

6. Please provide information about the agency's internal audit process including: whether the agency has internal auditors, a copy of the internal audit policy or charter, the date the agency first started performing audits, the names of individuals to whom internal auditors report, the general subject matters audited, name of person who makes the decision of when an internal audit is conducted, whether internal auditors conduct an agency-wide risk assessment routinely, whether internal auditors routinely evaluate the agency's performance measurement and improvement systems, the total number of audits performed in last five fiscal years; and the date of the most recent Peer Review of Self-Assessment by SC State Internal Auditors Association or other entity (if other entity, name of that entity).

DHEC has an Internal Audit department, which operates pursuant to the Internal Audit Policy of the Board (see **Exhibit 1**) and has been operational for more than 20 years. The Director of Internal Audits reports administratively to Angela Wertz, Compliance Manager, and functionally to Clarence Batts and Robert Wells of the Audit Committee of the DHEC Board. The Director of Internal Audits, in conjunction with the General Counsel and the Audit Committee, determines when an internal audit is conducted.

Audit plans are conducted in one of two ways: 1) routine, scheduled audits; or 2) ad hoc, as requested/required audits. The routine, scheduled audits include audits of Agency petty cash and change fund accounts and county health department local bank accounts. Examples of ad hoc audits include special requests and investigations, such as reviews of fees collected, procedure compliance, and review of internal controls.

Agency-wide risk assessments are typically managed and overseen by the Office of General Counsel. Although the Internal Audit department does not routinely undertake an audit of the Agency's full performance measurement and improvement systems, these types of audits are routinely performed at the program level and are often overseen by various Federal programs.

In the past 10 years, the Internal Audit staff has completed 65 audits. For a total listing of all internal audits for the last 10 years, please see **Exhibit 2**. For a listing of all external audits conducted within the agency for the last five years, please see **Exhibit 3**.

The most recent peer review was conducted by the SC State Internal Auditors Association in May 2016 and can be found at **Exhibit 4**. **This peer review resulted in a favorable rating of pass, which is the highest rating.**