

THE UNIVERSITY OF TEXAS  
HEALTH CENTER AT TYLER  
ANNUAL INTERNAL AUDIT REPORT



FISCAL YEAR 1999

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<b>AUDIT AREA</b>	<b>Budget Hours</b>	<b>Audit Completed</b>	<b>Explanation for Audits Not Completed</b>
<b><u>DEPARTMENTAL AUDITS</u></b>			
Purchasing (Change of Management)	40	Yes	
Fiscal Affairs/Budget	80	Yes	
Associate Director of Clinical Affairs	40	Yes	
Hospital & Clinic Administration	40	Yes	
Gift Shop	40	Yes	
Pharmacy	40	Yes	
Pathology	40	Yes	
	<i>subtotal</i>		
	<u>320</u>		
	<b><i>TOTAL AUDIT HOURS</i></b>		
	<u>3,740</u>		
	<b><i>TOTAL ADMINISTRATIVE TIME</i></b>		
	<u>2,340</u>		
	<b><i>TOTAL 1999 BUDGETED HOURS</i></b>		
	<u>6,080</u>		

The University of Texas Health Center at Tyler reinstated its audit function effective September 1, 1998. The FY 1999 Audit Plan was developed with the assumption of an audit staff of three auditors. Due to difficulties encountered in staffing, the audit department operated with 2 auditors for a majority of the year. A third auditor was hired effective June 1, 1999. This caused several audits to be carried forward from FY 1999 to FY 2000. Training and learning requirements of a new staff, along with inherent difficulties encountered in setting up a new function, resulted in variances in targeted and actual audit hours. All positions are currently filled which should result in greater operating efficiency for the Internal Audit function at UTHCT.

**II. Peer Review Report**

N/A

### III. List of Audits Completed with Breakdown by Scope of Audit

Report No.	Report Date	Name of Report	Audit Scope Categories		
			Financial (and other Reporting)	Effectiveness and Efficiency	Compliance with Laws & Regulations
99-01	12-10-98	Cost Savings	X		
99-02	1-7-99	Institutional Compliance Design			X
99-03	1-11-99	Fiscal Affairs Departmental	X		
99-04	1-11-99	Associate Director of Clinical Affairs Departmental	X		
99-05	1-11-99	Patient Services Departmental	X		
99-06	2-19-99	Family Practice Residency Program AFR	X		
99-07	2-19-99	Purchasing Departmental	X		
99-08	2-19-99	Gift Shop Departmental	X		
99-09	3-25-99	Pathology Departmental	X		
99-10	4-9-99	Year 2000 Monitoring		X	
99-11	5-6-99	UTHCT AFR	X		
99-12	6-4-99	Family Practice Residency Program Pilot Project AFR	X		
99-13	6-4-99	Graduate Medical Education Program	X		
99-14	8-27-99	Medical Services, Research and Development Plan	X		
99-15	8-27-99	Pharmacy Departmental	X		

99-16	8-27-99	Computer Inventory			X
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#### IV. Key Audit Findings/Recommendations

Report No.	Report Date	Name of Report	Findings/Recommendations	Status (Implemented; Partially Implemented; Action Delayed; No Action Taken)	Fiscal Impact/Other Impact
99-16	8-27-99	Computer Inventory	When Information Systems removes computers from a department for disposal or transfer, the department should complete and file transfer forms according to the procedures in the <u>Handbook of Operating Procedures</u> . This procedure assists in meeting state regulations requiring agencies to take all necessary precautions to ensure that assets are secured. During the next annual campus-wide inventory, departments should verify that the computers on the transfer forms were removed from their departmental inventory.	No Action Taken	
			Each department should have an Inventory Liaison or Department Manager that keeps a current departmental inventory of computers on file with a list of staff assigned to those computers. If an employee terminates or new employees are hired, the Liaison should notify Information Systems so that the master list of computers can be updated. Pursuant to state regulations, agencies should know where all assets are located at all times and have a method for locating items on-site or off-site upon request.	No Action Taken	
			All departments must use the "Removal of Equipment From University Campus" forms and follow the proper procedures to file them. The forms must include the proper signature	No Action Taken	

Report No.	Report Date	Name of Report	Findings/Recommendations	Status (Implemented; Partially Implemented; Action Delayed; No Action Taken)	Fiscal Impact/Other Impact
99-16	8-27-99	Computer Inventory	authority (Administrative Officer Responsible); the proper reasons for taking the computer off campus; and, a complete description of the computer including the property identification number. Forms must be filed with the Property Manager in Accounting.		
			Revise the State Property section (page 15) in the UTHCT <u>Employee Handbook</u> , to include the proper procedures for removal of equipment from UTHCT Campus. The removal forms should be filed with the Property Manager in Accounting, and not the Police Department.	No Action Taken	
			All computers must be tagged or re-tagged with property identification numbers in accordance with state regulations and UTHCT policies and procedures.	Partially Implemented	
			Department heads must be held accountable for their computer inventory. This includes computers listed on both the Capital Assets Depreciation Location Report and the Computer Inventory Tracking Report.	No Action Taken	
			An updated Capital Assets Depreciation Report and Computer Inventory Tracking Report should be prepared that includes all relevant data to allow proper identification and tracking of computers.	Partially Implemented	

**V. Organizational Chart**

See attached Excel file *UTHCT Org Chart 9-1-99*

**VI. Report on Internal Audit Activities**

<b>Activity</b>	<b>Impact</b>
Facilitated Account Reconciliation Process	Internal Audit provided mentoring in departmental account reconciliation procedures.
Consulted on UTHCT Computer Software Contracts	Internal Audit reviewed contracts with computer software vendors to determine compliance with contract terms.

## VII. Internal Audit Plan for Fiscal Year 2000

AUDIT AREA	BUDGETED HOURS
<u>KEY OPERATING/FINANCIAL AREAS</u>	
Annual Financial Report (FYE 1999)	300
MSRDP Annual Financial Report	200
Family Practice Residency Program Annual Financial Report	80
Family Practice Pilot Project Annual Financial Report	80
Graduate Medical Education Annual Financial Report	80
subtotal	740
<u>INSTITUTIONAL COMPLIANCE</u>	
Institutional Compliance Design Follow-Up Audit	100
Physician & Hospital Billing Compliance Function ( carryforward)	300
Sponsored Research / Contracts & Grants ( carryforward)	300
Reconciliation of Accounts / Segregation of Duties	150
subtotal	850
<u>INFORMATION TECHNOLOGY AUDITS</u>	
Business Continuity Planning	80
Physical Security (access to computer room)	80
Data Security (passwords)	120
Application Areas:	
Hospital Billing (includes GL interface)	200
Physician Billing (includes GL interface)	200
subtotal	680
<u>RISK BASED AUDITS</u>	
Accounting	200
Physician and Hospital Collections	80
Cashier's Office	150
Clinic Operations	300
Clinical Research	300
subtotal	1,030
<u>DEPARTMENTAL AUDITS</u>	
Radiology (Change in Management)	60
Pulmonary Infectious Disease Control	60
subtotal	120

AUDIT AREA	BUDGETED HOURS
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PROJECTS

Cost Savings Report	80
Follow-up Audits	100
Reserve for Special Requests	575
subtotal	755

TOTAL AUDIT HOURS 4,175

ADMINISTRATION/OTHER

Administration	683
Reconciliation/Internal Controls Training	60
Annual Audit Plan	50
Annual Internal Audit Report	30
Audit Committee	60
Meetings & Committees	230
Professional Activities	120
Training/CPE	120
Travel	40
subtotal	1,393

Employee Benefits

Holidays	312
Sick Leave	120
Vacation/Other Leave	240
subtotal	672

TOTAL ADMINISTRATIVE TIME 2,065

TOTAL 2000 BUDGETED HOURS 6,240