



[News Release](#)

[Report](#)

Internal Audit in Health Authorities: A Status Report
Backgrounder
October 21, 2004

Role of Internal Audit

The Institute of Internal Auditors defines internal auditing as “an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.”

Internal auditing reviews the reliability and integrity of information, compliance with policies and regulations, the safeguarding of assets, the economical and efficient use of resources, and the operational goals and objectives of the organization. It covers all aspects of an organization's operations, from finance and systems to service delivery and human resources. It serves not only the board and management, but the whole organization.

Health Authority Financial and Staff Information at March 31, 2004

Health Authority	Assets (\$ millions)	Revenues (\$ millions)	Expenditures (\$ millions)	Number of staff
Provincial Health Services	\$620	\$1,217	\$1,227	10,000
Vancouver Island	728	1,274	1,284	16,400
Vancouver Coastal	951	2,002	2,003	27,000
Northern	374	433	437	6,000
Interior	728	1,139	1,171	17,000
Fraser	740	1,619	1,621	20,000
Total	\$4,139	\$7,684	\$7,743	96,400

Audit Projects Undertaken by Internal Audit Groups

Internal control reviews

- Pharmacy controls
- Residential care service providers
- Support services providers
- Mental health care service providers
- Physician service contracting
- Material management
- Contractual payment data base
- Physician compensation

Financial control reviews

- Financial policies
- Treasury management
- Payroll
- Payables
- Operating planning and budgeting
- Capital equipment cycle
- Contracting process
- Patient's trust funds

Information systems

- Data access and security
- Disaster recovery planning
- Information technology conversion

Other

- Infection control policies
- Governance policies
- Health and welfare benefits administration
- Human resource policies
- Time entry and scheduling
- Organization-wide risk assessment
- Review of signing authority policy matrix
- Analysis of expenditures
- Logistics/supply chain management
- Analysis of expenditures
- Logistics/supply chain management
- Personnel recruitment
- Accountability
- Outsourcing initiatives



[Top of Page](#)