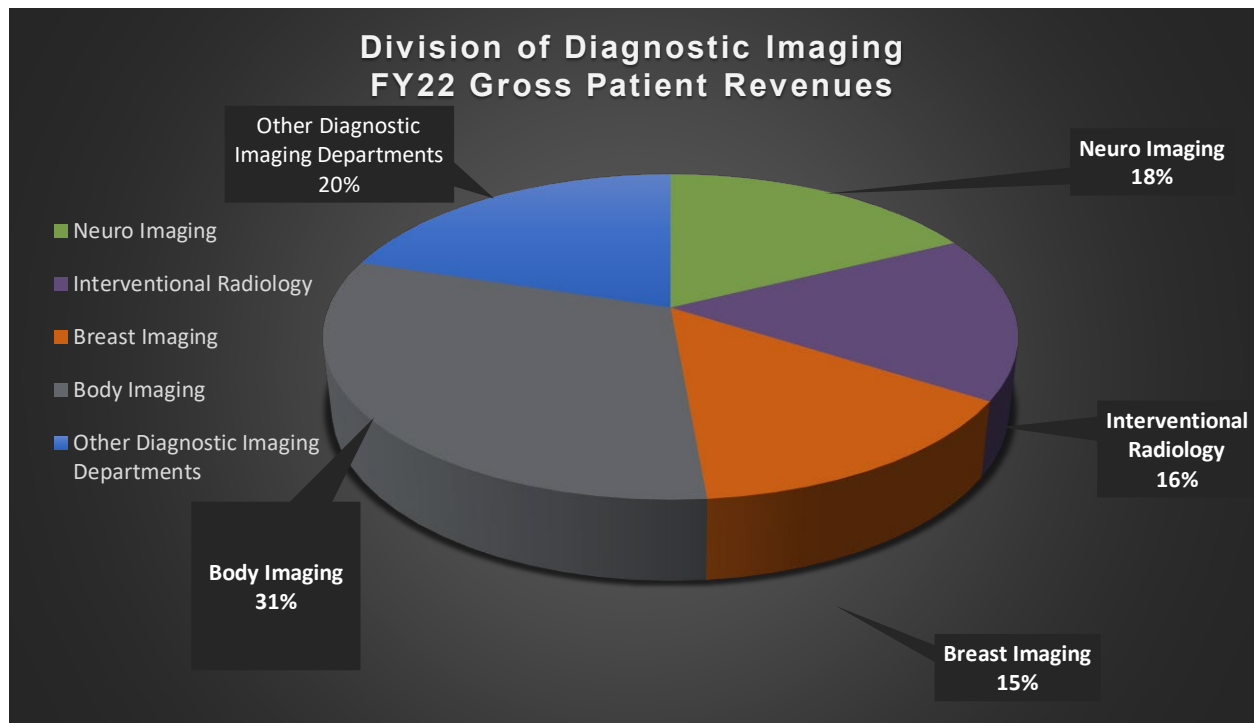


**MEMORANDUM**

**Date:** April 3, 2023  
**TO:** Dr. Marshall Hicks  
 Division Head, Diagnostic Imaging – Clinical  
**FROM:** Sherri Magnus *Sherri Magnus*  
 Vice President & Chief Audit Officer  
**SUBJECT:** 23-102 Revenue Reconciliations  
 Audit Control Number 23-102C

The Division of Diagnostic Imaging generates \$296 million in gross patient revenue, which represents 2.5% of the Institution’s Gross Patient Revenues for FY22. For a sample of 4 departments (depicted in the chart below), Internal Audit reviewed whether daily and monthly revenue reconciliations were adequate, performed timely, and complete. According to the Institution’s Charge Submission and Reconciliation Policy, both technical and professional charges shall be reconciled every business day. Additionally, monthly revenue should be reconciled between EPIC and the general ledger.



While monthly revenues are being reconciled for the four departments reviewed, daily reconciliations are not consistently being performed or documented.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

**Observation:  
Perform and Document Daily Revenue Reconciliations****Ranking: HIGH**

The Division of Diagnostic Imaging is not performing comprehensive daily reconciliations to ensure charges are captured for all services rendered. While the Diagnostic Imaging Division partners with the Diagnostic Operations division in their revenue reconciliation process, and the departments appear to be performing some monitoring activities, these are not all-inclusive to ensure charges are captured for services rendered. Additionally, documentation of activities performed is not adequate. As a result, revenue may be lost.

**Recommendation:**

Management should enhance daily revenue reconciliation processes to ensure charges are captured for all services rendered and retain supporting documentation. Further the Division should create reconciliation documentation standards for every department.

**Management's Action Plan:**

Executive Leadership Team Member: Welela Tereffe  
Owner: Sara Rahman  
Implementation Date: 10/31/2023

*Management will work with internal leaders and leverage other systems to educate and re-design a reconciliation and retention process. Also, will ensure that revenue reconciliation are adequate and complete.*

Refer to **Appendix A** for Objective, Scope, and Methodology.

The courtesy and cooperation extended by the personnel within the Division of Diagnostic Imaging is sincerely appreciated.

cc: Welela Tereffe, Chief Medical Executive  
George Ninan, Executive Director, Diagnostic Ops, Diagnostic Operations Admin  
Sara Rahman, Division Administrator, Diagnostic Imaging - Clinical  
Sandra Morriesette, Administrative Director, Diagnostic Imaging - Clinical  
Sherif Menissy, DI Department Administrator, Diagnostic Imaging – Clinical  
Mary Ma, Administrative Director, Breast Imaging Department  
Grace Ayoub, DI Department Administrator, Abdominal Imaging Department  
Jeanetta Harper, DI Department Administrator, Interventional Radiology

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## Appendix A

### **Objective, Scope, and Methodology**

The objective was to ensure that revenue reconciliations are adequate, timely and complete. The period of our review was September 1, 2021 to present, and any related periods. Our review covered processes to ensure all charges are captured for services rendered, and reconciliations performed to ensure all charges are transferred from EPIC to the general ledger. Our procedures included the following:

- Reviewed relevant policies and procedures
- Interviewed key personnel who perform daily revenue reconciliation processes
- Reviewed the EPIC to general ledger reconciliations for the period under review

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The internal audit function at MD Anderson Cancer Center is independent per the *Generally Accepted Government Auditing Standards (GAGAS)* requirements for internal auditors.

**Number of Priority Findings to be monitored by UT System:** *None*

A Priority Finding is defined as “*an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.*”