

21-109 Emergency Preparedness Plans

EXECUTIVE SUMMARY

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

Background

The State of Texas House Bill 1831 (HB 1831) requires institutions of higher education to adopt and implement a multi-hazard emergency operations plan for use at the institution. The plan must address mitigation, preparedness, response, and recovery. Among other requirements, the bill states, in part, "Every institution shall conduct a safety and security audit of the institution's facilities at least once every three years." Healthcare facilities, such as the UT Harris County Psychiatric Center (HCPC), are also required to follow a more extensive set of requirements for emergency preparedness in order to be accredited by the Joint Commission on Accreditation of Healthcare Organizations (Joint Commission), the nation's predominant standards setting and accrediting body in healthcare.

Procedures addressing continuity of business operations at the university are detailed in the Emergency Management Plan (EMP) and the Business Continuity Plan (BCP). The EMP is designed to address preparedness and response activities, while the BCP addresses measures for ensuring continuity of operations after emergencies occur.

Audit Objectives

Our objective was to assess the adequacy of UTHealth processes and policies developed to respond to emergency events at UTHealth, UT Physicians (UTP), and HCPC.

Scope

The scope period was fiscal years 2018, 2019, and 2020.

Conclusion

Overall, controls around emergency preparedness at UTHealth, UTP, and HCPC are adequate and functioning as intended. We noted the following opportunities for improvement:

| # | Audit Observation Summary | Risk | Risk Rating |
|---|---|--|-------------|
| 1 | The UTHealth BCP is not tested and updated at least annually. | Without updating the BCP on an annual basis, there is an increased risk some areas may not be adequately addressed or updated. | Medium |

AUDIT OBSERVATIONS & MANAGEMENT RESPONSES

#1 - UTHealth Business Continuity Plan

Cause

Processes to ensure the requirements are met for Texas Administrative Code’s Rule 202.24 Business Continuity Planning and UTHealth’s HOOP Policy 141 Emergency Management and Business Continuity Plans have not been established.

Risk

Without updating and testing the UTHealth BCP on an annual basis, there is an increased risk some areas may not be adequately addressed or updated.

Condition

Management could not demonstrate that the UTHealth BCP is tested and updated (the most recent plan provided to us is dated December 2017) at least annually. A&AS also noted the UTHealth Emergency Communications webpage contains a version of the BCP from December 2014.

Criteria

Texas Administrative Code, Rule 202.24(a) Business Continuity Planning states, “State agencies should maintain a written Business Continuity Plan so that the effects of a disaster will be minimized” and the plan shall be approved by the state agency head or his designee. The rule further states the plan shall be distributed to key personnel and a copy stored offsite.

UTHealth HOOP Policy 141 Emergency Management and Business Continuity Plans states, “Finance and Administration, in conjunction with EH&S, shall develop and maintain the BCP. The BCP shall be updated at least annually.” In addition, the policy requires an annual drill be conducted to test the BCP.

Recommendation

We recommend management establish processes to ensure the UTHealth Business Continuity Plan is updated and tested at least annually, and the current plan is published on the UTHealth website.

Rating

Medium

UT System Priority Findings Matrix Mapping (see Appendix A)

Efficiency and Effectiveness: Low probability of a mission critical activity failing with major regulatory, reporting consequences.

Management Response

The Office of Finance & Business Services along with the Chief Information Officer will establish processes to ensure the UTHealth Business Continuity Plan is updated, a testing time table is created, and the current plan is published on the UTHealth website.

Responsible Party

Mike Tramonte, Senior Vice President, Finance & Business Services and Chief Financial Officer
Amar Yousif, Chief Information Officer

Implementation Date

December 1, 2021

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We would like to thank the staff and management from Environmental Health and Safety and the Office of Finance and Business Services who assisted us during our review.



Daniel G. Sherman, MBA, CPA, CIA
Associate Vice President & Chief Audit Officer

NUMBER OF PRIORITY FINDINGS REPORTED TO UT SYSTEM

None

MAPPING TO AUDITING & ADVISORY SERVICES FY 2021 RISK ASSESSMENT

| Reference | Risk | Risk Rating |
|------------------|--|--------------------|
| FIN 82 | Risk of inadequate emergency preparedness procedures in place to develop process templates based upon lessons learned. | Medium |
| FIN 145 | Essential personnel during emergency situations may not be clearly defined. | Medium |

DATA ANALYTICS UTILIZED

None

AUDITING & ADVISORY SERVICES ENGAGEMENT TEAM

AVP/CAO - Daniel G. Sherman, MBA, CPA, CIA
Audit Manager - Nat Gruesen, MBA, CIA, CISA, CFE
Auditor Assigned - Casandra Wiley

END OF FIELDWORK DATE

August 13, 2021

ISSUE DATE

August 30, 2021

REPORT DISTRIBUTION

Audit Committee
Dr. Robert Emery, Vice President, Safety, Health, Environment and Risk Management
Andrew Casas, Chief Operating Officer, UT Physicians
Stephen Glazier, Chief Operating Officer, HCPC
Mike Tramonte, Senior Vice President, Finance & Business Services and Chief Financial Officer

**APPENDIX A
UT SYSTEM PRIORITY FINDINGS MATRIX**

The University of Texas System
Systemwide Internal Audit
Priority Findings Matrix

| Priority Findings Matrix | ACRMC Reporting | Institutional Reporting | | |
|---|---|--|---|--|
| | Priority Finding | HIGH | MEDIUM | LOW |
| QUALITATIVE RISK FACTORS – Potential Probability and Consequences in various risk areas with respect to impact on institution as a whole | | | | |
| Reputation: Damaged to the image of the institution and/or UT System | High probability that donors and other funding sources will withdraw or withhold funding | High probability that individuals will not choose to participate as students, faculty, or other stakeholders | Medium probability that individual stakeholders will not choose to participate in the institution | Low probability that individual stakeholders will be affected |
| | National media exposure | Adverse regional media exposure | Adverse local media exposure | No media exposure |
| Information Security: Integrity, confidentiality and availability of information | High probability of regulatory action or loss of reputation or affect on availability of budget in connection with incorrect external financial reporting | Medium probability of some external financial/operating data being incorrect | Low probability of external financial or operating data being incorrect | N/A |
| | High probability of data breach | Medium probability of data breach | Low probability of data breach | Opportunity to enhance existing acceptable system |
| | N/A | High probability of key internal financial/operating data being incorrect | Medium probability of internal data being incorrect | Low probability of internal information being incorrect |
| Compliance: Compliance with external legal or regulatory requirements | High probability of loss of funding, prosecution, significant financial penalty, negative legal action and/or significant, prolonged adverse impact on institution's | Medium probability of loss of funding, prosecution, significant financial penalty, negative legal action and/or significant, prolonged adverse impact on | Low probability of loss of funding, prosecution, significant financial penalty, negative legal action and/or significant adverse impact on institution's reputation | N/A |
| | N/A | High probability of increased monitoring or negative perception by the regulators | Medium probability of increased monitoring or negative perception by the regulators | Low probability of increased monitoring or negative perception by the regulators |
| Accomplishment of Management's Objectives: Goals being met, projects being successful | High probability that a major operating project or initiative (i.e. a new degree program or information system) will be materially late, over budget or technically deficient | Medium probability that an operating project will miss time, cost or technical goals | Low probability that an operating project will not achieve some of its goals | Process improvement opportunity to assist in achieving a goal |
| | N/A | High probability that an internal activity or project will not achieve its goals | Medium probability that an internal activity or project will not achieve some of its goals | Low probability that an internal activity or project will not achieve some of its goals |
| Effectiveness and Efficiency: Objectives at risk and/or resources being wasted | High probability of a mission critical activity failing with major regulatory, reporting consequences | Medium probability of a mission critical activity failing with major regulatory, reporting consequences | Low probability of a mission critical activity failing with major regulatory, reporting consequences | N/A |
| | N/A | High probability that some objectives are not met | Medium probability of some objectives not being met | Low probability that some objectives may not be met |
| | N/A | High probability of significant cost over runs | Medium probability of significant cost over-runs | Low probability of significant cost over runs |
| | N/A | High probability of a significant waste of resources | Medium probability of a significant waste of resources | Low probability of a significant waste of resources |
| Capital Impact: Loss or impairment of use of assets | High probability of significant financial loss of use of assets with reputation consequences | Medium potential for significant financial loss of use of assets with reputation side effects | Low probability for significant financial loss of use of assets with reputation side effects | Probability of immaterial and/or small financial losses of use of assets with minimal reputation |
| | Loss of control over significant assets | Loss of control over other assets | Minor control deficiency over assets | Opportunity to improve existing controls over assets |
| Life Safety | High probability for loss of life | Medium probability for loss of life | Low probability for loss of life | N/A |
| | N/A | High probability for personal injury | Medium probability for personal injury | Low probability for personal injury |
| | High probability of material release of toxics/infectious disease | Medium probability for: release of toxics/infectious disease | Low probability for release of toxics/infectious disease | N/A |
| | High probability of Substantial incident of toxics/infectious disease effects | Medium probability of toxic/infectious disease effects | Low probability of toxic/infectious disease effects | N/A |

Last Updated: June 2014

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The University of Texas System
Systemwide Internal Audit
Priority Findings Matrix

| Priority Findings Matrix | ACRMC Reporting | Institutional Reporting | | |
|---|---|---|---|--|
| | Priority Finding | HIGH | MEDIUM | LOW |
| OPERATIONAL CONTROL RISK FACTORS - Vulnerabilities in operational controls with consequences of not achieving objectives (If strategy or important operational objectives are directly impacted): | | | | |
| <i>Operational Oversight/Alignment</i> | Operational oversight, alignment or management issue has the capacity to derail or significantly impact an Institutional or UT System strategic initiative | Operational oversight, alignment or management issue has the capacity to impair progress on an Institutional strategic initiative | N/A | N/A |
| <i>Management Oversight</i> | Management oversight control of critical organizational objectives is absent | Management oversight control of critical organizational objectives is ad hoc and/or not formalized | Management oversight control of critical organizational objectives is weak in important areas | Management oversight control of critical objectives can be improved |
| <i>Management Alignment</i> | Management's alignment of people, process and technology to efficiently accomplish organizational objectives is lacking risk awareness creating critical inefficiency and risk exposure | Management's alignment of people, process and technology to efficiently accomplish organizational objectives is not effectively creating awareness of inefficiencies and potentially significant risks, potentially impacting objective achievement | Key organizational components (trained people, defined process, or appropriate technology) are exposed to moderate risks yet to be addressed, potentially impacting objective achievement | Key organizational components (trained people, defined process, or appropriate technology) are exposed to low risks yet to be addressed, potentially impacting objective achievement |
| <i>Designed Controls</i> | Designed controls within objective critical operations are inadequate or are non-functional impacting objective achievement | Designed controls within important operations are not functional on a consistent day-to-day basis, with no compensating controls, potentially impacting objective achievement | Designed controls within important processes and transactions are inconsistent in their effectiveness, with no compensating controls, potentially impacting objective achievement | Breakdown of designed controls on a frequent and regular basis with compensating controls, but little impact on the achievement of objectives |
| | N/A | Control or process improvement opportunities that will provide a measurable economic result (significant to the institution) | Control or process improvement opportunities that will correct a reputational or compliance deficiency | N/A |
| QUANTITATIVE RISK FACTORS – Estimated Financial Consequences with respect to impact on the institution as a whole (quantitative factors % will vary by institution, so may be agreed upon by the institutional Chief Audit Executive & Chief Business Officer) | | | | |
| <i>Payments (including fines and legal costs)</i> | >5% of outlays/expenditures | >2% to 5% of outlays/expenditures | 1% to 2% of outlays/expenditures | <1% of outlays/expenditures |
| <i>Lost Revenues (actual and/or opportunities)</i> | >5% of Revenue | >2% to 5% of Revenue | 1% to 2% of Revenue | <1% of Revenue |