

Valleywise Health Administrative Policy & Procedure

Effective Date: 08/06

Reviewed Dates: 3/11, 01/13, 01/21, 11/22, 11/24

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Policy #: 99500 G – Compliance

Policy Title: Internal Audit

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

Policy:

Internal Audit is an independent, objective assurance and consulting function designed to add value and improve the Maricopa County Special Health Care District's operations. Internal Audit is part of the Compliance function and assists management in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, internal control and compliance processes.

The District may perform Internal Audit activities through qualified District staff, an outsourced internal audit provider, or a co-sourced arrangement. Regardless of the delivery model utilized, the Internal Audit function shall remain independent and accountable to the Board of Directors.

Internal Audit shall develop an annual risk-based audit plan in coordination with Senior Leadership. The audit plan shall identify proposed audit projects, approximate initiation date and anticipated hours required to complete each audit. The plan shall be reviewed and approved by the Board of Directors. The audit plan may be modified during the year to address emerging risks, regulatory changes, significant organizational initiatives, or other high-risk areas. Any change to the Board-approved audit plan shall be communicated to the Board of Directors for approval.

The principal function of Internal Audit is to provide independent and objective assurance and advisory services to evaluate and improve the effectiveness of governance, risk management, internal controls and compliance processes. Management is responsible for developing and implementing corrective action plans to address audit findings. Internal Audit shall monitor and report the status of corrective actions to the Board of Directors.

The Chief Compliance Officer, responsible for the Internal Audit Program, shall provide summaries of audit activities, findings, and recommendations to the Board of Directors at least quarterly. The Chief Compliance Officer shall have unrestricted and direct access to the Board of Directors and may communicate significant risks, fraud, misconduct, regulatory concerns, interference with audit activities, or other matters requiring independent escalation. Such communication may occur through executive session when authorized by law, or other appropriate governance mechanisms consistent with applicable legal requirements.