

UT Southwestern

Medical Center

UTS 142.1 Compliance and Monitoring Plan Audit Internal Audit Report 24:15

December 8, 2023

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 (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 Institutional Compliance & Audit Services (OICAS) has completed its UT Southwestern UTS 142.1 Compliance and Monitoring Plan (Monitoring Plan) Audit. This audit was part of the FY24 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 AFS and AAIR are carrying out their responsibilities as presented in the UT Southwestern FY23 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.

Appendix A - Stakeholders

- Holly G. Crawford, MBA, Executive Vice President for Business Affairs
- Kenneth Kellough, Assistant Vice President, Budget & Resource Planning
- Sharon Leary, Assistant Vice President, Accounting and Fiscal Services
- W. P. Andrew Lee, M.D., Executive Vice President for Academic Affairs and Provost, Dean, UT Southwestern Medical School
- 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
- Mark Meyer, Chief Financial Officer, Health System
- Russ Poole, Vice President and Chief Information Officer, Information Resources
- Michael Quaglieri, Director, Accounting Compliance and Assets, 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
- Angela Brodrick-Donohue, Director, Finance, Academic Affairs
- Diana Castillo, Accounting Compliance Analyst II, Accounting