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1 Notification to Claim Filers

An automated notification will be sent to inform filers of the claims for injured parties newly selected for audit. The notification will instruct users to access the Verus application’s Compliance Audit Management screen, where users will be able to view the selected claims and submit responses pertinent to the audit request.

1.1 Compliance Audit Status

Claims that have been placed into a status of Compliance Audit are not subject to any rules, automatic updates, or notification processes beyond those that are specific to compliance audits. Claims in this status will not proceed into the payment process phase until the audit is complete with a Satisfactory result. These claims are served only in queues explicitly designed for the compliance audit process.

Claims in this status will display the following message: “This claim has been selected for audit. Edit and update features are extremely limited.”

1.2 Audit Status and States

<table>
<thead>
<tr>
<th>AUDIT STATE</th>
<th>AUDIT STATUS</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending</td>
<td>Awaiting Response</td>
<td>Initial response outstanding</td>
</tr>
<tr>
<td>Pending</td>
<td>Undergoing Review</td>
<td>Initial/supplemental response or Executed Management Representation Letter under review</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>Awaiting Response</td>
<td>Satisfactory Notification sent - download Management Representation Letter</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>Undergoing Review</td>
<td>Executed Management Representation Letter submitted for review</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>Awaiting Response</td>
<td>Unsatisfactory Notification sent - submit documentation/written response in reply to audit observations or download Management Representation Letter if the observations are accurate.</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>Undergoing Review</td>
<td>Response to audit observations or Executed Management Representation Letter submitted for review</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>Complete</td>
<td>Audit process is finalized. Claim has been placed back into previous status.</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>Complete</td>
<td>Audit process is finalized. Claim has been placed into a withdrawn status.</td>
</tr>
</tbody>
</table>
2 Viewing Claims in the Audit Process

The main view to see claims that have been selected for audit is by accessing the Compliance Audit Management page. This screen is accessible through the Compliance Audit link that appears under the My Application Tools heading of the application homepage's navigation menu. Users must possess the required account permission to access this screen. This permission is a default right of the Law Firm Administrator role and optional right for Law Firm Processors.

2.1 Audit in Progress

The Compliance Audit Management page displays all claimants that are in a status of Compliance Audit. Each claimant row can be expanded to show the claim(s) affecting that particular injured party.

Available grid features:

1. Apply filters to narrow the displayed results
2. Sort the grid data by clicking on individual column headings
3. Export to Excel allows the data displayed to be exported. When executed, the data will be formatted to coincide with any filters and sorting filters applied

The grid contains two columns indicating the disposition of each selected claimant, Audit Status and Review State. The former indicates the current evaluation result for a given claimant, and is a function of the combined audit results for the claims selected for that party. The Review State column indicates who is responsible for taking action on a given audit selection.

Audit Status:

- **Pending** - claimants whose claims have not yet been reviewed by an internal auditor
- **Unsatisfactory or Satisfactory** - claimants whose claims have completed the internal review process and have had the results of that review reported to the claim filer via electronic notification.

Review State:

- **Awaiting Response** – action from the claim filer is required
- **Undergoing Review** – internal review is in progress
- **Complete** - Final results have been reported back to the filer as Unsatisfactory or Satisfactory. An executed Management Representation Letter has been reviewed and accepted. Audits with Satisfactory audit results have been returned to their previous status. Audits with Unsatisfactory results have been placed into a Withdrawn status.
2.2 Audit History

A record of claimants with a Review State of **Complete** will be preserved on the **Audit History** tab of the Compliance Audit Management page. The same general features that are available on the **Audit in Progress** tab (sorting, filtering, expanding a record to view underlying claims, and exporting the grid contents to Excel) are also available.
3 Providing Responses

Audit responses (initial/supplemental response and executed Management Representation Letters) are submitted via the Action Menu which is available for claimants with an Audit State of Awaiting Response.

Responses can also be uploaded by accessing the Audit Tab in the claim form for an injured party and selecting the link Submit Response.

3.1 Response Interface

The Compliance Audit Response interface appears when the Submit Response(s) action is selected:

This interface gives the user the ability to upload new documents or to provide a response via plain text. The Provided Response grid displays all documents associated with the injured party – claim documents and audit responses.

All claim documents for the injured party being audited will automatically appear in the Provided Response grid. For Cross-Trust audits, all documents that have been provided to any claim for that injured party in any of the Participating Trusts automatically appear in the Provided Response grid. The Source will either reflect the name of the Trust the claim document originated or Audit Response.
3.2 Document Responses

The most common and anticipated form of Audit Response will be a document.

Document responses are uploaded by clicking on the Browse button in the appropriate section of the response interface. This will permit the user to navigate their network for a file to submit, which must be in a PDF format.

Once transferred, the uploaded file should display in the Provided Responses grid with a status of Uploaded:

This response can be viewed or removed prior to submitting the responses for processing.

3.3 Written Responses

In lieu of (or in addition to) uploading documentation, a claim filer may elect to respond to an audit request in writing. This is accomplished through the same response interface, in the section specific to providing written responses.

After a user types in their response and presses the Provide Response button, the response will be automatically generated as a PDF, which appears in the response grid.

This response can be viewed or removed prior to the submitting the responses for processing.

3.4 Submitting Responses

The uploaded file (document and written responses) will remain in a status of Uploaded until the Submit button is selected. This action will set the Audit State of the claim to Undergoing Review and change the Audit Status of all uploaded responses to Submitted.

Until the time a response is SUBMITTED, users are free to close and return to the Compliance Audit Response Screen as many times as they wish, and even upload additional files with each visit. It is also possible to remove any previous uploads by clicking the Remove icon in the Provided Response grid. Responses cannot be removed after they are SUBMITTED. Audit Responses will not be sent to Verus for internal review until responses are SUBMITTED.
4 Audit Review Outcomes and Notifications

Notifications of audit outcomes will be prepared on a nightly basis and issued to the Law Firm Administrator with an active account in any of the trusts associated with the claims being audited for a given injured party.

At the time the notification is issued, depending upon the result of the internal audit review, the claim’s Audit Status will show as Satisfactory or Unsatisfactory and its Audit State will change to Awaiting Response.

4.1 Satisfactory Outcomes

Claims with no material observations made during the initial review phase will show an Audit Status of Satisfactory.

Filers of these claims must download and submit a properly executed Management Representation Letter to complete the audit process.

If the overall outcome for the audit remains Satisfactory, once the executed Management Representation Letter review is completed, then the claim’s status will change from Compliance Audit to its prior status, and the injured party’s Audit State will change from Undergoing Review to Complete.

4.2 Unsatisfactory Outcomes

Claims with audit observation made during the initial review phase that could potentially affect the qualification of one or more claims included in the audit process for this injured party have an Audit Status of Unsatisfactory. These claims may require additional communication with the filer prior to proceeding through the audit process.

Audit findings are detailed on the Audit Tab in the claim form. Filers can provide new information (document/written response) in an attempt to resolve the noted concern.

If the newly provided information sufficiently addresses the noted observation, the Audit Status will show as Satisfactory and a Notice of Satisfactory Audit Outcome will be sent.

If the filer agrees the findings affect the qualification of one or more claims included in the audit process or the newly provided information does not sufficiently address the noted observation, the Audit Status will remain as Unsatisfactory. An executed Management Representation Letter is required and can be downloaded via the Action Menu on the Compliance Audit Management page. Once the Management Representation Letter review is completed, the affected claim(s) status will change from Compliance Audit to Withdrawn and the Audit State to Complete.

4.3 Completion of the Audit Process

A final notification will be issued for all claimants that complete the audit process, regardless of the review outcome. These notifications are issued to the Law Firm Administrator with an active account in any of the trusts associated with the claims being audited for a given injured party.