

17-112 Records Retention

We have completed our audit of the records retention process. This audit was performed at the request of the UTHealth Audit Committee and was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

BACKGROUND

Subchapter L *Preservation and Management of State Records and Other Historical Resources* of the Texas Government Code, Chapter 441 (Texas Government Code) outlines the records management requirement for state agencies. Definitions, establishment of a records management program, appointment of the records management officer (RMO), submission of the record retention schedules as well as the process for archival and destruction of state records are outlined in the Texas Government Code.

The Texas Government Code also gives the Texas State Library and Archives Commission (TSLAC) the authority to establish and implement additional requirements pertaining to records management for state agencies. These requirements are outlined in Title 13, Chapter 6 of the Texas Administrative Code (13 TAC).

OBJECTIVE

The objective of this audit was to determine compliance with state, UT System and UTHealth records retention policies.

SCOPE PERIOD

The scope period was as of March 31, 2017.

METHODOLOGY

The following procedures were performed:

- Reviewed the Texas Government Code, Texas Administrative Code, UTS 115, and HOOP 181 to obtain an understanding of the records retention requirements.
- Performed a comparison of HOOP 181 to state and UT System guidance to determine consistency and adequacy of required elements.
- Performed a site visit to the Records Center and determined appropriate physical security features exist to safeguard the paper records.
- Selected a random sample of boxes (25) at the Records Center and reviewed for compliance with records retention requirements.
- Selected a judgmental sample of departments (5) and reviewed for compliance with records retention requirements.
- Reviewed documentation and determined a Records Management Officer has been designated in accordance with state guidance.

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AUDIT RESULTS

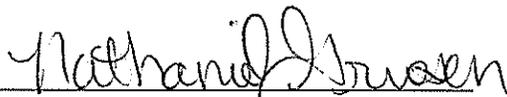
A&AS identified areas of improvement related to the records retention process:

- Records retention requirements have not been consistently enforced to ensure compliance with state guidelines as well as established UTHealth policies and procedures.
- UTHealth’s Records Retention Schedule has not been updated to reflect the new retention requirement from Texas Government Code 441.1855 and align with the 4th Edition of the Texas State Records Retention Scheduled published by the TSLAC.
- HOOP 181 has not been updated to reflect the current process to ensure compliance with state and UT System guidelines.

NUMBER OF PRIORITY & HIGH FINDINGS REPORTED TO UT SYSTEM

None

We would like to thank the staff and management within IT Administrative Services, Records Management Systems and Services (Records Management) and the selected departments at UTHealth who assisted us during our review.


 Nathaniel Gruesen, MBA, CIA, CISA, CFE
 Senior Audit Manager – General

MAPPING TO FY 2017 RISK ASSESSMENT

Risk (Rating)	R.106 – There may not be a process to ensure compliance with records retention policy (High).
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AUDITING & ADVISORY SERVICES ENGAGEMENT TEAM

Audit Manager	Nathaniel Gruesen, MBA, CIA, CISA, CFE
Auditor Assigned	Kathy Tran, CIA, CFE
End of Fieldwork Date	July 25, 2017
Issue Date	August 15, 2017

Copies to:

Audit Committee
 Kevin Dillon
 Richard Miller
 Connie Wooldridge
 Sherry Lyons

Donna Hagdorn
 Elaine Embody
 Dr. Kimberly Ruona
 Anna Trieu
 Kevin Burnett

<p>Issue #1</p>	<p>State legislations and rules require the following:</p> <ul style="list-style-type: none"> • The records retention schedule must list the state records created and received as well as the proposed period of time each record shall be maintained. (Government Code § 6441.185(b)) • Policies and procedures should be established to ensure state records are maintained until the expiration of the retention periods on its records retention schedule. (13 TAC § 6.8) • The final disposition of state records should be documented. (13 TAC § 6.8) <p>In addition, A&AS noted the following policies and procedures implemented by Records Management:</p> <ul style="list-style-type: none"> • A Customer Profile is maintained for each department using the Records Center. • A Transmittal of Records form is completed and maintained when records are transferred to the Records Center for storage. • An internal database is used to document and track contents of the boxes transferred to the Records Center for storage. • Documentation is maintained as evidence of communication to departments pertaining to storage information and disposal authorization request. • A Records Disposition Request form is completed and maintained as evidence of the records disposal. <p>A&AS reviewed a sample of 25 boxes (currently stored, retrieved after it was sent to the Records Center, and disposed) for adherence to policies and procedures. Based on the review, opportunities exists to strengthen internal processes at the Records Center by emphasizing the following requirements:</p> <ul style="list-style-type: none"> • Update Customer Profile form for each department using the Records Center. • Maintain pertinent communication to the departments that are using the Records Center. • Accurately classify the record type based on the contents of each box in the internal database. • Maintain explanation of why the record was kept beyond its retention period. • Maintain copies of the completed transmittal and approved disposition forms. <p>Additionally, we selected a judgmental sample of five departments and noted opportunities for improvement such as:</p> <ul style="list-style-type: none"> • Complete and maintain copies of the disposition forms, including documented approvals, as evidence the disposal of records occurred in accordance with the retention period. • Perform a review of the inactive and/or miscellaneous records to determine whether the records should continue to be retained or should be disposed.
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	<ul style="list-style-type: none"> • Add all record types created and maintained by UTHealth to the approved Records Retention Schedule.
Recommendation #1	<p>We recommend Records Management provide staff training pertaining to departmental policies and procedures. In addition, a periodic oversight process should be developed and implemented to ensure compliance with established procedures.</p> <p>We also recommend management in Information Technology (Administration), HCPC Financial Operations, Medical School Family Medicine, SoD Patient Services, and SON Management Office communicate and emphasize the records retention requirements to all applicable staff.</p>
Rating	Medium

Management Response #1a	Records Management will conduct additional staff training for the policies and procedures and develop an oversight, monitoring process to track adherence with the procedures.
Responsible Party	Sherry A Lyons, CRM
Implementation Date	January 31, 2018

Management Response #1b	Records retention requirements will be communicated to all applicable HCPC Financial Operations staff.
Responsible Party	Donna Hagdorn, Director of Financial Operations
Implementation Date	August 31, 2017

Management Response #1c	<p>Family Medicine agrees with the recommendation and will communicate the records retention requirements to all applicable staff. We will take measures to complete and maintain the disposition forms as well as perform a review to determine whether the records hold administrative value and should be retained.</p> <p>We will announce these enhancements to our current process during our August 8th Staff Meeting, and in writing in September, as part of our coordination for organizing reviewing records in each program area, prior to storage and destroying files that have expired (end of business for FY17). In addition, a spreadsheet is created to track disposition form data, outlining where documents are held and for how long; and, when documents were disposed (with disposition forms as back-up to our spreadsheet). These changes will begin with FY17 records and continue moving forward.</p>
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Responsible Party	Elaine Embody, Director of Management Operations II
Implementation Date	October 31, 2017

Management Response #1d	<p>SoD Patient Services will ensure to obtain approval signatures for record disposal and maintain copies in a central location.</p> <p>Paper charts containing dental implant treatment data have been retained beyond the standard record retention period for the following reasons:</p> <ul style="list-style-type: none"> 1 - Patient and/or other healthcare professional may request specific implant data for an undetermined length of time following the initial surgery 2 - Research purposes <p>Pending approval from Advance Education Committee, will propose a policy to retain these existing paper charts with dental implant data until the patient reaches age 90. These records will be purged twice a year per department regular purging schedule.</p> <p>Next Advance Education Committee meeting August 17, 2017.</p>
Responsible Party	Dr. Kimberly Ruona, Associate Dean of Patient Care Anna Trieu, Director of Patient Services
Implementation Date	December 15, 2017

Management Response #1e	<p>Management agrees with the findings as presented with regards to completion of disposition forms for disposal of records and in accordance to UTHHealth and HOOP Policies and Guidelines for retention period.</p> <p>Management also agrees to regularly review record retention requirements with all applicable staff and develop, update and edit School policies, procedures, databases and internal forms to ensure compliance with UTHHealth and HOOP Policies and Guidelines. Management will meet with applicable staff as a workgroup during the month of September 2017 and discuss the items.</p> <p>Record Retention workgroup will have finalized and updated compliant policies, guidelines and tools and implement within the Management Office at the School of Nursing by November 1, 2017.</p>
Responsible Party	Kevin Burnett, Associate Dean For Management II
Implementation Date	November 1, 2017

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Issue #2	<p>13 TAC § 6.10 states, "A record listed in the Texas State Records Retention Schedule (Revised 4th Edition) must be retained for the minimum retention period indicated by any state agency that maintains a record of the type described." This revised 4th edition has an effective date of August 31, 2016 and addresses the requirement from Texas Government Code 441.1855 on <i>Retention of Contract and Related Documents by State Agencies</i>, effective September 1, 2015. This update requires contracts and related documents to be retained for seven years as compared to four years previously.</p> <p>The current UTHHealth Records Retention Schedule was approved by the TSLAC on December 15, 2014. No amendments have been made to the approved Records Retention Schedule and submitted to the TSLAC for review by the Records Manager. As a result, the Records Retention Schedule has not been updated to reflect the new requirement from 2015.</p>
Recommendation #2	<p>We recommend Records Management perform a review of the 4th Edition of the Texas State Records Retention Schedule (RRS) published by the TSLAC and determine whether amendments or changes are necessary and update the Records Retention Schedule accordingly.</p>
Rating	<p>Low</p>
Management Response	<p>Records Management will review the Records Retention Schedule (RRS), make necessary changes, and submit an amendment to the TSLAC for review and approval.</p>
Responsible Party	<p>Sherry A Lyons, CRM</p>
Implementation Date	<p>October 31, 2017</p>

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<p>Issue #3</p>	<p>A&AS reviewed HOOP 181 and noted the following:</p> <p><u>Definition of Archival Records</u> Government Code, Chapter 441, 13 TAC § 6.1, and UTS 115 defines “archival state record” as any state record of enduring value that will be preserved on a continuing basis until the archivist indicates that based on a reappraisal of the record it no longer merits further retention. However, HOOP 181 defines archival records as “any record that is retained permanently for lasting historical value and may be used for research and reference by university offices and the general public,” which varies from state guidelines and UT System.</p> <p><u>UT System Approval</u> HOOP 181 states, “All records and information (paper, microform, electronic, or any other media) will be retained for at least the minimum periods stated in the Records Retention Schedule approved by UT System, the Texas State Library and Archives Commission and the Texas State Auditor’s Office in compliance with Texas Government Code, Chapter 441.” However, UT System no longer reviews UTHHealth’s Records Retention Schedule. The Records Retention Schedule is submitted directly to the TSLAC for review and approval by the Records Manager. Therefore, the actual process differs from the written policy.</p>
<p>Recommendation #3</p>	<p>We recommend Records Management work with the Office of Legal Affairs to update HOOP 181 accordingly to reflect the current process and ensure compliance with state and UT System guidelines.</p>
<p>Rating</p>	<p>Low</p>
<p>Management Response</p>	<p>Records Management has contacted the Office of Legal Affairs and is currently drafting revisions to the HOOP policy to more accurately reflect the current process and ensure compliance with state and UT System guidelines. The revisions will be submitted to UTHHealth’s HOOP Committee for consideration and approval during it’s August meeting.</p>
<p>Responsible Party</p>	<p>Sherry A Lyons, CRM</p>
<p>Implementation Date</p>	<p>August 31, 2017</p>