

MADISON COUNTY POLICY AND PROCEDURES

Subject: **Compliance Policy:**
Internal Auditing and Monitoring

Issued: July 19, 2012

Approved: December 27, 2012

Revised: November 25, 2014
August 16, 2016
December 22, 2020

Purpose:

Madison County (sometimes referred to as “County” or “the County”) developed and implemented a 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 compliance program is the use of external audits, internal reviews and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem areas.

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

Policy:

1. Madison County will 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.
2. The Compliance Committee will ensure that ongoing auditing and monitoring is properly conducted, documented, and reported.
3. The Compliance Officer will be responsible for oversight of the County’s internal auditing system and is authorized to delegate auditing duties to other County personnel, as necessary and appropriate.

Procedures:

- A. On an annual basis, the Compliance Officer, in conjunction with the County Administrator and the Compliance Committee, will determine the scope and format of routine external audits and internal reviews of Madison County’s operations. The Compliance Officer will include all scheduled external audits and internal reviews on a work plan that is shared with the Compliance Committee and the Board of Supervisors.
- B. The Compliance Officer will recommend and facilitate external auditing, internal reviews and monitoring of the identified risk areas related to compliance with laws and regulations, as well as County policies, procedures, and standards of conduct. (Risk areas may be identified through the regular course of business, external alerts, or internal reporting channels.)
- C. The Compliance Officer will facilitate all external audits and internal reviews of financial processes or systems with the Finance Director. The audits and reviews will serve to ensure that internal controls are in place so that:
 - Generally Accepted Accounting Principles (GAAP) are followed; and
 - Federal, state, and local laws, regulations, and requirements are met.

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- D. The Compliance Officer will facilitate all external audits and internal reviews of operational and programmatic issues with the County Administrator. The audits will serve to evaluate, at minimum, the following:
- Compliance with laws, regulations, and related policies and procedures governing County's programs and operations;
 - Fraud and abuse issues;
 - Third party billing practices;
 - Service delivery and documentation practices;
 - Employment practices;
 - Conflict of interest;
 - Contract review;
 - Employee, independent contractor, and Board compliance training and education; and
 - Compliance plan and related policies.
- E. The external audits and internal reviews will examine the County'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. The Compliance Officer will conduct and/or oversee compliance reviews with assistance from management staff and/or quality assurance/internal review staff with the requisite skills to carry out the review. Whenever feasible, the Compliance Officer will seek to have external audits conducted by a third party who is not involved in the delivery of services subject to the audit.
- F. The Compliance Officer will determine the sample size and sample criteria prior to each external audit and internal review. All review tools used will be standardized throughout the County and approved by the Compliance Officer.
- G. Each Mental Health and Public Health program will conduct a review of its compliance with applicable regulations and quality measures on an annual basis. Department heads or their designee(s) shall be responsible to identify needs for internal review of specific issues under their oversight.
- H. The Department Head will submit a written report of review findings at least quarterly and will be sent out 10 days prior to meeting.
- I. The results of all internal reviews and monitoring activities, including records reviewed, review results, and corrective actions, will be recorded and maintained by the Compliance Officer. The Department Head is responsible to ensure that corrective measures are implemented and monitored for effectiveness.
- J. Any correspondence specific to an external audit from any regulatory agency charged with administering a federally or state-funded mental, behavioral, or health care program received by any department of the County will be copied and promptly forwarded to the Compliance Officer for review and subsequent discussion by the Compliance Committee.
- K. The Department Head or their designee(s) will immediately notify the Compliance Officer, County Attorney, and County Administrator of any visits, audits, investigations, or surveys by any regulatory agency or authority. Results (oral or written) of any visits, audits, investigations,

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or surveys will be forwarded to the Compliance Officer and the County Administrator promptly upon receipt by County personnel.

- L. The Compliance Officer will be responsible to report to the Compliance Committee on the general status of internal compliance reviews, the outcome of external compliance auditing and monitoring, and the corrective actions taken. The reporting will occur at the first regularly scheduled compliance meeting after the conclusion of the external audit or internal review.
- M. The Compliance Officer will be responsible to report the results of external auditing, internal reviews and monitoring activities and corrective actions, at least annually, to the Board of Supervisors. The report will also include an assessment of any compliance risks to the County.
- N. On a year-to-year basis, the Compliance Officer will benchmark audit results and compare results of similar external audits and internal reviews to determine whether improvement is occurring.
- O. On an annual basis, the Compliance Officer will monitor the effectiveness of the Compliance Plan and will update compliance policies and procedures, as necessary, to comply with regulatory changes or industry trends. The Compliance Officer will provide a report of this review to the Compliance Committee and the Board of Supervisors.