

Cancer Prevention & Research Institute of Texas

IA # 03 -18 Internal Audit Follow-Up Procedures

Report over Training Program

Report Date: January 19, 2018

Issued: February 2, 2018

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The Oversight Committee
Cancer Prevention and Research Institute of Texas
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This report presents the results of the internal audit follow-up procedures performed for the Cancer Prevention and Research Institute of Texas (CPRIT) during the period January 8, 2018, through January 19, 2018 relating to the findings from the 2017 Internal Audit Report over Training Program, dated February 6, 2017.

The objective of these follow-up procedures was to validate that adequate corrective action has been taken in order to remediate the issues identified in the 2017 Internal Audit Report over Training Program.

To accomplish this objective, we conducted interviews with key personnel responsible for the Training Program. We also reviewed documentation and performed specific testing procedures to validate actions taken. Procedures were performed at the Cancer Prevention and Research Institute of Texas office and were completed on January 19, 2018.

The following report summarizes the findings identified, risks to the organization, recommendations for improvement and management's responses.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
February 2, 2018

Cancer Prevention and Research Institute of Texas

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Background

In 2017, internal audit procedures over CPRIT's training program process were completed and reported to the Oversight Committee. The internal audit report over CPRIT's training program procedures and activities identified two areas for improvement related to the timely completion of required Oversight Committee member trainings and the timely completion of employee civil rights trainings.

The 2018 Internal Audit Plan included performing procedures to validate that CPRIT management has taken steps to address the internal audit findings.

Follow-Up Procedures Objective and Scope

The follow-up procedures focused on the remediation efforts taken by CPRIT management to address the findings included in the 2017 Internal Audit Report over Training Program, and to validate that appropriate corrective action had been taken. The 2017 report identified the following findings:

- CPRIT did not have policies and procedures in place to ensure that required trainings from Oversight Committee members were completed within a 90-day timeframe. Additionally, there was one Oversight Committee member that did not complete the required Public Information Act Training within the 90-day timeframe.
- Three employees did not complete the required update of their Civil Rights Training within the required timeframe.

Our follow-up procedures included the following:

- Interview of key personnel with responsibility for required trainings to identify corrective actions taken to address prior findings
- Review of policies, procedures, and other related documentation
- Ensure that policies and procedures were appropriately implemented to address prior findings

Executive Summary

The findings from the 2017 training program internal audit included non-compliance issues with CPRIT policies and procedures, rules and regulations required by law, or where there is a lack of procedures or internal controls in place to cover risks to CPRIT. These issues could have financial or operational implications.

In the 2017 internal audit, we identified two finding, which were risk rated as **Moderate**.

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Through our interviews, review of documentation, observations, and testing, we determined that both of the 2017 training program findings were remediated.

Risk Rating	Finding	Remediated	Partially Remediated	Open
High	-	-	-	-
Moderate	2	2	-	-
Low	-	-	-	-
Total	2	2	-	-

We also determined that management has taken appropriate corrective action for the observations that were identified and communicated through the 2017 Internal Audit Over Training Program.

A summary of our results, by audit objective, is provided in the table below. See *the Appendix* for an overview of the Assessment and Risk Ratings.

FOLLOW-UP ASSESSMENT	STRONG
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SCOPE AREA	RESULT	RATING
Objective: Validate that adequate corrective action has been taken in order to remediate the issues identified in the 2017 Internal Audit Report over Training Program.	We identified that procedures implemented by management adequately addressed and remediated the prior open findings.	STRONG

Conclusion

Based on our evaluation, CPRIT management has made satisfactory effort to remediate the findings from the 2017 internal audit report. We recommend continued diligence in maintaining internal controls over training program processes.

**Detailed Procedures Performed, Findings,
Recommendations and Management
Response**

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Detailed Procedures Performed, Findings, Recommendations and Management Response

Our procedures included interviewing key personnel, examining existing documentation or communication, and performing test procedures to validate corrective actions taken. In addition, we evaluated the existing policies, procedures and processes.

Objective: Validate Remediation

Validate that adequate corrective action has been taken in order to remediate the issues identified in the 2017 Internal Audit Report Over Training Program.

Finding 1 – MODERATE – Monitoring Evidence of Timely Completion of Oversight Committee Required Training: CPRIT does not have processes in place to ensure it obtains and retains evidence that newly appointed Oversight Committee members complete required trainings related to the Public Information Act, Open Meetings Act, and contract oversight within the required 90-day timeframe.

Of the eight Oversight Committee members active during the audit scope period, one was appointed and required to complete training within the scope period. CPRIT was unable to provide documented evidence that Public Information Act training was completed for the appointed Committee member within the 90-day timeframe.

After internal audit identified the issue, CPRIT contacted the Oversight Committee member who subsequently completed the required training and provided evidence of completion.

Procedures Performed: We verified that the policies and procedures related to the completion and documentation of Oversight Committee required trainings, including the Public Information Act, Open Meetings Act, and contract oversight trainings were updated to include the specific timeframe for completion of all required trainings.

We verified that Mahendra Patel and David Cummings completed all required trainings timely.

Results: Finding remediated.

Finding 2 – MODERATE – Employee Civil Rights Training Updates: We identified that three employees did not complete the required update of their state Civil Rights Training every two years.

Of the 39 active employees throughout the review period, three did not maintain current Civil Rights Training as required by state law. The three employees' training updates were 3-14 months delinquent. All three have since separated employment from CPRIT.

Procedures Performed: We reviewed the EEO Civil Rights Training Log and verified that the tracking spreadsheet for monitoring of employee civil rights training dates was updated.

We reviewed all civil rights trainings completed between December 1, 2016, through November 30, 2017 and verified that the trainings were completed timely.

Results: Finding remediated.

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The appendix defines the approach and classifications utilized by Internal Audit to assess the residual risk of the area under review, the priority of the findings identified, and the overall assessment of the procedures performed.

Report Ratings

The report rating encompasses the entire scope of the engagement and expresses the aggregate impact of the exceptions identified during our test work on one or more of the following objectives:

- Operating or program objectives and goals conform with those of the agency
- Agency objectives and goals are being met
- The activity under review is functioning in a manner which ensures:
 - Reliability and integrity of financial and operational information
 - Effectiveness and efficiency of operations and programs
 - Safeguarding of assets
 - Compliance with laws, regulations, policies, procedures and contracts

The following ratings are used to articulate the overall magnitude of the impact on the established criteria:

Strong

The area under review meets the expected level. No high risk rated findings and only a few moderate or low findings were identified.

Satisfactory

The area under review does not consistently meet the expected level. Several findings were identified and require routine efforts to correct, but do not significantly impair the control environment.

Unsatisfactory

The area under review is weak and frequently falls below expected levels. Numerous findings were identified that require substantial effort to correct.

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Risk Ratings

Residual risk is the risk derived from the environment after considering the mitigating effect of internal controls. The area under audit has been assessed from a residual risk level utilizing the following risk management classification system.

High

High risk findings have qualitative factors that include, but are not limited to:

- Events that threaten the agency's achievement of strategic objectives or continued existence
- Impact of the finding could be felt outside of the agency or beyond a single function or department
- Potential material impact to operations or the agency's finances
- Remediation requires significant involvement from senior agency management

Moderate

Moderate risk findings have qualitative factors that include, but are not limited to:

- Events that could threaten financial or operational objectives of the agency
- Impact could be felt outside of the agency or across more than one function of the agency
- Noticeable and possibly material impact to the operations or finances of the agency
- Remediation efforts that will require the direct involvement of functional leader(s)
- May require senior agency management to be updated

Low

Low risk findings have qualitative factors that include, but are not limited to:

- Events that do not directly threaten the agency's strategic priorities
- Impact is limited to a single function within the agency
- Minimal financial or operational impact to the organization
- Require functional leader(s) to be kept updated, or have other controls that help to mitigate the related risk