Status of the FY2021 Annual Audit Plan

- One assessment completed
- One consulting engagement completed
- Nine audits/consulting projects in process
- Fourteen audits/consulting projects not started

The following graph represents the status of the FY2021 Audit Plan.

Audit Performance

The overall objective of our audit and compliance plans continue to be aligning strategically with a focus on high risk areas and compliance gaps. Audit and compliance staff remain available to be redeployed for:

- Gap analysis
- Understanding workflow
- Assisting in re-engineering of processes

Since the June 2020 meeting of the Audit Committee, Internal Audit completed one assessment, one consulting engagement, one major investigation and two minor investigations.
Internal Audit Assessment  
Campus Re-Opening Plans  
August 10, 2020

**Background**

Internal Audit conducted a review of the re-opening plans for the separate universities that comprise the University of Missouri System (Mizzou; Missouri S&T; UMKC; UMSL). These plans have been in development throughout the summer as the pandemic response and public health information has evolved over the past five months. The objective of this review was to evaluate the plans for gaps relative to best practice approaches as higher education institutions prepare for the fall semester. The assessment did not include substantiation of plan implementation.

**Conclusion**

The Campus Re-Opening Plans developed by the universities of the University of Missouri System meet best practice recommendations for keeping faculty, staff, and students as safe as possible given the contagion level of COVID-19. The plans focused on preparing the safest environment possible for the return of students for in-person learning. Many factors related to containing the spread of COVID-19, and maintaining a safe environment, require personal responsibility. All four plans recognize the role of personal responsibility in minimizing the spread of COVID-19, particularly outside the classrooms and academic buildings where some enforcement of mask wearing and social distancing is possible. As demonstrated throughout the development of the plans, leadership remains committed to flexible decision-making for the safety of the campus communities, as events occur.

**Internal Audit Consulting Engagement**  
CARES Act Provider Relief Funds Administered through HRSA  
May, 2020

Evaluated funds that had been awarded to the health system and universities and made recommendations for allowable use and documentation requirements to meet post audit requirements.
<table>
<thead>
<tr>
<th>Audit Area</th>
<th>Overall Objective</th>
<th>Status</th>
<th>Risk Area(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MU – Conflict of Interest and Commitment</td>
<td>Review the policies and procedures MU has established to determine adequacy for complying with the Collected Rules and Regulations governing conflicts of interest and commitment.</td>
<td>Reporting</td>
<td>Compliance</td>
</tr>
<tr>
<td>MU- Data Center Operations</td>
<td>Examine the confidentiality, security and availability controls within the MU Data Center and as described by management to determine:</td>
<td>Reporting</td>
<td>Compliance</td>
</tr>
<tr>
<td></td>
<td>• If the controls are implemented and functioning as described.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• If the controls are sufficient to support the service being offered to non-University customers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UMSL – Arts, Science and Children’s Service Fund Contracts</td>
<td>Validate that external funding received by CBH and CAC from the St. Louis County Children’s Services Fund, Children’s Resource Board of St. Charles County, and The Franklin County Children and Families Community Resource Board were used as designated by the contracts.</td>
<td>Field Work</td>
<td>Contract compliance</td>
</tr>
<tr>
<td>MUH – EMR Extension to Lake Regional</td>
<td>Organized Health Care Arrangement (OHCA) post-implementation review</td>
<td>On Hold</td>
<td>Compliance</td>
</tr>
<tr>
<td>MS&amp;T – Lab Safety</td>
<td>Determine if adequate controls are in place to provide safe working conditions for faculty, students and staff who work in labs which house hazardous chemicals.</td>
<td>On Hold</td>
<td>Compliance</td>
</tr>
</tbody>
</table>

September 24, 2020
OPEN – AC&E – INFO 1-3
<table>
<thead>
<tr>
<th>Audit Area</th>
<th>Overall Objective</th>
<th>Status</th>
<th>Risk Area(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>System/MUH – Benefits rates vs. hospital discounts</td>
<td>Management request to validate if discounts provided by MU Health to the UM Systems benefits plans are consistent with contractual obligations.</td>
<td>Planning</td>
<td>Operations &amp; Contract Compliance</td>
</tr>
<tr>
<td>School of Medicine – Department of Medicine</td>
<td>Medicine Department Assessment of processes interfacing with the School of Medicine based on the five inter-related components of internal controls: control environment, risk assessment, control activities, information and communication, and monitoring.</td>
<td>Planning</td>
<td>Operations</td>
</tr>
<tr>
<td>System – Benefits payroll process</td>
<td>Consulting engagement to map the benefits payroll process for HR and finance and evaluate controls.</td>
<td>On Hold</td>
<td>Operations</td>
</tr>
<tr>
<td>System – COVID 19 funds compliance guidance</td>
<td>In collaboration with the system controller’s office, developing and providing compliance guidance for the various COVID relief funds flowing from federal and state sources.</td>
<td>Ongoing</td>
<td>Compliance</td>
</tr>
</tbody>
</table>

In addition, six investigations are in process.

**Management Action Plan Status as of July 31, 2020**

Follow-up procedures are performed twice a year to verify the status of management actions for previously issued audit reports. For this time period, seventeen (17) action items were due for completion by July 31, 2020.

The following table lists audit reports with open action items. The highlighted reports indicate at least one action plan for that audit was reviewed for completion in the time period March 1, 2020 – July 31, 2020. All 17 action plans due this period were completed, resulting in final closure of the five (5) associated audits.
## Management Action Plan Summary as of July 31, 2020

<table>
<thead>
<tr>
<th>Entity</th>
<th>Report Name</th>
<th>Risk Rating</th>
<th>Total # of Action Plans in Report</th>
<th>Complete</th>
<th>Not Due</th>
<th>Past Due</th>
<th>Revised Due Date</th>
<th>Will not be Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>MU</td>
<td>Lab Safety</td>
<td>High</td>
<td>8</td>
<td></td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MUH</td>
<td>School of Medicine Clinical Trials/Research</td>
<td>Medium</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>School of Medicine HR Processes</td>
<td>High</td>
<td>6</td>
<td></td>
<td>4</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>MUH</td>
<td>School of Medicine Dept of Surgery - Financial</td>
<td>Medium</td>
<td>4</td>
<td></td>
<td>4</td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Controlled Substances Diversion Prevention</td>
<td>High</td>
<td>19</td>
<td></td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue-Generating Physician Contracts</td>
<td>Low</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UMKC</td>
<td>Institute for Human Development</td>
<td>High</td>
<td>11</td>
<td></td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UMSL</td>
<td>Lab Safety</td>
<td>Low</td>
<td>6</td>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UMS</td>
<td>External Student Funded Accounts</td>
<td>Medium</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash Handling</td>
<td>Medium</td>
<td>3</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maxient Conduct Manager InfoSec Review</td>
<td>Low</td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>One Card Process</td>
<td>Medium</td>
<td>8</td>
<td></td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Totals</strong></td>
<td><strong>74</strong></td>
<td><strong>25</strong></td>
<td><strong>47</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>2</strong></td>
<td></td>
</tr>
</tbody>
</table>

**KEY:** Audits with action plans due between March 1, 2020 and July 31, 2020 are highlighted in GOLD. Audits in **BOLD** font have revised due dates; **RED** are past due.
Foundational Elements of the UM System Ethics and Compliance Program

The following foundational elements were presented at the June Audit, Compliance and Ethics Committee. Ethics and Compliance continues to balance responding to emerging compliance issues and concerns with establishing the foundational elements. Currently, the Code of Conduct and work in Research Compliance are underway.

Establish the system-wide audit and compliance committee

This committee will oversee initial work to establish the system-wide code of conduct, compliance education and training, and core compliance policies. To fulfill its responsibilities the committee will receive periodic reports from compliance functions, audit reports and risk assessment results. The committee will play a key role in resolving compliance concerns that impact the system and are challenging to resolve at a unit level. The Chief Audit and Compliance Officer will provide the committee, once appointed, with a draft charter defining purpose, roles and responsibilities, authority, and frequency of meetings for the committee to modify and finalize.

Status: No progress to date due to the focus of senior leaders on managing the safety of students, faculty, and staff with the COVID-19 situation.

Develop and implement the code of conduct

A system-wide code of conduct will establish every day behavior expected to support our mission and values. It is a statement for ourselves and to the public about what we stand for, our values and how we conduct ourselves. It is the ethical foundation for our success in achieving our mission and living our values. A project plan with milestones for development and implementation of a code of conduct has been developed. A working committee consisting of representatives from compliance professionals across the system, human resources, office of general counsel and communications will develop, write, and vet the code of conduct with stakeholders. Once approved it will be rolled out across the system in accordance with a well-developed communications/promotion plan. Education and training will be provided with staff and faculty attestations required. Annual training and attestations will become mandatory throughout the system.

Status: A Code of Conduct is in development for the University of Missouri-Columbia and the System. Navex Global is assisting with the design and writing of the Code. A working group is in place to assist with development and vetting of the draft Code of Conduct through the stakeholders, including, but not limited to leadership, faculty, and subject matter experts. Once in place, work will begin with the other universities to adapt with their branding, values, look and feel, and overall theme. It is not anticipated that the content related to overall regulatory areas and expected behaviors would change significantly. A kick-off meeting was held with Navex Global on September 1. The next step is development of the project plan with milestones, and the prototype to present to leadership for input and approval.
Engaging Compliance Professionals in a Collaborative Network

Working with compliance professionals across the system, an assessment will be completed gauging the strengths and opportunities for improvement using the Seven Elements of an Effective Compliance Program. This assessment will also include understanding how changes to regulations are tracked and adjustments to procedures and practices are implemented (regulatory change management). These working relationships and assessments will provide guidance for achieving economies of scale by working collaboratively across units to establish consistent policies, practices, monitoring, investigations, discipline and reporting of metrics to gauge effectiveness. The three priority areas of focus are:

Research Compliance and Grant Management

This is a priority area of focus because of the importance of research to the strategic direction of the UM System. Collaborative work has begun in this area with a recognition that we have an opportunity to approach research compliance consistently across the UM System. The work in this area will provide the opportunity to:

- Understand the highest risk areas and how we are addressing concerns
- Validate the regulatory change management process for research
- Standardize operating practices in regulatory areas across the system
- Continue to build on collaborative relationships to extend expertise across the system
- Explore providing consistent compliance education and training for those involved in research activities across the system
- Develop metrics and reporting that provides transparency into the number of compliance concerns, types and substantiation rate for leadership and the Audit, Compliance and Ethics Committee of the Board.

Status: Export control expertise has been extended to all universities in the UM System. This is a collaborative initiative between MU Research Compliance, UM System Compliance, and the Vice Chancellors of Research for all four universities. Extending export control expertise will better manage classified research risks associated with export control laws and insider threats. UM System Compliance, MU Research Compliance and the Vice Chancellors of Research will continue collaborating to standardize operating practices in regulatory areas across the system.

Data Management Program

This is a priority area because protecting sensitive information is important to our business, faculty, staff, students, and patients. Safeguarding of sensitive information is impacted by multiple regulations, such as Gramm-Leach-Bliley Act (GLBA), Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act
(HIPAA), General Data Protection Regulation (GDPR), and the California Consumer Privacy Act (CCPA).

This assessment work will allow us to establish an overall data management program that will encompass the most stringent regulations applicable to the UM System and continue to build on collaborative relationships to extend expertise across the system. We will develop an understanding of:

- How we ensure compliance with each regulation
- The regulatory change management process
- Similarities and differences in operating practices across the system and opportunities for standardization
- Opportunities to provide consistent compliance education and training for those staff with responsibilities in these areas
- Benchmarks and metrics that will provide insight into effectiveness and areas for improvement

**Status:** No progress to date. Other priorities are being addressed at this time.

**Fostering Early Reporting of Issues, Prompt and Fair Resolution and a Non-Retaliation Environment**

The early reporting of issues is the best defense against a “bad actor” continuing his/her damaging behavior for years. To instill this type of culture, employees must feel safe and protected from non-retaliation and issues investigated promptly and fairly. In this current environment, whistleblowing activity is on the rise. OSHA, which oversees 22 federal whistleblower statutes received 386 retaliation claims in the month of March 2020 related to COVID-19.

The UM System has multiple reporting avenues available. Bringing together the professionals that field concerns and reports, conduct the investigations and provide guidance on discipline we can:

- Assess our current approaches and identify opportunities to strengthen our culture to safeguard against retaliation, develop trust and encourage reporting of issues
- Ensure we have a strong and effective retaliation prevention and response system
- Discuss how to engage managers in supporting staff who voice concerns
- Develop metrics and reporting that provides transparency into the number of reported concerns, types and substantiation rate for leadership and the Audit, Compliance and Ethics Committee of the Board.

**Status:** A hotline for reporting bias incidents was established at the University of Missouri – Columbia, with plans to extend to the other three universities. A bias advisory committee is forming at MU with representatives from all the areas that...
support reporting and investigations of all incidents, including bias. One goal of this committee is developing metrics and reporting that provide transparency into the number of reported concerns and substantiation rates by area. System-wide mandatory training for employees that addresses discrimination and harassment, and the University’s anti-discrimination Equity and Title IX policies will be available August 14th.

Protection of Children on Campus

Significant progress has been made on this initiative. This has been a collaborative effort with UM System Equity and Title IX, the Office of General Counsel, Risk Management and UM System Compliance. A central hub, using existing technology within the UM System is under development with a targeted completion date by end of calendar year 2020. This allows automation of workflow for ordering background checks, linking to and tracking education, and registering of events. The central hub will have a back-end reporting system, eliminating the need for someone to keep Excel spreadsheets to track events, education compliance, background completions and other information from various systems. Other items include:

- Finalizing the policy. Information about the hub will be added as the procedures become clearer.
- Finalizing selection and agreements for education and background checks. The goal is to integrate these into the centralized hub.
- Working with the campus coordinators to establish the processes/expectations on their campuses for registering programs involving minors.
- Developing the launch plan once everything is in place.
Continued Strategic Alignment of Audit & Compliance Plans

• Stay focused on high risk areas and compliance gaps

• Remain available to be redeployed for:
  • Gap analysis
  • Understanding workflow
  • Assisting in re-engineering processes
Summary of Internal Audit Activity

- Completed one assessment and one consulting engagement
- Finalizing two internal audit reports
- Three internal audits in process; three on hold due to deployment to other priorities
- Actively working six investigations
Campus Re-Opening Plans Assessment
UM System

Conclusion

• The campus re-opening plans meet best practice recommendations for keeping faculty, staff, and students as safe as possible given the contagion level of COVID-19.

• Many factors related to containing the spread of COVID-19 and maintaining a safe environment require self-responsibility. All four plans recognized and planned for this.

• Leadership remains committed to flexible decision-making for the safety of the campus communicates as events occur.
Status of Management Action Plans
As of July 31, 2020

• Seventeen action plan items in five audits were reviewed for completion as of July 31, 2020.
• 100 percent were completed.
UM System Ethics and Compliance Program

- Code of Conduct – in process
  - Development of prototype for MU underway
  - Adapt to each university with their branding, values and theme

- Research compliance and grant management – in process
  - Export control expertise extended across the system
  - Working collaboratively with Vice Chancellors of Research to find other opportunities for strengthening research compliance and reducing costs
UM System Ethics and Compliance Program

• Early fostering of issues, prompt and fair resolution and a non-retaliatory environment – in process
  • Bias hotline established at MU with plans to extend to other universities
  • Collaboration underway with all areas that support reporting and investigations
  • Develop reporting that provides transparency into the number of reported concerns and substantiation rates by area

• Safety of Children on Campus – in process
  • Finalizing policy
  • Centralized hub to automate registration, requesting and tracking of background checks and education
Questions?