: Low**

The Department does not have adequate controls over its procurement card transactions, which totaled \$40,000 for FY16. The primary control of supervisory review was either not performed consistently or was not evident in 40% of transaction logs tested. Appropriate review and approval allows the Department to detect and correct errors in a timely manner.

40% of transactions tested were charged to the incorrect fund group / fund type and were therefore not properly accounted for in the general ledger. Finally, a membership of \$2,477 was paid to an international organization that is not allowed according to the Institutional Membership list.

Procurement Card Program Guidelines require the supervisor to review and approve the reconciliation/transaction log timely.

Recommendation:

Management should ensure procurement card transactions and reconciliations are reviewed, and that evidence of that review is documented. Management should also ensure that all transactions are allowable and charged to the correct funding source.

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Management's Action Plan:

Owner: Rachelle Mainard

Due Date:

- Initial education effort completed – additional education is ongoing.
 - Documented Process by September 30, 2017
 - Full Implementation by October 31, 2017
- *Educate ProCard holders on appropriate use of ProCard, fund groups, fund types, etc.*
 - *Develop a documented process for ProCard use that includes documented supervisory review (DA) of the purchase prior to ProCard use to determine allowability and source appropriateness as well as review of the reconciliation/transaction log. Transactions will be reconciled monthly by the ProCard holder, reviewed by the Sr. Financial Analyst as the authorized reviewer, and then the Department Administrator as the supervisor.*
 - *Memberships will not be paid to organizations not included on the Institutional Membership list.*
 - *International organization referred to above has been added to the Institutional Membership list.*

Observation 15:**Improve Controls for Statistical Sampling****RANKING: Low**

The institution's internal control policy requires reconcilers and primary signers to certify monthly that transactions listed in the STAT tool have been reviewed, and that sufficient documentation exists to support the appropriateness and accuracy of the transactions. In addition, physical signatures and dates must support the review process. Our testing revealed that not all transactions are supported with required documentation and some lacked sufficient evidence of review, as follows:

- Lunches purchased for employees did not have the business purpose and list of attendees documented as required by the Business Entertainment Policy.
- The primary signer/designee did not consistently perform an independent monthly review.
- The monthly certifying statement was typed rather than signed by reconcilers and primary signer, making it difficult to validate the certification.
- Certifications for September 2016 through December 2016 were certified in January for the quarter, instead of monthly.

Adequate supporting documentation ensures that transactions are allowable, authorized, and appropriate. Additionally, appropriate and timely review, approval, and certification allows the Department to detect, correct and report errors in a timely manner.

Recommendation:

Management should ensure that sufficient documentation exists to support the appropriateness of transactions. Management should also ensure that monthly review and certification of transactions occurs, and is properly documented as required by institutional policy.

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Management's Action Plan:

Owner: Rachelle Mainard

Due Date:

- Documented Process by September 30, 2017
- Full Implementation by October 31, 2017

- *Reimbursement for all lunches purchased will include the business purpose, a list of attendees, and will not exceed the per person limit in accordance with the Business Entertainment Policy.*
- *The primary signer/designee will consistently perform an independent monthly review.*
- *Our process for review of the monthly certifying statement is electronic and will continue to be typed rather than signed by the reconciler and primary signer, but an email approval by the primary signer will be placed in the electronic file.*
- *Sufficient documentation will be obtained and reviewed to support the appropriateness of transactions.*
- *Monthly review and certification of transactions will occur and be properly documented as required by institutional policy.*

Observation 16:**Monitor Shipping Activity****RANKING: Low**

During our review, we determined that eShip Global activity for the Department is not being monitored for appropriateness. We identified two improper shipping transactions without a legitimate business purpose. Although costs to the Institution were immaterial, institutional policy prohibits the use of MD Anderson resources for personal benefit. Internal Audit informed management and there has been restitution for the personal expense.

Recommendation:

The Department should coordinate with Supply Chain management and other appropriate parties to develop and implement a process for monitoring shipping activity for appropriateness.

Management's Action Plan:

Owner: Rachelle Mainard

Due Date: Full Implementation by October 31, 2017

Conduct bi-annual spot checks of eShip global usage for all those with accounts.

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Appendix A

Objective, Scope and Methodology:

The objective of this review was to provide a general assessment of the financial, administrative, and compliance controls within the Department. Testing periods varied based upon the area or process reviewed; however, all selected transactions occurred between September 2015 and December 2016.

Our methodology included the following procedures:

- Interviewed key personnel and reviewed relevant organizational policies to understand financial and administrative processes within the Department.
- Reviewed relevant documentation and conducted interviews to assess the Department's processes for ensuring accurate posting and timely reconciliation of professional charges.
- Reviewed grant administration processes related to effort reporting and certification; allowable expenditures; cost allocation; subrecipient monitoring; timely progress reports; and use of material transfer agreements.
- Reviewed documentation to ensure proper and timely invoicing for clinical trials.
- Reviewed the results of the Department's 2016 physical inventory and assessed processes and controls over assets.
- Reviewed IT assets reported as non-encrypted and validated current status.
- Tested procurement card transactions and reconciliations for compliance with institutional guidelines.
- Reviewed documentation to ensure required monthly certification of selected expenditures, payroll expense reviews, and reconciliation of grant accounts.
- Reviewed grant and non-grant account activity to determine whether deficit balances were properly resolved.
- Examined timekeeping and leave records to determine if institutional leave management guidelines were followed.
- Reviewed user access lists and current HR data files to ensure Epic access was disabled for terminated employees.
- Reviewed process to award and weekend service by faculty and Advance Practice Providers.

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and *Government Auditing Standards*.

Number of Priority Findings to be monitored by UT System: None

A Priority Finding is defined as "an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.

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