



UNIVERSITY  
*of* VIRGINIA

**Board of Visitors**  
**Audit, Compliance, and Risk Committee**  
**June 4, 2021**

June 2021  
Audit,  
Compliance, and  
Risk Committee  
Meeting Agenda

- Remarks by Dr. Lateef, Committee Chair
- Committee Review and Approval of Two-Year Audit Plan
- Committee Review and Approval of Updated Audit Department Charter
- Auditor of Public Accounts FY2021 Audit Kickoff
- Motion to move to Closed Session

# FY22-FY23 UVA Audit Plan

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Deploying Audit Resources in Support of UVA's Mission and Objectives

# A two-year plan identifies key risk topics while providing flexibility on audit scoping and timing

## 01

The UVA audit plan, purposefully dynamic, is periodically re-evaluated with stakeholders for continued relevance. A flexible plan enables quick pivots to emerging risks and requests for audit services.

## 02

Management's ongoing assessments and the BOV's priorities influence audit scope and scheduling.

## 03

Performing work on major projects in flight, rather than post-implementation, is a hallmark of best-in-class audit departments.



The audit plan focuses internal audit's mandate and capabilities on risks to achievement of UVA's institutional objectives

According to the [Definition of Internal Auditing](#) in The IIA's [International Professional Practices Framework \(IPPF\)](#), internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. **It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.**

# UVA Health: Proposed Audit Plan

July 1, 2021 through June 30, 2023 (FY's22-23)

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	<b>Audit Topic</b>	<b>Audit Scope</b>		<b>Audit Topic</b>	<b>Audit Scope</b>
1	Case Management/ Utilization Management (In Progress)	Analyze claims data for length of stay opportunities and compliance risk indicators. Assess Case Management and Utilization Management activities for compliance with established policies and opportunities for improvement.	8	Emergency Department E&M Levels	<ul style="list-style-type: none"> <li>• Revenue loss</li> <li>• Non-compliant claims</li> </ul>
2	Supplies Procurement (In Progress)	Evaluate purchasing and receiving controls for medical supplies	9	Insurance Verification and Pre-Authorization	Denials and potential for rework
3	Charge Capture – Mosaiq (In Progress)	Assess charge capture controls for charges interfaced between Mosaiq and Epic systems	10	Status Assignment	<ul style="list-style-type: none"> <li>• Non-compliant claims</li> <li>• Loss of revenue</li> <li>• Denials</li> </ul>
4	Provider Based Billing Compliance	Test for compliance with billing rules for provider-based clinics	11	Controlled Substances Diversion Program	Effectiveness of diversion controls established after prior internal audit.
5	Pharmacy Charge Capture	Charge capture controls for Pharmacy including Pharmacy 340B	12	Data Warehouse Controls	Information Security and Privacy
6	Time Keeping and Payroll	<ul style="list-style-type: none"> <li>• Unauthorized financial transactions</li> <li>• Excessive payroll costs</li> </ul>	13	Epic Provisioning and De-provisioning—clinical areas	<ul style="list-style-type: none"> <li>• Identity and Access Management</li> <li>• Information Security and Privacy</li> </ul>
7	Purchase Card Controls	<ul style="list-style-type: none"> <li>• Unauthorized transactions</li> <li>• Potential for internal theft/fraud</li> </ul>			

UVA Health  
Audit Plan Topics FY2021-2022

	<b>Audit Topic</b>	<b>Audit Scope</b>
1	Financial Assistance and Financial Counseling	Potential revenue loss, Patient satisfaction, compliance with Virginia Debt Collection Act
2	Denials Management	Potential for revenue loss
3	Point of Service Collections	Fraud controls and potential for revenue loss
4	Patient Choice Compliance	Compliance with relevant CMS regulations
5	Funds Flow-Department of Medicine	Conformance of transactions with relevant Memorandum of Understanding
6	Discharge Planning	Readmissions; length of stay; CMS regulatory compliance (Conditions of Participation)
7	IT Disaster Recovery	Risks to operational continuity posed by IT interruptions

	<b>Audit Topic</b>	<b>Audit Scope</b>
8	Contract Management	Controls over contract management
9	Telehealth Coding and Billing Compliance	Potential for non-compliant claims, loss of revenue, denials
10	Balance Billing	Compliance with new regulatory requirements around out-of-network provider billing
11	UVA Novant JOC	Specific Topic TBD, dependent on integration details and risk assessment
12	Distributed Information Systems Management	Information security practices for non-centrally managed IT systems or networks (School of Medicine, School of Nursing)

**UVA Health**  
**Audit Plan Topics FY2022-2023**



# UVA Academic Division: Proposed Audit Plan

July 1, 2021 through June 30, 2023 (FY's22-23)

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	<b>Audit Topic</b>	<b>Audit Scope</b>
1	Advancement Payment Processing (In Progress)	Assessment of controls over processes outsourced by Advancement to CDS Global.
2	Section 117 of the Higher Education Act Reporting	Implementation of process improvement recommendations.
3	Rebates and Credits Related to Sponsored Awards	Implementation of process improvement recommendations arising from prior procedures.
4	CARES Compliance - Research (2020 OMB Supplement and Addendum, Memorandum 20-17)	Processes for applying administrative relief granted by OMB to address COVID-19 related loss of operational capacity and increased costs.
5	CARES Compliance - Higher Education Emergency Relief Fund (HEERF I, II, III)	Controls and processes related to HEERF funds data collection, use, accounting, and reporting.
6	Cash Deficit Management Process (In Progress)	University policies, practices, and tools for monitoring and managing unit cash deficits.
7	NCAA Compliance (Integrated Assurance)	Refresh reliance on UVA Athletics Department Compliance Office by evaluating monitoring procedures for at least one major compliance area.
8	Student Health & Counseling	Student health and counseling services
9	Undergraduate Student Advising	Accuracy, completeness, availability, and usage of information for students, faculty, advisors, parents, and other constituents about the advising process; technology used in support of advising processes.

	<b>Audit Topic</b>	<b>Audit Scope</b>
10	Study Enabling Technologies	Use of Artificial Intelligence (AI) in Instructional Technologies
11	Finance Strategic Transformation (FST) - Project Health Checks (In Progress)	Ongoing project health checks approximately every 2 months through July 2022 Workday Financials go-live.
12	FST - Internal Control Framework (In Progress)	Advise UVA Finance and Baker Tilly in development and documentation of internal controls framework
13	Construction Projects: <ul style="list-style-type: none"> <li>Hotel and Conference Center</li> <li>Physics Building Renovation</li> <li>Hospital Expansion Project Closeout (In Progress)</li> <li>Ivy Mountain Musculoskeletal Clinic (In Progress)</li> </ul>	Using an outside expert in construction project management accounting, perform procedures relevant to phase of specified construction projects
14	International Operations - Phase 1: Inventory of Activities	Develop inventory of international activities to determine eventual audit scope
15	Academic Records and Policies	Information in undergraduate and graduate records convey quality information (complete, accurate, timely, available) (COSO Principle 13)
16	Institutional Data	Statistical data used in external reporting conveys quality information (complete, accurate, timely, available) for ratings and rankings (COSO Principle 13)

	<b>Audit Topic</b>	<b>Audit Scope</b>
1	International Operations	Assessment of higher priority international activities identified in Phase 1.
2	School Level Audit(s)	Effectiveness of key unit/school level controls and processes.
3	Student Information System (SIS) Business and IT Controls	Controls over the Student Information System, the system of record for all student-related information
4	Workday Financials Controls Validation	Effectiveness of key financial and access controls post Workday Financials go-live

	<b>Audit Topic</b>	<b>Audit Scope</b>
5	Emergency Preparedness & Safety - Public Health Annex	Alignment of pandemic response activities to Critical Incident Management Plan Public Health Annex.
6	Auxiliary Services	Housing Department processes and controls
7	Student Financial Aid	Processes and controls to ensure compliance with Gramm Leach Bliley Act (GLBA) requirements for safeguarding customer information.
8	Police Department	Scope to be refined based on results of 2021 CALEA accreditation visit.

UVA Academic Division  
Audit Plan Topics FY2022-2023

# Pan-University Audit Plan Topics

July 1, 2021 through June 30, 2023 (FY's22-23)

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	<b>Audit Topic</b>	<b>Audit Scope</b>
1	Cybersecurity	<ol style="list-style-type: none"> <li>1. Follow-up on status of 2019 KPMG Cybersecurity Assessment recommendations.</li> <li>2. Follow-up on Mandiant assessment (2021) and recommendations for ransomware and malware readiness/response.</li> </ol>
2	Safety and Security	Implementation status of recommendations in the 2017 MH consulting report.
3	Research Data Security	Information security for non-centrally managed research data systems.
4	Human Resources Benefit Plans Administration	Controls related to benefit plan administration (specific plan(s) to be determined).

## Pan-University Audit Topics

FY2022-FY2023

Eric Sandridge,  
Deputy Auditor,  
Innovation and  
Technology,  
Auditor of Public  
Accounts Office

David Rasnic,  
Director of Higher  
Education Audits,  
Auditor of Public  
Accounts Office

## UVA FY2020-2021 Audit Kickoff

## Motion for Closed Session

*Mr. Chair, I move the Audit, Compliance, and Risk Committee into closed meeting to discuss the UVA Audit Department's External Quality Review, which would necessarily involve discussion of the performance of specific individuals, as permitted under Section 2.2-3711(A)(1) of the Code of Virginia .*

# Committee Vote on Closed Session

*I move that we vote on and record our certification that, to the best of each Board member's knowledge, only public business matters lawfully exempted from open meeting requirements, and which were identified in the motion authorizing the closed session, were heard, discussed or considered in closed session.*