



**POLICY TITLE:** Preparation of Reports and Associated Workpapers

**Responsible Department:** Audit and Compliance

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## **SUMMARY & PURPOSE:**

This policy serves to document the process by which the Audit and Compliance Department prepares audit reports and the associated workpapers.

## **POLICY:**

The Audit and Compliance Department will maintain uniform procedures relating to the conduct of assignments and the preparation of reports and associated workpapers.

## **SCOPE/APPLICABILITY:**

Individuals within the Audit and Compliance Department.

## **PROCEDURES TO ENSURE COMPLIANCE:**

Each member of the Audit and Compliance Department must prepare and maintain documentation, the form and content of which must be designed to meet the circumstances of the particular assignment. This documentation will be the principal record of the procedures applied, evidence obtained, and conclusions reached in the assignment. The quantity, type, and content of documentation will be guided by management's professional judgment.

The documentation must be sufficient to:

1. Enable members of the assignment with supervision and review responsibilities to understand the nature, timing, extent, and results of procedures performed, and the evidence obtained;
2. Indicate the engagement team member(s) who performed and reviewed the work; and
3. Demonstrate that competent evidential matter has been obtained through procedures applied to afford a reasonable basis for a conclusion.

All references to Policies must go to the BHSF Master Copy on the BHSF Intranet; do not rely on other versions / copies of the Policy.

Examples of documentation are audit programs, analyses, memoranda, interview notes, schedules prepared or obtained from individuals (including review of billing and clinical documentation where appropriate), and identification of the items tested. Documentation may be in paper form, electronic form or other media.

Each member must document the findings or issues that in his or her judgment are significant and the actions recommended to address them.

If differences in professional judgment exist between the auditor in-charge and the audit supervisor during examination of the documentation, there should be candid discussion of pertinent facts and possibly further inquiry/research. If the differences remain unresolved, the issue(s) should be presented to the Corporate Vice President and Chief Compliance Officer. As a last resort, the differing viewpoints should be documented within the workpapers.

Each member of the Department must always be objective and have evidence to support his/her position before any presentation of findings and recommendations, oral or written, are made.

If noncompliance with the International Standards for the Professional Practice of Internal Auditing (the "Standards") impacts an audit assignment, the auditee(s) will be notified of the nature, extent and impact of the noncompliance with the Standards.

A written report must be issued after the completion of each assignment for distribution to the appropriate level of senior management in accordance with Policy No. 806, *Distribution of Audit Reports*.

Planning and reporting for consulting assignments do not follow the methodology, defined above, for our standard audit engagements. The Corporate Vice President and Chief Compliance Officer (or his/her designee) will assist the team in determining the appropriate documentation needed to document significant consulting projects.

Generally, consulting services are outside of the audit workplan and determined to meet the organization's values, strategies, and objectives. The nature of consulting services may include:

1. Responding to credible allegations of fraud or regulatory non-compliance.
2. Assessing new or changing services, processes, operations and control processes coincident with their development, implementation and/or expansion.
3. Providing subject matter expertise pertinent to the operations and needs of the organization.

**SUPPORTING/REFERENCE DOCUMENTATION:**

International Standards for the Professional Practice of Internal Auditing (Standards)

**RELATED POLICIES, PROCEDURES, AND ASSOCIATED FORMS:**

- BHSF Administrative Policy: 801 Departmental Responsibilities and Charter Policy – Audit and Compliance
- BHSF Administrative Policy: 806 Distribution of Audit Reports Policy – Audit and Compliance
- BHSF Departmental Policy: 74730-816 Retention of Audit and Compliance Records Policy – Audit and Compliance

**ENFORCEMENT & SANCTIONS:**

Enforcement of this policy will be performed by Baptist Health South Florida's Audit and Compliance Department.

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