

UTSouthwestern
Medical Center™

Office of Institutional Compliance
and Audit Services

Department Financial Reconciliation Audit: Emergency Medicine

Internal Audit Report 26-AS-1108



Executive Summary

The engagement evaluated the effectiveness, consistency, and compliance of departmental financial management practices with UT Southwestern Medical Center’s (UT Southwestern) established financial procedures within the Department of Emergency Medicine (EM). As part of UT Southwestern’s internal control environment, departments are required to conduct ongoing monitoring of financial transactions, ensure the accuracy of financial reporting, maintain appropriate documentation, and uphold compliance with federal, state, and institutional policies and procedures. These requirements encompass key operational areas including budgeting, reconciliation, transaction authorization, payroll verification, sponsored project oversight, and documentation retention. Given that deficiencies in internal controls or late reporting can expose the institution to financial penalties, delayed reimbursements, or reputational risk, this audit aimed to assess whether the department is adhering to prescribed control activities and review procedures as mandated by system policies and procedures.

Engagement Results

The Office of Institutional Compliance & Audit Services (OICAS) conducted an internal audit of the financial reconciliation process within the Department of EM during the period of March 2025 - September 2025. The audit team identified several strengths within the process, including a strong understanding of established processes and procedures, robust documentation retention practices, and reconciliations performed more frequently than procedure-mandated, which contributed positively to operational efficiency and compliance.

However, the overall engagement results suggest opportunities to strengthen controls within the OneCard travel expense reimbursement and financial review processes. These issues may increase the risk of noncompliance with institutional procedures, reduce the effectiveness and timeliness of financial oversight and monitoring, and require corrective action to strengthen internal controls and mitigate risk.

A summary of observations is outlined below:

AREA	OPPORTUNITIES	RISK RATING
<i>Financial Reconciliation Timeliness & Controls</i>	<ul style="list-style-type: none"> Timely Completion of Monthly Reconciliation 	LOW
<i>Travel Expense Approval & Documentation</i>	<ul style="list-style-type: none"> Pre-Approval and Support 	LOW

Further details are outlined in the Detailed Observations section. Less significant issues were communicated to management.

Management Response Summary

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before April 30, 2026.

Appendix A outlines the objectives, scope, methodology, stakeholder list, and audit team for the engagement.

Appendix B outlines the Risk Rating Classifications and Definitions.

The courtesy and cooperation extended by the personnel in the Department of Emergency Medicine are appreciated.

Natalie A. Ramello

Natalie A. Ramello, JD, CIA, CHC, CHPC, CHRC, CHIAP
Vice President, Chief Compliance and Audit Officer
Office of Institutional Compliance & Audit Services
April 13, 2026

DETAILED OBSERVATIONS

1. Financial Reconciliation Timeliness and Controls

Financial reconciliations are a key internal control designed to support the accuracy and reliability of financial information through timely review and resolution of discrepancies. Established procedures define reconciliation frequency, documentation expectations, and completion timelines to promote consistent oversight and effective monitoring of financial activity.

LOW

1.1 Timely Completion of Monthly Reconciliations	Recommendations	Management Action Plan
<p>Internal Audit (IA) noted that three (3) of six (6) (50%) monthly financial reconciliations reviewed lacked documented support demonstrating completion by the required quarterly due dates. As a result, IA relied on management approval signature dates as evidence of completion, which indicated that the reconciliations were approved after the applicable quarterly deadlines. The issue noted relates to the sufficiency of evidence, as reviewer sign-off is the documentation relied upon to support completion of the reconciliation.</p>	<p>Management should reinforce adherence to reconciliation timelines outlined in the Financial Review and Financial Control Procedure and update departmental procedures, as needed, to clearly reflect expectations for timely completion, review, and documentation of monthly reconciliations by applicable quarterly deadlines.</p>	<p>Action Plan Owner: Christopher Wagner</p> <p>Action Plan Executive: Paula Abercrombie</p> <p>Due Date: Complete</p> <p><i>Management will maintain a log to clearly define expectations for timely completion, review, and documentation of monthly reconciliations by applicable quarterly completion dates documented in the institutional Financial Review and Financial Control Procedure.</i></p>

2. Travel Expense Approval & Documentation

The organization's travel and OneCard procedures establish requirements for pre-purchase authorization, approval, and expense supporting documentation. These requirements ensure travel-related expenditures are compliant and supported at the time payment is processed. Key controls include pre-approval forms and the retention of itemized receipts and other supporting documentation.

LOW

2.1 Pre-Approval & Support	Recommendations	Management Action Plan
<p>During testing of OneCard transactions, IA noted that one (1) of 15 (~7%) sampled transactions did not meet multiple requirements by the UT Southwestern Travel Procedure during both the pre-approval stage as well as the back-end review of support and approval of payment.</p> <p>Specifically, the following procedures did not meet requirements:</p> <ul style="list-style-type: none"> Lodging was not formally pre-approved, with \$0 listed on the Intent to Travel (ITT) form and not outlined within the Travel Authorization (TA) form. An itemized hotel receipt was not obtained prior to approval, which limited the department's ability to verify compliance with institutional lodging limits. Required conference documentation was not obtained in accordance with travel procedure, limiting the department's ability to validate the nature and timing of the conference expenditure. Although a generic conference slide was attached, it pertained to an incorrect month and 	<p>Require and consistently enforce formal pre-approval for all travel expenditures (via ITT's and TA's) and the collection and retention of itemized receipts before processing OneCard travel payments, in accordance with the UT Southwestern Travel Procedure.</p> <p>Communicate procedure expectations and provide targeted training to appropriate staff involved in travel review and approval processes to ensure documentation requirements are consistently applied.</p>	<p>Action Plan Owner: Christopher Wagner</p> <p>Action Plan Executive: Paula Abercrombie</p> <p>Due Date: Complete</p> <p><i>Management will reinforce compliance with travel pre-approval and support documentation requirements for all OneCard travel expenditures in accordance with established policies and procedures. This will be supported through targeted training for staff involved in travel submission, review, approval, and reconciliation, emphasizing documentation requirements and pre-approval expectations.</i></p>

<p>did not include the detailed brochure information required by the procedure.</p> <p>Management indicated that an informal approval was provided for lodging to be charged to a different fund (as it was known that the total travel amount with lodging would exceed the current fund allowance limit for the individual). However, a formal ITT was not signed for this exception, and lodging was never excluded from the original travel packet and still processed despite these issues.</p>		
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Appendix A

Objective(s), Scope, and Methodology

The objective of the review was to review the Department of EM's adherence to established financial procedures, ensuring proper controls are in place for verifying payroll transactions, invoice payments, and overall financial accuracy.

The audit scope period included activities of the Department of EM from 3/1/2025 to 9/30/2025. The review included detailed testing of payroll, OneCard, "Other" expenses, and monthly reconciliations.

Our procedures included but were not limited to the following:

- Reviewed the financial policies, procedures, guidelines, and procedures to understand what is required of the department related to the processing and reconciling of financial transactions.
- Identified the prescribed controls that should be in place to ensure the validity and accuracy of department expenditures.
- Validated that a sample of financial transactions adhere to the established financial policies and procedures.
- Validated that a sample of reconciliations was completed and reviewed in accordance with established policies and procedures.

We conducted our engagement in conformance with the Institute of Internal Auditors' Global Internal Audit Standards™. This report was prepared by the audit team, with some use of AI-assisted tools to support grammar and wording; all content, conclusions, and judgments reflect the work and review of the auditors.

Executive Sponsor:

Cameron Slocum, Vice President, Chief Operating Officer, Academic Affairs and Medical Group

Key Stakeholders:

Dr. Deborah Diercks, Professor and Chair, Emergency Medicine

Paula Abercrombie, Department Administrator, Emergency Medicine

Christopher Wagner, Manager, Financial Affairs, Emergency Medicine

Jerrinson Reed, Senior Financial Analyst, Emergency Medicine

Wade Radicioni, Associate Vice President, Academic and Clinical Operations

Angela Brodrick-Donohue, Director, Administrative Development and Support Services

Sharon Leary, Associate Vice President, Accounting & Fiscal Services

Audit Team:

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Appendix B
Risk Classifications & Definitions

Each observation has been assigned a risk rating according to the perceived degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management. The following chart is intended to provide information with respect to the applicable definitions, color-coded depictions, and terms utilized as part of our risk ranking process:

Degree of Risk & Priority of Action	
Priority	An issue identified by Internal Audit that, if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of UT Southwestern or the UT System as a whole.
High	A finding identified by Internal Audit that is considered to have a high probability of adverse effects to UT Southwestern either as a whole or to a significant college / school / unit level. As such, immediate action is required by management to address the noted concern and reduce risks to the organization.
Medium	A finding identified by Internal Audit that is considered to have a medium probability of adverse effects to UT Southwestern either as a whole or to a college / school / unit level. As such, action is needed by management to address the noted concern and reduce the risk to a more desirable level.
Low	A finding identified by Internal Audit that is considered to have minimal probability of adverse effects to UT Southwestern either as a whole or to a college / school / unit level. As such, action should be taken by management to address the noted concern and reduce risks to the organization.

It is important to note that considerable professional judgment is required in determining the overall ratings. Accordingly, others could evaluate the results differently and draw different conclusions. It is also important to note that this report provides management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact on these risks and controls in ways that this report did not and cannot anticipate.