

# HERITAGE FARM POLICY AND PROCEDURES

**Policy:** Internal Audits/Monitoring

**Date:** October 8, 2013

**Rationale:**

- Heritage Farm will implement a Compliance Plan to affect internal controls relevant to applicable Federal and State laws and regulations as well as Heritage Farm's policies. Internal and external audits, review of trends and re-evaluation will be used to monitor results to reduce identified risk areas.

**Policy:**

- Heritage Farm will conduct the internal/external auditing on an ongoing basis and regularly present findings to the Executive Team for plans of corrective action. The Plans of Action will be presented to the Compliance Committee for its review.
  - The Corporate Compliance Committee will ensure, through reports from the Compliance Officer and data from the Executive Team's Plans of Action, that an ongoing accounting of compliance is maintained at Heritage Farm.
- The Compliance Officer will have oversight of the Heritage Farm's compliancy auditing.
  - The Compliance Officer will assign auditing responsibilities to employees, associated persons, and entities as he/she deems appropriate.

**Procedures:**

- Annually, the Compliance Officer, the Executive Director, along with other designated staff will schedule routine reviews based on data collected from previous audits. This schedule will be presented to the Board of Directors and the Compliance Committee.
- The schedule will take into consideration the risk areas identified in the previous audit review, and The Compliance Officer will closely follow the Plan of Action for those risk areas.
- The Compliance Officer along with the Finance Administrator will review the results of all external audits, internal audits, and internal reviews of the Finance process so that Federal, State, and local laws, regulations, and requirements are met.
- The Compliance Officer will direct all components of audits and reviews relative to Heritage Farm's operations and program incidents

and will keep the Executive Team and President of the Board informed of results of the actions taken.

- The audits will serve to evaluate, at minimum, the following:
  - Be in Compliance with any applicable laws and regulations, and related policies and procedures governing Heritage Farm's programs and operations;
  - Issues associated with fraud and or abuse;
  - Billing practices and procedures with third party entities;
  - The providing of services;
  - Times and accurate supportive documentation;
  - Hiring and employment policy and procedures;
  - Employee and associated persons Conflicts of Interest;
  - Analysis and review of contracts;
  - Training and education of at hire and then routinely to employees and all associated persons including Board and Committee members. and
  - Routine review of Compliance Plan and relative policies.
- A review of Heritage Farm's audits and subsequent reviews will serve as a benchmark to determine Heritage Farm's compliancy to required regulations and laws, and Heritage Farm's Policies and Procedures.
- The Compliance Officer will conduct and/or oversee compliance reviews with assistance from management staff and/or quality assurance/internal review staff with the requisite skills to carry out the review.
- When an external audit is appropriate, the external auditing will be completed by an entity that is not involved in delivering any type of services to Heritage Farm.
- The Compliance Officer will meet with the Executive Team to discuss and develop a Corrective Plan of Action.
- The Compliance Officer will review the Plan of Corrective Action routinely to evaluate its effectiveness in resolving the specific issues.
- Internal audit results and corrective plans will be maintained by the Compliance Officer.
- Any official correspondence regarding external audits will be maintained and referred to the Compliance Committee in a timely manner by the Compliance Officer.
- The Compliance Officer will report to the Compliance Committee the status of all internal and external audits, results of the audits, and actions taken at least quarterly and more often if needed.
- The Compliance Officer will also report these same findings to the Board of Directors at least annually and more often if necessary.

- The Compliance Officer will compare audit reviews from year-to-year as a way of tracking progress of (or lack of) identified risks.
- The Compliance will be reviewed annually for its appropriateness and changes will be made accordingly through participation of the Compliance Officer, Compliance Committee, and the Board of Directors.