

# **UT Southwestern** Medical Center

## **Student Services Audit**

**Internal Audit Report 21:03**

**May 20, 2021**

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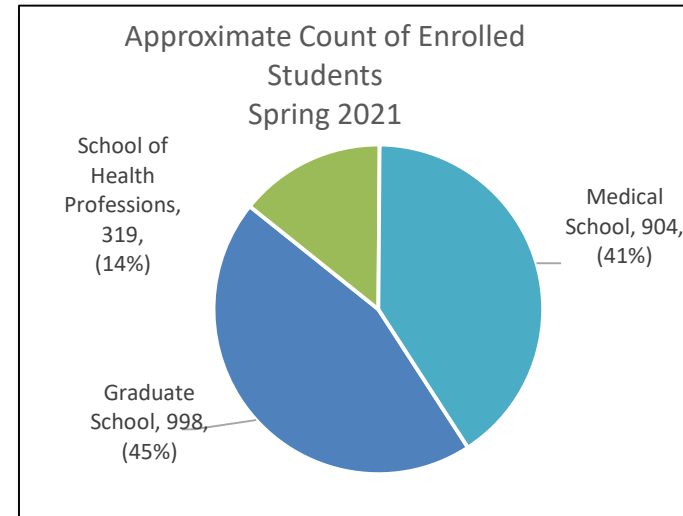
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## Executive Summary

### Background

Student Services supports University of Texas Southwestern Medical Center (UT Southwestern) in its overall mission to ensure the continued growth and student retention while maintaining academic records for all who enroll and attend classes. The admissions process varies across the three (3) schools (Medical School, School of Health Professions, and Graduate School of Biomedical Sciences). Individual school programs have their own criteria, application evaluation process and makes admission decisions through respective committees. AMP is a newly implemented third-party application system used to facilitate the admissions process, while the PeopleSoft Campus Solutions system module is used for official academic records keeping and student financials.

The Registrar oversees student enrollment, final grade posting, degree issuance, transcript preparation, leave of absence records, medical licensure processing and certifications. Student Accounting manages student account information related to billing, student health insurance, third party billing, and refunds of credit balance after financial aid disbursement. See **Appendix B** for an overview of the Student Life Cycle. As of the spring 2021 semester, there were approximately 2,200 students enrolled across the three schools.



### Scope and Objectives

The Office of Internal Audit Services has completed its Student Services audit. This was a risk based audit and part of the fiscal year 2021 Audit Plan. The audit scope included admissions, enrollment, leave of absence and select portions of tuition and fees processes from fall 2019 to spring 2021 semesters. The scope also included a review of access controls for the AMP application system. In summary, the review included assessing the adequacy and effectiveness of processes and internal controls to ensure:

- Admission process is complete and appropriate.
- New student enrollment requirements are complete.
- Leave of absence processes are appropriate and in compliance with institutional policy
- Tuition and fees are applied appropriately based on student status
- AMP admissions system access is appropriate and based on business needs

## Executive Summary

Audit procedures included interviews with stakeholders, review of policies and procedures and other documentation, substantive testing and data analytics. We conducted our examination according to guidelines set forth by The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

### Conclusion

Overall, procedures and controls for providing admissions and enrollment services are operating as intended. Opportunity exists to establish a formal process for faculty members who review, interview and make admission decisions to formally disclose through attestation when a conflict of interest arises and for improving controls for user access administration and on-going monitoring of user access.

Included in the table below is a summary of the observations along with their respective disposition within the UT Southwestern internal audit risk definition and classification process. See Appendix A for Risk Rating Classifications and Definitions. There were no priority or high rated observations identified for the audit.

Priority (0)	High (0)	Medium (2)	Low (2)	Total (4)
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Key observations identified are listed below.

- **#1 Enhance Faculty Conflict of Interest Process** – Faculty members involved in the schools admissions process and may be responsible for screening, interviewing and selecting applicants are not required to formally attest or disclose conflict of interests. Undocumented conflict of interest may result in inappropriate admission of applicants and increased reputational risk.
- **#2 Establish AMP System User Access Administration Process** - The new admissions system AMP does not have a formally defined user access administration process in place to establish, remove, and periodically re-certify access. Absence of user administration controls may result in inappropriate access or inappropriate student admissions.
- **#3 Increase Collection Efforts for Former Students' Unpaid Balances** – Collection procedures are limited for former students. With more options, the risk of non-collections and revenue loss would decrease.
- **#4 Improve Student Health Insurance Process** - The insurance waiver process for the students who are also employees is not clearly defined. Without the ability to ensure all students have health insurance coverage, UT Southwestern is at risk of noncompliance with UT System Board of Regents requirement.

## Executive Summary

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Detailed audit observations, Management action plans and respective action plan due dates are reflected in the Audit Observations and Management Action Plans section of this report. We would like to thank the individuals included in this audit for the courtesies extended to us and for their cooperation during our review.

Sincerely,

Valla F. Wilson, Vice President for Office of Internal Audit Services, and Chief Audit Executive

**Audit Team:**

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## **Executive Summary**

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Wade Radicioni, Director of Operations & Analytics, Academic Affairs  
Leah Schouten-Kresser, Director, Admissions and Recruitment  
Megan Sellers, Program Coordinator, Southwestern School of Health Professions  
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Andrew Zinn, MD, Ph.D., Dean, Southwestern Graduate School

## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Medium</b> ●</p> <p><b>1. Enhance Faculty Conflict of Interest Process</b></p> <p>Faculty members involved in the schools admissions process and may be responsible for screening, interviewing and selecting applicants are not required to formally attest or disclose conflict of interests.</p> <p>Undocumented conflict of interest may result in inappropriate admission of applicants and increased reputational risk.</p>	<ol style="list-style-type: none"> <li>1. Evaluate and establish a COI attestation process for faculty who evaluates, interviews and makes admission decisions at each school.</li> <li>2. Communicate to faculty members the COI attestation process.</li> </ol>	<p><b>1. <u>Management Action Plans:</u></b></p> <p><i>Work with AMP Admissions system vendor on a system enhancement to develop a COI attestation for all members of the institution that access AMP during each admission cycle. Attestation will include the reporting of a conflict if one arises and will be performed prior to any review of applicants is conducted. Admissions Office is testing the AMP COI attestation language and workflow for next admissions cycle for the Medical School. After testing is completed the COI attestation will be rolled out to the AMP instances for the Graduate School and School of Health Professions.</i></p> <p><b><u>Action Plan Owner(s):</u></b></p> <p><i>Director, Admissions and Recruitment</i></p> <p><b><u>Target Completion Dates:</u></b></p> <p><i>July 1, 2021</i></p> <p><b>2. <u>Management Action Plans:</u></b></p> <p><i>Each School will have different implementation dates for the COI attestations based on the admissions cycle. We will communicate the process to faculty members during the preparation meetings for the admissions cycle.</i></p>

## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response
		<p><b><u>Action Plan Owner(s):</u></b>            Director, Admissions and Recruitment            Associate Dean Academic Affairs,            Southwestern School of Health Professions            Assistant Dean, Southwestern Graduate            School</p> <p><b><u>Target Completion Dates:</u></b>            August 31, 2021</p>
<p><b>Risk Rating: Medium ●</b></p> <p><b>2. Establish AMP System User Access Administration Process</b></p> <p>The new admissions system AMP does not have a formally defined user access administration process in place to add, remove, and periodically re-certify access.</p> <p>The audit identified users with privileged access across the three schools that were not appropriate based on their job responsibilities.</p> <p>Absence of user administration controls may result in inappropriate access or inappropriate student admissions.</p>	<ol style="list-style-type: none"> <li>1. Evaluate security access and terminate AMP user accounts for employees who no longer have admissions related responsibilities.</li> <li>2. Develop User Access Management procedure to ensure user access review across all three schools.</li> <li>3. Establish periodic verification and evaluation of AMP user access.</li> </ol>	<ol style="list-style-type: none"> <li>1. <b><u>Management Action Plan:</u></b>            Admissions Office reviewed the list of people with Administrator role and updated access.  <b><u>Action Plan Owner(s):</u></b>            Director, Admissions and Recruitment  <b><u>Target Completion Dates:</u></b>            Completed</li> <li>2. <b><u>Management Action Plans:</u></b>            Admissions Office will develop procedures for providing access reviewing users on a regular basis and will establish periodic review.            Admissions Office is creating a super user role with access given to limited number of individuals in each area (5-6 total people). Super users will be responsible for reviewing admin users and assigning access to their area.</li> </ol>



## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response
		<p><b><u>Action Plan Owner(s):</u></b> Director, Admissions and Recruitment</p> <p><b><u>Target Completion Dates:</u></b> July 31, 2021</p> <p><b>3. <u>Management Action Plans:</u></b> Admissions Office will establish periodic review of user access as part of developing procedures for providing and updating AMP access.</p> <p><b><u>Action Plan Owner(s):</u></b> Director, Admissions and Recruitment</p> <p><b><u>Target Completion Dates:</u></b> July 31, 2021</p>

## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response															
<p><b>Risk Rating: Low ●</b></p> <p><b>3. Increase Collection Efforts for Former Students' Unpaid Balances</b></p> <p>Current practice for former students and alumni with unpaid balances is to place a hold on their transcripts and to report a warrant hold at the state level. Written procedures should be updated to include additional collection options to reduce the risk of lost revenue through non-collections.</p> <p>As of March 2021, unpaid balances for former students (i.e. non-active students with status as Dismissed, Withdrew, Discontinue, Leave, and Completed) is approximately \$135k.</p>	<ol style="list-style-type: none"> <li>1. Update account collection procedures to ensure communication and collection processes are fully documented. Obtain approval from senior management and share the procedures with the appropriate academic departments.</li> <li>2. Determine accounts that are no longer collectable and write off the account balances.</li> </ol>	<p><b>1. <u>Management Action Plan:</u></b></p> <p><i>Former student balances as of March 2021:</i></p> <table border="1" data-bbox="1451 386 2018 719"> <thead> <tr> <th><i>Range</i></th> <th><i>#</i></th> <th><i>Amount</i></th> </tr> </thead> <tbody> <tr> <td><i>Less than \$100</i></td> <td><i>106</i></td> <td><i>\$3,530</i></td> </tr> <tr> <td><i>\$100 to \$999.99</i></td> <td><i>51</i></td> <td><i>\$11,237</i></td> </tr> <tr> <td><i>\$1000 to \$9,999.99</i></td> <td><i>27</i></td> <td><i>\$79,585</i></td> </tr> <tr> <td><i>\$10,000 &amp; higher</i></td> <td><i>3</i></td> <td><i>\$40,601</i></td> </tr> </tbody> </table> <p><i>Of these, 82 accounts totaling \$52,442 exceed the four year legal collection period. Debt write-offs will be in accordance with state law.</i></p> <p><i>We will propose additional procedures to the Office of the Provost to ensure collection effort is properly documented, approved and communicated. Collection procedures will also include a materiality threshold and write-off age tied to state regulations.</i></p> <p><i>For current students, UT System has approved usage of a late fee. Students not paying balances after 12 days will be dropped from their courses.</i></p>	<i>Range</i>	<i>#</i>	<i>Amount</i>	<i>Less than \$100</i>	<i>106</i>	<i>\$3,530</i>	<i>\$100 to \$999.99</i>	<i>51</i>	<i>\$11,237</i>	<i>\$1000 to \$9,999.99</i>	<i>27</i>	<i>\$79,585</i>	<i>\$10,000 &amp; higher</i>	<i>3</i>	<i>\$40,601</i>
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## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response
		<p><b><u>Action Plan Owner(s):</u></b>  <i>Assistant Vice President, Accounting and Fiscal Services</i>  <i>Director, Asset Accounting, Student Financials and Acctg Compliance</i>  <i>Vice President and Chief Operating Officer, Academic Affairs</i></p> <p><b><u>Target Completion Dates:</u></b>  <i>July 1, 2021 to update procedures</i></p> <p><b>2. <u>Management Action Plan:</u></b>  <i>Current receivables will be fully reviewed and a list of potential write-offs will be provided to our partners at the Office of the Provost for their review. We will also evaluate and analyze student accounts with the school Deans and Legal prior to determining collections. Once we have a fully approved list we will write-off the balances.</i></p> <p><b><u>Action Plan Owner(s):</u></b>  <i>Assistant Vice President, Accounting and Fiscal Services</i>  <i>Director, Asset Accounting, Student Financials and Acctg Compliance</i>  <i>Vice President and Chief Operating Officer, Academic Affairs</i></p>

## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response
		<p><b><u>Target Completion Dates:</u></b></p> <p>July 31, 2021 to review the accounts</p> <p>August 31, 2021 to send to collections or write off as applicable</p>
<p><b>Risk Rating: Low ●</b></p> <p><b>4. Improve Student Health Insurance Process</b></p> <p>The insurance waiver process for the students who are also employees does not follow the standard process. University guidance indicates all students who may also be employees, are to either waive or pay health insurance charges.</p> <p>The Postdoctoral Programs and Student Accounting are not verifying whether student/employees have health insurance coverage, because they do not have access to employee records. Without the ability to ensure all students have health insurance, UT Southwestern may be at risk of noncompliance with UT System Board of Regents requirements.</p>	<p>1. Coordinate with the Schools and update the student health insurance procedures to ensure consistency of documenting health insurance for all students, including students who are employees or fall into another category.</p>	<p>1. <b><u>Management Action Plans:</u></b></p> <p>We will coordinate and update the health insurance procedures to be consistent across all programs.</p> <p>Once updating the procedures, we will communicate to all students.</p> <p><b><u>Action Plan Owner(s):</u></b></p> <p>Manager, Financial Affairs, Student Services</p> <p><b><u>Target Completion Dates:</u></b></p> <p>July 1, 2021: Updating procedures</p> <p>July 30, 2021: Communicate to students</p>

## Appendix A – Risk Classifications and Definitions

As you review each observation within the Detailed Observations and Action Plans Matrix of this report, please note that we have included a color-coded depiction as to the perceived degree of risk represented by each of the observations identified during our review. The following chart is intended to provide information with respect to the applicable definitions and terms utilized as part of our risk ranking process:

<p><b>Risk Definition-</b> The degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management.</p>	<p><b>Degree of Risk and Priority of Action</b></p>	
	<p><b>Priority</b></p>	<p>An issue identified by Internal Audit that, if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.</p>
	<p><b>High</b></p>	<p>A finding identified by Internal Audit that is considered to have a high probability of adverse effects to the UT institution either as a whole or to a significant college/school/unit level. As such, immediate action is required by management in order to address the noted concern and reduce risks to the organization.</p>
	<p><b>Medium</b></p>	<p>A finding identified by Internal Audit that is considered to have a medium probability of adverse effects to the UT institution either as a whole or to a college/school/unit level. As such, action is needed by management in order to address the noted concern and reduce the risk to a more desirable level.</p>
	<p><b>Low</b></p>	<p>A finding identified by Internal Audit that is considered to have minimal probability of adverse effects to the UT institution either as a whole or to a college/school/unit level. As such, action should be taken by management to address the noted concern and reduce risks to the organization.</p>

It is important to note that considerable professional judgment is required in determining the overall ratings presented on the subsequent pages of this report. Accordingly, others could evaluate the results differently and draw different conclusions. It is also important to note that this report provides management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate.

## **Appendix B – Student Life Cycle**

### **UT Southwestern Student Life Cycle**

#### **Application**

School of Health Professions: AMP, CASPA, PTCAS  
Medical School: TMDSAS  
Graduate School: AMP

#### **Admission**

-AMP used for all three schools  
Committee decisions per each school

#### **Student Enrollment/Tuition & Fees**

Campus Solutions used for all three schools  
Registrar enrolls on behalf of Med School  
School of Health Professions & Graduate School completes their own  
Tuition and Fees Automated Process based on Enrollment. Waivers and refunds as applicable.

#### **Program Requirements/Education/Exams**

Managed by each school

#### **Graduation**

Requirements met and noted within Campus Solutions  
Each student applies in Campus Solutions