

### 5.1.10 External Audits

#### (a) Policy

California Correctional Health Care Services (CCHCS) headquarters (HQ) operations and processes are reviewed periodically by external audit agencies. When an external audit agency initiates an audit, investigation, or compliance review, herein referred to as an audit, CCHCS shall cooperate fully and ensure timely and comprehensive responses. The CCHCS' Internal Audit Program (IAP) may serve as the audit liaison between external audit agencies and CCHCS HQ program areas. The IAP responsibilities may include coordination and collaboration between the external auditor and CCHCS HQ program areas including scheduling entrance and exit conferences, assisting in obtaining documentation and ensuring all responses are accurate, within scope, and submitted timely. The IAP shall retain a copy of all documentation that is created, sent, or received in connection with external audits as required by policy, regulation, or statute.

#### (b) Purpose

To define the role of the IAP and CCHCS HQ program areas during an audit performed by an external audit agency, including, but not limited to, the review of processes, written policies and procedures, products, services, systems, and employees.

#### (c) Responsibility

- (1) The Deputy Director (DD), Policy and Risk Management Services (PRMS), or designee, is responsible for departmental compliance with this policy.
- (2) The IAP Senior Management Auditor, or designee, is responsible for the monitoring and evaluation of this policy.
- (3) CCHCS HQ program area DDs are responsible for ensuring:
  - (A) Requested documentation and inquiry responses are provided timely to the IAP or the external audit agency as agreed upon prior to the start of an external audit.
  - (B) A copy of the final audit report is provided to the IAP.
  - (C) The implementation and monitoring of any Corrective Action Plan (CAP) in compliance with the external audit.

#### (d) Applicability

This policy applies to any audits of CCHCS HQ operations and processes performed by an external audit agency with proper authority and jurisdiction. This policy does not apply to:

- (1) Medical inspections performed by the Office of the Inspector General who is responsible for reviewing and reporting on the delivery of the ongoing health care provided to incarcerated persons in the California Department of Corrections and Rehabilitation.
- (2) Reviews conducted by court order or for purposes of litigation (e.g., Prison Law Office *Plata* Tours).

#### (e) Procedure

- (1) Initial Contact from an External Audit Agency  
Any CCHCS HQ program contacted by an external audit agency regarding an appraisal shall immediately notify the IAP via email at [CCHCSExternalAudit@cdcr.ca.gov](mailto:CCHCSExternalAudit@cdcr.ca.gov).
- (2) Entrance Conference  
The IAP shall coordinate all entrance conferences and invite CCHCS HQ program staff.
- (3) Roles and Responsibilities During the External Audit
  - (A) Following the entrance conference, the IAP and the CCHCS HQ program area DD, or designee, shall meet to determine the IAP's specific role and responsibilities for the external audit. The IAP's responsibilities may include, but are not limited to:
    1. Collecting and reviewing relevant and required documents.
    2. Facilitating the timely submission of documentation.
    3. Communicating with the CCHCS HQ program area and the external audit agency throughout the duration of the external audit.
    4. Maintaining a list and electronic copies of information and documentation received from and provided to the external audit agency.
  - (B) The IAP shall email their agreed upon audit-specific role and responsibilities to the CCHCS HQ program area DD and the DD, PRMS.

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(4) During the Audit

- (A) If the IAP serves as the audit liaison with the external audit agency and the CCHCS HQ program area, the CCHCS HQ program area shall:
1. Submit any documentation requested from an external auditor for audit activities to the IAP at [CCHCSExternalAudit@cdcr.ca.gov](mailto:CCHCSExternalAudit@cdcr.ca.gov). Any documents provided to the IAP, which are deemed to be legally privileged or protected, shall not be released to an external auditor.
  2. Provide the IAP with a list of any requested information or documentation which the program is unable to provide and include a justification of why the information or documentation is unable to be provided.
  3. Discuss any potential issues identified by an external auditor with the IAP.
- (B) If the IAP does not serve as the audit liaison with the external audit agency and the CCHCS HQ program area, the CCHCS HQ program area shall:
1. Submit any documentation requested from an external auditor for audit activities directly to the external audit agency and copy the IAP at [CCHCSExternalAudit@cdcr.ca.gov](mailto:CCHCSExternalAudit@cdcr.ca.gov).
  2. Not submit any documents deemed to be legally privileged or protected to an external auditor.
  3. Ensure the IAP is invited to the exit conference.

(5) Closure of an External Audit

- (A) If the IAP served as the audit liaison with the external audit agency and the CCHCS HQ program area during the external audit, the IAP shall ensure:
1. All issues identified by the external audit agency are communicated to appropriate CCHCS leadership via email.
  2. Responses are provided by the CCHCS HQ program area DD to the IAP within the deadline specified.
  3. All requested documentation is submitted to the external audit agency timely.
- (B) If the IAP did not serve as the audit liaison with the external audit agency and the CCHCS HQ program area during the external audit, the CCHCS HQ program area DD shall ensure the IAP receives a copy of the external audit agency's final audit report.

(6) External Audit Follow-ups and CAPS

- (A) If the IAP served as the audit liaison with the external audit agency and the CCHCS HQ program area during the external audit then:
1. The IAP shall remain as the liaison between the external audit agency and the CCHCS HQ program area throughout the follow-up process.
  2. The CCHCS program area shall ensure all follow-up inquiries from external audit agencies are referred to the IAP via email at [CCHCSExternalAudit@cdcr.ca.gov](mailto:CCHCSExternalAudit@cdcr.ca.gov).
  3. If a CAP is required, the IAP shall coordinate the completion of the CAP, and if requested, provide assistance to the CCHCS HQ program area to ensure issues are accurately addressed. Assistance may include, but is not limited to:
    - a. Recommending to CCHCS HQ program areas to incorporate issues into active improvement projects, when appropriate.
    - b. Negotiating timeframes with external audit agencies to allow CCHCS HQ program areas sufficient time to complete CAP activities.
    - c. Referring CCHCS HQ program areas to Quality Management for consultation if the program needs assistance in determining improvement strategies, models, or techniques.
  4. The IAP shall be responsible for submitting the CCHCS HQ program areas responses to the external audit agency.
- (B) If the IAP did not serve as the audit liaison with the external audit agency and the CCHCS HQ program area during the external audit, the CCHCS HQ program area DD shall ensure:
1. The CAP, if required, is complete and all issues are accurately captured and responded to.
  2. Upon completion, the CAP, if required, is submitted to the external audit agency and IAP.

(7) External Audit Retention

The IAP shall retain a copy of all documentation that is created, sent, or received, in connection with external audits as required by policy, regulation or statute.

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**References**

- Generally Accepted Government Auditing Standards, Report Distribution for External Auditors, 9.58 and 8.103 f.
- International Standards for the Professional Practice of Internal Auditing (Standards), 2050 – Coordination and Reliance
- Statewide Health Information Policy Manual, Chapter 4, Section 4.2.1

**Revision History**

Effective: 07/2022