
WEST ASCENSION PARISH HOSPITAL (WAPH)

**FINANCIAL OVERSIGHT POLICY AND MONTH-END / AUDIT PREPARATION
PROTOCOL**

Policy Number: FIN-001

Effective Date: _____

Review Cycle: Annual

Approved By: Board of Commissioners

Responsible Department: Finance Department

1. PURPOSE

The purpose of this policy is to establish a comprehensive financial oversight framework that ensures:

- Accurate and timely financial reporting.
- Compliance with Louisiana Legislative Auditor (LLA) requirements.
- Compliance with Louisiana Revised Statutes governing public hospitals and hospital service districts.
- Effective internal controls over financial reporting.
- Timely completion of annual financial audits.
- Appropriate Board oversight of financial operations.
- Elimination of recurring audit findings related to financial reporting, reconciliations, documentation, and statutory filing deadlines.

This policy is intended to serve as an operational management tool, Board oversight tool, audit readiness tool, and accountability framework for all WAPH financial activities.

2. AUTHORITY AND REGULATORY COMPLIANCE

This policy is governed by, and shall be interpreted in accordance with:

Louisiana Legislative Audit Requirements

- Louisiana Revised Statute (La. R.S.) 24:513.
- Louisiana Revised Statute 24:515.
- Louisiana Governmental Audit Guide (LAGAG).
- Louisiana Legislative Auditor reporting requirements.
- Louisiana Statewide Agreed-Upon Procedures (SAUP).

Public Accountability Requirements

- Louisiana Open Meetings Law (La. R.S. 42:11–28).
- Louisiana Public Records Law.
- Applicable Hospital Service District statutes (La. R.S. 46:1051 et seq.).

Accounting Standards

- Governmental Accounting Standards Board (GASB).
- Generally Accepted Accounting Principles (GAAP).
- Uniform Guidance (when applicable).
- Medicare and Medicaid cost report requirements.

3. POLICY STATEMENT

WAPH shall maintain a system of internal controls that ensures:

1. Monthly reconciliation of all balance sheet accounts.
2. Timely production of monthly financial statements.
3. Independent review of all critical financial processes.
4. Board oversight of financial reporting.
5. Timely completion of annual audits.
6. Compliance with all LLA submission deadlines.

7. Maintenance of audit-ready documentation throughout the fiscal year.
8. Proper segregation of duties.
9. Continuous monitoring of audit findings and corrective actions.

Failure to comply with this policy may result in corrective action, performance improvement plans, reporting to executive leadership, or referral to the Board Finance Committee.

4. GOVERNANCE RESPONSIBILITIES

Board of Commissioners

The Board shall:

- Approve annual budgets.
- Review monthly financial reports.
- Monitor audit compliance.
- Review corrective action plans.
- Ensure adequate financial controls.
- Receive monthly progress reports regarding audit readiness.
- Maintain a standing agenda item titled:

"Financial Oversight and Audit Compliance Report"

The report shall include:

- Month-end closing status.
 - Reconciliation completion status.
 - Outstanding audit findings.
 - PBC completion percentage.
 - LLA compliance deadlines.
 - External auditor progress updates.
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Finance Committee

The Finance Committee shall review:

- Monthly financial package.
- Variance reports.
- Cash flow reports.
- Audit preparation status.
- Internal control exceptions.

A written report shall be presented at each Board meeting.

CEO

The CEO shall:

- Ensure compliance with this policy.
 - Ensure adequate staffing and resources.
 - Review significant financial risks.
 - Hold management accountable for deadlines.
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CFO / Finance Director

The CFO shall:

- Direct all month-end activities.
 - Maintain audit readiness.
 - Coordinate auditors.
 - Ensure reconciliation completion.
 - Certify monthly closing package completion.
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Accounting Supervisor

The Accounting Supervisor shall:

- Prepare reconciliations.
 - Maintain schedules.
 - Track deadlines.
 - Monitor checklist completion.
 - Maintain audit documentation repository.
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External Accounting Firm

The contracted CPA firm shall:

- Complete assigned close activities.
 - Maintain documentation supporting all entries.
 - Meet internal deadlines established by WAPH.
 - Participate in monthly close certification.
 - Assist in preparation of annual audit schedules.
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5. MONTH-END CLOSING PROTOCOL

Closing Deadline

Monthly closing shall be completed no later than the 10th business day following month-end.

Mandatory Month-End Checklist

The following tasks shall be completed monthly:

Cash

- Bank reconciliations.

- Investment reconciliations.
- Petty cash verification.

Receivables

- Patient AR reconciliation.
- Medicare and Medicaid reconciliation.
- Grant receivable reconciliation.
- Allowance review.

Payables

- AP aging review.
- Vendor statement reconciliation.
- Accrued liabilities review.

Payroll

- Payroll clearing reconciliation.
- Withholding verification.
- Benefit accrual review.

Fixed Assets

- Capital asset additions.
- Disposals.
- Depreciation review.

Revenue

- Revenue variance analysis.
- Contract adjustment review.
- Cost report tracking.

Financial Statements

Prepare:

- Balance Sheet.
- Income Statement.
- Statement of Cash Flows.
- Budget Variance Report.
- Days Cash on Hand.
- Accounts Receivable Days.
- Debt Service Coverage (if applicable).

Dual Sign-Off Requirement

Each month-end close package shall contain:

Review Level	Requirement
Prepared By	Accounting Supervisor
Reviewed By	CFO or CEO
External Verification	Contract CPA

Electronic signatures are acceptable.

No month-end close shall be considered complete without all required approvals.

6. BALANCE SHEET RECONCILIATION POLICY

All balance sheet accounts shall be reconciled monthly.

Risk-Based Review Requirements

High-Risk Accounts

Must be reviewed monthly:

- Cash.

- Accounts receivable.
- Net patient revenue receivable.
- Grants.
- Payroll liabilities.
- Debt accounts.

Moderate-Risk Accounts

Must be reviewed monthly:

- Prepaids.
- Inventory.
- Accrued expenses.

Low-Risk Accounts

Reviewed quarterly at minimum.

Reconciliation Standards

Each reconciliation must contain:

- General ledger balance.
- Supporting detail.
- Variance explanation.
- Corrective journal entries.
- Signature of preparer.
- Signature of reviewer.
- Completion date.

Unreconciled differences exceeding \$1,000 shall be resolved within 30 days.

7. AUDIT PREPARATION PROTOCOL

Annual Audit Timeline

180 Days Prior to Fiscal Year-End

- Auditor engagement confirmed.
- Engagement letter executed.
- Audit planning meeting held.

120 Days Prior

- Initial PBC list developed.
- Responsibility assignments completed.

90 Days Prior

- Interim testing preparation.
- Internal control walkthrough updates.

60 Days After Fiscal Year-End

- Draft financial statements completed.
- Initial audit schedules complete.

45 Days Before LLA Deadline

MANDATORY INTERNAL DEADLINE:

A substantially complete audit draft and supporting schedules must be delivered to the audit firm no later than 45 days prior to the Louisiana Legislative Auditor filing deadline.

This requirement is non-negotiable unless approved by Board resolution.

8. PBC (PROVIDED BY CLIENT) WORKFLOW

A permanent audit request tracking system shall be maintained.

Required Tracking Fields

- Request Number.

- Description.
- Request Date.
- Responsible Party.
- Internal Due Date.
- Completion Date.
- Auditor Acceptance Date.
- Status.

Shared Audit Repository

A centralized repository shall be maintained containing:

- Trial balances.
- General ledger exports.
- Board minutes.
- Contracts.
- Bank statements.
- Reconciliations.
- Debt schedules.
- Capital asset schedules.
- Grant documentation.
- Cost reports.

9. FINANCIAL REPORTING DEADLINES

Deliverable	Due Date
Monthly Close	10th Business Day

Deliverable	Due Date
Monthly Board Package	15th Day of Following Month
Quarterly Control Review	30 Days After Quarter End
Audit Planning Meeting	180 Days Before FY End
Draft Audit Package	45 Days Before LLA Deadline
Final Audit Submission	Per LLA Requirement

If any deadline is at risk, the CFO shall notify the CEO and Board Chair within 24 hours.

10. INTERNAL CONTROL MONITORING

The Finance Department shall maintain quarterly testing in the following areas:

- Cash management.
- Purchasing.
- Payroll.
- Fixed assets.
- Revenue cycle.
- Contract management.
- Journal entries.
- Information technology controls.

Results shall be reported to the Finance Committee.

11. AUDIT FINDING RESPONSE PROCESS

For every audit finding:

1. Root cause analysis completed.
2. Corrective action plan developed.

3. Responsible owner assigned.
4. Completion deadline established.
5. Monthly monitoring performed.
6. Board review documented.

No finding shall remain without documented follow-up.

12. MONTHLY BOARD DASHBOARD REQUIREMENTS

The Board shall receive a dashboard reporting:

Compliance Metrics

- Month-end close completed on time.
- Reconciliations completed.
- Outstanding reconciling items.
- PBC completion percentage.
- Audit finding status.
- Days remaining until LLA filing deadline.

Financial Metrics

- Operating margin.
- Cash on hand.
- Accounts receivable days.
- Current ratio.
- EBITDA.
- Budget variance.

Dashboard shall use Green / Yellow / Red indicators.

13. DOCUMENT RETENTION

Financial records shall be retained in accordance with:

- Louisiana public entity requirements.
- LLA requirements.
- Federal grant requirements.
- Medicare and Medicaid requirements.
- Hospital record retention schedules.

Audit workpapers and supporting schedules shall be retained for a minimum of seven years unless a longer period is required by law.

14. POLICY COMPLIANCE CERTIFICATION

On an annual basis, the CEO, CFO, Accounting Supervisor, and Contract CPA shall certify in writing that:

- All required reconciliations were completed.
 - Internal controls were followed.
 - Audit deadlines were monitored.
 - Required Board reporting occurred.
 - No material violations of this policy remain unresolved.
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PERFORMANCE STANDARD

The target performance standard for WAPH shall be:

- Zero missed LLA deadlines.
- 100% monthly balance sheet reconciliations completed.
- 100% dual-signoff compliance.
- 100% Board review reporting.

- Zero repeat findings related to financial reporting and audit preparedness.