



ISSUE MEMORANDUM

DATE	September 14, 2009
TO	SB 1441 Substance Abuse Coordination Committee
FROM	SB 1441 Uniform Standards Staff Working Group Kimberly Kirchmeyer, Medical Board
SUBJECT	SB 1441 Uniform Standard #15

SB 1441 REQUIREMENT

(15) If a board uses a private-sector vendor that provides diversion services, a schedule for external independent audits of the vendor's performance in adhering to the standards adopted by the committee.

DRAFT UNIFORM STANDARD #15

If a board uses a private-sector vendor to provide monitoring services for its licensees, an external independent audit must be conducted at least once every three years by a qualified, independent reviewer or review team from outside the board with no real or apparent conflict of interest with the vendor providing the monitoring services. In addition, the reviewer shall not be a part of or under the control of the board. The independent reviewer or review team must consist of individuals who are competent in the professional practice of internal auditing and assessment processes and qualified to perform audits of monitoring programs.

The audit must assess the vendor's performance in adhering to the uniform standards established by the board. The reviewer must provide a report of their findings to the board by June 30 of each three-year cycle. The report shall identify any material inadequacies, deficiencies, irregularities, or other non-compliance with the terms of the vendor's monitoring services that would interfere with the board's mandate of public protection.

Discussion

The standards for scheduling audits range from two years to five years depending on the type of audit and the type of program being audited. The work group determined that the time frame between audits should not be so frequent as to be overly burdensome to the boards, but should be close enough to ensure public protection is being maintained via the private-sector vendor. The work group recommended an audit every three years would be the appropriate length of time between audits. In addition, the work group thought the appropriate due date for the auditor's report should be June 30, 2009, since most contracts

are entered into based upon a fiscal year calendar. This would provide the board with information about the vendor's compliance with the uniform standards prior to entering into any contract. The work group also believed the auditor should be independent and objective with no conflict of interest with the vendor or the board.