

ANNUAL INTERNAL AUDIT REPORT



FISCAL YEAR 2024

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I. Compliance with Texas Government Code, Sec. 2102.015

Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit Information on Internet Website

The Texas Internal Auditing Act (Texas Government Code, Section 2102.015: *Publication of Audit Plan and Annual Report on Internet*) requires that the internal audit plan and internal audit annual report be posted on the institution's website. Accordingly, the Office of Institutional Compliance & Audit Services has posted this Fiscal Year (FY) 2024 Annual Internal Audit Report including the approved FY 2025 Internal Audit Plan on the following website:

<http://www.utsouthwestern.edu/legal/required-documents.html>

Additionally, all internal audit reports are posted on the UT System Audit Office website, unless the information is exempt from public disclosure under Chapter 552.

<https://www.utsystem.edu/documents/audit-reports-institution>

II. Internal Audit Plan for Fiscal Year 2024

The University of Texas Southwestern Medical Center (UT Southwestern Medical Center) FY 2024 Internal Audit Plan outlined the internal audit activities to be performed by Internal Audit during FY 2024 in accordance with responsibilities established by The UT System, the Texas Internal Auditing Act, the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*, and the Generally Accepted Government Auditing Standards, consistent with the UT Southwestern Medical Center Internal Audit Charter. The Plan was prepared using a risk-based approach to ensure that areas and activities specific to UT Southwestern Medical Center with the greatest risk are identified for consideration to be audited.

Appendix A comprises the Internal Audit Plan for FY 2024, including the status of the Plan as of the date of this report. Audits that were deferred or cancelled were approved by the UT Southwestern Medical Center Institutional Audit Committee and, as applicable, were added to the FY 2025 Internal Audit Plan.

Compliance Audit Requirements for Higher Education Institutions

Texas Government Code and Texas Education Code (TEC) Requirements:

TEC Section 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 UT Southwestern Medical Center Office of Institutional Compliance & Audit Services conducted this required assessment for FY 2024, and found the following:

Based on review of current institutional policy and the UT System Board of Regents' Rules and Regulations, UT Southwestern has generally adopted all the rules and policies required by TEC Section 51.9337. Review of and revision of UT Southwestern policy is an ongoing 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

The Office of Institutional Compliance & Audit Services (OICAS) performs various types of consulting engagements that may include providing insights into risks, internal controls and best practices, reviewing process flows, and assisting with data analysis.

CONSULTING ACTIVITIES	
Capital Construction Projects	OICAS participates in monthly audit progress meetings with the Construction Improvement Program (CIP) team and external audit vendors to review observations, identify process improvements, discuss action plan implementation, and review construction audit firm reports.
General Consulting	OICAS provides informal consulting upon request. The Chief Audit Executive (CAE) and other team members serve on various committees or work groups.
Leadership Foundations Training	OICAS provides an overview of the Internal Audit function to leaders participating in the Leadership Foundations Training programs. This focused training is designed to provide new and existing leaders with an understanding of defense, internal controls, leadership responsibilities for maintaining controls, fraud awareness, and reporting.
Internal Controls & Fraud Awareness Training	OICAS conducts focused training for leaders and financial and administrative staff across the Institution on internal controls, fraud indicators, and policy requirements for reporting matters.
Payment Card Industry (PCI)	OICAS provides guidance for strengthening processes and controls related to credit card activities and compliance with PCI requirements.
ADVISORY ENGAGEMENTS	
Data Governance	A current state assessment of data governance, policies and data classification, data ownership and stewardship, and related strategic initiatives.
IT Cybersecurity Education & Training Assessment	Review of employee education and institutional policies related to Cybersecurity threats and prevention.
NIST Framework	Assessment of the controls in the research environment against the NIST 800-53 Rev. 5 Framework.


IV. External Audit Services Procured in Fiscal Year 2024

The University of Texas System (UTS) and UT Southwestern Medical Center contracted with various audit providers for external audit services and co-sourcing of audit services during FY 2024.

Service	Provider
Co-Source Partner - Various Engagements	Protiviti Inc. Grant Thornton LLP PwC US Consulting LLP Kodiak Solutions LLC Ernst & Young LLP
Independent Audit of the FY 2023 University of Texas System Financial Statements	Deloitte and Touche LLP (UTS contracted)
IT General Controls Audit	Deloitte and Touche LLP (UTS contracted)
Student Financial Assistance Audit	Deloitte and Touche LLP
Cancer Prevention and Research Institute of Texas (CPRIT) Audit	Weaver and Tidwell LLP

V. External Quality Assurance Review (Peer Review)

OICAS completed a Quality Assurance Review (QAR) Self-Assessment in FY 2023 with independent consultants from Baker Tilly and a peer reviewer completing an external validation in FY 2024 Q1.



November 2023

Ms. Natalie Ramello
Vice President, Chief Institutional Compliance Officer & Interim Chief Audit Executive
University of Texas Southwestern Medical Center

In September 2023, The University of Texas Southwestern Medical Center (UT Southwestern) Internal Audit (IA) function, the Office of Internal Audit (OIA), 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 Southwestern OIA engaged an independent review team consisting of internal audit professionals with extensive higher education and healthcare experience to perform an independent validation of OIA's QAR self-assessment. The primary objective of the validation was to verify the assertions made in the QAR report concerning OIA's conformity to the IIA'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 OIA 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 OIA activity from performing adequately in all or in significant areas of its responsibilities.


Based on our independent validation of the QAR performed by OIA, we agree with OIA'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 OIA'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, The University of Texas System Administration and UT Southwestern Medical Center 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 Southwestern Medical Center.

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

Very truly yours,

Baker Tilly US, LLP



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VI. Internal Audit Plan for Fiscal Year 2025

OICAS developed the Internal Audit Plan for FY 2025 (*Appendix B*) using a risk assessment process that involved gaining a deeper understanding of the organization, its strategic plan, and institutional priorities. The process involved meeting with key leaders of the organization to identify key objectives and risks to achieving the objectives, as well as other risks to the Institution, taking into account risks identified in the previous year's risk assessment.

As a result of the process, OICAS captured high and medium risks and determined those that are auditable risks to be included in the FY 2025 Internal Audit Plan. In September 2024, the FY 2025 Internal Audit Plan was updated to include projects carried forward from FY 2024 based on end-of-year risk assessment (*Continuation from FY 2024).

VII. Reporting Suspected Fraud and Abuse

Actions taken to comply with Section 7.09, page IX-38, the General Appropriations Act (86th Legislature), and Section 7.09, page IX-38, the General Appropriations Act (87th Legislature), as well as Texas Government Code, Section 321.022, *Coordination of Investigations*, include:

- The UT Southwestern Medical Center intranet home page provides a quick link to “*Report Compliance Concern*”, which directs to the third-party Compliance Reporting website. This includes the hotline phone number and provides information on how employees can confidentially report suspected improper conduct, illegal actions, and fraud.
- A toll-free number (1-877-507-7319) is also available to all staff and faculty to anonymously report suspected wrongdoing, including waste, fraud, abuse, and violations of any federal or state laws.
- The Compliance Hotline website provides a link to the State Auditor’s Office (SAO) Hotline website (<https://sao.fraud.texas.gov/>), which provides information on reporting suspected fraud, waste, and abuse to the SAO. Reports of suspected fraud, waste, and abuse can also be made to the State Auditor’s Office Hotline at 1-800-TX-AUDIT (1-800-892-8348).
- The UT Southwestern Medical Center Handbook of Institutional Policies and Operating Procedures, Policy ETH-251 Preventing and Detecting Fraud and Abuse in Medical Center Operations, provides information on the coordination of investigations and reporting of suspected fraud and abuse.

APPENDIX A - UT Southwestern Medical Center FY 2024 Internal Audit Plan

ASSURANCE ENGAGEMENTS			
	Engagement	Description / Objective	Report Date
1	Change in Management Review	Change in management and risk control assessment and comprehensive reviews of high-risk business units with key leadership changes.	10/20/2023
2	IT - Business Continuity / Disaster Recovery Management Program Assessment	Evaluate the reasonableness of oversight programs in place designed to provide protection or alternative modes of operation for those activities or business processes.	10/20/2023
3	Revenue Cycle - Charge Master Audit*	Review charge master processes to ensure compliance with policies and procedures and adequacy of controls for maintaining charge master integrity and accurate billing.	10/20/2023
4	Revenue Cycle - Charge Capture Reconciliation Audit - Radiation Oncology*	Review charge capture and charge reconciliation processes to assess adequacy of controls for charge timeliness, accuracy, and compliance with regulations, policies, and procedures.	10/19/2023
5	Historically Underutilized Business (HUB) Audit	Evaluate current processes and procedures in place related to the Historically Underutilized Business (HUB) Program to assess compliance with policy and state regulatory requirements.	10/20/2023
6	Tissue Collection & Storage Audit	Evaluate processes and controls for collecting, storing, and securing tissue samples utilized for research and compliance with policies and sponsor requirements.	01/18/2024
7	Revenue Cycle - Charge Capture Reconciliation Audit - Anesthesiology**	Review charge capture and charge reconciliation processes to assess adequacy of controls for charge timeliness, accuracy, and compliance with regulations, policies, and procedures.	01/18/2024
8	APP Utilization*	Assess utilization of Advanced Practice Providers (APPs) for patient care.	Deferred to FY 2025
9	Change in Management Review*	Change in management and risk control assessment and comprehensive reviews of high-risk business units with key leadership changes.	Deferred to FY 2025
10	Compensation*	Assess policies, procedures, tools, and controls around compensation management including earnings reporting.	Cancelled
11	Construction Audit Project Management	Assess processes, controls, and monitoring procedures for timely completion of construction projects and accurate billing and change order management.	04/24/2024
12	Donor / Client Relationship Management	Review CRM tool for managing donor information for potential and existing donors, donations management, tracking and reporting, and assess effectiveness of processes, controls and achievement of goals.	Cancelled

+ Annual recurring audit

* Medical Group audit

ASSURANCE ENGAGEMENTS			
	Engagement	Description / Objective	Report Date
13	Hospital Supply Chain & Inventory Resilience Assessment	Review policies and procedures and evaluate the design and/or operating effectiveness of key controls and systems related to supply chain resilience. Assessment includes aspects of P2P, HUB requirements, and inventory practices.	07/18/2024
14	MSA Review*	Review of Master Services Agreements (MSAs) with clinical affiliates.	10/31/2024
15	Nursing Administration*	Assess the effectiveness of controls related to licensing, certification, and nursing regulatory compliance.	Cancelled
16	Physician Incentive Plan Audit*	Review metrics for physician performance used for incentive plans.	04/24/2024
17	Patient Access Audit*	Evaluate department patient scheduling practices and tools for new and existing patient appointment scheduling.	07/18/2024
18	Revenue Cycle - Charge Capture Reconciliation Audit - Dermatology**	Review charge capture and charge reconciliation processes to assess adequacy of controls for charge timeliness, accuracy, and compliance with regulations, policies, and procedures.	07/18/2024
19	Revenue Cycle - Charge Capture Reconciliation Audit - Neurology**	Review charge capture and charge reconciliation processes to assess adequacy of controls for charge timeliness, accuracy, and compliance with regulations, policies, and procedures.	07/18/2024
20	Third Party Audit - Animal Resource Center	Review processes and controls for monitoring and department oversight of vendor activities, and billing invoices and payments for ARC contracted vendors.	04/24/2024
21	UTS 142.1 Compliance & Monitoring Plan Audit+	Perform annual review of UTS 142.1 compliance and monitoring activities to ensure effectiveness for compliance with policies.	12/08/2023
22	IT - Epic In-Basket Management Assessment*	Assess the processes and controls (metrics, dashboards, enforcement, resolution) in place to manage Epic In-Baskets.	07/18/2024
23	IT - RPA & Use of Bots Audit	Review of accountability and oversight of Robotic Process Automation and use of bots in the performance of key business functions, including security access, configuration, and change management.	Cancelled
24	IT - TX-RAMP Compliance Assessment	Review processes and controls to ensure there is adequate oversight for ensuring compliance with TX-RAMP requirements and with applicable TAC 202 information security control standards.	10/31/2024
25	IT - Bring Your Own Device Management Audit	Assess the processes and controls in place to manage the use of personal devices for UT Southwestern Medical Center data and business.	Cancelled

+ Annual recurring audit

* Medical Group audit

ASSURANCE ENGAGEMENTS			
	Engagement	Description / Objective	Report Date
26	IT - Third-Party Epic Access Audit	Assess controls and processes related to Epic access management for third parties.	10/31/2024
27	TEC §51.3525 Compliance Assessment	Review of processes and procedures in place to ensure institutional compliance with TEC §51.3525 requirements.	08/13/2024
28	Research Security Program Assessment	Review processes and controls of the Research Security Program to determine if the objectives of National Security Presidential Memorandum 33 (NSPM-33) are being met.	In Progress
29	Texas Higher Education Coordinating Board (THECB) Audit	Review of compliance with THECB grant provisions.	01/18/2024
30	Texas Education Code §51.9337 Compliance Audit	Review of processes and procedures in place to ensure institutional compliance with TEC requirements.	08/27/2024
31	Annual Financial Report Audit Support	Provide support for Deloitte audit of Annual Financial Report.	N/A

ADVISORY ENGAGEMENTS			
	Engagement	Description / Objective	Report Date
32	Employee Safety & Security Offsite	Consulting engagement for review of physical security at offsite locations, along with policies and procedures to ensure practices adequately support protecting employees.	N/A
33	NIST Research Data Management Assessment	Advisory engagement to assess the controls of the research environment against the NIST 800-53 controls aligned to Federal Information Security Act (FISMA) high requirements, to provide a comprehensive view of the current security posture and identify areas for improvement and compliance enhancement.	07/18/2024
34	IT - Employee Cybersecurity Education & Prevention Assessment	Evaluate employee education and institutional policies related to Cybersecurity threats and prevention.	04/24/2024
35	IT - Artificial Intelligence	Consulting engagement on use and controls of Artificial Intelligence (AI) within the healthcare and academic settings.	N/A
36	IT - Data Governance Program (Phase 1)	Provide consultation and participation in institutional initiatives related to data governance.	10/31/2024

+ Annual recurring audit
* Medical Group audit

APPENDIX B - FY 2024 Recommendations and Follow-Up

For all assurance engagements where opportunities for strengthening controls and processes were identified, management provided action plans to address the findings based on the audit recommendations.

Report #	Engagement	Report Date	Recommendation	Status*
23-16	Revenue Cycle - Charge Capture Reconciliation Audit - Radiation Oncology	10/19/2023	Internal Audit recommended that Radiation Oncology management enhance controls and processes related to revenue cycle and charge reconciliation.	Fully Implemented
23-04	Change in Management Review	10/20/2023	Internal Audit recommended that Clinical Laboratories management enhance controls and processes related to financial and personnel management.	Fully Implemented
23-11	Hospital Supply Chain - Historically Underutilized Business (HUB) Review	10/20/2023	Internal Audit recommended that Supply Chain management enhance processes related to monitoring HUB requirements.	Fully Implemented
23-17	Revenue Cycle - Charge Master Audit	10/20/2023	Internal Audit recommended that Charge Master management enhance controls and processes related to change management, revenue cycle, and new software implementation.	Fully Implemented
24-15	UTS 142.1 Compliance & Monitoring Plan Audit	12/08/2023	Internal Audit did not identify any reportable observations.	Not Applicable
23-22	Tissue Collection & Storage Audit	01/18/2024	Internal Audit recommended that Research management enhance controls and processes related to tissue repository procedures and overall oversight from the Biorepository Committee.	Fully Implemented

***STATUS DEFINITIONS:**

- Fully Implemented - All management action plans closed; no further action required
- Partially Implemented - Some management action plans have been closed; additional action plans still require completion
- Not Yet Due / Ongoing - Action plans have been initiated but none have been fully implemented

Report #	Engagement	Report Date	Recommendation	Status*
23-76	Revenue Cycle - Charge Capture Reconciliation Audit - Anesthesiology	01/18/2024	Internal Audit recommended that Anesthesiology management enhances controls and processes related to revenue cycle and charge reconciliation.	Fully Implemented
24-04	Construction Audit Project Management Assessment	04/24/2024	Internal Audit recommended that Facilities management enhance controls and processes related to documentation of audits and review of contract terms.	Fully Implemented
24-10	Physician Incentive Plan Audit	04/24/2024	Internal Audit recommended that department management and the Office of the Provost enhance controls and processes related to physician incentive plans and standardization of procedures.	Partially Implemented
24-14	Third Party Audit - Animal Resource Center	04/24/2024	Internal Audit recommended that Animal Resource Center management enhance controls and processes related to third-party contract oversight.	Fully Implemented
24-07	Hospital Supply Chain & Inventory Resilience Assessment	07/18/2024	Exempted from Public Disclosure	
24-11	Patient Access Audit	07/18/2024	Internal Audit recommended that Patient Access management enhance controls and processes related to scheduling procedures and provider utilization.	Partially Implemented
24-13	Department of Dermatology Charge Capture & Reconciliation Assessment	07/18/2024	Internal Audit recommended that Department of Dermatology management enhance controls and processes related to revenue cycle and charge reconciliation.	Fully Implemented

***STATUS DEFINITIONS:**

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- Not Yet Due / Ongoing - Action plans have been initiated but none have been fully implemented

Report #	Engagement	Report Date	Recommendation	Status*
24-16	IT - Epic In-Basket Management Assessment	07/18/2024	Internal Audit recommended that management enhance controls and processes related to message management, performance metrics and data, and communication with patients.	Not Yet Due / Ongoing
24-60	Department of Neurology Charge Capture & Reconciliation Assessment	07/18/2024	Internal Audit recommended that Department of Neurology management enhance controls and processes related to revenue cycle and charge reconciliation.	Fully Implemented
24-22	TEC 51.3525 Compliance Review	08/13/2024	Internal Audit recommended that management improve compliance processes and controls related to TEC 51.3525 including audits, ongoing monitoring, and education.	Partially Implemented
24-36	TEC 51.9337 Compliance & Procurement Policy Assessment	08/27/2024	Internal Audit did not identify any reportable observations.	Not Applicable
24-08	MSA Assessment	10/25/2024	Internal Audit recommended that UT Southwestern Medical Center management review contract terms, enhance controls, and improve processes related to the divisional guarantee with Parkland Health.	Not Yet Due / Ongoing
24-19	IT - TX-RAMP Compliance Assessment	10/25/2024	Internal Audit recommended that UT Southwestern Medical Center management enhances controls and processes related to data and tracking of vendors requiring TX-RAMP certification.	Not Yet Due / Ongoing
24-59	Third-Party Epic Access Audit	10/25/2024	Exempted from Public Disclosure	

***STATUS DEFINITIONS:**

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- Not Yet Due / Ongoing - Action plans have been initiated but none have been fully implemented

APPENDIX C - UT Southwestern Medical Center Internal Audit Plan FY 2025

Methodology:

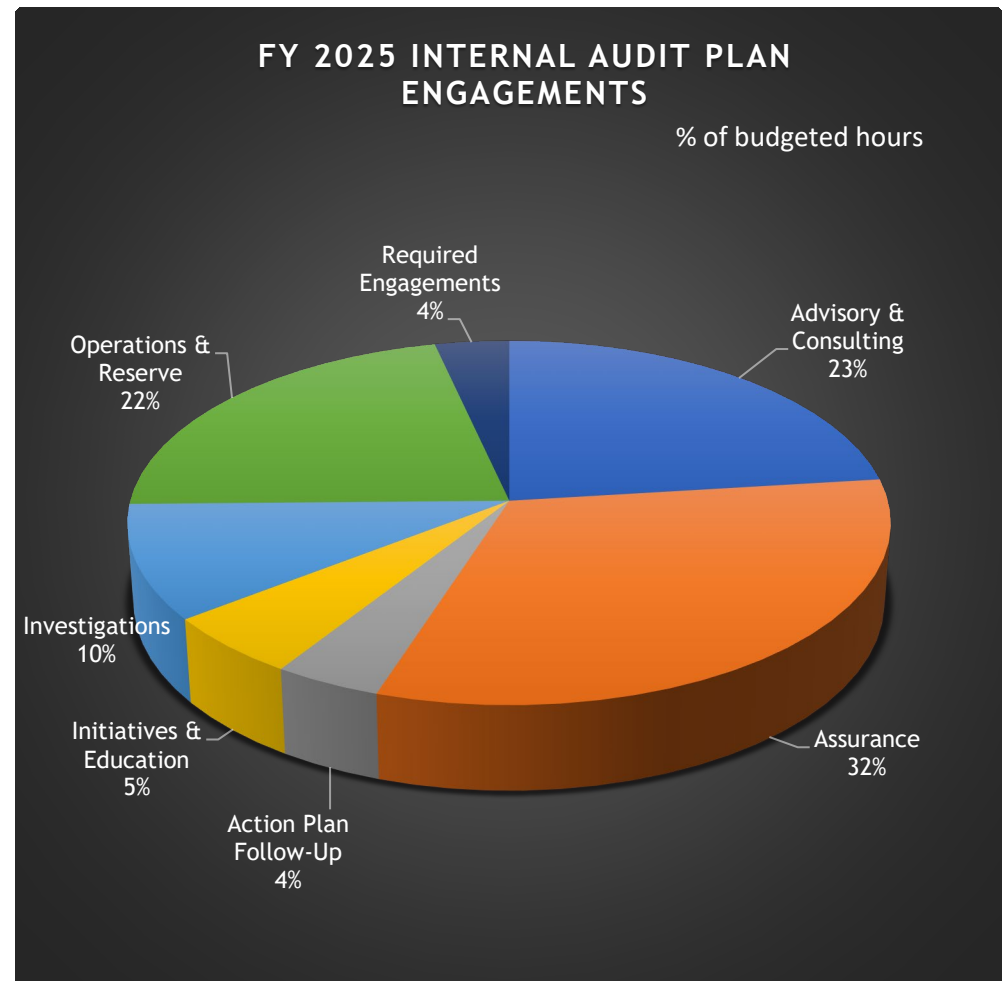
The UT Southwestern Medical Center FY 2025 Internal Audit Plan outlines the internal audit activities that will be performed by Internal Audit during FY 2025 in accordance with criteria established by The University of Texas System, the Texas Internal Auditing Act, The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*, and Generally Accepted Government Auditing Standards.

The Plan is prepared using a risk-based approach to ensure that areas and activities specific to UT Southwestern Medical Center with the greatest risk are identified for consideration to be audited.

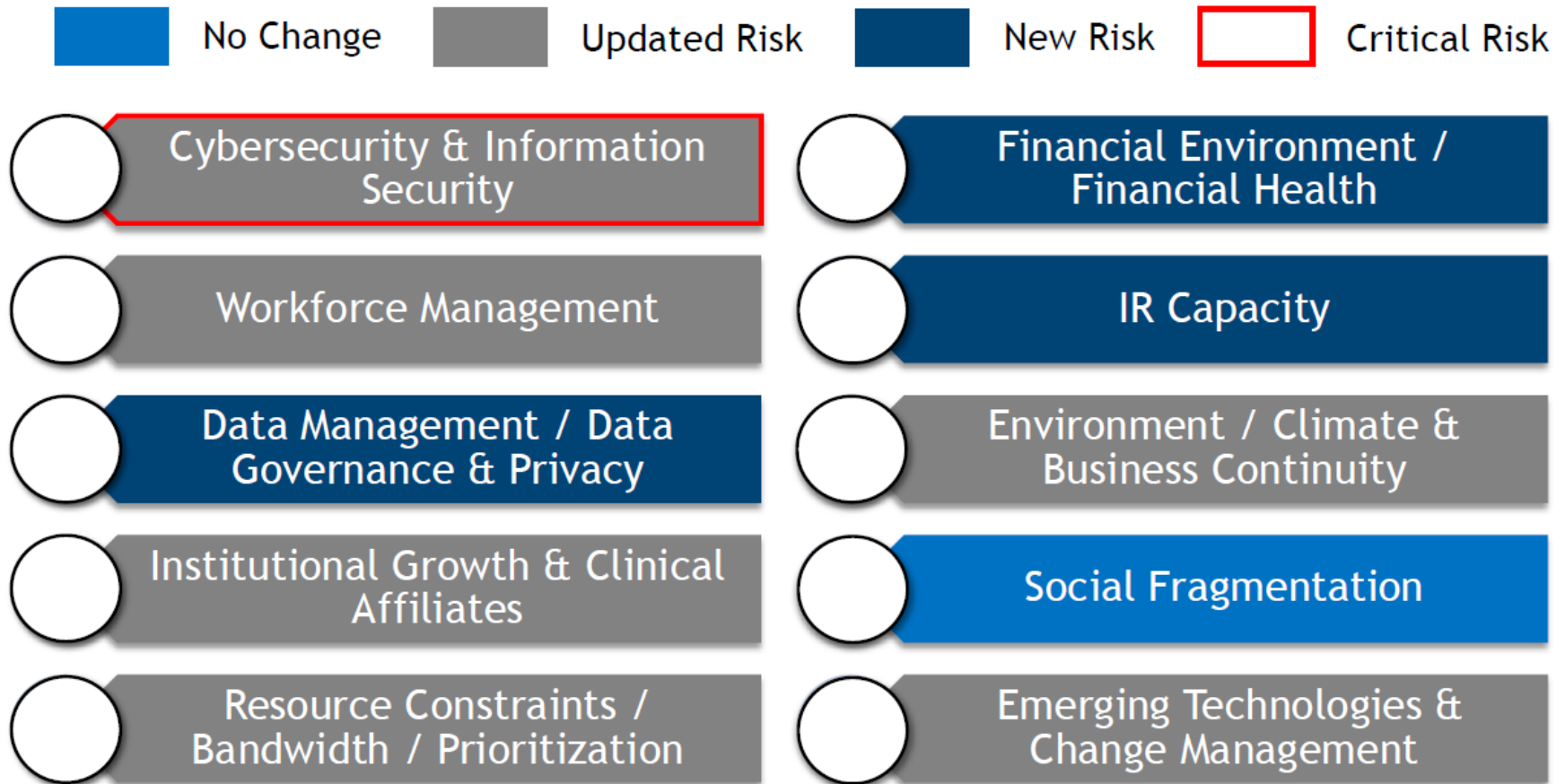
Allocation of Time:

The FY 2025 Internal Audit Plan budget of 14,715 hours was based on available staff hours for 4.5 FTE internal audit professionals using a co-source model to complete engagements based on required expertise in the engagement area.

The graph depicts the allocation of time. Assurance engagements, which comprise 32% of the total budget, are risk-based audits that typically encompass financial, compliance, operational, and information technology areas.



FY 2024-2025 Top 10 Risks



FY 2025 Internal Audit Plan - Assurance Engagements

Engagement	Risk	Primary Taxonomy	General Objective
IT - TX-RAMP Compliance Assessment*	High	Information Technology	Review processes and controls to ensure there is adequate oversight for compliance with TX-RAMP requirements and with the applicable TAC 202 information security control standards.
MSA - Parkland Divisional Guarantee Audit*	High	Enterprise Activities	Assess the processes and controls in place to manage specific aspects of the MSA with Parkland. Identify opportunities to optimize and enhance operational efficiencies and controls while reducing MSA risks.
IT - Third-Party Epic Access Audit*	High	Information Technology	Assess controls and processes related to Epic access management for third parties.
Research Security Program Assessment*	High	Research	Assess whether the Research Compliance Program is designed to be compliant with provisions of the NSPM-33 and associated guidelines (cybersecurity not in scope).
APP Utilization Assessment	High	Patient Care Operations	Assess utilization of Advanced Practice Providers (APPs) for patient care.
Change in Management Review	High	Finance	Change in management and risk control assessment and comprehensive reviews of high-risk business units with key leadership changes.
Conflict of Interest Program Assessment	High	Enterprise Activities	Assess the effectiveness of UT Southwestern Medical Center's program for identifying, monitoring, and managing conflicts of interest, commitment, and outside activities.
IT - UTS 165 Compliance Assessment	Critical	Information Technology	Assess compliance with the updated UTS 165 Information Resources Use and Security Policy to ensure appropriate controls and safeguards are in place to protect Information Resources. To include TAC 202 requirements, for selected systems across the business, academic, health, and institutional advancement areas.

* Continuation of engagement from FY 2024 audit plan

Engagement	Risk	Primary Taxonomy	General Objective
OneCard Expenses & Reimbursements Audit	High	Finance	Ensure the reliability and integrity of financial information, efficiency, and effectiveness of programs and compliance with UT Southwestern Medical Center and other applicable policies and procedures as it relates to OneCard expenses.
Patient Access Audit - Decentralized	High	Patient Care Operations	Evaluate department patient scheduling practices and tools for new and existing patient appointment scheduling within decentralized areas.
Physician Incentive Plan Audit	High	Patient Care Operations	Review metrics for physician performance used for incentive plans.
Revenue Cycle - Charge Capture Reconciliation Audit	High	Revenue Cycle - Medical Services	Review charge capture and charge reconciliation processes to assess adequacy of controls for charge timeliness, accuracy, and compliance with regulations, policies, and procedures.
Sponsored Programs Administration - Audit Readiness Assessment	High	Research	Review SPA's processes to evaluate opportunities for efficiencies of planning and participating in audits.
Purchase Order Reconciliations Audit	High	Finance	Review processes and controls for monitoring for purchase orders, invoices, and receipts.
Third-Party Oversight Audit	High	Finance	Review processes and controls for monitoring and department oversight of vendor activities, and billing invoices and payments for contracted vendors.
Vendor Contract Review	High	Finance	Evaluate compliance with vendor contract requirements utilizing data analytics for potential cost recovery measures.
Sponsored Programs Administration - Grant Expenditure Assessment	High	Research	Review processes for reconciliation and closeout of awards including management of residual balances.

* Continuation of engagement from FY 2024 audit plan

FY 2025 Internal Audit Plan - Advisory & Consulting

Engagement	Risk	Primary Taxonomy	General Objective
Capital Projects	High	Facilities Management	Review of results from independent audits performed post-project and consulting with leaders on implementation of process improvements.
Consulting General	High	N/A	Allowance for consultation with leaders on emerging risks and other leader requests.
Continuous Auditing & Monitoring Data Analytics	N/A	N/A	Develop data analytics common scripts and scripts to address fraudulent risk areas and to assist management in key risk and control monitoring.
Continuous Monitoring	N/A	N/A	Computer-based monitoring routines for potential fraud, other operational risks, and other data monitoring opportunities.
Epic System Consulting	N/A	Revenue Cycle - Medical Services	Consulting for Epic system governance initiatives.
Human Resources Consulting	High	Human Resources	Consulting for Human Resources to assess policies, procedures, tools, and controls around compensation management including earnings reporting in a sample of areas.
Information Resources Consulting	High	Information Technology	Consulting for Information Resources initiatives, including facilitating support staff to implement previously identified corrective action plans, plans to update Information Security Acquisition Committee (ISAC) governance, for software purchase evaluation, and third-party vendor risk monitoring processes.
Institutional Committee Meetings	High	N/A	Participation in key UT Southwestern Medical Center committee meetings, work groups, and other activities.

Engagement	Risk	Primary Taxonomy	General Objective
IT - Artificial Intelligence Consulting	High	Information Technology	Consulting engagement on use and controls of Artificial Intelligence (AI) within the healthcare and academic settings.
IT - Data Governance Program Consulting	High	Information Technology	Provide consultation and participation in institution initiatives related to data governance.
Management Training Offers	N/A	N/A	Provide training for leadership, finance, and administrative personnel, and departmental training. Develop and enhance training curriculum with focus on fraud prevention.
Payment Card Industry (PCI) Program Consulting	High	Information Technology	Coordinate with management to implement actions for strengthening processes and controls over credit card activities and compliance with PCI requirements.
Software Acquisition Consulting	High	Information Technology	Assess risk criteria and committee and operational processes for software procurement practices.
System Development Consulting	High	Information Technology	Consulting for major IT system development projects, including evaluation of the implementation and upgrade process for key systems to determine whether implementation risks were addressed, including involvement of stakeholders, access administration, test script setup, configuration, and go-live management.
Texas Education Code §51.3525 Continuous Monitoring	Medium	Risk Management & Compliance	Monitoring of overall compliance with Texas Education Code §51.3525.

FY 2025 Internal Audit Plan - Required & Other Engagements

Engagement	Risk	Primary Taxonomy	General Objective
Texas Higher Education Coordinating Board (THECB) Audit	N/A	Research	Review of compliance with THECB grant provisions (mandated).
Texas Education Code §51.9337 Compliance Audit	High	Purchasing / Supply Chain	Review of processes and procedures in place to ensure institutional compliance with TEC requirements.
Annual Financial Report Audit Support	N/A	Finance	Provide support for Deloitte audit of Annual Financial Report.

Engagement	General Objective
Investigations	Review of reported concerns, requests for investigation, and fraud reporting.
Action Plan Follow-Up	Follow up on prior management action plans and sustainability testing of previously reviewed action plans.

FY 2025 Internal Audit Plan - Operations, Initiatives, & Education

Operations	Initiatives & Education
Annual Internal Audit Report	Internal Audit Development - New Audit Management Software Implementation
Audit Committee Reporting	Training - Internal Audit Profession
FY 2025 Risk Assessment & FY 2026 Audit Plan Development	System Audit Initiatives (workgroups, committees, research, etc.)
External Audit Support (i.e., State Auditor's Office and other Agencies)	
Staff / Management Meetings / Employee Engagement	
Quality Assurance Review Wrap-Up / QAIP Activities	
Internal Audit Marketing & Development	
Co-Sourcing Project Management	
Internal Audit Development - IT Tech Support	