



POLICY TITLE: Management's Response to Audit Findings

Responsible Department: Audit and Compliance

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SUMMARY & PURPOSE:

The final audit results will be communicated to parties within BHSF who can ensure that the results are given due consideration.

POLICY:

It is our policy to maintain uniform procedures for obtaining management's responses to our audit findings.

SCOPE/APPLICABILITY:

This policy applies to Audit and Compliance Department.

PROCEDURES TO ENSURE COMPLIANCE:

Drafts of the audit reports will be distributed in accordance with policy and procedures related to the distribution of audit reports (e.g., Policy No. 806).

The Audit and Compliance Department will hold timely exit conferences with the appropriate level of management to discuss the findings and recommendations in the draft report. Where appropriate, the recommendations made in the draft report will be based upon a root cause analysis of the findings. Specific action steps that will be taken by management in response to these findings, along with a target date for implementation, should be included in the final report.

The deadline for the management response (with their action plans and respective dates) will be established at the exit conference. The goal is for management to respond promptly to the audit results within a reasonable timeframe. Management is ultimately responsible for determining the appropriate action to be taken regarding audit recommendations. Management's plan may include approved, alternative courses of action other than the Audit and Compliance Department's recommendations. In the event that senior management decides to assume

the risk of not correcting a reported audit finding, the Corporate Vice President and Chief Compliance Officer will be informed of any such decisions that involve significant audit observations and recommendations.

Notice will be given to senior management responsible for the department/area if management fails to respond timely to the audit findings.

Periodically, the Audit and Compliance Department will communicate the results of completed audits to the Audit and Compliance Committee of the BHSF Board of Trustees. Any unapproved delinquency of management responses will be communicated to the Audit and Compliance Committee.

A final written report, including management's responses if any, will be issued after the completion of each audit assignment in accordance with the aforementioned policy.

SUPPORTING/REFERENCE DOCUMENTATION:

International Standards for the Professional Practice of Internal Auditing

RELATED POLICIES, PROCEDURES, AND ASSOCIATED FORMS:

- BHSF Administrative Policy: 806 Distribution of Audit Reports – Audit and Compliance
- BHSF Departmental Policy: 74730-809 Preparation of Reports and Associated Workpapers – Audit and Compliance
- BHSF Administrative Policy: 812 Follow Up Audits to Management's Action Plan Policy – Audit and Compliance

ENFORCEMENT & SANCTIONS:

Enforcement of this policy is the responsibility of Baptist Health South Florida's Audit and Compliance Department. Failure to comply with or report a violation of a compliance program policy can lead to disciplinary action up to and including termination.