Parkland

Audit Committee Agenda

Committee Members
Chair: Todd Furniss, JD
Reina Gonzalez, JD
Ramon Miguez, PE
Elizabeth Palacios, MD
Yasmin Simon, JD

Agenda for the ***Audit Committee*** meeting of the Dallas County Hospital District ("DCHD") is scheduled for ***Wednesday, October 8, 2025 at 10:00 AM***, 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: 2311 757 7786; 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 This agenda has been developed by the Chief Governance Officer in consultation with the Board Chair, CEO, and reviewed and affirmed by Counsel.			Chair
II. Public Comments Regarding Agenda Items *See public comment registration information and rules at https://www.parklandhospital.com/board-of-managers*			Chair
III. Report on the Audit Committee Packet Key Takeaways for the Month of October	*6*	05 mins	Amy LaBarge

	PAGE	TIME (MIN)	PRESENTER(S)
IV. Reports Requiring Deliberation(s) and Possible Action			
A. Fiscal Year 2026 Annual Audit Plan Final *Presentation of the final FY2026 audit plan for approval by the Parkland Board of Managers*	*8*	15 mins	Amy LaBarge
B. Open Session Summary to discuss the following topics:	*21*	10 mins	Amy LaBarge
i. Overview of progress on Parkland's 2025 Audit Plan *The 2025 Audit Plan was adopted for Parkland by the Board of Managers in 2024.*			
ii. Cash Monitoring Audit *Review of the cash handling process at Parkland to help ensure cash is safeguarded.*			
iii. Follow-Up Report Status – Open Session *Update on corrective action plans for audits presented in prior open session Audit Committee meetings.*			
V. Executive Session *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007; Tex. Gov't Code §§551.071.			
A. Executive Session Summary to discuss following topics: *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007	*26*	10 mins	Amy LaBarge
i. University of Texas Southwestern Contract Master Services Agreement (MSA) Urology Documentation Review *Review to ensure that billing provider documentation and claims submitted for professional fees met the claims submission requirements of the Medical Services Agreement (MSA) and the Centers for Medicare & Medicaid Services (CMS).*			
ii. Follow-up Report Status – Executive Session *Update on corrective action plans for audits presented in prior executive session Audit Committee meetings.*			
B. Discussion regarding report and/or information provided by the Chief Audit Executive and related items on this agenda. *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007.		05 mins	Chair
C. Consultation with Attorney Tex. Gov't Code § 551.071.		15 mins	Steven Roth
i. Review of Open Litigation, Claims, and Settlements (See Attached List)	*29*		

		PAGE	TIME (MIN)	PRESENTER(S)
VI.	**Action Items**			
	A. Committee may take action on any agenda item(s) above			Chair
	B. Deliberation and Possible Action on Fiscal Year 2026 Annual Audit Plan			
VII.	**Closing Remarks**			Chair
VIII.	**Possible Deliberation Regarding Documents Received by the Committee**			
	A. Cash Monitoring Audit, Report No. 25-15	*32*		
	B. Open Session Audit Follow-up Reports	*38*		
IX.	**Possible Deliberation Regarding Executive Session Documents Received by the Committee**			
	A. University of Texas Southwestern Contract Master Services Agreement (MSA) Urology Documentation Review, Report No. 25-10 *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007	*41*		
	B. Executive Session Audit Follow-up Reports *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007.	*46*		
X.	**Adjourn**			Chair

Active Litigation Matters, October 2025

Construction Cleaning, Inc. v. Dallas County Hospital District
Cause No. CC-24-02035-C, In the County Court at Law No. 4, Dallas County, Texas

Dallas County Hospital District v. Morgan McAnelly, et.al.
Cause No. DC-22-02879, In the 44th District Court, Dallas County, Texas.
On appeal to the 5th Court of Appeals, Dallas, Texas, Cause No. 05-23-01295-CV

Dallas County Hospital District v. Goldwire, et. al.
Cause No. DC-23-01996, In the 68th District Court, Dallas County, Texas

Dallas County Hospital District v. Haley Burr, et. al.
Cause No. DC-23-20781, In the 101st District Court, Dallas County, Texas

Dallas County Hospital District v. Shiftwise, Inc., et. al.
Cause No. DC-25-10545, In the 68th Civil District Court, Dallas County, Texas

Paul Aaron French a.k.a. Michael Vega v. Dallas County, et al.
Cause No. 3:22-CV-02702-E, In the US District Court, Northern District of Texas, Dallas Division

Hyde, Jason J. v. Dallas County, et al.
Cause No. DC-24-18636, In the 134th District Court, Dallas County, Texas

Lewis, Shamond v. Dallas County, et al.
Cause No. 3:23-CV-00381-D, In the US District Court, Northern District of Texas, Dallas Division

Oludele Oladoja v. Dr. Zia Rehman
Cause No. 3:24-CV-02709-K-BN, In the US District Court, Northern District of Texas, Dallas Division

US ex rel Chase v. UT Southwestern Medical Center, Parkland Health & Hospital System, et. al.
Cause No. 5:23-cv-00381-JKP, In the US District Court, Western District of Texas, San Antonio Division

Dallas County Hospital District v. BARA, a Joint Venture
Cause No. DC-24-01577, In the 192nd District Court, Dallas County, Texas

Alejandrino Lopez v. Dallas County Hospital District d/b/a Parkland Health System d/b/a Parkland Memorial Hospital
Cause No. 4:25-CV-568, In the US District Court, Eastern District of Texas, Sherman Division

Angelica Reyna v. Parkland Health & Hospital System
Cause No. CC-24-08766-C, In the County Court at Law No. 3, Dallas County, Texas

Brandon Norwood v. Dallas County Hospital District
Cause No. 3:23-CV-01490-S, In the US District Court, Northern District of Texas

Alvah Johnson, Michael Pierce and Theodore Bramble v. Dallas County Hospital District
Cause No. 3:23-CV-01574-N, In the US District Court, Northern District of Texas

Edrise Newton v. Dallas County Hospital District d/b/a Parkland Health & Hospital System
Cause No. 3:24-CV-3008, In the US District Court, Northern District of Texas, Dallas Division

Mitzi Errett v. Parkland Health and Hospital System
Cause No. CC-22-05572-A, In the County Court at Law No. 1, Dallas County, Texas

Kiana Johnson v. Dallas County Hospital District
Cause No. CC-24-01307-B, In the County Court at Law No. 2, Dallas County, Texas

Giovonni Shelton v. Parkland Health
Cause No. 3:24-CV-2190, In the US District Court, Northern District of Texas, Dallas Division

Christopher Jordan Horn v. Kristi Tillery
Cause No. JPC-25-01010-22, In the Justice Court Precinct 2, Place 2 Dallas County, Texas

Leticia Moreno, Individually and as Representative of the Estate of Juan Valenzuela, Deceased, and as Next Friend of D.V.M., vs. Dallas County Hospital District d/b/a Parkland Health and The University of Texas Southwestern Medical Center
Cause No. DC-24-21234, In the 116th District Court, Dallas County, Texas

Michael Mayes v. Bright Healthcare Insurance Company, et al.
Cause No. DC-25-10418, In the 162nd District Court, Dallas County, Texas

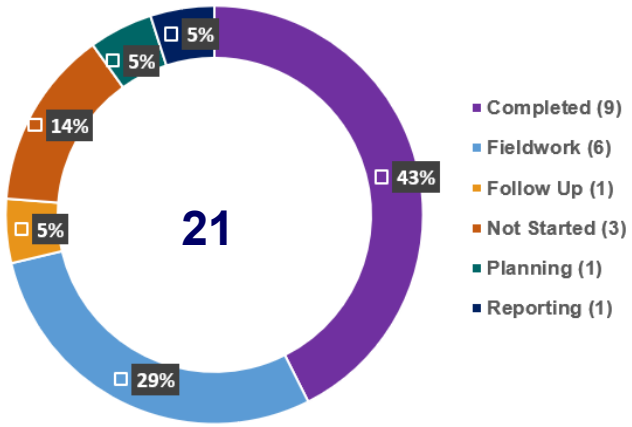
Teondra L. Sparks v. DCHD d/b/a Parkland Health
Cause No. DC-25-03767, In the 160th District Court, Dallas County, Texas

CURRENT AS OF: 9/30/25
PRINTED: 9/30/25

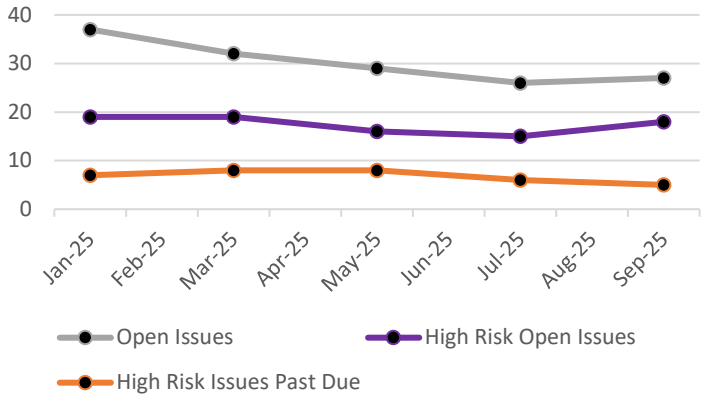
III. Open Session

October 2025 – Key Takeaways at-a-Glance*

Audit Plan Progress



Follow Up Issues



FY25 Audit Plan Status

No changes or updates are requested currently. See slide for audit plan progress. **(Page 22)**

FY26 Audit Plan

FY26 Audit Plan – presentation and approval of proposed FY26 audit plan. **(Page 8)**

Issues Identified*

Cash Monitoring (Summary, Page 23; Full Report, Page 32):
- No material differences noted
- Cash cameras were not replaced during replenishment
- Inconsistent adherence to established cash control procedures

UTSW Contract MSA Documentation Review Update (Summary, Page 27; Full Report, Page 41):
- Executive Session content

Follow-up

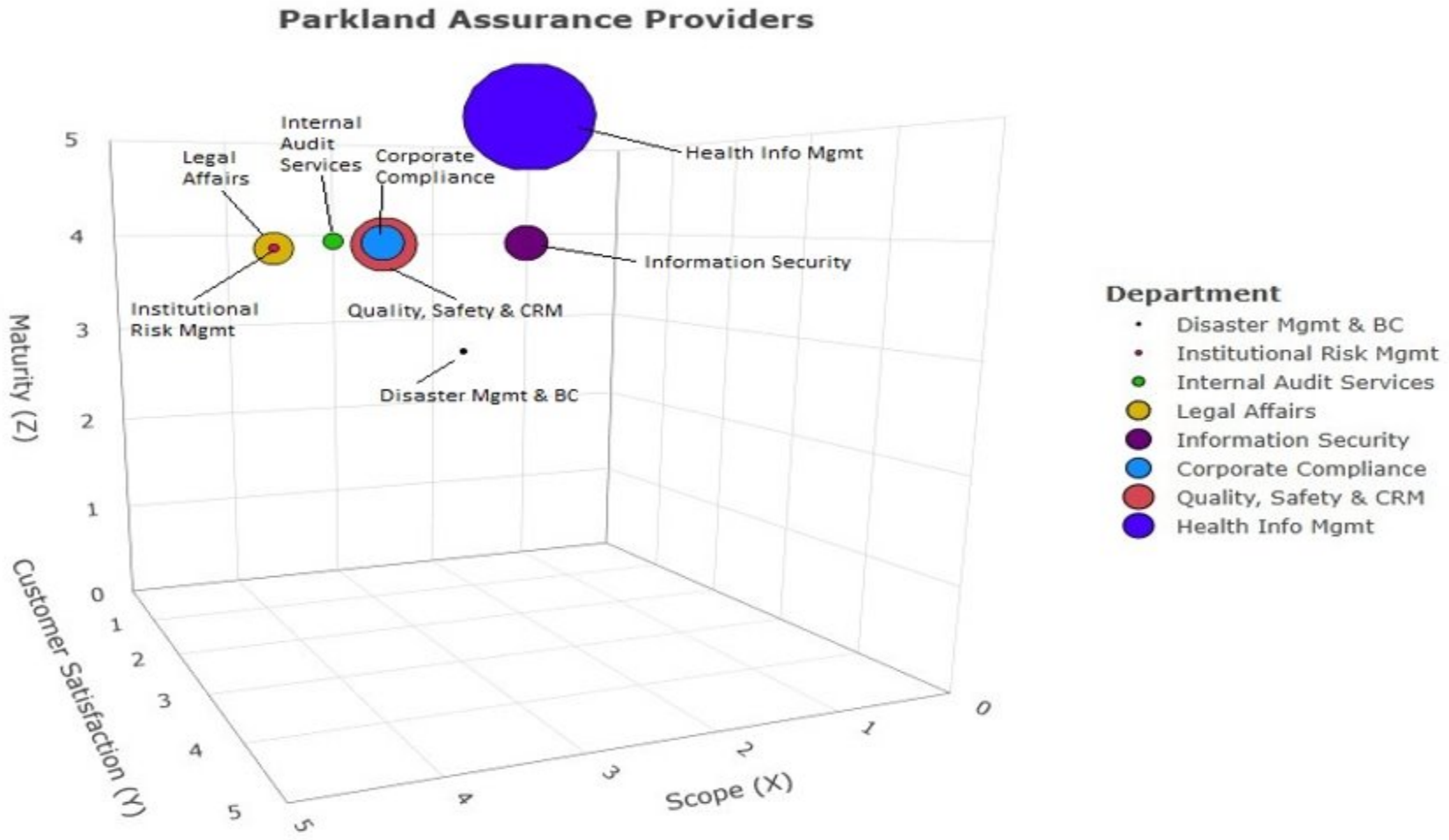
Closed 4 issues. This completed the follow-up for 1 audit. Requests were submitted to modify the due dates for 4 issues. **(Pages 38-39 and 46-47)**

Next Meeting

- External Audit Reports
- Annual Report comparing planned to actual audits, summarized audit results, financials, and notable trends.
- Audit Strategy summarizing goals for the department, alignment with organizational initiatives, and department organization structure/resource utilization.

* Excludes items to be discussed in Executive Session

Aligned Assurance Graphic – October 2025



To see the graphic in 3D and use its full functionality: ParklandAssuranceProviders_3D_Shared.pbix

Internal Audit
Fiscal Year 2026 Audit Plan
Approval by the Board of Managers

Amy LaBarge, MBA, CPA, CIA
Senior Vice President and Chief Audit Executive

Audit Committee - October 8, 2025

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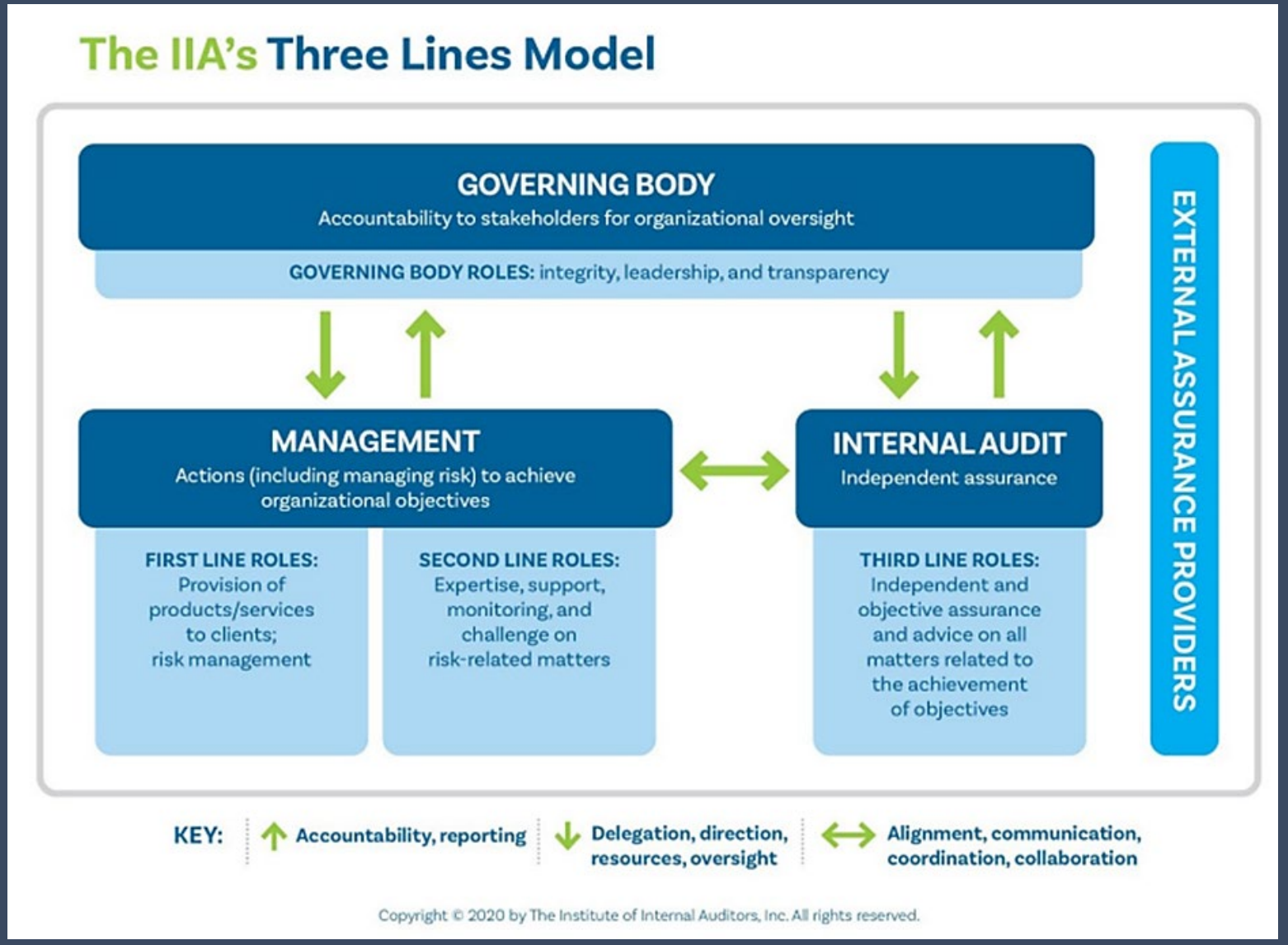
The Institute of Internal Auditors



FY2026 Draft Audit Plan INPUT

- Enterprise Risk Management (ERM)
  - Prior year completed Entity Risk Assessment
  - Current year Risk Assessment (in-progress)
- Discussions with Executive Management
  - Individual discussions with Senior Leaders
  - Requested input and discussions with Chiefs
- Experience from prior audits
- Research upcoming changes in regulations
- HHS, OIG, DOJ (etc.) hot topics
- Topics from professional forums and consultant resources

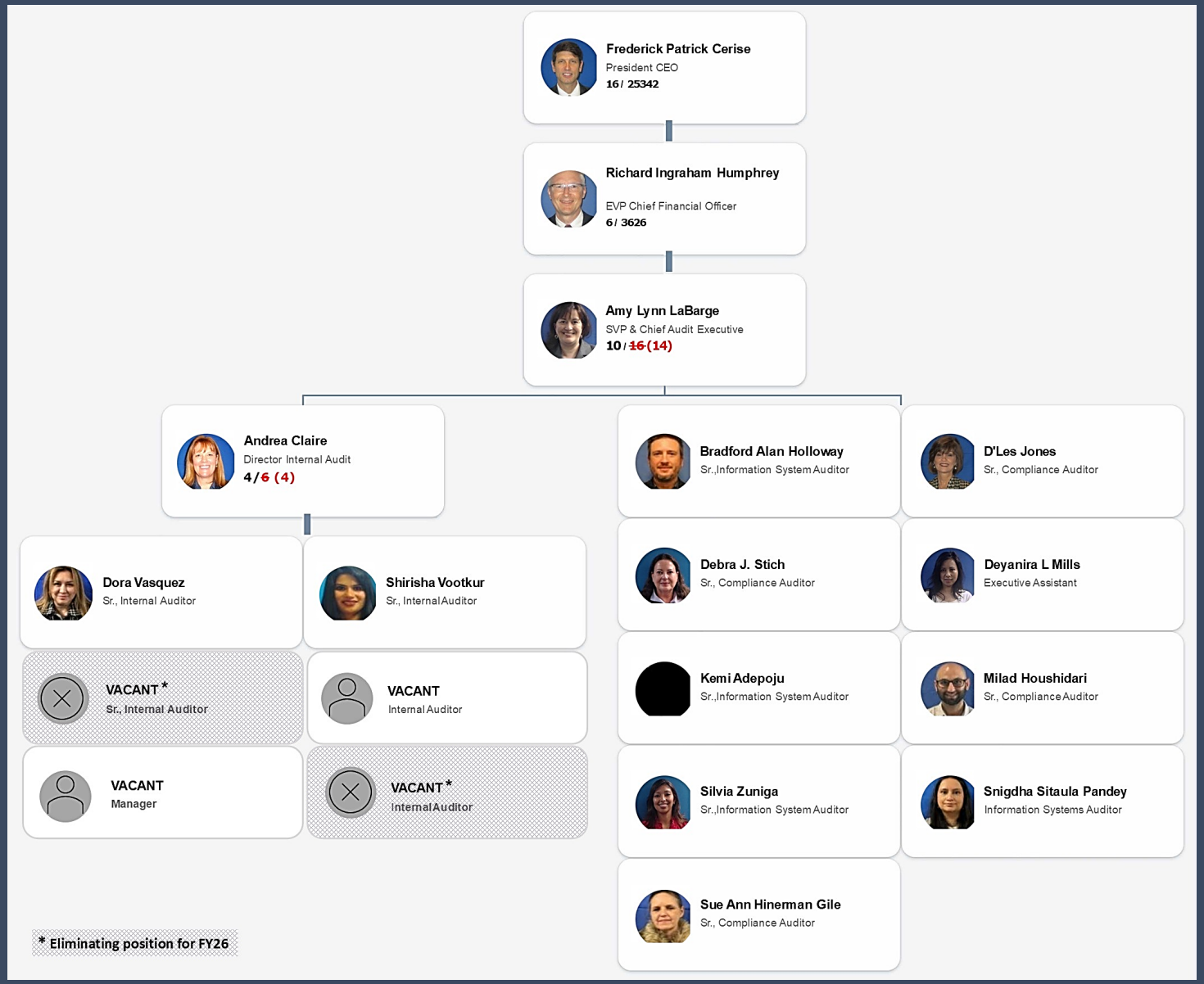
- **INPUT FROM THE BOARD**

FY2026 Audit Plan ALIGNMENT

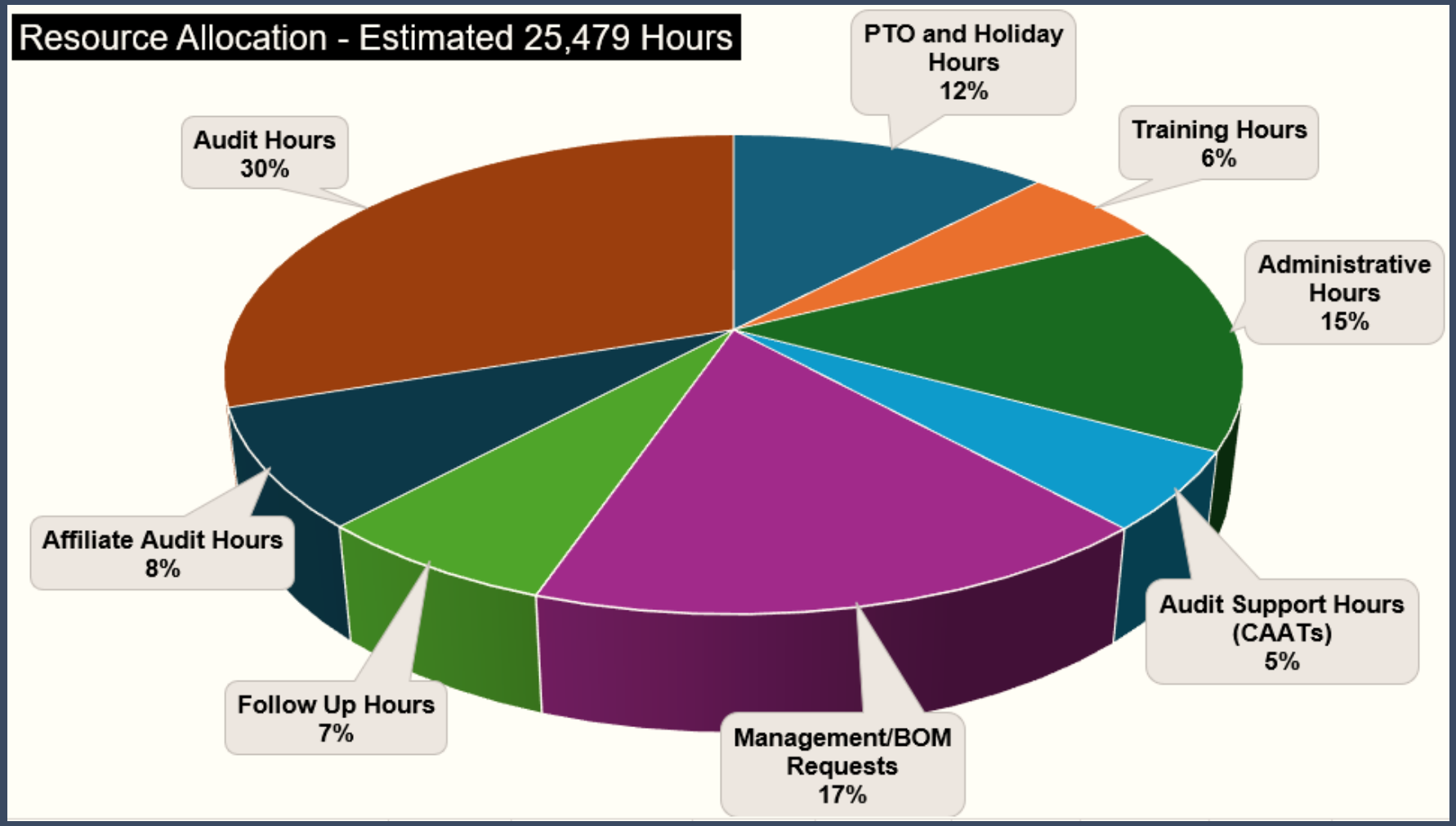
Discussions are held with the following areas to ensure there is no overlap or duplicative reviews:

- Compliance
- Legal
- Information Security
- HIM
- Quality

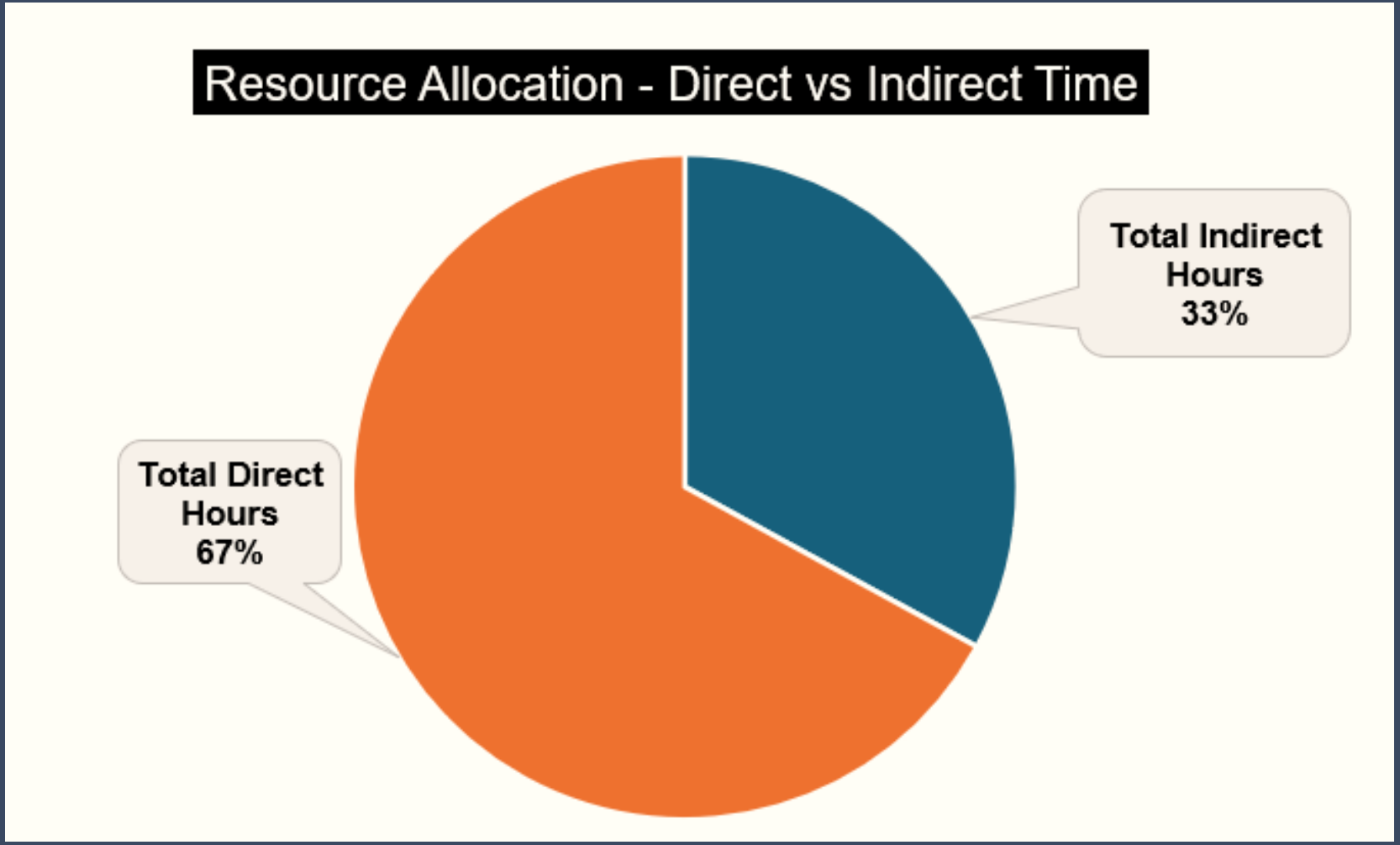
Audit Organization Chart



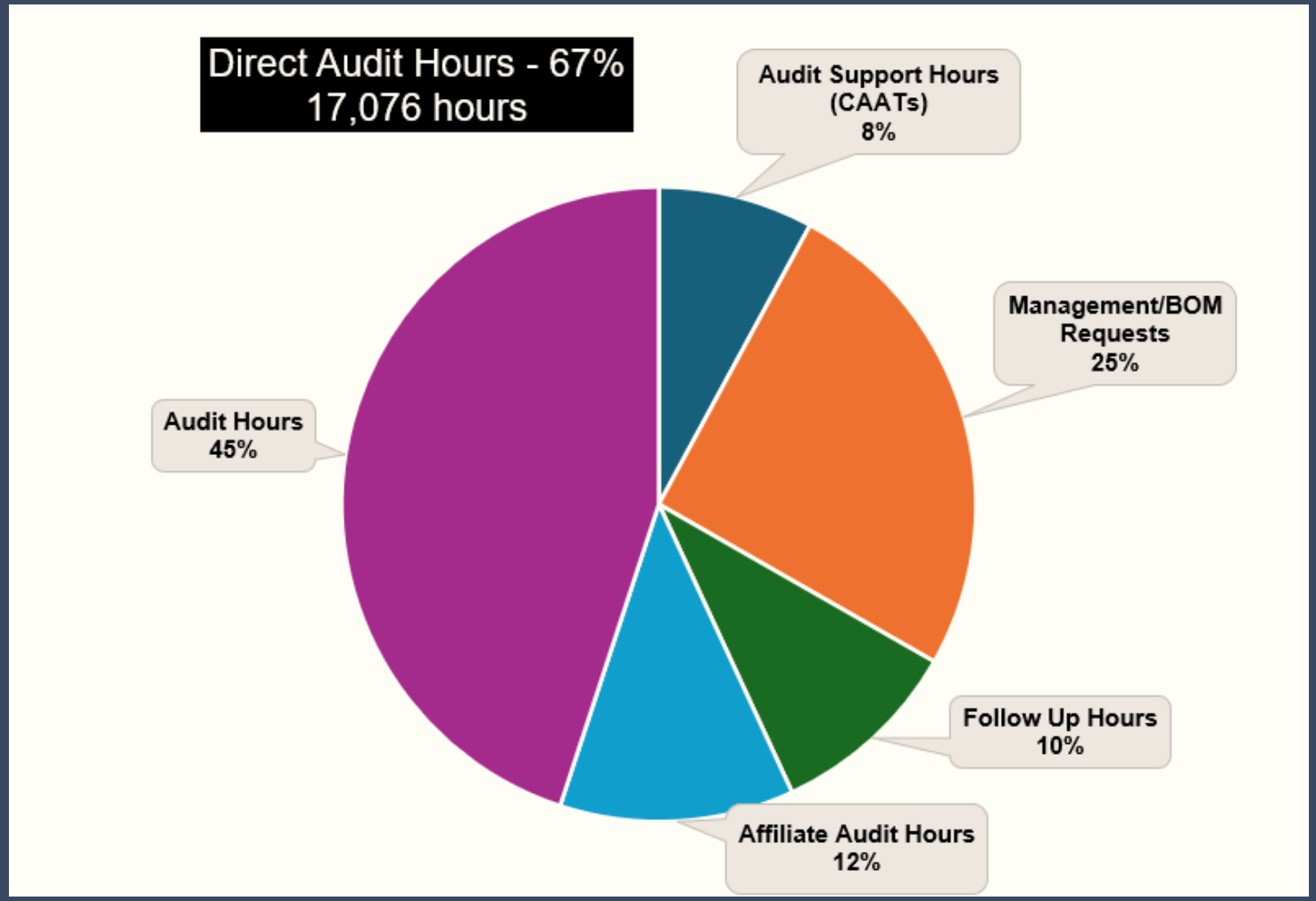
FY2026 Internal Audit Resource Allocation



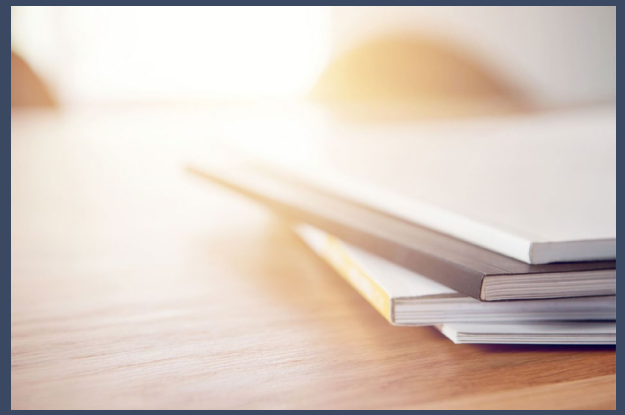
FY2026 Internal Audit Resource Allocation



FY2026 Internal Audit Resource Allocation



FY2026 Audit Plan Considerations



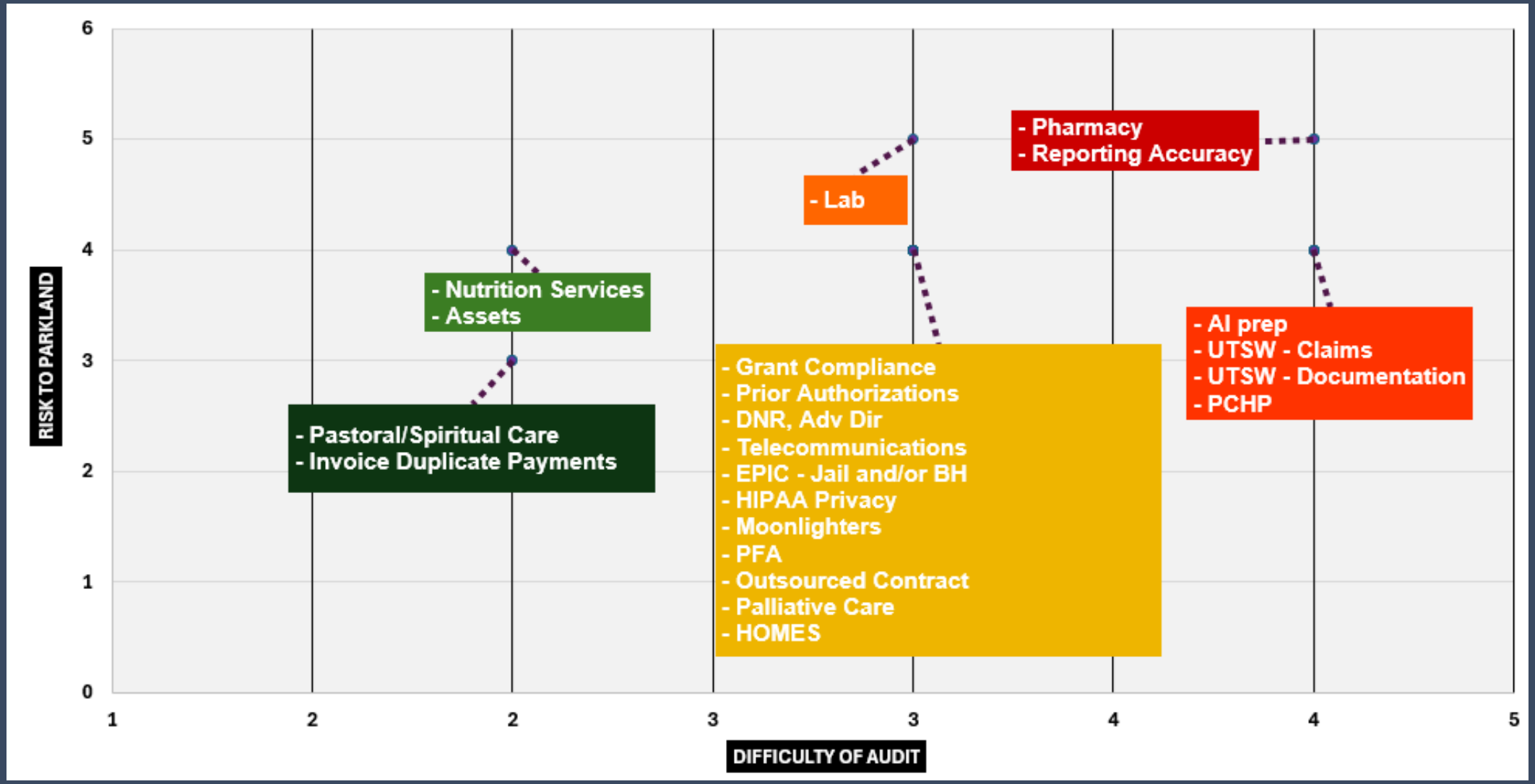
FY2025 Carry Forward

- Burn Camp
- Professional Fee Billing
- Cash Monitoring

Potential 2026 Audits

- Parkland Community Health Plan (PCHP)
  - 3-4 audits to be determined in collaboration with PCHP staff
- Pharmacy
- UTSW – Forvis Documentation Follow-Up
- UTSW – Claims Review Process
- Nutrition Services – Inventory control
- Prior Authorizations
- Artificial Intelligence Preparedness - Governance and Use
- Telecommunications
- Slicer/Dicer/Cogito - Reporting Accuracy
- EPIC – Jail, Behavioral Health, or MyChart Access
- HIPAA – BAA, Data Exfiltration
- Information Security – Cybersecurity
- Spiritual Care - Body release, Advance care documents
- Outsourced Contract - IT, EVS, other
- Patient Financial Assistance
- Palliative Care
- HCM Workday (Flexible)
- Cash Cameras
- Assets
- Invoice Duplicate Payments
- External Audit
- Physical Inventory
- Follow-Up
- ERM
- Audit Planning
- Lab
- Grant Compliance
- Moonlighters

Audit Prioritization Quadrant Map



FY2026 Proposed Audit Plan

Audit Name	Source	Scope	Planned Hours	DIFFICULTY	RISK
Pharmacy: ePrescribe, RX, Drug Diversion	Professional	Trend transmission by provider/pharmacy/time-of-day; Evaluate the operational effectiveness of automated and manual controls within the e-Prescribing and controlled substance dispensing workflow; and Confirm compliance with DEA's EPCS (Electronic Prescriptions for Controlled Substances) regulations	600	4	5
Slicer/Dicer/Cogito/Reporting Accuracy	RA	Review Data Governance; Accuracy of data and reports; Examine the controls used to validate and approve dashboard reports and global templates; Review policies for data stewardship, validation, and lifecycle management; and Review Security, Privacy and PHI controls	800	4	5
Lab	RA	Review Billing, Specimen handling, Testing procedures, Results reporting to ensure the accuracy, reliability, and timeliness; Quality assurance processes; Compliance with hospital policies and regulatory requirements	600	3	5
AI prep	HHS	Review AI Governance controls; and Evaluate the end-to-end AI deployment lifecycle, including data sourcing, pre-deployment validation and approvals, data integrity, ethical controls, and compliance with regulatory standards	400	4	4
UTSW - Claims	AC	Review control process ensuring accurate claims payments	400	4	4
UTSW - Documentation	AC	Follow-up on prior Forvis review regarding documentation of DG submissions	400	4	4
PCHP	IA/PCHP	4 audits as planned by PCHP	2000	4	4
Grant Compliance	RA	Verifying compliance to conditions of the grants and applicable regulatory regulations; Accurate reporting; Allowable use of funds; and Resource management	400	3	4
Prior Authorizations	DOJ, OIG	Denial Rates and Patterns; Barriers to Access; Financial Incentives; Oversight policies for subcontractors or third-party reviewers; and Evaluate the use of AI in prior authorization, if applicable.	0	3	4
DNR, Adv Dir	RA	Review compliance with hospital policies and regulatory requirements; Documentation and Recordkeeping; Patient Communication and Consent; and Legal and Ethical Oversight	400	3	4
Telecommunications	Time	Review for cybersecurity; compliance with HIPAA, PCI, and applicable regulations; service level agreements and contract compliance; invoicing and payments	600	3	4
EPIC – Jail, MyChart, and/or BH	RA	Evaluate controls over clinical documentation, access control, regulatory compliance, staff and patient safety, and care coordination	600	3	4
HIPAA Privacy	RA	Review BAA's or data exfiltration; Extracts; Email attachments: POI's; Audio/Video Recordings; Unauthorized accesses; and Validate that Parkland Health operates in compliance with the HIPAA Privacy Rule and Parkland policies and procedures.	600	3	4
Moonlighters	IA	Ensure billing is accurate and compliant with regulatory requirements and hospital policies; Medical documentation is complete and properly signed off; and Time worked is accurately captured and is compliance with ACGME duty hour limits.	400	3	4

FY2026 Proposed Audit Plan, Cont'd.

Audit Name	Source	Scope	Planned Hours	DIFFICULTY	RISK
PFA	RA	Data analysis: Review approvals by employee; Charity care write-offs and reconciliation; and Ensuring adherence to applicable hospital policies and regulatory regulations	400	3	4
Outsourced Contract	IA	Review SOW/SLA and payments for contracts such as IT, Environmental Services etc.	500	3	4
Palliative Care	RA	Review the effectiveness of palliative care processes; Review to determine whether current palliative care services adequately support timely transition to hospice care where clinically appropriate; Billing; Completeness of Documentation; and Compliance with hospital quality and ethical standards and regulatory requirements	0	3	4
HOMES	RA	Review the effectiveness and compliance of service delivery; Reporting and documentation; Eligibility and funding requirements; and compliance with hospital policies and regulatory requirements	0	3	4
Nutrition Services	RA	Review invoice to contract; Inventory; and Evaluate the nutritional care process from screening to diet implementation/meals delivered to ensure it meets clinical standards, patient safety and regulatory requirements.	500	2	4
Assets	IA	Asset tagging, Custody and accountability	400	2	4
Pastoral/Spiritual Care	RA	Review organizational reporting; Operational efficiency; Scope and delivery of care; Documentation; Patient experience and outcomes	400	2	3
Invoice Duplicate Payments	IA	Evaluate the effectiveness of controls to prevent, detect, and respond to duplicate invoice payments; Assess system configurations and approval workflows; and review compliance with accounts payable policies and procedures.	200	2	3
Physical Inventory	IA	Validate year-end inventory counts and evaluate inventory adjustments	200	2	2
Follow-Up	IA	Follow-up on the implementation of action plans addressing prior audit issues.	1600	4	4
External Audit Assistance	IA	Perform testwork as assigned by the external audit vendor	600	4	2
Management Requests	IA	Reserved 25% for management and Board requests (HCM Workday)	4300	3	4
		Total Planned Hours	**17300**		
DIFFICULTY and RISK Scale = 1 to 5. With 1 = Lowest and 5 = Highest					

Recommendations & Next Steps

- Board Input/Approval Needed for FY2026 Audit Plan
- Prioritize High Risk / High Difficulty audits (Pharmacy, Reporting Accuracy, UTSW areas, PCHP).
- Leverage High Risk / Low Difficulty audits (e.g., Lab, HIPAA Privacy, Grant Compliance) for quick wins.
- Defer or monitor Low Risk / Low Difficulty audits (e.g., Pastoral/Spiritual Care, Duplicate Payments).
- Use data analytics and technology to reduce audit burden in repetitive, low-difficulty areas.
- Revise the Audit Plan as needed throughout the year based on alignment with organizational priorities, resources, and management requests.

INTERNAL AUDIT

OPEN SESSION SUMMARY

AUDIT COMMITTEE

OCTOBER 8, 2025

Presented by: Amy LaBarge, Senior Vice President and Chief Audit Executive

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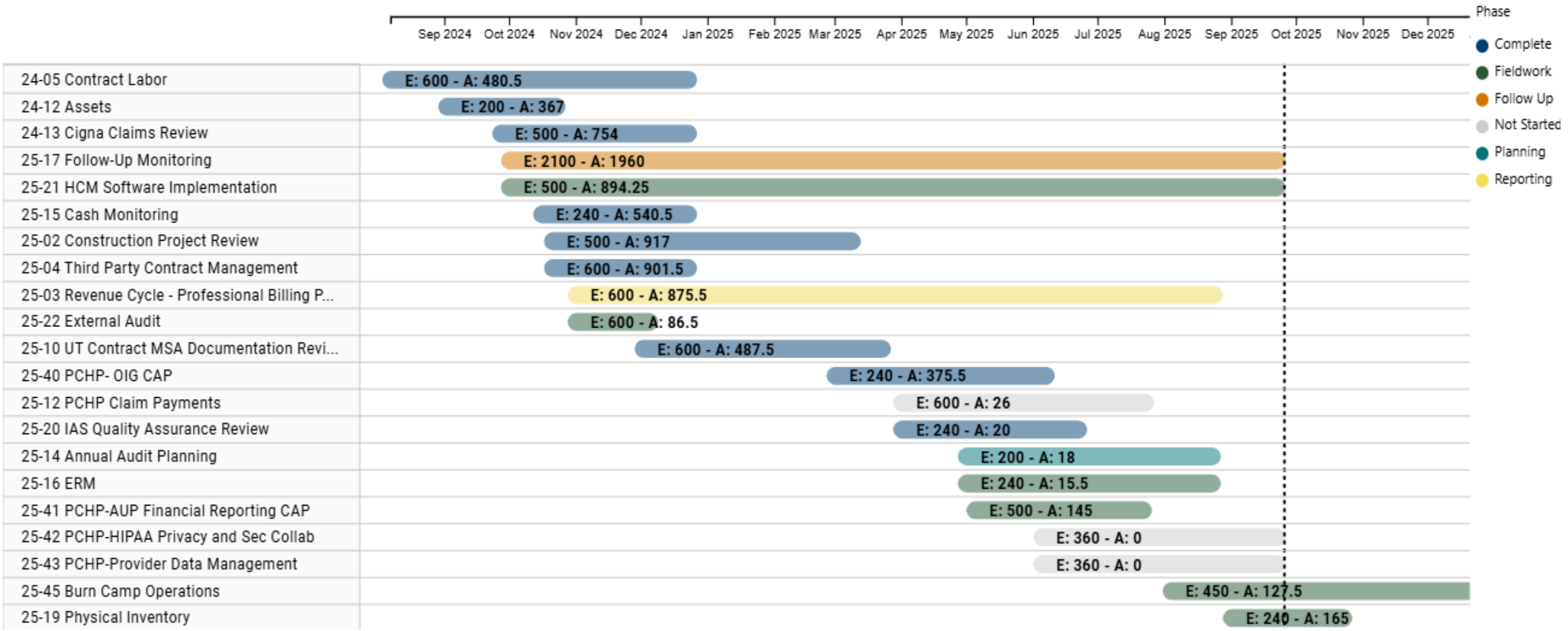
FY 2025 Audit Plan Progress - October



Cash Monitoring Audit, Report No. 25-15

Overall, opportunities for improvement exist to ensure the safeguarding of cash and to consistently practice compliance with cash handling policies. Community Oriented Primary Care (COPC) cash handling locations/stations were not equipped with camera monitoring technology. During the cash counts, no unexplainable material differences were noted.

Reason for Audit

The objective of the review was to ensure cash receipts are properly accounted for, cash handling policy and procedures are followed, and to assess whether the control environment is sufficient to help ensure cash is safeguarded.

Results

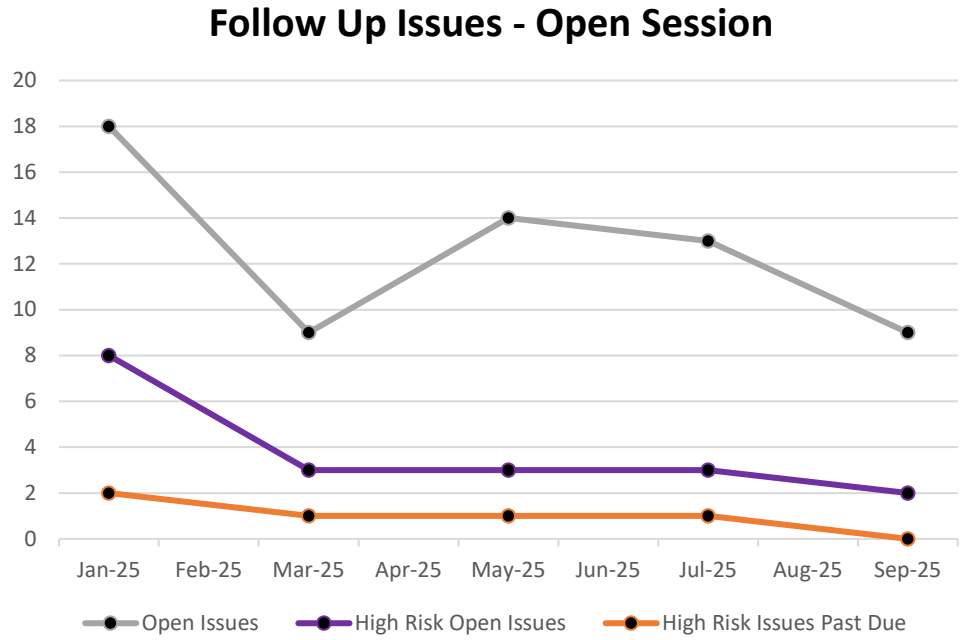
- Cameras were not located at COPC cash collection locations.
- Cash handling policies were not always followed.

Recommendation/Action Plan

- An analysis should be conducted of the camera inventory at respective cash handling locations. This should include a thorough review to ensure all locations are equipped with adequate monitoring/surveillance/views of cash handling activities.
- Cash Handling policies should be reviewed, and refresher training on policies and procedures should be conducted at all relevant levels. Consider administering frequent managerial self-audits.

Follow-Up Report Status – Open Session

- **One Audit and four issues were closed during the period. One action due date change request was received.**
  - 24-13 Cigna Claims Review (Closed)
    - Medical claim payments are not always settled in accordance with Parkland's Benefit Plan
  - 20-11 Consignment
    - The Recall Process
  - 25-04 Third Party Contract Management
    - Unclear Contract Terms
    - Duplicate Invoice Payments



- **See Closure and full Follow-up Report in section VIII.**

V. Executive Session

Tex. Health & Safety Code §§161.032 & 161.0315 and Tex. Occ. Code §160.007; Tex. Gov't Code §§551.071.

Parkland

VIII. Possible Deliberation Regarding Documents Received by the Committee

Prepared By
Amy LaBarge

Prepared For
Audit Committee Meeting
October 2025

Audit Title	25-15 Cash Monitoring
Performance Rating - Importance Rating	Medium – High
Audit Group	Internal Audit
Audit Start Date	04/01/2025
Audit End Date	10/08/2025
Auditors	Dora Vasquez, Senior Internal Auditor
Audit Type	Annual Audit Plan

Distribution List

Frederick Cerise, MD	President and Chief Executive Officer
Edmundo Castañeda, FACHE	Executive Vice President and Chief Operating Officer
Richard Humphrey	Executive Vice President and Chief Financial Officer
Enrique Gallegos	Senior Vice President of Operations & Associate COO
Gerry Baker	Senior Vice President, Revenue Cycle
Francesco Mainetti	Senior Vice President, Ambulatory Clinic Operations
Carrie Berge	Vice President, Pharmacy Services
James Perez	Vice President of Clinic Operations – COPC Administration
Marlin Suell	Chief of Police

Table of Contents

Background 3
Audit Purpose/Rationale 3
Performance Risk Rating 4
Importance Risk Rating 4
Risk Rating Legend 4
Audit Conclusion 4
Issues/Findings 5
Management Response 5

Background

The cash handling process is an essential component of the collection of hospital funds. Due to its liquidity and transferability, cash is an asset that can be easily mismanaged or misappropriated without sufficient controls. To mitigate risks to an acceptable level, an effective internal control environment is needed. Parkland Health accepts payments at more than 50 locations throughout the hospital campus, clinics, and satellite locations within Dallas County. Cash, check, and credit card payments are accepted at most locations.

The Parkland Health Patient Financial Services Cash Handling policy provides the guidance necessary to ensure that cash handling activities operate under managed/controlled environments. For pharmacy operations, a Pharmacy Cash Handling Operations policy exists with Pharmacy-specific procedures. Both policies help ensure internal controls are in place to protect and maintain the integrity of cash handling. Cash handling locations utilize smart safes for cash deposits and a separate safe for starting till cash.

Audit Purpose/Rationale

The objective of the review was to ensure cash receipts are properly accounted for, cash handling policy and procedures are followed, and to assess whether the control environment is sufficient to help ensure cash is safeguarded. The focus of the audit was to:

- Validate cash drawer amounts agreed to the POS (Point of Sale) application reports at the time of the cash counts.
- Determine whether cash handling policies/procedures are followed.
- Observe day-to-day cashier activity to ensure appropriate practices are followed.
- Assess the current control environment to determine if it is adequate to help prevent and detect misappropriation of cash/theft.

Internal Audit (IA) performed unannounced cash audits and/or camera monitoring reviews during 2025 (April through August) at the following cash handling service areas:

Patient Financial Services (PFS)
- New Parkland Health Hospital Cashiers' Office (Cashiers' Office)

Police Department
- Ambulatory Surgery Center Parking Lot
- Tower Garage West
- Maple (Moody) Garage

Population Health Operations, Community Oriented Primary Care Clinics (COPCs)
- Hatcher Station Health Center - COPC
- Bluitt-Flowers Health Center - COPC
- Garland Health Center - COPC
- E. Carlyle Smith Jr. Health Center – COPC

Ambulatory Pharmacies
- Hatcher Station Health Center - Pharmacy
- Bluitt-Flowers Health Center - Pharmacy
- Garland Health Center - Pharmacy
- deHaro-Saldivar (deHaro) - Pharmacy

Performance Risk Rating: **Medium**

Cash Handling received an overall medium risk rating for performance. Policies and procedures are in place to support the cash handling function. The audit noted the opportunity to ensure consistency in policy adherence as relates to security/securing of cash monies and other policy requirement areas. Consistent camera technology at all cash transacting locations/stations would improve cash handling monitoring controls.

Importance Risk Rating: **High**

Cash Handling received a high importance rating because cash is Parkland Health's most liquid asset and is highly susceptible to mismanagement and misappropriation of funds/theft. The cash handling process is essential to Parkland Health's operations and to the proper stewardship of hospital resources.

Risk Rating Legend

Top Performance	• Controls are functioning as intended • Corrective action plan, if any, is simple	99-100
Low Risk	• Zero or minor weaknesses identified • Controls are functioning with minor errors or gaps identified • Corrective action plan, if any, is straightforward	95-98
Medium Risk	• Controls are present, but not yet effective or sufficient and major issues noted that could jeopardize the accomplishment of business objectives • May include a pattern of multiple minor weaknesses or newly identified findings • Corrective action plan to remediate will be moderately complex	90-94
High Risk	• Controls not yet identified, not yet implemented, ineffective or insufficient; not functioning as intended, and are a contributing factor to non-achievement of business objectives • May include a pattern of moderate or significant weakness such as “second generation” findings • Corrective action plan to remediate will be complex	Below 90

Audit Conclusion

Opportunities for improvement exist to ensure the safeguarding of cash and to consistently practice established cash management controls and compliance with cash handling policies. Cash handling locations/stations were not consistently equipped with camera monitoring technology. During the cash counts no unexplainable material differences were noted.

Top Performance

Pharmacy management rotates a pharmacy employee through cash collection locations to perform cash monitoring audits. Self-audits help ensure compliance with policies, allow for timely corrective actions, and should produce better reconciling and performance results.

Issues/Findings

Issue Title: Cameras not located at all cash collection locations.
Risk Rating: High
Risk: Cameras were not consistently available at COPC locations reviewed to allow for monitoring of cash collections. The Parkland Health Cash Handling policy requires that cash activities be monitored and recorded.

Recommendation

An analysis should be conducted of the camera inventory at respective cash handling locations. This should include a thorough review to ensure all locations are equipped with adequate monitoring, surveillance, and views of cash handling activities.

Management Response

James Perez, Vice President of Clinic Operations – COPC Administration

Action Plan: The cameras will require an assessment by the security equipment technician (technician) in the Police Department. The technician did conduct a sweep of the video feed from those COPC sites that were noted in the report and found camera placement lacking. I am requesting that the technician conduct a deeper assessment and determine the number of cameras needed, server space for the video capture, and any additional IT equipment that is required. This will have to be an unbudgeted capital item and will have to go through the project process. This will take several months.

Target Completion Date: April 30, 2026

Issue Title: Cash Handling Policies Not Followed/Cash Not Secured
Risk Rating: High
Risk: The Parkland Health Cash Handling Patient Financial Services policy, and the Pharmacy Cash Handling Operations policy were used as the criteria for the review.

The following policies were not always followed:

- Trash/recycle containers were close to cash registers.
- Verification of currency, for the potential of a counterfeit status, was not consistently applied.
- Policy requirements to securing monies not followed:
  - Booths were left open/unlocked with cash in an unsecured state.
  - Money was observed outside of cash register drawers.
  - Cash was left out during intervals between serving customers.
  - Cash was not moved from the till bag to the cash drawer in a timely manner.
- Employees' purses, bags, and personal belongings were not secured in lockers; personal items were close to the cash registers.
- Till bags used did not have a locking mechanism, nor were they consistently used to transport cash.
- Orderly cash drawer organization and fine counting (counting of coins and currency denominations individually and in a one-after-the-other sequence method) were not consistently practiced.
- Cash drawer keys were not consistently maintained/secured with the cashiers.

Recommendation

Cash Handling policies should be reviewed and refresher training on policies and procedures should be conducted at all relevant levels. Consider administering frequent managerial self-audits. Management should ensure the individually listed issues are addressed in their areas.

Management Response

Marlin Suell, Chief of Police (Parking Services)

Action Plan:

Currency Not Verified for Counterfeit: All bills five dollars and greater will be verified with a counterfeit detector pen or similar detection tool. All cashiers will be instructed to strictly follow the Cash Handling Policy. Parking Services Leadership will conduct quarterly audits to ensure compliance. The quarterly audits will also serve as opportunities to provide single-point training lessons for each cashier.

Cash Not Secured: All cashiers will be directed to keep cash out of the public's view and always properly secured. Parking Services Leadership will review the Cash Handling Policy with the cashiers and will conduct quarterly audits to ensure compliance. The quarterly audits will also serve as opportunities to provide single-point training lessons for each cashier.

Employee Purses/Bags/Personal Belongings Close to Cash Register: Cashier booths in the parking areas are small which limits the distance between the cash register and personal items. However, all cashiers will be directed to keep personal items as far away from the cash register as possible. Parking Services Leadership will review the Cash Handling Policy with the cashiers and will conduct quarterly audits to ensure compliance. The quarterly audits will also serve as opportunities to provide single-point training lessons for each cashier.

Funds Not Organized to Drawer/Fine Counting not Consistently Practiced: Cashiers will be directed to keep cash drawer organization by denomination and consistently practice fine counting. Parking Services Leadership will review the Cash Handling Policy with the cashiers and will conduct quarterly audits to ensure compliance. The quarterly audits will also serve as opportunities to provide single-point training lessons for each cashier.

Target Completion Date: December 31, 2025

Management Response

Carrie Berge, Vice President, Pharmacy Services

Action Plan:

All cash areas were verified in all retail pharmacy locations to be compliant regarding recycle bins, personal belongings, secure monies, receipts, cash drawer organization, and keys. Pharmacy will continue to do compliance audits.

Resolve language conflict in pharmacy and PFS cash handling procedures. We will update procedure PHR F-035 Pharmacy Cash Handling operations to parallel PFS Cash Handling 8311-6-11 in language regarding trash/recycle containers.

Specify in pharmacy cash handling operations procedure use of the Cash Till bags within the pharmacy under camera and to an internal pharmacy safe and then if leave the pharmacy with a till bag.

Re-educate all ambulatory retail pharmacy staff in safety huddles on cash handling practice expectations by the end of September.

Target Completion Date: September 30, 2025

Internal Audit
Closure Report

AUDIT COMMITTEE OPEN SESSION
October 8, 2025

Audit	Session Type	Issue	Action Detail	Actions Taken by Management
20-11 Consignment Process	Open	20-11 The Recall Process Is Decentralized	20-11 The Recall Process Is Decentralized	The Quality & Safety Department hired a project manager with significant experience in performance improvement to lead a finite, rapid cycle improvement event to address the gaps in Parkland's Recall Process. Internal Audit (IA) has agreed to remove this Issue from the Follow-Up Report to allow the team time to focus on performance improvement efforts. IA will plan to re-audit the Recall Process as part of a future Audit Plan.
24-13 Cigna	Open	24-13 Medical claim payments are not always settled in accordance with Parkland's Benefit Plan	24-13 Medical claim payments are not always settled in accordance with Parkland's Benefit Plan	Parkland's Office of Talent Management (OTM) - Benefits department has partnered with Cigna to conduct quarterly claims reviews to ensure compliance with the 95% performance guarantee outlined in the agreement. In addition, OTM, in collaboration with leadership representation from Parkland Pharmacy, Employee Health Center, and Patient Financial Services (PFS), will continue to hold bi-weekly meetings with Cigna to review claim experience and address any issues.
25-04 Third Party Contract Management	Open	25-04 Duplicate Invoice Payment	25-04 Duplicate Invoice Payment	The Accounts Payable Department developed a Duplicate Payments report and a Standard Operating Procedure (SOP). The Accounts Payable Department Coordinator reviews the duplicate payments report monthly. The Accounts Payable Supervisor reviews escalated cases and approves necessary corrective actions.
25-04 Third Party Contract Management	Open	25-04 Unclear Contract Terms	25-04 Clear Billing Terms	Supply Chain amended the Bare Roots contract to clearly differentiate the monthly inclement weather cost verses the inclement weather cost for services above those covered in the monthly cost. These services are billed per event and at a hourly rate not a flat monthly fee.

Follow-Up Report Detail - Open Session

Project Name	Entity	Issue Title	Risk Rating	Recommendation Title	% Complete	Business Contact	Target Completion Date	Revised Due Date
20-11 Consignment	Supply Chain Admin	Tracking and Monitoring of Consignment Items Were Lacking	High	Identify and Separate Consignment from Parkland Owned Supplies in Infor	75%	Pamela Bryant	3/31/2021	11/30/2025
20-11 Consignment	Supply Chain Admin	Pricing Inconsistencies Were Identified	High	Ensure Consignment Contract(s) and Price(s) are Current in Infor	75%	Pamela Bryant	12/30/2021	11/30/2025
24-07 Patient Scheduling	PFS Operations	No Financial Clearance Prior to Appointments	Medium	PFS - Financial Clearance Activities for Outpatient Tests	75%	Gerry Baker	5/31/2025	2/28/2026
24-07 Patient Scheduling	Population Health Operations	Inaccurate Information on Event Tracking Logs	Low	Enter accurate information into event tracking logs.	40%	James Perez; Patricia Shirey	12/31/2025	12/31/2025
24-07 Patient Scheduling	Clinical Support Services	No Financial Clearance Prior to Appointments	Medium	Financial Clearance Activities for Outpatient Tests	75%	Jennifer Burnes	5/31/2025	2/28/2026
24-09 Role Based Access	IT-Information Security Management	Badge Access Control monitoring deficiency	Medium	Review and Alignment of Badge Access for Transferred Personnel	10%	Bruce McDaniels; Joseph Longo	1/31/2026	1/31/2026
24-09 Role Based Access	IT-Information Security Management	Inadequate Access Control Governance and Ownership of Roles	Medium	Establish a robust governance framework	10%	Bruce McDaniels; Joseph Longo	3/31/2026	3/31/2026
24-09 Role Based Access	IT-Information Security Management	Deficient Access Management for Transfer Employees	Medium	Enhance RBAC for transferred employee	10%	Bruce McDaniels; Joseph Longo	1/31/2026	1/31/2026
25-02 Construction Project Review	Planning, Design & Construction	Untimely payments to contractors.	Medium	Align Contract Terms with System Capabilities	50%	Lancaster Mendiola	9/30/2025	12/31/2026
25-04 Third Party Contract Management	Contracts	No Access to Time Clocks	Medium	Contractor Access to Time Clocks	90%	Pamela Bryant	8/31/2025	8/31/2025

IX. Possible Deliberation Regarding Executive Session Documents Received by the Committee

Tex. Health & Safety Code §§161.032 & 161.0315 and Tex. Occ. Code §160.007.

Parkland