

From the Editor



By Kenneth E. Spence, CFE

As audit and compliance professionals we are accustomed to dealing with risk. The failing economy has brought us a different risk—a personal one—the potential for reductions in staff. In your professional life you may be experiencing the “sword of Damocles”, as if its supporting horse hair is ready to snap, loosing calamity. Others may be living in trepidation in a comparable situation.

Yes, tough times are being visited upon healthcare. But there is opportunity in the midst for those who will search it out and grasp it. “We have to squash risk before it squashes us,” I used to tell my CFO. “The propensity for untoward risk is greatest when the present is not rosy,” I reminded him. In operations areas, staff cutbacks and the need to do more with less may reduce cost, but is as likely to increase risk to the organization. This is when internal audit and compliance need to be augmented. Viewed properly, I argued, audit and compliance are in part counter-cyclical.

Across the organization, overworked staff, charged with tasks for which they have limited training or experience, will make increased numbers of errors and may well take ill-advised shortcuts. Controls and warning flags might be ignored in the press to get the job done. Other activities are subject to outsourcing, but who ever looks at their system of controls? IT can go either way, I have observed. Their staffing may be cut back making even more work for people who are always out flat. Or, new systems projects will be brought in (with shorter deadlines), with their promise of cost-cutting, staff-saving efficiencies. This increases workload and pressure for IT and for short-staffed users. You know the result. ‘Do more with less’ becomes the battle cry.

Audit and Compliance can ‘leverage-up’ during these periods. Now is the time to be more focused on the tasks at hand, to take on an even greater ‘can do’ positive attitude, and to become flexible while directed. Determine to be an important part of the solution. Help managers in the areas where cuts and change has occurred. Keep them from getting a black-eye resulting from unrecognized risks. Step up and help them out by being an extra set of management eyes. As necessary, get off the independence pedestal and fix a broken control instead of just reporting it. No one will shoot you for taking an action that ensures something bad won’t happen. It will be looked upon as value-added. Identify the key control weaknesses in your reports but save the ‘nice to have’ recommendations until times get better. Don’t make unnecessary work for stressed, overburdened managers. It’s an excellent opportunity to make friends in operations.

continued on page 5

New Perspectives is printed on paper manufactured using mixed sources from well-managed forests, controlled resources and recycled wood or fiber to minimize the environmental impact.

Products with an FSC (Forest Stewardship Council) label support reuse of forest resources and are created in accordance with FSC standards using postconsumer recycled wood or fiber. FSC is an international, nonprofit association whose membership comprises environmental and social groups and progressive forestry and wood retail companies working in partnership to improve forest management worldwide.



New Perspectives,
Published by AHIA, Inc.

Editor: Kenneth E. Spence, CFE

Editorial Committee:

- Phyllis Hall, CFE, CIA, CPA
Committee Chair
St. Jude Children’s Research Hospital
Memphis, TN
- Rebecca S. Busch, RN, MBA, CCM,
CBM, CHS-III, CFE, FHFMA
Medical Business Associates, Inc.
Westmont, IL
- Justine Dover, MBA, CISA, CISM
Central DuPage Health
Wheaton, IL
- Renée Jaenicke, CPA, CIA
Renown Health
Reno, NV
- Alton F. Knight, Jr., MS, MBA, CHE,
CFSA, CICA, CFE, CCE
Medstar Health
Columbia, MD
- Deborah Radke, CPA
John Hopkins University
Baltimore, MD
- Dr. Sridhar Ramamoorti, ACA,
CPA, CIA, CFE, CFSA, CRP, CGAP,
CGFM, CICA, FCPA
Grant Thornton LLP
Chicago, IL
- David Richstone, MBA, CPA, CIA
iPro Consulting
Fort Lauderdale, FL
- Mark Ruppert, CPA, CIA, CISA,
CHFP
Cedars-Sinai Health System
Los Angeles, CA
- Dr. Glenn Sumners, CPA, CIA, CFE
Louisiana State University,
Center for Internal Auditing
Baton Rouge, LA