

Texas State Board of Pharmacy Risk Rated Internal Audit Universe Fiscal Year 2022

Rank	Risk Factor	Process Area	Process Group	Financial, Economic and Fraud Risk		Operations and Complexity Risk		Information Technology		Organization and Human Capital Risk		Reputational Risk		Probability Sub-Total	Impact Sub-Total	Overall Average
				P	I	P	I	P	I	P	I	P	I			
1	Information Technology Services	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	4	4	4	4	4	4	4	4	4	4	4.00	4.00	4.00
2	Information Security	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	4	4	4	4	4	4	4	4	4	4	4.00	4.00	4.00
3	Disaster Recovery/Business Continuity	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	4	3	3	4	3	4	3	4	4	4	3.47	3.75	3.61
4	License Renewal	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	4	4	3	4	3	3	3	4	3	4	3.25	3.80	3.53
5	Licensing	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	4	4	3	4	3	3	3	4	3	4	3.25	3.80	3.53
6	Revenue	FINANCE ACTIVITIES	FINANCE ACTIVITIES	4	4	3	4	2	3	3	3	3	4	3.05	3.62	3.34
7	Compliance and Compliance	AGENCY - WIDE ACTIVITIES	AGENCY - WIDE ACTIVITIES	3	4	2	4	2	3	3	4	4	4	2.87	3.80	3.34
9	Reporting	FINANCE ACTIVITIES	FINANCE ACTIVITIES	4	4	3	3	3	3	3	3	2	4	3.03	3.47	3.25
8	Procurement	FINANCE ACTIVITIES	FINANCE ACTIVITIES	4	4	2	3	2	3	3	4	2	4	2.68	3.65	3.17
10	Enforcement	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	3	4	3	3	3	3	2	3	3	4	2.82	3.47	3.15
11	Inspections	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	3	4	3	3	3	3	2	3	3	4	2.82	3.47	3.15
12	Contract Administration	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	3	3	2	3	3	3	3	4	3	4	2.85	3.40	3.13
13	Payroll	FINANCE ACTIVITIES	FINANCE ACTIVITIES	4	4	3	4	2	3	2	4	2	3	2.65	3.58	3.12
14	General Counsel	AGENCY - WIDE ACTIVITIES	AGENCY - WIDE ACTIVITIES	2	3	3	3	3	3	3	4	3	4	2.75	3.40	3.08
15	Budget and Planning	FINANCE ACTIVITIES	FINANCE ACTIVITIES	3	4	3	3	2	3	3	3	2	4	2.58	3.47	3.03
16	Communications	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	2	2	2	3	3	4	3	4	3	4	2.60	3.35	2.98
17	Prescription Monitoring Program (PMP)	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	3	3	2	3	3	3	2	3	4	3	2.89	3.00	2.95
18	Human Resources Administration	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	3	4	2	3	2	3	3	4	2	3	2.43	3.43	2.93
19	Capital Assets	FINANCE ACTIVITIES	FINANCE ACTIVITIES	3	3	3	3	2	3	3	3	2	4	2.58	3.22	2.90
20	External Affairs	AGENCY - WIDE ACTIVITIES	AGENCY - WIDE ACTIVITIES	2	3	2	3	3	3	2	3	3	4	2.42	3.22	2.82
21	Customer Service	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	2	2	2	3	3	4	2	2	4	4	2.64	2.99	2.82
22	Travel	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	3	4	2	2	2	3	2	2	3	4	2.47	3.14	2.81
23	Governance	AGENCY - WIDE ACTIVITIES	AGENCY - WIDE ACTIVITIES	2	2	3	3	2	2	3	4	3	4	2.55	2.95	2.75
24	Financial Close	FINANCE ACTIVITIES	FINANCE ACTIVITIES	3	3	2	3	2	3	3	3	2	3	2.43	3.00	2.72
25	Accounts Payable and Disbursements	FINANCE ACTIVITIES	FINANCE ACTIVITIES	3	4	2	2	2	3	2	2	2	4	2.25	3.14	2.70
26	Payment Processing	FINANCE ACTIVITIES	FINANCE ACTIVITIES	3	4	2	2	2	3	2	2	2	4	2.25	3.14	2.70
27	Records Management	AGENCY - WIDE ACTIVITIES	AGENCY - WIDE ACTIVITIES	2	3	3	3	3	2	3	3	2	2	2.53	2.58	2.56
28	Purchasing Cards	FINANCE ACTIVITIES	FINANCE ACTIVITIES	2	3	2	2	2	3	2	2	2	4	2.00	2.89	2.45
29	Professional Recovery Network (PRN)	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	1	2	1	2	3	3	3	4	2	3	1.98	2.78	2.38
30	Personnel Training	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	2	3	2	2	2	2	2	3	2	3	2.00	2.65	2.33
31	Collections	FINANCE ACTIVITIES	FINANCE ACTIVITIES	3	3	2	2	2	3	1	1	2	3	2.07	2.49	2.28
32	Cash Management	FINANCE ACTIVITIES	FINANCE ACTIVITIES	2	3	2	2	2	2	2	2	2	3	2.00	2.47	2.24
33	Education and Examination	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	1	2	2	3	2	1	2	2	2	3	1.75	2.17	1.96
34	Benefits Administration	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	1	2	1	2	2	3	2	2	1	1	1.38	1.98	1.68
35	Application Selection/Development	OPERATIONS ACTIVITIES	OPERATIONS ACTIVITIES	1	1	1	1	1	1	1	1	1	1	1.00	1.00	1.00

Risk Score Definitions	
1	Low Likelihood
2	Somewhat Likely
3	Probable
4	Highly Probable

An overall average rating of 3.15 or higher is considered High.	High
An overall average rating from 2.7 to 3.14 is considered Moderate.	Moderate
An overall average rating of 2.69 or less is considered Low.	Low

November 2021 Board Members Internal Audit Status Report As of November 2, 2021

Weaver and Tidwell, LLP (Weaver) is the outsourced internal auditor of the Texas State Board of Pharmacy (TSBP). The Weaver engagement team is led by Daniel Graves, Partner.

2022 Internal Audit Plan and Schedule

In September, 2021 we facilitated a risk assessment for the purposes of developing a three-year internal audit plan. We met with the Executive Director and other members of senior management at TSBP and evaluated the influential risks inherent in the significant activities of the agency.

Based on the Risk Assessment we are proposing the following Internal Audit Plan to the Board for fiscal year 2022:

2022 INTERNAL AUDIT		
Internal Audit	Description	Status
Licensing and License Renewals	Internal Audit will include an evaluation of risks and internal controls in place related to TSBP's Licensing and Renewal processes. Activities to be consider for evaluation will include applications processing, eligibility, screening, criminal background checks, license issuance (pharmacist, preceptor, technicians, and facilities), exam verifications, exemptions, online paper renewals, inactive licenses, facility renewals, and other online renewals.	January 2022

2022 INTERNAL AUDIT FOLLOW-UP		
Compliance Monitoring/Peer Assistance • 1 finding	Internal Audit will perform follow-up procedures on 2021 Internal Audit findings to ensure corrective action has been taken.	March 2022

We have prepared a summary proposed three year Internal Audit Plan. The proposed plan maps out the internal audit and follow-up procedures to be performed for each fiscal year. The summary schedule is attached.

Daniel Graves, CPA, Internal Auditor
Partner
Weaver and Tidwell L.L.P.

**Texas State Board of Pharmacy
Proposed 3-Year Internal Audit Plan
As of October 2021**

Audit Area	Risk Rating	Summary Procedures	Audit Focus
2022 Planned New Internal Audits			
Licensing and License Renewals	High	Internal Audit will include an evaluation of risks and internal controls in place related to TSBP's Licensing and Renewal processes. Activities to be considered for evaluation will include: applications processing, eligibility, screening, criminal background checks, license issuance (pharmacist, preceptor, technicians, and facilities), exam verifications, exemptions, online paper renewals, inactive licenses, facility renewals, and other online renewals.	Internal Audit
2022 Planned Internal Audit Follow-up			
Compliance Monitoring/Peer Assistance	Low	Internal Audit will perform follow-up procedures on 2021 Internal Audit findings to ensure corrective action has been taken.	Follow-up
2022 Planned Annual Requirements			
Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Project Management
Update Risk Assessment	NA	Perform required annual update of risk assessment.	Policy Compliance
Annual and Quarterly Board Reports	NA	Prepare and submit required Annual Internal Audit Report and quarterly reports to the Executive Committee of internal audit activities.	Policy Compliance

**Texas State Board of Pharmacy
Proposed 3-Year Internal Audit Plan
As of October 2021**

Audit Area	Risk Rating	Summary Procedures	Audit Focus
2023 Planned New Internal Audits			
Enforcement	High	Internal Audit will include an evaluation of risks and internal controls in place related to TSBP's enforcement processes. Activities to be considered for evaluation will include enforcement support, administrative functions, licensee complaint receipt and processing, investigation referrals, litigation, informal hearings, compliance with board orders, and appeals.	Internal Audit
2023 Planned Internal Audit Follow-up			
Licensing and License Renewals	High	Internal Audit will perform follow-up procedures on 2021 Internal Audit findings to ensure corrective action has been taken.	Follow-up
2023 Planned Annual Requirements			
Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Project Management
Update Risk Assessment	NA	Perform required annual update of risk assessment.	Policy Compliance
Annual and Quarterly Board Reports	NA	Prepare and submit required Annual Internal Audit Report and quarterly reports to the Executive Committee of internal audit activities.	Policy Compliance

**Texas State Board of Pharmacy
Proposed 3-Year Internal Audit Plan
As of October 2021**

Audit Area	Risk Rating	Summary Procedures	Audit Focus
2024 Planned New Internal Audits			
Information Technology Services	High	Internal Audit will include an evaluation of risks and internal controls in place related to TSBP's information technology services processes. Activities to be considered for evaluation will include network operations, help desk, change management, software maintenance, project management, software licensing and usage, and monitoring third party providers.	Internal Audit
2024 Planned Internal Audit Follow-up			
Enforcement	High	Internal Audit will perform follow-up procedures on 2022 Internal Audit findings to ensure corrective action has been taken.	Follow-up
2024 Planned Annual Requirements			
Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Project Management
Update Risk Assessment	NA	Perform required annual update of risk assessment.	Policy Compliance
Annual and Quarterly Board Reports	NA	Prepare and submit required Annual Internal Audit Report and quarterly reports to the Executive Committee of internal audit activities.	Policy Compliance