



Internal Audit In Healthcare Organizations

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ABSTRACT

Healthcare providers are modifying, both in terms of the type of care they provide and how they operate. They continue to innovate and discover new approaches to preserve and improve the quality of life of their patients. Since their commitment permeates their entire group, In the coming decades, organisational transformation will create a new set of strategic challenges for internal audit functions to address. We believe that the time has come for internal audit functions to evolve into future-oriented internal audit functions.

KEYWORDS- Healthcare Organisation, Internal Audit

Objectives of Study:

- Define the nature of internal auditing within the Healthcare organisations.
- Establish fundamental principles for carrying out healthcare audit activities in the Healthcare organisations

RESEARCH METHODOLOGY:

The current work is defined as a process that is carried out in a systematic manner and includes an extensive literature review. The researcher gathers information from secondary sources such as the internet, online books, and journals..

INTRODUCTION

Making good on the "objective" of improving patient care quality, improving population health outcomes, and trying to lower medical costs requires balancing multiple priorities for healthcare providers. In a complex and highly competitive environment, the demands on health care administration are increasing. Legislative and regulatory developments, and also some operational and financial concerns, seem to lurk around every corner for healthcare providers. And that can be difficult to remain aware of emerging and existing risks while maintaining focus on your organization's strategy.

There are numerous risks that could appear within a health care system, as well as numerous process of choosing which ones to evaluate in the risk assessment process. It is better to select a smaller number of risks that are easy to quantify and are relevant to the industry and health care system. Operational, compliance, financial, environmental, clinical, and reputational risk factors fit these qualifications and can be used for risk assessment at your health care system.

As the complex nature of today's hospitals and health care businesses' day-to-day operations has expanded, so has the nature of the risks they face. With the wide range of functions that must be finished in order to be successful. Some pertinent questions should be examined to aid in the identification of dangers inside a health-care institution.

Before looking deeper into the meaning of healthcare auditing, take into account what the healthcare industry is auditing. Auditing the healthcare industry is essential because it helps hospitals and other healthcare units to make sure that their plans and regulations are on track. Auditing can take place in a variety of sizes and with widely different numbers of employees. However, there are numerous types of healthcare audits that will significantly improve the healthcare process in the long run.

Role of Internal audit

An internal audit is an independent evaluation performed to ensure that a company's financial and operational controls are effective. Internal auditing compares organisational policies and procedures to compliance expectations that must be met. Auditors do not perform organisational duties; rather, they advise management and the board of directors on how to run their operations more efficiently. Internal auditors, management, and oversight boards assess the risk of the organisation and develop an annual audit plan on which everyone agrees. This plan will typically include a brief overview of the entities to be audited as well as a timeframe for the audit. Depending on the scope of the audit, the internal audit will then move into fieldwork, which will include interviews and testing with appropriate management. The audit evaluates the organization's controls and determines whether new processes or controls are needed, taking current risks and regulatory compliance into consideration.

A concise auditing programme for healthcare organisations

Examine the daily receipts. Check the expenses, OPD. Check the medicine and other supplies. OPD receipts are the most important aspect of any healthcare system. Internal auditing is a process that evaluates an organization's operations, governing policies, risk management, and quality control processes. The uniqueness of an internal audit is that it is conducted by an independent and unbiased entire organisation outside of the management team of an organization being audited.

NEED OF INTERNAL AUDIT IN HEALTH CARE ORGANISATIONS

A large number of healthcare organisations in India are conducting internal audits to evaluate their operational policies, risk management practises, and financial performance. This initiative is also motivated by an increase in the number of medico-legal and legal proceedings cases filed against healthcare providers in India. Major areas such as in-patient billing, inventory management and purchase, quality assurance and compliance management, and the finance department are frequently monitored by healthcare internal auditors. Furthermore, an internal audit leads to enhanced healthcare revenue by eliminating revenue leakage.

BENEFITS OF INTERNAL AUDIT IN HEALTHCARE ORGANISATIONS

An internal audit provides the facility with a professional level of objectivity and independence. Internal audit is concerned with system improvement rather than error detection. Internal audits help to improve healthcare departments and processes that are being evaluated. It helps to safeguard assets and eliminates the possibility of fraud. It boosts operational efficiency. It enhances financial stability and integrity. Implementing monitoring procedures to ensure that laws and statutory regulations are followed.

AREAS OF FOCUS IN HEALTHCARE ORGANISATIONS INCLUDES

Internal Audit may be performed in the following domains for hospitals: Revenue Cycle Processes, Cash Management, Physician Relationships, Accounts and Payment Processing, External Audit Communications, and Co-sourcing. Other Areas Identified by Management. Internal Audit can also be performed by management:

1. Hospital Governance - Ensuring that the hospital's governing principles reflect management's vision and business objectives.
2. Medical & Quality Audit- Ensuring that clinicians have access to rigorous procedures that allows them to achieve the right quality medical care to patients.
3. Operations Enable Audit - Ensuring strong business operations that support effective and efficient unit operation.
4. People Audit- Ensuring that procedures for recruiting, promoting, and maintaining workers and leaders are in place to help the company achieve its goals.
5. Finance and accounting - Ensuring processes and controls for accurate and effective financial accounting and reporting.
6. Compliance Management - Ensuring processes to assist units and HO in adhering to internal policies and procedures, legal requirements, and other requirements.

INTERNAL AUDIT PROCESS

The following stages of an Internal Audit Process cover governance, risk assessment and execution of the audit plan.

STAGE I – Governance of Internal Audit Examine the healthcare audit committee charter and ensure it adheres to the Institute of Internal Auditors' Standards. Create an internal audit department and internal audit policies to lay the groundwork for able to conduct, documenting, and reporting on assessments. Determine the relationship of reporting between the internal audit function and healthcare leadership.

STAGE II – Audit Planning and Risk Assessment Initiate the risk assessment process by satisfying with the management team and the audit committee. Conduct management surveys to help identify key healthcare risks. Compile survey responses and contingency based on management feedback and the self-assessment tool. Create an internal audit plan

highlighting the audit areas that should be prioritised. Senior management and the Audit Committee should be described with a risk assessment report and an internal audit plan.

STAGE III – Put the Audit Plan into Action Examine the audit plan that has been approved. Management should be informed of the audit findings and a report issued. Examine management's action items to meet audit recommendations, and present the final report to the Audit Committee

FINDINGS

Finding the "proper talent" might be challenging. Employing the "talented employees" is internal audit's most challenging task.

Associating internal audit personnel's skills with an organization's needs and demands. The majority of businesses reported having an excess of internal auditors with financial reporting compliance skills. Likewise, some internal auditors are mainly concerned with IT tasks. This leaves significant gaps in areas such as fraud prevention and detection, taxation, controls, and transactions. There is a greater emphasis on matching the skills of internal audit personnel with the needs and demands of an entire organisation.

Offering added value. An ongoing challenge for internal audit is undertaking various stakeholder expectations, which may differ at times.

Internal audit needs to do a better job of leveraging technology, including data analytics. Many internal audit departments are having trouble finding qualified IT auditors.

As an internal auditor, trust should be earned and cannot be granted purely on the basis of reputation.

CONCLUSION

A hospital internal audit is even more important in the health industry, where the emphasis is on delivering excellent clinical treatment to patients. Internal Audit is concerned about compliance, hospital risk, resources, and technology. Internal audit's main agenda is to adjust to these challenges and turn them into opportunities to improve hospital performance.

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