

Cancer Prevention & Research Institute of Texas

IA #04-2019 Internal Audit Follow-Up Report over
Post-Award Grant Contracting and Monitoring

Report Date: April 11, 2019

Issued: April 26, 2019

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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 over Post Award Grant Contracting and Monitoring for the Cancer Prevention and Research Institute of Texas (CPRIT). The follow-up was performed during the period February 19, 2019, through April 11, 2019 related to the one finding from the Internal Audit Report over Post-Award Grant Contracting and Monitoring dated December 20, 2017.

The objective of these follow up procedures was to validate that adequate corrective action has been taken in order to remediate the issue identified in the audit report.

To accomplish this objective, we conducted interviews with CPRIT personnel responsible for post-award grant contracting and monitoring. We also reviewed documentation and performed specific testing procedures to validate actions taken. Procedures were performed at the CPRIT office.

The following report summarizes the results of our procedures.

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Austin, Texas
April 11, 2019

Cancer Prevention and Research Institute of Texas

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Background

In fiscal year 2018, an internal audit over Post-Award Grant Contracting and Monitoring at the Cancer Prevention and Research Institute of Texas (CPRIT) was completed. The internal audit report identified one area of improvement.

The 2019 Internal Audit Plan included performing follow-up procedures to validate that CPRIT management has taken steps to address the open internal audit finding.

Follow-Up Objective and Scope

The follow-up procedures focused on the remediation efforts taken by CPRIT management to address the open finding included in the 2018 Internal Audit Report over Post-Award Grant Contracting and Monitoring, and to validate that appropriate corrective action had been taken.

We evaluated the corrective action taken by CPRIT management to address the open internal finding identified.

Executive Summary

The finding from the 2018 Internal Audit Report over Post-Award Grant Contracting and Monitoring was identified and considered to be a non-compliance issue 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. The issue could have significant financial or operational implications.

Through our interviews, review of documentation, observations and testing we determined that the finding was remediated.

A summary of our results is provided in the tables below.

Risk Rating	Total Findings	Remediated	Partially Remediated	Open
High	-	-	-	-
Moderate	1	1	-	-
Low	-	-	-	-
Total	1	1	-	-

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

OVERALL ASSESSMENT	STRONG
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SCOPE AREA	RESULT	RATING
Grant Management: Validate that appropriate corrective action has been taken in order to adequately remediate the finding identified in the 2018 Internal Audit Report over Post-Award Grant Contracting and Monitoring.	We identified that remediation efforts were made by CPRIT management for the finding from the 2018 Internal Audit Report over Post-Award Grant Contracting and Monitoring.	STRONG

Conclusion

Based on our evaluation, CPRIT has made satisfactory effort to remediate the finding from the 2018 Internal Audit Report over Post-Award Grant Contracting and Monitoring. Management should continue to focus on maintaining and strengthening internal controls over Grant Contracting and Monitoring processes.

Detailed Follow-Up Results

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Detailed Follow-Up Results

Our procedures included interviewing key grant management personnel to gain an understanding of the corrective actions taken in order to address the finding identified in the 2018 Internal Audit Report over Post-Award Grant Contracting and Monitoring as well as examining existing documentation and communications and performing testing in order to validate those corrective actions. We evaluated the existing policies, procedures, and processes in their current state.

Objective: Validate Remediation

Validate that adequate corrective action has occurred in order to remediate the issues identified in the 2018 Internal Audit Report over Post-Award Grant Contracting and Monitoring.

Finding 1 – Moderate – Separated Employee User Access: We identified a former CPRIT employee who had access to the CohnReznick portal after they separated employment from the agency on September 30, 2017. The CPRIT employee's access was removed on December 19, 2017.

Recommendation: CPRIT should implement procedures, as part of the employee separations process, to validate that all user accounts have been deactivated, including accounts where third-party vendors administer the user access. The process should include the receipt of positive confirmation from CPRIT IT and third-party vendors that all user IDs have been deactivated, or access has been otherwise removed.

Results: Finding Remediated

We examined users and access permissions to the CohnReznick portal and determined that current users of the portal are active personnel, and permissions to the portal are appropriate based on employee positions and job responsibilities. We also examined the one employee separation that occurred since the completion of the last audit, and identified the separated employee was appropriately removed from the system.

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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