

Developing an Auditing and Monitoring Plan that is Scalable to a Healthcare Organization's Resources

Sheryl Vacca, CCEP-F, CCEP-I, CHC-F, CHRC, CHPC
SVP/Chief Risk Officer
Providence St. Joseph Health
Sheryl.vacca@providence.org

1

Learning Objectives:

The objectives of this session are to discuss:

- Key points for consideration in developing a compliance auditing and monitoring plan
- Methods for auditing and monitoring that can be leveraged when resources are limited
- Different techniques for conducting auditing

2

2

Monitoring and Auditing

- Essential component for compliance program effectiveness
 - ✓ Prevention and detection mechanism
 - ✓ Monitoring – everyone’s responsibility
 - ✓ Audits – Always independent and objective

3

3

Key points for consideration in developing a compliance auditing and monitoring plan

- Do you have a culture of accountability?
- Does management have a culture of managing risks?
- Are there mechanisms in place to assist with tracking completion of corrective action if instituted?

4

4

Key points for consideration in developing a compliance auditing and monitoring plan

What resources do you have available to do the auditing and monitoring for compliance?

- Is it possible to use a subject matter expert from the organization that could assist with development of scope/conduct monitor or audit?

Once resources are identified:

- Are resources trained in audit techniques and methods?
- Is there a resource available who can assist with training of audit techniques and help with quality assurance of audits or monitors?

5

5

Key points for consideration in developing a compliance auditing and monitoring plan (cont)

- **Planning your approach**
 - Leverage what is already available
 - Remember independence is needed if you are auditing*
 - Must be scalable to risks and resources
 - Range of tools, e.g., self assessments, internal audits, external audits, exit interviews, employee engagement surveys, etc.
- Outputs can be used to create and support “effectiveness” metrics and improve program

6

6

Methods for auditing and monitoring that can be leveraged when resources are limited

I. Data-Driven

Your own data, used appropriately, can support compliance effectiveness or efficiencies to help identify potential risks or gaps to:

- help mitigate potential risks or provide assurance of controls
- help increase the effectiveness of controls
- improve operational efficiency and enhance targeted effort
- enable holistic view of activities

7

7

Methods for auditing and monitoring that can be leveraged when resources are limited (cont)

II. Document-Driven

What documents do you have related to the risk area being monitored or audited?

- Policies, procedures, protocols, regulations, requirements, etc.
- Current controls which have mitigation plans documented due to risks being identified previously
- Business process flows which were developed to help increase the effectiveness of controls

8

8

Methods for auditing and monitoring that can be leveraged when resources are limited (cont)

III. People

What are your people saying about risks identified?

- Knowledge about risk area
- Complaints related to risk area
- Investigations
- Audit findings

9

9

Methods for auditing and monitoring that can be leveraged when resources are limited (cont)

IV. Tools which could be utilized:

- Reporting trends, surveys, automation (ACL, IDEA), excel spreadsheets, questionnaires, interviews (exit interviews), focus groups, etc.
- Look at systems in place and data they are providing, e.g., vendor payment data, funds flow for cost management, internal cost transfers compared to previous years, etc.

10

10

Different techniques for conducting auditing

Concurrent:

- Real time look at a risk area
- Is very effective in changing behavior

Tools which could be utilized:

- Surveys
- Questionnaires
- Focus groups
- Document review
- Peer to Peer reviews (very effective for changing behavior, real time impact)

11

11

Different techniques for conducting auditing (cont)

Retrospective:

- Commonly used when needing a sample across time
- Is NOT very effective in changing behavior because it is past tense
- Difficult to know how far back to go and what milestone to use

Tools which could be utilized:

- Data review
- Document review
- Artificial intelligence tools related to notes and themes

12

12

Different techniques for conducting auditing (cont)

Baseline:

- Looking at a point of time in the past and comparing to data in current day to establish the difference in the two data sorts

Sampling methodology could limit the resources that might be needed:

- statistically valid (most resources needed),
- statistical significance (less than most resources needed but not as little as the non statistical),
- non statistical (least resources needed)
- Judgemental vs. random

13

13

Reporting on Compliance Audit Results

1. Ensure reporting of monitoring/auditing results to executives and committees with oversight responsibility for the compliance program, e.g., committees, senior leadership, board

- *Keep in mind frame of reference of audience and summarize, when appropriate*
- *Refresh prioritization of risks with management team and how plan was developed*
- *Identify partnerships (leveraging) and how the work was completed – buy in with leaders, etc.*

14

14

Reporting on Compliance Audit Results (cont)

2. Consider ways to facilitate identification of common themes across corrective actions and the need for any programmatic and/or business improvements.

- *Can be utilized to make resource allocation decisions.*

3. Formalize consistent processes for tracking and validating corrective actions and ensure that progress is monitored and communicated to relevant stakeholders.

- *Conducting an audit and doing nothing to remediate negative findings is a huge red flag.*

15

15

Reporting on Compliance Audit Results (cont)

4. Ensure discipline and remediation occurs when need identified

5. Document your compliance monitoring and audit efforts in a standardized way.

Important to keep track of leveraged resources and how the plan was completed for reporting

16

16

In Summary:

It is important to understand whether your organization has:

- Risk Management culture
- Culture of accountability with management and buy in to mitigate risks found
- Resources within the organization are utilized by leveraging the work already conducted, identifying tools and data available
- Different methods can be leveraged to conduct monitoring and audit such as data, documents, people and tools that might be already common in the workplace
- Different techniques include retrospective, concurrent, baseline, data sorts and sampling and forensics

17

17

QUESTIONS???

18

18

In summary...

Evaluating Effectiveness of your compliance auditing and monitoring plan:

- Did you detect risk areas?
- Did your plan change according to the risk priorities of the organization? Was it dynamic?
- Did any risks reoccur?
- Did management develop and execute mitigation plans on the risk findings?
- Did management enforce and discipline at the appropriate levels of accountability?
- Impact of your executed plan on organization?
- Were resources available to complete your plan?

19