

## **Valleywise Health Administrative Policy & Procedure**

**Effective Date:** 08/06

**Reviewed Dates:** 3/11, 01/13, 01/21

**Revision Dates:** 09/07, 04/09, 03/10, 03/15, 02/17, 02/19

**Policy #: 99009 G – Finance**

**Policy Title: Internal Audit**

**Scope:**  **District Governance (G)**  
 **System-Wide (S)**  
 **Division (D)**  
 **Multi-Division (MD)**  
 **Department (T)**  
 **Multi-Department (MT)**  
 **FQHC (F)**

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### **Policy:**

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Maricopa County Special Health Care District's operations. It assists management to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and management processes. Internal audit provides insights and recommendations to management based on analyses and assessments of data and business processes. The function also serves in an assurance capacity through its ability to provide information directly to and, when necessary, communicate independently with the Board of Directors should the auditors identify significant risks to the District.

The District can elect to use an external auditing firm or District internal audit staff (internal auditors) to conduct internal audit activities. Annually, the internal auditors will coordinate with Senior Leadership, and the Board to identify areas of interest/concern appropriate for independent review. The audit plan will identify the projects, approximate initiation date and anticipated hours required to complete each audit. The audit plan is reviewed quarterly and can be adjusted to review any high-risk areas identified during the plan year. Due to the complex nature of the District's business model, it may be appropriate for management and the Board to review and amend the audit plan during the year.

The principal function of an internal audit is to assess the financial risks within the enterprise which will require coordination and cooperation across departments, including but not limited to, Accounting, Finance, Revenue Cycle, Information Technology, Clinical Documentation and Compliance. Administratively, internal auditors will coordinate their activity through the Finance, Audit and Compliance Committee who will be responsible for ensuring organizational support for the function.

The internal auditors will provide a summary of their findings and report activities at least quarterly to the Finance, Audit and Compliance Committee. The Finance, Audit and Compliance Committee will incorporate the internal auditors' findings as part of its quarterly report to the Board. Should the internal auditors identify an urgent matter, they have the authority to communicate with any appropriate individual employed by the District, including a direct report to the Board of Directors.

**Valleywise Health Policy & Procedure - Approval Sheet**  
(Before submitting, fill out COMPLETELY.)

**POLICY RESPONSIBLE PARTY:** Maricopa County Special Health Care District  
Board of Directors

**DEVELOPMENT TEAM(S):** Clerk's Office

**Policy #:** 99009 G – Finance

**Policy Title:** Internal Audit

**e-Signers:** Melanie Talbot, Chief Governance Officer and Clerk of the Board

**Place an X on the right side of applicable description:**

**New -**

**Retire -**

**Reviewed - X**

**Revised with Minor Changes -**

**Revised with Major Changes -**

**Please list revisions made below:** (Other than grammatical changes or name and date changes)

**Reviewed and Approved by in Addition to Responsible Party and E-Signer(s):**

**Committee:** N/A

**Committee:** N/A

**Committee:** N/A

**Reviewed for HR:** N/A

**Reviewed for EPIC:** N/A

**Other:** N/A

**Other:** N/A

**Other:** N/A