

## 15-203 Department of Gynecologic Oncology And Reproductive Medicine

### EXECUTIVE SUMMARY

The Department of Gynecologic Oncology and Reproductive Medicine (Department) treats gynecologic cancers at MD Anderson as well as Regional Care Centers in Katy, Sugar Land, and Memorial City. In addition, the Department collaborates with Memorial-Hermann Hospital, LBJ County Hospital, and Women's Hospital of Texas to provide patient care. These collaborations allow MD Anderson to further its mission by providing greater patient access, broader research opportunities, and expanded multi-disciplinary training.

In November 2012, there was a change in management and the Department welcomed a new Chair. Over the last two years there have also been changes in department administration and mid-level management in the department. Although our review identified several areas of improvement, management is working diligently to improve key processes and related controls in the Department.

### Departmental Highlights

- FY14 Gross Patient Revenue: \$19.2 Million
- Largest training program for gynecologic oncologist fellows in the U.S.
- Employs 35 faculty, 124 classified employees and 41 contingent workers

### Audit Results:

Our review identified improvement is needed in the following areas:

- Account deficits total over \$1.3 million.
- Formal reconciliations of restricted accounts are not performed, as required by policy.
- Proper monitoring of Material Transfer Agreements is not performed to ensure the Institution is protected from intellectual property and publication disputes.
- Payments and payment card data for Sprint for Life are not appropriately secured. See observations # 4, 5, and 6 for additional issues related to Sprint for Life.
- Potential conflicts of interest are not always disclosed, as required by Institutional Policy.
- Clinical research trials are not sufficiently monitored to facilitate invoicing sponsors timely.
- Grant management controls are not adequate to ensure compliance with federal requirements.

In general, control processes are in place at the Department for asset management and encryption. For leave management, statistical sample expense reviews, ProCard expenditures, system access, and clinical trial incentives our review identified opportunities for management to improve current controls. Refer to observations #13-17.

### Management Summary Response:

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before March 1, 2016.

**Appendix A** outlines the objective, scope, and methodology for this project.

The courtesy and cooperation extended by the Department of Gynecologic Oncology and Reproductive Medicine was sincerely appreciated.

*Sherri Magnus*

Sherri Magnus, CPA, CIA, CFE, CRMA  
Vice President & Chief Audit Officer  
June 17, 2015

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Observation 1:

**Deficit Accounts**

Management has a fiscal responsibility to monitor departmental accounts to help prevent deficit balances. As of February 2015, the department's free balance report showed accounts with deficits exceeding a total of \$1.39 million.

Of the 192 sponsored projects, 18 closed projects (or 9.3%) had deficits totaling \$497,452 that had not been cleared within the 120 day timeframe outlined in the Financial Closeout of Sponsored Projects Policy, ADM1110. The remaining deficits, totaling \$895,905, may be the result of timing differences. Management is aware of all deficits and is actively working to clear them.

**Recommendation:**

Management should improve fiscal oversight by monitoring and adjusting spending, if necessary, to avoid project deficits. Management should also continue their efforts to address the outstanding deficits.

**Management's Action Plan:**

Responsible EVP: Ethan Dmitrovsky, M.D.

Owner: Jeanette Glenn

Observer: Maureen Cagley

Due Date: October 1, 2015

*Grants and Contracts has identified backlog issues in the accurate closeout of sponsored projects that expired prior to, or were requested by 2/28/15. The Gynecologic Oncology financial team is reliant on the new process and timeline that is being developed by Grants and Contracts to successfully complete the closeout of the 18 closed projects identified in the audit. As of the time of this report, Grants and Contracts has not communicated when Gynecologic Oncology closeouts will be reviewed. Once notified of this date, Gynecologic Oncology will work with Grants and Contracts to close out those in the timeframe requested.*

*Gynecologic Oncology management will review deficit reports on a monthly basis and establish a mechanism to track actions taken to clear deficits. A checklist for important closeout processes of sponsored projects will be created to ensure the closeout was requested within the policy timeframe and has been completed.*

Observation 2:

**Reconciliation of Restricted Accounts**

MD Anderson Institutional Policy, ADM1100 (Fund Transaction Reviews), requires a reconciliation of restricted accounts to ensure the completeness, accuracy, and timeliness of accounting records. Management acknowledged that formal reconciliations are not performed due to lack of sufficient financial personnel. Without regular reconciliations, account balances could be misrepresented, resulting in potential errors or fraud which may not be detected in a timely manner. *Refer to Observation #1 for deficits on restricted accounts.*

**Recommendation:**

Management should perform reconciliations for all restricted accounts and ensure that all reconciling items are properly addressed.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Management's Action Plan:

Responsible EVP: Ethan Dmitrovsky, M.D.

Owner: Jeanette Glenn

Observer: Maureen Cagley

Due Date: December 1, 2015

*The lack of sufficient financial infrastructure in the Department to perform these functions and unclear direction from the institution on how to conduct the reconciliation with current financial reports has contributed to this observation. The department has recently received approval to hire an additional financial analyst who will help address this observation. The Department would like to request that the institution provide information on the new reporting features and guidelines to perform accurate grant reconciliation. The department will use this to develop a procedure manual and identify the appropriate staffing level to conduct grant reconciliation with the department. The department will begin monthly reconciliation of grant expenses starting from the month of May 2015. Prior months' reconciliation will be reviewed and prioritized according to federal guidelines.*

## Observation 3:

**Monitoring of Material Transfer Agreements (MTAs)**

The Department is not consistently monitoring MTAs to ensure compliance with policy ACA1193. The Department was unable to easily identify all research materials shipped that required an MTA. Our review revealed three shipments of research materials for which an MTA should have been executed. Proper monitoring of MTAs ensures the institution is protected from intellectual property disputes.

Recommendation:

The department should monitor shipments and Material Transfer Agreements to ensure all materials transferred have a current agreement in place.

Management's Action Plan:

Responsible EVP: Ethan Dmitrovsky, M.D.

Owner: Stacie Gallardo

Observer: Maureen Cagley

Due Date: October 1, 2015

*The department will develop a tracking and reconciliation process for MTAs and agreements that require it. A process flow diagram will be developed for the primary labs and/or requestors of MTAs to improve efficiency. Education will be provided to necessary individuals involved in this process.*

## Observation 4:

**Sprint for Life Payments and Payment Card Data Security**

The Department holds an annual Sprint for Life 5K Run/Walk to benefit the Blanton-Davis Ovarian Cancer Research Program. They collect donations and race entry fees that accompany entry forms via mail for the event. Entry forms may be accompanied by checks and credit/debit card account information.

Donations and race entry forms are not always maintained in a secure location after the mail is received by the Department. For FY 2014, donations totaled \$119,185. After recording each donor's name, contact information, and payment amount for planning purposes, the Department transfers the forms and checks to Development Services for payment processing. Copies of checks and forms with debit and credit card numbers are maintained in the Department from January until after the race is held in May each year.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Payment Card Industry Data Security Standards require that storage of cardholder data be kept to a minimum. In addition, data storage should be limited to that which is required for legal, regulatory, and business requirements. Standards also require secure deletion of data when no longer needed. Unmasked payment card data such as the primary account number and security codes to process payments poses significant information security risk for the Institution. In addition, unsecured checks may be lost or stolen.

Recommendation:

Management should coordinate with the Development Office to establish payment processes for Sprint for Life such that access to payment cardholder data and checks is given to those personnel with a legitimate business need. The Data storage amount and retention time should be based on legal, regulatory, and business requirements. Credit and debit card numbers should be rendered unreadable when stored.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Pamela Weems

Observer: Wenonah Ecung, Ph.D.

Due Date: July 15, 2015

*The department will meet with the Development Office to further define a process for receipt of payments and donations, cash handling and credit card storage retention to ensure adequate security is maintained and to minimize risk. Departmental forms and manuals will be updated accordingly and reviewed on a yearly basis with department leadership, the Development Office and Treasury Services.*

Observation 5:

**Volunteer Services**

MD Anderson Institutional Policy ADM0416 (Volunteer Recruitment, Interview, and Placement Policy) requires all requests for volunteers to be processed through Volunteer Services and volunteers to be placed in positions that match their qualifications and competency skills. According to the policy, a criminal background check should be completed on volunteers. Following receipt of clearance and training, new volunteers are placed in each volunteer position.

External volunteers are recruited and placed by Community Relations in the Department to assist with the annual Sprint for Life 5K Run/Walk (including performing cashier duties on the day of the run) without coordination with Volunteer Services and completion of background checks. Non-compliance with the policy creates a risk that individuals are placed in positions that do not match their qualifications and competency skills.

Recommendation:

The Department should coordinate with Volunteer Services to ensure proper training and vetting of external volunteers, including criminal background checks, if required.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Pamela Weems

Observer: Wenonah Ecung, Ph.D.

Due Date: September 1, 2015

*The department will meet with Volunteer Services to further define the placement and background requirements needed for external volunteers. Requirements for volunteers who handle cash will specifically be addressed. Departmental manuals and volunteer recruitment requests will be modified accordingly and reviewed on a yearly basis with department leadership and Volunteer Services.*

## Observation 6:

**Procedures for Sprint for Life**

Comprehensive written procedures for Sprint for Life are not in place and distributed to the employee who performs key activities related to the run/walk. Although written procedures were established for payment handling processes, these procedures are outdated. Community Relations management in the Department conveyed plans to revise the procedures.

Recommendation:

Management should periodically review and update written procedures for key activities for Sprint for Life. Procedures should be comprehensive and distributed for use to personnel who perform key duties related to the event.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Pamela Weems

Observer: Wenonah Ecung, Ph.D.

Due Date: December 1, 2015

*The department will create and update comprehensive procedures as related to Sprint for Life. Procedures will be distributed accordingly to personnel prior to the next event. Procedures will be reviewed on a yearly basis prior to the event with department leadership and appropriate Sprint for Life committees. Structure and direction for Sprint for Life and community relations will have direct oversight by department leadership.*

## Observation 7:

**Research Conflict of Interest Disclosure**

The Research Conflict of Interest Policy, ACA0001, requires host-paid travel, consulting, advisory board participation sponsored by pharmaceutical companies, and honorariums to be disclosed in the Research Conflict of Interest database. Each faculty member completed their annual disclosure certification timely, as required; however, testing identified 18 instances of host-paid travel and 8 honorariums that potentially were not disclosed. Disclosure of host-paid travel and honorariums assists in ensuring full transparency and reduces the risk that actual or potential conflicts of interest will not be discovered and managed. Conflicts of Interest that are not disclosed may jeopardize the perceived objectivity and integrity of research.

Recommendation:

Management should ensure that all faculty are aware of their responsibilities related to the disclosure of potential and/or actual conflicts of interest, to include honorariums and host-paid travel.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Management's Action Plan:

Responsible EVP: Ethan Dmitrovsky, M.D.  
Owner: Susan Pilat  
Observer: Maureen Cagley  
Due Date: March 1, 2016

*The department will review the potential instances identified with the appropriate faculty and disclose accordingly. Annual education to faculty and identified staff will be provided to review policies and clarify what needs to be disclosed. Conflict of interest disclosures will be reviewed by the Chair and openly communicated at department research meetings. When protocols are presented at department research meetings, conflicts will be disclosed.*

## Observation 8:

**Clinical Research Invoicing**

Invoicing for clinical trials varies upon the milestones designated in sponsor contracts. The Department did not sufficiently monitor clinical research trials to facilitate invoicing sponsors in a timely manner. As an example, a pharmaceutical company was invoiced in April 2014 but no payment has been received to date. Delays in invoicing may result in the institution covering research costs which otherwise would have been reimbursed. The Department is making an effort to track invoice due dates based on completion but expressed challenges in tracking invoicing through ResourceOne. The Institution released the Grants Portal in April 2015 that should assist in tracking invoice due dates.

Recommendation:

Management should improve control processes to ensure sponsors are invoiced in a timely manner for research costs incurred.

Management's Action Plan:

Responsible EVP: Ethan Dmitrovsky, M.D.  
Owner: Diane Gravel  
Observer: Maureen Cagley  
Due Date: December 1, 2015

*The lack of sufficient infrastructure to perform these functions within the regulatory and financial section for clinical research in the department and institutional challenges in tracking invoices has contributed to this observation. The department will define and implement a process to track and invoice for new clinical research and pharmaceutical contracts. A prioritization plan will be developed to review and reconcile invoicing for existing contracts. The department will establish a tracking system to monitor milestones and invoices. Process workflows and key personnel's responsibilities will be identified. The department is hopeful that the new Grants Portal features, eCRMS and approval for additional regulatory staff will better assist.*

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Observation 9:

**Clinical Trial Incentives**

Monetary compensation in the form of a gift card is provided to clinical trial participants for their involvement in a trial. During the audit, the Department requested a review of clinical trial incentives (gift cards). Gift cards appeared to be properly secured and access was limited. However, we noted the following issues related to the procurement, issuance, retention, and disposition of gift cards:

- Gift cards were purchased using a ProCard instead of a purchase requisition, as required by Institutional guidelines.
- Incentives were distributed to patients; however, signatures were not obtained to document the patients' receipt of gift cards for study participation.
- Incentives purchased on one trial were distributed to patients on other trials which is unallowable under federal guidelines.
- The Department is holding gift cards for trials that ended as far back as May 2011.
- Gift cards bags were labeled insufficiently to identify the corresponding clinical trial for which it was originally purchased.

Ineffective management of gift cards could result in loss, theft, or non-compliance with grant requirements.

**Recommendation:**

The Department should establish processes to monitor the procurement, issuance, retention, and final disposition of gift cards and other incentives for clinical trials.

**Management's Action Plan:**

Responsible EVP: Ethan Dmitrovsky, M.D.

Owner: Katrina Long

Observer: Maureen Cagley

Due Date::September 1, 2015

*The department will develop a procedure manual, to include procurement, issuance, retention and final disposition guidelines, to establish better tracking and controls for gift cards and incentives. An action plan will be developed for gift cards currently in the safe. A closeout process for clinical trials will include an action plan for any remaining gift cards as applicable. Institutional policies for clinical incentives will be incorporated into our procedures.*

Observation 10:

**Subrecipient Monitoring**

The Subrecipient Monitoring Policy, ACA0004, requires the Principal Investigator to collect and maintain technical progress reports from each subrecipient. During our review of three subrecipients' agreements, which required annual reporting, we noted the required reports were not collected. Insufficient monitoring during the award period increases the risk the Institution would not detect subrecipients' non-compliance with federal requirements in a timely manner.

**Recommendation:**

Management should develop processes to collect, retain, and monitor required reports from subrecipients as required by the grant award.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Management's Action Plan:

Responsible EVP: Ethan Dmitrovsky, M.D.

Owner: Amy Jacob-Merchant

Observer: Maureen Cagley

Due Date: December 1, 2015

*The department will collect the annual reports identified as missing in this audit. The department will establish a process with the Principal Investigators and grant management team to identify, collect, retain and monitor requirements and due dates for reports as designated in subrecipients' contracts.*

## Observation 11:

**Effort Reporting**

Federal regulation requires the Principal Investigators (PI), or responsible individuals with first-hand knowledge of the research activities, to prepare estimates of effort on each grant agreement. To comply with this regulation, the Institution developed and implemented an effort reporting system using effort cards that are certified quarterly for all research staff and the responsible PI. The Institution's Effort Policy, ACA0016, requires that certification be completed within thirty days after the effort cards are available for review. Prior to our review, 85 effort cards were identified as not processed or certified timely. During our review, these were corrected, and the current certification period was processed and certified timely.

Effort Certification reflects a reasonable estimate of a person's activity for which he/she is compensated by MD Anderson. Although it appears there is a general understanding of how to estimate actual project effort, we noted 6 instances where certified effort appeared to correspond to the payroll distribution percentage. Budget estimates determined before the performance of services do not qualify as an estimation of effort.

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

Recommendation:

Management should ensure that the certified effort reflects the actual time spent on the project and that effort cards are certified timely.

Management's Action Plan:

Responsible EVP: Ethan Dmitrovsky, M.D.

Owner: Amy-Jacob Merchant

Observer: Maureen Cagley

Due Date: November 1, 2015

*The department has experienced a transition of effort coordinators over the last two years and has made significant improvements in their processes. The department will provide re-education of the effort process to PIs and staff on an annual basis. The grant team and those involved in effort certification will be required to enroll in an effort certification training class. The grant and financial teams will build reports to assist with tracking of effort. Departmental procedures for the effort process will be updated and appropriate back-ups will be identified to assist with timely certification of cards.*

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Observation 12:

**Allocation of Laboratory Supplies**

Lab supplies in a shared lab are not allocated to the related grants based on usage. According to management, the cost of supplies is rotated across the different projects versus being allocated to a project in proportion to the associated activities, as required by federal regulations.

**Recommendation:**

Management should develop and implement a reasonable cost allocation methodology for shared lab supplies that meets federal guidelines.

**Management's Action Plan:**

Responsible EVP: Ethan Dmitrovsky, M.D.

Owner: Stacie Gallardo

Observer: Maureen Cagley

Due Date: October 1, 2015

*The department has requested from internal audit examples of successful allocation methodologies from other departments. The department will identify a methodology that will be reasonable for the various labs and communicate this to appropriate personnel for implementation in FY16.*

Observation 13:

**Procurement Card (ProCard) Purchases**

The Institution's ProCard User Guide states that the cardholder is responsible for monthly reconciliations to ensure all charges are accurate. The cardholder's supervisor must review and sign-off on the reconciliations of the transaction log by the deadline outlined in the guidelines.

For FY 2014 and the first quarter of FY 2015, the Department had ProCard transactions totaling \$116,609. Tests for compliance with the Institution's guidelines were performed, and we noted the following:

- Monthly ProCard reconciliations were not consistently performed.
- Transaction logs were not reviewed and signed-off by the cardholder's supervisor.
- Supporting documentation was not available for 2 of the 21 (9.5%) items reviewed.
- Items that are allowable but not appropriate to be purchased using a ProCard were procured.
- Departmental requisitions were not consistently prepared for authorization prior to Procard purchases.
- Certain purchases were not reviewed to ensure they were utilized by the Department.

All purchases reviewed appeared to be for business-related purposes. However, failure to reconcile charges monthly may result in unallowable and unauthorized transactions to not be detected in a timely manner. Additionally, noncompliance with the Procard guidelines may result in the revocation of the cardholder's ProCard privileges.

**Recommendation:**

The Department should comply with Institutional Procurement Card Guidelines to ensure requisitions are consistently prepared and authorized, purchases are appropriate, transaction logs are approved timely, supporting documentation is maintained, and charges are reconciled monthly.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.  
Owner: Crystal Pratts  
Observer: Wenonah Ecung, Ph.D.  
Due Date: July 15, 2015

*Transaction logs for procard reconciliation identified during the audit as not being signed off will be remediated and a process for monthly reconciliation will be developed and applied starting with May 2015 reconciliation. A process to ensure appropriate controls of Procard purchases and usage of items for departmental events will be developed.*

## Observation 14:

**Statistical Sample Expense Reviews**

To properly manage financial resources, minimum requirements to perform Department Fund reviews and certify the accuracy of expenses are established by Institutional Policy. Physical evidence must support the statistical sampling expense review process. An accurate certification means that the transaction is valid, appropriate, accurate, complete, coded to the appropriate account, and reported within the correct accounting period.

Of the 16 expenses tested, 8 expenses were certified accurately (laboratory expenses) using supporting evidence. However, supporting documentation was not utilized to certify the remaining 8 of the 16 (administrative) expenses. As a result, two transactions were certified incorrectly. One expense did not belong to the Department and another was posted incorrectly. Furthermore, statistical sample expense reconciliations were not reviewed by management prior to certification.

Recommendation:

The Department should ensure that statistical sample expenses are certified using supporting evidence. In addition, management review and approval of reconciliations is recommended prior to certification.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.  
Owner: Tiffany Akre  
Observer: Wenonah Ecung, Ph.D.  
Due Date: October 1, 2015

*The department will collect missing documentation from the observations identified in the audit. A process will be developed for filing of supporting documentation and management review of the samples prior to upload. Proper training will be provided for any new personnel that may be involved in statistical sampling. The department notes that the new STAT sampling system does not have management approval routing like the previous one provided and continuing a management approval process was not emphasized in the new system training.*

## Observation 15:

**Kronos Sign-off**

According to Institutional Policy, all timecards in Kronos (the Institution's official timekeeping system) must be signed off each Tuesday by 11:59 pm, unless otherwise instructed by Human Resources. We noted that time reports are not reviewed and approved by the required deadline. Without timely sign off of all departmental timecards, time may not be appropriately recorded.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Recommendation:

Management should ensure all timecards are approved and signed off in accordance with institutional policy.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Katrina Long

Observer: Wenonah Ecung, Ph.D.

Due Date: September 1, 2015

*The department will establish a plan where the department managers attest each week for their direct reports that they are confirming the time (work time, PTO, EIB) entered for their staff. That way it is not burdensome for one individual to be responsible for the entire department. A process will be developed to sample timecards on a weekly basis for appropriateness before sign-off. The department will also reach out to their HR Consultant to work with the Time and Attendance team in the Service Center to coordinate training for Gynecologic Oncology's timekeeper and managers as needed.*

## Observation 16:

**Extramural Leave**

According to Institutional Policy, extramural leave is time away from the institution utilized by an eligible faculty member to pursue outside professional activities or interests with or without personal financial gain. All requests to take extramural leave must be approved in advance and may not exceed 30 working days in any fiscal year. Extramural leave days that exceed established limits must be approved by The Office of the Provost. Extramural leave must be recorded in Kronos.

Our review identified 17 extramural leave days out of 190 travel days for 10 faculty that were not recorded in Kronos and approved in advance as required by Institutional Policy. Consequently, extramural leave was not appropriately identified, calculated, and recorded.

Recommendation:

Management should implement procedures to ensure compliance with Institutional Policy regarding extramural leave and all travel associated with extramural leave should be recorded in Kronos.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Crystal Pratts

Observer: Wenonah Ecung, Ph.D.

Due Date: October 1, 2015

*The department will review and correct any potential missing extramural days from the observations identified in the audit. The department will work with the Chair and faculty to re-educate clinical and research faculty and support staff on guidelines. The department may request clarity from faculty academic affairs or audit for certain circumstances. Extramural reports will be reviewed on a monthly basis and shared with faculty to ensure accuracy and transparency.*

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Observation 17:

**System Access**

Departments are responsible for ensuring that user access to Information Resources is appropriately granted based on employees' roles and responsibilities and that access is revoked at the time of separation. These procedures are necessary for maintaining appropriate user access and segregation of duties within the system. During our review we determined that the access roles were appropriate for all departmental users. We did identify seven former employees whose access to the MedAptus electronic charge capture application had not been revoked. The department had received but had not completed the MedAptus quarterly access review in March 2015.

**Recommendation:**

Management should ensure user access is revoked upon separation in accordance with institutional policy. In addition, management should immediately revoke the access of former employees identified during this review.

**Management's Action Plan:**

Responsible EVP: Thomas Buchholz, M.D.

Owner: Jeanette Glenn

Observer: Wenonah Ecung, Ph.D.

Due Date: September 1, 2015

*The department will update exit checklists for clinical providers to ensure MedAptus access is revoked accordingly. The department will respond to reports provided by MedAptus in a timely manner and correct any observations found during the audit.*

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

## Appendix A

### Strategic Area: Operational

### Risk Type: Operational, Financial, Compliance

#### Objective, Scope and Methodology:

The objective of this review was to provide a general assessment of the internal controls over key administrative functions at the Department. Testing periods varied based upon the area or process reviewed; however, selected transactions occurred between September 2013 and February 2015.

We performed the following procedures:

- Interviewed key personnel responsible for the administrative processes within the Department.
- Interviewed selected faculty and research personnel.
- Reviewed departmental policies and procedures.
- Reviewed the results of the physical inventory performed by Asset Management.
- Tested Procurement Card transactions, record keeping, and reconciliations.
- Examined documentary evidence to determine if timekeeping and leave management activities are performed according to Institutional guidelines.
- Reviewed Statistical Sampling for approval of monthly expenditures.
- Observed professional charge capture controls for reasonableness.
- Tested grant expenditures for allowability of costs.
- Verified the accuracy of effort reporting, including documentation of certified effort cards.
- Reviewed subrecipient monitoring practices.
- Examined MedAptus User Access for terminated employees and appropriate level of access.
- Evaluated Sprint for Life security of payments and payment card data.
- Reviewed clinical trials invoicing for timeliness.
- Reviewed management practices for clinical trial incentives.

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

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

A Priority Finding is defined as “an issue identified by 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.”

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.