Parkland

Audit Committee Agenda

Committee Members
Chair: Todd Furniss, JD
Vincent Hall
Ramon Miguez, PE
Elizabeth Palacios, MD

Agenda for the ***Audit Committee*** meeting of the Dallas County Hospital District is scheduled for ***Wednesday, April 10, 2024 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: 2631 307 8799; 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 Summary	*3*	15 mins	Vic Summers
IV. Executive Session Tex. Gov't Code §§551.071, 551.074, 551.085, 551.089; Tex. Health & Safety Code §§161.032			

		PAGE	TIME (MIN)	PRESENTER(S)
A.	Executive Session Summary [§§161.032]	*5*	15 mins	Vic Summers
B.	RFP – Internal Audit Services Assessment (Verbal) [§§551.085]		15 mins	Pamela Bryant
C.	Consultation with Attorney regarding: [§§551.071]		15 mins	Steven Roth
	i. Update on Legal Issues with Contract Labor (Verbal)			
	ii. Status of litigation, claims and settlements			
D.	Independent Briefing with Audit Committee Verbal (Compliance matters, personnel review, etc.) [§§161.032; §§551.074]		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.	Fiscal Year 2024 Audit Plan Update and Schedule	*8*		
B.	Open Session Audit Follow-up Reports	*14*		
VIII.	**Executive Session Reference Documents**			
A.	Network Audit, Report No. 23-12 [§§551.089]	*23*		
B.	Executive Session Audit Follow-up Reports [§§161.032]	*33*		
IX.	**Adjourn**			Chair

Parkland

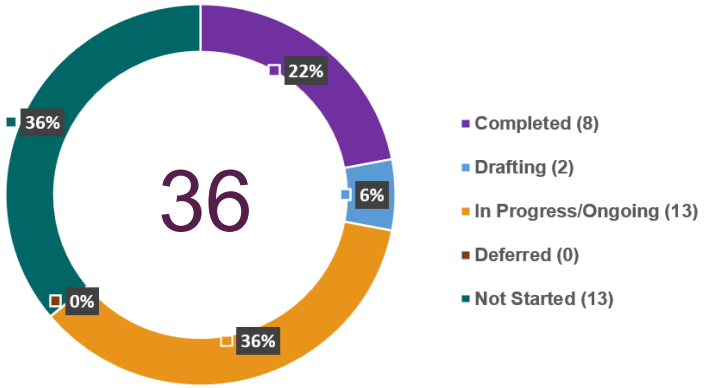
Internal Audit Services

Open Session Summary

Audit Committee Meeting
April 10, 2024
Presented by: *Vic Summers, Chief Audit Executive & Senior Vice President of Internal Audit Services*

Open Session Summary

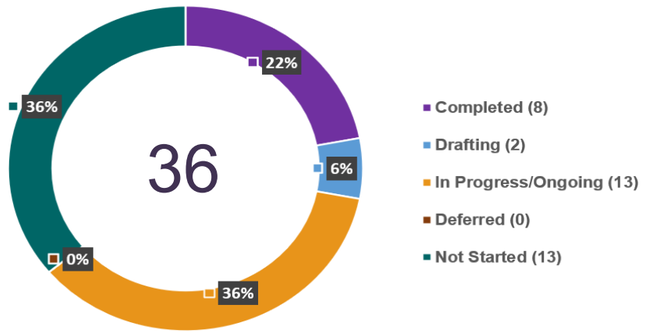
- **2024 Audit Plan**
  - Projects Completed or Drafting – 28%
    - Includes a management request regarding Colonoscopies
  - Projects In Progress – 36%
  - Projects Not Started – 36%
  - See the Audit Plan Update in the Reference Section



- **2024 Audit Schedule**
  - Information only, can address any questions
  - See the Audit Schedule in the Reference Section

- **Follow-up Report Status**
  - 1 audit and 2 issues were addressed during the period
    - See Audit Follow-up Report Summary in Reference Section
    - See Closure Report in the Reference Section
  - Continue to work with management on all open issues
  - Progress being made on all issues
  - Received a number of action due date changes, these are shown in the Action Detail column of the Follow-up Report
    - See the Follow-up Report in the Reference Section

Internal Audit
Fiscal Year 2024 Audit Plan
Update



	Count	Priority	Planned	Completed	Drafting	In Progress / Ongoing	Deferred	Not Started	Comments
2023 Carry Forward	**8**								
UT RVU Payment		High	Yes		June				Validates the accuracy of Third-Party Administrator (TPA) payments for UT MSA RVU claims.
Network		High	Yes	X					Review of network-layer processes and protections for non-IT controlled applications (i.e. cloud applications).
Vehicles		High	Yes	X					Evaluate whether all Parkland owned vehicles are physically identified and properly accounted for, acquired, maintained, and disposed. Review processes and controls to ensure Parkland policies and procedures and State requirements for ownership/insurance/registration are followed
Disaster Readiness		High	Yes	X					Review of Parkland's procedures designed to ensure disaster readiness - the ability to continue operations during a disaster and recover after the disaster ends.
UT Documentation Review		High	Yes		June				Evaluating the accuracy of UT billed RVU claims compared to provider documentation
Telehealth (Combined with Virtual Visits below)		High	Yes						Combine with Virtual Visits and include a review of processes, controls, and regulatory compliance. Ensure IT platform security controls are adequate, and review accuracy of patient charges.
Population Health		High	Yes	X					Evaluation of processes and controls relating to Correctional Health including pharmacy Pyxis medication overrides, completeness of intake medical appointments, evaluation of timely response to safety posts, review of processes for safeguarding assets, and patient requests for health appointments.
Physical Inventory		Medium	Yes	X					FY 2023 Annual sampling of pharmacy and supplies inventory counts to ensure accuracy. Physical counts begin in September.
Audits	**12**								
Assets		High	Yes					X	Review of the control environment to ensure accuracy and completeness of asset records, evaluate processes to ensure safeguarding of assets, and compliance with regulations regarding assets used in patient care.
Payroll		High	Yes			X			End to end review of the payroll process to ensure accuracy and completeness of employee pay, compliance with established procedures, and compliance with applicable regulations.

	Count	Priority	Planned	Completed	Drafting	In Progress / Ongoing	Deferred	Not Started	Comments
Out of State Workers		High	Yes			X			Review for compliance with applicable regulations including Payroll setup, Taxes, Federal & Respective State Law
Contract Labor		High	Yes					X	Review the newly established invoice and payment process to ensure accuracy.
Role Based Access		High	Yes			X			Review of processes for provisioning of badge and IT access rights according to job needs.
Cigna		High	Yes					X	Review to ensure compliance with the contract and accuracy of claim payments.
Patient Scheduling Process		High	Yes			X			Review of the patient scheduling control environment to ensure resources, wait times, and patient experience are optimized.
Patient Registration Process		High	Yes					X	Review the patient registration controls designed to ensure accuracy and completeness of the information recorded.
Virtual Visits (Combined with Telehealth above)		High	Yes			June			End to end review of process including regulatory compliance, IT controls, patient flow, and scope of practice. Determine how does the process work, who initiates service, how are vitals taken, who is eligible, established vs new, who staffs, scope of practice maintained, are there wait times, is this tracked, scheduling zip codes.
UTSW		High	Yes			X			MSA - 31 Denials, Third-Party Billing/Payment Analysis, Documentation Review
Parkland/PCHP Delegated Entity Agreement		High	Yes	X					Review of Parkland readiness for Delegated Entity (DE) Audit. Validation of prior action plans from the PCHP DE audit. Review of entity MSA to ensure contract compliance.
Construction Contract/Project Review		High	Yes					X	Review to ensure compliance with the contract and accuracy of invoice payments.
Affiliates	**4**								
PCHP		High	Yes					X	Review of the completeness and accuracy of claim payments.
Foundation		High	Yes					X	Review to be decided using a project-level risk assessment.
PCCI		High	Yes					X	Review to be decided using a project-level risk assessment.
Nursing Homes		High	Yes			X			Oversight, Corrective Action Validation
Annuals	**10**								
Quality Assurance Review		Medium	Yes					X	Annual internal review as required by the Institute of Internal Auditing Standards. Prepare for external review.
Cause Analysis Validation		Medium	Yes					X	Validate prior RCA corrective actions have been sustained. Deferred to FY 2023 after consultation with Quality & Risk Management.
HIPAA Privacy		High	Yes					X	Annual review that typically includes areas of high concern by the OCR. Collarboration project with Corporate Compliance.
External Audit (Interim & Final)		Medium	Yes	X (Final)					Assistance with external audit testing and following up on the prior year deficiencies.
Physical Inventory		Medium	Yes					X	FY 2024 Annual sampling of inventory counts to ensure accuracy. Physical counts begin in September.

	Count	Priority	Planned	Completed	Drafting	In Progress / Ongoing	Deferred	Not Started	Comments
HIPAA Self-Monitoring		Low	Yes					X	Random sampling of Epic patient record access was appropriate by Internal Audit Services, Corporate Compliance, and Legal Affairs personnel.
Follow-up Monitoring		High	Yes			X			Routine monitoring of previously reported issues and management action plans.
Annual Audit Plan		High	Yes			X			Ongoing identification of key issues and risks in the development of the annual audit plan.
Enterprise Risk Management (ERM)		High	Yes			X			Participation in conducting the annual risk assessment, monitoring of progress of identified risks, and reporting of key institutional risks.
Audit /GRC Management System (RFP & Implementation)		High	Yes			X			Continue evaluation of audit management software that will provide efficiencies in adhering to internal audit standards.
	34			7	2	11	0	13	
				21%	6%	32%	0%	38%	
Management/BOM Requests	**2**								
Pharmacy Invistics Implementation		Medium				X			Participate in the implementation to enhance drug diversion and inventory understanding and ensure proper internal controls are implemented.
Contract Labor		High				X			Attorney Work Product Privilege
Colonoscopy - Screening vs. Diagnostic		Medium		X					Review if billing is appropriate for the service provided.
	36			8	2	13	0	13	
				22%	6%	36%	0%	36%	

Internal Audit
Fiscal Year 2024 Audit Plan
Schedule

Reporting Months: *January, April, June, August, October*

	Priority	Project Start	Project End	Report Month	Comments
2023 Carry Forward					
UT RVU Payment	High		December 2023	**June**	Validates the accuracy of Third-Party Administrator (TPA) payments for UT MSA RVU claims.
Network	High		January	**April**	Review of network-layer processes and protections for non-IT controlled applications (i.e. cloud applications).
Vehicles	High		October 2023	**January**	Evaluate whether all Parkland owned vehicles are physically identified and properly accounted for, acquired, maintained, and disposed. Review processes and controls to ensure Parkland policies and procedures and State requirements for ownership/insurance/registration are followed
Disaster Readiness	High		January	**June**	Review of Parkland's procedures designed to ensure disaster readiness - the ability to continue operations during a disaster and recover after the disaster ends.
UT Documentation Review	High		Dec-23	**June**	Evaluating the accuracy of UT billed RVU claims compared to provider documentation
Population Health	High		December 2023	**January**	Evaluation of processes and controls relating to Correctional Health including pharmacy Pyxis medication overrides, completeness of intake medical appointments, evaluation of timely response to safety posts, review of processes for safeguarding assets, and patient requests for health appointments.
Physical Inventory	Medium		October 2023	**January**	FY 2023 Annual sampling of pharmacy and supplies inventory counts to ensure accuracy. Physical counts begin in September.
Audits					
Parkland/PCHP Delegated Entity Agreement	High	October 2023	December 2023	**January**	Review of Parkland readiness for Delegated Entity (DE) Audit. Validation of prior action plans from the PCHP DE audit. Review of entity MSA to ensure contract compliance.
UTSW	High	October 2023	February	**June**	MSA - 31 Denials

	Priority	Project Start	Project End	Report Month	Comments
Virtual Visits	High	October 2023	January	**June**	End to end review of process including regulatory compliance, IT controls, patient flow, and scope of practice. Determine how does the process work, who initiates service, how are vitals taken, who is eligible, established vs new, who staffs, scope of practice maintained, are there wait times, is this tracked, scheduling zip codes.
Contract Labor	High	January	May	**June**	Review the newly established invoice and payment process to ensure accuracy.
Out of State Workers	High	January	April	**June**	Review for compliance with applicable regulations including Payroll setup, Taxes, Federal & Respective State Law
Patient Scheduling Process	High	January	April	**June**	Review of the patient scheduling control environment to ensure resources, wait times, and patient experience are optimized.
Payroll	High	January	April	**June**	End to end review of the payroll process to ensure accuracy and completeness of employee pay, compliance with established procedures, and compliance with applicable regulations.
Role Based Access	High	January	April	**June**	Review of processes for provisioning of badge and IT access rights according to job needs.
Construction Contract/Project Review	High	May	July	**August**	Review to ensure compliance with the contract and accuracy of invoice payments.
Patient Registration Process	High	April	July	**August**	Review the patient registration controls designed to ensure accuracy and completeness of the information recorded.
Assets	High	April	August	**October**	Review of the control environment to ensure accuracy and completeness of asset records, evaluate processes to ensure safeguarding of assets, and compliance with regulations regarding assets used in patient care.
Cigna	High	April	September	**October**	Review to ensure compliance with the contract and accuracy of claim payments.
UTSW	High	October 2023	September	**October**	Third-Party Billing/Payment Analysis
UTSW	High	October 2023	September	**October**	Documentation Review
Affiliates					
Foundation	High	November	June	**August**	Review to be decided using a project-level risk assessment.
Nursing Homes	High	January	May	**June**	Oversight, Corrective Action Validation
PCHP	High	February	June	**August**	Review of the completeness and accuracy of claim payments.
PCCI	High	April	July	**August**	Review to be decided using a project-level risk assessment.

	Priority	Project Start	Project End	Report Month	Comments
Annuals					
HIPAA Privacy	High	February	May	**June**	Annual review that typically includes areas of high concern by the OCR. Collaboration project with Corporate Compliance.
Annual Audit Plan	High	October 2023	September	**August**	Ongoing identification of key issues and risks in the development of the annual audit plan.
Quality Assurance Review	Medium	June	September	**October**	Annual internal review as required by the Institute of Internal Auditing Standards. Prepare for external review.
Cause Analysis Validation	Medium	June	September	**October**	Validate prior RCA corrective actions have been sustained. Deferred to FY 2023 after consultation with Quality & Risk Management.
Follow-up Monitoring	High	October 2023	September	**Bimonthly**	Routine monitoring of previously reported issues and management action plans.
Enterprise Risk Management (ERM)	High	October 2023	September	**NA**	Participation in conducting the annual risk assessment, monitoring of progress of identified risks, and reporting of key institutional risks.
Audit /GRC Management System (RFP & Implementation)	High	October 2023	September	**NA**	Continue evaluation of audit management software that will provide efficiencies in adhering to internal audit standards.
External Audit (Final)	Medium	October 2023	November 2023	**NA**	Assistance with external audit testing and following up on the prior year deficiencies.
External Audit (Interim)	Medium	June	July	**NA**	Assistance with external audit testing and following up on the prior year deficiencies.
Physical Inventory	Medium	September	October	**January 2025**	FY 2024 Annual sampling of inventory counts to ensure accuracy. Physical counts begin in September.
HIPAA Self-Monitoring	Low	September	October	**January 2025**	Random sampling of Epic patient record access was appropriate by Internal Audit Services, Corporate Compliance, and Legal Affairs personnel.
Management/BOM Requests					
Pharmacy Invistics Implementation	Medium	October	September	**NA**	Participate in the implementation to enhance drug diversion and inventory understanding and ensure proper internal controls are implemented.
Contract Labor	High	October	TBD	**TBD**	Attorney Work Product Privilege
Colonoscopy - Screening vs. Diagnostic	High	October	TBD	**TBD**	Review if billing is appropriate for the service provided.

Internal Audit Services

Audit Follow-up Report Summary

January 19, 2024 – April 3, 2024

	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	**8**	**3**	**31**	**5**	**26**	**1**	**2**	**0**
Executive Session	**9**	**4**	**37**	**14**	**23**	**0**	**6**	**1**

Internal Audit Services
Closure Report

AUDIT COMMITTEE OPEN SESSION
January 24 - April 10, 2024

Audit	Session Type	Issue	Action Detail	Actions Taken by Management
19-12 Revenue Cycle	Open	19-12 Missing Charges	19-12 Supply Charges - Perioperative Services	For Supply and Implants in Epic, the Clinical Bridge team mirrored the workflow for the ASC GI cases to match with the MAIN GI Lab. All supplies and Implants must be pulled from the Core Pick list. This creates accuracy in the number of supplies and charges for every procedure. Supplies are now linked to Infor for the correct cost. The Clinical Bridge continuously updates supply charge information to Epic daily at 6:00 AM. A cross functional work group that includes Clinical Operation, Epic OpTime, Supply Chain leadership, Contract Director, and Supply Chain IT continues to meet. The goal for this group is to ensure the information is accurate and continue to update Epic Optime. As of 2/12/2024 the team continues to meet and submitted 771 supplies to cross the Clinical Bridge for the Main OR on 2/8/2024. Both actions demonstrate a commitment to making this a sustainable process.
22-06 Talent Acquisition (TA)	Open	22-06 Deficiencies in the use and retention of documentation used in the Offer Process	22-06 Offer Process Documentation Retention	Talent Acquisition (TA) management implemented a new process to document the Salary Offer Tool (SOT) to include all tabs and documentation provided so each salary offer can be recreated for audit purposes. Recruiters have been trained and the process documented for future reference. Controls Include: 1. The compensation department will be auditing a subset of the SOTs on a monthly basis to confirm each SOT is saved and is accurate. Findings will be returned to the appropriate TA leader for coaching and performance discussion purposes. 2. To ensure that the SOT and Nursing Tool can not be changed after the Offer has been made includes a match between the SOT, the Offer Letter and People Soft. The Offer Letter from SAP is stored as a PDF and there is an Audit Trail Report in Peoplesoft.

Internal Audit Services
Closure Report

AUDIT COMMITTEE OPEN SESSION
January 24 - April 10, 2024

Audit	Session Type	Issue	Action Detail	Actions Taken by Management
22-06 Talent Acquisition (TA)	Open	22-06 Inefficient Execution and Monitoring of Sign-On Agreement Process	Action: 22-06 Agreement Review, Execution and Monitoring	One Action closed, the Issue remains as Open. TA leadership team moved the Sign On process from a manual process to a web-based secured platform “Adobe Acrobat Sign”. All Recruiters have been trained, to use the online platform, which houses the template for Sign-On Agreements and tracks all approvals and signatures, then stores the document on the website. The Adobe Acrobat Sign document tracked through the platform and the Pre-Boarding team receives the fully executed document. In addition, the Pre-boarding team improved their process for ensuring proper processing of Sign-On Incentives Agreements, documented in the Sign-On SOP. The Pre-Boarding team continues to check the new employee’s status in our system of record, PeopleSoft, prior to sending confirmation for payment to Payroll.

Internal Audit Services
Follow-Up Report

AUDIT COMMITTEE OPEN SESSION
April 10, 2024

Progress Trend Legend

↑ ***Ascend*** – significant progress, closure likely and approaching

⤳ ***Forward*** – moderate progress in the right direction

⇆ ***Divergent*** – progress limited, at risk of descending

↓ ***Descend*** – no development, closure unlikely and risk may be accepted

Audit	Issue	Action Detail	Status	Action Needed	Risk to Parkland if Corrective Actions are Not Implemented
19-08 COPC ↑	19-08 Compliance with Advance Beneficiary Notice (ABN) Procedures and Regulatory Requirements	Action: 19-08 ABN Denial Review Process Action Owner: Eboni Joseph-Wilson Executive: Edmundo Castaneda Action Due Date: 7/31/2023 **New Action Due Date: 9/30/2023** **New Action Due Date: 2/29/2024** **New Action Due Date: 3/31/2024** % Complete: 90	IAS is waiting on additional information before completing retesting.	Population Health needs to work with Health Information Management to ensure signed ABNs are scanned into EPIC timely.	Failure to implement corrective actions could result in non-compliance with federal/state billing regulations and could subject Parkland to regulatory sanctions, civil and/or criminal penalties and negative publicity. If under billing it would result in lost revenue.
20-11 Consignment Process ⤳	20-11 Pricing Inconsistencies Were Identified	Action: 20-11 Pricing Inconsistencies - Perioperative Services Action Owner: Mary Alexander Executive: Pamela Bryant Action Due Date: 1/31/2024 **New Action Due Date: 2/29/2024** **New Action Due Date: 5/31/2024** % Complete: 75	The go live date for the OR perpetual inventory is February 2024. However, organizational adjustments are necessary to operate the perpetual inventory. The consignment flag will then be applied to the consignment items in the OR perpetual inventory.	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. There is a flag in INFOR to ID consignment; however, Supply Chain is not currently using this flag. Supply Chain wants to implement a Perpetual Inventory System and work with INFOR to identify and separate Consignment from Parkland Owned supplies.	Failure to implement corrective actions could result in non-compliance with federal/state billing regulations and could subject Parkland to regulatory sanctions, civil and/or criminal penalties and negative publicity. If under billing it would result in lost revenue. Potential of co-mingling consignment with Parkland owned supplies. Potential of not being able to determine consignment expenditures if combined with Parkland owned inventory. Potential negative publicity associated with non-compliance with billing regulations
	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: Pamela Bryant Action Due Date: 1/31/2024 **New Action Due Date: 6/30/2024** % Complete: 75	The go live date for the OR perpetual inventory is February 2024. However, organizational adjustments are necessary to operate the perpetual inventory. The consignment flag will then be applied to the consignment items in the OR perpetual inventory. Currently, Supply Chain is monitoring and tracking consignment manually as reported previously.	Supply Chain needs to implement a Perpetual Inventory System and work with INFOR to identify and separate Consignment from Parkland Owned supplies.	Potential non-compliance with federal/state billing regulations could subject Parkland to regulatory sanctions, and civil and/or criminal penalties. Potential of over/under billing. Potential of co-mingling consignment with Parkland owned supplies. Potential of not being able to determine consignment expenditures if combined with Parkland owned inventory.
	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: 6/30/2023 **New Action Due Date: 6/30/2024** % Complete: 50	A Patient Safety Clinical Manager to support Parkland's Recall Process has been hired and work has begun with ECRI (the outside vendor that supplies recall information to Parkland). Current processes are being reviewed; however, changes have not been finalized.	Quality & Safety Operations, Safety & Clinical Risk Management and Supply Chain need to centralize the recall process and finalize the recall policy.	Potential patient safety if the identification of recall products are not identified and communicated to the affected providers and patients. Potential for inconsistent oversight, management, documentation of issues and corrective response. Potential negative publicity associated with non-compliance with patient safety recall communication and processes.
22-03 Procurement and Contracting ↑	22-03 Requisition Approvals	Action: 22-03 Requisition Approvals Action Owner: Vic Summers Executive: Richard Humphrey Action Due Date: 6/30/2023 **New Action Due Date: 4/30/2024** % Complete: 90	IAS is currently retesting.	Supply Chain needs to ensure that there are system controls to prevent unauthorized purchases. In addition, Supply Chain needs to routinely review requisition approval levels for appropriateness.	Without adequate separation of duties, unauthorized purchases could occur

Internal Audit Services
Follow-Up Report

AUDIT COMMITTEE OPEN SESSION
April 10, 2024

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Audit	Issue	Action Detail	Status	Action Needed	Risk to Parkland if Corrective Actions are Not Implemented
22-06 Talent Acquisition ↑	22-06 Inefficient Execution and Monitoring of Sign-On Agreement Process	22-06 Implement processes and controls related to recovering funds from sign-on bonus breaches Action Owner: DeLancey Johnson Executive: Felicia Miller Action Due Date: 7/31/2023 **New Action Due Date: 1/31/2024** % Complete: 50	On 3/11/2024 IAS re-distributed Parkland's documented "Sign-On Collection Process" to key process owners to determine if additional updates/edits are needed.	The Office of Talent Management (OTM) needs to continue to work with Accounting and Legal Affairs to improve the processes and controls related to recovering funds from sign-on bonus breaches, possibly via automation. All processes should be reviewed and approved by the Legal Department prior to implementation. OTM will send IAS the proposed process for entering the sign-on bonus payments into the HR/Payroll system: IAS will test this process once received.	Failure to adequately execute and monitor Sign-On Incentives can result in non-compliance with Parkland's Sign-On Incentive Procedure, monetary loss, and high talent turnover for Parkland.
	22-06 Inconsistent Reporting and Monitoring of Talent Acquisition Service Level Agreements	22-06 Inconsistent Reporting and Monitoring of Talent Acquisition Service Level Agreements Action Owner: Stacy Dorsey Executive: Felicia Miller Action Due Date: 10/31/2023 **New Action Due Date: 4/30/2024** % Complete: 90	IAS is waiting on additional documentation from Talent Acquisition to complete retesting.	OTM needs to evaluate the Service Level Agreements (SLA) process and retain appropriate documentation. In addition, the SLA needs to be measurable and the SLA and OTM Reporting definitions need to align.	Untimely hiring process and poor working relationships with hiring leaders.
	22-06 Inadequate retention and preservation of Signed Application Disclosure and Authorization Forms for Background Checks	22-06 Retention and Preservation of Signed Authorization Forms Action Owner: Denise Pickett and Carolyn Foster Executive: Steven Roth Action Due Date: 10/31/2023 **New Action Due Date: 3/31/2024** **New Action Due Date: 5/31/2024** % Complete: 75	Legal Affairs, Contract, and IT are working together to develop, document and test Parkland's Vendor Data Information Template and the new process workflow.	Legal Affairs and Contracting needs to ensure contracts contain language regarding the access and ownership of data when a contract ends.	Inability to produce required hiring process documentation to support hiring decisions and compliance with Equal Employment and Opportunity Commission and Department of Labor regulations.
	22-06 Consent and Release of Liability Forms for Health and Drug Screening are not adequately reviewed and maintained	22-06 Review and Maintenance of Consent and Release of Liability Forms Action Owner: Denise Pickett and Carolyn Foster Executive: Steven Roth Action Due Date: 7/31/2023 **New Action Due Date: 3/31/2024** **New Action Due Date: 5/31/2024** % Complete: 90		Legal Affairs and Contracting needs to ensure contracts contain language regarding the access and ownership of data when a contract ends. IAS completed retesting and has marked the following actions as Complete for "Occupational Health needs to review and modify the existing Consent and Release of Liability Form and Parkland's Office of Talent Management Drug Free Workplace Policy & Procedure to ensure they align with one another. Occupational Health also needs to develop a process to ensure adequate review and maintenance of all signed forms"	Increased risk for unfavorable position in an unemployment case or lawsuit arising from a drug test.

Internal Audit Services
Follow-Up Report

AUDIT COMMITTEE OPEN SESSION
April 10, 2024

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Audit	Issue	Action Detail	Status	Action Needed	Risk to Parkland if Corrective Actions are Not Implemented
23-03 Chargemaster ↑	23-03 Charge Description Master (CDM) Pricing	23-03 CDM Pricing is not reflective of Parkland Pricing Policy Action Owner: Gerry Baker Executive: Richard Humphrey Action Due Date: 10/31/2023 **New Action Due Date: 3/31/2024** **New Action Due Date: 4/30/2024** % Complete: 75	The "Pricing Procedure" document to establish clear expectations related to pricing new procedures added to the CDM and reflect current practice has been updated. Awaiting Revenue Cycle Leadership review and approval.	Revenue Cycle needs to ensure that pricing of CDM request items adhere to Parkland's pricing policy.	Failure to ensure that pricing of CDM request items adhere to Parkland's pricing policy could result in a lack of structure and non-compliant process for maintaining the Chargemaster.
	23-03 Charge Description Master (CDM) Requests	23-03 CDM Requests Not Processed Timely and Accurately Action Owner: Gerry Baker Executive: Richard Humphrey Action Due Date: 3/31/2024 **New Action Due Date: 7/31/2024** % Complete: 60	Revenue Cycle has been approved to hire additional staff to assist with the processing of CDM requests. The increase in staff will augment Revenue Cycle's ability to process CDM requests timelier.	Revenue Cycle needs ensure that CDM requests are processed in a timely manner to ensure availability of charging for services rendered. Thorough review of chargemaster processing prior to final approval is recommended to ensure compliance with CDM policies and procedures.	Failure to implement corrective actions could result in non-compliance with federal/state billing regulations and could subject Parkland to regulatory sanctions, civil and/or criminal penalties and negative publicity. If under billing it would result in lost revenue.
		23-03 CDM Requests Not Processed Timely and Accurately Action Owner: Vic Summers Executive: Richard Humphrey Action Due Date: 3/31/2024 **New Action Due Date: 10/31/2024** % Complete: 90	IAS is currently retesting.	Pharmacy Services should ensure that supporting documentation for Drug Replacement expense transactions are available at the time the entry is submitted to substantiate accuracy and appropriateness of the transaction.	Failure to implement corrective actions could result in non-compliance with federal/state billing regulations and could subject Parkland to regulatory sanctions, civil and/or criminal penalties and negative publicity. If under billing it would result in lost revenue.
	23-03 CDM Policies and Procedures are Not Current	23-03 Policies and procedures are not current and do not reflect all CDM processes. Action Owner: Gerry Baker Executive: Richard Humphrey Action Due Date: 3/31/2024 **New Action Due Date: 4/30/2024** % Complete: 75	Revenue Cycle has updated guidelines on how to assign categories in Procedure document to reflect the current CDM process. Awaiting Revenue Cycle Leadership review and approval.	Revenue Cycle needs to review and update policies and procedures or directing all elements of CDM processing.	Failure to review and update policies and procedures or directing all elements of CDM processing could result in could result in non-compliance with federal/state billing regulations and could subject Parkland to regulatory sanctions, civil and/or criminal penalties and negative publicity. If under billing it would result in lost revenue.
23-06 Out of County Process ⇆	23-06 County Notification Process is Inconsistent	23-06 County Notification Process is Inconsistent Action Owner: Steve Roth Executive: Fred Cerise Action Due Date: 4/30/2024 % Complete: 50	Legal Affairs is reviewing the current language of the law to determine if there are any potential remedies with the counties. PFS will continue the current process for notifying, billing and collecting for patient visits outside of Dallas County. After Legal Affairs finalizes their review future PFS processes will be reviewed.	Revenue Cycle needs to ensure notification and billing criteria align with management expectations and the Indigent Health Care and Treatment Act (Act). Review the notification process with PFS staff to ensure notifications are sent to the counties on a timely basis; and Review the Act to ensure all requirements are being met. Implement a quality assurance process.	The lack of proper notification may prevent reimbursements from counties.

Internal Audit Services
Follow-Up Report

AUDIT COMMITTEE OPEN SESSION
April 10, 2024

Progress Trend Legend

↑ ***Ascend*** – significant progress, closure likely and approaching

⤳ ***Forward*** – moderate progress in the right direction

⇆ ***Divergent*** – progress limited, at risk of descending

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	23-06 Lack of Payments Received	23-06 Lack of Payments Received Action Owner: Steve Roth Executive: Fred Cerise Action Due Date: 4/30/2024 % Complete: 50		Revenue Cycle needs to ensure Parkland receives maximum reimbursement from counties and monitor outstanding balances to ensure timely collection of payments.	Parkland is missing out on potential reimbursement due to not following state regulations with notifications not being sent timely to counties
23-14 Vehicles ↑	23-14 Physical Validation of Vehicles and Compliance with State Regulations Including Insurance and Registration	23-14 Physical Validation of Vehicles and Compliance with State Regulations Including Insurance and Registration Action Owner: Pamela Bryant Executive: Richard Humphrey Action Due Date: 4/30/2024 % Complete: 10	The Standard Operating Procedure (SOP) was implemented October 2021. The Fleet Management team will conduct a vehicle rodeo annually, at which point fuel cards, state registration, VIN, Parkland vehicle ID, and insurance will be physically validated. Fleet Management will leverage fleet management software to proactively remind department leaders 30 days in advance that vehicles need to be registered with the state. Vehicles that are not compatible with Fleet Management hardware will not have GPS devices installed and will be verified during the annual rodeo.	Supply Chain needs to ensure that: 1. An annual vehicle rodeo/roundup is held as required by the SOP and per the effective date of the SOP. The annual roundup should reach out to all Parkland departments in an organization-wide publication such as Parkland Now or the Parkland Intranet to help identify unknown Parkland-owned vehicles. 2. Vehicle registrations are reviewed regularly to ensure they do not expire. 3. A process in in place to regularly check vehicles for insurance information and observe vehicles for appropriate identification numbers during the annual vehicle roundup/rodeo. Consider tracking registrations and insurance placements in Samsara to facilitate monitoring. Determine whether any vehicles should be excluded from Samsara, and if so, add procedures to the SOP for vehicle exclusions.	Parkland vehicles may not be properly safeguarded, and State regulations may not be followed.
	23-14 Completeness of Infor Accounting Records	23-14 Completeness of Infor Accounting Records Action Owner: Pamela Bryant Executive: Richard Humphrey Action Due Date: 1/31/2024 **New Action Due: 3/31/2024** % Complete: 85	Supply Chain will continue to provide Finance with Vehicle information via “Weekly Batch Report.” A quarterly reconciliation meeting between Fleet Management and Accounting staff to discuss the number of vehicles acquired and how they are recorded into the accounting system could be established. Fleet Management will continue to inform Accounting / Finance of revenue of sales from Parkland owned vehicles sold at auction.	Supply Chain needs to develop a process to ensure that vehicles are added to Infor when obtained outside the normal purchase ordering process such as through grant funds or other donation methods. Supply Chain and Accounting need to meet regularly to reconcile and ensure that their vehicle lists in Samsara and Infor are consistent	Vehicles may not be accurately recorded as assets in the Infor accounting system.
		23-14 Completeness of Infor Accounting Records Action Owner: Tabitha Lee Executive: Richard Humphrey Action Due Date: 3/31/2024 % Complete: 85	Accounting will work with Supply Chain for quarterly audits of the INFOR and Samsara system to make sure both systems are reconciled and agree. Accounting worked with Supply Chain and mentioned if PO’s can be provided for vehicles purchased accounting can review the distribution and locate the vehicle. Accounting would like to have as much information as possible in the INFOR system. Accounting will be reaching out to IT to request adding lines for VIN number and Tag number to be entered into IINFOR as well to have as much information pertaining to the asset in the INFOR system.	Accounting needs to identify and properly code vehicles in the Accounting System to the" Capital Account" rather than to the "Expense Account" Accounting needs to work with Supply Chain to ensure that: 1. VIN numbers are included in Infor for all Parkland owned vehicles. 2. Consistency in information and accounting for vehicles, 3. A quarterly reconciliation meeting between Supply Chain and Accounting staff occurs to discuss the number of vehicles acquired and how they are recorded into the accounting system, vehicles disposed during the quarter, recognition of sales and to reconcile Vehicle information in Samsara, Infor and ServiceNow.	Vehicles may not be accurately recorded as assets in the Infor accounting system.

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	23-14 Invoices and Payments for Repair Work on Vehicles	23-14 Invoices and Payments for Repair Work on Vehicles Action Owner: Pamela Bryant Executive: Richard Humphrey Action Due Date: 9/30/2024 % Complete: 10	Supply Chain is working with a local dealership with locations within 5 miles of Parkland to provide maintenance and repairs. Supply Chain will also go to bid to obtain a fleet fuel program. The transition plan is in process.	Supply Chain needs to work with the vendor to ensure all charges are supported by the contractual agreement and invoice documentation.	Invoices and payments for vehicle maintenance and repair work may not accurately reflect the terms of the contract and invoices may not provide adequate details to ensure proper payments.
	23-14 Disposition of Vehicles	23-14 Disposition of Vehicles Action Owner: Pamela Bryant Executive: Richard Humphrey Action Due Date: 9/30/2024 % Complete: 10	Fleet Management will continue to monitor vehicle sales to ensure parkland collects revenue upon auction. Fleet Management team will remove the license plates and submit VTR-346 to help protect the district from liability for criminal or civil acts involving the vehicle and the person(s) or entity taking ownership. Reaching out to Dallas County ASC for vehicle maintenance history and Parkland Finance for depreciated value was implemented to align with new SOP the vehicles audited preceded this practice.	Supply Chain needs to continue to monitor vehicle sales to ensure Parkland collects cash when vehicles are sold and work with the Texas DMV to ensure title transfers to the new owners occur.	Disposals of vehicles may not be accurately accounted for and properly approved; titles may not be properly transferred to new owners to limit Parkland's liability.
		23-14 Disposition of Vehicles Action Owner: Tabitha Lee Executive: Richard Humphrey Action Due Date: 9/30/2024 % Complete: 10	Accounting should receive disposal report for any vehicle sold or auctioned the month the asset is decommissioned; this will also ensure the gain/loss on sale of the asset is recorded timely and removed from the books. Accounting will work closely with Supply Chain regarding status any sales in our quarterly meetings.	Accounting needs to ensure all dispositions are recorded in Infor to properly account for individual vehicles. Disposition records and vendor evaluations of disposition readiness should be maintained.	Disposals of vehicles may not be accurately accounted for and properly approved; titles may not be properly transferred to new owners to limit Parkland's liability.
	23-14 Safe Driving	23-14 Safe Driving Action Owner: Jared Ginter Executive: Steven Roth Action Due Date: 1/31/2025 % Complete: 10	Institutional Risk Management together with DCHDPD and Supply Chain have been working to implement Parkland's Safe Driving Program. Progress has been made in identifying all individuals at the leadership level to begin coordination. Next steps include: An internal kick-off meeting, identifying all employees currently driving or designated to drive for Parkland and evaluating resources needed.	Institutional Risk Management needs to work with departments overseeing drivers and driving responsibilities to enhance Parkland's driver safety program and ensure all drivers of Parkland vehicles are identified for inclusion in the program. When establishing driver safety program modifications, the following should be considered: annual driver's license and insurance reviews for Parkland drivers, driver safety training, and enhanced accident protocols such as driver behavior evaluation after accidents (as allowable by law and policy) and after-action reports. After the updated process is defined, Institutional Risk Management needs to work with Supply Chain to update the driver safety portions of the Fleet Management Standard Operating Procedure.	Driver's may not be properly licensed or trained to promote safe driving and accident avoidance with Parkland vehicles.

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23-21 Patient Property ↑	23-21 Ineffective Property Management	23-21 Organizational Project to Redesign Patient Property Workflow (Including Procedure Updates, Training, and Monitoring) Action Owners: Donald Andriot and Brad Walsh Executive: David Garcia Action Due Date: 5/31/2024 % Complete: 80 Future Action Owners: TBD Executive: TBD % Complete: 55	Operational Excellence has recruited a cross-functional core team, performed Gemba walks, process mapped the current state, and identified opportunities for improvement. The next steps will include process mapping the future state and brainstorming potential solutions for identified opportunities with subject matter experts on the core team and presenting the findings and potential recommendations to the Patient Belongings Improvement Steering Committee. Action Owners and Action Due Dates will be determined based on what course of action the Steering Committee chooses.	Operational Excellence needs to present the findings and potential recommendations to the Patient Belongings Improvement Steering Committee and identify process owners for each audit issue.	Ineffective management of property could result in patient dissatisfaction.
	23-21 Inaccurate Property Documentation				Inaccurate property documentation could lead to delays in retrieving property, incomplete chain of custody records, and patient dissatisfaction.
	23-21 Exclusion of Soiled Cash from Unclaimed Property Payment to Comptroller				Remitting incorrect amounts to the Comptroller could result in non-compliance with the Texas Property Code.
	23-21 Incomplete Property Documentation				Incomplete documentation could result in property being left behind when patients transfer to different units or leave Parkland.
	23-21 Untimely Inventory of Patient Belongings				Untimely inventories could result in patient belongings not being identified and inaccurate records.
	23-21 No ID Provided When Picking Up Patient Valuables				Releasing valuables without verifying the requestor's identity could result in unauthorized individuals obtaining patient property.
	23-21 Illegible Signature on Patient Valuable Envelope				Not validating the contents of patient valuable envelopes could result in patients holding Parkland responsible for valuables that were not brought into the hospital.