



Stony Brook Medicine
Administrative Policy and Procedures

Subject: LD0009 Auditing and Monitoring Activities	Published Date: 02/02/2022
Leadership	Next Review Date: 02/02/2025
Scope: SBM Stony Brook Campus	Original Creation Date: 01/01/1992

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

Responsible Department/Division/Committee:

Office of Compliance and Audit Services

Policy:

Stony Brook University Hospital and its campuses (collectively "SBUH") are committed to complying with applicable Federal and State rules and regulations. SBUH maintains a comprehensive auditing and monitoring program to help identify risks and exposures that affect SBUH's ability to accomplish its mission. The Office of Compliance and Audit Services (OCAS) has no authority or responsibility over any operation or activity audited; however, OCAS has full authority to review all areas of SBUH at any time with unrestricted access to records, systems, property and personnel. The OCAS uses audits and other evaluation techniques to determine the effectiveness of internal controls, report identified weaknesses, and make recommendations for improvements.

Definitions:

None

Procedures:

1. The OCAS develops a work plan that includes auditing and monitoring for the fiscal year and presents this plan to the Compliance and Audit Committee (CAC) of the Governing Body for approval.
2. Auditing and monitoring includes but is not limited to, process reviews, internal control assessments, adherence to SBUH policies and procedures, billing compliance with state, federal and other payers, CPT/HCPCS and applicable ICD coding for hospital services, MS-DRG coding, claim

development and documentation, claim submission, reimbursement, cost reporting, marketing, and compliance with Stark and Anti-Kickback laws.

3. The annual work plan allocates resources and establishes audit priorities based on risks and exposures that affect SBUH's ability to accomplish its mission.
4. The OCAS schedules and assigns audits based on the complexity of the engagements and availability of resources. The OCAS conducts audits in accordance with professional standards and maintains continual independence and objectivity.
5. The OCAS sends an engagement letter to management with copies to pertinent members of senior leadership that describes the general purpose, the objectives, the auditor in charge, the projected period of the engagement and the audit process.
6. The auditor maintains open communications with management during the audit process.
7. The auditor prepares and shares a draft report with the auditee via email and schedules an exit conference to go over the contents with the auditee. The draft report includes the audit purpose, objectives, scope, methodology, and findings with opportunities for improvement and recommendations. The exit conference is an opportunity to discuss the content of the draft report and to clarify any ambiguities; the auditor makes any changes to the draft report deemed necessary.
8. After incorporating any necessary revisions, the auditor issues a final draft report to the auditee.
9. The OCAS typically affords auditees one month to respond in writing to the final draft report. The auditee includes a written response to each finding and the identified opportunities for improvement. The auditee sends their written response agreeing or disagreeing with the findings including their corrective actions with target dates for implementation to the auditor. If circumstances prohibit an auditee from responding timely, the auditee should contact the auditor to request more time.
10. After receipt of management's response, the OCAS issues a final written report inclusive of management's response to the auditee with copies to the individuals listed on the engagement letter. The OCAS copies the Chief Executive Officer of SBUH on all audits conducted
11. The OCAS provides final audit and compliance reports received from Management, the auditee, on planned OCAS Work Plan items to the

Governing Body and the Senior Vice-President for the Health Sciences Schools.

12. The OCAS conducts follow-up reviews to verify the implementation and effectiveness of corrective actions.
13. Management from areas that have completed the Internal Control Assessment Program (ICAP) training must annually furnish the Director of Internal Audit with a self-assessment delineating the adequacy of internal controls in their departments.
14. Management performs documented test procedures to obtain sufficient evidence to support their assessment of the effectiveness of internal controls and retains appropriate evidentiary documentation for review by Internal Audit or others upon request.
15. The OCAS conducts investigations as requested on an as-needed basis, regarding issues such as alleged misconduct, non-compliance with established policies, laws, rules or regulations, misuse of SBUH resources, false time-reporting, internal theft, and/or conflicts of interest.
16. The OCAS provides consultation and advisory services to all levels of staff and for any services of SBUH. This may involve interpreting policies or reviewing specific processes and controls and providing guidance or recommendation on how to strengthen internal controls.
17. The OCAS regularly provides reports to the Compliance and Audit Committee of the Governing Body, discussing risks and reviewing OCAS audits and projects.

Forms: (Ctrl-Click form name to view)

None

Policy Cross Reference: (Ctrl-Click policy name to view)

[LD0067 Internal Control Standards](#)

Relevant Standards/Codes/Rules/Regulations/Statutes:

[Institute of Internal Auditors \(IIA\)](#)

[New York State Internal Control Act](#)

[18 NYCRR 521.3 - Element #6](#)

References and Resources:

None