

GROWTH OPPORTUNITIES ABUNDANT IN HEALTHCARE INTERNAL AUDIT



By Orlando P. Miera, CPA

The opportunity for personal growth and advancement in healthcare internal audit is perhaps more pervasive today than at any other time. The role of the internal auditor in healthcare has become more prominent because healthcare and healthcare organizations have become more complex. Risk management plays an important role in internal auditing, and compliance issues and compliance responsibilities now involve the internal auditor in greater capacities.

Internal auditors have become integral to all aspects of healthcare operations. Whereas for many years internal auditors were primarily involved in the financial area of audit, today many internal auditors are involved in audits of areas generally as follows, depending on the organization:

- Operations 40-45%
- Compliance/regulatory 30-40 %
- Financial 15-25 %

Consulting has grown to be included as one of the services provided by internal auditors. Internal auditors have the unique opportunity to be exposed to all areas of operation of hospitals, clinics, and other related areas of healthcare. In fact, internal auditors may become some of the most

knowledgeable individuals regarding the operations of a healthcare institution, and correspondingly, have a great impact on financial operations. Accordingly, an internal auditor may be called upon to consult and assist management in a number of areas, including mergers and acquisitions.

The demand for independence, professionalism and integrity are more important today than ever before. In their role as consultants to management, the board of directors and the audit committee, it is important for internal auditors to establish a rapport, a working relationship with management, including division managers and department directors. Some auditors are effective in accomplishing this by regularly attending meetings with division managers and department directors. Rapport and understanding can be accomplished in this manner without participating in any activity or relationship that might impair unbiased assessment or professional judgment.

When conducting searches for companies needing a chief financial officer, for example, management often asks recruiting firms to present only those candidates who have knowledge and understanding of the operations side of the business. If they are

going to be responsible for cost effective and/or profitable operation of all areas of healthcare operation, this can only be possible if the candidate has exposure, knowledge and experience in those areas. The same is true for many other positions. It is becoming more difficult for an individual who does not have exposure and some knowledge of operations to be promoted to a higher position.

Through their experience in operations, internal auditors have developed a language of their own, which helps them better accomplish their mission of assisting management in achieving the goals of the institution.

An internal auditor in healthcare today is exposed to, and knows more about, hospital operations than many other non-operational personnel. One auditor placed in the Eastern US became very knowledgeable in managed care. Because of her knowledge, she became the director of Managed Care for her institution. Another individual placed became very knowledgeable in risk management, compliance and regulatory requirements. She became director of Compliance for a certain region of this organization. In addition, several individuals placed in healthcare internal audit have

gone on to become directors of Internal Audit, director of Compliance and regional directors of Internal Audit.

Experienced recruitment experts know that it is important for the internal auditor to be exposed to all areas of operations of a healthcare organization. With such exposure, knowledge and experience, when combined with financial knowledge, the potential and opportunity for promotion or advancement is outstanding, not only within internal audit, but in areas other than in internal audit.

The Future

The future for healthcare internal auditors offers many interesting opportunities. The need for professionalism, knowledge, integrity and leadership is ever present. Internal auditors should learn and understand their organizations from a business perspective, and grasp the issues that are most important to management and operations. It is important for internal auditors to identify opportunities that may not be related to the audit process, but that may come to light by virtue of the knowledge of the operations of the organization. When internal auditors become involved in consulting opportunities, work with management on attaining goals, and maintain independence, their future is bright. ■

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<p>Edison On Success ...</p> <p><i>If we did all the things we are capable of doing, we would literally astonish ourselves.</i></p> <p>Thomas Edison Inventor</p>
<p>Bennis On Leadership ...</p> <p><i>Ineffective leaders often act on the advice and counsel of the last person they talked to.</i></p> <p>Warren Bennis Business Professor, Author</p>

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