



Internal Controls Policy

Policy Title: Internal Controls Policy

Effective Date: 10/11/2024

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Approved by: Shelton B. Anthony

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INTERNAL CONTROLS POLICY

I. PURPOSE

This policy establishes the framework for internal controls at West Ascension Parish Hospital Service District (Prevost Memorial Hospital) to safeguard assets, ensure the integrity of financial reporting, and promote compliance with applicable laws and regulations.

II. SCOPE

This policy applies to all departments and employees of the hospital, including financial management, operational processes, and information systems.

III. DEFINITION OF INTERNAL CONTROLS

Internal controls are the processes and procedures implemented to provide reasonable assurance regarding the achievement of objectives in the following areas:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

IV. INTERNAL CONTROL OBJECTIVES

The objectives of internal controls include:

1. **Safeguarding Assets:** Protecting hospital assets from loss, theft, or misuse.
2. **Reliable Financial Reporting:** Ensuring that financial statements are accurate, complete, and prepared in accordance with applicable accounting standards.
3. **Compliance:** Adhering to laws, regulations, and hospital policies.

V. COMPONENTS OF INTERNAL CONTROLS



1. **Control Environment**

- A. The hospital shall maintain an ethical culture that promotes integrity and accountability.
- B. Management will provide adequate resources and training to ensure staff understand and implement internal control policies.

2. **Risk Assessment**

- A. The hospital will regularly assess risks related to operations, financial reporting, and compliance.
- B. Risk assessments will inform the development of control activities to mitigate identified risks.

3. **Control Activities**

- A. **Segregation of Duties:** Responsibilities for authorizing transactions, recording them, and maintaining custody of assets will be separated to reduce the risk of error or fraud.
- B. **Authorization and Approval:** All transactions must be authorized by designated personnel prior to execution.
- C. **Physical Controls:** Access to assets will be restricted, and adequate physical security measures will be implemented.

4. **Information and Communication**

- A. Relevant information will be communicated to employees in a timely manner to ensure they understand their roles in the internal control process.
- B. Procedures for reporting concerns or violations of policies will be established and communicated.

5. **Monitoring Activities**

- A. The hospital will establish ongoing monitoring of internal controls to assess their effectiveness.
- B. Regular audits will be conducted to evaluate compliance with policies and procedures, and to identify areas for improvement.

VI. RESPONSIBILITIES

1. **Management**

- A. Management is responsible for establishing and maintaining an effective internal control environment.
- B. Management will ensure that staff are trained and aware of their responsibilities related to internal controls.

2. **Internal Audit**

- A. The Internal Audit Department will conduct periodic reviews of internal controls and report findings to management and the Board of Commissioners.
- B. Recommendations for improving controls will be developed and implemented as needed.



VII. POLICY REVIEW AND AMENDMENT

- This policy will be reviewed annually to ensure its relevance and effectiveness.
- Amendments may be made as necessary to reflect changes in regulations, operational needs, or best practices.

VIII. EFFECTIVE DATE

This policy is effective as of 10/11/2024 and remains in effect until amended or replaced.

For questions or further information regarding this policy, please contact the Chief Executive Officer at Shelton.Anthony@westaph.org.