



## Short Quick Answers to Questions about Critical Corporate Policies

By John Landreth, CPA, CFE, CHC

*Welcome to this issue of Letters to the Auditor. In this issue, we hear from a new auditor to a small-to medium-sized healthcare organization that gets an impromptu call to a meeting with her CEO about critical policies...*

Dear Letters to the Auditor,

In a few minutes, my new CEO wants me to enumerate a simple, short list of critical policies that should be required for our new organization.

Do you have any "off the top of your head"?

Signed,

Top of Your Head

Dear Top of Your Head,

Short questions demand short answers. Try these two and call me in the morning!

### 1. Governance

- a. Are there bylaws and charters for the Board and committees? They should define the functional board roles, relationships and interaction of:
  - i. Oversight, nominations, and appointments
  - ii. Finance, Audit, Compliance, and Quality

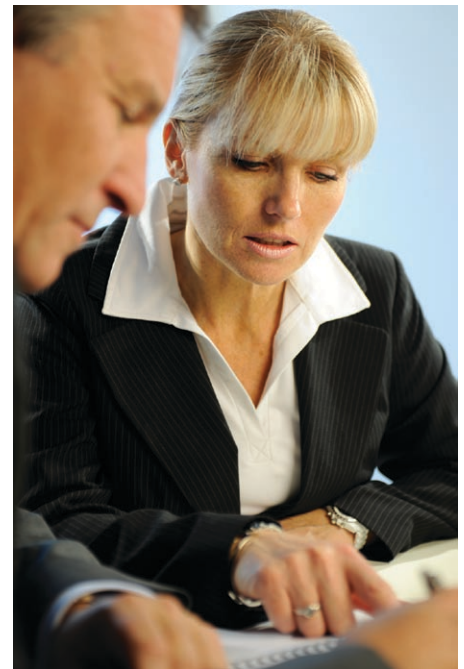
### 2. Organization-wide policies

- a. Regulatory Compliance
  - i. Tax compliance
  - ii. Federal Healthcare Programs (i.e. Medicare, Medicaid, HIPAA)
  - iii. Clinically related program requirements required by law
- b. Human Resources Policies
  - i. Employee rights
  - ii. Employee benefits and program administration
  - iii. Employee Code of Conduct including a Conflict of Interest Policy
- c. Finance and Accounting
  - iv. Key financial accounting principles used in the organization's financial statements
  - v. Revenue management (cash handling and depositing)
  - vi. Disbursement management (expenditure authorization, disbursement processing and expense reimbursement)
  - vii. Vendor selection, performance and contract standards

Well, that's it for this issue of *Letters to the Auditor*. Please keep those letters, calls, cards, and emails coming. You can send your questions and comments to Letters

to the Auditor, c/o John Landreth 1810 W. Birch Lane, Park Ridge, Illinois 60068, via email at [jlandreth999@aol.com](mailto:jlandreth999@aol.com), or phone 847-525-6529. ☐

*John Landreth leads a Healthcare Internal Audit, Compliance, and Consulting practice and was former Corporate Integrity Executive / Director, Internal Audit for Northwestern Memorial Hospital in Chicago, Illinois. 2009 is his 20<sup>th</sup> year as founder and columnist of Letters to the Auditor. He was the AHIA Founders Award recipient in 2000.*



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*There is no investment you can make which will pay you so well as the effort to scatter sunshine and good cheer through your establishment.*  
~Orison Swett Marden

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