MDA21-105 Proton Therapy Center
Departmental Review

EXECUTIVE SUMMARY

Internal Audit conducted a review of MD Anderson Proton Therapy Center (PTC) for the period of September 2020 through December 2020. The objective was to provide a general assessment of key financial, administrative and compliance controls within the Center. This review, as part of the FY21 annual work plan, was identified based on factors such as significant patient revenues and the transition from a partnership to being solely owned by MD Anderson in 2019.

MD Anderson PTC generated $155 million dollars in gross patient revenue by offering advanced radiation treatment for cancers of the prostate, lung, head and neck, liver, esophagus and brain, as well as treatment of lymphoma, pediatric cancer and other rare tumors. This type of treatment uses a beam of protons to deliver radiation directly to the tumor, destroying cancer cells while sparing healthy tissue.

The PTC currently employs 106 FTEs. It has the capacity to see approximately 3,500 patients per year, in addition to the 4,500 patients being treated with other forms of radiation therapy.

Audit Results:
Overall, our review found that the Department has controls and processes in place for key personnel and financial management activities such as credentialing, and monthly statistical sampling/expenditure reviews.

We did, however, identify opportunities for improvement in the following areas:

- Approval of timecards and overtime
- IT assets management and protection
- Improve the Annual Inventory Scanning Compliance
- Timely submission of charges to Epic

Management Summary Response:
Management agrees with the observations and recommendations and has developed action plans to be implemented on or before September 1, 2021.

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Appendix A outlines the methodology for this project.

The courtesy and cooperation extended by the personnel in Proton Therapy Center are sincerely appreciated.

Sherri Magnus

Sherri Magnus, CPA, CIA, CFE, CRMA, CHIAP
Vice President & Chief Audit Officer
August 17, 2021

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Observation 1:
Timely Approval of Timecards and Overtime   *RANKING: MEDIUM*

Institutional Policy requires department managers to review all time and leave captured in Kronos for accuracy and approve by 11:59 p.m. each Tuesday. A review of timecard approvals for three pay periods, revealed an error rate of 12% among the Proton Therapy department.

Of the timecards not approved, 78% were non-exempt employees. Given the use of overtime, $66,600 from September 2020 to mid-January 2021, overtime hours could be inaccurate without timely review and approval on timesheets. This risk is further increased by the lack of prior documented approval. The Overtime Policy (ADM0245) notes that Managers have the responsibility for monitoring overtime hours worked by employees. When management does not consistently review timecards and approvers are not clearly defined, there is an increased risk that errors may not be detected or corrected.

Recommendation:
Management should establish processes to ensure all employee timecards are reviewed and approved in Kronos by management each week in accordance with institutional policy. Also, ensure overtime is monitored/tracked and preapproval is documented.

Management's Action Plan:
Executive Leadership Team Member: Robert Ghafar
Division/Department Executive: Cody Wages
Owner: Brenda Lanier
Implementation Date: September 1, 2021

- *Timekeeping Workflow Project – 6-month Lean Project for RO Admin Leaders is nearing completion and the aim is to increase compliance and reduce errors.*
- *Review the assessment at RO Admin Leaders Meeting - Manager's Timecard responsibilities to review employee timecards and approve in Kronos by management each week in accordance with institutional policy's and review the outcomes of the PTC Audit Report.*
- *Develop an "Overtime request" workflow process for employees in Microsoft Teams, which will incorporate a pre-approval language.*
- *Communicate the Overtime Request workflow process to RO Admin Leaders to cascade to their Management teams.*

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Observation 2:
Improve the Annual Inventory Scanning Compliance   *RANKING: MEDIUM*

Per the Institution's Asset Management Manual, all divisions or departments are required to perform an annual inventory. However, prior to FY2021, the Proton Therapy Center had not performed an annual inventory since it was acquired by MD Anderson in 2018. An annual inventory ensures that all assets are accounted for on a regular basis, and that accurate records are maintained. Not performing this function may result in incorrect valuation of asset ownership and missing/stolen assets unreported.

Specifically, it was identified that two capital assets were not found in the Departmental Capital Asset Reconciliation report. The Department later noted that while these items were missing from the inventory scan, their internal reports indicated these assets were not missing and were able to verify their locations.

Additionally, seven assets were identified as missing per the recent FY21 scan performed. However, the Department management completed the Missing Asset forms for all the seven missing assets.

Recommendation
Management should work with Asset Management to ensure that an inventory is performed annually based on accurate records.

Management's Action Plan:
Executive Leadership Team Member: Robert Ghafar
Division/Department Executive: Cody Wages
Owner: Pamela Meave
Implementation Date: September 1, 2021

PTC has conducted an asset scan for FY21 and will create a process to establish an asset review and reconciliation program that will occur on a re-occurring annual basis.

Observation 3:
Strengthen Controls Over IT Assets   *RANKING: MEDIUM*

The Department had 173 IT assets and 31 capital assets during this period. We noted the following areas where asset controls should be enhanced:
- 37 Institutional Computing Devices (ICDs) had either never touched the network or had not touched the network in over a year. None of the 37 IT assets disclosed having PHI.
- Three individuals had excessive asset ownership of one additional desktop/laptop over the allowed amount.

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Per ADM0334, all institutional computing devices (ICD) must be and remain joined to the MD Anderson Network for the duration of the life cycle of the ICD. Additionally, the policy also establishes limits for asset ownership. Without adequate controls over assets, there is an increased risk that losses may occur and not be detected in a timely manner.

Recommendation
Management should strengthen controls related to assets to ensure that all required network connectivity is maintained, any unused assets are returned or retired, and excessive assets are reduced.

Management's Action Plan:
Executive Leadership Team Member: Robert Ghafar
Division/Department Executive: Cody Wages
Owner: Troy Bronson
Implementation Date: September 1, 2021

Continue to review excessive device ownership and address as needed. Hardware will be reviewed and evaluated if operational solution needs to be put in place for routine review and oversight.

Observation 4:
Ensure Institutional Computing Devices are Protected   *RANKING: MEDIUM*

Per ADM0334, ICDs (desktops, laptops, tablets, mobile phones) are required to have the appropriate level of encryption for each device that views or stores confidential information. There were five computers and three iPods that did not contain sufficient protective measures. Without these device management protections, sensitive information could be accessible to unauthorized individuals.

Recommendation
Management should coordinate with the Information Technology department to ensure all computers and mobile devices are protected.

Management's Action Plan:
Executive Leadership Team Member: Robert Ghafar
Division/Department Executive: Cody Wages
Owner: Troy Bronson
Implementation Date: September 1, 2021

Review with IT and determine if additional process is needed to ensure appropriate levels of security are in place.

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Observation 5:
Timely Submission of Charges to EPIC   *RANKING: LOW*

The Billing Team monitors charges in MosaiQ daily to identify any pending charges for the entire Division of Radiation Oncology, including Proton Therapy. Also, they follow up with the physician if notes, or documentation are missing from the encounter, delaying the submission of the charge.

As of March 4th, 2021, Internal Audit identified 132 records in MosaiQ for the Proton Therapy Department totaling $91,195 which fall into the scope of records exceeding 48 hours and not yet exported to Epic.

According to Institutional Policy charges must be posted the same day, but no later than 48 hours after services are rendered. When charges are not captured, revenue is lost.

Recommendation:
The Department should strengthen its processes to ensure all charges are captured in a timely manner.

Management's Action Plan:
Executive Leadership Team Member: Robert Ghafar
Division/Department Executive: Gary Fleming
Owner: Joy Godby
Implementation Date: September 1, 2021

Team will continue to look for opportunities to improve billing process, and work with clinical teams for areas to reeducate as needed to ensure accurate billing process.

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Appendix A

Objective, Scope and Methodology:
The objective of this review was to provide a general assessment of the financial, administrative, and compliance controls within the Department. Testing periods varied based upon the area or process reviewed; however, all selected transactions occurred between September 2019 and December 2020, unless otherwise noted below.

Our methodology included the following procedures:

- Interviewed key personnel and reviewed relevant organizational policies to understand financial and administrative processes within the Department.
- Reviewed the results of the most recent physical inventory scanning and assessed processes and controls over assets.
- Reviewed IT assets reported as non-encrypted and validated current status.
- Tested procurement card transactions and reconciliations for compliance with institutional guidelines.
- Reviewed documentation to ensure required monthly certification of selected expenditures.
- Examined review processes in place over purchased services.
- Examined timekeeping and leave records to determine if institutional leave management guidelines were followed.
- Reviewed charge capture processes including daily and monthly reconciliation, and insurance denials.

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The internal audit function at MD Anderson Cancer Center is independent per the Generally Accepted Government Auditing Standards (GAGAS) requirements for internal auditors.

Number of Priority Findings to be monitored by UT System: *(None)*
A Priority Finding is defined as "*an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.*"

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