

Practice Plan Bylaws

Dell Medical School

May 2021



The University of Texas at Austin
Office of Internal Audits
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May 26, 2021

President Jay C. Hartzell
The University of Texas at Austin
Office of the President
P.O. Box T
Austin, Texas 78713

Dear President Hartzell,

We have completed our audit of the MSRDP Faculty Practice Plan as part of our Fiscal Year 2021 Audit Plan. The objective of this audit was to determine implementation of certain sections of the Bylaws of Dell Medical School's MSRDP Faculty Practice Plan (practice plan).

The University of Texas at Austin Dell Medical School follows practices that govern clinical activity. However, there are opportunities to enhance processes and controls to comply with the practice plan, establish required committees, record approval of the fee schedule, and retain records of committee meetings. The report is attached for your review.

Please let me know if you have questions or comments regarding this audit.

Sincerely,

A handwritten signature in blue ink that reads "Sandy Jansen".

Sandy Jansen, CIA, CCSA, CRMA
Chief Audit Executive

cc: Mr. Tim Boughal, Senior Compliance Officer, Dell Medical School
Ms. Monica Horvat, Director of Administration, Office of the President
Dr. Daniel Jaffe, Interim Executive Vice President and Provost
Dr. S. Claiborne Johnston, Vice President for Medical Affairs and Dean
Mr. Dwain Morris, Chief Administrative Officer, Dell Medical School
Dr. Catherine A. Stacy, Interim Chief of Staff, Office of the Executive VP and Provost
Dr. Amy Young, Chief Clinical Officer and Vice Dean of Professional Practice



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Executive Summary

Practice Plan Bylaws

Dell Medical School

Project Number: 21.024

Audit Objective

The objective of this audit was to determine implementation of certain sections of the Bylaws of Dell Medical School’s MSRDP Faculty Practice Plan (practice plan).

Conclusion

Overall, The University of Texas at Austin (UT Austin) Dell Medical School follows practices that govern clinical activity. However, there are opportunities to enhance processes and controls to comply with the practice plan bylaws, establish required committees, record approval of the fee schedule, and retain records of committee meetings.

Audit Observations¹

Recommendation	Risk Level	Estimated Implementation Date
Establish required committees	Medium	September 2021
Document approval of the fee schedule	Medium	April 2021
Retain committee records	Medium	September 2021

Engagement Team

Ms. Sandy Jansen, CIA, CRMA, CCSA, Chief Audit Executive

Ms. Angela McCarter, CIA, CRMA, Assistant Director

Mr. Myles Johnson, Auditor I

¹ Each observation has been ranked according to The University of Texas System Administration (UT System) Audit Risk Ranking guidelines. Please see the last page of the report for ranking definitions.



Audit Results

UT Austin's Dell Medical School (DMS) follows practices that govern clinical activity. However, DMS is not in full compliance with the practice plan bylaws. There are opportunities to enhance processes and controls to comply with the practice plan bylaws, establish required committees, record approval of the fee schedule, and retain records of committee meetings.

The following three recommendations will assist DMS leadership as they work toward full compliance with the practice plan bylaws.

Observation #1 Committee Meetings

Although the practice plan bylaws outline committees and their structures, some committees are not in place and/or functioning as intended. Furthermore, the audit committee is combined with the budget/finance committee. As a result, committees are not accomplishing required responsibilities outlined in the practice plan bylaws.

The bylaws require committees/subcommittees to meet at least twice per year. The bylaws also require which committees must be created and lists their functions.

Recommendation: DMS should follow the bylaws, including the following:

- All committees should meet as required (during first quarter and at least twice per year).
- The audit and budget/finance committees should be separated into two committees.

Management's Corrective Action Plan: DMS is in the process of establishing each MSRDP subcommittee, including separating the audit subcommittee from the budget/finance committee, and reviewing and updating existing membership, as well as chairs for each subcommittee. Once each committee is established, they will follow MSRDP bylaw requirements for meetings. DMS is also working to centralize scheduling and documentation of meetings with one staff member to ensure appropriate recordkeeping.

Responsible Person: Chair/Designee of MSRDP board

Planned Implementation Date: September 1, 2021

Observation #2 Fee Schedules

The practice plan bylaws require the fee schedule be prepared by the budget/finance committee and approved by the President or President's designee in consultation with the Board, but there is no documentation demonstrating that the fee schedule was discussed or approved.

Recommendation: DMS's budget/finance committee should reapprove the fee schedule and document the approval in the committee minutes.



Management’s Corrective Action Plan: The DMS budget/finance committee will review and approve the existing fee schedule and any changes to the fee schedule at least annually. Prior to the completion of this audit, the DMS budget/finance committee reviewed and approved the fee schedule for Calendar 2021.

Responsible Person: Chair of budget/finance committee

Planned Implementation Date: The 2021 fee schedule was approved by the budget/finance committee on April 27, 2021. The annual review and approval will generally occur in January based on third party payor cycle.

Observation #3 Records Retention

Although the practice plan bylaws require the minutes and attendance of all meetings be documented and for all committees/subcommittees to meet at least twice per year, DMS did not retain meeting minutes for certain committee meetings prior to 2018. These meeting minutes must be documented to demonstrate required approvals. The DMS records retention schedule for practice plan minutes may be distinct from current UT Austin records retention schedule classifications.

Recommendation: DMS should incorporate best practices for retaining practice plan meeting minutes. Once DMS identifies best practices, a record retention policy should be developed and implemented.

Management’s Corrective Action Plan: DMS is currently performing due diligence to identify best practices for MSRDP board and committee document retention. Upon completion of due diligence, DMS will adopt a records retention schedule for MSRDP board and committee documents (including attendance and minutes).

Responsible Person: DMS Senior Compliance Officer

Planned Implementation Date: September 1, 2021

Background

The purpose of the practice plan is to manage and hold in trust the professional income of DMS faculty members at UT Austin. The practice plan’s goal is to promote excellence in teaching, research, clinical service, and administration through clinical practice and compensation strategies that will contribute to and safeguard DMS’s and UT Austin’s continued growth in excellence. The practice plan provides a general framework for compensating faculty by:

- Rewarding performance, clinical innovation and productivity, research, teaching, and administrative excellence
- Providing fairness and consistency in compensation determinations
- Aligning faculty performance with DMS’s mission



Scope, Objectives, and Methodology

This 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. 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 on our audit objectives.

The scope of this review includes September 1, 2016, to March 1, 2021. Specific audit objectives were to determine the following:

- Whether the requirements of the practice plan bylaws have been implemented
- Whether committee structures and meetings comply with practice plan requirements
- How incentive payments are calculated, how controls are included when making incentive payments, and whether the incentive payments comply with practice plan bylaws
- Whether the fee schedule was prepared and approved in accordance with practice plan bylaws

The following procedures were conducted:

- Reviewed the bylaws to determine the following
 - Required committees and meetings
 - Incentive payments
 - Fee schedules
- Conducted interviews with DMS faculty and staff
- Performed testing to determine compliance with the bylaws



Observation Risk Ranking

Audit observations are ranked according to the following definitions, consistent with UT System Audit Office guidance.

Risk Level	Definition
Priority	If not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of The University of Texas at Austin (UT Austin) or the UT System as a whole.
High	Considered to have a medium to high probability of adverse effects to UT Austin either as a whole or to a significant college/school/unit level.
Medium	Considered to have a low to medium probability of adverse effects to UT Austin either as a whole or to a college/school/unit level.
Low	Considered to have minimal probability of adverse effects to UT Austin either as a whole or to a college/school/unit level.

In accordance with directives from UT System Board of Regents, Internal Audits will perform follow-up procedures to confirm that audit recommendations have been implemented.

Report Distribution

- The University of Texas at Austin Institutional Audit Committee
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