

UT Southwestern

Medical Center

UTS 142.1 Compliance and Monitoring Plan Audit

Internal Audit Report 21:18

December 9, 2020

Executive Summary

Background

The University of Texas System *UTS 142.1 Policy on the Annual Financial Report* requires each institution to develop or update a Monitoring Plan to ensure the existence of segregation of duties and performance of accounts reconciliation by each designated ledger account owner. Each risk owner must ensure the adequacy of internal controls within their department. Through a documented annual risk assessment, the Office of Accounting and Fiscal Services (A&FS) and the Academic and Administrative Information Resources (AAIR) Division assist UT Southwestern Medical Center (UT Southwestern) in its compliance requirements. This assessment includes department owner representations on the existence of financial internal controls, validity of segregation of duties, and effectiveness of ledger account review.

Scope and Objectives

The Office of Internal Audit has completed its UT Southwestern UTS 142.1 Compliance and Monitoring Plan (Monitoring Plan) audit. This audit was part of the FY21 Audit Plan as a risk-based audit. The overall audit objective is to evaluate processes and controls that ensure achievement of business objectives and compliance with University of Texas System policies as follows:

- Assessment of UT Southwestern compliance with UT System Policy UTS 142.1, and
- Assessment of the controls and processes that ensure sustained compliance.

We conducted our examination according to guidelines set forth by The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Conclusion

Overall, UT Southwestern complies with *UTS 142.1 Policy on the Annual Financial Report* and A&FS is carrying out its responsibilities as presented in the UT Southwestern Monitoring Plan for Compliance with UTS142.1 for Fiscal Year (FY) 2020. The Office of Accounting & Fiscal Services has an adequate risk assessment process, including following up with departments on exceptions to validate sub-certification assertions and to correct identified deficiencies, and has processes in place to ensure sustained compliance with the policy requirements.

We would like to take the opportunity to thank the Office of Accounting & Fiscal Services, Hospital Accounting, Provost Office, Academic and Administrative Information Resources teams for the courtesies extended to us and for their cooperation.

Sincerely,

Valla F. Wilson, Vice President for Internal Audit, Chief Audit Executive

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Audit Team:

Mia Dinh, Internal Auditor II
Melinda Lokey, Audit Director
Van Nguyen, Audit Supervisor

Cc: Arnim E. Dontes, Executive Vice President, Business Affairs
Angela M. Brodrick-Donohue, Director, Finance, Academic Affairs
Diana Castillo, Accounting Compliance Analyst II, Accounting
Kenneth Kellough, Assistant Vice President, Budget & Resource Planning
Sharon Leary, Assistant Vice President, Accounting and Fiscal Services
Jodi Levy, Assistant Vice President, Office of Administrative Systems
Kevin McGuire, Controller, Finance, University Hospitals
Adolfo Ortuzar, Director, IR Operations and Compliance, Academic and Administrative Information Resources
Megan Marks, Ph.D., Assistant Vice President, Sponsored Programs Administration
Heather Mishra, Associate Vice President, Academic & Administration Information Systems
Mark Meyer, Health System Chief Financial Officer, Health System Affairs
Russ Poole, Vice President and Chief Information Officer, Information Resources
Marites Rosario, Manager, Accounting
Michael Quaglieri, Assistant Director, Cash Management, Accounting
John Schmidt, Director, Fiscal Reports and Accounting Operations
Michael Serber, Vice President, Finance and Institutional Chief Financial Officer
Cameron Slocum, Vice President and Chief Operating Officer, Academic Affairs
Thomas Spencer, Ph.D., Assistant Vice President, IR Operations and Compliance, Academic and Administrative Information Resources