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Prairie View A&M University
Health and Counseling Services
PRAIRIE VIEW A&M UNIVERSITY

HEALTH AND COUNSELING SERVICES

June 12, 2024

Charlie Hrncir, CPA
Chief Auditor
Overall Conclusion

Internal controls over Health Services at Prairie View A&M University (PVAMU) are operating as intended and in compliance with applicable laws and policies with the exception of billing separation of duties. Opportunities for improvement were also noted in the areas of revenue reconciliation, Counseling Services account reconciliations, billing rates, and Health Insurance Portability and Accountability Act (HIPAA) training.

The university’s health and counseling functions were merged into Health Services in September 2019. Health Services is part of the Division of Student Affairs and is composed of four areas: Medical Services, Student Counseling Services, the Office of Disability Services, and the Hilltop Reserve Emergency Resource Center. Medical services are offered to both students and non-students while counseling services are only offered to students. The audit did not include the Office of Disability Services or the Hilltop Reserve Emergency Resource Center.

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<td>Reconciliations – Revenue</td>
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<td>Rate Setting</td>
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</tbody>
</table>

Management concurred with the audit recommendations and indicated implementation will occur by the end of January 2025.
Detailed Results

1. Billing – Separation of Duties

**Significant improvement in internal controls for the separation of billing duties is required.** The business manager is responsible for billing duties related to medical services, including payment processing, record-keeping, and reconciliations. This includes access to update information in the electronic medical records system. Previously, another employee performed some of these duties. When this employee left, all of the duties were assigned to the business manager.

A&M System Regulation 21.01.02, *Receipt, Custody, and Deposit of Revenues*, states that different individuals should perform the tasks for authorization, custody, record-keeping, and reconciliations. Separation of these duties related to revenue is an important safeguard to reduce the risk of errors, systematic problems, and fraud.

**Recommendation**

Seek guidance from Financial Management Services on ways to implement internal controls with limited staff to reduce the risks associated with an employee performing incompatible duties. Update department procedures to ensure current processes are reflected.

**Management’s Response**

Management concurs with the recommendation. To strengthen internal controls and separation of duties, the department will reinstitute a Business Coordinator II position that was created in 2022 and is currently vacant. The position is responsible for office billing duties including reconciliations. The position will be reposted summer 2024 at a higher salary rate with the support of additional funds provided by the Vice President for Student Affairs in an effort to attract highly qualified candidates.

Implementation Date: January 3, 2025

2. Reconciliations - Revenue

**Improvement is needed in internal controls for revenue reconciliations.** Reconciliations between the Health Services electronic medical records system and the university’s financial accounting system are not being performed to
ensure patient payments are accurately recorded, received, and credited to the appropriate account(s). While a daily review of appointments’ billing from the prior day and a monthly account reconciliation are performed, a comprehensive reconciliation is not performed to ensure the revenue recorded in the electronic medical records system has been applied accurately in the university’s financial accounting system. Additionally, a report of outstanding balances in the electronic medical records system is not produced for periodic monitoring.

A&M System Regulation 21.01.01, Financial Accounting and Reporting requires each member to comply with accounting standards and reporting requirements, including establishing and documenting a system of internal controls. Timely completion of reconciliations is an important control for the detection of errors, systemic problems, and fraud.

Recommendation

Develop and implement written procedures and monitoring processes to periodically reconcile revenue recorded in the electronic medical records system and the financial accounting system, including student payments applied in the student information system.

Management’s Response

Management concurs with the recommendation. Existing written reconciliation procedures and monitoring processes that address periodic revenue reconciliation will be enhanced to cover reconciliation between the electronic medical record and the financial accounting system.

Implementation Date: December 2, 2024

3. Reconciliations - Counseling Services Accounts

All four Counseling Services account reconciliations tested were not completed. The employee who previously performed the reconciliations retired in January 2022. The reconciliation responsibilities were not reassigned to another employee. Expenditures in fiscal years 2022 and 2023 from these accounts, excluding payroll-related expenditures, totaled $144,000.

A&M System Regulation 21.01.01, Financial Accounting and Reporting requires each member to comply with accounting standards and reporting requirements, including establishing and documenting a system of internal controls. Timely completion of reconciliations is an important control for the detection of errors, systematic problems, and fraud.
Recommendation

Ensure Counseling Services account reconciliations are completed timely and responsibility for monitoring processes is formally assigned.

Management’s Response

Management concurs with the recommendation. Since the identified audit period, Student Counseling Services has employed an Administrative Associate III who will immediately monitor all accounts in Student Counseling Services and assist the Director of Student Counseling Services in the reconciliation of billing duties.

Implementation Date: December 2, 2024

4. Billing – Rates

Charges assessed to patients for medical services are not consistent with current university-approved rates. Rates charged in 10 of 40 (25%) appointments tested did not agree with the current rate sheet. Health Services submits a proposed rate sheet for medical services to the university’s budget office for approval as part of the annual budgeting process. The names of some charges entered into the electronic medical records system do not agree to the fiscal year 2023 rate sheet. In addition, prices for each patient charge must be manually entered into the system except for prescription drugs. As a result, seven patients were charged for services that were not explicitly listed on the rate sheet and four were not charged for an office visit. Health Services indicated there are scenarios where an office visit charge is not required or allowed, such as per Texas Department of Health guidelines. These scenarios are not currently explained in the department procedures or rate sheet.

The university requires fees charged for goods and services to be approved annually. Charging currently approved rates helps ensure the department recovers its costs and has accurate data available for future projections and metrics.

Recommendation

Update procedures and monitoring processes to ensure changes in service rates are updated in the medical information system timely. For services provided at no charge, include information in the department procedures or a no charge line item so it is clearly shown for each appointment.
Management's Response

Management concurs with the recommendation. The clinic user rate form completion process will be amended to allow for flexibility based upon market variances. Additionally, the policy manual will be updated to clearly delineate all billing policies including those that result in zero cost billing due to agreements with third-party billers or the Texas Department of State Health Services.

Implementation Date: December 2, 2024

5. Employee Training - HIPAA

Health Insurance Portability and Accountability Act (HIPAA) training has not been completed as required. Health Services employees with access to student medical records did not complete the training within the past 12 months as required by department procedures. The employees had completed the training previously, but the university’s electronic training system is not configured to automatically assign the training annually. The employees were current on required Family Educational Rights and Privacy Act (FERPA) training. Periodic HIPAA training helps ensure employees with access to student medical records understand HIPAA requirements and their related responsibilities to reduce the risk of noncompliance and potential legal and reputational damage to the university.

Recommendation

Ensure Health Services employees are assigned HIPAA training at the desired frequency. Develop procedures and monitoring processes to ensure employees complete the training in accordance with the department’s requirements.

Management’s Response

Management concurs with the recommendation. The training policy will be amended to ensure employee completion of training by establishing a synchronized training schedule for all employees.

Implementation Date: December 2, 2024
Basis of Audit

Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls for Health Services are operating as intended and in compliance with applicable laws and policies.

The audit focused on the following areas:

- Billing
- Reconciliations
- Employee training
- Counseling Services and Women's Center
- Health Services information technology
- Pharmacy
- Procurement cards
- Rate setting

The audit period was primarily September 1, 2022 to August 31, 2023. Fieldwork was conducted from November 2023 to February 2024. The audit did not include the Office of Disability Services or the Hilltop Reserve Emergency Resource Center.

Our audit methodology included interviews, observation of processes, review of documentation, and testing of data using sampling as follows:

<table>
<thead>
<tr>
<th>Audit Objective</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing – Separation of Duties</td>
<td>Auditors reviewed billing processes and responsibilities to determine if appropriate separation of duties exists.</td>
</tr>
<tr>
<td>Determine if separation of duties in the billing process is in place and operating effectively.</td>
<td></td>
</tr>
<tr>
<td>Reconciliations – Revenue</td>
<td>To determine whether monthly revenue verifications between the medical records system and FAMIS were completed, auditors used professional judgment to select two monthly revenue verifications for testing.</td>
</tr>
<tr>
<td>Determine if Health Services revenue is reconciled in accordance with university and department procedures.</td>
<td></td>
</tr>
<tr>
<td>Audit Objective</td>
<td>Methodology</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Reconciliations – FAMIS Accounts</strong></td>
<td>To test account reconciliations for compliance with established procedures, auditors judgmentally selected a nonstatistical sample of 10 FAMIS account reconciliations including two months each for three accounts and one month each for four accounts.</td>
</tr>
<tr>
<td>Determine if Health Services accounts are monitored and reconciled in accordance with university and department procedures.</td>
<td></td>
</tr>
<tr>
<td><strong>Billing</strong></td>
<td>Auditors judgmentally selected a sample of 30 student and 10 non-student appointments for testing from appointment reports for October 2022 and March 2023. Auditors reviewed to ensure that billing was timely, including insurance billing, and that payments were received and recorded timely.</td>
</tr>
<tr>
<td>Determine if student and non-student billing and insurance receivable processes are in place and operating effectively.</td>
<td></td>
</tr>
<tr>
<td><strong>Employee Training</strong></td>
<td>To determine whether department employees completed departmental required training, auditors reviewed training documentation for the entire population of Health Services employees for all required training.</td>
</tr>
<tr>
<td>Determine whether Health Services staff completed required training in accordance with university and Health Services requirements and professional license requirements (as applicable).</td>
<td></td>
</tr>
<tr>
<td><strong>Counseling Services and Women’s Center</strong></td>
<td>Auditors gained an understanding of the policies and procedures and active grants for Counseling Services and Women’s Center.</td>
</tr>
<tr>
<td>Determine if internal controls over Counseling and Women’s Center are in place and operating effectively.</td>
<td>Auditors judgmentally selected a nonstatistical sample of four contract terms to test for compliance with grant requirements.</td>
</tr>
<tr>
<td></td>
<td>Auditors judgmentally selected a sample of three months to review the monthly practitioner reports including</td>
</tr>
<tr>
<td>Audit Objective</td>
<td>Methodology</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Health Services Information Systems</strong></td>
<td>any critical incident reports. The full population of practitioners was</td>
</tr>
<tr>
<td>Determine if the Health Services information systems are properly secured, backed up, updated and that employee access is properly monitored.</td>
<td>included in the reports reviewed.</td>
</tr>
<tr>
<td>Auditors gained an understanding of processes for logical security, backups, and physical security for two key information systems used by Health Services.</td>
<td>Auditors obtained and reviewed the current user access listings for the systems to determine if the accounts belonged to active employees and contractors.</td>
</tr>
<tr>
<td><strong>Pharmacy</strong></td>
<td>Auditors gained an understanding of the pharmacy inventory control processes.</td>
</tr>
<tr>
<td>Determine if internal controls over the pharmacy inventory are in place and operating effectively.</td>
<td>To test the accuracy of the pharmacy inventory, auditors judgmentally selected a nonstatistical sample of six inventoried items.</td>
</tr>
<tr>
<td><strong>Procurement Cards</strong></td>
<td>To determine whether procurement card transactions were appropriate and in compliance with university and division procedures, a nonstatistical sample of 17 transactions was judgmentally selected for testing. Auditors reviewed supporting documentation for compliance with procedures.</td>
</tr>
<tr>
<td>Determine whether procurement card transactions are reasonable and in compliance with procedures.</td>
<td>Auditors gained an understanding of the rate analysis and rate setting process to determine if the process is reasonable and in compliance with university requirements.</td>
</tr>
<tr>
<td><strong>Rate Setting</strong></td>
<td>Auditors gained an understanding of the rate analysis and rate setting process to determine if the process is reasonable and in compliance with university requirements.</td>
</tr>
</tbody>
</table>
Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization’s reputation. These are situations in which a CEO, provost, vice president, dean, or director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with internal controls, laws, A&M System policies, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

Criteria

Our audit was based upon standards as set forth in the following:

- Texas A&M University System Policies and Regulations
- Prairie View A&M University Rules and Standard Administrative Procedures
- Health Services departmental policies and procedures
- Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings.
and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

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Debbie Bugenhagen
Aliza Monroe, CIA
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TEXAS A&M UNIVERSITY

SCHOOL OF MEDICINE ANATOMOMICAL GIFT PROGRAM

June 12, 2024

Charlie Hrncir, CPA
Chief Auditor
Overall Conclusion

Internal controls over Texas A&M University School of Medicine’s Anatomical Gift Program are operating as intended and in compliance with applicable laws and policies with the exception of compliance with state law requiring an employed or contracted licensed embalmer performing embalming processes at the institution. An opportunity for improvement was also noted related to the inventory of anatomical specimens (parts of human cadavers).

Texas A&M University is a member institution of the Anatomical Board of the State of Texas (SAB). During 2023, Texas A&M University School of Medicine’s Anatomical Gift Program received 61 whole-body donations, utilized 33 whole-body donations for hands-on training of medical students, transferred ten whole-body donations to other in-state institutions, and sent 46 whole-body donations for final disposition through cremation during the audit period. The program also has approximately 143 anatomical specimens in inventory.

Summary Table

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<tr>
<th>Audit Areas</th>
<th>Controls Assessment</th>
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<td>Supervision and Oversight – Licensed Embalmer</td>
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<tr>
<td>Inventory – Anatomical Specimens</td>
<td>Needs Some Improvement</td>
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<tr>
<td>Annual Procurement and Use Report</td>
<td>Effective – No Observations</td>
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<tr>
<td>Crematory Contracts</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Dispositions</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Payment of Fees</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Records Review</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Responsible Party Information</td>
<td>Effective – No Observations</td>
</tr>
<tr>
<td>Transfers</td>
<td>Effective – No Observations</td>
</tr>
</tbody>
</table>

Management concurred with the audit recommendations and indicated that implementation will occur by the end of September 2024.
Detailed Results

1. Supervision and Oversight - Licensed Embalmer

During the audit period, the university was not in compliance with Texas Administrative Code (TAC) Rule 479.3 Standards for Facilities. The university has an employee who was hired well before the rule was amended in 2019, who is a licensed funeral director and has ten years of experience embalming for the School of Medicine but has not obtained an embalming license.

The rule was amended in 2019 to require member institutions who directly accept Willed Body Program donations to employ a State of Texas licensed funeral director to supervise transport of cadavers and anatomical specimens and a State of Texas licensed embalmer to perform embalming procedures. If the institution is unable to employ these licensed individuals, they must maintain a current valid contract with a licensed funeral director and licensed embalmer to perform these procedures.

There are typically two embalming processes performed on Willed Body Program donations. The first embalming process by a funeral home’s licensed embalmer is to delay a body’s initial stage of decomposition. The second embalming process, performed at the university, preserves the body more permanently for the duration of the program.

Although the university has current valid crematory contracts with funeral homes to perform the initial embalming, they have not utilized contracted services with a licensed embalmer for the second embalming process. The non-licensed employee has been performing them.

During the course of the audit, the university took steps to establish an agreement with a third-party licensed embalmer to perform the second embalming process going forward.

Recommendation

Continue processes to comply with the state’s administrative code by employing a licensed embalmer or using a contracted licensed embalmer to perform embalming services.
Management's Response

The current employee performing embalming procedures for the Willed Body Program has been suspended from performing those duties and a State of Texas Licensed Embalmer has been contracted to perform all embalming procedures on donor bodies not completely embalmed by our contracted funeral homes. This arrangement will continue until the current employee is able to obtain a State of Texas Embalmers License. This brings the Willed Body Program into full compliance with Rule 479.3 of the Texas Administrative Code.

2. Inventory - Anatomical Specimens

The majority of the 143 anatomical specimens in inventory are not labeled with an SAB number. While the current inventory process includes tagging anatomical specimens with an SAB number and recording this information in the master cadaver log, many of the older anatomical specimens were donated prior to this process. The School of Medicine’s Anatomical Gift Program is in the process of tagging older specimens with SAB numbers to enhance tracking but has not yet completed this task. Tagging anatomical specimens enhances the School of Medicine’s ability to care for and track the specimens.

Texas Health and Safety Code 691.033, Use of Bodies and Anatomical Specimens, requires willed body programs to keep a permanent record of each body or anatomical specimen that is sufficient to identify the body or anatomical specimen. Additionally, the Anatomical Board Operations Manual provides further details on labeling specimens and states that specimens acquired from January 2018 to the present will be required to be accompanied by the SAB number of the donor the specimen was harvested from.

Recommendation

Continue efforts to tag anatomical specimens with SAB numbers and update the master cadaver log to improve inventory processes.

Management's Response

The School of Medicine has initiated an Anatomical Specimen (Prosection) labeling, tracking, and inventory system that meets the SAB tagging requirements. The process to update the specimens is ongoing and will be completed by September 1, 2024.
Basis of Audit

Objective, Scope, & Methodology

The overall objective of this audit was to determine if internal controls over the Texas A&M University School of Medicine Anatomical Gift Program are operating as intended and in compliance with applicable laws and policies.

The audit focused on the following areas:

- Supervision and oversight
- Inventory
- Annual procurement and use report
- Crematory contracts
- Dispositions
- Payment of fees
- Records review
- Responsible party information
- Transfers

The audit period was primarily January 1, 2023 to December 31, 2023. Fieldwork was conducted from March 2024 to April 2024.

Our audit methodology included interviews, observation of processes, review of documentation, and testing of data using sampling as follows:

<table>
<thead>
<tr>
<th>Audit Objective</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervision and Oversight</td>
<td>Auditors reviewed the requirements in the Texas Administrative Code Rule §479.3 – <em>Standards for Facilities</em>. Auditors gained an understanding of the supervisory chain of command and controls in place to ensure that cadavers are treated with respect.</td>
</tr>
<tr>
<td>Inventory</td>
<td>Auditors gained an understanding of the processes in place for the inventory of cadavers and anatomical specimens.</td>
</tr>
<tr>
<td></td>
<td>Auditors obtained the most current physical inventory of cadavers and tags purchased from the SAB.</td>
</tr>
<tr>
<td>Audit Objective</td>
<td>Methodology</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Determine if anatomical specimens are adequately tracked and periodically inventoried.</td>
<td>traced counts to supporting documentation. Documentation was reviewed for consecutive use of SAB numbers based on SAB tag purchases. Auditors obtained and reviewed the most current physical inventory of anatomical specimens.</td>
</tr>
<tr>
<td>Annual Procurement and Use Report</td>
<td>Auditors obtained the annual procurement and use report and reviewed supporting documentation for completeness and accuracy.</td>
</tr>
<tr>
<td>Determine if the annual procurement and use report was completed, filed, and accurate.</td>
<td>Auditors inquired about the crematories used and obtained copies of the crematory contracts. Auditors reviewed the license status of crematories used on the Texas Funeral Service Commission website.</td>
</tr>
<tr>
<td>Crematory Contracts</td>
<td>Auditors reviewed Texas Administrative Code Rule §479.4- Final Disposition of the Body and Disposition of Remains and gained an understanding of the processes in place at the School of Medicine for the final disposition of cadavers. Auditors used professional judgment to select a nonstatistical sample of five dispositions that occurred during the audit period. Disposition records were reviewed to determine compliance with the rule.</td>
</tr>
<tr>
<td>Dispositions</td>
<td>Auditors reviewed order documentation for the purchase of SAB.</td>
</tr>
<tr>
<td>Payment of Fees</td>
<td>Auditors reviewed order documentation for the purchase of SAB.</td>
</tr>
</tbody>
</table>
### Audit Objective

| Determine whether payments were made for SAB tags and transfer fees. |
| tags and reviewed documentation for the sequential use of tag numbers. Auditors reviewed documentation to determine if payment was made for transfer fees. |

### Records Review

**Determine if the receipt and shipment of cadavers is appropriately acknowledged with the SAB and adequate records are maintained to track the SAB number from receipt of donation to cremation.**

Auditors gained an understanding of the Anatomical Gift Program processes from receipt to cremation.

Auditors used professional judgment to select a nonstatistical sample of five dispositions that occurred during the audit period. Program records were reviewed to determine the adequacy of the following:

- SAB form
- Donation form
- Funeral home documentation
- Cadaver receipt form
- Death certificate
- Report of death form
- Cremation invoice/documentation

### Responsible Party Information

**Determine if the School of Medicine has submitted current responsible party information for the institution to the board.**

Auditors obtained and reviewed the appointment letter from the Secretary/Treasurer of the State Anatomical Board to determine if the School of Medicine had submitted its current responsible party information for the institution to the SAB.

### Transfers

**Determine if transfers are tracked, documented, and approved as applicable.**

Auditors reviewed the requirements of the Texas Administrative Code Rule §477.5 - Transfers of Bodies and gained an understanding of the processes for
This report is excepted from public disclosure per Chapter 51.971 of the Texas Education Code.

Texas A&M University: School of Medicine Anatomical Gift Program

<table>
<thead>
<tr>
<th>Audit Objective</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>transfers to and from the School of Medicine.</td>
<td></td>
</tr>
<tr>
<td>Auditors reviewed the documentation for the population of two transfers to determine if transfers are properly tracked, documented, and approved.</td>
<td></td>
</tr>
</tbody>
</table>

Controls Assessment Classification

Audit areas highlighted in red in the Summary Table are considered to have significant weaknesses in internal controls. Significant weaknesses include errors, deficiencies, or conditions which result in one or more violations of internal controls, laws, A&M System policies, or member rules. These violations have a high probability for legal consequences, financial consequences, or negative impacts to the organization’s reputation. These are situations in which a CEO, provost, vice president, dean, or director need to be involved in the problem resolution.

Audit areas highlighted in yellow in the Summary Table are considered to have notable weaknesses in internal controls. Notable weaknesses include errors, deficiencies or conditions which result in minor to moderate noncompliance with internal controls, laws, A&M System policies, or member rules. These are situations which can and should be corrected at the department or supervisor level.

Audit areas highlighted in green in the Summary Table are considered to have effective internal controls.

Items that were not significant or notable were communicated to management during the course of the audit.

Criteria

Our audit was based upon standards as set forth in the following:

- Texas Administrative Code
- Texas Health and Safety Code
The Texas A&M University System Policies and Regulations
State Anatomical Board Operations Manual
Other sound administrative practices

The audit was conducted in conformance with the Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing.*
Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Internal Audit is independent per the GAGAS standards for internal auditors.

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