Parkland

Audit Committee Agenda

Committee Members
Chair: Todd Furniss, JD
Ramon Miguez, PE
Farida Minner, RN
Yasmin Simon, JD

Agenda for the ***Audit Committee*** meeting of the Dallas County Hospital District ("DCHD") is scheduled for ***Wednesday, August 12, 2026 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: 2319 845 2764; 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 August	*6*	05 mins	Amy LaBarge

	PAGE	TIME (MIN)	PRESENTER(S)
IV. Reports Requiring Deliberation(s) and Possible Action			
A. Internal Audit Fiscal Year 2027 Audit Plan Draft *Presentation of the proposed FY 2027 audit plan for Board input.*	*8*	10 mins	Amy LaBarge
B. Internal Audit Fiscal Year 2027 Budget *Presentation of Internal Audit FY 2027 budget*	*21*	05 mins	Amy LaBarge
C. Open Session **Summary** to discuss the following topics:	*22*	15 mins	Amy LaBarge
i. Overview of progress on Parkland's 2026 Audit Plan *The 2026 Audit Plan was adopted by the Parkland Board of Managers in 2025.*	*23*		
ii. Laboratory Services Audit, Report No. 26-03 *To evaluate the design and operating effectiveness of controls over laboratory operations.*	*24*		
iii. Follow-Up Report Status – Open Session *Update on corrective action plans for audits presented in prior open session Audit Committee meetings.*	*25*		
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	*27*	10 mins	Amy LaBarge
i. Follow-up Report Status – Executive Session *Update on corrective action plans for audits presented in prior executive session Audit Committee meetings.*	*28*		
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.			
i. Review of Open Litigation (See Attached List)	*29*	15 mins	Brad Nitschke
VI. Action Items			
A. Committee may take action on any agenda item(s) above			Chair

		PAGE	TIME (MIN)	PRESENTER(S)
	A. Deliberation and Possible Action Regarding the Internal Audit Fiscal Year 2027 Audit Plan			
	B. Deliberation and Possible Action Regarding the Internal Audit Fiscal Year 2027 Budget			
VII.	**Closing Remarks**			Chair
VIII.	**Possible Deliberation Regarding Documents Received by the Committee**			
	A. Laboratory Services Audit, Report No. 26-03	*31*		
	B. Open Session Audit Follow-up Reports	*38*		
IX.	**Possible Deliberation Regarding Executive Session Documents Received by the Committee**			
	A. Executive Session Audit Follow-up Reports *Tex. Health & Safety Code* §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007.	*40*		
X.	**Adjourn**			Chair

Active Litigation Matters, August 2026

NEW Matters:

Janice Deloatch-Young v. Parkland Health and Dallas VA Medical Center
Filed 05/08/2026 — Judge Martin Hoffman, 68th Civil District Court, Dallas County

Ongoing Matters:

Alejandrino Lopez v. Dallas County Hospital District d/b/a Parkland Health System d/b/a Parkland Memorial Hospital.
Filed 05/29/2025 — Assigned: Chief District Judge Amos L. Mazzant; Referred: Magistrate Judge Bill Davis, U.S. District Court, Eastern District of Texas, Sherman Division

Dallas County Hospital District v. BARA, a Joint Venture
Filed 02/01/2024 — Judge Maria Aceves, 192nd Civil District Court, Dallas County

Dallas County Hospital District v. Haley Burr, et al. (N5)
Filed 12/14/2023 — Judge Staci Williams, 101st Civil District Court, Dallas County

Dallas County Hospital District v. Shiftwise, Inc., et al.
Filed 07/01/2025 — Judge Martin Hoffman, 68th Civil District Court, Dallas County

Dorothy Marshall Living Trust v. Linebarger, et al.
Filed 04/23/2026 — Judge Sam A. Lindsey, U.S. District Court, Northern District of Texas, Dallas Division

Julius Bamibe v. Dallas County Hospital District d/b/a Parkland Memorial Hospital & Angela Grant
Filed 05/19/2026 — Judge Tonya Parker, 116th Civil District Court, Dallas County

Leticia Moreno, Individually and as Representative of the Estate of Juan Valenzuela, Deceased, and as Next Friend of D.V.M., v. Dallas County Hospital District d/b/a Parkland Health and The University of Texas Southwestern Medical Center
Filed 12/05/2024 — Judge Tonya Parker, 116th Civil District Court, Dallas County

Resolving Matters:

U.S. ex rel. Chase v. UT Southwestern Medical Center, Parkland Health & Hospital System, et al.
Filed 03/28/2023 — Judge Jason K. Pulliam, U.S. District Court, Western District of Texas, San Antonio Division

Resolved:

Alvah Johnson and Theodore Bramble v. DCHD
Filed 07/13/2023 — Judge Ada Brown, U.S. District Court, Northern District of Texas, Dallas Division

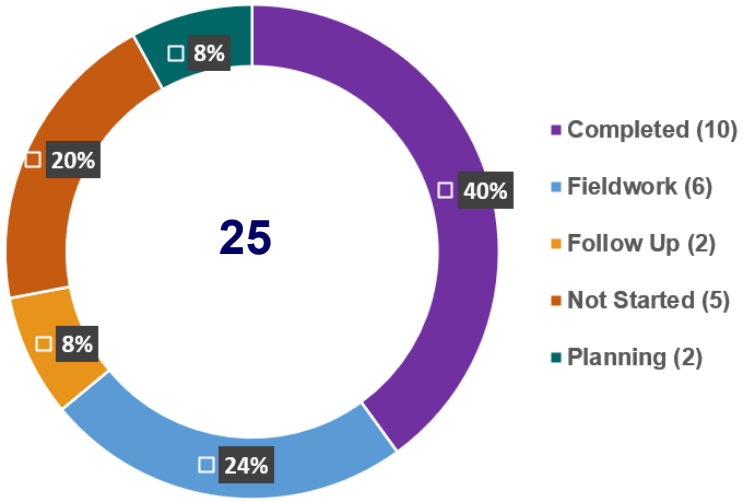
Gustavo Lopez v. Dallas County Hospital District d/b/a Parkland Health & Hospital System
Filed 03/16/2026 — Judge Sam A. Lindsey, U.S. District Court, Northern District of Texas, Dallas Division

III. Open Session

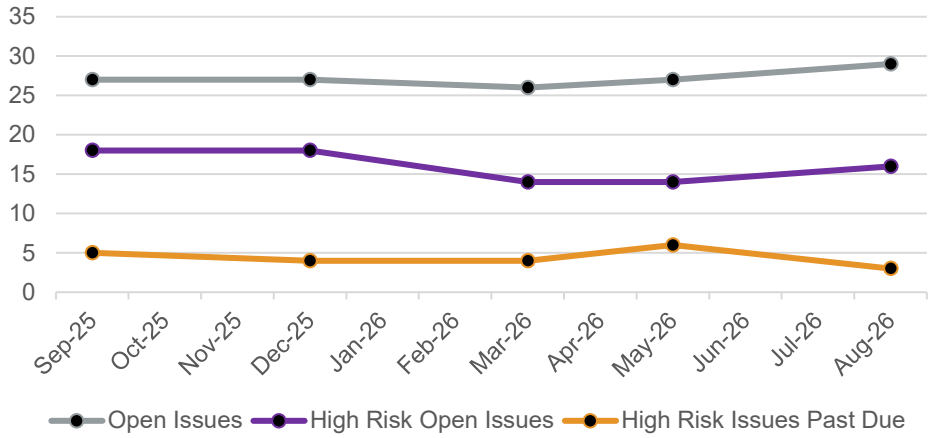
Parkland

Key Takeaways at-a-Glance* – August 2026

Audit Plan Progress



Follow Up Issues



Audit Plan	▪ FY27 Audit Plan – requesting Board input and/or approval of the proposed plan. (Page 8) ▪ FY26 Audit Plan – status (Page 23)
FY27 Budget	Presentation of FY 2027 Internal Audit Budget. (Page 21)
Issues Identified*	Laboratory Services Audit (Summary, Page 24; Report, Page 31): ▪ The internal control environment was effective. ▪ Opportunities to improve rejected specimen notifications. ▪ Opportunities to improve tracking of collected-but-not-received specimens.
Follow-up	One issue and zero audits were closed. Requests were submitted to modify the due dates for 1 issue. (Pages 38 and 40)

* Excludes items to be discussed in Executive Session

Aligned Assurance – August 2026

Risk Focus Matrix

Assurance Function Focus by Risk Category

Risk Topic	Assurance Focus										
	TIER 1	TIER 2									TIER 3
	Identifies and addresses applicable risks	Creates and monitors organizational control processes									Verifies control processes are implemented, sustainable, and effective
	Roles Responsible	Information Security	Institutional Risk Management & ERM	Legal Affairs	Disaster Management & Business Continuity	Health Information Management	Strategy Governance	Communications External Affairs	Quality, Safety & Clinical Risk Management	Corporate Compliance & Ethics	Internal Audit Services
Assurance Function Maturity		◕	◕	◑	◑	◕	●	●	◕	◕	◕
Clinical/Patient Safety	CMO,CNO, COO	🔴	🟡	🟡	🟡	🟡	🔴	🔴	🟢	🟡	🟡
Legal/Regulatory/Compliance	CCEO	🟡	🟡	🟢	🟡	🟡	🟡	🟢	🟡	🟢	🟡
Human Capital	CTO	🟡	🟡	🟡	🟡	🔴	🔴	🔴	🟡	🟡	🟢
Financial	CFO	🟡	🟡	🟡	🟡	🟢	🟡	🟡	🟡	🔴	🟢
Operational	COO	🟡	🟡	🟢	🟡	🟡	🟡	🟡	🟡	🟢	🟢
Technical/Cyber	CIO	🟢	🟡	🟢	🟡	🔴	🔴	🔴	🔴	🟡	🟢
Strategic	CSO	🟡	🟡	🟢	🟡	🟡	🟢	🟡	🟡	🟡	🟡
Reputation	SVP Communications	🟡	🟡	🟢	🟡	🟡	🟡	🟢	🟡	🟢	🟡
Hazard	COO, VP IRM	🟡	🟢	🟡	🟢	🔴	🔴	🔴	🔴	🔴	🟡

LEGEND:

- 🔴 **Low/NA**
- 🟡 **Moderate/Shared**
- 🟢 **High/Primary**

○	Initial	Work is performed informally.
◔	Repeatable	Work is planned and tracked.
◑	Defined	Work is well defined.
◕	Managed	Work is quantitatively controlled.
●	Optimizing	Work is based upon continuous improvement.

Who is looking at future risks? Inherent in the ERM process and individual area's annual risk assessment/work planning processes.

Parkland

INTERNAL AUDIT

Fiscal Year 2026 Annual Audit Plan

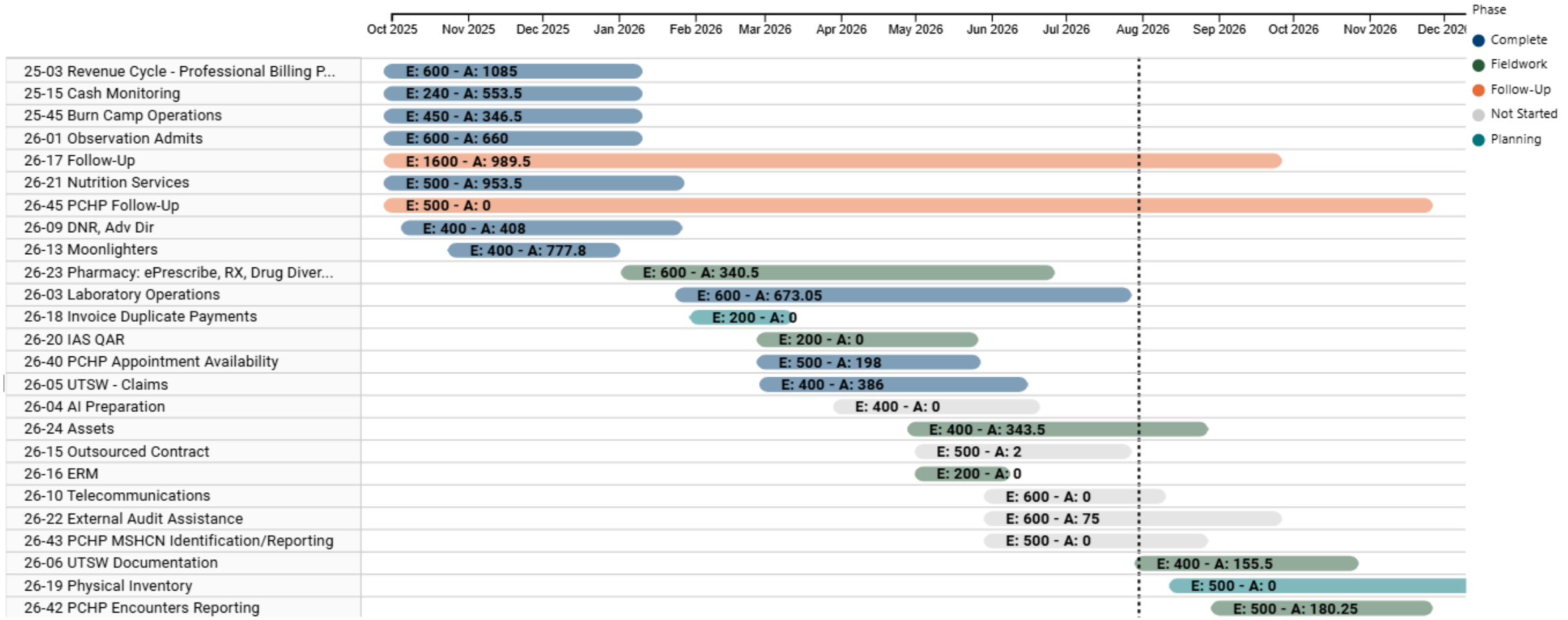
Fiscal Year 2027 Draft Annual Audit Plan

August 2026 Audit Committee

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

FY2026
Audit Plan

FY2026 Audit Plan
Progress – July 2026



FY2026 Audit Plan
October 2025

2025 Carry Forward

- Burn Camp
- Professional Fee Billing
- Cash Monitoring

Annual

- Annual Audit Plan
- Cash Monitoring (Fraud)
- Enterprise Risk Management (ERM)
- External Audit (Interim & Final)
- Follow-up Monitoring
- HIPAA Privacy (Collaboration with Compliance)
- Physical Inventory
- IA Quality Assurance Review

Affiliate

- PCHP – Claims Payment
- PCHP – OIG CAP
- PCHP – AUP Financial Reporting CAP
- PCHP – HIPAA Privacy and Security Collaboration
- PCHP – Provider Data Management

Projects

- Nutrition Services
- DNR, Advance Directives
- Moonlighters
- Pharmacy
- Laboratory Operations
- Invoice Duplicate Payments
- UTSW Claims Payment Process
- AI Governance
- Assets
- UT Contract Documentation Review
- Outsourced Contracts (IT, EVS)
- Telecommunications

FY2026 Audit Plan **ADJUSTMENTS**

April 2026
APPROVED

REMOVE:

Grants
Spiritual Care
Patient Financial Assistance
HIPAA Privacy
Slicer/Dicer/Cogito Reporting Accuracy
Epic –Behavioral or Correctional
PCHP – AUP Reporting CAP
PCHP – HIPAA Privacy and Security
PCHP – Provider Data Management

REASON:

Audit staffing, changes in Parkland environment, shift to more consultant advisory work from 23% budgeted to 40%+ (Forvis recommendation)

ADD:

PCHP – Appointment Availability
PCHP – Encounters Reporting
PCHP – MSHCN Identification/Reporting

PCHP – Provider Data Management

REASON:

Changing PCHP audits per request

FY2027
Proposed Audit Plan

FY2027 Audit Plan **INPUTS**

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

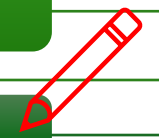
Experience from prior audits

Research upcoming changes in regulations

HHS, OIG, DOJ (etc.) hot topics

Topics from professional forums and consultant resources

INPUT FROM THE BOARD

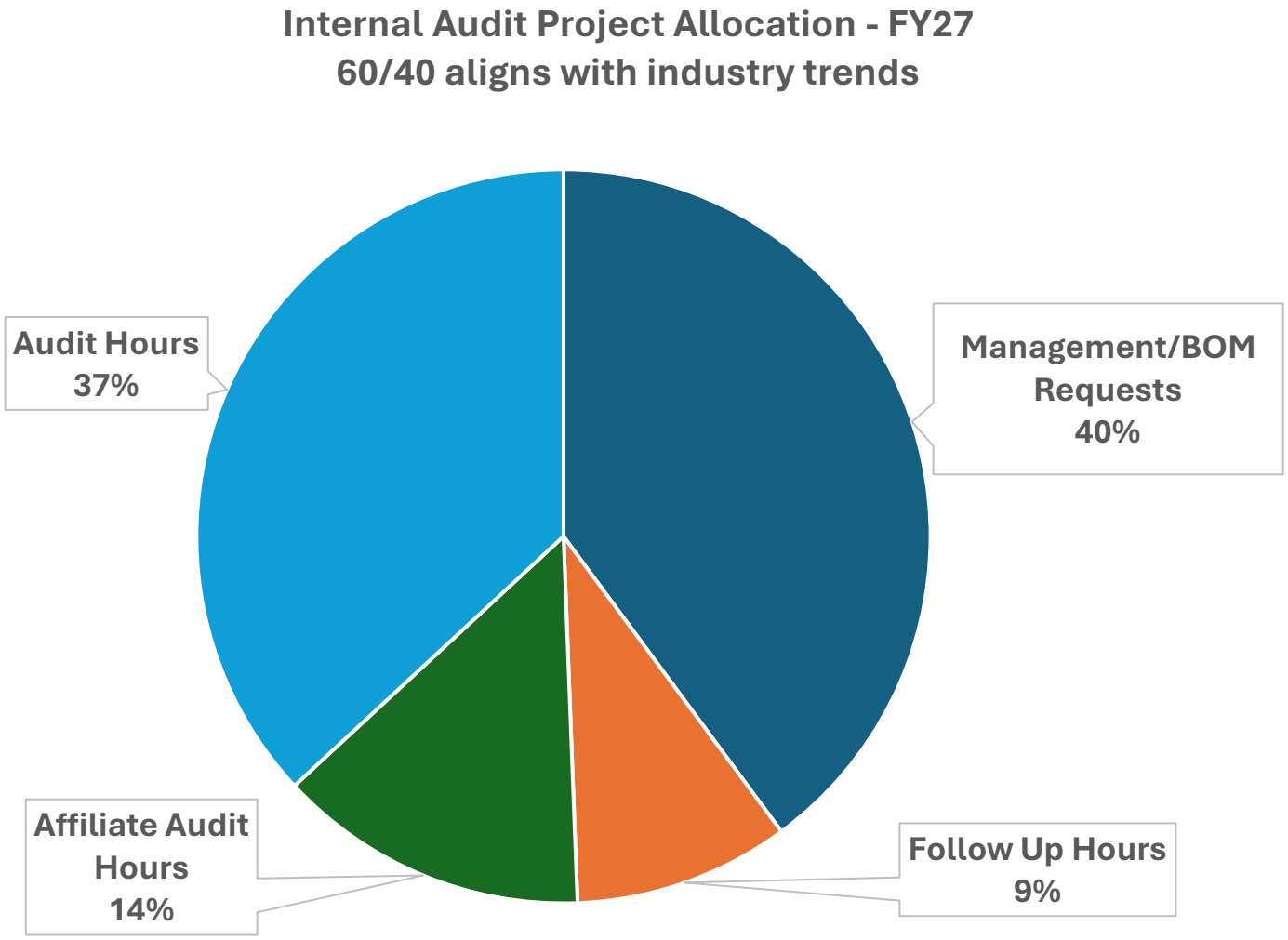


FY2027 Audit Plan **ALIGNMENT**

Discussions are held with the following areas to ensure there is not any overlap or duplicative reviews:

- **Compliance**
- **Legal**
- **Information Security**
- **HIM**
- **Quality**

FY2027 Audit Plan **ALLOCATION**



FY2027 Audit Plan – Draft / Proposed
Risk-Based (60%)
August 2026

2026 Carry Forward

- AI Governance
- Telecommunications
- Outsourced Contract Invoicing/Payments (IT, EVS)

Affiliate*

FY27 Carryforward:

- PCHP - Encounters Reporting
- PCHP – MSHCN Identification/Reporting

CY27:

- PCHP – 3 to 4 Audits as agreed

Risk-Based Projects

- Slicer/Dicer/Cogito Reporting Accuracy
- Compensation
- MD STAFF Software
- Contracts Process
- Connected Medical Devices Security
- Radiation & Imaging Safety
- Community Ride Care
- Drug Free Workplace Program

* PCHP fiscal year (CY) does not align with Parkland's fiscal year

FY2027 Audit Plan – Draft / Proposed
Consult/Mgmt (40%)
August 2026

2026 Carry Forward	Board/Leader Requests	Internal Audit Monitoring
• Legal Privileged Project in Supply Chain • EPIC Refresh • Disaster Recovery/Business Continuity	• Projects as Requested • Follow-Up on Prior Action Plan progress	• EPIC Workqueue Review/Monitor • Charge Capture • Drug Diversion • Service Invoice/Payment Accuracy • Cash

FY2027 Audit Plan **ADDITIONAL DETAILS**

Risk-Based Audit	Source	Possible Scope
Slicer/Dicer	RA	Data governance, accuracy of reports, security, privacy and PHI controls
Compensation	RA	Processes and controls with focus on accuracy of payroll (Workday)
MD STAFF Software	RA	Data accuracy, include interfaced applications
Contracts Process	RA	Processes and controls focusing on contract initiation, execution, and renewal activities
Connected Medical Devices Security	RA	Cybersecurity controls over internet-connected devices, privacy and PHI controls
Radiation & Imaging Safety	OIG/RA	Effective management of exposure to radiation while complying with regulatory, accreditation, and internal safety requirements
Community Ride Care	RA	Compliance with regulations, patient and employee safety
Drug Free Workplace Program	RA	Review implementation and control environment of the new program
PCHP (4 Audits)	PCHP	Scope defined by PCHP with IA input

FY2027 Audit Plan **BOARD INPUT**

Requesting Audit Committee input and/or plan approval

Internal Audit

FY 2027 Budget
(As of July 24, 2026)

Parkland

	FY 2026 Budget	FY 2026 Projected	FY 2027 Budget	Comment
Salaries *FTEs*	$1,964,412 *14*	$1,695,057	$1,931,824 *14*	Includes Merit
Professional Fees	$36,884	$38,993	$37,501	FY 2026: Gartner Consulting FY 2027: Gartner Consulting
Supplies and Other Expenses	$27,637	$23,881	$22,052	Excludes rent Excludes depreciation expense
Total Expenses	**$2,028,933**	**$ 1,757,931**	**$1,991,377**	

INTERNAL AUDIT

OPEN SESSION SUMMARY

AUDIT COMMITTEE

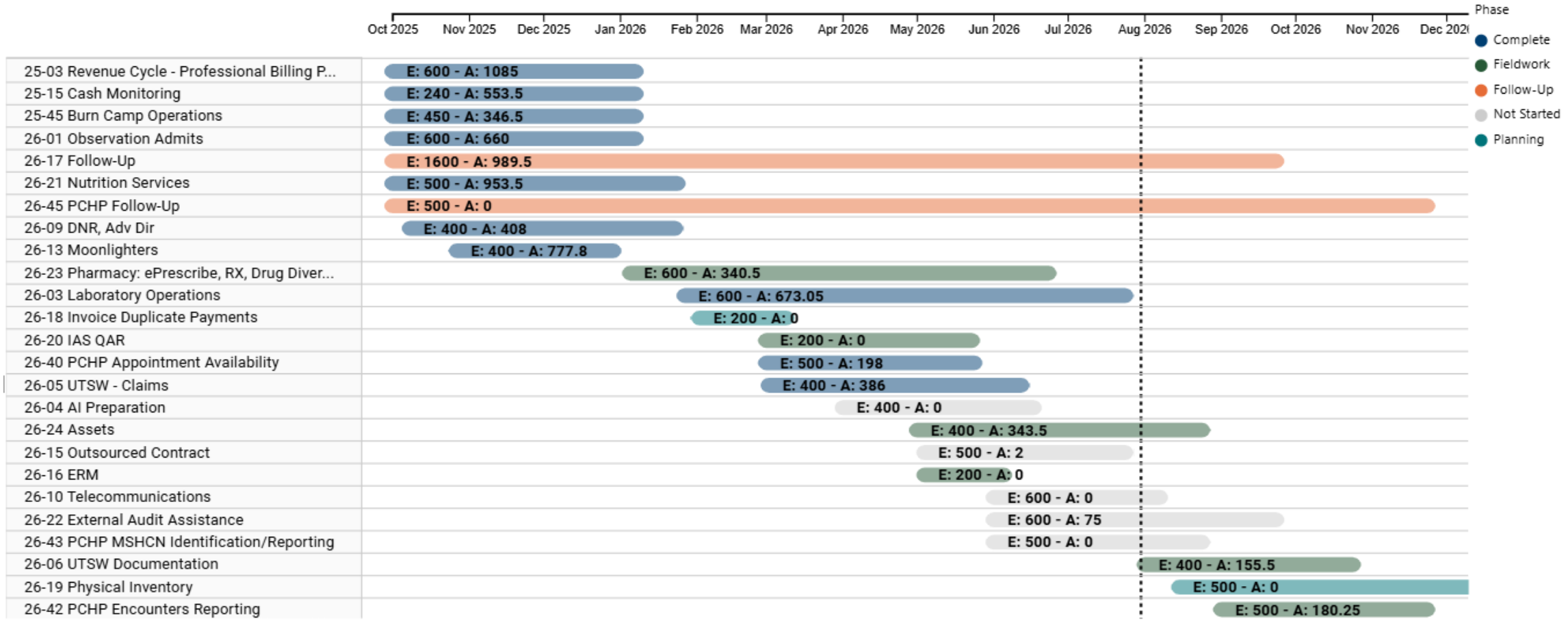
August 12, 2026

Presented by: Amy LaBarge, MBA, CPA, CIA

Senior Vice President and Chief Audit Executive

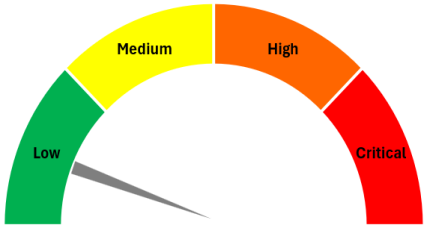
Parkland | *Care. Compassion. Community.*

FY 2026 Audit Plan Progress - August



Laboratory Services Audit, Report No. 26-03

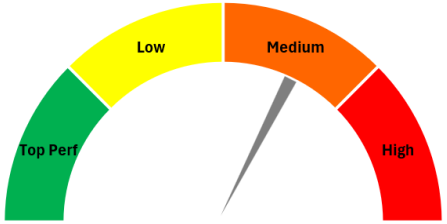
Internal Control Environment



LOW RISK

In general, internal controls were found to be **EFFECTIVE**, with **FEW** control issues identified.

Audit Risk Rating



MEDIUM RISK

There were **MODERATELY MATERIAL** issues identified in the audit.

Parkland Laboratory Services operates a large and highly complex diagnostic testing environment that supports hospital-wide clinical operations. Laboratory Services has a critical role in supporting regulated, time-sensitive testing that directly impacts patient outcomes. The department processes 5.6M+ specimens and generates approximately $1.8 billion in revenue annually. Overall, the Laboratory Services control environment was operating effectively, with opportunities for improvement in rejected specimen notifications and orders marked “collected” but not received by the laboratory.

Reason for Audit

The objective of the laboratory services audit was to evaluate whether controls over laboratory services were operating effectively and whether they complied with applicable policies, regulations, and internal standards.

Results

The Laboratory Services control environment was adequate and aligned with Parkland policies. The following exceptions were identified:

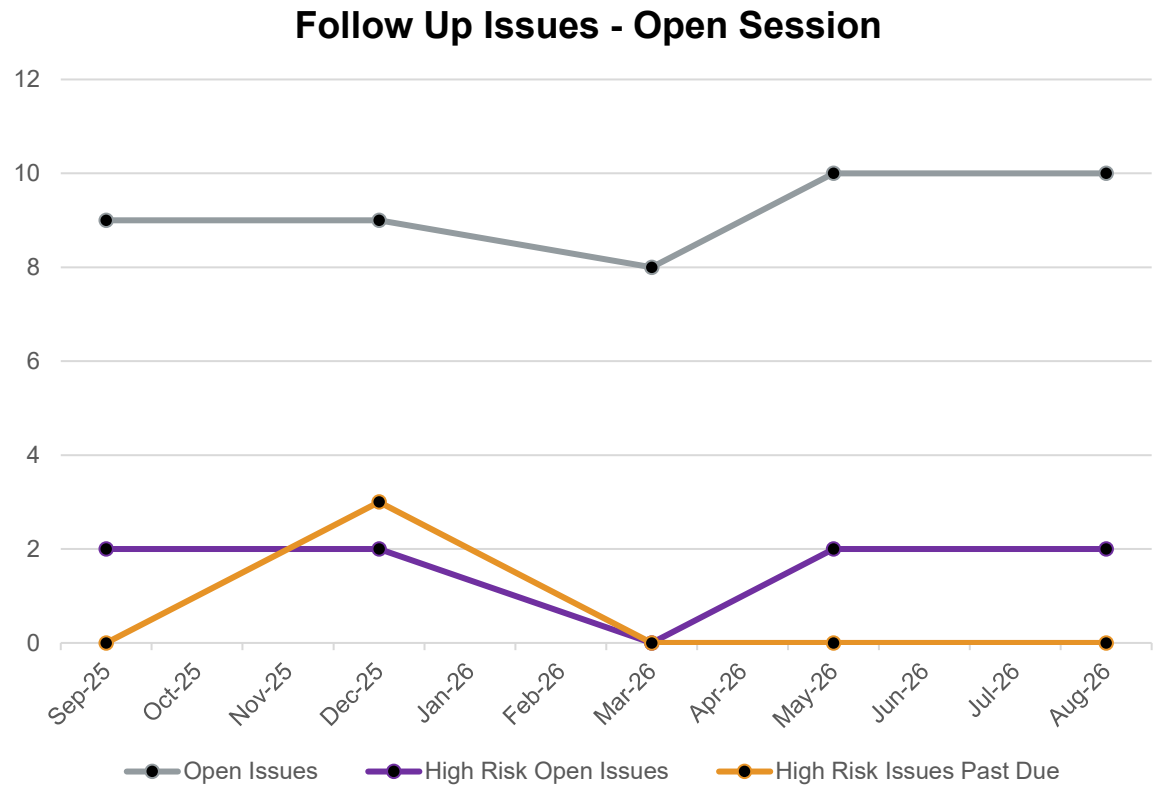
- Rejected specimens of Correctional Health are not consistently communicated to providers, potentially impacting patient care.
- Specimens marked as “collected” but not received by the Lab indicate gaps in tracking and reconciliation.

Recommendations/Action Plans

- Laboratory Services will document timely provider notification for rejected specimens, update the rejected specimen procedure in Policy Manager, and conduct semi-annual QA audits.
- Laboratory Services will collaborate with Clinical Informatics to improve tracking of collected-but-not-received specimens and strengthen related controls and procedures.

Follow-Up Report Status – Open Session

- **No closed issues or audits. One action due date change request was received.**
- **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