



Fiscal Year 2019 Internal Audit Annual Report

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

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

Texas Government Code, Section 2102.015 requires that state agencies, including institutions of higher education, post on their website:

- the agency's approved Internal Audit Plan, as provided by Texas Government Code Section 2102.008
- the agency's Annual Report, as required by Texas Government Code Section 2102.009

Texas Government Code, Section 2102.015, also requires entities to update the posting described above to include the following information on the website:

- a detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the Audit Plan or Annual Report
- a summary of the action taken by the agency to address the concerns, if any, that are raised by the Audit Plan or Annual Report

A state agency is not required to post information contained in the agency's Internal Audit Plan or Annual Report if the information meets an exception from public disclosure under Texas Government Code Chapter 552.

The UT Health Science Center at Tyler's (UTHSCT) Internal Audit Department (IAD) complies with these requirements by posting fiscal year (FY) Audit Plans and Annual Internal Audit Reports on the Institution's external website in the "Reports to the State" section. Detailed summaries of weaknesses and deficiencies raised by the Audit Plan, along with the summary of actions taken to address the concerns, are included within the Annual Internal Audit reports.

Reference Exhibit B: FY 2019 Audits - Summary of Issues and Current Status

II. Internal Audit Plan for Fiscal Year 2019

FY 2019 Audit Plan	Project No.	Original Budget	Actual Hours Through 08/31/19	Remaining Budgeted Hours	Status
Risk Based Audits					
Stark Law Physician Contract Review	19-1	500.0	498.5	1.5	Completed
Employee Off-Boarding Audit	19-2	350.0	367.0	-17.0	Completed
Network Management, Incident Detection and Response Audit (Texas Administrative Code Section 202 Audit)	19-3	300.0	116.0	184.0	Completed
UTS 142.1 Assurance Work	19-4	40.0	37.0	3.0	Completed
Risk Based Audits Subtotal		1,190.0	1,018.5	171.5	
Consulting Projects					
Institutional Committees and Workgroups - Advisory Role	19-5	200.0	197.5	2.5	Completed
Institutional Strategic Initiatives	19-6	40.0	40.0	0.0	Completed
Training provided by Internal Audit	19-7	50.0	22.5	27.5	Completed
Opioid Stewardship Committee - Advisory Role	19-8	50.0	42.5	7.5	Completed
UT System Cyber Board Reporting Advisory Group	19-9	15.0	29.0	-14.0	Completed
Reserve Applied		250.0	240.0	10.0	Completed
Consulting Subtotal		605.0	571.5	33.5	
Reserve					
Reserve for TBD Engagements	TBD	0.0	0.0	0.0	Reserve Reduced/Applied
Reserve Subtotal		0.0	0.0	0.0	
Required Audits					
Executives' Travel and Entertainment Expenses Audit	19-10	125.0	125.0	0.0	Completed
Family Medicine Residency Program Grant Audit FYE 8/31/2018	19-11	80.0	80.0	0.0	Completed
State Institution of Higher Education Contracting Assessment	19-12	40.0	37.0	3.0	Completed
Financial Statement Audit Assistance	19-13	15.0	13.0	2.0	Completed
CPRIT Grant External Audit (assistance to management)	19-14	15.0	12.5	2.5	Completed
Required Audits Subtotal		275.0	267.5	7.5	
Investigations					
Investigations - Assistance	19-15	50.0	47.0	3.0	Completed
Investigations Subtotal		50.0	47.0	3.0	
Follow-Up					
Follow-up procedures conducted to verify the implementation status of past recommendations made	CATS/ TM Reports	60.0	61.5	-1.5	Completed
Follow-Up Subtotal		60.0	61.5	-1.5	
Development - Operations					
Annual Risk Assessment and Audit Plan Development		150.0	176.5	-26.5	Completed
Internal Audit Committee preparation and participation		200.0	241.5	-41.5	Completed
Quality Initiatives		75.0	74.5	0.5	Completed
UT System & SAO Reports and Requests		40.0	58.0	-18.0	Completed
Automated Tools Skills Development and Maintenance		40.0	30.5	9.5	Completed
Development - Operations Subtotal		505.0	581.0	-76.0	
Development - Initiatives and Education					
System Audit Office initiatives participation		50.0	107.5	-57.5	Completed
Professional organization/association participation		100.0	99.0	1.0	Completed
Professional writing, publications, external presenting		50.0	49.5	0.5	Completed
Individual Continuing Professional Education (CPE) Training, including related travel		120.0	120.5	-0.5	Completed
Development - Initiatives and Education Subtotal		320.0	376.5	-56.5	
Total Budgeted Hours		3,005.0	2,923.5	81.5	

Rider 8, page III-45 of the General Appropriation Act (85th Legislature)

Rider 8, page III-45, the General Appropriations Act (85th Legislature, Conference Committee Report), requires that higher education institutions conduct an internal audit of benefits proportional by fund, using a methodology prescribed by the State Auditor’s Office. The rider requires that the audit examine FY 2015 through 2017 and be completed no later than August 31, 2018.

The IAD completed an audit of benefits proportionality by fund for FY 2015 through 2017, using the methodology prescribed by the State Auditor’s Office, as a project under the risk-based reserve for the FY 2018 audit plan, titled “Reserve Applied – Benefits Proportionality”.

Texas Education Code, Section 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(h) 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.”*

The IAD conducted this required assessment for FY 2019, and found the following:

Based on the review of current Institutional policies and procedures, UT System (UTS) Board of Regents’ rules and regulations, and UTS policies and procedures, UTHSCT has generally adopted all the rules and policies required by TEC §51.9337. Review and revision of Institutional and UTS policies is an on-going 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

Report Date	Report Title	High-Level Objective	Results
No Formal Report	Institutional Committee and Workgroups – Advisory Role	To assist in an advisory role on committees/workgroups at the Institution. The committees/workgroups will be defined by leadership in the near term post-UT Health East Texas transaction.	Internal Audit served in an advisory capacity on several standing and ad-hoc committees during the year and completed various action items assigned during the committee meetings.
No Formal Report	Institutional Strategic Initiatives	To assist in an advisory role on initiatives related to strategic advancement of controls at the Institution within specific areas that have been impacted by the UT Health East Texas transaction.	Internal Audit served in an advisory capacity on initiatives to assist the Institution within specific areas impacted by the UT Health East Texas transaction.

Report Date	Report Title	High-Level Objective	Results
No Formal Report	Training provided by Internal Audit	To develop and deliver ad-hoc training to institutional customers post first time audit.	Internal Audit served in an advisory capacity to develop and deliver ad-hoc training to institutional customers post first time audits.
No Formal Report	Opioid Stewardship Committee – Advisory Role	To assist in an advisory role on the Opioid Stewardship Committee which was comprised to review risks and controls related to Controlled Substances for the Institution.	Internal Audit served in an advisory capacity on the Opioid Stewardship Committee during the year and advised, as necessary, on tasks and subjects addressed by the Committee related to Controlled Substances for the Institution.
No Formal Report	UT System Cyber Board Reporting Advisory Group	To assist UTS in facilitating a common cybersecurity reporting structure for Board of Regents and institutional audit committee reporting.	Internal Audit assisted UTS in the format and rollout of cybersecurity updates to be presented at each institutional audit committee across UTS.
No Formal Report	Reserve Applied & Budgeted - Ad Hoc Requests	To fulfill ad hoc advisory or analysis requests by Institutional and UTS customers.	Improvement of Institution operations, risk management, and governance processes.
July 11, 2019	THECB – FY18 Financials (Expenditures) Auditor Statement	To fulfill the auditor statement requirements related to expenditure activity of monies received from the Texas Higher Education Coordinating Board to provide support for the Northeast Texas Initiative (NETnet).	IAD concluded that the submitted NETnet financial statement fairly represented, in all material respects, the expenditure activity for the fiscal year period ending August 31, 2018.

Report Date	Report Title	High-Level Objective	Results
No Formal Report	Supply Inventory Recounts	To assist the Accounting department with the annual verification of departmental supply inventories for the purpose of financial statement asset valuation.	Supply inventory test recounts of assigned areas were substantially accurate.

IV. External Quality Assessment Review (QAR) (Peer Review)

Baker Tilly was engaged to conduct an independent validation of the IAD’s self-assessment with the assistance of an internal audit executive from a peer institution, which took place in September 2017. The primary objective of the validation was to verify the assertions made in the self-assessment report concerning adequate fulfillment of the organization’s expectation of the internal audit activity and its conformity to the Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, Generally Accepted Government Auditing Standards, and relevant requirements of the Texas Internal Auditing Act.

Based on Baker Tilly’s independent validation of the self-assessment performed by the IAD, the internal audit function received an overall rating of "Generally Conforms" with the Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics. 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.

Reference Exhibit A: External Quality Assessment Review Executive Summary

V. Internal Audit Plan for Fiscal Year 2020

The FY 2020 Audit Plan was primarily developed based upon the results of the institution-wide risk assessment completed late in FY 2019, which focused on UTHSCT’s critical strategic and operational objectives and related risks. To identify audits and projects for the plan, the IAD considered the level of risk for strategic and operational objectives and monitoring activities of the risks performed internally and externally. In addition, audits and projects externally required or requested by UTS or the Board of Regents were also included in the plan.

The audit plan was divided into the following categories:

- Assurance Engagements;
- Advisory and Consulting Engagements;
- Required Engagements;

- Investigations;
- Reserve;
- Follow-up;
- Development – Operations; and
- Development – Initiatives and Education.

Audits and projects were included in the plan based upon the level of risks and the audit resources available, but allocations were made to ensure an adequate level of coverage within each of the categories. Although the plan was developed to cover as many of the high risks as possible, there were some risks related to strategic or operational objectives which were ranked as “high” that were identified in the risk assessment process in which a project was not scheduled. Many of these “high” risk objectives for which a project was not scheduled were deemed to be mitigated by the secondary line of defense such as Compliance, Risk Management, functional teams, or committees. Specific “high” risks not covered by the plan were communicated to senior leaders and UTHSCT’s Institutional Audit Committee (IAC). High risks not covered by the FY 2020 Audit Plan include the following subject areas:

High-risk Strategic or Operational Areas Not Covered in the FY 2020 Audit Plan	
Human Resources	Facilities Management
Property Management	Legal
Auxiliary Services	University Relations
Enrollment Management	Academic Support
Instruction	Revenue Cycle
Practice Plan	Medical Training

The FY 2020 Audit Plan was approved by UTHSCT’s IAC on May 30, 2018 and by the UTS Board of Regents’ Audit, Compliance and Risk Management Committee and full board at the August 14, 2019 meeting.

Risk Assessment Process

As a basis for the FY 2020 Audit Plan, a risk assessment was completed to identify and evaluate risks relative to UTHSCT’s critical strategic and operational objectives. This risk assessment methodology was developed under the leadership of the UTS Audit Office and implemented System-wide. The process is designed to capture and evaluate critical strategic and operational risks for the organization utilizing a top-down approach.

The risk assessment approach consisted of the following procedures:

- Identified and considered UT System-wide risks;
- Reviewed important Institutional financial and operational documents, and industry data to become aware of recent Institutional performance and challenges in the industry in which the Institution operates;
- Identified the Institution’s important strategic and operational priorities and defined objectives at-risk relative to these priorities;
- Collaborated with certain top organizational and operational leaders to evaluate and update strategic priorities and objectives and to score risks; and
- Conducted cross-functional risk assessments involving the areas of Information Security, Compliance, Legal and Security.

The risk assessment approach used is structured around the Three Lines of Defense model that is endorsed by the Institute of Internal Auditors. This model provides a structured approach for various departments or areas within an organization to be responsible for managing the organization's risks. In summary, management is primarily responsible for risk. Risk assessing and risk managing functions such as Compliance, Information Security, Risk Management, Police, and Legal make up the secondary line of defense. Finally, Internal Audit is responsible for independently and objectively providing advice on how to strengthen risk management in the first and second lines of defense and to mitigate risk.

Fiscal Year 2020 Audit Plan

Code	FY 2020 Audit Plan	Original Budget	Percent of Total
	Assurance Engagements		
20-1	Controlled Substance Agreements Audit	450	
20-2	Medical Devices Audit	450	
20-3	Research Grants Audit	500	
20-4	Accounts Payable Audit	400	
	Assurance Engagements Subtotal	1800	41.7%
	Advisory and Consulting Engagements		
20-5	Institutional Committees and Workgroups - Advisory Role	200	
20-6	Institutional Strategic Initiatives	100	
20-7	Opioid Stewardship Committee - Advisory Role	40	
20-8	Training provided by Internal Audit	200	
20-9	Data Analytics	150	
	Advisory and Consulting Engagements Subtotal	690	16.0%
	Required Engagements		
20-10	State Institution of Higher Education Contracting Assessment	50	
20-11	Benefits Proportionality	175	
20-12	Family Medicine Residency Program Grant Audit FYE 8/31/2019	100	
20-13	Financial Statement Audit Assistance	30	
20-14	CPRIT Grant External Audit (assistance to management)	20	
	Required Engagements Subtotal	375	8.7%
	Investigations		
20-15	Investigations - Assistance	50	
	Investigations Subtotal	50	1.2%
	Reserve		
TBD	Reserve for TBD Engagements	300	
	Reserve Subtotal	300	7.0%
	Follow-Up		
CATS/TM	Follow-up procedures conducted to verify the implementation	65	
	Follow-Up Subtotal	65	1.5%

Code	FY 2020 Audit Plan	Original Budget	Percent of Total
	Development - Operations		
	Annual Risk Assessment and Audit Plan Development	200	
	Institutional Audit Committee Preparation and Participation	225	
	Quality Initiatives	175	
	UT System & SAO Reports and Requests	50	
	Automated Tools Skills Development and Maintenance	75	
	UT Health CAEs Monthly Collaborative Meetings	25	
	UT Health East Texas Monthly Collaborative Meetings	25	
	Development - Operations Subtotal	775	18.0%
	Development - Initiatives and Education		
	System Audit Office initiatives participation	50	
	Professional organization/association participation	50	
	Individual Continuing Professional Education (CPE) Training,	160	
	Development - Initiatives and Education Subtotal	260	6.0%
	Total Budgeted Hours	4315	100.0%

Rider 8, page III-46 of the General Appropriation Act (86th Legislature)

Rider 8, page III-46, the General Appropriations Act (86th Legislature), requires each higher education institution, excluding public community/junior colleges, to conduct an internal audit of benefits proportional by method of finance using a methodology approved by the State Auditor’s Office. The audit must examine FY 2017 through 2019 and must be submitted to the Legislative Budget Board, the Comptroller of Public Accounts, and the State Auditor’s Office no later than August 31, 2020.

The IAD has included this required audit as a required engagement on the FY 2020 Audit Plan.

Texas Education Code, Section 51.9337

Senate Bill 20 (84th Legislative Session) made several modifications and additions to the TGC and the TEC related to purchasing and contracting. Effective September 1, 2015, TEC §51.9337(h) 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.”*

The IAD has included this required assessment as an audit on the FY 2020 Audit Plan.

VI. External Audit Services Procured in Fiscal Year 2019

The IAD did not engage in, or require any, external audit services for FY 2019.

VII. Reporting Suspected Fraud and Abuse

UTHCST has taken the following actions to implement the requirements of:

- Section 7.09, page IX-37, the General Appropriations Act (86th Legislature, Conference Committee Report): The Institution’s website includes the State Auditor’s Office fraud hotline information and a link to the State Auditor’s website for fraud reporting. The information is linked from the Institution’s home page via a link entitled, “Compliance”. The Institution has also included information on how to report suspected fraud involving state funds to the State Auditor’s Office in its Compliance and Ethics Hotline Reporting (PolicyStat ID #5560494) in the Institutional Handbook of Operating Procedures (IHOP).
- TGC Section 321.022, Coordination of Investigations: UTS has implemented UTS Policy 118, Section 5, which includes a reference link to the TGC §321.022. This policy is applicable to all UTS institutions, including UTHSCT. The policy states that “the Chief Inquiry Officer for the U. T. System is the designated investigation coordinator responsible for tracking and coordinating investigations of allegations of misconduct, including Dishonest or Fraudulent Activity, at U.T. System Administration or involving an Institutional President.” The UTHSCT President is knowledgeable about the policy requirements and his reporting responsibilities to the State Auditor.

Exhibit A: External Quality Assessment Review Executive Summary



Candor. Insight. Results.

September 21, 2017

Mr. Stephen Ford, Associate Vice President and Chief Audit Executive
The University of Texas Health Northeast

In September 2017, The University of Texas Health Northeast (UT Health Northeast) Internal Audit Department (IAD 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 Northeast IAD engaged an independent review team consisting of three internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of IAD'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 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 IAD we agree with IAD'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 IAD'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, UT Health Northeast and The University of Texas System Administration 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 Health Northeast and The University of Texas System Administration.

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

Very truly yours,

Baker Tilly Vinchow Krause, LLP



Exhibit B: FY 2019 Audits – Summary of Issues and Current Status

Texas Government Code, Section 2102.015 requires state agencies and institutions of higher education to post to the institution’s website:

- A “detailed summary of the weaknesses, deficiencies, wrongdoings, or other concerns raised by the audit plan or annual report.”
- A “summary of the action taken by the agency to address concerns, if any, that are raised by the audit plan or annual report.”

Report No.	Report Date	Name of Report	High-level Audit Objective(s)	Observations/Findings and Recommendations	Status/Actions ¹
18-03	7/24/2018	Controlled Substance Contracts Audit	To evaluate the Institution’s processes for managing controlled substance contracts.	Observation #1: The UTHSCT does not have an Institutional policy that addresses controlled substance agreements. Recommendation #1: The UTHSCT should develop and implement an Institutional policy, based on best practices, that addresses its controlled substance agreement requirements and ensure regular clinical staff education upon its implementation.	Fully Implemented
18-03	7/24/2018	Controlled Substance Contracts Audit	To evaluate the Institution’s processes for managing controlled substance contracts.	Observation #2: The UTHSCT does not have a standard controlled substance agreement to be utilized by all clinics. Recommendation #2: UTHSCT should develop and implement a standard controlled substance agreement template that meets the minimum requirements of the UTHSCT Institutional policy in Recommendation #1 above.	Fully Implemented

Exhibit B: FY 2019 Audits – Summary of Issues and Current Status

Report No.	Report Date	Name of Report	High-level Audit Objective(s)	Observations/Findings and Recommendations	Status/Actions ¹
18-03	7/24/2018	Controlled Substance Contracts Audit	To evaluate the Institution’s processes for managing controlled substance contracts.	<p>Observation #3: The UTHSCT is not able to accurately or completely identify all patients who require a controlled substance agreement, all patients who are currently on a controlled substance.</p> <p>Recommendation #3: The UTHSCT should implement processes that allow its clinics, providers and leadership to readily and accurately identify all patients who require a controlled substance agreement, all patients who are currently on a controlled substance agreement, and all patients who have had a controlled substance agreement terminated for a violation. This tracking and monitoring will be imperative upon implementation of the Institutional policy in recommendation #1 above.</p>	Fully Implemented
19-02	12/3/2018	Employee Off-Boarding Audit	To assess the current processes and controls in place for the timely and accurate removal of UT Health Science Center at Tyler employee access as the result of termination and/or transfer.	<p>Observation #1: The UTHSCT does not have a policy that specifies the requirements of the employee off-boarding process.</p> <p>Recommendation #1: The UTHSCT, through the collaboration of HR and IT, develop and implement an Institutional policy that specifies the requirements of the employee off-boarding process and sets an appropriate deadline for disabling access.</p>	Fully Implemented

Exhibit B: FY 2019 Audits – Summary of Issues and Current Status

Report No.	Report Date	Name of Report	High-level Audit Objective(s)	Observations/Findings and Recommendations	Status/Actions ¹
19-02	12/3/2018	Employee Off-Boarding Audit	To assess the current processes and controls in place for the timely and accurate removal of UT Health Science Center at Tyler employee access as the result of termination and/or transfer.	<p>Observation #2: The UTHSCT does not have an employee off-boarding process write-up or training available for the department managers and employees, resulting in inconsistencies in the timeliness of removing employee access in the areas tested.</p> <p>Recommendation #2: The UTHSCT should develop and implement training that adequately covers the responsibilities for both the department managers and the employees on the required elements of the employee off-boarding process.</p>	Fully Implemented

Exhibit B: FY 2019 Audits – Summary of Issues and Current Status

Report No.	Report Date	Name of Report	High-level Audit Objective(s)	Observations/Findings and Recommendations	Status/Actions ¹
19-02	12/3/2018	Employee Off-Boarding Audit	To assess the current processes and controls in place for the timely and accurate removal of UT Health Science Center at Tyler employee access as the result of termination and/or transfer.	<p>Observation #3: As noted from our walkthroughs and testing, the current employee check-out form is inefficient and inconsistently utilized, which has contributed to the untimely removal of access for terminated and transferred employees. In addition, we noted that key departments are not currently included in the employee off-boarding process.</p> <p>Recommendation #3: The UTHSCT, through the collaboration of HR and IT, as well as other departments involved in the check-out process, develop a digital form that can take the place of the current check-out form and be used as part of the employee off-boarding process. This digital form should be inclusive of all necessary departments involved in the process to ensure timely removal or change of employee access.</p>	Fully Implemented
19-02	12/3/2018	Employee Off-Boarding Audit	To assess the current processes and controls in place for the timely and accurate removal of UT Health Science Center at Tyler employee access as the result of termination and/or transfer.	<p>Observation #4: The UTHSCT does not have a complete inventory list of all system applications utilized at the Institution.</p> <p>Recommendation #4: IT should ensure that a complete and accurate system application inventory listing is finalized and utilized as part of the employee off-boarding process.</p>	Fully Implemented

Exhibit B: FY 2019 Audits – Summary of Issues and Current Status

Report No.	Report Date	Name of Report	High-level Audit Objective(s)	Observations/Findings and Recommendations	Status/Actions ¹
19-02	12/3/2018	Employee Off-Boarding Audit	To assess the current processes and controls in place for the timely and accurate removal of UT Health Science Center at Tyler employee access as the result of termination and/or transfer.	<p>Observation #5: The UTHSCT does not have an on-going review process of its inventory listing or a review to ensure access rights for all applications have been appropriately removed for all off-boarded employees.</p> <p>Recommendation #5: IS should develop and implement a 90-day user access review to ensure access rights for AD integrated applications, at a minimum, have been appropriately removed for all off-boarded employees.</p>	Fully Implemented
19-02	12/3/2018	Employee Off-Boarding Audit	To assess the current processes and controls in place for the timely and accurate removal of UT Health Science Center at Tyler employee access as the result of termination and/or transfer.	<p>Observation #6: The UTHSCT does not have a consistent process in place to ensure that all applicable system access changes are completed and captured on an auditable log.</p> <p>Recommendation #6: IT should ensure that a process is developed and implemented, in conjunction with the new digital check-out form in Recommendation #3 above, that will help ensure all applicable system access is removed or changed and can be tracked effectively.</p>	Fully Implemented

¹ Definitions of implementation status are as follows:

- I. Fully Implemented: Successful development and use of a process, system, or policy to implement a prior recommendation.

Exhibit B: FY 2019 Audits – Summary of Issues and Current Status

- II. Substantially Implemented: Successful development but inconsistent use of a process, system, or policy to implement a prior recommendation.
- III. Incomplete/On-going: On-going development of a process, system, or policy to address a prior recommendation.
- IV. Not Implemented: Lack of a formal process, system, or policy to address a prior recommendation.