

AUDIT-READY RESOURCE CENTER

Audit Readiness Cycle

A visual cycle covering monitoring, findings, education, correction, and follow-up.

1	Monitor Review coding, documentation, billing, and operational data for risk signals.
2	Identify Findings Validate issues using the complete record and the applicable authority.
3	Educate Provide focused education tied to the verified cause of the finding.
4	Correct Implement coding, documentation, workflow, or policy corrections.
5	Follow Up Reassess performance to confirm that corrective action was effective.

Core principle: Audit readiness is not a one-time event. It is a repeatable compliance cycle that uses findings to improve performance and reduce future risk.

Think Like an Auditor. Code With Defensibility.

Monitor. Validate. Educate. Correct. Recheck.

The Five-Stage Audit Readiness Cycle

Each stage should produce documented evidence, assigned accountability, and a clear next action.

Stage	Primary Objective	Evidence to Retain
Monitor	Detect trends, variances, and emerging compliance risks.	Data source, scope, methodology, sample logic, and review period.
Identify Findings	Determine whether the record and reported claim are supported.	Reviewed record, applicable authority, rationale, and disposition.
Educate	Address the verified knowledge, documentation, or process gap.	Education content, audience, date, attendance, and acknowledgment.
Correct	Implement the appropriate remediation without overstating intent.	Action plan, owner, target date, and completion evidence.
Follow Up	Verify sustainability and determine whether more action is needed.	Reaudit results, comparison metrics, unresolved issues, and closure decision.

Common Breakdowns in the Cycle

Monitoring Without Action Trends are identified, but findings are not assigned, prioritized, or resolved.	Education Without Root Cause General training is delivered without connecting it to the verified reason for the finding.
Correction Without Ownership Corrective steps are recommended, but no accountable owner or due date is established.	Follow-Up Without Comparable Measures Reaudit results cannot be compared because the scope, methodology, or denominator changed.
Closure Without Evidence An issue is marked complete without confirming implementation or sustained improvement.	Escalation Without Criteria Issues are escalated inconsistently because thresholds and decision rules are not documented.

Document the Corrective Action

A complete corrective action record should show what will change, who is responsible, how completion will be verified, and when follow-up will occur.

Finding	What verified issue or risk is being addressed?
Root Cause	What knowledge, process, system, workflow, or documentation gap contributed?
Action	What specific correction, education, policy revision, or monitoring step will occur?
Owner	Who is accountable for implementation and reporting completion?
Due Date	When must the action be completed?
Validation	What evidence will demonstrate that the action was implemented?
Follow-Up	When and how will effectiveness be reassessed?

Three Questions Before Closing the Cycle

QUESTION 1

Did the corrective action address the verified cause of the finding?

QUESTION 2

Is there objective evidence that the action was implemented?

QUESTION 3

Did follow-up confirm sustained improvement or identify the need for additional action?

Audit Readiness Is a Cycle - Not a Checklist.
Monitor. Validate. Educate. Correct. Recheck.