

## Compliance Today – October 2022



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### Levels of findings

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Exploring the world of what an audit “finding” means versus only perhaps an “observation” can get really interesting in the healthcare compliance area.

Financial auditors historically have had categories of “findings” such as, for example, the following:

1. Internal controls – significant deficiency or material weakness
2. Material noncompliance
3. Known or likely questioned costs greater than \$25,000
4. Known or likely fraud
5. Misrepresentation of status of prior year findings

Other financial auditors refer to, for instance, internal control deficiencies in areas of “design” deficiency or “operating” deficiency.

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