

KING'S DAUGHTERS MEDICAL CENTER

**AUDIT, COMPLIANCE &
ETHICS PROGRAM POLICY**

POLICY AND PROCEDURE

**EFFECTIVE DATE:
DECEMBER 17, 2013**

SUPERSEDES POLICY: NONE

FILE: SECTION B (4)

**SUBJECT: RISK ASSESSMENT
AND ANNUAL WORK PLAN**

POLICY: The Medical Center is committed to preventing, detecting and correcting fraud, waste and abuse. Fraud, waste and abuse are mitigated through internal review processes. Monitoring and auditing provide early identification of program or operational weaknesses and substantially reduce exposure to regulatory risk such as those involving fraud, waste and abuse. This policy outlines the method in which the Office of Audit, Compliance and Ethics assesses and re-assesses risk.

DEFINITIONS:

1. Risk Assessment is an objective assessment of risk that may be present for the Medical Center.
2. Data Mining is the analysis of Medical Center data to determine trends and potential aberrant billing practices from many information sources.
3. Master Risk Assessment is a tool that allows the severity of risk to be determined.
4. Work Plan is a listing of the planned audit initiatives in a given year.

PROCEDURES:

1. Determining Potential Risk Areas. The Office of Audit, Compliance & Ethics will utilize, at a minimum, the following to determine potential risks: (a) interviews of key personnel; (b) external work plans such as the Office of Inspector General for the United States Department of Health and Human Services (OIG); (c) prevalent industry topics; (d) data mining through third party software and service vendors; (e) financial data to evaluate reimbursement trends; and (f) areas that have been audited in previous years and were determined to contain ongoing risk.
2. Developing Master Risk Assessment. All items identified through the process of determining risk are placed on a matrix, also known as the Master Risk Assessment, to be

scored (high risk/low risk and high frequency/low frequency) since all items cannot be audited and/or developed due to resources. The items that are developed to be the most relevant for audit, based upon scoring and resource availability, will be placed on the Corporate Compliance Annual Work Plan. The planning process for the Work Plan is ongoing and dynamic; therefore, the Office of Audit, Compliance & Ethics continually evaluates new data throughout the year to identify and reassess the likelihood of any potential risk to the organization.

3. Reporting Risk Assessment and Work Plan Results.

- A. The Master Risk Assessment and Work Plan are provided to the Board Audit Committee for review and approval no later than the first quarter of the fiscal year.
- B. Material compliance developments and audit findings from the Work Plan are reported to the Board Audit Committee and the Corporate Compliance Committee, and other members of Senior Management periodically.

Vice President/Chief Legal and Regulatory Officer