



# Proactive Auditing and Monitoring

Ways to Ensure Your Compliance Program is Effective

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## Session Team



Shelly Denham, Senior Vice President of Compliance, Risk & Audit Services, UofL Health, Inc.

Jason Marsh, Director, Compliance, Risk & Audit Services; Privacy Officer, UofL Health, Inc.

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## Discussion Topics

- Identifying compliance risk areas for your audit and monitoring plan
- Creating an enterprise risk assessment and ensuring the work plan addressed identified risks
- Monitoring effectiveness of the audit work plan
- Questions

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Why should organizations evaluate risk?

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Shelly Denham

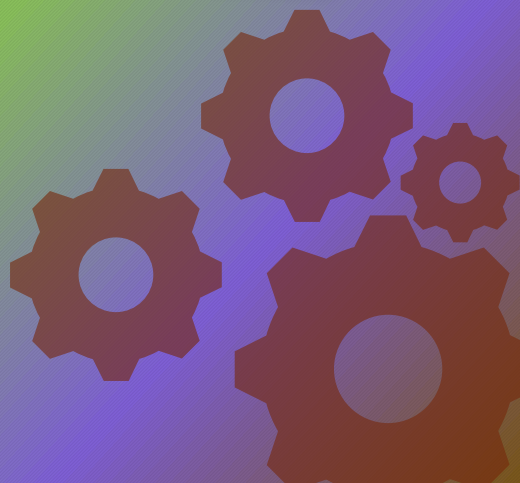
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## Building the foundation

### Culture of Compliance

- Set by defining strategic vision and objectives
- CORE to any successful organization
- Accountability an important consideration
- Includes Code of Conduct and behavior expectations



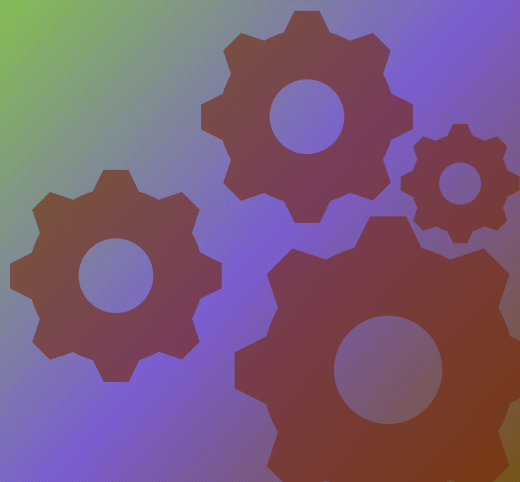
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## Building the foundation

### Federal Sentencing Guidelines

- Alignment with compliance program
- Sets stage for effectiveness of the program
- Reduces consequences for offense



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## Building the foundation

### Elements of an effective compliance program

- Implementing written policies and procedures
- Designating a compliance officer and compliance committee
- Conducting effective training and education
- Developing effective lines of communication
- **Conducting internal monitoring and auditing**
- Enforcing standards through well-publicized disciplinary guidelines
- Responding promptly to detected problems and undertaking corrective action

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## Internal Monitoring and Auditing How do these terms differ?

- **Auditing** - review of the ongoing monitoring process to verify the process is effective and that we are meeting the intended outcome. Do the controls exist and work?
- **Monitoring** - a continuous control that monitors process and operational methodology. This is our internal quality assurance spot check

\* Essential controls for detection, prevention and deterrence.

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## Internal Monitoring and Auditing Where to begin

### Planning is Key

- Conducting leadership interviews
- Conducting internal audits
- Compliance rounding
- External audits and reviews
- OIG Workplan
- PEPPER Reports
- Changing/emerging risks
- Federal enforcement activities
- Fraud alerts
- Advisory opinions
- HCCA newsletter
- Establish internal relationships
- Changing/New Business risks

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## Internal Monitoring and Auditing ERA Framework

- Identify organization risk profile - categories of risks
- Create an annual Enterprise Risk Assessment (ERA) document
- Develop Risk Identification/Ranking Model
  - rank by likelihood, impact and process maturity
  - address residual - assessment of internal controls
- Develop audit work plan to evaluate and prioritize identified risks on the ERA

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## Risk Audit Work Plan Documentation

- Record your findings - use framework that best suits your organization
- Communication to the BOD
- Ongoing process

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## Monitoring Effectiveness of the Audit Work Plan

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Jason Marsh

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## Tools to Suit your Needs

- Documentation
  - Easier the better
  - Redundancy is a waste of time
  - Retention and controls
  - Templates
  - Report building/Exporting
  - Cost efficient
- How complex and large is your organization?
- What tools exist in your organization?

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## What is On your Workplan?

- Monitoring
  - May or May Not have issues
  - Risk areas with high turnover or known concern
  - Simpler goal or objective
  - May or May Not develop into an audit
  - May or May Not require board reporting
- Auditing
  - Known risk or area of focus
  - Board and/or Leadership focused
  - Government and/or Media attention
  - Complex concerns and/or challenges
  - May or May Not be a reportable event
  - Develops process improvements
  - Develops greater oversight
  - Outcome may continue as part of the monitoring plan

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## Q&A

Let us engage each other for a greater compliance understanding!

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## References

- Sehested, Thomas(2018, September 17). “Creating a Culture of Compliance”, Forbes Magazine, PP slide 5.
- “Federal Sentencing Guidelines, <https://www.ussc.gov/guidelines>, PP slide 6.
- “HEALTH CARE COMPLIANCE PROGRAM TIPS”, <https://oig.hhs.gov/documents/provider-compliance-training/945/Compliance101tips508.pdf>, PP slide 7.
- “Risk analysis in healthcare organizations”, <https://www.dovepress.com/risk-analysis-in-healthcare-organizations-methodological-framework-and-peer-reviewed-fulltext-article-RMHP>
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