

# THE CENTER FOR DISCOVERY

SUBJECT: Auditing and Monitoring Policy

MANUAL: Corporate Compliance

SECTION: Section 7

**Purpose:** The Center for Discovery (“TCFD”) developed and implemented a Corporate Compliance Program in an effort to establish, in part, effective internal controls that promote adherence to applicable Federal and State laws and requirements. An important component of the Corporate Compliance Program is the use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified risk areas.

TCFD recognizes the need for internal controls, but also realizes that resources are limited. Therefore, this policy focuses on the TCFD’s resources to effectively and efficiently audit and monitor risk areas.

For purposes of this Policy, the term “Affected Individuals” includes all employees including the Chief Executive Officer, administrative personnel, and Board members as well as any person associated with TCFD (this applies to any person or affiliate who is involved in any way with TCFD such that the person or affiliate contributes to the agency’s entitlement to payment under the Medical Assistance Program and who is not an employee, executive, or governing body member e.g. independent contractors, interns, students, volunteers, and vendors).

**Policy:** It is the Policy of TCFD to conduct ongoing auditing and monitoring of identified risk areas related to compliance including but not limited to billing, fiscal management, clinical operations, and service provision. It is the responsibility of the entire Management Team to ensure that ongoing auditing and monitoring is properly executed, documented, and evidenced.

It is the Policy of TCFD to analyze and trend the results of all audits (both internal and external) on a regular basis to ensure that the TCFD’S Corporate Compliance Program is effective.

## **Regulatory Reference:**

Social Service Law 363-D

18 NYCRR Part 521

## **Procedures:**

1. On an annual basis, the Corporate Compliance Officer (“CCO”), in conjunction with the Chief Executive, Senior Management, and Corporate Compliance Committee (“CCC”), will determine the scope and format of routine audits of TCFD’s operations based on an organizational risk assessment. The CCO will include all scheduled audits on a work plan or audit plan that is shared with the CCC and the Board of Directors.

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2. Each TCFD program or department will conduct a review of its compliance with applicable regulations and quality measures on a[n] [quarterly/semiannual/annual] basis. Senior Management staff shall be responsible for identifying needs for internal auditing of specific issues under their oversight. This should occur at least annually as a part of the Organization's risk assessment and for consideration into the annual work plan and audit plan.
3. The CCO will recommend and facilitate auditing and monitoring of the identified risk areas related to compliance with laws and regulations, as well as the TCFD's policies, procedures, and Standards of Conduct. (Risk areas may be identified through the regular course of business, external alerts, external audits or reviews, or internal reporting channels.)
4. The CCO will be responsible for oversight of the TCFD's internal auditing system and is authorized to delegate auditing duties to other Organization personnel, accountants, consultants, and attorneys, as necessary and appropriate.
5. The CCO will conduct and/or oversee compliance audits and reviews with assistance from Management staff and/or Quality Assurance/Internal Audit staff with the requisite skills to carry out the audit. Whenever feasible, the CCO will seek to have audits conducted by TCFD's employees who are not involved in the delivery of services subject to the audit.
6. The CCO will facilitate all audits of financial processes or systems with the Chief Financial Officer. The audits will serve to ensure that internal controls are in place so that:
  - i. Generally Accepted Accounting Principles (GAAP) are followed; and
  - ii. Federal, State, and local laws, regulations, and requirements are met.
7. The CCO will facilitate all audits of operational and programmatic issues with TCFD's Director of Operations and Chief's of Programs
8. The ongoing auditing and monitoring will serve to evaluate, at minimum, the following risk areas:
  - Billings;
  - Payments;
  - Ordered services;

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- Medical necessity;
  - Quality of care;
  - Governance;
  - Mandatory reporting;
  - Credentialing;
  - Contractor, subcontractor, agent, or independent contract oversight;
  - Review of contracts and relationships with contractors, specifically those with substantive exposure to government enforcement actions;
  - Review of documentation and billing relating to claims made to Federal, State, and third-party payers for reimbursement;
  - Compliance training and education;
  - Effectiveness of the Compliance Program; and
  - Other risk areas that are or should reasonably be identified by the Organization through its organizational experience.
9. The audits and reviews will examine TCFD’s compliance with specific rules and policies through on-site visits, personnel interviews, general questionnaires (submitted to employees and contractors), clinical record reviews to support claims for reimbursement, and documentation reviews.
10. The CCO will review and approve the sample size and sample criteria prior to each audit unless the detail is included in the annual audit plan or work plan.
11. All audit and review tools used will be standardized throughout TCFD and approved by the CCO.
12. A written report of all internal audit and review results will be forwarded to the CCO and respective department or division director within seven (7) business days from the completion of the review or audit. Within 10 business days from the receipt of the written report of findings, the department or division director will submit a written Plan of Corrective Action to the CCO for review. The department head or director is responsible for ensuring that corrective measures are implemented and monitored for effectiveness.

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13. The CCO will determine the timeframe for a post-audit review. The objective of the post-audit review is to ensure that corrective actions were completed and effective in preventing any recurrences of the deficiencies.
14. The results of all internal auditing and monitoring activities, including records reviewed, audit results, and corrective actions, will be recorded and maintained by the CCO.
15. Should non-compliance be detected during routine internal monitoring and activities, the CCO will ensure a thorough investigation in accordance with the Reporting and Investigation of Compliance Concerns Policy.
16. Any correspondence from any regulatory agency charged with administering a federally- or state-funded program received by any department of the Organization will be copied and promptly forwarded to the CCO for review and subsequent discussion by the CCC.
17. Program management will immediately notify the CCO of any visits, audits, investigations, or surveys by any regulatory agency or authority. Results (whether oral or written) of any visits, audits, investigations, or surveys will be forwarded to the CCO promptly upon receipt by TCFD personnel.
18. The CCO will be responsible for reporting to the CCC on the general status of all audits and reviews, the outcome of compliance auditing and monitoring, and the corrective actions taken. The reporting will occur at the first regularly scheduled CCC meeting after the conclusion of the audit or review.
19. The CCO will be responsible for reporting the results of auditing and monitoring activities and corrective actions at least annually to the Board of Directors. The report will also include monitoring of trends, an assessment of any compliance risks to the TCFD, and an evaluation of the effectiveness of the TCFD'S Corporate Compliance Program.
20. At least annually, the CCO will benchmark audit results and compare results of similar audits to determine whether improvement is occurring.
21. On an annual basis, the CCO, in collaboration with the CCC, will conduct a review to monitor the effectiveness of the Corporate Compliance Program, Compliance Program Policies and Procedures, and the Standards of Conduct to determine:
  - a. Whether such written policies, procedures, and Standards of Conduct have been implemented;
  - b. Whether Affected Individuals are following the policies, procedures, and Standards of Conduct;

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- c. Whether such policies, procedures, and Standards of Conduct are effective; and
- d. Whether any updates are required.

The CCO will provide a report of this review to the CCC and the Board of Directors.

**Sanction Statement:** Non-compliance with this policy may result in disciplinary action, up to and including termination.

**Compliance Statement:** As part of its ongoing auditing and monitoring process in its Corporate Compliance Program, TCFD will review this policy based on changes in the law or regulations, as TCFD's practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with TCFD's Corporate Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed; the policy is effective; the policy has been disseminated to all Affected Individuals, as well as notified of any updates or changes.

Tracking of the criteria above and results of this testing will be completed by the CCO, or designee. Additionally, results will be reported to the CCC and Governing Body on a regular basis.

**Record Retention Statement:** TCFD will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

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