Parkland

Audit Committee Agenda

Committee Members
Chair: Marjorie Petty, JD
Todd Furniss, JD
Elizabeth Palacios, MD

Agenda for the ***Audit Committee*** meeting of the Dallas County Hospital District is scheduled for ***Wednesday, August 10, 2022 at 12:30 PM***, at 5200 Harry Hines Blvd (WISH Building) Dallas, TX 75235, Executive Conference Room 02-175. (If assistance is needed in locating the room, please see the Administration receptionist on the 4th floor, 04-131.) A quorum will be physically present at the location of the meeting. Videoconferencing access is also possible via WebEx. That application is available at https://www.webex.com/downloads.html. Teleconferencing access is possible by calling +1-415-655-0001. Both virtual access forms require inputting (meeting number: 2620 223 4781; meeting password: 1234) to join the meeting. The ***Audit Committee*** reserves the right to exercise discretion and may convene in Executive Session as permitted by Texas Government Code §§551.071 (consultation with attorney), 551.072 (deliberations regarding real estate), 551.074 (personnel matters), 551.076 (deliberations regarding security devices or security audits), 551.078 and/or 551.0785 (deliberations by medical committee or by governmental body that administers a public insurance, health or retirement plan regarding individuals' medical or psychiatric records), 551.085 (deliberation by governing board of certain providers of health care services), 551.087 (deliberation regarding economic development negotiations), 551.088 (deliberation regarding test item); Texas Government Code §418.183 (deliberation of information under §§418.175 – 418.182 for purposes of disaster management or disaster planning); Texas Health & Safety Code §161.032 (medical committee or medical peer review committee records, information or reports; and/or medical committee or medical peer review committee proceedings under Tex. Health & Safety Code Chapter 161 and/or Tex. Occ. Code Chapters 151 and 160); and/or as otherwise authorized by law on any item listed below. The ***Audit Committee*** may consider any of the agenda items in open or executive session and may continue the meeting as necessary to accomplish the business at the time and place designated by the Chair to reconvene.

		PAGE	TIME (MIN)	PRESENTER(S)
I.	**Opening/Call to Order/Declare a Quorum Present/Mission Statement/Opening Remarks** ***Advance Wellness | Relieve Suffering | Develop and Educate*** **I CARE** **I**ntegrity **C**ompassion and Collaboration **A**ccountability **R**espect **E**quity			Chair
II.	**Public Comments Regarding Agenda Items** *See public comment registration information and rules at https://www.parklandhospital.com/board-of-managers*			Chair
III.	**Reports Requiring Deliberation(s) or Approval(s)**			
A.	Open Session Audit Follow-up Summary and Report	*03*	10 mins	Vic Summers
B.	Approve Fiscal Year 2023 Internal Audit Services Budget (Action)	*09*	05 mins	Vic Summers
IV.	**Executive Session** Tex. Gov't Code §§551.074, 551.076, 551.089; Tex. Health & Safety Code §§161.032			

		PAGE	TIME (MIN)	PRESENTER(S)
A.	Executive Session Audit Follow-up Report	*12*	15 mins	Vic Summers
B.	Audit Report Summary	*18*	05 mins	Vic Summers
i.	Information Security Audit, Report No. 22-09	*19*	10 mins	Vic Summers
ii.	Parkland Community Health Plan (PCHP) – Vendor Management Audit, Report No. 22-25	*39*	10 mins	Vic Summers
C.	Consultation with Attorney Regarding:			
i.	Status of litigation, claims, and settlements		15 mins	Carolyn Foster
D.	Independent Briefing with Audit Committee (Verbal)		10 mins	Chair
V.	**Action Items**			
A.	Committee may take action on any agenda item(s) above			Chair
VI.	**Closing Remarks**			Chair
VII.	**Reference Documents**			
A.	Audit Plan Update – Fiscal Year 2022	*47*	05 mins	Vic Summers
B.	Audit Plan Discussion – Fiscal Year 2023 (Verbal)		10 mins	Vic Summers
VIII.	**Executive Session Reference Documents**			
A.	List each item included in the information section			
IX.	**Adjourn**			Chair

Internal Audit Services

Audit Follow-up Report Summary

June 8, 2022 – August 3, 2022

	Overall					Current Period Activity		
Session Type	Number of Audits	Number of Audits Greater than a Year Old	Number of Issues Reported	Number of Issues Addressed to Date	Number of Open Issues	Audits Closed During Period	Number of Issues Addressed	Number of Issues Where Management Accepted the Risk
Open Session	**4**	**3**	**29**	**22**	**7**	**3**	**5**	**0**
Executive Session	**5**	**2**	**27**	**11**	**16**	**0**	**3**	**0**

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Greater than 1 Year – Open Session

OPEN SESSION			
Audit	**Executive Sponsor**	**Total Observations**	**Completed Observations**
19-08 COPC	Richard Humphrey	4	2
19-12 Revenue Cycle	Frederick Cerise	3	2
20-11 Consignment Process	Richard Humphrey	7	4

Greater than 1 Year – Executive Session

EXECUTIVE SESSION			
Audit	**Executive Sponsor**	**Total Observations**	**Completed Observations**
17-23 Networked Medical Devices	Richard Humphrey	3	2
19-07 HIPAA Security	Richard Humphrey	7	6

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Internal Audit Services

Follow-Up Report
OPEN SESSION

Audit	Issue	Action Detail	Status	Action Needed
19-08 COPC	19-08 COPC Charge Capture Accuracy	Action: 19-08 deHaro Charge Capture Accuracy Action Owner: Gerry Baker Executive: Richard Humphrey Action Due Date: 9/30/2022 % Complete: 85	IT EPIC team is currently working on updating the EPIC Tables to match Parkland's new procedure 8224-0-04 "Evaluation and Management Charging: New versus Established Visit".	ACTIONS that need to be completed prior to IAS's next retest include: a. Population Health - needs to revise POP.BOP.002.004 Population Health's "Level of Care Acuity - Technical Evaluation/Management to reference PFS's New Procedure for the Operational Definition of an Established vs New Patient and send Revised Procedure for Publication into Policy Manager; b. IT- needs to update the EPIC Tables to match PFS's Procedure on New vs Established; and c. HIM Quality Review - needs to provide education to the providers on PFS procedure on New vs Established Patient Classification.
	19-08 Compliance with ABN Procedures and Regulatory Requirements	Action: 19-08 ABN Denial Review Process Action Owner: Eboni Joseph-Wilson Executive: Edmundo Castaneda Action Due Date: 10/31/2022 % Complete: 80	The project team has been assigned a new Epic TS within the past 6 months that have no knowledge of ABNs. This has caused a set back in the project. At this time the team is awaiting to hear if the Purchase of the HB CCI edits has been processed as this will eliminate the need for a new custom table to be built for ABNs. Lastly the second part to this project is the fee schedule that has not been updated in over 10 years. Currently the Parkland HB team and the EPIC TS are working to resolve the fee schedule issue. Once this is fixed then the updated and correct prices will trigger through the ABN process.	Population Health needs to discuss and determine roles and responsibilities regarding the National Correct Coding Initiative (NCCI) Local Coverage Determination (LCD) loads from Passport, identify the team that will be responsible for validating and communication this information to the clinics and document this process. Conduct a review and identify the root cause of why some accounts trigger an ABN and a GA modifier but no evidence of a signed ABN can be found in EPIC. The second task is to tackle the pricing table which has not been updated in about 10 years. The work on this has not begun as we have been focused on the tables LCD and LMRP tables.
19-12 Revenue Cycle	19-12 Missing Charges	Action: 19-12 Supply Charges and Drug Administration Charges - Perioperative Services Action Owner: Anil Bapat Executive: Brian Ramirez Action Due Date: 9/30/2022 % Complete: 90	The team is still working through what needs to be done to accomplish the next set of supplies to be loaded into Production. The team is currently discussing: 1. The list of remaining supplies that need to be loaded. 2. Determining if the remaining list can be loaded as one increment or will it need to be broken up into several increments.	The Clinical Bridge Interface team needs to load the remaining OR Clinical Bridge locations and determine the remaining OR supplies that need to be loaded into the Clinical Bridge.

Audit	Issue	Action Detail	Status	Action Needed
20-11 Consignment Process	20-11 Pricing Inconsistencies Were Identified		IAS retested and identified a control gap on how the latest contract price is not being pulled correctly from INFOR into EPIC. On 7/14/2022 the 7 outlier vendor items identified during retesting were added to both the Main OR and Cardiac Cath locations and contract prices are now updated daily during the 6:00 am interface run.	Supply Chain - Needs to develop a system to ensure prices for consignment items are current and updated in INFOR, and to ensure current contract prices are reflected in INFOR.
	20-11 The Recall Process Is Decentralized	Action: 20-11 The Recall Process Is Decentralized Action Owner: Michael Lane Executive: Roberto de la Cruz Action Due Date: 8/31/2022 % Complete: 10	A team representing Quality & Safety Operations, Safety & Clinical Risk Management and Supply Chain are reviewing all procedures that cover Parkland's Recall process. The team will crosswalk them in order to gain a better understanding of Parkland's current Recall process design and organizational reporting.	Quality & Safety Operations, Safety & Clinical Risk Management and Supply Chain need to centralize the recall process and finalize the recall policy.
	20-11 Tracking and Monitoring of Consignment Items Were Lacking	Action: 20-11 Tracking and Monitoring of Consignment Items were Lacking Action Owner: Mary Alexander Executive: Richard Humphrey Action Due Date: 2/28/2023 % Complete: 75	a. Supply Chain met the 6/30/2022 Action Due Date for implementing a process to identify Consignment inventory in the Peri-Op areas. IAS validated the signage in IR, Cath Lab and Perioperative areas on 6/16/2022. A work paper was submitted to IAS management for review and this action has been marked as "Complete". b. Supply Chain is also working with INFOR to determine system capabilities for identification of consignment products and identify plans for implementation. However, this project will not begin until after Parkland has implemented a Perpetual Inventory System.	Supply Chain needs to implement a Perpetual Inventory System and work with INFOR to identify and separate Consignment from Parkland Owned supplies.

Audit	Issue	Action Detail	Status	Action Needed
21-05 Surgical Count Process	21-05 Inconsistent Evidence of Surgical Count Competencies	Action: 21-05 Lack of Evidence of Surgical Count Competency Training for Labor and Delivery Action Owner: Vic Summers Executive: Richard Humphrey Action Due Date: 8/31/2022 % Complete: 90	IAS is currently retesting.	L&D needs to conduct annual training for applicable members of the team and include routine assessment of count competencies.
		21-05 Absence of a documented procedure Surgical Counts are not performed in Interventional Radiology and Cath Lab Action Owner: Donna Hale Executive: Donna Richardson Action Due Date: 8/31/2022 % Complete: 90	Surgical Count procedures have been revised and are being reviewed and approved by various Nursing Committees prior to publication in Policy Manager.	All revised procedures associated with the Surgical Count Process need to be published in Policy Manager.
		Action: 21-05 Quality Assurance Activities Were Not Conducted in All Count Service Areas Action Owner: Vic Summers Executive: Richard Humphrey Action Due Date: 8/31/2022 % Complete: 90	IAS is currently retesting.	a. Perioperative Procedural Educators need to confirm status of surgical count training records for Procedural Departments. b. An annual competency plan will be developed with a remedial training plan for gaps in orientation training. Include Unit based Council representatives.

Parkland

Internal Audit Services

Fiscal Year 2023 Budget

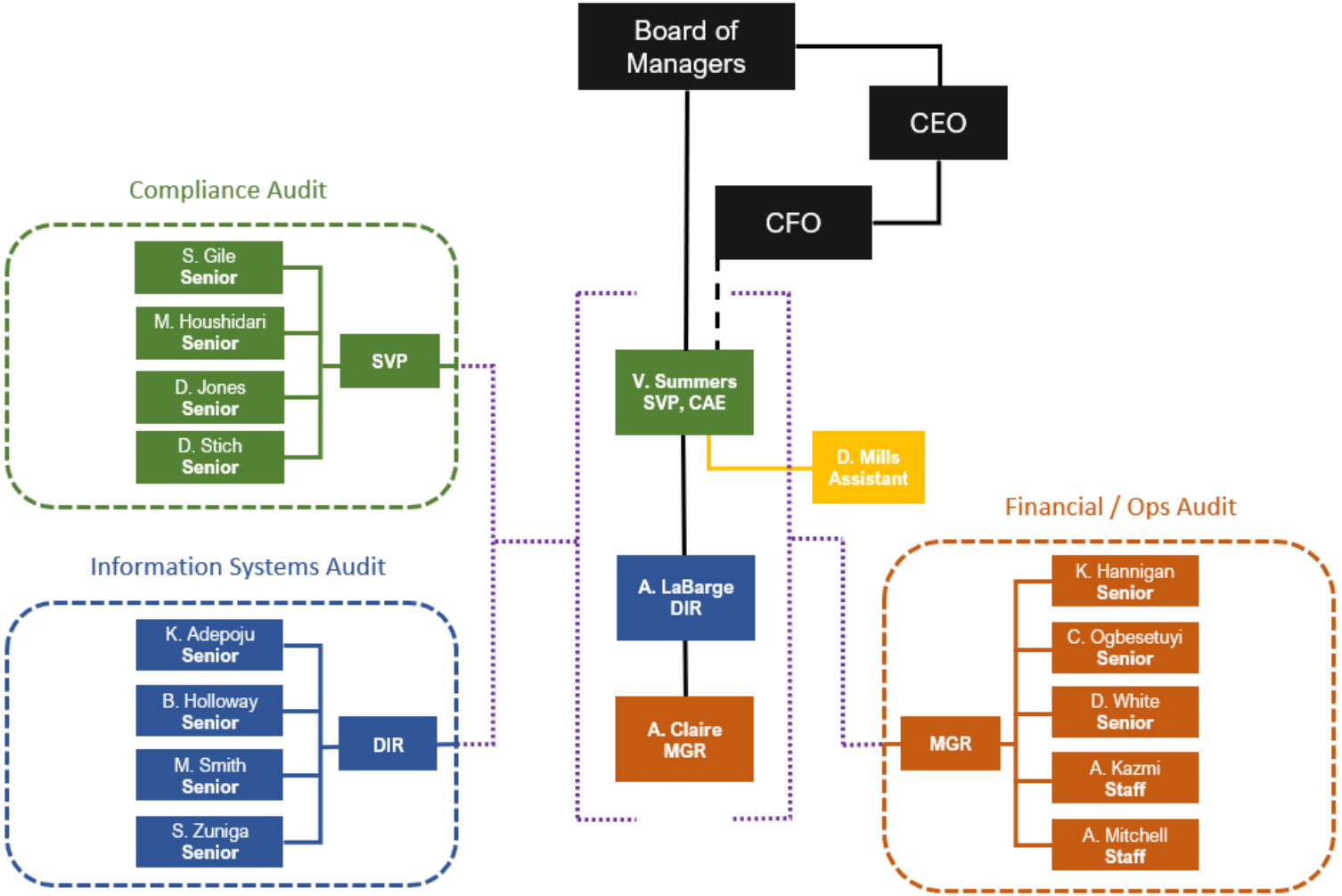
Audit Committee Meeting

August 10, 2022

Presented by: *Vic Summers, Senior Vice President and Chief Audit Executive*

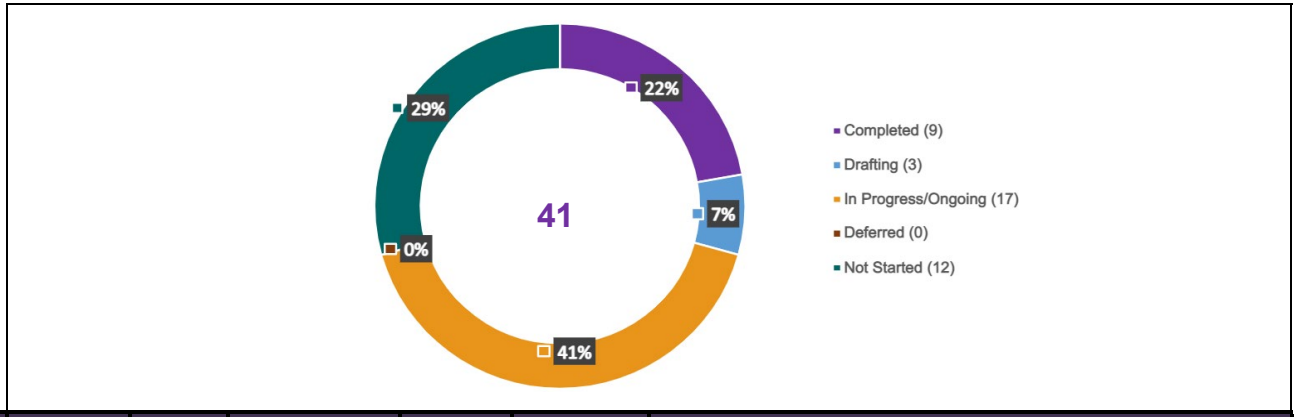
FY 2023 Budget

	FY2022	FY2022	FY2023
	Budget	Projected	Budget
Salaries	$1,787,149	$1,705,088	$1,734,814
Professional Fees	4,826	0	4,800
Supplies	7,051	4,759	5,030
Other Expense	128,600	124,022	133,851
Total Expenses	$1,927,626	$1,833,869	$1,878,495



Internal Audit Services Organizational Chart

Internal Audit Services
Fiscal Year 2022 Audit Plan Update



	Count	Planned	Completed	Drafting	In Progress / Ongoing	Deferred	Not Started	Comments
2021 Carry Forward	**9**							
Physical Inventory		Yes	x					Observe the physical inventory process and conduct sample counts.
Surgical Count Process		Yes	x					Review of sponge count documentation and controls in Epic.
Police Inventory Process		Yes	x					Review of the inventory control environment of the Police Department.
RCA Validation		Yes	x					Validate prior RCA corrective actions have been sustained.
Drug Diversion		Yes	x					Monitoring drug diversion risk in collaboration with Parkland leaders.
Construction		Yes	x					Review of construction invoices to ensure payments are made in accordance with contractual terms.
PCCI		Yes	x					A risk based review of processes and control environment. Will focus on contract compliance.
UT Documentation Review		Yes		x				Review of the documentation for support of the submitted RVU claims and the control environment. This will be a collaborative effort with Corporate Compliance.
UT Payment Validation Database		Yes		x				Review the UT payment process around centralization of the payment process as well as the TPA processed payments.
Audits	**7**							
Employee Health Plan		Yes		x				Validate the accuracy of claim payments
Epilepsy Program CAP Validation		Yes	x					Validate corrective actions and ensure audit requirements are complete.
Procurement/Contracting		Yes			x			Review of construction and IT procurement and contracting.
COVID-19		Yes			x			Review post-PHE activities and preparation.
Price Transparency Compliance		Yes					x	Review for compliance with price transparency requirements.
Talent Acquisition		Yes			x			Review operational compliance with policy and procedures.
Disaster Recovery		Yes					x	Review disaster preparation activites and subsequent recovery.

	Count	Planned	Completed	Drafting	In Progress / Ongoing	Deferred	Not Started	Comments
Affiliates	**3**							
PCHP		Yes			x			Review vendor agreement compliance.
Foundation - Software Post-Implementation		Yes			x			Post-implementation review of software processing and security roles. Deferred due to implementation delay.
PCCI		Yes					x	A risk based review of an IT application's environment.
Annuals	**20**							
Drug Diversion Risk Prevention Monitoring		Yes					x	Monitoring drug diversion risk in collaboration with Parkland leaders.
Annual Audit Plan - Fiscal Year 2023		Yes			x			The creation of the next annual audit plan, which includes an assessment of audit risk and available audit resources.
Enterprise Risk Management (ERM)		Yes			x			The assessment and summarization of organizational risk. This is done in collaboration with other Parkland departments.
IAS Quality Assurance Review - Internal Assessment		Yes					x	Annual internal review as required by the Institute of Internal Auditor Standards.
External Audit (Final FY 2021)		Yes	x					Assistance with external audit testing and following up on the prior year deficiencies.
External Audit (Interim FY 2022)		Yes			x			Assistance with external audit testing and following up on the prior year deficiencies.
Cash Monitoring		Yes					x	Perform cash monitoring activities. Development of a dashboard that identifies potential procedure variances allowing timely validation.
Physical Inventory		Yes					x	Annual sampling of inventory counts to ensure accuracy.
UT Contract Performance Validation - Treatment Team		Yes			x			Validation of treatment team assignments in EPIC.
COPC - Population Health		Yes			x			Review of a community health center for overall policy/procedure adherance including regulatory compliance.
Information Security		Yes			x			Collaborate with Information Technology to identify the scope of the audit.
Revenue Cycle		Yes					x	Review of the professional billing implementation.
Supply Chain		Yes					x	Review an area/function within Supply Chain based on a risk assessment.
Construction		Yes			x			Review of construction invoices to ensure payments are made in accordance with contractual terms.
HIPAA Privacy		Yes					x	Annual review that typically includes areas of high concern by the OCR. Collarboration project with Corporate Compliance.
Sanction Screening		Yes					x	Annual review of Parkland's compliance with the excluded entities lists.
UT Contract		Yes			x			Review of the CVTS agreement and process.
RCA Validation		Yes					x	Validate prior RCA corrective actions have been sustained.
Audit /GRC Management System RFP & Implementation		Yes			x			The procurement and implementation for the replacement of the Audit & GRC application.
Audit Follow-up Monitoring		Yes			x			Review of past audit findings and reporting progress and/or completion.
	39	**39**	**9**	**3**	**15**	**0**	**12**	
			23%	**8%**	**38%**	**0%**	**31%**	

	Count	Planned	Completed	Drafting	In Progress / Ongoing	Deferred	Not Started	Comments
Management/BOM Requests	**2**	Yes						
Management/BOM Requests								Perform reviews as requested by management or the Board. This includes integrity line investigations. Committee approved hours in the audit plan. Specific projects will be communicated upon request
Accounts Payalble Discounts					x			Review to ensure the accounts payable process is taking the appropriate discounts and/or other terms. Review requested by CEO & CFO.
Unclaimed Patient Property/Found Cash					x			Review of the process for handling found cash and unclailmed patient property.belongings. Review initiated by CAE.
	41		**9**	**3**	**17**	**0**	**12**	
			22%	**7%**	**41%**	**0%**	**29%**	