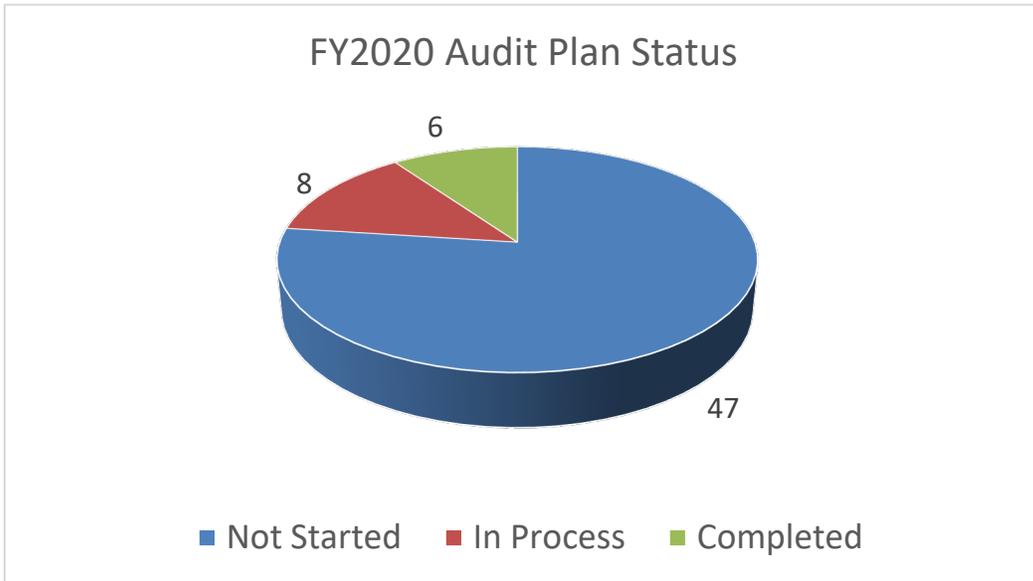UM Internal Audit Quarterly Report
University of Missouri
September 2019

Status of the FY2020 Annual Audit Plan

- Six audits completed
- Eight audits in process
- Forty-seven audits not started

The following graph represents the status of the FY2020 Audit Plan.

FY2020 Audit Plan Status

6

8

47

■ Not Started   ■ In Process   ■ Completed

Audit Performance

Internal Audit completed and issued six assurance report since the June 2019 meeting of the Board of Curators.

Internal Audit Assurance Reports	Report Risk Rating
Credentialing & Privileging , MU Health, June 2019	1 (2) 3 4 5
Social Media Reviews, System, MU, UMKC, Missouri S&T, UMSL August 2019	(1) 2 3 4 5

There is a time-lag between when field work is completed and when a report is issued in order to provide appropriate time for agreed upon action plans to be written.

September 26, 2019

OPEN – AUD – INFO 1-1

The assurance report includes an executive summary with our assessed level of risk, as well as a summary of issues and management's action plan. An executive summary of this assurance audit is included for your information. The full audit reports are available upon request from the Office of Internal Audit and Consulting Services.

Criteria Used for Assessment of Risk:

5 ***Extreme*** – Very significant impact to the Institution, campus, or unit. Significantly material in terms of financial impact, external compliance violation, adverse publicity, significant or pervasive weakness in control environment, significant inefficiencies, etc. Typically requires campus and UM System administration along with Board attention to resolve.

4 ***High*** – Major impact to the Institution, campus, or unit. Material in terms of financial impact, external compliance violation, adverse publicity, significant or pervasive weakness in control environment, significant inefficiencies, etc. Typically requires campus and/or UM System administration to resolve.

3 ***Medium*** – Moderate in terms of impact to the Institution, campus, or unit. Individual instance or an aggregate of low risk items considered moderate in terms of financial impact, compliance violation, adverse publicity, weakness in control environment, efficiency, etc. Typically requires leadership attention for the selected audit area to resolve with some input from campus and/or UM System administration.

2 ***Low*** – Minor in terms of impact to the Institution, campus, or unit. Relatively immaterial in terms of financial impact, no external compliance violation, little adverse publicity, minor inefficiencies, etc. Typically limited to leadership of the selected audit area to resolve.

1 ***Negligible*** – Incidental or no impact to the Institution, campus, or unit. Immaterial or no financial impact, no external compliance violation, no adverse publicity, minor inefficiencies, etc. Typically requires little or no action to resolve.

Internal Audit Summary Report
MUHC, Credentialing & Privileging
June 2019

Report Risk Rating:
1　②　3　4　5

Audit Background

Credentialing is the process of collecting, verifying and assessing information regarding the current licensure, education and relevant training, experience, ability and current competence of a medical staff applicants/re-applicants. Privileging is the act of granting qualified practitioners authorization to provide care, treatment, and services on behalf of the organization. Patient safety is the primary reason that credentialing is done; the overall purpose of credentialing and privileging is to ensure that only qualified physicians are admitted to and remain on the hospital's medical staff, and that they practice within their scope of experience and competence. Medical staff credentialing is one of the most important tasks undertaken to ensure quality of care in healthcare organizations.

Credentialing requirements and processes at MU Health Care (MUHC) are defined in Medical Staff Bylaws, the Credentialing and Privileging Policy and Procedure, and the Credentials Procedure Manual.

The process is centralized to the Medical Staff Office, with the support and assistance of "credentialing coordinators" in each academic department, who serve as the departmental resource for the hospital credentialing process, requirements, timeframes and deadlines, and act as the liaison between applicants, departmental personnel, and the MSO.

Issues Summary

Credentialing and privileging requirements and objectives are generally being met, but the process could be more efficient and timelier with some specific improvements.

Management Action Plan Summary

No action plan is necessary. Opportunities and recommendations for improvement shared with leadership are being considered in the context of overall strategic objectives and initiatives.

Risk Rating Rationale

The Credentialing and Privileging function within the MSO is meeting expected objectives and requirements, but is operating at the upper limits of its capacity. As the organization continues to grow, additional resources must be provided and/or efficiencies realized for the function to continue to perform at the same high level

Internal Audit Summary Report
System, MU, UMKC, Missouri S&T, UMSL,
Social Media Reviews
August 2019

Report Risk Rating:
1   2   3   4   5

Audit Background

Social media has become a major outlet for mass communications. An internet-based communications medium, it is used by millions of people and includes text, video, and photos that can be transmitted around the globe in real time over channels like Facebook and Twitter. Very little regulation or strong guidance exists to guide entities on how to administer social media, so most entities make their own policies and procedures to meet their needs.

Each University within the University of Missouri System has a department responsible for the administration of social media content on their central social media accounts. One or more individuals in each of these departments monitor social media channels for inaccurate or inappropriate content, escalate potential issues to leadership when appropriate and follow some sort of policies, procedures or guidelines to manage their University's social media message.

Issues Summary

Based on the audit procedures, each of these departments has been able to detect and mitigate content that could potentially cause reputational harm. All of the posts reviewed also reflected the social media goals and objectives of the particular University. It should be further noted that the success of each department's social media processes are due in large part to the dedication of the staff willing to take on the constant responsibility social media entails. As social media usage grows, further automation of social media duties would assist these staff in performing their roles more effectively and efficiently. Opportunities for minor enhancements were discussed with each department's leadership but no issues were noted that required a management action plan.

Management Action Plan Summary

No action plan required.

September 26, 2019

In addition, the Office of Internal Audit and Consulting Services completed two investigation, one project to save the expense of engaging an outside audit firm and continues to monitor risks associated with the revenue cycle implementation initiative at MU Health.

Audits Currently in Process

Audit Area	Overall Objective	Status	Risk Area(s)
MU Health – Cardiology Picture Archiving & Communications System (CPACS)	The objective of this audit was to determine if the McKesson CPACS meets the requirements of the Information Security Program	Reporting	Compliance
MU-Grant Effort Reporting	Provide assurance that internal controls related to grant effort verification are adequate to comply with federal Uniform Guidance requirements.	Reporting	Compliance
UM System - One Card Approval Process	Evaluation of the One Card Process from issuing cards, through approvals and monitoring to provide assurance of controls and any opportunities for improvement.	Reporting	Finance, Operations
MU Health – Physician contracts	Review of processes to ensure compliance with regulations and operational efficiencies.	Fieldwork	Compliance, Operations
MU- Lab Safety	Assessment of hazardous chemical use and compliance with regulations.	Fieldwork	Environmental Health & Safety
MU Health - Retail Pharmacies	Review of select financial and operational activities for the retail pharmacies.	Planning	Finance, Operations

Management Action Plan Status as of July 15, 2019

Follow-up procedures are performed twice a year to verify the status of management actions for previously issued audit reports. For this time period, 14 action items were due for completion by July 15, 2019.

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, 2019 – July 15, 2019. Six (6) of the 14 action plans have been completed, six (6) have revised due dates and two (2) action plans will not be implemented.

Revised Due Date and Will Not Be Implemented:
Two action plans each, for School of Medicine (SOM) Clinical Trials/Research Infrastructure and for SOM HR Processes were revised and extended, and one each for SOM Department of Surgery Financial Processes and System Vendor Master File Management, were extended. These actions are reported in the "Revised Due Date" column of the table on the following page. Two additional items in the SOM HR Processes audit will not be implemented since completion of the revised action plans will address the concerns raised in the audit.

School of Medicine HR Processes – High Risk
The SOM HR Processes original action plans focused on the creation of a structure to promote consistency of processes, talent management, operational excellence, and resource optimization. Three of the six original action items have been "on hold" since August 2018 to allow for organizational analysis and strategic planning related to the results of the Administrative Review; two have been completed; and one action item was due this follow up period.

In May 2019, the SOM experienced leadership transitions including the Senior Human Resources Consultant at SOM leaving the organization. MU, MUHC and UMS HR leadership agreed that the replacement for the Senior HR Consultant would report to the Chief Human Resource Officer (CHRO) at MUHC, to accelerate the alignment of talent strategies across the Academic Health System. With this realignment of HR responsibilities, the MUHC CHRO is responsible for high-level talent strategies for the SOM, and the MU Vice Chancellor of Human Resources (VCHRO) oversees HR policy compliance and alignment with HR practices. As a result of the HR leadership restructuring and rethinking the work necessary to align with UM System efforts underway for establishing a shared-services delivery model, two action plans were revised and assigned future due dates and two action plans are no longer necessary and therefore, will not be implemented. Upon completion of these action plans, the SOM HR function will be prepared to integrate with the shared-services delivery model under development for the UM System.

School of Medicine Clinical Trials/Research Infrastructure – Medium Risk
The SOM Clinical Trials/Research Infrastructure action plan focused on centralizing and streamlining processes and administrative support for both pre- and post-award activities. During this follow up period, the Interim Senior Associate Dean for Research and Clinical Trials was replaced with a new, permanent leader and a new position, Director of Research Operations and Planning was created and filled. An Interim Dean of the SOM was also appointed in May 2019. A clinical trials management system was purchased in September 2018 and is in the beginning stages of implementation, with full implementation dependent upon completion of the revenue cycle replacement project at MUHC. These changes have resulted in a shift in the overall management and approach to research processes and structures at SOM. As these changes are recent and a departure from the previous course, it was necessary to revise two action plan items and due dates to allow new processes and structures the opportunity to mature and prove success.

School of Medicine Department of Surgery Financial Processes – Medium Risk
The SOM Department of Surgery Financial Processes action plan focused on streamlining work processes and calculations, related to contracts and incentive compensation, to reduce the potential for errors. Higher-level changes are underway at the SOM Finance function to standardize and manage incentive contract agreements with providers across all SOM Departments; these processes will be implemented across all departments simultaneously, and are not yet ready to roll out. The due date for this item is being extended to be in alignment with the implementation timeline associated with the changes planned by SOM Finance.

System Vendor Master File Management – Medium Risk
The UM System Vendor Master File Management action plan focused on developing processes and guidelines for obtaining and recording standard vendor information, and for regular monitoring of vendor data for duplicate or stale vendors. The action plan associated with stale vendor management required the formation of a working group across several functions (APSS; Hospital Accounting; and Supply Chain), which has taken some time to organize and schedule. The due date was extended to allow this group to complete its work, with the expectation that new guidelines and processes for managing stale vendors will be implemented by the end of CY2019.

Management Action Plan Summary as of July 15, 2019

Entity	Report Name	Risk Rating	Total # of Action Plans in Report	Complete	Not Due	Past Due	Revised Due Date	Will not be Implemented
MU	College of Veterinary Medicine	Medium	9	9				
MUH	HIPAA Privacy - Business Associate Agreements	High	12	12				
	School of Medicine Clinical Trials/Research Infrastructure	Medium	3	1			2	
	School of Medicine HR Processes	High	6	2			2	2
	Controlled Substances Diversion Prevention	High	19		19			
	School of Medicine Dept. of Surgery - Financial Processes	Medium	4	3			1	
UMKC	Institute for Human Development	High	11		11			
UMS	External Student Funded Accounts	Medium	1		1			
	University Bank Accounts	Low	2	2				
	Cash Handling	Medium	3		3			
	Vendor Master File Management	Medium	3		2		1	
		Totals	**73**	**29**	**36**	**0**	**6**	**2**

KEY: Audits with action plans due between March 1, 2019 and July 15, 2019 are highlighted in GOLD. Audits in **BOLD** font have revised due dates; RED are past due.

September 26, 2019

OPEN – AUD – INFO 1-8

University of Missouri System
Board of Curators

September 17, 2019

Audit Committee

Internal Audit and Consulting Report
UM

Summary of Internal Audit Activity Since June 2019 Report to the Audit Committee

- Completed six internal audits, two investigation, one audit in lieu of engaging an external company and continue to monitor risks associated with the revenue cycle implementation initiative at MU Health

- Finalizing three internal audit reports

- Three internal audits in process

Status of Management Action Plans
As of July 15, 2019

Action Plan Status

- Completed
- Revised Due Date
- Will not be Implemented
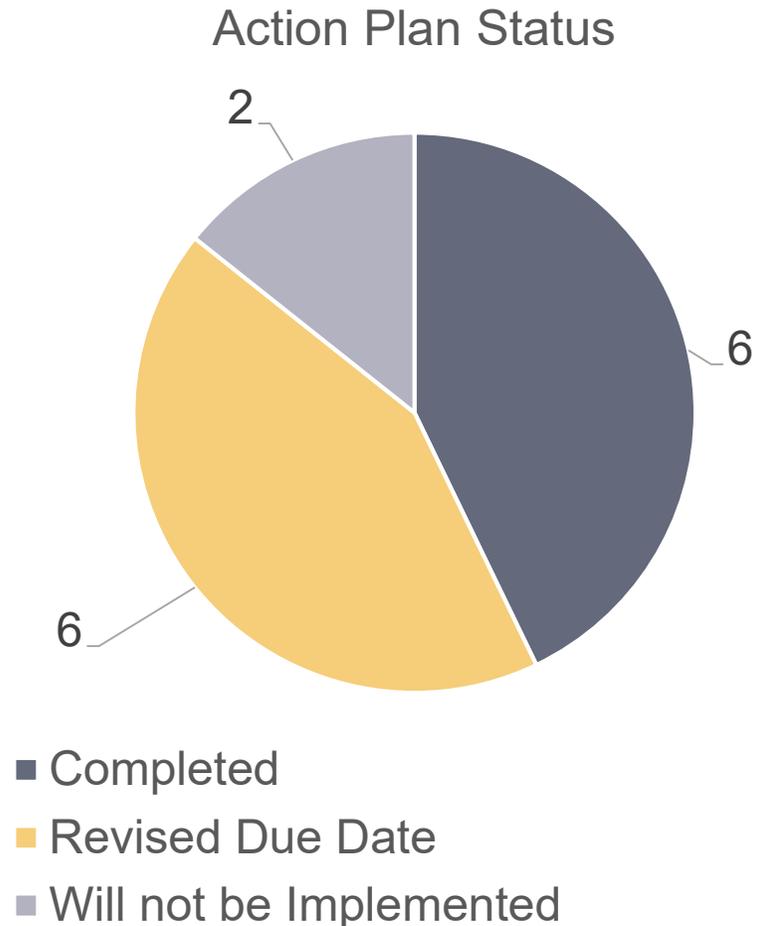
- Fourteen action items in seven audits were reviewed for completion as of July 15, 2019
- Six of fourteen, or 43 percent were completed
- Six action plans were revised and/or extended (SOM Clinical Trials, SOM HR, Dept. of Surgery and Vendor Master File)
- Two action plans from SOM HR are no longer relevant and will not be implemented

Ethics, Compliance and Audit Services Top Priorities

- Recruit an Executive Director for Compliance and for Internal Audit

- Development of the Code of Conduct & Standards

- Compliance gap analysis and risk assessment

- Policy review and management

Questions?