

# **UT Southwestern**

## Medical Center

### **UTS 142.1 Compliance and Monitoring Plan Audit Internal Audit Report 23:23**

**November 07, 2022**

# **Executive Summary**

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## **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 (AFS) 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 and other monitoring activities.

## **Scope and Objectives**

The Office of Internal Audit Services has completed its UT Southwestern UTS 142.1 Compliance and Monitoring Plan (Monitoring Plan) audit. This audit was part of the FY23 Internal 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
- 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 the Office of Accounting & Fiscal Services and the Academic and Administrative Information Resources (AAIR) Division are carrying out their responsibilities as presented in the UT Southwestern FY22 Monitoring Plan for Compliance with *UTS 142.1*. AFS has established 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 and Academic and Administrative Information Resources teams for the courtesy extended to us and for their cooperation.

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Sincerely,  
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**Audit Team:**

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